

EURUSD ↓ 1.2181
 At 19:38 Op 1.2174 Hi 1.2181
 Range 3/17/05 - 3/17/06
 Upper Chart: 3 Market Price



ACH 1.2179/1.2180 TTOL
 ev 1.2174 Value 3/21/06
 EU Curncy 1/4
 Daily
 1) News



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 mid/trd

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

International Financial Market Report

(14 – 18 May 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
- FM's Bennett: U.S. Dollar, Fed Policy, Euro, Yen
- Commonwealth Bank's Thurlbell: Oil Prices, Iraq
- China Airlines' Wei: Fleet Reorganization, Earnings Outlook
- Mitsubishi's General's Walker: Fiscal Policy and Deficit
- Bear Stearns' Teleconference: Fiscal First-Quarter Profit
- Microsoft's Ballmer: Stock Performance, Strategy, Products

10 Bloomberg TV Live 11 Bloomberg Radio Live 12 All Audio/Video Reports

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 Mohamed: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	☐
18) Bouders 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 3777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2006 Bloomberg L.P.
 5615-931-3 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

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

USD INTEREST RATE SWAPS

Ticker	Bid	Ask	Mid	Chng
US SPREADS				
2) 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 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, 25 May 2018

FX NEWS

EUR/USD



Source: Bloomberg LP

Although the **EUR/USD exchange rate** had a rising trend at the very start of the reporting period, it continued to weaken during the week. The decline in the exchange rate was triggered by the strengthening of the dollar as a result of the continued tensions on the US - China relations, as well as the statement made by the US Secretary of State that the sanctions would be imposed on the EU as well. During the week, the published US economic data (retail, manufacturing, industrial output) encouraged investor confidence in the US economy, which also led to the appreciation of the US currency. Another growth factor was the rise in yields on US government bonds (10-year yields reached the highest level in the past nearly seven years by the end of the week), as well as rising expectations that the Fed will increase the interest rate three rather than two additional times by the end of the year. On the other hand, the euro weakened as it was announced that Germany's economic growth in Q1 was revised downwards, from 0.4% to 0.3%, and was also under pressure due to the publication of a report stating that the future Government of Italy could request a debt write-off of 250 billion euro from the ECB (which was denied by the 5-Star and the League at the end of the week). The EUR/USD exchange rate closed at 1.1772 on Friday, being 1.1950 at the beginning of the week.

EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** had a downward trend during the reporting period. At the beginning of the week, sterling boosted owing to the labour market data which showed that weekly earnings in Great Britain, excluding bonuses, rose. The decline in the exchange rate continued on Wednesday as the media in that country noticed that the Great Britain would announce to the EU that it was ready to remain in the customs union after 2021 as well. The EUR/GBP exchange rate weakened at the end of the week as the newly formed populist coalition in Italy sought debt write-offs, which affected the decline in the euro.

EUR/JPY



Source: Bloomberg LP

On Monday, the **EUR/JPY exchange rate** had a rising trend, which was soon interrupted. Namely, the rise in yields on US government bonds caused a decline in stock prices on stock exchanges, therefore investors were turning to the Japanese currency, which is why this exchange rate began to fall. However, in the second half of the week, the exchange rate had a rising trend once again, mainly due to the weakening of the yen. As for Japan, it was announced that the consumer prices index in April fell for the second month in a row, ranking at 0.7%, while the level targeted by the Bank of Japan was 2%.

Table 1 - Exchange rates of the most important currencies

	14 May 2018 ¹	18 May 2018 ²	% Change
EUR/USD	1.1943	1.1772	-1.43
EUR/GBP	0.88184	0.87391	-0.90
EUR/JPY	130.63	130.39	-0.18
EUR/AUD	1.58318	1.56725	-1.01
EUR/CHF	1.19482	1.17404	-1.74
USD/JPY	109.39	110.78	1.27
GBP/USD	1.3542	1.3469	-0.54

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%	14 June 2018
Federal Reserves	"Federal Funds Target Rate"	1.75%	13 June 2018
Bank of Japan	"Overnight Call Rate"	-0.10%	15 June 2018
Bank of England	"Official Bank Rate"	0.50%	21 June 2018
Swiss National Bank	"Libor Target Rate"	-0.75%	21 June 2018
Bank of Canada	"Target Overnight Rate"	1.25%	30 May 2018
Reserve Bank of Australia	"Cash Rate Target"	1.50%	5 June 2018

