

Money Market Report for the week ending 6 September 2024

ECB Monetary Operations

On 2 September 2024, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 3 September 2024 and attracted bids from euro area eligible counterparties of €1,829.00 million, €2,187.00 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.25%, in accordance with current ECB policy.

On 4 September 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 \$136.30 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 5 September 2024, maturing on 5 December 2024 and 6 March 2025, respectively. Bids of €80.24 million were submitted for the 91-day bills, with the Treasury accepting €7.69 million, while bids of €14.06 million were submitted for the 182-day bills, with the Treasury accepting €2.60 million. Since €26.95 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €16.66 million, standing at €411.58 million.

The yield from the 91-day bill auction was 2.787%, decreasing by 11.10 basis points from bids with a similar tenor issued on 29 August 2024, representing a bid price of €99.3004 per €100 nominal. The yield from the 182-day bill auction was 2.686%, decreasing by 14.00 basis points from bids with a similar tenor also issued on 29 August 2024, representing a bid price of €98.6603 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €100,000, 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 12 December 2024 and 13 March 2025, respectively.