

EURUSD ↓ 1.2179  
 At 19:38 Op 1.2174 HI 1.2174 Value 3/21/06  
 Market Currency 1/4



CENTRAL BANK OF MONTENEGRO



**Financial and Banking Operations Department**  
**- International Reserves Management Division -**

EUR EURO SPOT PRICE 1.2181

Range 9/19/05 to 3/17/06 Period Daily Market mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	F 2/24	1.1878
T 3/16	1.2174	W 2/22	1.1911
W 3/15	1.2050	T 2/21	1.1919
T 3/14	1.2016	M 2/20	1.1924
M 3/13	1.1934	F 2/17	1.1909
F 3/10	1.1894	T 2/16	1.1864
T 3/ 9	1.1909	W 2/15	1.1864
W 3/ 8	1.1928	T 2/14	1.1897
T 3/ 7	1.1889	M 2/13	1.1902
M 3/ 6	1.1996	F 2/10	1.1919
F 3/ 3	1.2025	T 2/ 9	1.1974
T 3/ 2	1.2012	W 2/ 8	1.1944
W 3/ 1	1.1913	T 2/ 7	1.1974
T 2/28	1.1923	M 2/ 6	1.1962
M 2/27	1.1853		

**International Financial Market Report**

3 - 7 September 2018

BLOOMBERG NEWS AUDIO/VIDEO

Search Audio/Video 3/17/06 19:27:27

Bankinvest's Broby: Softbank, Vodafone, L'Oreal, Body Shop  
 ICAP's Smith: U.S. European Bonds, Euro  
 F.Marks Bennett: U.S. Dollar, Fed Policy, Euro, Yen  
 Commonwealth Bank's Thurlbell: Oil Prices, Iraq  
 China Airlines' Wei: Fleet Reorganization, Earnings Outlook  
 Microsoft's Ballmer: Stock Performance, Strategy, Products  
 Bear Stearns Teleconference: Fiscal First-Quarter Profit  
 Daniel Broby, chief investment officer at Bankinvest, discusses the company's investment strategy in emerging markets, including its recent purchase of Body Shop International Plc.

LIVE <GO> Events	Date	Time	Language	Type
14) Legal & General Teleconference: Full-Year Earnings	3/17	Now Playing	English	🔊
15) UBS Warburg's Hickson: Outlook for Steel Industry	3/17	Now Playing	English	🔊
16) European Commission: Daily News Conference	3/17	20:00 - 20:30	English	🔊
17) Egypt's Mubaidin: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	🔊
18) Bonders Group Teleconference: 4th-Qtr Results	3/17	22:00 - 23:00	English	🔊
19) AIG Teleconference About Fourth-Quarter Results	3/17	22:30 - 23:30	English	🔊

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7930 7500 Germany 49 69 920410  
 Hong Kong 852 2977 6000 Japan 81 3 3201 6900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2006 Bloomberg L.P.  
 9615-351-3 17-Mar-06 19:27:28

USD INTEREST RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng
US Semi 30/360				
2) 2 YR	5.0670	5.0800	5.0755	+0.0305
3) 3 YR	5.0500	5.0720	5.0610	+0.0330
4) 4 YR	5.0620	5.0740	5.0680	+0.0250
5) 5 YR	5.0860	5.0920	5.0890	+0.0235
6) 6 YR	5.1100	5.1130	5.1105	+0.0170
7) 7 YR	5.1300	5.1350	5.1325	+0.0170
8) 8 YR	5.1470	5.1530	5.1500	+0.0160
9) 9 YR	5.1620	5.1680	5.1640	+0.0135
10) 10 YR	5.1780	5.1830	5.1805	+0.0175
11) 15 YR	5.2370	5.2430	5.2400	+0.0145
12) 20 YR	5.2670	5.2720	5.2690	+0.0130
13) 30 YR	5.2750	5.2840	5.2795	+0.0190

