

Money Market Report for the week ending 5 January 2024

ECB Monetary Operations

On 29 December 2023, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 2 January 2024 and attracted bids from euro area eligible counterparties of €7,374.50 million, €6,710.00 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.50%, in accordance with current ECB policy.

On 3 January 2024, the ECB conducted a 7-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$222.50 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 4 January 2024, maturing on 4 April and 4 July 2024, respectively. Bids of €53.06 million were submitted for the 91-day bills, with the Treasury accepting €13.06 million, while bids of €5.73 million were submitted for the 182-day bills, with the Treasury accepting all amounts. Since €33.19 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €14.40 million, standing at €657.23 million.

The yield from the 91-day bill auction was 3.597%, increasing by 1.50 basis points from bids with a similar tenor issued on 29 December 2023, representing a bid price of €99.0990 per €100 nominal. The yield from the 182-day bill auction was 3.449%, increasing by 0.60 basis point from bids with a similar tenor also issued on 29 December 2023, representing a bid price of €98.2862 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €100,000, 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 11 April and 11 July 2024, respectively.