

EURUSD ↓ 1.2179 At 19:38 Op 1.2174 HI 1.2174 Value 3/21/06
 1.2179/1.2180 TTOL L.2174 Value 3/21/06
 Currency 1/4



CENTRALNA BANKA
CRNE GORE

Range 3/17/05 - 3/17/06
 Upper Chart: 3 Market Price



Financial and Banking Operations Department - International Reserves Management Division -

EUR EURO SPOT PRICE 1.2181

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

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	T 2/24	1.1878
T 3/16	1.2174	W 2/22	1.1911
W 3/15	1.2050	T 2/21	1.1914
T 3/14	1.2016	M 2/20	1.1905
M 3/13	1.1934	F 2/17	1.1909
F 3/10	1.1894	T 2/16	1.1881
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 December 2018)

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby: Softbank, Vodafone, L'Oreal, Body
 Daniel Broby, chief investment officer at Bankinvest, discusses the company's investment strategy and its focus on technology and healthcare.

ICAP's Smith: U.S. European Bonds, Fed
 ICA's Smith discusses the U.S. market and the impact of the Fed's policy on European bonds.

McKinsey's Walker: Fiscal Policy and Deficit
 McKinsey's Walker discusses fiscal policy and the deficit.

China's General's Magazine: BOJ Policy, Japan Rate, Economy
 China's General's Magazine discusses BOJ policy, Japan's rate, and the economy.

Bear Stearns Teleconference: Fiscal First-Quarter Profit
 Bear Stearns teleconference discussing fiscal first-quarter profit.

Microsoft's Ballmer: Stock Performance, Strategy, Products
 Microsoft's Ballmer discusses stock performance, strategy, and products.

Bloomberg TV Live | Bloomberg Radio Live | All Audio/Video Reports

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

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 320410
 Hong Kong 852 2377 6000 Japan 81 3 3201 8800 Singapore 65 6312 1000 U.S. 1 212 318 2000 Copyright 2006 Bloomberg L.P.
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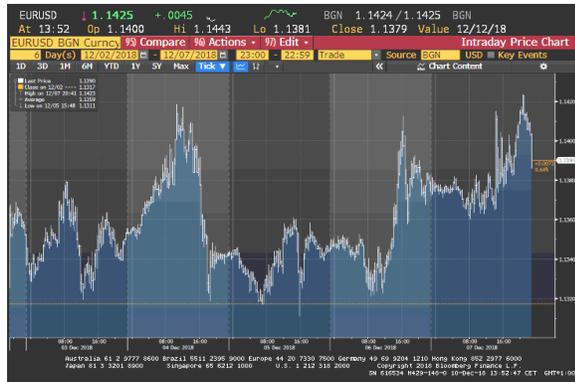
USD INTEREST RATE SWAPS					US SPREADS				
Ticker	Bid	Ask	Mid	Chng	Ticker	Bid	Ask	Mid	Chng
US Semi 30/360					22) 2 YR	42.88	44.13	43.50	--
2) 2 YR	5.0670	5.0800	5.0755	+0.0305	23) 3 YR	41.50	42.75	42.13	-.17
3) 3 YR	5.0500	5.0720	5.0610	+0.0330	24) 4 YR	44.38	45.63	45.00	-.10
4) 4 YR	5.0620	5.0740	5.0680	+0.0250	25) 5 YR	48.25	49.25	48.75	+.25
5) 5 YR	5.0860	5.0920	5.0890	+0.0235	26) 6 YR	49.50	50.50	50.00	+.30
6) 6 YR	5.1100	5.1130	5.1105	+0.0170	27) 7 YR	50.50	51.50	51.00	+.40
7) 7 YR	5.1300	5.1350	5.1325	+0.0170	28) 8 YR	51.13	52.13	51.63	+.33
8) 8 YR	5.1470	5.1530	5.1500	+0.0160	29) 9 YR	51.75	52.75	52.25	+.45
9) 9 YR	5.1620	5.1680	5.1640	+0.0135	30) 10 YR	52.25	53.25	52.75	+.50
10) 10 YR	5.1780	5.1830	5.1805	+0.0175	31) 15 YR	57.00	58.00	57.50	+.50
11) 15 YR	5.2370	5.2430	5.2400	+0.0145	32) 20 YR	58.63	59.88	59.25	+.15
12) 20 YR	5.2670	5.2720	5.2690	+0.0130	33) 30 YR	57.38	58.63	58.00	+.20
13) 30 YR	5.2750	5.2840	5.2795	+0.0190					

