

Money Market Report for the week ending 1 March 2024

ECB Monetary Operations

On 26 February 2024, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 27 February 2024 and attracted bids from euro area eligible counterparties of €5,344.00 million, €835.00 million more 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.

Also on 27 February 2024, the ECB conducted the three-month, longer-term refinancing operation to be settled as a fixed rate tender procedure with full allotment, with the rate fixed at the average MRO rate over the life of the operation. The operation attracted bids of €3,463.01 million from euro area eligible counterparties.

On 28 February 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 \$183.00 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 29 February 2024, maturing on 30 May and 29 August 2024, respectively. Bids of €69.65 million were submitted for the 91-day bills, with the Treasury accepting €6.49 million, while bids of €26.67 million were submitted for the 182-day bills, with the Treasury accepting €3.93 million. Since €46.14 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €35.72 million, standing at €609.73 million.

The yield from the 91-day bill auction was 3.203%, decreasing by 15.60 basis points from bids with a similar tenor issued on 22 February 2024, representing a bid price of €99.1969 per €100 nominal. The yield from the 182-day bill auction was 3.113%, decreasing by 12.70 basis points from bids with a similar tenor also issued on 22 February 2024, representing a bid price of €98.4506 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €480,000, 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 6 June and 5 September 2024, respectively.