

Money Market Report for the week ending 5 July 2024

ECB Monetary Operations

On 1 July 2024, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 2 July 2024 and attracted bids from euro area eligible counterparties of €6,704.00 million, €4,374.00 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 3 July 2024, the ECB conducted a 6-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$121.60 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 4 July 2024, maturing on 3 October 2024 and 2 January 2025, respectively. Bids of €114.42 million were submitted for the 91-day bills, with the Treasury accepting €34.87 million, while bids of €44.15 million were submitted for the 182-day bills, with the Treasury accepting €14.15 million. Since €16.03 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €32.99 million, standing at €581.26 million.

The yield from the 91-day bill auction was 3.554%, decreasing by 1.00 basis point from bids with a similar tenor issued on 27 June 2024, representing a bid price of €99.1096 per €100 nominal. The yield from the 182-day bill auction was 3.551%, increasing by 18.20 basis points from bids with a similar tenor also issued on 27 June 2024, representing a bid price of €98.2364 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €201,000, 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 10 October 2024 and 9 January 2025, respectively.