

1. BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET DURING 2013 Q1

Table 1: Volume of temporary open market operations
(ALL million*)

DATE	Overnight R/REPO	1-week R/REPO	1-month R/REPO
03.01.2013		12,290.00	1,900.00
10.01.2013		10,940.00	1,800.00
11.01.2013	1,200.00		
17.01.2013	700.00	15,620.00	2,410.00
18.01.2013	700.00		
21.01.2013	1,370.00		
22.01.2013	1,260.00		
23.01.2013	1,800.00		
24.01.2013		18,040.00	2,670.00
31.01.2013		10,470.00	2,000.00
07.02.2013		8,410.00	1,800.00
14.02.2013		9,000.00	1,700.00
21.02.2013		13,100.00	2,500.00
28.02.2013		8,130.00	1,700.00
07.03.2013		7,050.00	1,800.00
15.03.2013	1,400.00	10,740.00	1,800.00
18.03.2013	2,000.00		
19.03.2013	2,000.00		
20.03.2013	2,000.00		
21.03.2013		17,400.00	3,000.00
28.03.2013		13,940.00	2,000.00

Money market interventions during 2013 Q1 consisted of open market operations for the injection of liquidity.

The total amount of injected liquidity increased from an average of ALL 16 billion at end-December 2012 to around ALL 16.93 billion in 2013 Q1. **Average injected liquidity was about 26% lower than a year earlier, when it amounted to ALL 22.8 billion.**

To inject liquidity, the Bank of Albania employed its main instrument, the one-week reverse repurchase agreement - on average, ALL 11.93 billion per week* - and one-month reverse repurchase agreement - on average, ALL 2.08 billion per week*.

During January 17-23, 2013, a period that corresponds to the end of the required reserve maintenance period, the overnight instrument was employed five times, averaging ALL 1.17 billion a day. After announcing the re-opening of 7-year bond auctions, from March 15, 2013 to the next weekly intervention, which corresponded to the last day of the required reserve maintenance period, the Bank of Albania conducted four overnight liquidity injection operations, averaging ALL 1.85 billion per auction.

1.2. Use of standing facilities

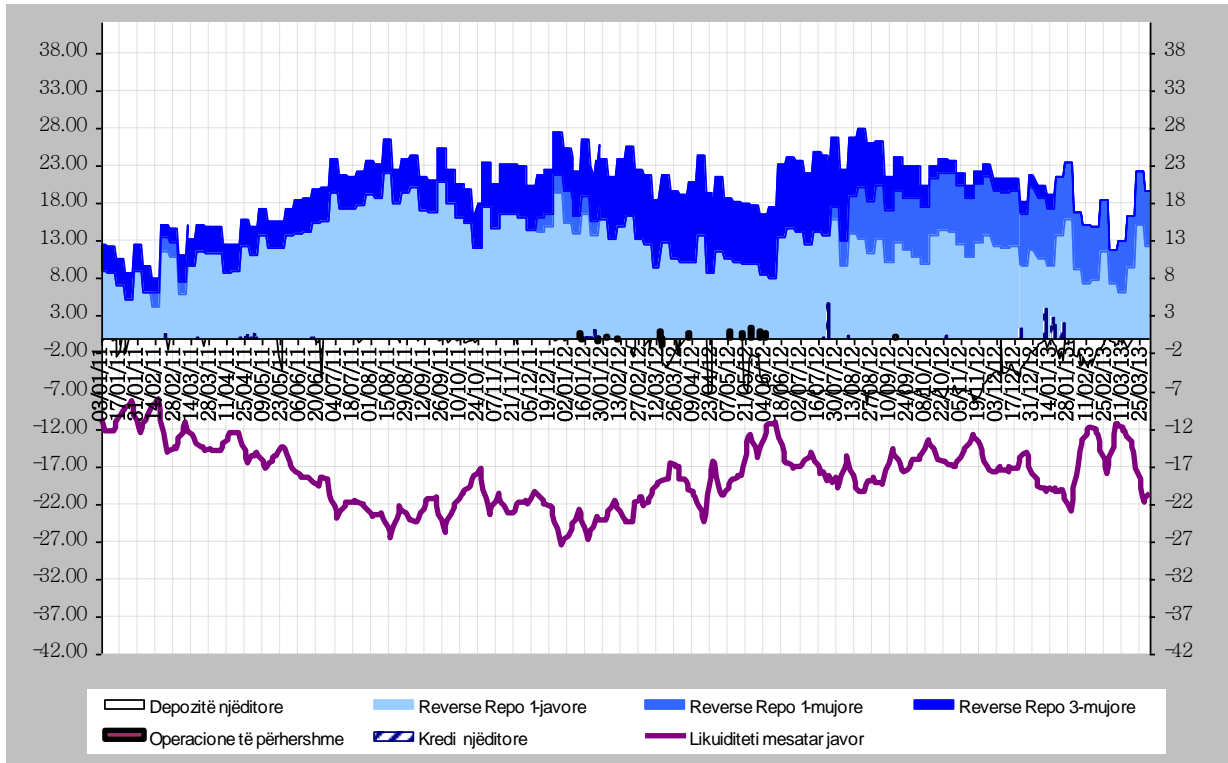
During 2013 Q1, the overnight deposit facility was employed 35 times, averaging ALL 1.39 billion or about ALL 4.57 billion less than in 2012 Q4, when this facility was employed 60 times and averaged ALL 5.96 billion.

