

Money Market Report for the week ending 23 May 2025

ECB Monetary Operations

On 19 May 2025, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 20 May 2025 and attracted bids from euro area eligible counterparties of €10,563.00 million, €705.00 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 2.40%, in accordance with current ECB policy.

On 21 May 2025, the ECB conducted an 8-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$15.50 million, which were allotted in full at a fixed rate of 4.58%.

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 May 2025, maturing on 21 August 2025 and 20 November 2025, respectively. Bids of €35.17 million were submitted for the 91-day bills, with the Treasury accepting €34.25 million, while bids of €43.58 million were submitted for the 182-day bills, with the Treasury accepting €14.43 million. Since €24.76 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €23.92 million, standing at €613.08 million.

The yield from the 91-day bill auction was 2.027%, decreasing by 0.40 basis points from bids with a similar tenor issued on 15 May 2025, representing a bid price of €99.4902 per €100 nominal. The yield from the 182-day bill auction was 1.995%, decreasing by 10.80 basis points from bids with a similar tenor issued on 30 April 2025, representing a bid price of €99.0015 per €100 nominal.

During the week, secondary market turnover in Malta Government Treasury bills amounted to €1,020,000, 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 28 August 2025 and 27 November 2025, respectively.