

EURUSD ↓ 1.2179
 At 19:38 Op 1.2174 HI 1.2179 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	1.1974
T 3/14	1.2016	M 2/20	1.1974
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	1.1884
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

25 - 29 June 2018

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby, Softbank, Vodafone, L'Oreal, Body Shop, Japanese mobile-phone unit and L'Oreal SAs purchase of Body Shop International Plc.

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

Rate Generale's Mignis, BOJ Policy, Japan Rate, Economy

Legal & General Teleconference: Full-Year Earnings

UBS Warburg's Hickson, Outlook for Steel Industry

European Commission: Daily News Conference

Egypt's Mohamed, Sale of State-Owned Businesses

Borders Group Teleconference: 4th-Qtr Results

AIG Teleconference About Fourth-Quarter Results

Bloomberg TV Live Bloomberg Radio Live All Audio/Video Reports

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 I48<GO> For US Govt Yield Curve, type fIYC1 I2 For US swap Curve, type fIYC1 I52 <G

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 I48<GO> Change on Month IYC6 I48<GO> For US Govt Yield Curve, type fIYC1 I2 For US swap Curve, type fIYC1 I52 <G

Podgorica, 5 July 2018

FX NEWS

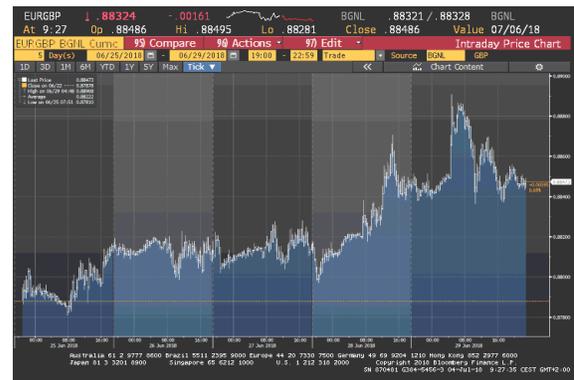
EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate improved on Monday, due to the current concern over trade relations between the US and China. However, this exchange rate had a downward trend as of the following day, which lasted until Thursday, and was the result of strengthening of the dollar. Namely, the signals sent by the US President of having a milder approach to China reduced the tensions, which, alongside the investors' expectations of increasing the Fed's interest rate, increased the demand for the US currency. Donald Trump said that instead of implementing specific restrictions on China, the US would use enhanced security oversight to prevent the takeover of the US technology by the Chinese companies. The strengthening of the dollar is supported by better than expected data on the US trade deficit. The rate fluctuated on Thursday, with a growing trend on Friday, mainly due to the strengthening of the euro, following the EU leaders agreeing on a package of measures that would make the flow of migrants more difficult, increasing border security and speeding up the process of determining the number of people who would be eligible for asylum. Observed on a weekly basis, this exchange rate slightly appreciated.

EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate was relatively stable during most of this reporting week. However, at the end of the week, it had a steady growth, as a new member of the Bank of England Board, Jonathan Haskel, said he sees risks to the UK economy if that central bank raises interest rates soon. This statement diminished expectations that BoE will increase the interest rate during this year. Also, the uncertainty about the negotiations between the UK and the EU continues to dominate, which additionally influenced the growth of the exchange rate.

EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate was volatile on Monday. For the next two days, this exchange rate had a slight downward trend, mainly due to an increase in demand for yen as a safe currency, as a result of uncertainty in trade relations between the US and China. However, the exchange rate grew on Thursday and Friday, and the main cause of this growth, which was more intense on Friday, was the EU summit where the members agreed on a migrant policy, which reduced the investors' demand for safe funds.

Table 1 - Exchange rates of the most important currencies

	25 June 2018 ¹	29 June 2018 ²	% Change
EUR/USD	1.1651	1.1684	0.28
EUR/GBP	0.87878	0.88473	0.68
EUR/JPY	128.15	129.36	0.94
EUR/AUD	1.56610	1.56610	0.00
EUR/CHF	1.15167	1.15704	0.47
USD/JPY	109.97	110.76	0.72
GBP/USD	1.3261	1.3207	-0.41

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%	26 July 2018
Federal Reserves	"Federal Funds Target Rate"	2.00%	1 August 2018
Bank of Japan	"Overnight Call Rate"	-0.10%	31 July 2018
Bank of England	"Official Bank Rate"	0.50%	2 August 2018
Swiss National Bank	"Libor Target Rate"	-0.75%	20 September 2018
Bank of Canada	"Target Overnight Rate"	1.25%	11 July 2018
Reserve Bank of Australia	"Cash Rate Target"	1.50%	3 July 2018

Table 3 - Eonia and Euribor

	25.06.2018.	29.06.2018.	Change in basis points
Eonia	-0.364	-0.358	0.60
Euribor 1W	-0.376	-0.380	-0.40
Euribor 1M	-0.370	-0.370	0.00
Euribor 3M	-0.323	-0.321	0.20
Euribor 6M	-0.268	-0.270	-0.20
Euribor 12M	-0.180	-0.181	-0.10

¹Opening market value on Monday

²Closing market value on Friday

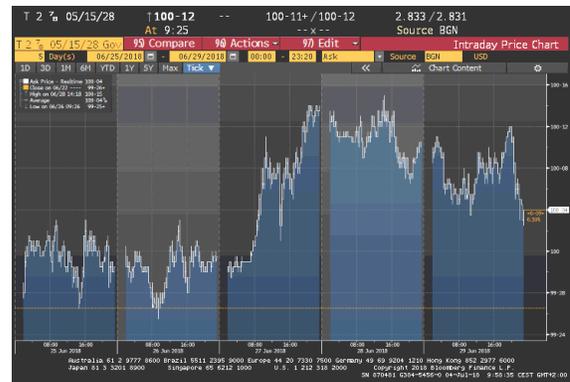
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on 10-year German government bonds recorded slight downward trend during this reporting week. The decline in these yields was affected by the intensification of trade relations between the major world economies. The auction of 6-month Italian T-bills was held mid-week, which attracted the strongest demand since October, and yields on Italian government bonds fell (10-year yields at the end of the day amounted to 2.80%). Yields on 10-year German government bonds fluctuated around the level of 0.302% at the end of the reporting week.