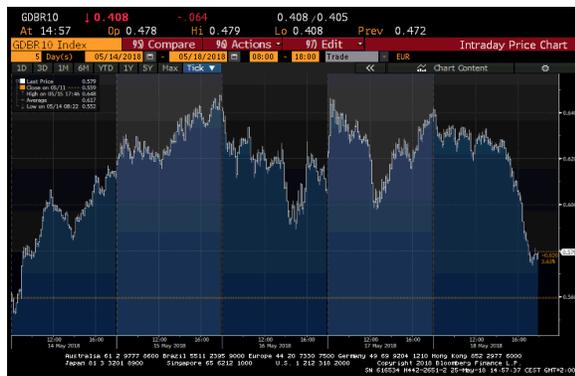
Table 3 - Eonia and Euribor

	14.04.2018. ¹	18.05.2018. ³	Change in basis points
Eonia	-0.361	-0.371	-1.00
Euribor 1W	-0.381	-0.381	0.00
Euribor 1M	-0.371	-0.371	0.00
Euribor 3M	-0.327	-0.326	0.10
Euribor 6M	-0.272	-0.271	0.10
Euribor 12M	-0.189	-0.189	0.00

¹Opening market value on Monday

²Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on German 10-year government bonds rose over the first two days of this reporting week as the ECB representative Francois de Galhau said the central bank is getting closer to the end of bond purchases and will update its guidelines concerning the next increase in interest rate. He also added that after the expiration of the bonds purchase programme, the interest rate will be preserved at the same level for a while, this referring to quarters, not years, and that it will take about 6 to 9 months for the first increase in the interest rate to occur, following the bonds purchase programme suspension. Over the next two days, yields on these bonds did not record a major change, so as to make a sharp fall on Friday, due to uncertain political situation in Italy, as the two Eurosceptic parties reached an agreement on establishing the government. The yields on German 10-year government bonds were at the level of 0.579% on the last day of the week.

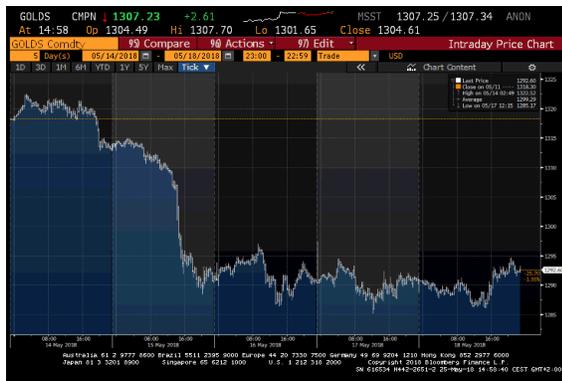
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on US 10-year government bonds had an upward trend during most time of this reporting week. The growth in yields on these bonds was result of the release of better than expected economic data on the US market, and the expectations of traders concerning the increase in the Fed's interest rate this year. The yields of 10-year bonds were at the weekly maximum of 3.1262% at the night between Thursday and Friday, which is the highest level since July 2011. Growth in yields also prompted the strengthening of the US currency. The yields fell slightly on the last day of this reporting week, as investors focused their attention on resolving trade issues between the US and China, and whether the two negotiating sides would achieve a satisfactory agreement. Yields on 10-year bonds stood at 3.0559% at the end of the week.

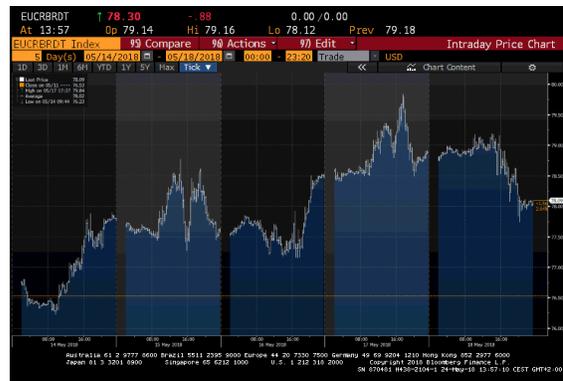
GOLD



Source: Bloomberg LP

The price of gold fell at the beginning of this week as the strengthening of the dollar led to a rise in demand for risky assets. The price of this precious metal stabilized around the level of \$ 1,292.60 per ounce in the rest of the week.

OIL



Source: Bloomberg LP

The crude oil price during this reporting week had an upward trend. The rise in oil prices was influenced by conflicts between Palestine and Israel in the Gaza Strip. The oil price is rising, due to increasingly less export of this raw material from Venezuela. By the end of the week, oil prices ranged close to the level of \$ 80 per barrel, the first time since end-2014, as the stock of this raw material fell globally.

Table 4 - Economic indicators (14 - 18 May 2018)

Country	Indicator	Period	Expected value	Current value	Previous value
USA	Initial Jobless Claims 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.	12 May K=1,000	219K	211K	211K
	Industrial production Measures the changes in the output volume of the production, service and mining sectors.	April MoM%	0.6%	0.7%	0.5%
	Manufacturing This indicator assesses the condition of the US industry by examining executives about their expectations regarding future production, new orders, stocks, employment and deliveries.	April MoM%	0.5%	0.5%	0.1%
	Retail Sales Measures changes in retail trade in Germany.	April	0.5%	0.3%	0.2%

Source: Bloomberg