

Money Market Report for the week ending 30 August 2024

ECB Monetary Operations

On 26 August 2024, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 27 August 2024 and attracted bids from euro area eligible counterparties of €4,016.00 million, €1,147.70 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.25%, in accordance with current ECB policy.

Also on 27 August 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 €2,030.00 million from euro area eligible counterparties.

On 28 August 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 \$131.30 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 August 2024, maturing on 28 November 2024 and 27 February 2025, respectively. Bids of €89.46 million were submitted for the 91-day bills, with the Treasury accepting €19.07 million, while bids of €35.27 million were submitted for the 182-day bills, with the Treasury accepting €4.47 million. Since €32.85 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €9.32 million, standing at €428.24 million.

The yield from the 91-day bill auction was 2.898%, decreasing by 2.00 basis points from bids with a similar tenor issued on 22 August 2024, representing a bid price of €99.2728 per €100 nominal. The yield from the 182-day bill auction was 2.826%, decreasing by 4.70 basis points from bids with a similar tenor also issued on 22 August 2024, representing a bid price of €98.5914 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €57,000, 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 5 December 2024 and 6 March 2025, respectively.