

EURUSD ↓ 1.2179  
At 19:38 Op 1.2174 HI 1.2174 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 Daily  
Market 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	1.1914
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	1.1874
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

(8 - 12 October 2018)

▼ BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby: Softbank, Vodafone, L'Oreal Body  
ICAP's Smith: U.S. European Bonds, Fed  
FIM's Bennett: U.S. Dollar, Fed Policy, Euro, Yen  
Commonwealth Bank's Thudell: Oil Prices, Iraq  
China Ailined Wei: Fleet Reorganization, Earnings Outlook  
Microsoft's Ballmer: Stock Performance, Strategy, Products  
Bear Stearns Teleconference: Fiscal First-Quarter Profit  
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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.  
6815-931-3 17-Mar-06 19:27:28

USD INTEREST RATE SWAPS					USD 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	-0.17
3) 3 YR	5.0500	5.0720	5.0610	+0.0330	24) 4 YR	44.38	45.63	45.00	-0.10
4) 4 YR	5.0620	5.0740	5.0680	+0.0250	25) 5 YR	48.25	49.25	48.75	+0.25
5) 5 YR	5.0860	5.0920	5.0890	+0.0235	26) 6 YR	49.50	50.50	50.00	+0.30
6) 6 YR	5.1100	5.1130	5.1105	+0.0170	27) 7 YR	50.50	51.50	51.00	+0.40
7) 7 YR	5.1300	5.1350	5.1325	+0.0170	28) 8 YR	51.13	52.13	51.63	+0.33
8) 8 YR	5.1470	5.1530	5.1500	+0.0160	29) 9 YR	51.75	52.75	52.25	+0.45
9) 9 YR	5.1620	5.1680	5.1640	+0.0135	30) 10 YR	52.25	53.25	52.75	+0.50
10) 10 YR	5.1780	5.1830	5.1805	+0.0175	31) 15 YR	57.00	58.00	57.50	+0.50
11) 15 YR	5.2370	5.2430	5.2400	+0.0145	32) 20 YR	58.63	59.88	59.25	+0.15
12) 20 YR	5.2670	5.2720	5.2690	+0.0130	33) 30 YR	57.38	58.63	58.00	+0.20
13) 30 YR	5.2750	5.2840	5.2795	+0.0190					

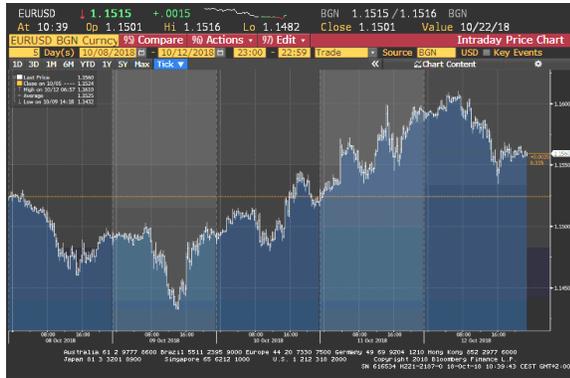
Change on day  
IYC4 I52<GO>  
Change on Month  
IYC6 I52<GO>

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, 18 October 2018

# FX NEWS

## EUR/USD



Source: Bloomberg LP

At the very beginning this week, the EUR/USD exchange rate weakened as the demand for the dollar increased due to the growth of the concern over the situation in Italy. European officials criticized Italy for setting a budget target (the target for the next year is 2.4% of GDP) and pointed out that such a fiscal target is a significant deviation from the agreed. From the middle of the week, and almost to the very end of the reporting period, the EUR/USD exchange rate recorded upward trend. The rise in the exchange rate came as the stock markets in the United States declined, which led the US president to criticize the FED for the policy of raising interest rates. At the very end of the week, the recovery in stock prices on the US stock exchanges prompted the EUR/USD exchange rate to drop slightly.

