

Money Market Report for the week ending 1 November 2024

ECB Monetary Operations

On 28 October 2024, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 29 October 2024 and attracted bids from euro area eligible counterparties of €11,417.00 million, €1,460.00 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 3.40%, in accordance with current ECB policy.

Also on 29 October 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 €1,862.00 million from euro area eligible counterparties.

On 30 October 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 \$149.80 million, which were allotted in full at a fixed rate of 5.08%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 181-day bills for settlement value 31 October 2024, maturing on 30 January and 30 April 2025, respectively. Bids of €56.83 million were submitted for the 91-day bills, with the Treasury accepting €26.41 million, while bids of €15.67 million were submitted for the 181-day bills, with the Treasury accepting €15.57 million. Since €13.96 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €28.02 million, standing at €393.04 million.

The yield from the 91-day bill auction was 2.924%, increasing by 11.10 basis points from bids with a similar tenor issued on 24 October 2024, representing a bid price of €99.2663 per €100 nominal. The yield from the 181-day bill auction was 2.558%, increasing by 4.10 basis points from bids with a similar tenor also issued on 24 October 2024, representing a bid price of €98.7302 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €603,000, all executed on the Off-exchange market of the Malta Stock Exchange.

This week the Treasury will invite tenders for 91-day and 182-day bills maturing on 6 February and 8 May 2025, respectively.