

Money Market Report for the week ending 23 February 2024

ECB Monetary Operations

On 19 February 2024, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 20 February 2024 and attracted bids from euro area eligible counterparties of €4,509.00 million, €199.00 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 21 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 \$208.50 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 22 February 2024, maturing on 23 May and 22 August 2024, respectively. Bids of €81.67 million were submitted for the 91-day bills, with the Treasury accepting €19.60 million, while bids of €25.05 million were submitted for the 182-day bills, with the Treasury accepting €6.01 million. Since €43.81 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €18.21 million, standing at €645.45 million.

The yield from the 91-day bill auction was 3.359%, decreasing by 4.00 basis points from bids with a similar tenor issued on 15 February 2024, representing a bid price of €99.1581 per €100 nominal. The yield from the 182-day bill auction was 3.240%, decreasing by 4.70 basis points from bids with a similar tenor also issued on 15 February 2024, representing a bid price of €98.3884 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €50,000, 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 30 May and 29 August 2024, respectively.