

EURUSD ↓ 1.2179  
 At 19:38 Op 1.2174 HI 1.2179 Value 3/21/06  
 Market Price  
 Range 3/17/05 - 3/17/06  
 Upper Chart: Market Price  
 Currency 1/4  
 1) News



**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	1.2179	F 2/24	1.1978
T 3/16	1.2174	T 2/23	1.1981
W 3/15	1.2050	W 2/22	1.1911
T 3/14	1.2016	T 2/21	1.1914
M 3/13	1.1934	M 2/20	1.1946
F 3/10	1.1894	F 2/17	1.1909
T 3/ 9	1.1909	T 2/16	1.1901
W 3/ 8	1.1928	W 2/15	1.1884
T 3/ 7	1.1889	T 2/14	1.1897
M 3/ 6	1.1996	M 2/13	1.1902
F 3/ 3	1.2025	F 2/10	1.1919
T 3/ 2	1.2012	T 2/ 9	1.1974
W 3/ 1	1.1913	W 2/ 8	1.1944
T 2/28	1.1923	T 2/ 7	1.1974
M 2/27	1.1853	M 2/ 6	1.1962

**International Financial Market Report**

(28 October - 1 November 2019)

BLOOMBERG NEWS AUDIO/VIDEO

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

- Bankinvest's Broby: Softbank, L'Oreal, Body Shop
- ICAP's Smith: U.S. Fed Policy, Eurozone
- F.Maria's Bennett: U.S. Fed Policy, Eurozone
- Comptroller General Walker: Fiscal Policy and Deficit
- Comptroller General Thurlbeck: Oil Prices, Iraq
- Societe Generale's Maguire: BOJ Policy, Japan Rate, Economy
- China Airlines' Wei: Fleet Reorganization, Earnings Outlook
- Microsoft's Ballmer: Stock Performance, Strategy, Products

10 Bloomberg TV Live 11 Bloomberg Radio Live 12 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	🔊

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-Nov-06 13:27:28

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

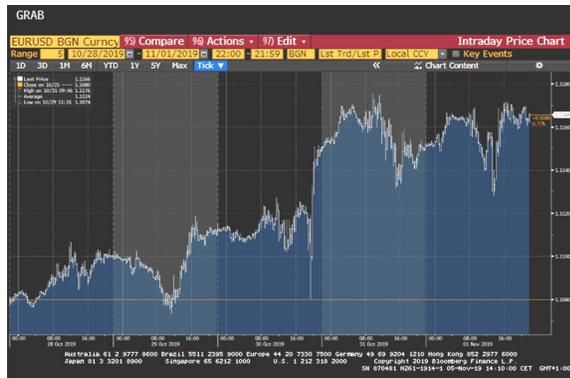
USD INTEREST RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75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

Podgorica, 6 November 2019

## FX NEWS

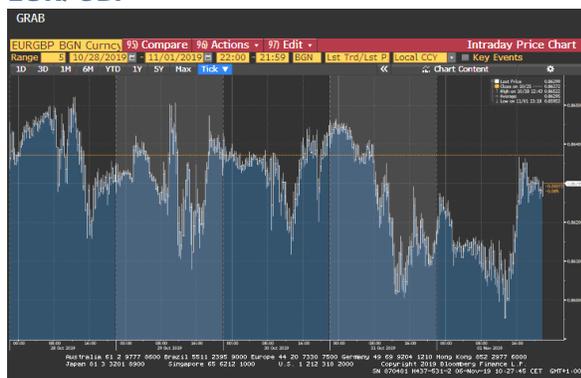
### EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** trended up this week, and ranged between 1.1074 and 1.1176. The euro appreciated due to growing optimism on trade agreement between China and the USA. The news on Fed's interest rate decrease also resulted in euro's appreciation relative to USD.

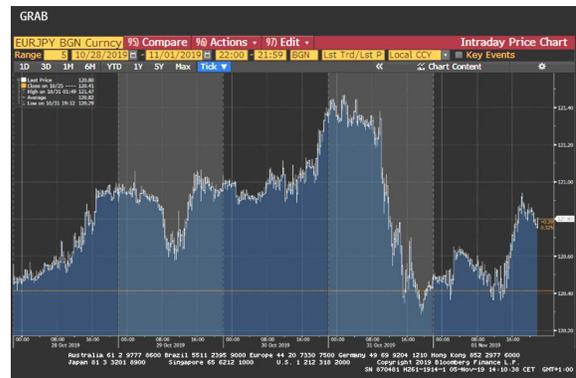
### EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** fluctuated this week, ranging between 0.86500 and 0.86000. The EU leaders approved the deadline extension for Brexit until 31 January 2020. At the end of the week, the EUR/GBP exchange rate got close to the minimum level for this period after announcing extraordinary elections in the UK on 12 December this year.

### EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** trended up until the middle of the week. The demand for yen decreased after announcing that a part of the text of the first phase of China and the USA negotiations was "practically competed". This exchange rate declined on Thursday, as yen appreciated relative to euro, after the meeting at which the Bank of Japan decided to keep its monetary policy unchanged. On the last day of the reporting week, the exchange rate recovered again after announcing that China reached the consensus on trade negotiations with the USA.

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

	28 October 2019 <sup>1</sup>	1 November 2019 <sup>2</sup>	% Change
EUR/USD	1.10800	1.1160	0.72
EUR/GBP	0.86372	0.86299	-0.08
EUR/JPY	120.410	120.80	0.32
EUR/AUD	1.62366	1.61693	-0.41
EUR/CHF	1.10190	1.10058	-0.12
USD/JPY	108.670	108.19	-0.44
GBP/USD	1.28270	1.2946	0.93

**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%	12 December 2019
Federal Reserves	Federal Funds Target Rate	1.75%	11 December 2019
Bank of Japan	Overnight Call Rate	-0.10%	19 December 2019
Bank of England	Official Bank Rate	0.75%	7 November 2019
Swiss National Bank	Libor Target Rate	-0.75%	12 December 2019
Bank of Canada	Target Overnight Rate	1.75%	4 December 2019
Reserve Bank of Australia	Cash Rate Target	0.750%	5 November 2019

On this week's meeting, the FED decreased its reference interest rate (by 25 base points) for the third time this year. On the press conference after the meeting, the Fed's Chairman, Mr. Jerome Powell, stated that the monetary policy was now "appropriate", so that the economy and labour market may grow at moderate pace, and inflation be near the central bank's target of 2%. Moreover, the monetary authorities of the USA announced the pause in further monetary policy easing, except in the case of drastic change in economic outlook.

The Bank of Japan did not change its monetary policy at this week's meeting.

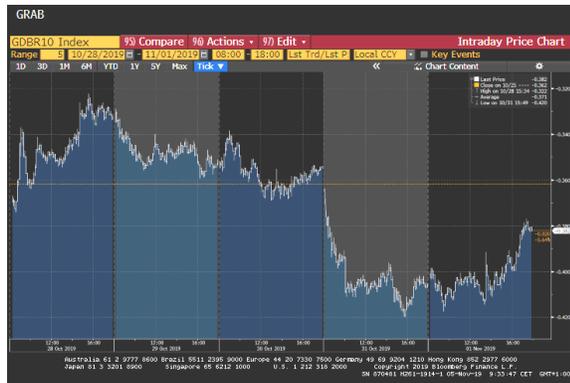
**Table 3 - Eonia and Euribor**

	28 October 2019 <sup>3</sup>	1 November 2019 <sup>4</sup>	Change in basis points
Eonia	-0.463	-0.464	-0.10
Euribor 1W	-0.501	-0.488	1.30
Euribor 1M	-0.441	-0.443	-0.20
Euribor 3M	-0.409	-0.399	1.00
Euribor 6M	-0.346	-0.348	-0.20
Euribor 12M	-0.281	-0.281	0.00

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

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

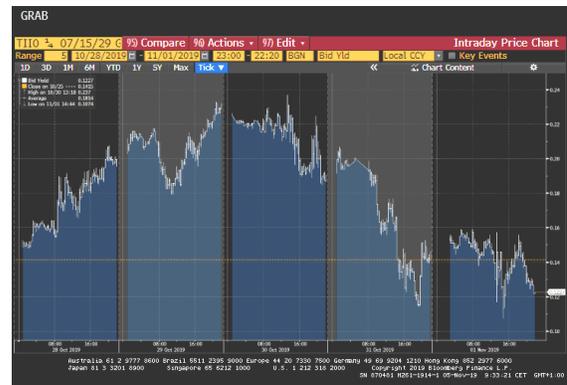
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

At the beginning of the week, yield on German state bonds trended up, as the confidence on reaching trade agreement between China and the USA improved, leading to the growing demand for riskier funds. From Tuesday until Thursday, yields on these bonds trended down both due to market's scepticism on concluding trade agreement at the Chile Summit since the Summit at which the Presidents of the USA and China were supposed to meet to discuss the agreement details was cancelled, and due to Fed's decision to decrease interest rate by 25 base points. Unfavourable data from the US labour market additionally reduced the demand for more profitable funds in Europe and America.

