

Money Market Report for the week ending 26 July 2024

ECB Monetary Operations

On 22 July 2024, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 23 July 2024 and attracted bids from euro area eligible counterparties of €4,392.00 million, €295.00 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.25%, in accordance with current ECB policy.

On 24 July 2024, the ECB conducted an 8-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$153.90 million, which were allotted in full at a fixed rate of 5.58%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 182-day bills for settlement value 25 July 2024, maturing on 24 October 2024 and 23 January 2025, respectively. Bids of €105.73 million were submitted for the 91-day bills, with the Treasury accepting €7.99 million, while bids of €45.87 million were submitted for the 182-day bills, with the Treasury accepting €4.13 million. Since €41.89 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €29.77 million, standing at €539.78 million.

The yield from the 91-day bill auction was 3.365%, decreasing by 10.20 basis points from bids with a similar tenor issued on 18 July 2024, representing a bid price of €99.1566 per €100 nominal. The yield from the 182-day bill auction was 3.260%, decreasing by 9.40 basis points from bids with a similar tenor also issued on 18 July 2024, representing a bid price of €98.3786 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €93,000, all executed on the On-exchange market of the Malta Stock Exchange.

This week the Treasury will invite tenders for 91-day and 182-day bills maturing on 31 October 2024 and 30 January 2025, respectively.