Change on day
 IYC4 I52<GO>
 Change on Month
 IYC6 I52<GO>

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

Podgorica, 12 December 2018

FX NEWS EUR/USD



Source: Bloomberg LP

The EUR/USD fluctuated this week, but at the end it recorded growth (the average value of the exchange rate was 1.1359). At the beginning of the week, the course was unstable due to price fluctuations in the US stock market. On Tuesday, due to a weakening of US stocks in the USA, the EUR/USD exchange rate fell, as a reaction to President Trump's contradictory statements on social networks, on the occasion of a trade deal with China and whether it would really be achieved in 90 days or thereafter. The EUR/USD exchange rate rose from 1.1344 to 1.1413 on Thursday. The trade deficit in the US rose by 1.7% in October to reach 55.5 billion US dollars, exports continued to weaken, while imports of consumer goods reached a record, which showed that the measures implemented by the Trump's Administration in terms of reducing the trade gap are not effective. Regarding the situation in Italy, there is still no news about the agreement on the budget deficit target. The Italian Prime Minister is still working to lower target to an acceptable level of 1.9%-2%. On the last day, the euro area GDP data for the third quarter of 0.2% was published, which was in line with expectations, so the euro strengthened against the dollar. On Friday, there were worse than expected data from the US labour market which further weakened the dollar (the number of new jobs outside agriculture amounted to 155,000 in November, which is significantly less compared to the previous month - 237,000 and the expected figure of 198,000).

EUR/GBP



Source: Bloomberg LP

On the first day of this reporting week, the EUR/GBP exchange rate recorded a slight increase, as concerns were raised about the approval of the Brexit proposal in the British Parliament (December 11th). The next day, the course weakened, as the EU legal adviser has stated that there is no obstacle for the UK to withdraw the activation of Article 50, by which member states officially leave the European Union. During the week, the course mildly fluctuated, due to uncertainty whether Prime Minister, Theresa May, would succeed in securing the passage of the Brexit proposal in the Parliament. On the last day of this reporting week, the EUR/GBP exchange rate has risen.

EUR/JPY



Source: Bloomberg LP

At the beginning of the week, the yen was stronger against the euro as a result of the fall in stock prices and the turnover of investors with safer means, as trade tensions between the leading economic powers still continue, and markets test the Fed's readiness to raise interest rates due to the apparent global economic slowdown. On Wednesday, the EUR/JPY exchange rate recorded a slight increase in Thursday's downturn as one of the leading Huawei manager was brought in, which raised concerns about a possible intensification of relations between the USA and China. On the last day the course again recorded growth.

Table 1 - Exchange rates of the most important currencies

	3 December 2018 ¹	7 December 2018 ²	% Change
EUR/USD	1.1317	1.13790	0.55
EUR/GBP	0.88743	0.90420	1.89
EUR/JPY	128.44	128.510	0.05
EUR/AUD	1.54917	1.58046	2.02
EUR/CHF	1.13087	1.12471	-0.54
USD/JPY	113.57	113.120	-0.40
GBP/USD	1.2749	1.25660	-1.44

