



## 1. BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET

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

DATE	One-week R/REPO At fix price	3-moth R/REPO
05.01.2009	9,580.00	
08.01.2009	7,560.00	
15.01.2009	5,750.00	
22.01.2009	11,550.00	3,000.00
29.01.2009	6,680.00	2,000.00
05.02.2009	8,730.00	2,000.00
12.02.2009	11,740.00	
19.02.2009	15,400.00	
26.02.2009	14,600.00	
05.03.2009	16,080.00	
12.03.2009	14,210.00	3,000.00
19.03.2009	16,110.00	3,000.00
26.03.2009	11,610.00	
31.03.2009		1,240.00

### 1.1. Open market operations

Money market interventions, during the first quarter of 2009, include the open market operations to inject liquidity.

Bank of Albania, with the purpose to inject liquidity, employed its main instrument the *reverse repurchase agreement* of *one-week maturity*. On weekly basis, the average being injected amounted to LEK 11.51 billion\* and the adjustment instrument with maturity longer than one week, *3-month repurchase agreement*. The adjustment instruments was employed in 6 cases

(at an average of LEK 2.4 billion per auction), while measured on cumulative basis, the injected liquidity through this instrument pointed to LEK 14.24 billion \*at the end of first quarter.

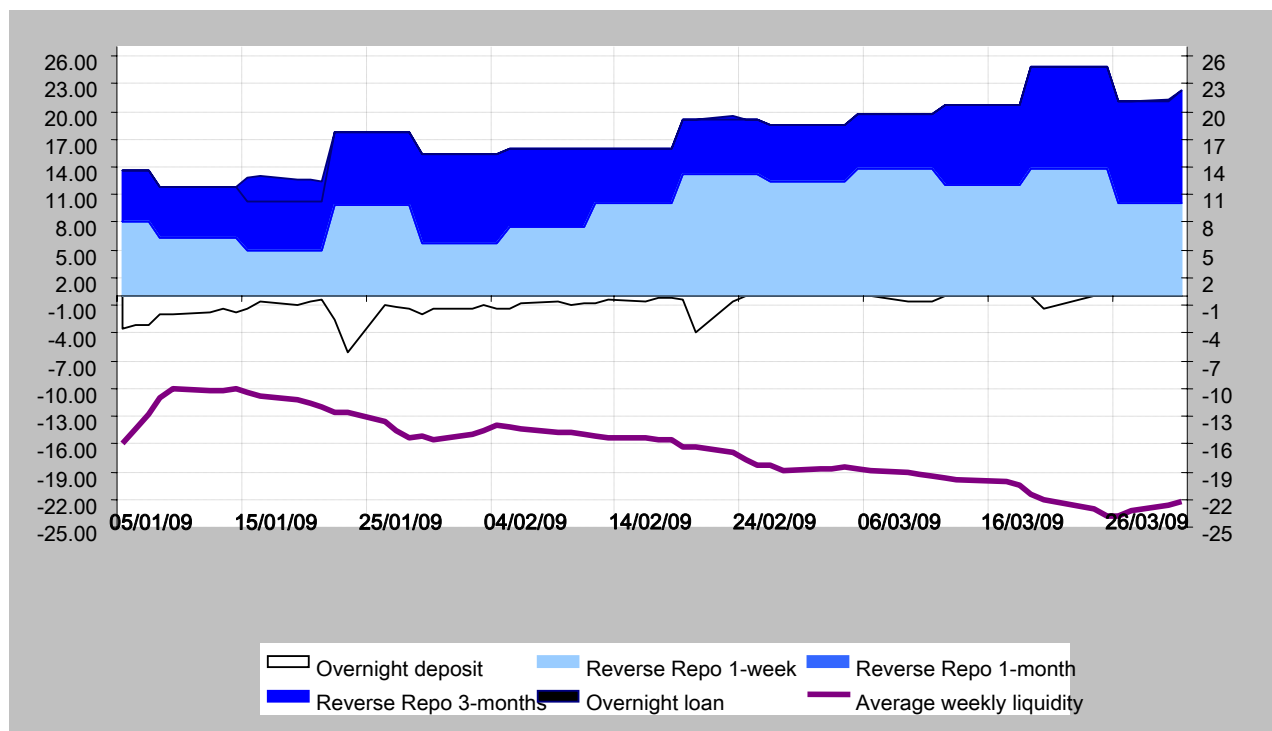
### 1.2. Use of standing facilities

Banks employed the overnight deposit to invest free liquidity. Its average daily level amounted to LEK 0.94 billion, during the first quarter 2009, relative to LEK 2.78 million in the previous quarter.

The overnight loan facility around LEK 1.55 billion was employed in 8 (eight) cases.

The following chart provides a summary of the Bank of Albania interventions in the money market during the first quarter of 2009.

**Chart 1:** Bank of Albania interventions in the money market during first quarter of 2009 (by purchasing price)



\*Figures are stated at face value. Respective figures in the purchase price that coincides with the injected liquidity are: liquidity injection through weekly instrument at an average of LEK 9.8 billion, while injected liquidity balance through 3-month instrument at the end of first quarter amounted to LEK 12.23 billion.

## 2. INTERVENTION IN THE DOMESTIC FOREIGN EXCHANGE MARKET

### Operations with commercial banks

LEK loses ground against foreign currencies owing to a range of factors, during the first quarter of 2009, arising the strengthening of foreign currencies at the highest rates relative the last 4 (four) years. Bank of Albania, with the aim to avoid the imbalances in the foreign exchange market, intervened during this quarter through the selling of the foreign currency at an amount of LEK 4,970 million.

### Operations with other institutions

The selling and purchase operations of foreign currency continued to be carried out with the Ministry of Finance. Foreign currency sales for the account of Ministry of Finance during the second quarter amounted to LEK 5,749.80 million. While, the purchase volume with the Ministry of Finance for this period pointed to LEK 9,994.08.

Foreign currency purchases from International institutions amounts to ALL 243.58 million (International Development Agency, IDA, International Monetary Fund, IMF, and International Bank for Reconstruction and Development, IBRD).

<b>Financial institution</b>	<b>Purchase of foreign currency (in ALL million)</b>	<b>Selling of foreign currency (in ALL million)</b>
MINISTRY OF FINANCE	9,994.08	5,749.8
OTHERS (IDA, IBRD)	243.58	