

EURUSD ↓ 1.2179  
 At 19:38 Op 1.2174 Hi 1.2180 TTOL 1.2179/1.2180  
 Value 3/21/06  
 Currency 1/4  
 Range 3/17/05 - 3/17/06  
 Upper Chart: Market Price  
 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	1.1878
T 3/16	1.2174	T 2/23	1.1911
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	1.1909
W 3/ 8	1.1928	W 2/15	1.1834
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**

(6 – 10 January 2020)

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby: Softbank, L'Oreal, Body Shop  
 Daniel Broby, chief investment officer at Bankinvest, discusses the company's investment strategy in the consumer goods sector.

ICAP's Smith: U.S. and Fed Policy  
 ICAP's Smith discusses the impact of U.S. and Fed policy on the market.

China Airlines' Wei: Fleet Reorganization, Earnings Outlook  
 China Airlines' Wei discusses the company's fleet reorganization and earnings outlook.

Bear Stearns Teleconference: Fiscal First Quarter Profit  
 Bear Stearns Teleconference: Fiscal First Quarter Profit

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 Mohamed: 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 7530 7500 Germany 49 69 920410  
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 218 2000 Copyright 2006 Bloomberg L.P.  
 6615-311-3 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

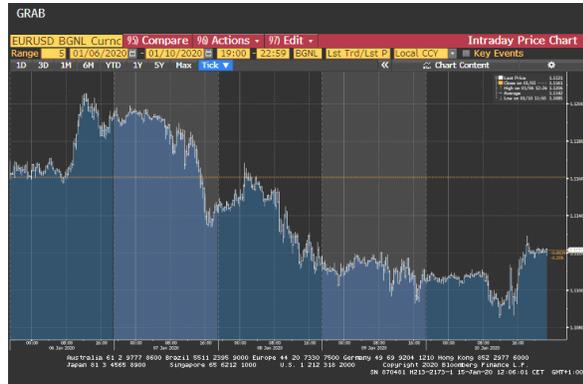
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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, 15 January 2020

## FX NEWS

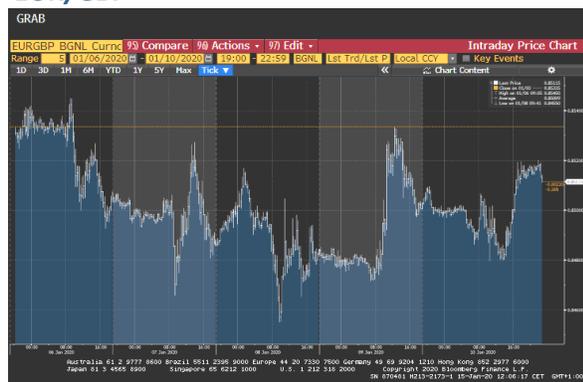
### EUR/USD



Source: Bloomberg LP

The **EUR/JPY exchange rate** was on downtrend during this reporting week. It depreciated during this period after the US President's statement that the conflict with Iran would be limited and that no one would support the spread of tensions. The exchange rate's depreciation also resulted from the news that factory orders in Germany recorded a month-on-month decline in November of -1.3%, far below the expected 0.2%. At the end of this week, the EUR/USD exchange rate depreciated after announcing that the payroll lists in the USA, excluding employees in agriculture and non-profit sector, increased more than expected. To wit, payrolls increased by 145 thousand during December, compared to the expected growth of 160 thousand.

### EUR/GBP



Source: Bloomberg LP

During this week, the **EUR/GBP exchange rate** recorded the fluctuations caused primarily by the negotiations between EU

and UK leaders on Brexit. The European Commission's President said she was ready to work day and night to reach an agreement with the UK, warning of not much time for more detailed negotiations. The end of the week saw the euro's appreciation against the British currency. The currency's appreciation resulted from a Bank of England member Silvana Tenreyro statement that she could support the interest rate cut in the near term if the economy fails to pick up.

