

**BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET AND FOREIGN EXCHANGE MARKET  
OVER 2022 Q2**

**1. BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET OVER 2022 Q2**

**1.1. Open market operations and factors affecting liquidity shortage in the banking system**

Table 1 Temporary open market operations  
(in ALL billion<sup>1</sup>.) Source: Bank of Albania.

DATE	R/REPO overnight	R/REPO 1- week	R/REPO >1week <3 month	REPO overnight
<b>7-Apr-22</b>		31.01		
<b>14-Apr-22</b>		34.70		
<b>21-Apr-22</b>		36.54		
<b>26-Apr-22</b>			4.67	
<b>28-Apr-22</b>		28.37		
<b>5-May-22</b>		28.54		
<b>12-May-22</b>		30.22		
<b>19-May-22</b>		33.94		
<b>24-May-22</b>			6.76	
<b>26-May-22</b>		30.56		
<b>2 June-22</b>		29.07		
<b>9 June-22</b>		27.17		
<b>16 June-22</b>		28.22		
<b>23 June-22</b>		27.08		
<b>24 June-22</b>			7.25	
<b>30 June-22</b>		27.74		

In 2022 Q2, the Bank of Albania intervened in the money market through the open market operations to inject liquidity.

Average daily injections through liquidity injecting operations with maturity 1-13 week was ALL 44.0 billion, against ALL 30.4 billion and ALL 42.4 billion, respectively, in the two previous quarters.

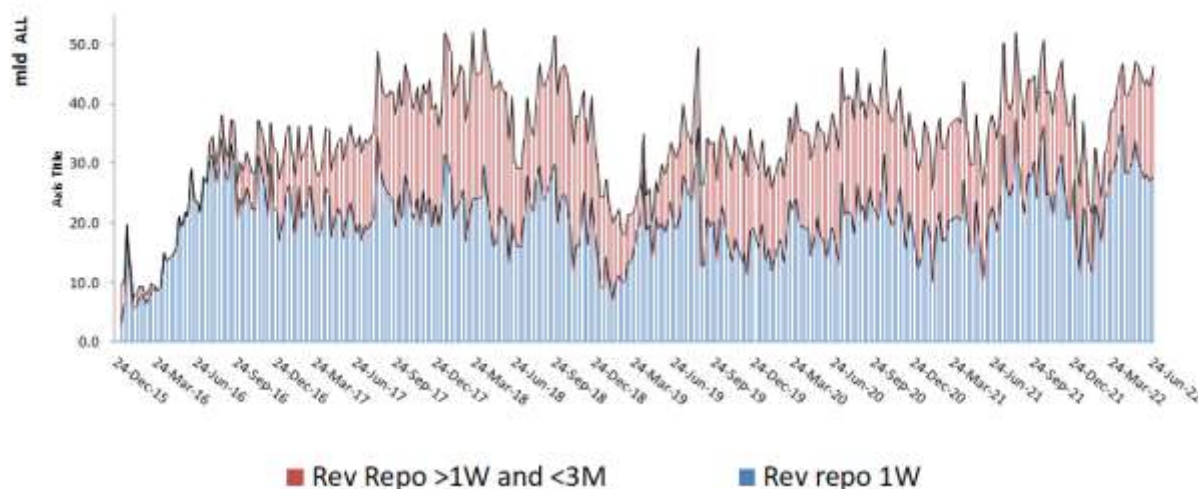
Banks' demand for liquidity in the Bank of Albania edged up to ALL 46.40 billion as at end of the period, from ALL 39 billion at its beginning, thus maintaining an increasing trend throughout the period.

In the context of operations for the liquidity management in the banking system, the Bank of Albania employed its main instrument - the one-week reverse REPO – to inject on average ALL 30.3 billion, or 68.90% of total injections, against ALL 20.1 billion, on average, in the previous period.

Chart 1: Bank of Albania interventions in the money market during 2016-2022 (nominal value)

<sup>1</sup> The figures are expressed in purchase price.

### Reverse Repo by maturities for the period 2016-2022



Source: Bank of Albania.