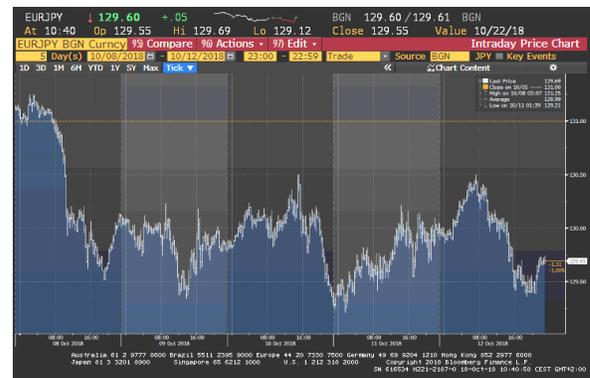
## EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate was decreasing almost to the middle of this reporting period. The strengthening of the British currency against the euro was due to the growing optimism that the UK is close to reaching an agreement on Brexit (the UK's main negotiator has said that reaching an agreement is close). On the other hand, the pressure on the euro was due to the growing disagreement between EU officials and the populist government in Italy. As of Thursday, the downward trend in the euro has been cut off, so Europe's single currency has recovered some of its losses from the sterling as the official EU and UK meetings are approaching and the uncertainty arises as to whether an agreement will be reached.

## EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate fell during this reporting week. The strengthening of the yen against the euro resulted in the growth of demand for safe assets during this reporting period. The increase in demand for safe assets came from the intensification of trade relations between the US and China, as well as the rise in political uncertainty in the EU.

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

	8 October 2018 <sup>1</sup>	12 October 2018 <sup>2</sup>	% Change
EUR/USD	1.1524	1.1560	0.31
EUR/GBP	0.87790	0.87909	0.14
EUR/JPY	131.00	139.69	6.63
EUR/AUD	1.63393	1.62502	-0.55
EUR/CHF	1.14366	1.14745	0.33
USD/JPY	113.720	112.21	-1.33
GBP/USD	1.31200	1.3153	0.25

**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%	25 October 2018
Federal Reserves	Federal Funds Target Rate	2.25%	8 November 2018
Bank of Japan	Overnight Call Rate	-0.10%	31 October 2018
Bank of England	Official Bank Rate	0.75%	1 November 2018
Swiss National Bank	Libor Target Rate	-0.75%	13 December 2018
Bank of Canada	Target Overnight Rate	1.50%	24 October 2018
Reserve Bank of Australia	Cash Rate Target	1.50%	2 October 2018

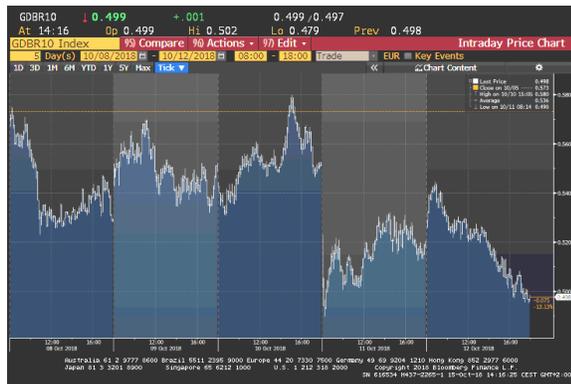
**Table 3 - Eonia and Euribor**

	8 October 2018 <sup>1</sup>	12 October 2018 <sup>2</sup>	Change in basis points
Eonia	-0.362	-0.368	-0.60
Euribor 1W	-0.376	-0.376	0.00
Euribor 1M	-0.371	-0.369	0.20
Euribor 3M	-0.318	-0.318	0.00
Euribor 6M	-0.267	-0.267	0.00
Euribor 12M	-0.158	-0.157	0.10

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

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

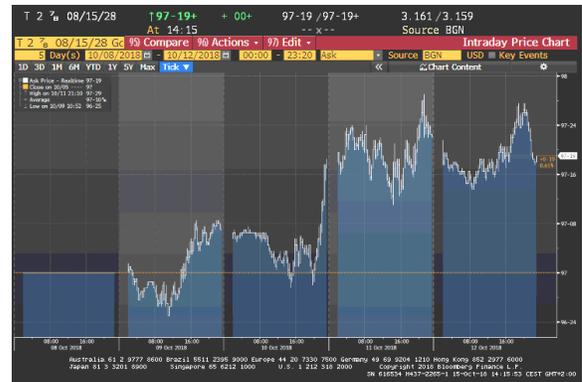
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

In the first half of the week, yields to 10-year German bonds were sluggish (the average yield was around 0.54%). During this period, there was a current disagreement between Italy and the EU over the budget deficit (the European Commission considers that the set target is excessive), which pushed upwards yield to 10-year Italian bonds. On Thursday, the demand for safe assets increased as a result of falling stock prices on stock exchanges (yields to German government bonds fell from 0.55% to 0.48%). By the end of the week, yields recovered as the stock market stabilized. At the beginning of the week, yields on 10-year bonds were at the level of 0.57%, and at the end of the week at 0.50%.