### EUR/JPY



Source: Bloomberg LP

During the first two days, the **EUR/JPY exchange rate** had periods of rising and falling, to record a significant growing trend from the middle of the week until its very end. The appreciation of the exchange rate was due to the increasing demand for riskier funds by investors after tensions between the US and Iran eased slightly.

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

	06.01.2020 <sup>1</sup>	10.01.2020 <sup>2</sup>	% Change
EUR/USD	1.11161	1.1121	0.04
EUR/GBP	0.85335	0.85115	-0.26
EUR/JPY	120.49	121.65	0.96
EUR/AUD	1.60564	1.61163	0.37
EUR/CHF	1.08517	1.08162	-0.33
USD/JPY	108.09	109.45	1.26
GBP/USD	1.3083	1.3064	-0.15

**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%	29 January 2020
Federal Reserves	Federal Funds Target Rate	1.75%	23 January 2020
Bank of Japan	Overnight Call Rate	-0.10%	21 January 2020
Bank of England	Official Bank Rate	0.75%	30 January 2020
Swiss National Bank	Libor Target Rate	-0.75%	19 March 2020
Bank of Canada	Target Overnight Rate	1.75%	22 January 2020
Reserve Bank of Australia	Cash Rate Target	0.750%	4 February 2020

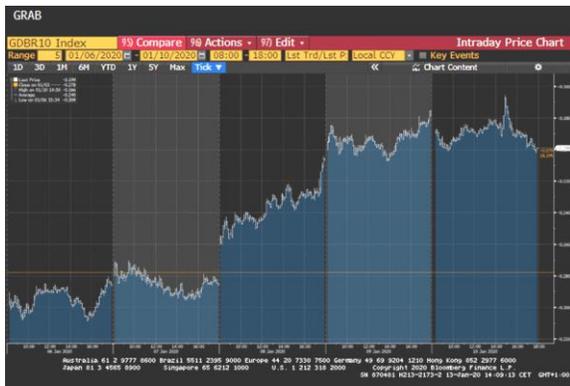
**Table 3 – Eonia and Euribor**

	06.01.2020 <sup>1</sup>	10.01.2020 <sup>2</sup>	Change in basis points
Eonia	-0.452	-0.454	-0.2
Euribor 1W	-0.503	-0.514	-1.1
Euribor 1M	-0.463	-0.463	0.0
Euribor 3M	-0.384	-0.395	-1.1
Euribor 6M	-0.323	-0.334	-1.1
Euribor 12M	-0.238	-0.253	-1.5

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

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

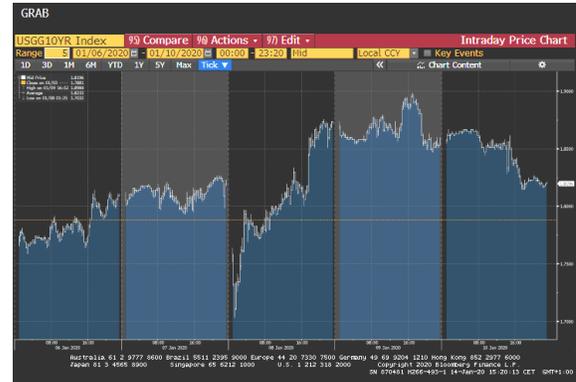
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yield on German 10-year government bonds declined early this reporting week, amid rising geopolitical tensions in the Middle East. As of mid-week, yields on 10-year government bonds trended up, following the auction of T-bills in Germany and Ireland, and the expected sales of T-bills in France and Spain. At the end of the reporting week, the yield on 10-year German government bonds stood at -0.199%.

