

Money Market Report for the week ending 24 May 2024

ECB Monetary Operations

On 20 May 2024, the European Central Bank (ECB) announced a 7-day main refinancing operation (MRO). The operation was conducted on 21 May 2024 and attracted bids from euro area eligible counterparties of €1,327.00 million, €120.00 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.

On 22 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 \$112.00 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 23 May 2024, maturing on 22 August and 21 November 2024, respectively. Bids of €130.96 million were submitted for the 91-day bills, with the Treasury accepting €39.57 million, while bids of €37.57 million were submitted for the 182-day bills, with the Treasury accepting €4.79 million. Since €30.16 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €14.20 million, standing at €545.63 million.

The yield from the 91-day bill auction was 3.600%, increasing by 0.30 basis point from bids with a similar tenor issued on 16 May 2024, representing a bid price of €99.0982 per €100 nominal. The yield from the 182-day bill auction was 3.183%, decreasing by 10.40 basis points from bids with a similar tenor also issued on 16 May 2024, representing a bid price of €98.4163 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €244,000, 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 29 August and 28 November 2024, respectively.