

## Bank of Albania interventions in the money market and foreign exchange market over the fourth quarter of year 2010

### 1. The Bank of Albania interventions in the money market over the fourth quarter of year 2010

**Table 1:** Temporary open market operations' volume (in ALL million<sup>1</sup>)

(In ALL million <sup>1</sup>)

DATE	One-week R/REPO at flexible price	1-month R/REPO	3-month R/REPO
30.09.2010	14,400.00	3,000.00	
07.10.2010	7,810.00		
14.10.2010	9,900.00	3,000.00	
21.10.2010	14,000.00	2,000.00	
28.10.2010	16,800.00	2,000.00	
04.11.2010	8,770.00		2,000.00
11.11.2010	7,880.00		2,000.00
18.11.2010	6,900.00		
25.11.2010	14,300.00		
02.12.2010	11,500.00		
09.12.2010	9,250.00		
16.12.2010	8,800.00		
23.12.2010	4,880.00		
30.12.2010	9,900.00		

#### 1.1 Open market operations

The money market operations over the fourth quarter 2010 consist of open market operations to supply liquidity.

The one-week reverse repo agreement was employed (weekly average 10.36 billion ALL) to supply liquidity. The one-month and three-month reverse repo agreements were also used. The one-month reverse repo agreement was used in four occasions at an average of 2.5 billion ALL per auction. The employment of 3-month R/REPO was used again, but at reduced frequency and amounts. Two auctions at nominal value ALL 2.00 billion were conducted at the beginning of November.

<sup>1</sup> Figures expressed at nominal value.

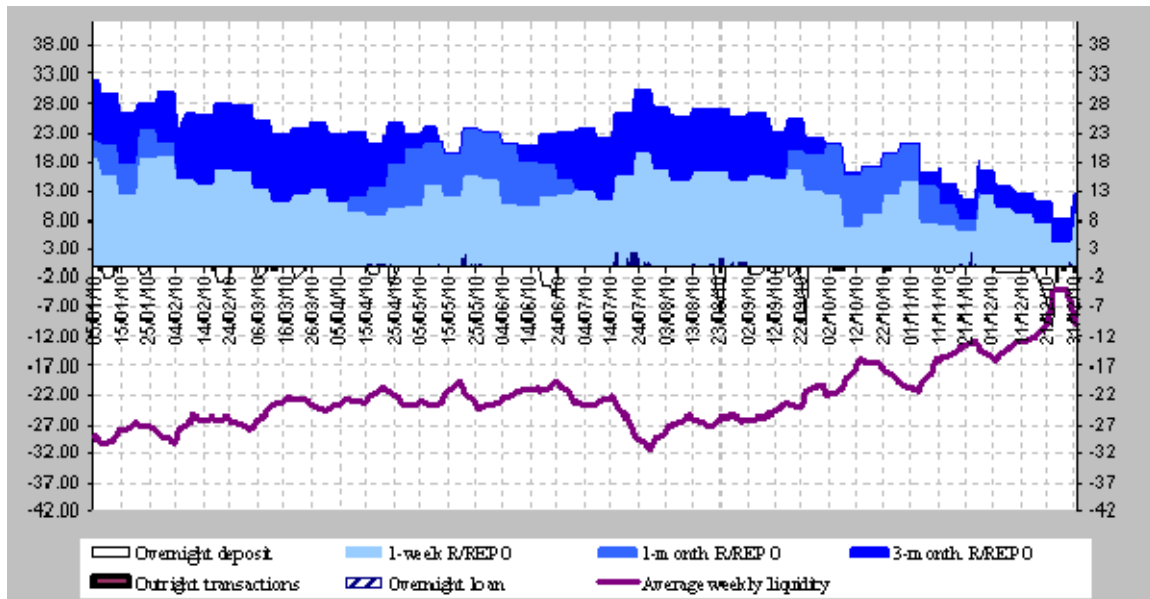
## 1.2 Standing facilities

The overnight deposit instrument was employed in 32 cases over the last quarter of year 2010, at an average of ALL 0.71 billion, about ALL 0.23 billion higher than the previous quarter, when this instrument was employed in 27 cases. Also, the use of overnight deposit occurred more intensively during the last days of the required reserve period.

The use of overnight loan occurred in 5 cases at an average of ALL 0.71 billion compared to 18 cases in the previous quarter at an average of ALL 0.89 billion.

The following chart provides a summary of the Bank of Albania's interventions in the money market during the year 2010.

**Chart 1:** The Bank of Albania interventions in the money market over the year 2010 (at purchase price)



## 2. The Bank of Albania interventions in the domestic foreign exchange market over the fourth quarter of year 2010

### 2.1 Operations with commercial banks

After the purchase of foreign currency at ALL 1,597.63 million over the third quarter, Bank of Albania intervened in the domestic foreign exchange market by buying foreign currency during the fourth quarter of last year, aiming at increasing the foreign exchange reserve. A total of ALL 304.15 million were sold during last quarter interventions.

## 2.2 Operations with other institutions

In the last quarter of the year there were foreign currencies transactions that were carried out with the Ministry of Finance Purchases from the Ministry of Finance, over this period amounted to ALL 18,135.80 million, while sales were ALL 18,218.23 million.

The foreign currency purchases from international institutions were ALL 100.22 million (International Development Agency – IDA and the International Bank for Reconstruction and Development - IBRD).

<b>Financial Institution</b>	<b>Foreign Currency purchases (in ALL million)</b>	<b>Foreign Currency sales (in ALL million)</b>
MINSITRY OF FINANCE	18,135.80	18,218.23
OTHER (IDA, IBRD)	100.22	