

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



CENTRAL BANK OF MONTENEGRO

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

International Financial Market Report

17 - 21 September 2018

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby, Softbank, Vodafone, L'Oreal, Body Shop, etc.

ICAP's Smith, U.S. European Bonds, etc.

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

Beas Shams Teleconference: Fiscal First-Quarter Profit

General's Miyazaki, BOJ Policy, Japan Rate, Economy

Daniel Broby, chief investment officer at Bankinvest

Japanese mobile-phone unit and L'Oreal SAS purchase of Body Shop International Plc.

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 | 🔊 |
| 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.
9635-351-3 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 {IYC1 I2
For US swap Curve, type {IYC1 I52 <G

Podgorica, 26 September 2018

FX NEWS

EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate rose at the beginning of the week as the dollar weakened due to fears of an escalation of trade relations between the US and China, and the expectation that the US government would issue a statement on the introduction of new tariffs. On the other hand, the euro strengthened as a result of release of euro area inflation data that were in line with expectations, as well as the optimism that the Italian budget would remain within the EU limits. President Trump announced on Monday the introduction of new 10% tariffs that will be imposed on 200 billion dollar in Chinese imports. This decision comes into effect on 24 September, and the rate will increase to as much as 25% from 2019. He added he would also impose tariffs on 267 billion dollar imports if China strikes back. Ministry of Finance of China issued a statement on the Trump decision, announcing that it will introduce 60 billion dollar counter tariffs on US commodities, which will enter into force on the same day when the new tariffs announced by the US on Chinese imports will apply. Tariffs will refer to commodities including meat, wheat, and textiles. After that, the exchange rate was stable and did not have any significant fluctuations (varying around 1.1684). The EUR/USD exchange rate rose on Thursday as markets prepared for the Fed meeting, but it was already in a slight decline the next day.

EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate was stable all week, recording a significant growth on the last day only. The British Prime Minister announced that day she faced the rejection of her proposals concerning Brexit at a meeting with representatives of the EU, held in Salzburg. She considered this to be unacceptable, especially when the other side did not come up with alternative proposals, stating that the EU must treat the UK with respect. She also added that both sides are still distant from each other, currently being in a stalemate. The difficulties encountered in the Brexit negotiations continued to diminish the value of the sterling.

EUR/JPY



Source: Bloomberg LP

EUR/JPY exchange rate rose this week. The rising trend was a result of weakening of the yen as China announced it should work together with the United States to tackle global trade tensions. At the end of the week, Japan's production figures that lowered the value of yen were weaker than expected. However, at the very end of the week, the rising trend of the EUR/JPY exchange rate was interrupted as China cancelled negotiations with the US.

Table 1 - Exchange rates of the most important currencies

| | 17 September 2018 ¹ | 21 September 2018 ² | % Change |
|---------|--------------------------------|--------------------------------|----------|
| EUR/USD | 1.1625 | 1.1749 | 1.07 |
| EUR/GBP | 0.88946 | 0.89815 | 0.98 |
| EUR/JPY | 130.29 | 132.29 | 1.54 |
| EUR/AUD | 1.62518 | 1.61125 | -0.86 |
| EUR/CHF | 1.12543 | 1.12612 | 0.06 |
| USD/JPY | 112.06 | 112.59 | 0.47 |
| GBP/USD | 1.3068 | 1.3072 | 0.03 |

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 | 2.00% | 26 September 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% | 02.10.2018. |

The Swiss National Bank and the Bank of Japan held regular meetings this week, and interest rates were not changed.

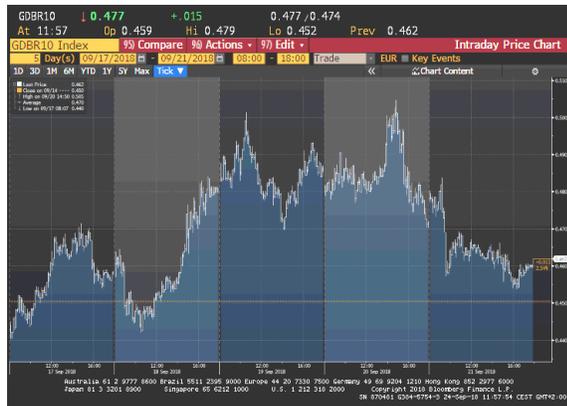
Table 3 - Eonia and Euribor

| | 17.09.2018. ¹ | 21.09.2018. ² | Change in basis points |
|-------------|--------------------------|--------------------------|------------------------|
| Eonia | -0.366 | -0.367 | -0.10 |
| Euribor 1W | -0.376 | -0.376 | 0.00 |
| Euribor 1M | -0.371 | -0.372 | -0.10 |
| Euribor 3M | -0.319 | -0.319 | 0.00 |
| Euribor 6M | -0.269 | -0.267 | 0.20 |
| Euribor 12M | -0.168 | -0.167 | 0.10 |

