



Press Office
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Money market and foreign exchange market interventions during the second quarter of 2008

1. BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET

Table 1 Open market operations' volume (in millions of lek)

DATE	Liquidity injection
	One-week R/REPO
03.04.2008	4,000.00
10.04.2008	4,100.00
17.04.2008	3,090.00
24.04.2008	5,000.00
02.05.2008	6,500.00
08.05.2008	2,000.00
15.05.2008	3,350.00
22.05.2008	2,570.00
29.05.2008	1,000.00
05.06.2008	1,000.00
12.06.2008	2,000.00
19.06.2008	5,040.00
26.06.2008	9,000.00

1.1. Open market operations

Money market interventions during the second quarter of 2008 continued to consist in the employment of the Bank of Albania's main instrument, *reverse repurchase agreement of one-week maturity*. On weekly basis, it has been injected an average of 3.74 billion leks.

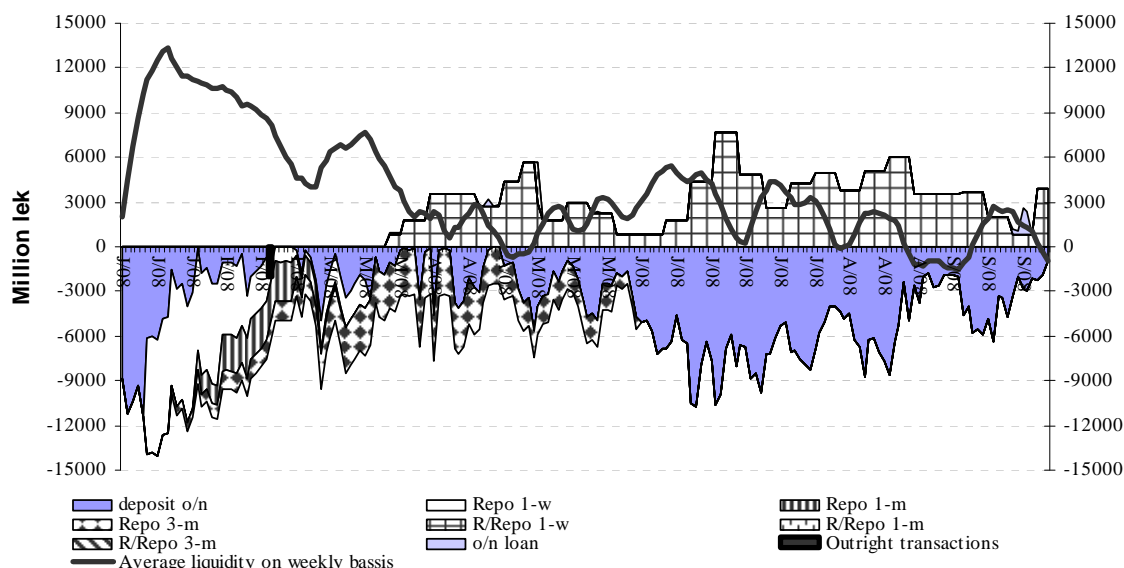
1.2 . Use of standing facilities

During the second quarter of 2008, banks employed the overnight deposit in order to invest the free liquidity. Its average daily level amounted to 3.8 billion leks, compared to 2.6 billion leks the previous quarter.

In view of meeting interbank market needs, the overnight loan instrument continued to be moderately employed during this quarter, around 0.26 billion leks in 3 cases of its application.

Chart 1 summarizes the Bank of Albania interventions in the money market during the first half of 2008.

Chart 1 Bank of Albania interventions in the money market during the first and second quarter of 2008



2. INTERVENTIONS IN THE DOMESTIC FOREIGN CURRENCY MARKET

a. Operations with commercial banks

The second quarter of 2008 was positive in terms of lek trading. The lek gained ground against the other foreign currencies, owing to the imbalance between the relatively high seasonal supply and demand. Hence, in view of meeting its Net International Reserve objective, the Bank of Albania used this imbalance to purchase foreign currency. As a result of the Bank of Albania interventions, which commenced in mid-April, a total of 6,728.23 million leks was sold during the previous quarter.

b. Operations with other institutions

Foreign currency sales and purchases with the Ministry of Finance continued during this period. Foreign currency sales totalled 8,323.90 million leks, while the purchases amounted to 317.01 million leks.

Foreign currency purchases from international institutions amounted to 123.31 million leks (International Development Agency (IDA) and International Bank for Reconstruction and Development (IBRD)).

Financial institution	Foreign currency purchase (in millions of lek)	Foreign currency sale (in millions of lek)
Ministry of Finance	317.01	8,323.90
Other (IDA, IBRD)	123.31	