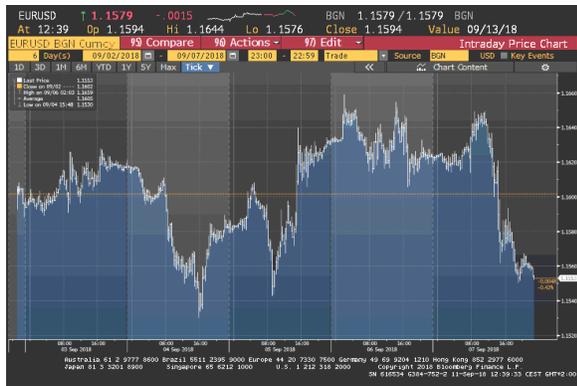
USD INTEREST RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	52.25	53.25	52.75	+.50
31) 15 YR	57.00	58.00	57.50	+.50
32) 20 YR	58.63	59.88	59.25	+.15
33) 30 YR	57.38	58.63	58.00	+.20

Change on day  
 IYC4 I52<GO>  
 Change on Month  
 IYC6 I48<GO>  
 For US Govt Yield Curve, type f IYC1 I2  
 For US swap Curve, type f IYC1 I52 <G

Podgorica, 12 September 2018

# FX NEWS

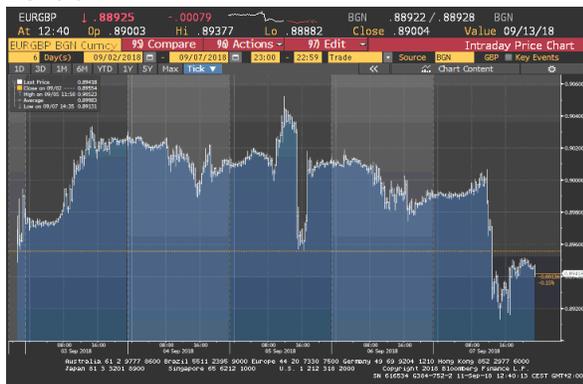
## EUR/USD



Source: Bloomberg LP

On the first day of this reporting week, **the EUR/USD exchange rate** had a slight upward trend (it recorded an increase of about 0.10%), and markets in the United States were closed for Labour Day. The exchange rate was falling the next day, due to the strengthening of the dollar, weakening of the share prices of on the US market, and the escalation of tensions between China and the United States. The euro rose against the US dollar in mid-week, as the euro and sterling became stronger, following the announcement that the UK and Germany agreed to give up key demands on Brexit and thus ease their path to agreement. The exchange rate was stable on Thursday, recording a decline at the very end of the reporting week once the US President Donald Trump declared he was ready to impose tariffs on additional 267 billion dollar Chinese goods. Good figures from the US labour market were the additional reason for the dollar to be stronger than the euro on Friday.

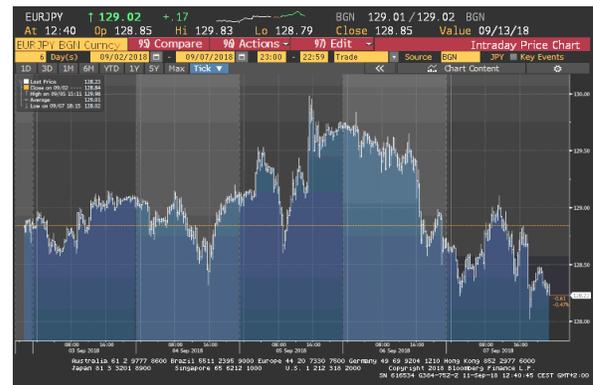
## EUR/GBP



Source: Bloomberg LP

**The EUR/GBP exchange rate** did not record major changes in trend this week. At the start of the week, the exchange rate rose as the EU and leading advocates of Brexit voiced against the Prime Minister May's plan for Brexit, but also because of a fall in the UK output to the lowest level since the referendum. The EUR/GBP exchange rate was quite stable over the week. At the very end of the week, the sterling was stronger against the euro as the EU negotiator Michel Barnier said the EU was open to discuss the barriers concerning Brexit. The EUR/GBP exchange rate equalled 0.89981 at the start of the week, being 0.89453 at the end.

## EUR/JPY



Source: Bloomberg LP

**The EUR/JPY exchange rate** recorded a slight growth by mid-week. The EUR/JPY exchange rate weakened on Thursday as the demand for safe currencies rose due to the announcement of new US tariffs to be imposed on China. Yen also strengthened as a result of speculation that Japan could be the next President Trump's target. On the last day of this reporting week, the exchange rate slightly fluctuated.