¹Opening market value on Monday

²Closing market value on Friday

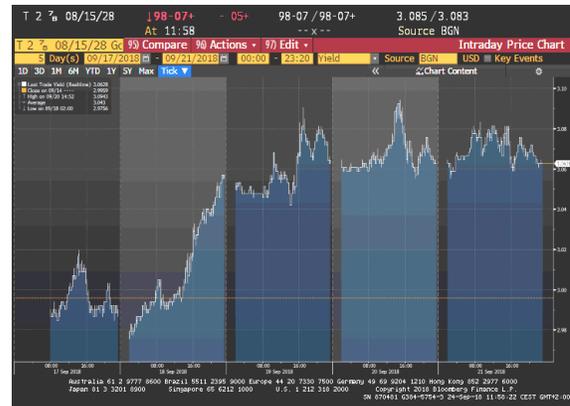
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on German 10-year government bonds rose by 2 basis points from 0.44% (early week, and at the same time a minimum value) to 0.46% (end-week), while the maximum value of these yields reached 0.505%. There were no significant developments in this market during the week, except for the fact that preliminary data published on Friday showed that the euro area production index in September was lower than predicted. As for the Italian government bonds, yields were rather volatile, as details on the country's budget for 2019 are still expected. The yields on 10-year Italian government bonds fell by about 13 basis points at a weekly level. At the very beginning of the week, these yields fell by 20 basis points, from 2.958% (opening market value on Monday), to 2.75% (Tuesday), to recover by the end of the week to a level of 2.827%.

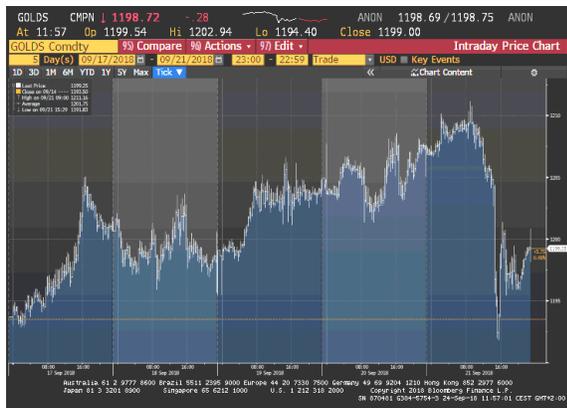
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on US 10-year government bonds rose by around 7 basis points in this reporting period, from 2.99% to 3.063%. It was announced at the beginning of the week that President Trump will introduce new tariffs of 10% to be imposed on 200 billion dollar in Chinese imports as of 24 September, while the next year this rate will increase to as much as 25%, although this rate is expected from the very beginning. However, China soon took a stance by announcing introduction of tariffs on the 60 billion dollar of US imports, which will come into force on 24 September as well. Nevertheless, the concern over the global trade war began to decline, therefore investors turned to risky assets, which led to a rise in yields on US government bonds. The yields also grew as a result of growing expectations that the Fed will increase the interest rate at the September meeting. At the same time, the expectations were that the US-Canada Trade Agreement will be renewed, which, alongside solid US economic data (better than expected data on the new construction in August in the US), continued to support yields on the US government bonds by the end of the week.

GOLD



Source: Bloomberg LP

The weakening of the US dollar and the concern over the escalation of trade relations between the US and China at the beginning of the week prompted a rise in demand for safe investments, hence a rise in gold prices. Although the price was volatile on Tuesday, the rising trend continued until Friday morning, as the dollar continued to weaken. However, the price fell to a 1-week minimum on Friday, due to the recovery of the dollar, but also as a result of the rise in stock prices on US stock exchanges.

OIL



Source: Bloomberg LP

Although the oil price rose at the opening of the market on Monday, it soon fell. However, the price of this fuel recorded sharp growth on Tuesday morning, as Saudi Arabia said it is now acceptable for the price to go over the level of 80 dollars per barrel. Despite the data from the American Petroleum Institute (API), which showed that oil stocks in the United States rose by 1.25 million barrels last week, the price increase continued until Thursday, as a result of weakening of the value of the dollar, as well as the publication of the report of the US Department of Energy, which was contrary to the API report. Explicitly, this report showed that stocks were reduced by 2.1 million barrels. However, once the US President criticized OPEC for rising prices for this fuel over Twitter, the price dropped. Although the price increased on Friday, due to signs of the US output declining, the downward trend continued on the same day, as it was announced that OPEC could increase its output.

Table 4 - Economic indicators in the period 17 - 21 September 2018

| Country | Indicator | Period | Expected value | Current value | Previous value |
|-----------|---|--------------------|----------------|---------------|----------------|
| USA | Housing Starts Shows a change in the number of new real estate built in the US (the increase in this indicator indicates to investment growth and business optimism). | August MoM% | 5.7% | 9.2% | 0.9% |
| Euro area | Consumer price index (CPI) Estimates the changes in the cost of living, by measuring changes in the price level of market basket of consumer goods and services purchased by an average household, therefore representing the key inflation measure in the Euro area. | August MoM% | 0.2% | 0.2% | -0.3% |
| UK | Consumer price index (CPI) Estimates the changes in the cost of living, by measuring changes in the price level of market basket of consumer goods and services purchased by households. | August MoM% (YoY%) | 0.5% (2.4%) | 0.7% (2.7%) | 0.0% (2.5%) |
| Japan | PMI Manufacturing Monthly research on production activity and its future outlook. The higher index that measures this activity points to a more optimistic economic outlook. | September | 53.1 | 52.9 | 52.5 |

Source: Bloomberg