

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



CENTRALNA BANKA  
 CRNE GORE

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 Daily  
 Market mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	T 3/14	1.2016
T 3/16	1.2174	M 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**

3 - 7 June 2019

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, Fed  
 F.Maria's Bennett, U.S. Dollar, Fed Policy, Euro, Yen  
 Commonwealth Bank's Turnbull: Oil Prices, Iraq  
 China Airlines' Wei: Fleet Reorganization, Earnings Outlook  
 Microsoft's Ballmer: Stock Performance, Strategy, Products  
 Bear Stearns Teleconference: Fiscal First-Quarter Profit  
 Daniel Broby, chief investment officer at Japanese mobile-phone unit and L'Oreal SAs purchase of Body Shop International Plc.

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.  
 8635-351-3 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

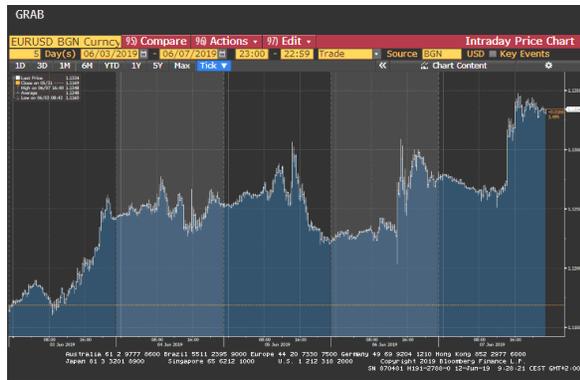
USD INTEREST RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75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

Podgorica, 12 June 2019

## FX NEWS

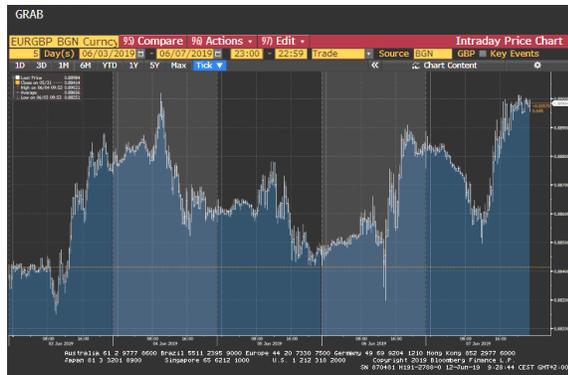
### EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate grew this week. At the very beginning of the reporting period, the exchange rate increased as the Fed chairman said that the central bank could soon reduce the interest rate to prompt inflation and reduce the economic risks that arise due to a trade war and the slowdown in global economic growth. The EUR/USD exchange rate rose slightly in the rest of the week, so that this growth would be somewhat higher by the end of the week. The upward trend in exchange rate came at the end of the week as the ECB kept interest rates at the current level and as weaker than the expected data were recorded in the US labour market. Specifically, the private payroll in the US grew only 75 thousand in May.

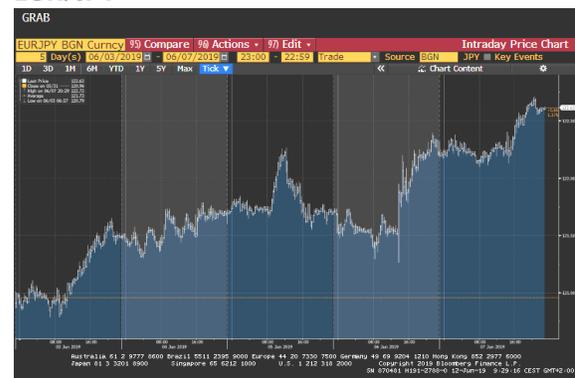
### EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate was on an uptrend on the first day of this week, as the British currency was under pressure once the US President supported British politicians Boris Johnson and Nigel Farage. The UK Prime Minister announced she is retiring from the position, causing speculation about who will be the new leader. There are speculations that one of the candidates who advocate for a hard Brexit could become the leader. For the rest of the week, until the ECB meeting, the exchange rate recorded a slight decline, so that the exchange rate of this central bank would record somewhat higher growth as investors expected a number of measures by the ECB.

### EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate had a growth trend almost constantly in this period. This growth was a result of a decrease in the demand for safe assets following the comments of the FED President that it is also possible to reduce interest rates if the need arises. Also, the decision of the US President to postpone the introduction of tariffs towards Mexico further affected the need to reduce demand for safe assets.

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

	3 June 2019 <sup>1</sup>	7 June 2019 <sup>2</sup>	% Change
EUR/USD	1.11690	1.1334	1.48
EUR/GBP	0.88414	0.88984	0.64
EUR/JPY	120.960	122.62	1.37
EUR/AUD	1.60991	1.61905	0.57
EUR/CHF	1.11781	1.11953	0.15
USD/JPY	108.290	108.19	-0.09
GBP/USD	1.26290	1.2737	0.86

**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 July 2019
Federal Reserves	Federal Funds Target Rate	2.50%	19 June 2019
Bank of Japan	Overnight Call Rate	-0.10%	20 June 2019
Bank of England	Official Bank Rate	0.75%	20 June 2019
Swiss National Bank	Libor Target Rate	-0.75%	13 June 2019
Bank of Canada	Target Overnight Rate	1.75%	10 July 2019
Reserve Bank of Australia	Cash Rate Target	1.50%	2 July 2019

During this week, the ECB kept interest rates at the current levels. This central bank shifted the period when the first interest rate is expected to increase, therefore instead of the previous wording that interest rates will remain at the current levels "at least until the end of 2019", it now used the wording "at least until the first half of 2020". The ECB reduced forecasts in terms of economic growth and inflation for the next year. Namely, according to new estimates, economic growth will amount to 1.4% (previously expected growth was 1.6%), while inflation will amount to 1.3% (previously expected at 1.4%). The ECB also introduced the targeted long-term refinancing operations for banks (TLTRO III) with favourable conditions that will begin in September this year and last until March 2021. The interest rate to be offered to banks will be 10 basis points higher than the average interest rate to be used in main refinancing operations.

