

Money Market Report for the week ending 28 February 2025

ECB Monetary Operations

On 24 February 2025, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 25 February 2025 and attracted bids from euro area eligible counterparties of €12,420.50 million, €3,701.00 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 2.90%, in accordance with current ECB policy.

Also on 25 February 2025, 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 €2,250.00 million from euro area eligible counterparties.

On 26 February 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 \$133.00 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 182-day bills for settlement value 27 February 2025, maturing on 29 May and 28 August 2025, respectively. Bids of €36.49 million were submitted for the 91-day bills, with the Treasury accepting €5.78 million, while bids of €36.83 million were submitted for the 182-day bills, with the Treasury accepting €7.39 million. Since €36.40 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €23.23 million, standing at €683.59 million.

The yield from the 91-day bill auction was 2.551%, decreasing by 5.70 basis points from bids with a similar tenor issued on 20 February 2025, representing a bid price of €99.3593 per €100 nominal. The yield from the 182-day bill auction was 2.395%, decreasing by 3.90 basis points from bids with a similar tenor also issued on 20 February 2025, representing a bid price of €98.8037 per €100 nominal.

During the week, secondary market turnover in Malta Government Treasury bills amounted to €30,000, 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 5 June and 4 September 2025, respectively.