The overnight loan facility was employed eight times, averaging ALL 1.47 billion. It was mainly concentrated during January 10-23, 2013, which corresponds to the end of the required reserve maintenance period. In 2012 Q4, this facility was employed twice and averaged ALL 0.91 billion.

Chart 1 summarises Bank of Albania interventions in the money market during 2011-2013.

* The figures are expressed in nominal value.

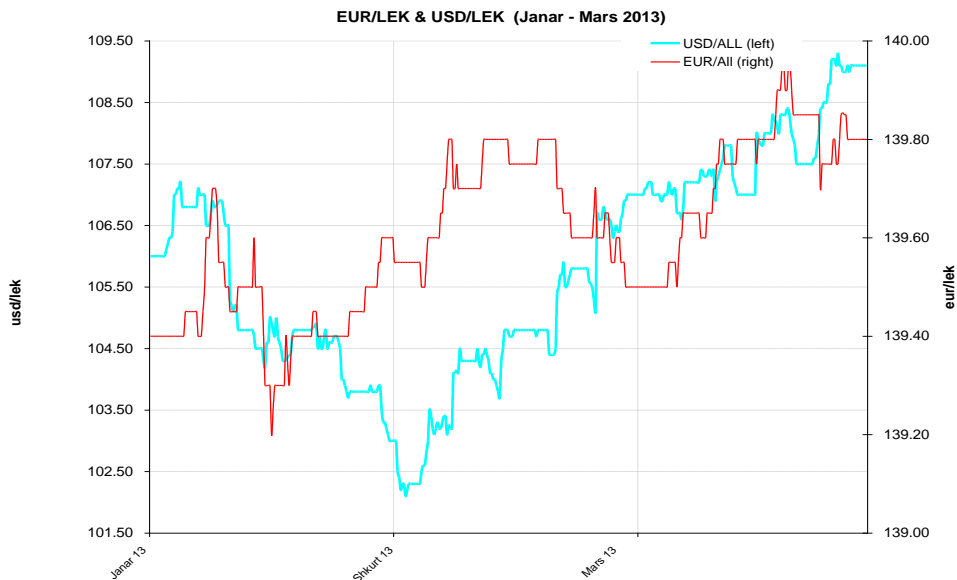
Chart 1 Bank of Albania interventions in the money market during 2011-2013 (purchase price)



2. BANK OF ALBANIA INTERVENTIONS IN THE DOMESTIC FOREIGN EXCHANGE MARKET DURING 2013 Q1

2.1 Operations with commercial banks

The Bank of Albania did not intervene in the foreign exchange market during 2013 Q1.



Bank of Albania interventions in the money market and foreign exchange market during 2013 Q1

2.2 Operations with other institutions

Driven by the need to manage Ministry of Finance's liquidity, the Bank of Albania and the Ministry of Finance continued to conclude swap contracts for foreign exchange spot purchase and future sale with a maturity of 33 and 34 days. Ministry of Finance's purchase of foreign currency from the Bank of Albania totalled ALL 3,632.06 million during this period. Sales of foreign currency amounted to ALL 3,645.6 million, whereas non-matured agreements were ALL 981.32 million.

International institutions purchased foreign currency equivalent to ALL 408.97 million (International Bank for Reconstruction and Development – IBRD and International Development Agency – IDA).

Financial institution	Purchase of foreign currency (ALL million)	Sale of foreign currency (ALL million)
Ministry of Finance	3,632.06	3,645.6
Other (IDA, IBRD)	408.97	