**Table 3 - Eonia and Euribor**

	3 June 2019 <sup>1</sup>	7 June 2019 <sup>2</sup>	Change in basis points
Eonia	-0.359	-0.252	10.7
Euribor 1W	-0.392	-0.391	0.10
Euribor 1M	-0.378	-0.381	-0.30
Euribor 3M	-0.322	-0.319	0.30
Euribor 6M	-0.250	-0.256	-0.60
Euribor 12M	-0.168	-0.175	-0.70

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

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

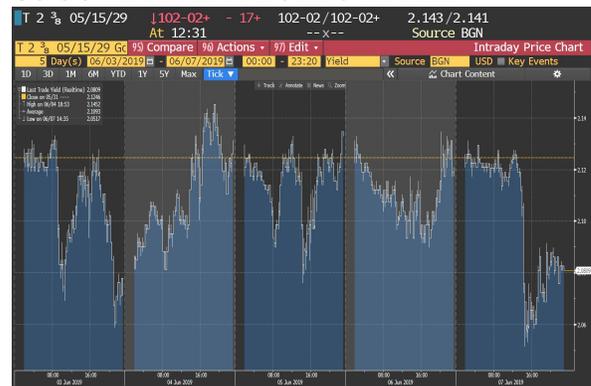
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on German government bonds recorded a steady decline during this period, but not so intensive (at the beginning of the week the yields amounted to -0.20% and at the end of the week they were -0.25%). The yields did not change significantly in the first half of the week as the both ECB's meeting and more news on the situation in Italy were expected. Italy's Economy Minister blamed an economic downturn for the rising debt and vowed to respect the EU's fiscal rules in the next budget. The European Commission recommended that a disciplinary procedure be initiated against Italy as it exceeded the fiscal rules of the EU last year and is very likely to do so again in 2019 and 2020. The European Council will decide whether to activate "excessive deficit procedure" against Rome, which could cost the country's finances billions of euros. More details will be known after 29 July. The yields continued to weaken on Thursday, after the ECB meeting.

## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on 10-year US bonds fluctuated from 2.05% to 2.14% over the entire reporting period. During the whole week, there were tensions in the relations between the US and China, and later between the US and Mexico, both stronger and weaker, with a large uncertainty over Brexit, as well as the election of a new UK prime minister. The economic data released during the week also affected yields to have a mixed trend (private payrolls were reduced, unemployment rate remained the same, both production index and factory orders dropped). The yields on long-term bonds rose on the last day of the week as a result of the stock price increase on the stock exchanges, after the US President decided not to introduce tariffs towards Mexico.

## GOLD



Source: Bloomberg LP

The gold price rose in this reporting period, as the demand for safe assets in the US over trade relations with China and Mexico increased. The ECB's forecasts that interest rates will remain at current levels, at least in the first half of 2020 (instead of by the end of 2019), further boosted demand for gold. Worse than expected figures from the US labour market were the reason why the price rose on the last day of this period.

## OIL



Source: Bloomberg LP

The price of oil fluctuated most of the week due to the comments by Saudi Arabia, which indicated that OPEC would continue to reduce its production to support the price, while, on the other hand, the announced tariffs towards China and Mexico were disturbing the demand for this energy generating product. The price of oil weakened on Wednesday, after the American Petroleum Institute announced that there was a rise in stocks, increasing fears that the market is overloaded with oil. Oil prices had a more pronounced trend on the last day of the week, i.e. they grew as a result of the news that there is a possibility that progress has been made between the US and Mexico in terms of customs tariffs (the introduction of tariffs was suspended), as well as the expectation that the main producers will continue to reduce production at the upcoming meeting in Vienna.

**Table 4 - Economic indicators (3 - 7 June 2019)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro Area	<b>Consumer Price Index (CPI)</b> 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.	May YoY%	1.3%	1.2%	1.3%
	<b>Euro Area Retail Sales</b> This indicator measures activity related to retail trade volume (not applicable to motor cars and motor cycles).	May MoM%	-0.5%	0.4%	0.0%
	<b>Unemployment Rate</b> The percentage of individuals being on the labour market and unemployed, but actively looking for a job. Higher unemployment rate generally weakens the economy and results in lower personal spending.	April	7.7%	7.6%	7.7%
Italy	<b>Unemployment Rate</b> The percentage of individuals being on the labour market and unemployed, but actively looking for a job. Higher unemployment rate generally weakens the economy and results in lower personal spending.	April	10.3%	10.2%	10.2%
Germany	<b>Imports</b> It represents the German domestic demand for foreign goods. The main number represents a percentage change in the value of imports. The value of imports is an important output in the calculations of the trade balance, current account and GDP. It is very often analysed in relation to exports.	April MoM%	-0.2%	-1.3%	0.4%
USA	<b>Initial Jobless Claims</b> 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.	1 June K=1.000	215K	218K	215K

Source: Bloomberg