

EURUSD ↓ 1.2179  
 At 19:38 Op 1.2174 HI 1.2179 Value 3/21/06  
 Market Currency 1/4



CENTRAL BANK OF MONTENEGRO

Range 3/17/05 - 3/17/06  
 Upper Chart: 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	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**

26 - 30 March 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

Mitsubishi BDI Policy, Japan Rate, Economy

Bear Stearns Teleconference: Fiscal First-Quarter Profit

Microsoft's Ballmer, Stock Performance, Strategy, Products

Daniel Broby, chief investment officer at 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	🔊

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

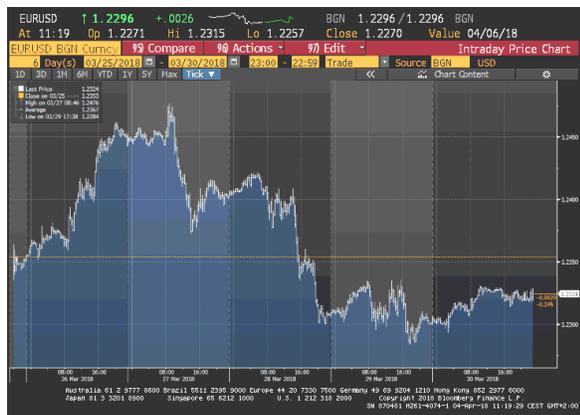
USD INTEREST RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	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 f IYC1 I2  
 For US swap Curve, type f IYC1 I52 <G

Podgorica, 4 April 2018

# FX NEWS

## EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate rose only during the first day of this week's reporting, as it was announced that the economic growth in France in the fourth quarter of the year was slightly better than expected (0.7% while 0.6% was expected). At the same time, the statement by the ECB officials that many banks consider transferring from London to the euro zone in their plans concerning Brexit was also in favour of strengthening of the euro against the dollar. From Tuesday, until the end of Wednesday, the EUR/USD exchange rate began to decline, this time as it was announced that Germany's import prices fell 0.6% in February compared to January, and that inflation in Spain was 0.1% in the same period, 0.3% being expected. On the other hand, positive data were received from the other side of the Atlantic, which additionally reflected the fall of this currency pair. Namely, the GDP in the U.S grew at a rate of 2.9% in the fourth quarter of 2017, which is more than expected at 2.7%. During the last two days, the EUR/USD exchange rate stabilized.

## EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate recorded a slight upward trend during the reporting week, ranging from 0.87170 to 0.87975. The euro and the British currency weakened this week against the U.S. currency, due to the announcement that U.S. economic growth exceeded expectations. Sterling weakened, before the Easter holidays and the end of the month, due to possible mergers and acquisitions of pharmaceutical companies Novartis from Switzerland and GlaxoSmithKline (GSK) from Great Britain. Namely, GSK plans to buy 36.5% stake in Novartis worth 13 billion dollars.

## EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate grew during the first day of this reporting week only, as the demand for safe assets declined due to the fact that trade concerns were shrinking after the media reported that China and the U.S. secretly began to negotiate about China allowing better access to its market for the U.S. companies. In the rest of the week, the EUR/JPY exchange rate stabilized around the level of 130.90 and with mild fluctuations varied around that level by the end of the week.

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

	<b>26 March 2018<sup>1</sup></b>	<b>30 March 2018<sup>2</sup></b>	<b>% Change</b>
EUR/USD	1.2290	1.2324	0.28
EUR/GBP	0.88165	0.87909	-0.29
EUR/JPY	130.28	130.97	0.53
EUR/AUD	1.59302	1.60370	0.67
EUR/CHF	1.17013	1.17536	0.45
USD/JPY	106.01	106.28	0.25
GBP/USD	1.3942	1.4015	0.52

**Table 2 - Overview of the reference interest rates of the leading central banks**

<b>Central Bank</b>	<b>Reference interest rate</b>	<b>Reference interest rate level</b>	<b>Next meeting</b>
European Central Bank	"ECB main refinancing rate"	0.00%	26 April 2018
Federal Reserves	„Federal Funds Target Rate“	1.75%	2 May 2018
Bank of Japan	„Overnight Call Rate“	-0.10%	27 April 2018
Bank of England	„Official Bank Rate“	0.50%	10 May 2018
Swiss National Bank	„Libor Target Rate“	-0.75%	21 June 2018
Bank of Canada	"Target Overnight Rate"	1.25%	18 April 2018
Reserve Bank of Australia	"Cash Rate Target"	1.50%	3 April 2018