### **1.2 Use of standing facilities by the banking system**

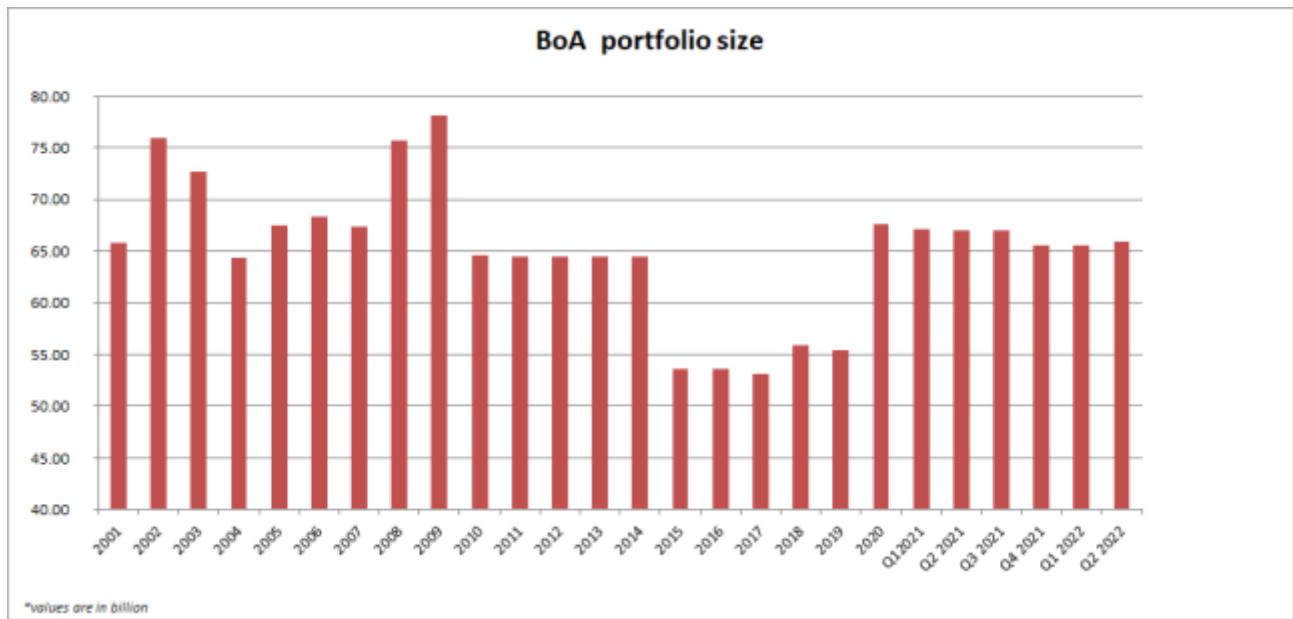
The banking system used the deposits at the Bank of Albania, on an ongoing basis, averaging ALL 6.84 billion, from ALL 9.3 billion in the first quarter of 2022.

The overnight loan facility was not used in 2022 Q2, as it was employed five times in the previous quarter, for amounts of ALL 30-450 million.

### **1.3 Operations to manage the banking system liquidity and the Bank of Albania's portfolio**

During 2022 Q2, the portfolio of the Bank of Albania grew by ALL 430 million, after the fall by ALL 100 million in the previous quarter. The value of the portfolio is ALL 65.9 billion. The Bank of Albania's operations aim at keeping the portfolio at unchanged levels during the quarter, partly renew the portfolio in the secondary market and increase the participation in one of the 3-month issuances. T-bills amounting to ALL 2.82 billion matured in the primary market, while ALL 3.25 billion T-bills were purchased in 9 auctions.

Chart 2 BoA's Portfolio size



Source: Bank of Albania.

After the growth of portfolio in the first six months of 2020, fluctuations in the portfolio of the Bank of Albania were at minimum levels in the following period.

**1.4 Use of fine-tuning operations**

No fine-tuning operations were performed during the period.

**2. BANK OF ALBANIA INTERVENTIONS IN THE DOMESTIC FOREIGN EXCHANGE MARKET OVER 2022 Q2**

**2.1 Transactions with commercial banks**

The Bank of Albania - after the cancellation of three auctions in March and April - has conducted 3 auctions for foreign currency purchasing, since May, pursuant to the schedule published on 21 December 2021.

**Calendar of interventions - 2022**

	<b>Date</b>	<b>Amount in the first round (in euro)</b>
<b>1</b>	18/02=2022	5-8 mln
<b>2</b>	17/03=2022	<b>cancelled</b>
<b>3</b>	13/04=2022	<b>cancelled</b>
<b>4</b>	27/04=2022	<b>cancelled</b>
<b>5</b>	13/05=2022	5-8 mln
<b>6</b>	03/06=2022	5-8 mln
<b>7</b>	17/06=2022	5-8 mln
<b>8</b>	12/07=2022	5-8 mln

## **Bank of Albania interventions in the money market and foreign exchange market over 2022 Q2**

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<b>9</b>	22/07=2022	5-8 mln
<b>10</b>	05/08=2022	5-8 mln
<b>11</b>	19/08=2022	5-8 mln
<b>12</b>	18/10=2022	5-8 mln
<b>13</b>	18/11=2022	5-8 mln
<b>14</b>	05/12=2022	5-8 mln
<b>15</b>	16/12=2022	5-8 mln

**Note: Aiming to increase the international reserve, during 2022, the Bank of Albania intends to buy EUR 140-200 million through auctions.**

Detailed results of all auctions organised by the Bank of Albania are published at:

**[https://www.bankofalbania.org/Markets/Operations\\_of\\_the\\_Bank\\_of\\_Albania/Interventions\\_in\\_the\\_foreign\\_exchange\\_market/](https://www.bankofalbania.org/Markets/Operations_of_the_Bank_of_Albania/Interventions_in_the_foreign_exchange_market/)**

### **2.2 Operations with other institutions**

In 2022 Q2, the MFE has reduced the amount of unmatured SWAP agreements at ALL 20.80 billion, from ALL 24.40 billion at the beginning of the period.

The unmatured SWAP agreements are as follows:

1. EUR 40 million on 30 November 2022;
2. EUR 79 million on 29 December 2022;
3. EUR 50 million on 30 December 2022;

During the second quarter of 2022, the Bank of Albania purchased EUR 4.6 million from the IPA program of the MFE and EUR 0.39 million from the IBRD, while it sold EUR 0.70 million to ASD.