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 Dec 2018
Federal Reserves	„Federal Funds Target Rate“	2.25%	19 Dec 2018
Bank of Japan	„Overnight Call Rate“	-0.10%	20 Dec 2018
Bank of England	„Official Bank Rate“	0.75%	20 Dec 2018
Swiss National Bank	„Libor Target Rate“	-0.75%	13 Dec 2018
Bank of Canada	„Target Overnight Rate“	1.75%	5 Dec 2018
Reserve Bank of Australia	„Cash Rate Target“	1.50%	6 Dec 2018

Table 3 - Eonia and Euribor

	3 December 2018 ¹	7 December 2018 ²	Change in basis points
Eonia	-0.349	-0.359	-1.00
Euribor 1W	-0.376	-0.378	-0.20
Euribor 1M	-0.368	-0.368	0.00
Euribor 3M	-0.316	-0.314	0.20
Euribor 6M	-0.251	-0.245	0.60
Euribor 12M	-0.146	-0.134	1.20

¹ Opening market value on Monday

² Closing market value on Friday

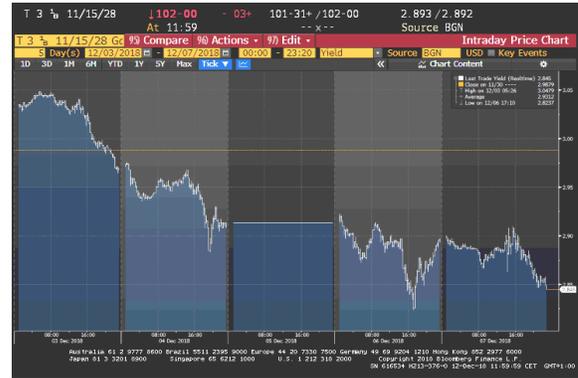
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on German government bonds had a downward trend during this reporting week. The decline in yield was due to a rise in demand for safe assets as several factors simultaneously adversely affected investors' inclination towards more risky investments. Namely, in this reporting period, the prices of shares in Europe and in the United States have declined, while at the same time there is still uncertainty regarding the US and China trade agreement. On the other hand, in this reporting week, yields on Italian bonds fell, with optimism that an agreement would be reached between the Italian Government and the EU over the budget and deficit for the next year. Namely, the media in Italy reported that the authorities in that country could relax in their firm position and mitigate the target deficit for the next year from 2.4% to around 2%. Yields on German 10-year bonds fell this week from 0.312% to 0.245%, while yields on Italian bonds of the same maturity fell from 3.21% to 3.10%.

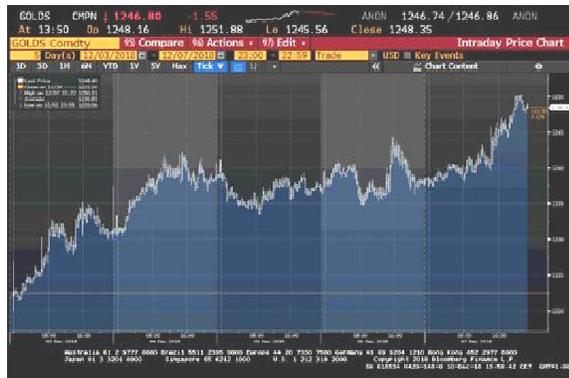
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on US government bonds fell this week. The decline in yields on these bonds came as investors turned to safe funds due to uncertainty over China and the US trade deal, an investigation by US lawmakers about Russia's possible involvement in the Trump's election campaign, and the fall in stock prices in the world's leading markets. Also, negative data from the US labour market further offset the yields on bonds of that country. According to data released at the end of the week, the total number of employed persons, excluding agricultural workers, amounted to 155 thousand in November, which is considerably less than in the previous month (237 thousand) and out of the expected 198 thousand. Yields on 10-year US bonds fell this week from 3.04% to 2.84%.