**Table 1 - Exchange rates of the most important currencies**

	3 September 2018 <sup>1</sup>	7 September 2018 <sup>2</sup>	% Change
EUR/USD	1.1602	1.1553	-0.42
EUR/GBP	0.89554	0.89418	-0.15
EUR/JPY	128.84	128.230	-0.47
EUR/AUD	1.61367	1.62568	0.74
EUR/CHF	1.12424	1.11995	-0.38
USD/JPY	111.03	110.990	-0.04
GBP/USD	1.2960	1.29200	-0.31

**Table 2 - Overview of the reference interest rates of the leading central banks**

Central Bank	Reference interest rate	Reference interest rate level	Next meeting
European Central Bank	ECB Main Refinancing Rate	0.00%	13 Sep 2018
Federal Reserves	Federal Funds Target Rate	2.00%	26 Sep 2018
Bank of Japan	Overnight Call Rate	-0.10%	19 Sep 2018
Bank of England	Official Bank Rate	0.75%	13 Sep 2018
Swiss National Bank	Libor Target Rate	-0.75%	20 Sep 2018
Bank of Canada	Target Overnight Rate	1.50%	24 Oct 2018
Reserve Bank of Australia	Cash Rate Target	1.50%	2 Oct 2018

**Table 3 - Eonia and Euribor**

	03.09.2018. <sup>1</sup>	07.09.2018. <sup>2</sup>	Change in basis points
Eonia	-0.342	-0.361	-1.90
Euribor 1W	-0.377	-0.377	0.00
Euribor 1M	-0.369	-0.371	-0.20
Euribor 3M	-0.319	-0.319	0.00
Euribor 6M	-0.268	-0.269	-0.10
Euribor 12M	-0.166	-0.167	-0.10

<sup>1</sup>Opening market value on Monday

<sup>2</sup>Closing market value on Friday

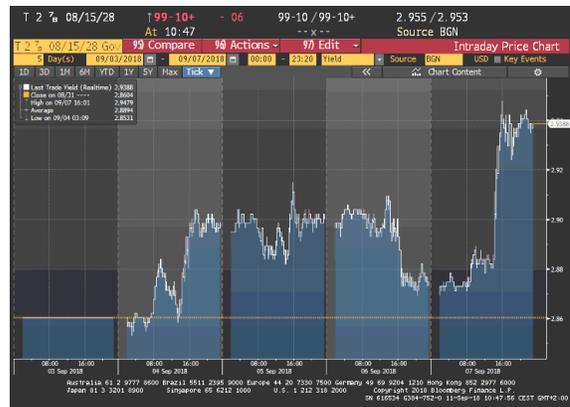
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on German 10-year government bonds rose by around 5 basis points in this reporting week and amounted to 0.387% at the end of the week. By mid-afternoon Wednesday these yields generally had a rising trend, reaching 0.398%, the highest level this week, and the main reason was the issuance of government and corporate bonds, but also the signs of progress in the negotiations on Brexit. On Thursday, these yields fell by around 5 basis points to make up for the greater part of this decline on Friday as a result of announcing stronger than expected data from the US labour market, but also a recovery in share prices. Italian government bonds recorded continuous fall in the reporting week, and the main reason for the downward trend was optimism about the plans for the budget of this country (Italian leaders agreed to adhere to the EU rules, according to which the budgetary deficit must not exceed the level of 3% of GDP). Namely, 10-year yields fell by about 30 basis points to 3.03%, while 5-year and 2-year yields fell by about 50 basis points to 2.06% and 0.90%, respectively.

