



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 2/24	1.1878
T 3/16	1.2174	W 2/22	1.1911
W 3/15	1.2050	T 2/21	1.1914
T 3/14	1.2016	M 2/20	1.1914
M 3/13	1.1934	F 2/17	1.1909
F 3/10	1.1894	T 2/15	1.1881
T 3/ 9	1.1909	W 2/13	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

(4 February 2019 - 8 February 2019)

BLOOMBERG NEWS AUDIO/VIDEO

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Bankinvest's Broby: Softbank, Vodafone, L'Oreal Body
ICAP's Smith: U.S. European Bonds, Fed
FIM's Bennett: U.S. Dollar, Fed Policy, Euro, Yen
Commonwealth Bank's Thudell: Oil Prices, Iraq
China Allfined Wei: Fleet Reorganization, Earnings Outlook
Microsoft's Ballmer: Stock Performance, Strategy, Products

13) LIVE <GO> Events

Event	Date	Time	Language	Type
14) Legal & General Teleconference: Full-Year Earnings	3/17	Now Playing	English	CC
15) UBS Warburg's Hickson: Outlook for Steel Industry	3/17	Now Playing	English	CC
16) European Commission: Daily News Conference	3/17	20:00 - 20:30	English	CC
17) Egypt's Mohieldin: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	CC
18) Borders Group Teleconference: 4th-Qtr Results	3/17	22:00 - 23:00	English	CC
19) AIG Teleconference About Fourth-Quarter Results	3/17	22:30 - 23:30	English	CC

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Hong Kong 852 2377 6000 Japan 81 3 3201 8800 Singapore 65 6312 1000 U.S. 1 212 318 2000 Copyright 2006 Bloomberg L.P.
6815-931-3 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

Ticker	Bid	Ask	Mid	Chng
US SPREADS				
2) 2 YR	42.88	44.13	43.50	--
3) 3 YR	41.50	42.75	42.13	-.17
4) 4 YR	44.38	45.63	45.00	-.10
5) 5 YR	48.25	49.25	48.75	+.25
6) 6 YR	49.50	50.50	50.00	+.30
7) 7 YR	50.50	51.50	51.00	+.40
8) 8 YR	51.13	52.13	51.63	+.33
9) 9 YR	51.75	52.75	52.25	+.45
10) 10 YR	52.25	53.25	52.75	+.50
11) 15 YR	57.00	58.00	57.50	+.50
12) 20 YR	58.63	59.88	59.25	+.15
13) 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, 13 February 2019

FX NEWS EUR/USD



Source: Bloomberg LP

The EUR / USD exchange rate has been steadily weakening during this reporting week. Namely, positive data from the US labour market were received at the beginning of the week, which reflected the growth in demand for the dollar. On the other side of the Atlantic, the negative economic data arrived in the rest of the week, which additionally contributed to the strengthening of the dollar against the euro. Namely, almost during the whole reporting period negative data on the leading euro area economies were received, starting with Germany, all the way to Italy, and the additional negative pressure on the euro was created by the European Commission. This institution has diminished forecasts regarding the growth of the euro area in this and the next year due to the expectation that the region will be exposed to negative trade tensions, as well as many unsolved internal issues. According to new estimates, growth in this year will amount to 1.3% (previously expected 1.9%), while in the next year it will amount to 1.6%.

EUR/GBP



Source: Bloomberg LP

The EUR / GBP exchange rate rose during the first two days of this reporting week. The weakening of the British currency has come as the country's economy faces the risk of stagnation or decline in economic growth as Brexit approaches as well as due to global economic growth slow down. For the rest of the week, until the last day, this course recorded a fall. The fall in the exchange rate in this period came after the Governor of the Bank of England stated that the market should not rule out the possibility that in the coming period there could be an increase in the interest rate in that country. On the last day this currency pair did not record major changes.

EUR/JPY



Source: Bloomberg LP

The EUR / JPY exchange rate fell this week. By the fall of this course, the demand for safe assets has increased as a result of the perception that global economic growth is slowing down, as well as because of the USA-China trade relations.

Table 1 - Exchange rates of the most important currencies

	4 Feb 2019. ¹	8 Feb 2019. ²	% Change
EUR/USD	1.14560	1.13230	-1.16
EUR/GBP	0.87566	0.87405	-0.18
EUR/JPY	125.460	124.260	-0.96
EUR/AUD	1.58002	1.59736	1.10
EUR/CHF	1.14050	1.13292	-0.66
USD/JPY	109.500	109.780	0.26
GBP/USD	1.30790	1.29440	-1.03

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%	7 Mar 2019
Federal Reserves	„Federal Funds Target Rate“	2.50%	20 Mar 2019
Bank of Japan	„Overnight Call Rate“	-0.10%	15 Mar 2019
Bank of England	„Official Bank Rate“	0.75%	21 Mar 2019
Swiss National Bank	„Libor Target Rate“	-0.75%	21 Mar 2019
Bank of Canada	„Target Overnight Rate“	1.75%	6 Mar 2019
Reserve Bank of Australia	„Cash Rate Target“	1.50%	5 Mar 2019

During this reporting week, a regular meeting of the Bank of England was held where the interest rate was kept at the current level. BoE said that Britain is facing the worst growth in the past decade, blaming this uncertainty over Brexit, as well as a global slowdown, but on the other hand held messages that interest rates will rise in the country if a Brexit agreement is reached.