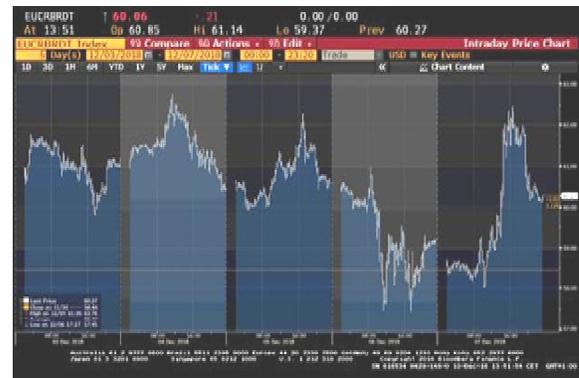
GOLD



Source: Bloomberg LP

The price of gold this week had a rising trend. On Monday, the price of gold rose because of investors' expectations that the Fed would take a break in the interest rate increase next year, and the next steps on the US-China relationship were awaited (it was agreed that the US would not impose additional custom duties on China over the next 90 days, and will launch new trade negotiations in order to reach a final agreement). In the middle of the week, the price of gold did not register significant movements. On Friday, there was more pronounced rise in gold prices due to the weakening of the dollar, following the release of weaker than expected data from the US labour market, which only spurred speculation that the FED would slow down the pace of interest rate increase in 2019 that was actual at the beginning of the week.

OIL



Source: Bloomberg LP

The oil price slightly fluctuated for the first three days and its average value was around 61.09 US dollars per barrel. On Tuesday, the price of oil in the first part of the day recorded a rise, in response to the ever-declining volume of production of this fuel at the forthcoming OPEC meeting in Vienna, which was due to take place on 6 December. However, in the second half of the day, oil prices fell, following the release of the report of the American Petroleum Institute, which showed a rise in oil reserves by 5.36 million barrels during the previous week. Gasoline and diesel stocks also recorded growth. On Thursday, the price of this fuel dropped further, after Saudi Arabia declared that OPEC and its allies are working to achieve smaller cuts in the production of this fuel compared to the expectations of the trader, which increased the concern that the cartel might not be able to respond to the problem of market overload with this energy source. At the end of the week, after two days of negotiations, OPEC members and their partners managed to agree to reduce production by 1.2 million barrels per day, which is more than expected, which led to a rise in oil prices. OPEC members will reduce production to 0.8 million US dollars on a daily basis, and their partners outside OPEC to 0.4 million US dollars. This agreement will be valid until April 2019, when it will be revised again. From these negotiations, Iran won the victory, as it was granted an exemption from a reduction in production volumes, because it is still under United States sanctions.

Table 4 - Economic indicators 3 – 7 December 2018

Country	Indicator	Period	Expected value	Current value	Previous value
France	Industrial production Measures changes in the volume of output produced in the production, service and mining sectors.	October MoM% (YoY%)	0.7% (-1.4%)	1.2% (-0.7%)	-1.8% (-1.1%)
Euro area	Retail Sales Measures changes in retail sales in the euro area.	October MoM% (YoY%)	0.2% (2.0%)	0.3% (1.7%)	0.0% (0.8%)
	GDP Measures the value of products and services produced within the country. GDP is the most comprehensive measure of economic output and provides a key insight into the main drivers of an economy.	3Q QoQ%	0.2%	0.2%	0.2%
Germany	Factory Orders Shows a change in the number of orders with domestic manufacturers. The data gives a picture of the demand for German industrial products. Factory orders are an early indicator of the overall level of consumption in the economy, which affects economic growth.	October MoM%	-0.4%	0.3%	0.3%
USA	Trade Balance The difference between the country's exports and imports, adjusted seasonally. Monthly data on the volume of exports and imports is collected by the US Census Bureau. The trade balance shows, above all, the competitiveness of the country's products abroad.	October B=billion	-\$55.0B	-\$55.5B	-\$54.0B
UK	PMI Manufacturing Monthly survey on production activity and its future outlook. The larger index that measures this activity points to a more optimistic economic outlook.	November	51.7	53.1	51.1

Source: Bloomberg