

EURUSD ↓ 1.2179

At 19:38 Op 1.2174 HI 1.2179

1.2179/1.2180 TTOL

Value 3/21/06

Market

Currency

1/4

Range 3/17/05 - 3/17/06

Upper Chart: 3 Market Price



CENTRALNA BANKA
CRNE GORE

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 2/24	1.1978
T 3/16	1.2174	W 2/22	1.1911
W 3/15	1.2050	T 2/21	1.1909
T 3/14	1.2016	M 2/20	1.1909
M 3/13	1.1934	F 2/17	1.1909
F 3/10	1.1894	T 2/16	1.1909
T 3/ 9	1.1909	W 2/15	1.1904
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

26 - 30 November 2018

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby, Softbank, Vodafone, L'Oreal, Body Shop, ICAP's Smith, U.S. European Bonds, 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, Bear Stearns Teleconference, Focal First-Quarter Profit, Japanese mobile-phone unit and L'Oreal SAS purchase of Body Shop International Plc.

13) LIVE <GO> Events

Event	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) Borders 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.
8615-351-3 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

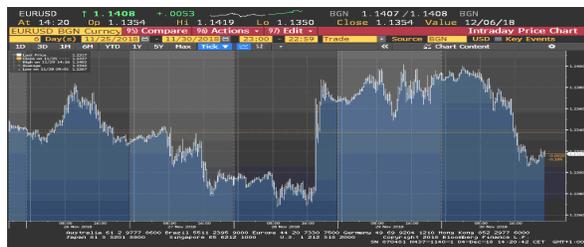
US SPREADS				
Ticker	Bid	Ask	Mid	Chng
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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 fIYC1 I2
For US swap Curve, type fIYC1 I52 <G

Podgorica, 6 December 2018

FX NEWS

EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** recorded a downward trend on the first day of this reporting week as a result of strengthening of the dollar against the European currency and the President Trump's statement. The President of the United States said that both he and the Chinese President will advocate to increase tariffs from 10% to 25% on 200 billion dollar goods at the G20 negotiations to be held at the end of the week. The weakening of the euro was further influenced by the statement of the ECB President, who confirmed the weakening of economic growth in the Euro Area. The EUR/USD exchange rate continued to lower the next day, as investors expect FED to continue increasing the interest rate at the December session. The rise in expectations came as the FED Deputy President stated that he supports the policy of gradually increasing interest rates. The exchange rate recovered in mid-week, recording growth on Thursday as well, following the comments by the FED Chairman, Jerome Powell, that the current rate is getting closer to the neutral level. The minutes from the latest FED meeting were released on Thursday, suggesting that the monetary policy makers of this central bank will adopt a more flexible approach to monetary policy after the next (December) increase in the interest rate, which increases the perception that the Fed will slow down with raising interest rates the next year. The EUR/USD exchange rate fell on Friday ahead of the negotiations between the presidents of China and the US at the Group 20 summit in Argentina. At the same time, negative pressure on the euro was caused by the fact that inflation in the Euro Area slowed slightly in November compared to December.

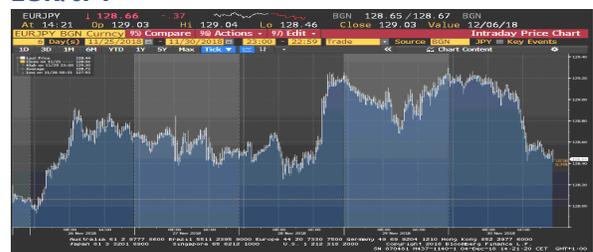
EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** was stable on the first day of this week as the agreement between the British Prime Minister and the EU officials over Brexit was reached during the previous weekend. However, sterling recorded a fall against the euro in the rest of the week. The weakening of the British currency came for the fact that this agreement must be approved by the UK Prime Minister's party first, followed by the Parliament on 11 December, which increases the possibility that it will be rejected. This led the Bank of England to warn that splitting-up from the EU without an agreement would have a larger impact on the economy than it was the case with the financial crisis ten years ago, which additionally contributed to weakening of the British currencies against the euro. However, on the last day of the week, the British currency recovered some of the losses in relation to the euro, as the Euro Area inflation data were weaker than expected (the inflation rate slowed down in the Euro Area from a 6-year maximum and the inflation rate amounted to 1.9% in November, being 2.2% in October, according to Eurostat's data).