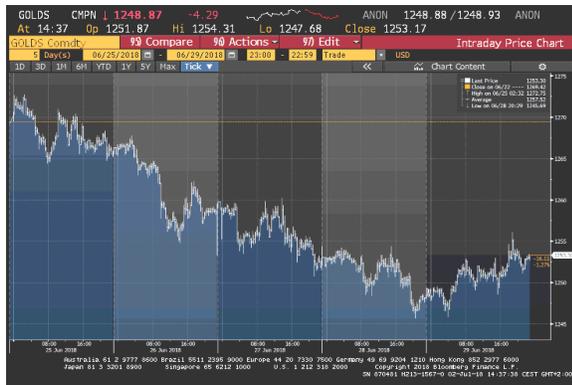
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The prices of 10-year US bonds did not register major changes in the first two days of the reporting week (the average yield was 2.87%). There was a sharp decline in yields on Wednesday (yields from 2.881% dropped to 2.825%) due to a weakening of the shares in technology, after the White House Economic Adviser, Larry Kudlow, made a comment that the US President will not retreat from China concerning the trade agreement. Yields on long-term bonds recovered the following day as the investors regained their risk appetite. The yield trend was volatile on Friday (the average yield that day was around 2.84%) as the EU members reached an agreement on the migration at the summit in Brussels, and the ECB report showed that this bank is considering the purchase of longer-term bonds at the beginning of next year, which made it possible for yields to increase by the end of the day (they were at the level of 2.86% at the end of the week).

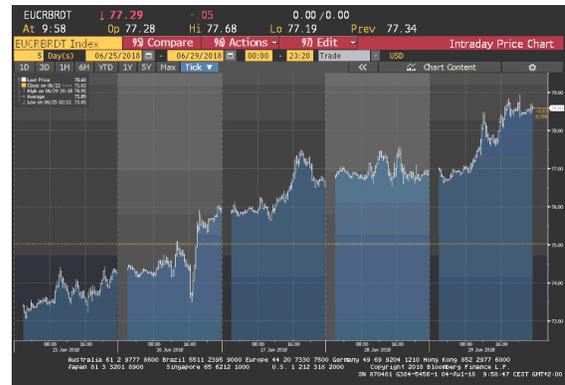
GOLD



Source: Bloomberg LP

Gold prices had a downward trend for most of this reporting week. The price of this precious metal weakened significantly in June due to the trend of strengthening the US currency and recorded the highest monthly decline since November 2016. The price of gold recovered slightly on Friday, due to the fall of the dollar.

OIL



Source: Bloomberg LP

During this reporting week, oil prices rose (from \$73.21 a barrel to \$78.50 a barrel). Oil price fluctuations were not high on Monday, but the rose on Tuesday because of the concern that oil disruptions are present, as the US demanded that all those countries who import oil from Iran stop doing so until the beginning of November, otherwise they will have sanctions imposed on. At the same time, the increase in the price of this fuel was influenced by the announcement that oil stocks in the United States fell by about 9.2 million barrels during the previous week. Oil prices rose to a 3½-year high on Thursday, due to continued news of the decline in oil stock levels in the United States, as well as the situation in Libya, where the militia head handed over control over the country's largest export terminal to a rival oil company from Tripoli. Oil supply disruptions from Canada to Libya were also the reason why oil prices were on the rise.

Table 4 - Economic indicators (25 - 29 June 2018)

Country	Indicator	Period	Expected value	Current value	Previous value
Germany	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.	June (preliminary data) MoM% YoY%	0.1% 2.1%	0.1% 2.1%	0.5% 2.2%
Great Britain	Gross domestic product (GDP) One of the basic macroeconomic indicators, which represents the calculated value in the market prices of goods and services produced within the country, but excludes the income of citizens and corporations working abroad. 4 components are used to calculate GDP: consumption, investments, government expenditure, and net exports.	I Quarter QoQ%	0.1%	0.2%	0.1%
USA	Initial Jobless Claims Measures the number of people receiving unemployment allowances.	23 June K=1000	220K	227K	218K
	Gross domestic product (GDP) One of the basic macroeconomic indicators, which represents the calculated value in the market prices of goods and services produced within the country, but excludes the income of citizens and corporations working abroad. 4 components are used to calculate GDP: consumption, investments, government expenditure, and net exports.	I Quarter QoQ%	2.2%	2.0%	2.2%
	Trade Balance It represents the relationship between the amount of the price of goods exported outside the country and the price of goods imported into the territory of that country, i.e. difference between exports and imports. If the amount of goods exported exceeds the amount of the imported goods, then the trade balance is active (positive balance), if the import exceeds the export - then it becomes passive (negative balance).	May B= Billion	-\$69.0B	-\$64.8B	-\$68.2B

Source: Bloomberg