**Table 3 - Eonia and Euribor**

	<b>26.03.2018.<sup>1</sup></b>	<b>29.03.2018.<sup>3</sup></b>	<b>Change in basis points</b>
Eonia	-0.367	-0.348	1.90
Euribor 1W	-0.377	-0.379	-0.20
Euribor 1M	-0.370	-0.372	-0.20
Euribor 3M	-0.329	-0.328	0.10
Euribor 6M	-0.271	-0.271	0.00
Euribor 12M	-0.191	-0.190	0.10

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

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

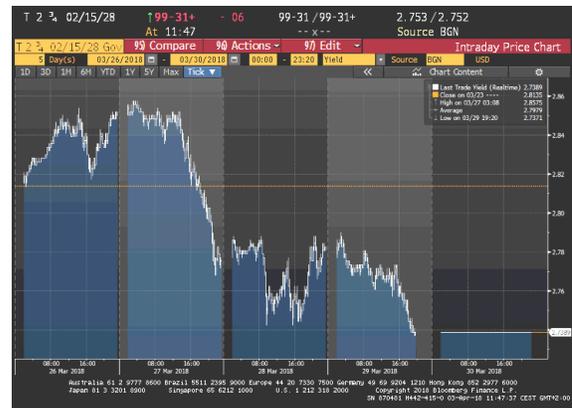
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Both yields on German 5-year and 10-year government bonds fell by about 3 basis points in this reporting week, closing at 0.497% or -0.102% respectively on Thursday. Markets were closed on Friday due to Easter. The decline was also recorded in bonds of other European countries, Italy and Spain dominating with a decline in 10-year yields of around 9 or 10 basis points, to 1.783% and 1.155% respectively. The main reason for the fall in the yield was the increased demand for government bonds due to the adjustment of positions at the end of the month and quarter, while the data on the consumer price index in Spain had a limited impact.

## AMERICAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On Tuesday, yields had the largest change on a daily basis if compared to the rest of the week. The reason that yields on 10-year bonds rose was an increase in stock prices in the U.S. market, as investors were more inclined to risk taking due to less concern over the trade war between the U.S. and China. Yields on these bonds slightly fluctuated in the rest of the week, mainly due to the changed stock market situation, and later because of the announcement that consumer confidence in the U.S. in March was not in line with the forecasts (it was expected the index measuring this trust in March to be 102 but it was still at the level of 101.4 at the end). The U.S. market was closed on the last day of the week, due to holidays.

## GOLD



Source: Bloomberg LP

The price of gold fell in this reporting week, although it had a rising trend at the beginning of the week. Namely, the weakening of the dollar and the presence of geopolitical tensions (concerning Russia - Canada, the United States and the E.U. made the decision to expel Russian officials), prompted the demand for gold, so the price reached a 5-week maximum on Tuesday (USD 1,356.93). Soon the price began to weaken and had such trend by the end of the reporting period (the exception was Friday, when the markets were closed due to Easter holidays). Namely, investors sold this precious metal to use the profits of previous growth, but the dollar strengthened in this period, which was another reason for the drop in prices by the end of the week.

## OIL



Source: Bloomberg LP

In the first two days of this reporting period, oil prices fluctuated around 70 dollars per barrel, but dropped late afternoon on Tuesday, as the American Petroleum Institute report showed that oil stocks in the U.S. rose last week. Weakening of this energy product price resumed on Wednesday once the Government's data confirmed the stock growth (stocks rose 1.6 million barrels last week). The next day the oil price oscillated. Markets were closed on Friday.

**Table 4 - Economic indicators (26 - 30 March 2018)**

Country	Indicator	Period	Expected value	Current value	Previous value
<b>Germany</b>	<b>Import Price Index</b> The index shows changes in import prices for a month. This is an inflation indicator. When calculating the consumer price index (CPI), the prices of imported goods and services are taken into account. This signifies the role of prices for imports in the overall picture of the change in retail prices in the "basket" of goods and services.	February	-0.3%	-0.6%	0.5%
<b>France</b>	<b>Gross domestic product (GDP)</b> Measures the value of domestic products and services. GDP is the most comprehensive measure of economic output and provides a key insight into the main drivers of an economy.	4Q QoQ% YoY%	0.6% 2.5%	0.7% 2.5%	0.6% 2.5%
<b>Spain</b>	<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 an average household.	March MoM% YoY%	0.3% 1.4%	0.1% 1.2%	0.1% 1.1%
<b>USA</b>	<b>Gross domestic product (GDP)</b> Measures the value of domestic products and services. GDP is the most comprehensive measure of economic output and provides a key insight into the main drivers of an economy.	4Q QoQ%	2.7%	2.9%	2.5%

Data source: Bloomberg