



Press Office
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Money market and foreign exchange market interventions during the second quarter of 2009

1. BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET

Table 1: Open market operations' volume (in millions of LEK *).

DATE	One-week R/REPO	Three-month R/REPO
02.04.2009	12,240.00	
09.04.2009	10,420.00	
16.04.2009	20,495.00	
23.04.2009	16,265.00	2,000.00
30.04.2009	15,470.00	5,990.00
07.05.2009	17,900.00	3,000.00
14.05.2009	15,200.00	
21.05.2009	17,200.00	
28.05.2009	17,500.00	
04.06.2009	17,450.00	
11.06.2009	18,420.00	2,840.00
18.06.2009	19,250.00	3,000.00
25.06.2009	18,950.00	

1.1. 1.1. Open market operations

Money market interventions during the second quarter of 2009 consist in the Money market operations for liquidity injection.

The Bank of Albania, to inject liquidity, employed its main instrument, *reverse repurchase agreement of one-week maturity term*. On weekly basis, the average being injected amounted to 16.68 billion*, as well as the adjusting instrument of longer maturity term, the three-month R/Repo. The adjusting instrument was used in 5 cases at an average of LEK 3.4 billion per auction *.

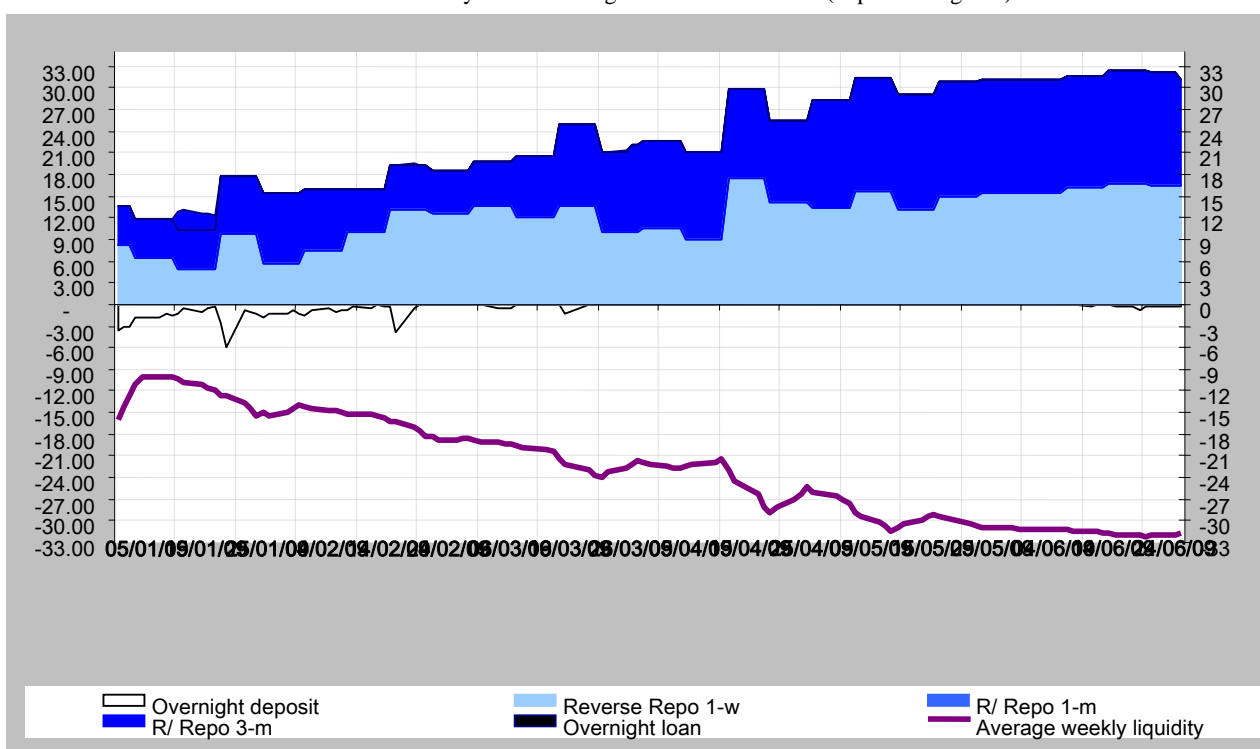
1.2. Use of standing facilities

During the second quarter of 2009, the overnight deposit was used at a decreasing rate, owing to the fact that during the first quarter, with the purpose to encourage liquidity circulation, Bank of Albania decided to not temporarily accept overnight deposits. The decision on the rejection of deposits was implemented until the end of May 2009. **The rejection of banks deposits for this period increased these latter's attention regarding the well-management of liquidity, which led to the reduced use of this instrument after the decision on the re-acceptance of the overnight deposits.** This instrument was used at an average of LEK 0.14 billion in a day during June, relative to LEK 1.04 billion in a day over the first quarter of 2009.

The overnight loan instrument was not used during the second quarter of year 2009.

The following chart discloses in a summarised way the Bank of Albania interventions in the money market, during the half of 2009.

Chart 1: Bank of Albania interventions in money market during the first half of 2009 (at purchasing rate)



2. INTERVENTIONS IN THE DOMESTIC FOREIGN EXCHANGE MARKET

2.1 Operations with Commercial Banks

Bank of Albania with the purpose to evade the disorders in foreign exchange market continued to intervene in this market, though the sale of foreign currency at LEK 1.93 billion. These interventions mainly took place in April and May.

2.2 Operations with other institutions

The operations for the sale and purchase of foreign currency with the Ministry of Finance persisted to be carried out during this period. Therefore, the sales with the Ministry of Finance over the second quarter amount LEK 6.99 billion. Purchases volume with the Ministry of Finance for this period amounted to LEK 5.87 billion.

Foreign currency purchases from international institutions account for LEK 83.53 million (International Development Agency (IDA) and International Bank for Reconstruction and Development (IBRD)).

Financial institution	Foreign currency purchases (in millions of LEK)	Foreign currency sales (in millions of LEK)
MINISTRY OF FINANCE	5,867.00	6,988.00
OTHER (IDA, IBRD)	83.53	