

Money Market Report for the week ending 31 May 2024

ECB Monetary Operations

On 27 May 2024, the European Central Bank (ECB) announced a 7-day main refinancing operation (MRO). The operation was conducted on 28 May 2024 and attracted bids from euro area eligible counterparties of €4,902.00 million, €3,575.00 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 28 May 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 €1,170.00 million from euro area eligible counterparties.

On 29 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 \$128.60 million, which were allotted in full at a fixed rate of 5.59%.

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 30 May 2024, maturing on 29 August and 28 November 2024, respectively. Bids of €107.92 million were submitted for the 91-day bills, with the Treasury accepting €28.93 million, while bids of €35.15 million were submitted for the 182-day bills, with the Treasury accepting €5.16 million. Since €6.49 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €27.60 million, standing at €573.23 million.

The yield from the 91-day bill auction was 3.555%, decreasing by 4.50 basis point from bids with a similar tenor issued on 23 May 2024, representing a bid price of €99.1094 per €100 nominal. The yield from the 182-day bill auction was 3.081%, decreasing by 10.20 basis points from bids with a similar tenor also issued on 23 May 2024, representing a bid price of €98.4663 per €100 nominal.

During this week, there was no trading on the Malta Stock Exchange.

This week the Treasury will invite tenders for 91-day and 182-day bills maturing on 5 September and 5 December 2024, respectively.