

## 1. BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET OVER 2012 Q1

**Table 1:** Volume of open market temporary operations (in ALL million\*)

DATE	1-week R/REPO	1-day R/REPO	1-month R/REPO	3-month R/REPO
05.01.2012	16,000.00			
12.01.2012	19,200.00			2,000.00
19.01.2012	15,800.00			
24.01.2012				2,550.00
26.01.2012	18,200.00			
02.02.2012	15,500.00			2,000.00
09.02.2012	16,980.00			2,000.00
16.02.2012	19,000.00			
23.02.2012	15,500.00	-6,230.00		
01.03.2012	14,700.00			2,000.00
08.03.2012	11,000.00			
15.03.2012	14,770.00			
23.03.2012	12,500.00	-6,000.00		
29.03.2012	12,000.00			

### 1.1. Open market operations

Interventions in the money market, over the first quarter of 2012, consist of operations for injecting and withdrawing liquidity.

The total amount of injected liquidity was up from an average of ALL 21.9 billion at the end of December 2011 to an average of ALL 22.8 billion in 2012 Q1.

To inject liquidity, the Bank of Albania employed its main instrument, the one-week reverse repurchase agreement, at an average of ALL 15.47 billion per week, as well as the three-month reverse repo agreement, which was used in five occasions, at an average of ALL 2.1 billion per auction. To withdraw excess liquidity, on 23.02.2012 and 23.03.2012, which coincide with the

last two days of the two consecutive periods for the required reserve, the one-day reverse repo agreement was used, at an average of ALL 6.1 billion.

### 1.2. Use of standing facilities

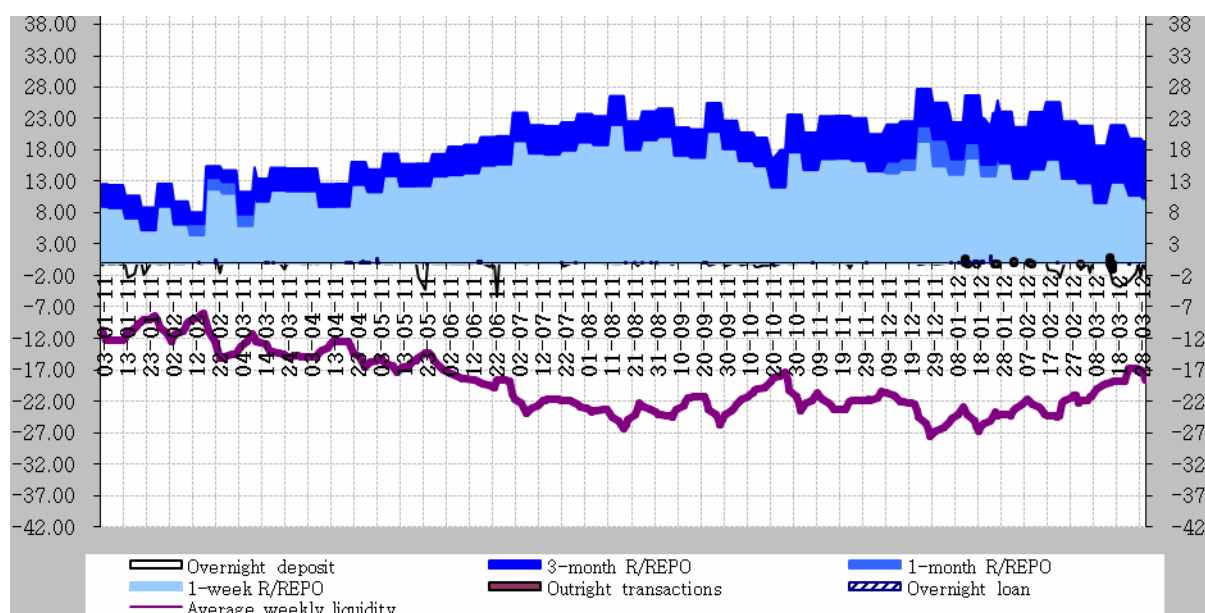
During 2012 Q1, the overnight deposit facility was used in 18 occasions, at an average of ALL 1.78 billion, about ALL 1.57 more than in the previous quarter when this facility was used for the same number of occasions; its average, however, was ALL 0.21 billion.

The overnight credit facility was used in 12 occasions, at an average of ALL 0.21 billion, against 3 occasions in the previous quarter at an average of ALL 0.03 billion. The highest concentration of its use was during 12-23 January, which coincides with the last days of the required reserve period.

The following chart provides an overview of Bank of Albania interventions in the money market for 2011-2012.

\* Figures are expressed at their nominal value.

Chart 1 Bank of Albania interventions in the money market for 2011-2012 (at purchase price)



## 2. BANK OF ALBANIA INTERVENTIONS IN THE DOMESTIC FOREIGN EXCHANGE MARKET DURING 2012 Q1

### 2.1 Operations with commercial banks

In 2012 Q1, the Bank of Albania intervened in the foreign exchange market, purchasing foreign currency from commercial banks to increase the foreign currency reserve. During this period, the Bank of Albania purchased foreign currency equivalent to ALL 137.99 million.

### 2.2 Operations with other institutions

During this period, foreign currency transactions with the Ministry of Finance continued. The Ministry has carried out external debt payment transactions through its own funds. For that purpose, it has purchased foreign currency equivalent to ALL 832.2 billion from the Bank of Albania. The Ministry of Finance had sold these funds to the Bank of Albania in the previous year. During this quarter, the Bank of Albania and the Ministry of Finance continued to enter into swap contracts, in lek and foreign currency, in light of Ministry of Finance liquidity management. During this period, from the Bank of Albania, the Ministry of Finance purchased foreign currency equivalent to ALL 2,238.6 million and sold ALL 3,074.8 million.

International institutions purchased foreign currency equivalent to ALL 163.4 million (International Development Agency– IDA and the International Bank for Reconstruction and Development - IBRD).

Financial institution	Foreign currency purchases (in ALL million)	Foreign currency sales (in ALL million)
MINISTRY OF FINANCE	2,238.6	3,074.8
OTHER (IDA, IBRD)	163.4	