



Press release

**BANK OF
ALBANIA**

Press Office
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Interventions in the Money Market and in the Foreign Exchange Market during the fourth quarter of 2009

1. BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET

Table 1: Temporary open market operations' volume

(In ALL million *)

DATE	One-week R/REPO at a fixed price	One-month R/REPO	Three-month R/REPO
01.10.2009	18,950.00		
08.10.2009	17,580.00		2,820.00
15.10.2009	18,630.00		4,460.00
22.10.2009	21,535.00		5,000.00
29.10.2009	17,840.00	3,000.00	
05.11.2009	17,320.00	3,000.00	
12.11.2009	19,250.00		
19.11.2009	18,650.00		
26.11.2009	22,120.00		
03.12.2009	25,310.00		
10.12.2009	17,440.00		
17.12.2009	16,290.00		
24.12.2009	19,920.00		
31.12.2009	22,310.00	3,000.00	

1.1. Open market operations

Money market interventions during the fourth quarter of 2009 consist of open market operations to inject liquidity.

Bank of Albania to inject the liquidity, employed its main instrument, *the reverse repurchase agreement of one-week maturity, averagely ALL 19.51 billion** a week as well as the adjusting instrument of longer maturity-term, the repurchase agreement of one-month and three-month maturity. *The one-month R/Repo was used in 3 cases, at an average of ALL 3.0 billion per auction. The three-month agreement R/Repo was employed in three cases, averagely ALL 4.1 billion per*

auction. *

*Figures are stated at face value.

Bank of Albania, with the purpose to permanently increase liquidity in the market, organised during December an outright purchase auction. The amount of ALL 2.35 billion was injected through this auction.

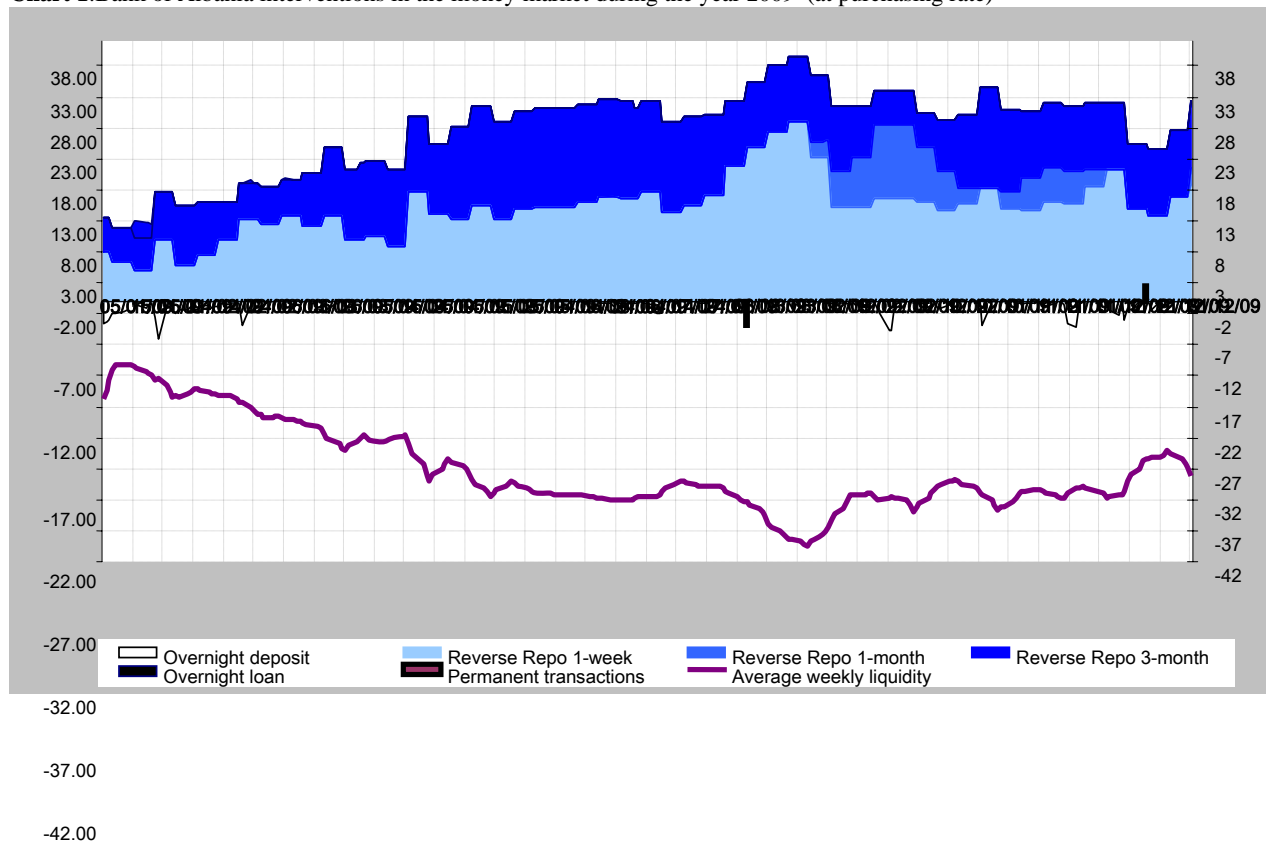
Use of standing facilities

On an average daily values, the overnight deposit instrument was employed by ALL 0.54 billion a day during the fourth quarter of 2009, relative to ALL 0.35 billion a day during the preceding quarter. The use of the overnight deposit occurred more intensively during the last days of the required reserve maintaining period.

The overnight loan was used at minimum rates during the fourth quarter (in one case amounting to ALL 10 million).

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

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



2. INTERVENTIONS IN THE DOMESTIC FOREIGN EXCHANGE MARKET

Transactions with commercial banks

Neither interventions have been conducted from the Bank of Albania in the domestic foreign exchange market and nor transactions have taken place with commercial banks during the fourth quarter of 2009.

Transactions with other institutions

The transactions 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 during the fourth quarter account for ALL 3.09 billion. The purchases' volume with the Ministry of Finance for this period amounted to ALL 0.48 billion.

Foreign currency purchases from international institutions account for ALL 90.9 million. (International Development Bank – IDA and International Bank for Reconstruction and Development - IBRD).

Financial institution	Foreign currency purchases (in ALL million)	Foreign currency sales (in ALL million)
MINISTRY OF FINANCE	475.01	3,093.53
OTHER (IDA, IBRD)	90.93	