

Money Market Report for the week ending 16 May 2025

ECB Monetary Operations

On 12 May 2025, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 13 May 2025 and attracted bids from euro area eligible counterparties of €9,858.00 million, €781.50 million less 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 14 May 2025, 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 \$15.00 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 273-day bills for settlement value 15 May 2025, maturing on 14 August 2025 and 12 February 2026, respectively. Bids of €43.11 million were submitted for the 91-day bills, with the Treasury accepting €35.25 million, while bids of €44.41 million were submitted for the 273-day bills, with the Treasury accepting €12.75 million. Since €42.04 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €5.96 million, standing at €589.17 million.

The yield from the 91-day bill auction was 2.031%, decreasing by 0.50 basis points from bids with a similar tenor issued on 8 May 2025, representing a bid price of €99.4892 per €100 nominal. The yield from the 273-day bill auction was 2.005%, increasing by 4.70 basis points from bids with a similar tenor also issued on 8 May 2025, representing a bid price of €98.5023 per €100 nominal.

During the week, secondary market turnover in Malta Government Treasury bills amounted to €300,000, 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 21 August 2025 and 20 November 2025, respectively.