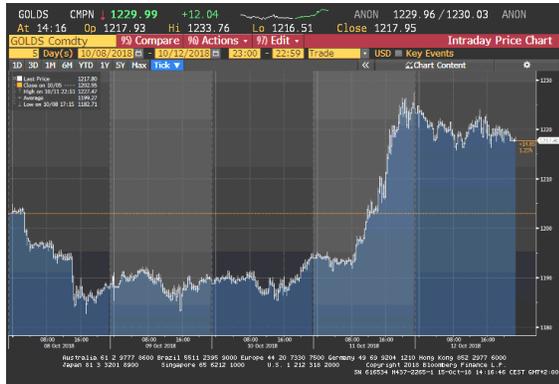
## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On Monday, markets were closed in the United States due to the Columbus Day holidays. For the next two days, yields on 10-year US bonds were sluggish (about 3.22% on average). For the past two days, the yields on the above-mentioned bonds have been declining as the stock prices fell on the US stock exchanges, and President Trump recognized the Federal Reserve as the main culprit. Slow inflation in the US, in September, further affected the decline in yield. Geopolitical tensions (the announcement by President Trump to introduce tariffs to China, as well as the rise in tensions between the US and Saudi Arabia) were another reason that demand for safe assets had increased on the last day. At the beginning of the week, yields on 10-year US bonds amounted to 3.23%, and at the end of the week they were at 3.16%.

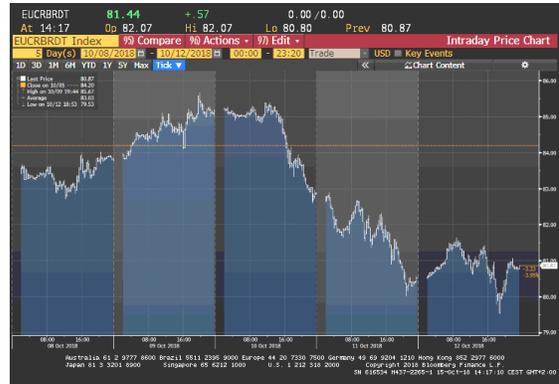
## GOLD



Source: Bloomberg LP

At the beginning of the week, the price of gold fell, owing to the strengthening of the US dollar exchange rate. During the week, the price of gold was stable, with a sharp increase on Thursday as global stock prices weakened, as well as the information on inflation in the US, which were worse than expected (inflation rose in September 0.1%, while 0.2% growth was expected). On Friday, the price of this precious metal fluctuated around 1,220 US dollars per ounce.

## OIL



Source: Bloomberg LP

On the first day of this reporting week, oil prices slumped slightly in order to rise on Tuesday due to the shutting down of oil platforms due to Hurricane Michel (about 40% of the oil platforms and 28% of gas platforms were closed in the Gulf of Mexico). In addition to weather conditions, the Energy Agency warned that the global market is entering the "red zone" (stocks from Venezuela and Iran are decreasing, creating a risky situation for the world economy). Oil exports from Iran reduced to 1.1 million barrels in the first week of October, down from an average of 1.6 million barrels recorded in September. On Wednesday and Thursday, the price of oil declined, due to the spill over of the weakening of stock prices on the US stock exchanges and the oil market, as well as the rising trade tensions between the US and China, which have a negative impact on the movement of oil prices. At the same time, a report that showed that the stocks of this fuel rose more than expected was published. On Friday, oil prices fluctuated, and no major changes were recorded.

**Table 4 - Economic indicators in the period 8 – 12 October 2018**

Country	Indicator	Period	Expected value	Current value	Previous value
<b>USA</b>	<b>Requirements of unemployed for receiving social assistance (Initial Jobless Claims)</b> It measures the number of people who receive unemployment benefits.	6October K=1.000	207 K	214 K	207K
<b>Italy</b>	<b>Industrial production</b> Measures the production output of the sector for energy, factories and mines. Growing industrial production points to increased production and economic expansion.	August MoM%	0.8%	1.7%	-1.8%
<b>Germany</b>	<b>Industrial production</b> Measures the production output of the sector for energy, factories and mines. Growing industrial production points to increased production and economic expansion.  <b>Consumer price index (CPI)</b> It estimates changes in the cost of living, measuring the changes in prices in the basket of consumer goods and services, used by the average household.	August MoM%  September MoM%	0.3%  0.4%	-0.3%  0.4%	-1.1%  0.4%

Source: Bloomberg