

## 1. BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET DURING 2015 Q2

**Table 1** Temporary open market operations  
(ALL million\*)

DATE	R/REPO overnight	R/REPO 1-week	R/REPO 1-month
02.04.2015		19,390.00	3,000.00
09.04.2015		16,330.00	2,750.00
10.04.2015	5,600.00		
16.04.2015		19,020.00	2,900.00
17.04.2015	2,960.00		
23.04.2015	7,500.00	19,080.00	3,000.00
30.04.2015		24,070.00	3,000.00
07.05.2015		20,960.00	3,000.00
14.05.2015		18,930.00	3,000.00
21.05.2015		26,720.00	3,000.00
22.05.2015	2,630.00		
28.05.2015		16,580.00	3,000.00
04.06.2015		17,530.00	4,000.00
11.06.2015		14,780.00	4,000.00
18.06.2015		20,890.00	4,000.00
23.06.2015	1,400.00		
25.06.2015		19,260.00	4,000.00

higher than 70% of each total issue.

In 2015 Q2, four sale auctions of six-months Treasury bills were organised, which lowered the BoA' portfolio, totalling ALL 2 billion, being compensated by the organisation of eight purchase auctions of 12-month Treasury bills, totalling ALL 2.5 billion. Hence, as at end of 2015 H1, the Bank of Albania's portfolio returned to the level of the beginning of year.

### 1.1. Open market operations

Money market interventions during 2015 Q2 consisted of open market operations for temporary liquidity injection and permanent operations for structuring Bank of Albania's portfolio.

**The total amount of injected liquidity averaged ALL 28.35 billion, from ALL 21.30 billion injected in 2015 Q1, and ALL 20.61 billion in 2014 Q2.**

To inject temporary liquidity, the Bank of Albania employed its main instrument, the one-week reverse repurchase agreement - on average, ALL 19.50 billion a week\*, and the one-month reverse repurchase agreement, on average, ALL 3.28 billion a week\*.

**Overnight injecting transactions were employed in six cases, being concentrated at the end of the reserve maintenance period.**

In 2015 Q2, outright transactions continued, aiming at maintaining the BoA's participation in T-bills not

\* The figures are expressed in nominal value.

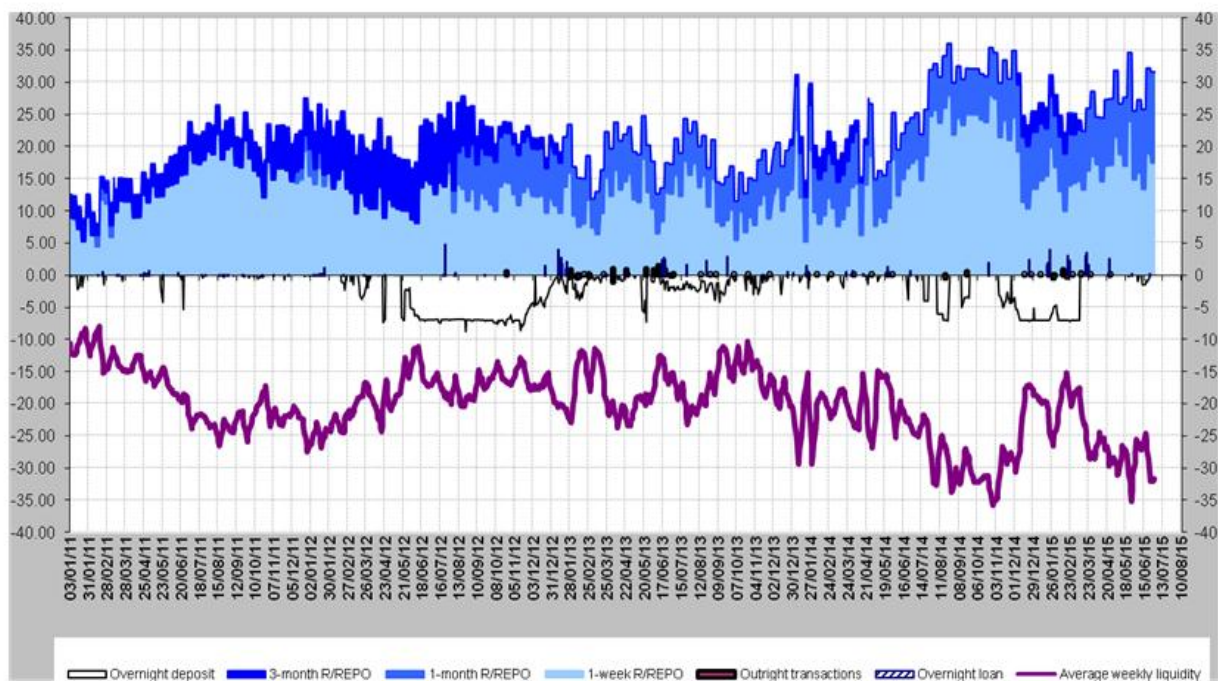
## 1.2. Use of standing facilities

The overnight deposit facility was employed 11 times, averaging ALL 0.95 billion, against 46 cases in the previous quarter, averaging ALL 6.74 billion.