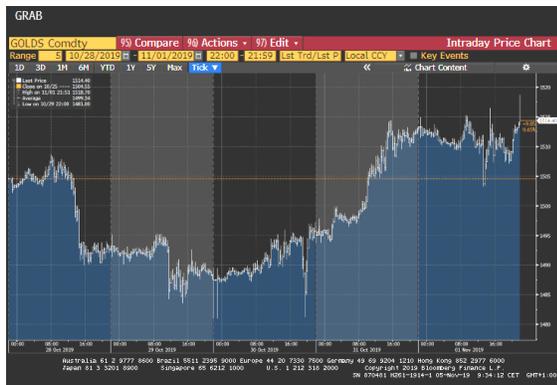
## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On Monday, the pressure on the USA-China relations on concluding the first phase of trade agreement eased, yet the market remained "tense" due to upcoming Fed's meeting. After the Fed's meeting, at which the interest rate was reduced by 25 base points (as expected), the yield on long-term bonds dropped. The yield on US government bonds dropped also due to renewed uncertainty on the agreement between China and the USA, and due to unfavourable data from the US labour market. The yield was slightly fluctuating on Friday.

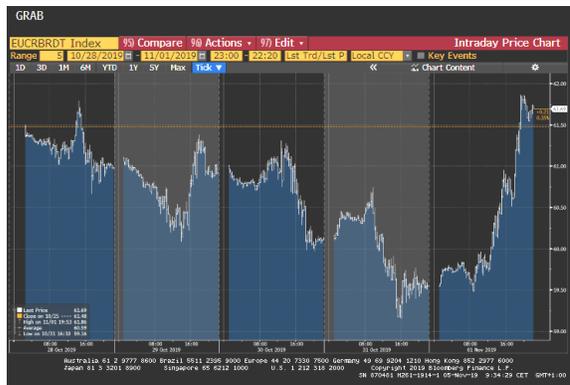
## GOLD



Source: Bloomberg LP

On the first day of the reporting week, the price of gold dropped due to growing investors' optimism on progress in trade negotiations between the USA and China and due to easing of tensions on Brexit. In the middle of the week, the price of this precious metal did not fluctuate significantly on the eve of the upcoming regular Fed's meeting. By the end of the reporting week, the price of gold recovered mildly, after increased requests of unemployed persons in the USA for social welfare benefits more than expected.

## OIL



Source: Bloomberg LP

Oil prices trended down during the most of this reporting week. Russia announced that it was still early to discuss the output volume decrease, which opened the issue of ability of OPEC and its allies to balance still deteriorated demand for this energy-generating product. The decrease in oil price was also the result of increased stocks in the USA, the announcement that the Saudi Arabia increased output volume by some 9.8 million barrels, and the renewed concern on the trade agreement between China and the USA. The oil price recovered on Friday reaching its weekly maximum, due to speculations that the first phase of trade agreement between the USA and China will be signed in November.

**Table 4 - Economic indicators (28 October - 1 November 2019)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<b>Unemployment Rate</b> The percentage of individuals being on the labour market and unemployed, but actively looking for a job.	September	7.4%	7.5%	7.4%
	<b>Gross domestic product (GDP)</b> 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 YoY%	1.1%	1.1%	1.2%
France	<b>Consumer price index (CPI)</b> Estimates the changes in the cost of living, measured by changes in the price level of market basket of consumer goods and services purchased by households.	October MoM%	0.1%	-0.1%	-0.3%
Italy	<b>Unemployment Rate</b> The percentage of individuals being on the labour market and unemployed, but actively looking for a job.	September	9.6%	9.9%	9.5%
USA	<b>Number of applications for receiving unemployment allowances (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.	26 October K=1.000	215 K	218 K	213 K

Source: Bloomberg