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** weakened in the first half of the reporting week, recording a slight increase as of the mid-week. Focus of the investors this week was at the G20 Summit, where the presidents of the United States and China will meet. Yen rose against the euro on Friday as it was announced that Japan's manufacturing output had grown in October by 2.9% compared to September, and this has been the highest growth since October 2015.

Table 1 - Exchange rates of the most important currencies

	26 November 2018 ¹	30 November 2018 ²	% Change
EUR/USD	1.1337	1.1317	-0.18
EUR/GBP	0.88484	0.88743	0.29
EUR/JPY	128.06	128.44	0.30
EUR/AUD	1.56756	1.54917	-1.17
EUR/CHF	1.13112	1.13087	-0.02
USD/JPY	112.960	113.57	0.54
GBP/USD	1.2814	1.2749	-0.51

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%	13 December 2018
Federal Reserves	Federal Funds Target Rate	2.25%	19 December 2018
Bank of Japan	Overnight Call Rate	-0.10%	20 December 2018
Bank of England	Official Bank Rate	0.75%	20 December 2018
Swiss National Bank	Libor Target Rate	-0.75%	13 December 2018
Bank of Canada	Target Overnight Rate	1.75%	5 December 2018
Reserve Bank of Australia	Cash Rate Target	1.50%	6 November 2018

Table 3 - Eonia and Euribor

	26.11.2018. ¹	30.11.2018. ²	Change in basis points
Eonia	-0.362	-0.349	1.3
Euribor 1W	-0.376	-0.376	0.0
Euribor 1M	-0.369	-0.368	0.1
Euribor 3M	-0.316	-0.316	0.0
Euribor 6M	-0.257	-0.251	0.6
Euribor 12M	-0.147	-0.146	0.1

¹Opening market value on Monday

²Closing market value on Friday

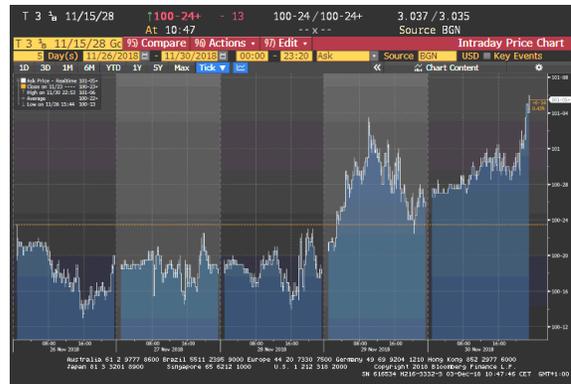
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on 10-year German government bonds recorded downward trend during the reporting period. The encouraging news of a possible US-China trade deal was the reason for the weakening of the yields on long-term German bonds at the beginning of the week. As for the price of Italian government bonds, they recorded growth in this period, due to the announcement that the Italian government is considering to reduce the budget deficit from 2.4% to 2.2%. The spread between the German and Italian bonds increased in the mid-week (being around 294 basis points), as the Deputy Prime Minister of Italy, Salvini, stated that the new document on the budget will not be sent to the EU. However, at the end of the week, yields on Italian bonds weakened once the media in Italy reported that the leaders of that country were nevertheless ready to accept a lower budget deficit target to avoid disciplinary measures that would be imposed on Italy (it was speculated that officials are ready to accept the fiscal deficit level of 2%). The yields on 10-year German bonds ranged around 0.313% at the end of the week.

