



Press Office
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Money market and foreign exchange market interventions during the third 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	Overnight R/REPO
03.07.2008	5,720.00	
10.07.2008	3,000.00	
17.07.2008	5,000.00	
24.07.2008	6,000.00	
31.07.2008	4,400.00	
07.08.2008	6,000.00	
14.08.2008	7,200.00	
21.08.2008	4,200.00	
28.08.2008	4,200.00	
04.09.2008	4,300.00	
11.09.2008	2,400.00	
18.09.2008	1,000.00	
23.09.2008		2,000.00
24.09.2008		3,000.00
25.09.2008	4,600.00	

1.1. Open market operations

Money market interventions during the third 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, the average being injected amounted to LEK 4.46 billion.

Bank of Albania intervened twice by employing also the instrument of *overnight reverse repo's*, at the amounts respectively LEK 2.00 and 3.00 billion.

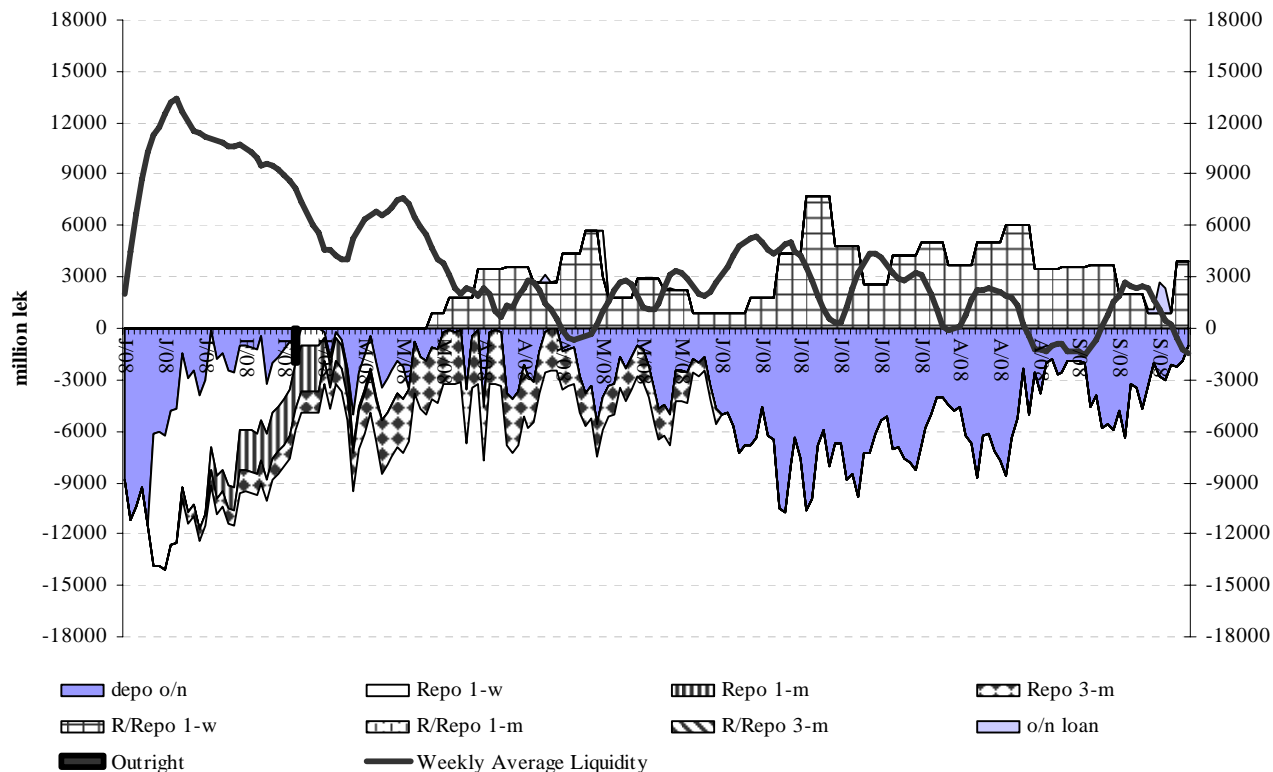
1.2. Use of standing facilities

During the third quarter of 2008, banks employed the overnight deposit to invest the free liquidity. Its average daily level amounted to LEK 5.07 billion, compared to LEK 3.8 billion in the previous quarter. The increase of liquidity being invested in overnight deposit was due to the growth of

liquidity structural level held from the commercial banks. The overnight loan instrument, around LEK 0.95 billion, was used in 4 (four) cases.

The following chart summarizes the Bank of Albania interventions in the money market during the 9-month period of 2008.

Chart 1: Bank of Albania interventions in the money market during the 9-month period of 2008.



2. INTERVENTIONS IN THE DOMESTIC FOREIGN EXCHANGE MARKET

2.1. Operations with commercial banks

The first half of third quarter appeared positive for the trading of the domestic currency. LEK gained ground against the other foreign currencies, owing to the imbalance between the high seasonal supply and the lower demand. This disproportion provided to the Bank of Albania the possibility to purchase foreign currency, to meet the Net International Reserve objective. Due to the Bank of Albania interventions, a total of LEK 10.9 billion of foreign currency was purchased during the third quarter of 2008.

2.2. Operations with other institutions

Foreign currency sales and purchases with the Ministry of Finance continued during this period. Foreign currency sales amounted to LEK 1,232.76 million during the third quarter, while the purchases totalled LEK 33.02 million.

Foreign currency purchases from international institutions amount to LEK 84.98 million (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	33.02	1,232.76
OTHER (IDA, IBRD)	84.98	
