

Money Market Report for the week ending 17 May 2024

ECB Monetary Operations

On 13 May 2024, the European Central Bank (ECB) announced a 7-day main refinancing operation (MRO). The operation was conducted on 14 May 2024 and attracted bids from euro area eligible counterparties of €1,207.00 million, €487.00 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 15 May 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 \$122.00 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 90-day and 182-day bills for settlement value 16 May 2024, maturing on 14 August and 14 November 2024, respectively. Bids of €107.87 million were submitted for the 90-day bills, with the Treasury accepting €30.60 million, while bids of €40.89 million were submitted for the 182-day bills, with the Treasury accepting €6.23 million. Since €20.23 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €16.60 million, standing at €531.43 million.

The yield from the 90-day bill auction was 3.597%, decreasing by 1.60 basis points from bids with a similar tenor issued on 9 May 2024, representing a bid price of €99.1088 per €100 nominal. The yield from the 182-day bill auction was 3.287%, decreasing by 0.70 basis points from bids with a similar tenor also issued on 9 May 2024, representing a bid price of €98.3654 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €120,000, 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 22 August and 21 November 2024, respectively.