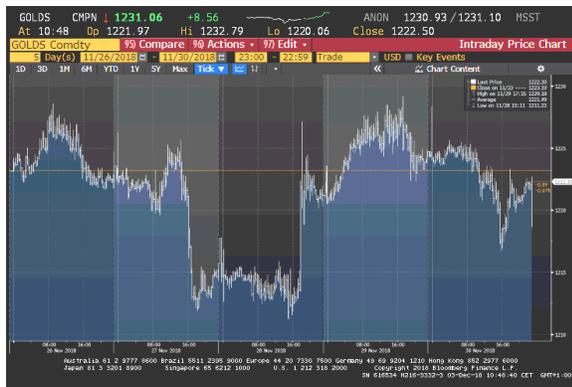
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

In the first half of the week, yields on 10-year US bonds did not record major changes (yields on 10-year US bonds ranged around 3.057%). The yields on long-term US bonds have been declining the last two days after the chairman of this central bank said that "open door" is left for deciding to slow the pace of interest rates in the US next year. On Friday, the minutes from the Fed last session held on 7-8 November pointed out that Fed's monetary policy makers would adopt a more flexible approach to politics, following a December increase in interest rates, which boosted market expectations that the Fed would slow down the pace of interest rates in 2019. The yields on 10-year US bonds stood at 2.99% on the last day of the reporting week.

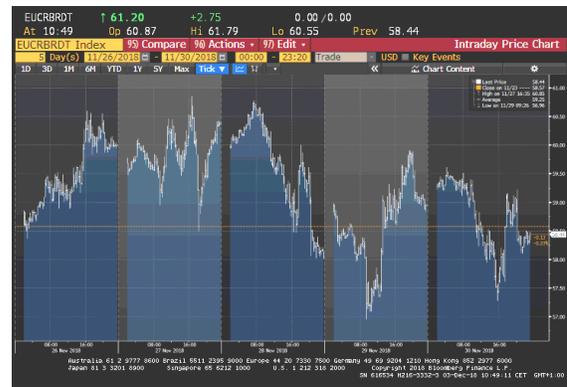
GOLD



Source: Bloomberg LP

The price of gold was stable at the very beginning of this reporting week, with a larger decline being recorded on Tuesday, following the strengthening of the US currency and the comments of the deputy chairman of the Fed, who suggested that the central bank will continue to increase interest rates in the upcoming period. The price of gold recovered the very next day, fluctuating around the level from the beginning of the week, as the dollar weakened again, following the comments by the Fed chairman that the pace of interest rate increases in the country will slow down. Gold prices did not record significant changes by the end of the week.

OIL



Source: Bloomberg LP

The price of oil rose at the beginning of this reporting week, as the world's leading oil exporters are preparing to discuss the level of global supplies of this raw material at the summit in Argentina at the end of the week, and then at the OPEC meeting in Vienna in early December. The recovery in oil prices was also affected by the publication of the US industrial report, which indicated that demand for oil was solid. The price of this fuel was falling in the mid-week due to the unexpected growth in oil supplies, which increased the concern that the market could be overloaded with this energy generating product. Oil prices had a volatile trend by the end of the week. However, the price of oil monitored at the monthly level is very low, and the outcome of the OPEC meeting, which is to be held on 6 December in Vienna, is still expected, as this organization is under the pressure of the US President, which is pushing for a further lowering of the price oil.

Table 4 - Economic indicators (26 - 30 November 2018)

Country	Indicator	Period	Expected value	Current value	Previous value
France	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. The following four components are used to calculate GDP: consumption, investments, government expenditure, and net exports.	Q3 QoQ%	0.4%	0.4%	0.4%
	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.	November MoM% (YoY%)	-0.2% (2.0%)	-0.2% (1.9%)	0.1% (2.2%)
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.	November MoM% (YoY%)	-0.2% (2.0%)	-0.2% (1.9%)	0.1% (2.1%)
Japan	Industrial output Measures the production output of the sectors for energy, factories and mines. Growing industrial output points to increased production and economic expansion.	October MoM% (YoY%)	1.2% (2.5%)	2.9% (4.2%)	-0.4% (-2.5%)
USA	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. The following four components are used to calculate GDP: consumption, investments, government expenditure, and net exports.	Q3 QoQ%	3.5%	3.5%	3.5%

Source: Bloomberg