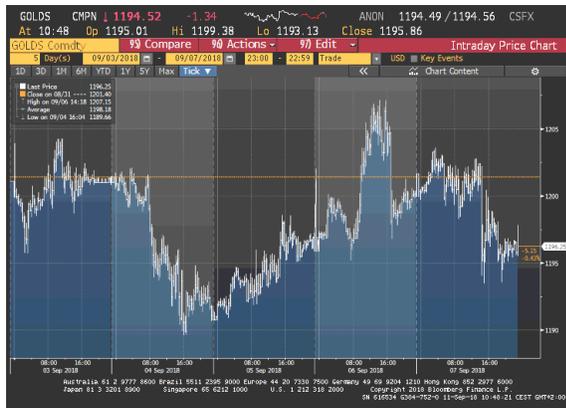
## THE US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

In this reporting week, yields on 10-year US government bonds rose by around 8 basis points and stood at 2.94% at the end of the week. Markets in the United States were closed on Monday for the Labour Day, with these yields rising by about 4 basis points on Tuesday, due to the release of good manufacturing data in the US (the ISM product index reached the highest level since May 2004). Yields were stable the next day, with a fall of around 3 basis points on Thursday, due to concern over negotiations between the US and Canada, as well as the release of disappointing data on employment (according to ADP data, employment increased by 163,000 in August, and it was expected to increase by 200,000). However, on the last day of this reporting period, these yields grew by almost 7 basis points, as stronger than expected US payroll data was released (201,000 new jobs were opened in August; average earnings per hour rose at an annual rate of 2.9%; unemployment rate was 3.9%).

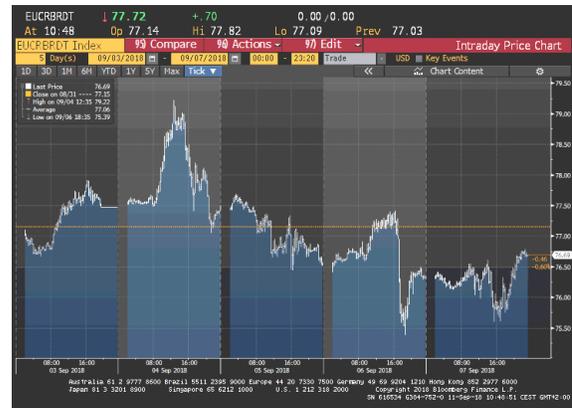
## GOLD



Source: Bloomberg LP

The price of gold was stable on the first day of this reporting period, being down the very next day, as a result of the US dollar appreciation. Gold prices recovered during the week as the dollar weakened and demand for this precious metal in India, the world's second largest gold buyer, rose. At the very end of this reporting period gold prices fell as the good figures on earnings in the US pointed to an improvement in the state of the economy, which could "pave the way" towards further growth in interest rates.

## OIL



Source: Bloomberg LP

Crude oil price experienced a downturn in this reporting week. The price had a rising trend first two days, mainly as a consequence of decrease in oil supplies from Iran, but also the threats from the Gordon tropical storm, which resulted in the evacuation of workers and halting production in the two Gulf of Mexico facilities. However, the price weakened mainly from Tuesday afternoon until the end of the week. It dropped, as the industry report by the American Petroleum Institute, showed that oil stocks in Cushing, Oklahoma, rose by 631,000 barrels and fuel stocks by some 1 million barrels. Once the US Government, i.e. Department of Energy report showed that the stocks of oil fell, the price increased for a short time, but the downward trend continued due to the strengthening of the US dollar, and because of the fear of introducing new tariffs on imports of Chinese products.

Table 4 - Economic indicators in the period 3 - 7 September 2018

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<b>Retail Sales</b> This indicator measures activity related to retail trade volume (not applicable to motor vehicles and motorcycles).	July MoM%	-0.1	-0.2	0.3
	<b>Production price index</b> It assesses the average change in prices of certain manufacturers at all stages of production, but does not include imported goods, services and taxes. The index is seen as an indicator of future inflation.	July MoM% (YoY%)	0.3% (3.9%)	0.4% (4.0%)	0.4% (3.6%)
Germany	<b>Factory Orders</b> Factory orders provide a fairly comprehensive view of the manufacturing sector.	August MoM%	1.8%	-0.9%	-4.0%
USA	<b>Initial Jobless Claims</b> Measures the number of people receiving unemployment allowances. Similar to the applicant, the growing number of jobs is accompanied by an economic expansion that could influence inflationary pressures.	September 1 K=1,000	213 K	203 K	213 K
UK	<b>PMI Manufacturing</b> Monthly research on production activity and its future outlook. The higher index that measures this activity points to a more optimistic economic outlook.	August	53.9	52.8	54.0

Source: Bloomberg