The overnight loan was employed in three cases, corresponding to the end of the maintenance period for ALL 0.98 billion, on average. In the previous quarter, overnight loan was employed in 10 cases, averaging ALL 2.61 billion, respectively.

Chart 1 summarises Bank of Albania interventions in the money market during 2011-2015.

**Chart 1** Bank of Albania interventions in the money market during 2011-2015 (purchase price)



## 2. BANK OF ALBANIA INTERVENTIONS IN THE DOMESTIC FOREIGN EXCHANGE MARKET DURING 2015 Q2

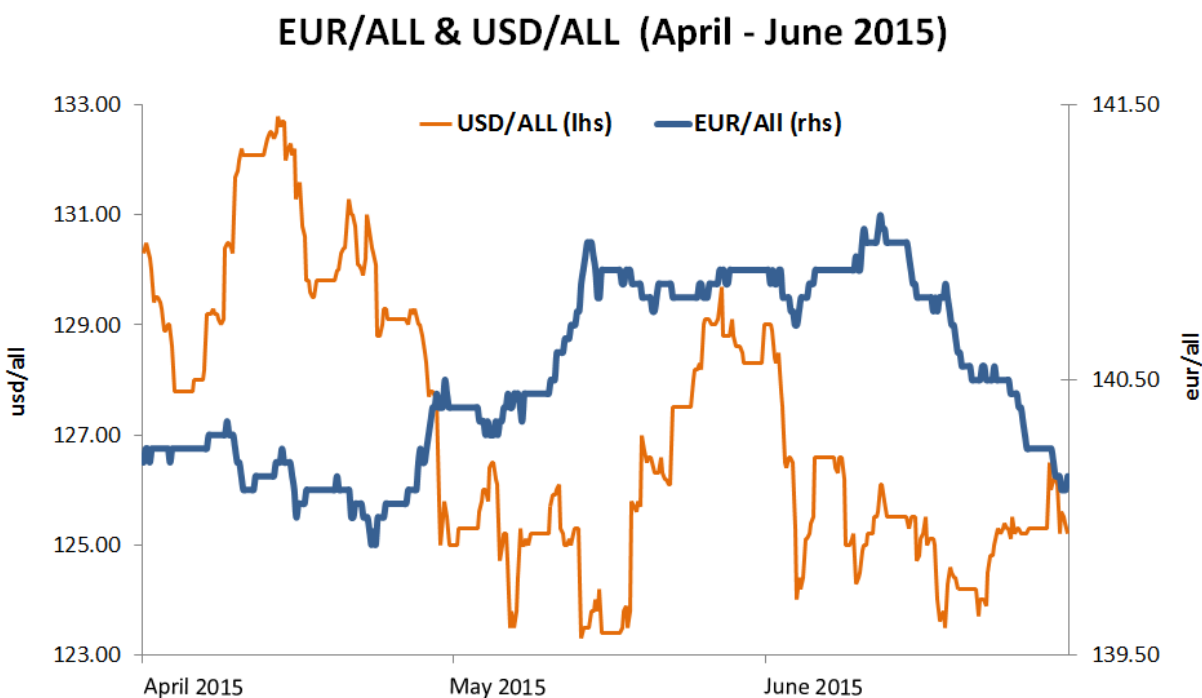
### 2.1 Operations with commercial banks

In 2015 Q2, the Bank of Albania organised an auction to purchase Euro 2-5 million, on 1 April 2015, in line with the calendar published in November 2014 and the objective for the increase of foreign currency reserve. The amount of Euro 3.73 million was purchased in the auction organised in April. The calendar on the foreign currency purchase of the Bank of Albania was revised in May by adding two auctions, in August and November, respectively:

**Table 2:** Foreign currency purchase calendar

Date	Amount (in mln EUR)
1 April	2-5
2 July	2-5
6 August	2-5
12 November	2-5

**Chart 2** EUR/ALL and USD/ALL in 2015 Q2.



## 2.2 Operations with other institutions

Foreign currency swap agreements between the Bank of Albania and the Ministry of Finance had the main share of operations between two institutions. The Ministry of Finance continued to manage the liquidity by investing the foreign currency balance at the Bank of Albania. Ministry of Finance sold foreign currency outright against Lek in Q2 due to expectation of a rise in foreign currency flows in the near future. In Q2 2015, due to the above agreements, the Bank of Albania's purchases from the Ministry of Finance amounted to ALL 36,919.72 million, whereas sales amounted to ALL 31,496.02 million. As at end of 2015 Q2, the amounts invested in euro swap agreements fell to Euro 18 million, compared with Euro 70 million at the end of 2015 Q1, while those in SDR increased at 74 million compared with 46 million at the end of the previous quarter.

International institutions purchased foreign currency equivalent to ALL 59.27 million (International Bank for Reconstruction and Development – IBRD and International Development Agency – IDA).

**Table 3** Foreign currency operations with other institutions

Financial institution	Purchase of foreign currency (in ALL million)	Sale of foreign currency (in ALL million)
Ministry of Finance	36,919.72	31,496.02
Other (IDA, IBRD)	59.27	