Money Market Report for the week ending 30 October 2026

ECB Decisions

On 29 October 2026, the Governing Council of the European Central Bank (ECB), decided to keep the three key ECB interest rates unchanged. Accordingly, the interest rates on the deposit facility, the main refinancing operations (MRO) and the marginal lending facility will remain unchanged at 2.50%, 2.65% and 2.90%, respectively. Energy prices have continued to rise, posing upside risks to the inflation outlook and downside risks to the growth outlook. While the full effects of the energy shock are still unfolding, underlying inflation has remained broadly stable so far and wages do not show a material response at this stage. The increased magnitude and duration of the energy shock, as well as the implications for indirect and second-round effects, are likely to drive up inflation and lower growth. Financing conditions have tightened since the Governing Council's last meeting, which is likely to weigh on inflation and growth. The Governing Council is committed to setting monetary policy to ensure that inflation stabilises at its 2% target in the medium term.

The Governing Council remains well positioned to navigate the current elevated uncertainty. It will follow a data-dependent and meeting-by-meeting approach to determining the appropriate monetary policy stance. In particular, the Governing Council's interest rate decisions will be based on its assessment of the inflation outlook and the risks surrounding it, in light of the incoming economic and financial data, as well as the dynamics of underlying inflation and the strength of monetary policy transmission. The Governing Council is not pre-committing to a particular rate path.

The Asset Purchase Programme and Pandemic Emergency Purchase Programme portfolios are declining at a measured and predictable pace, as the Eurosystem no longer reinvests the principal payments from maturing securities.

The Governing Council stands ready to adjust all of its instruments within its mandate to ensure that inflation stabilises at its 2% target in the medium term and to preserve the smooth functioning of monetary policy transmission. Moreover, the Transmission Protection Instrument is available to counter unwarranted, disorderly market dynamics that pose a serious threat to the transmission of monetary policy across all euro area countries, thus allowing the Governing Council to more effectively deliver on its price stability mandate.

ECB Monetary Operations

On 26 October 2026, the ECB announced the 7-day MRO. The operation was conducted on 27 October 2026 and attracted bids from euro area eligible counterparties of €27,048.00 million, €7,795.50 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 2.65%, in accordance with current ECB policy.

Also, on 27 October 2026 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

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fixed at the average MRO rate over the life of the operation. The operation attracted bids of €9,350.00 million from euro area eligible counterparties.

On 28 October 2026, 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 $164.00 million, which were allotted in full at a fixed rate of 4.15%.

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 29 October 2026, maturing on 28 January and 29 July 2027, respectively. Bids of €73.90 million were submitted for the 91-day bills, with the Treasury accepting €48.62 million, while bids of €37.90 million were submitted for the 273-day bills, with the Treasury accepting €12.90 million. Since €56.92 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €4.60 million, standing at €782.24 million.

The yield from the 91-day bill auction was 2.599%, increasing by 1.20 basis points from bids with a similar tenor issued on 22 October 2026, representing a bid price of €99.3473 per €100 nominal. The yield from the 273-day bill auction was 2.815%, increasing by 52.00 basis points from bids with a similar tenor also issued on 22 October 2026, representing a bid price of €97.9099 per €100 nominal.

During the week, there was no trading 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 4 February and 6 May 2027, respectively.

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