Table 3 - Eonia and Euribor

	4 Feb 2019 ³	8 Feb 2019 ⁴	Change in basis points
Eonia	-0.365	-0.362	0.30
Euribor 1W	-0.375	-0.372	0.30
Euribor 1M	-0.369	-0.368	0.10
Euribor 3M	-0.308	-0.308	0.00
Euribor 6M	-0.235	-0.233	0.20
Euribor 12M	-0.110	-0.109	0.10

¹ Opening market value on Monday

² Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on 10-year German government bonds recorded a decline in this reporting period (yields fell from 0.20% to 0.087%). For the first three days, yields on 10-year German bonds ranged from 0.165% to 0.20%. A sharper fall in yields (yields fell from 0.165% to 0.087%) was recorded at the end of the week as the European Commission (EC) announced its downward revised forecasts, i.e. the EC reduced forecasts regarding the economic growth of the euro area for 2019 and 2020, as it is expected that the biggest members will be affected by global trade tensions and domestic challenges. The EC said that the growth of the euro area this year would amount to 1.3%, which is lower than the previous forecast, when the projected growth of 1.9%, Germany is expected to grow 1.1% (1.5%), in France an increase of 1.3% is expected (1.5%), in Italy it is expected to grow by 0.2% (1.2%), while Portugal is expected to grow by 1.7% (1.8%).

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on 10-year US bonds had a downward trend in this reporting week. The yields on US 10-year government bonds have weakened due to a solid demand for 30-year bonds, as well as a reduction in demand for risky assets, as the report showed China is still far from agreement with the USA. The US President said at the end of the week that he would not meet with China's president before 1 March, which continued to put pressure on long-term US bond yields.

GOLD



Source: Bloomberg LP

The gold price was stable during the first two days of this reporting week; on Wednesday as a result of a stronger US dollar exchange rate (the gold price rose from \$ 1,315 per ounce to \$ 1,305 per ounce). After that, the price of gold partially recovered, reaching a level of \$ 1,310 per ounce, owing to concern that the agreements between China and the United States could continue after 1 March (1 March is the date that was the deadline for reaching agreement and activating tariffs for China), as well as the weakening of the dollar exchange rate. The last day on the market was worrying about economic growth, which has led to a rise in demand for this precious metal (weaker forecasts regarding the economic growth of the euro area and its members for 2019).

OIL



Source: Bloomberg LP

The oil price fluctuated during this reporting week. At the beginning of the week, oil prices were losing value due to the weakening of global economic growth, as well as the release of the report by the American Petroleum Institute, which showed a rise in oil stock levels in the USA by 2.51 million barrels in the past week. On Thursday, the price drop continued due to signs that China and the US are still not close to resolving trade disputes, although the deadline for this is approaching. On Friday, there were relatively small deviations in the price of this fuel.

Table 4 - Economic indicators (4 Feb 2019 –8 Feb 2019)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Production price index (PPI) This index measures changes in the selling prices of goods and services used by the euro area producers. High PPI, with the high value of other inflation measures, will force the ECB to strive for an increase in the interest rate, while declining PPIs may indicate an economic slowdown.	December MoM% YoY%	-0.5% 3.1%	-0.8% 3.0%	-0.3% 4.0%
Germany	Industrial production Measures the production output of the sector for energy, factories and mines. In the short term, this indicator is very important, as rising industrial production points to increased production and economic expansion.	December MoM% YoY%	0.8% -3.4%	-0.4% -3.9%	0.1% -4.7%
France	Industrial production Measures the production output of the sector for energy, factories and mines. In the short term, this indicator is very important, as rising industrial production points to increased production and economic expansion.	December MoM% YoY%	0.6% -1.4%	0.8% -1.4%	-1.3% -2.1%
Italy	Retail Sales Measures changes in retail sales.	December MoM% YoY%	-0.2% 0.8%	-0.7% -0.6%	0.7% 1.6%
USA	Initial Jobles Claims Measures the number of people who receive unemployment benefits. It is similar to the applicant, and higher job growth is accompanied by economic expansion, which can affect inflationary pressure.	February 2 K=1.000	221 K	234 K	253 K

Source: Bloomberg