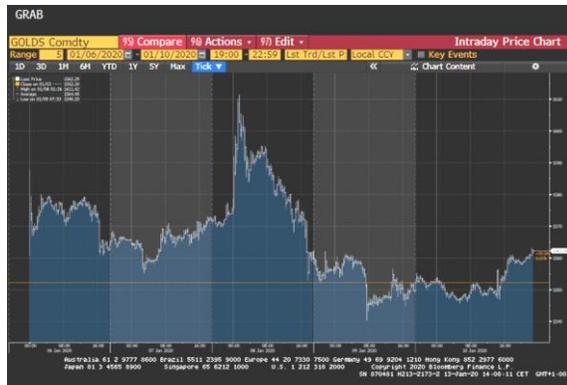
## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During the first two days of the reporting week, the 10-year US government bonds yield declined. Yields fell in the night between Tuesday and Wednesday, following the news of Iran's missile attack on a US military base in Iraq. By the end of Wednesday, the yields on US bonds had recovered, after diminishing public concerns about escalating US and Iran hostilities. A lower than expected monthly auction of 10-year bills has driven the yield on 10-year government bonds. The rising yield trend continued throughout Thursday, as investors' appetite for more risky assets such as equities recovered. On the last day of this reporting week, the yield on US bonds dropped, following the announcements that US payrolls rose less than expected (145K growth compared to 160K expected).

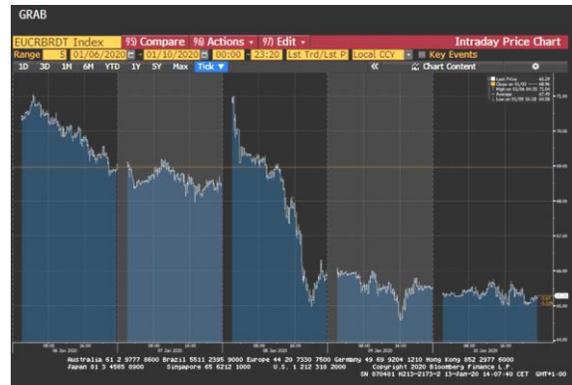
## GOLD



Source: Bloomberg LP

During this reporting week, the price of gold increased and ranged around the 6-year maximum after increasing demand for this precious metal due to geopolitical tensions between the USA and Iran caused by the death of the Iranian general in the air raid. Iran responded by attacking an American base in Iraq, however without casualties. Tensions and military interventions have been easing since mid-week, reflecting a slowdown in the financial market, a drop in the gold price and a slump from the previous high.

## OIL



Source: Bloomberg LP

The price of oil decreased during this reporting week, amid uncertainty whether the tensions between the USA and Iran would disturb the oil distribution in the Middle East. The price recorded a mild increase on Wednesday morning after announcing the news on Iran's attack on the US military base in Iraq. However, later that day, the US President Donald Trump made the statement on no casualties in Iran's missile attack on the US military base in Iraq. This statement resulted in the reduced impact of the strike causing the oil price to drop to a 3-month low. Over the last two days of this reporting week, the oil price was stable, as investors were estimating the risks of a future escalation of US-Iran relations.

**Table 4 - Economic indicators (6 - 10 January 2020)**

Country	Indicator	Period	Expected value	Current value	Previous value
<b>Italy</b>	<p><b>Industrial output</b> It measures the production output of the energy sectors, factories and mines. In the short term, this indicator is of high significance because it shows the intensity of industrial activities. Growing industrial output points to increased production and economic expansion.</p>	November MoM% (YoY%)	0.0% (-0.6%)	0.1% (-0.6%)	-0.3% (-0.6%)
<b>Germany</b>	<p><b>Euro area retail sales</b> This indicator measures activity related to retail trade volume (excluding motor vehicles and motorcycles).</p>	November MoM% (YoY%)	1.0% (1.0%)	2.1% 2.8%	-1.9% (0.8%)
<b>USA</b>	<p><b>Initial Jobless Claims</b> It measures the number of people receiving unemployment allowances. Similar to the applicant. The growing number of jobs accompanies economic expansion, which could influence inflationary pressures.</p> <p><b>Unemployment Rate</b> Every month, the specialised unit of the Department of Labour collects information and compiles the Household survey. The number of interviewed units is 60,000. This report is probably the most powerful of all “market drivers.”</p>	January 4 K=1.000	220 K	214 K	222 K
		December MoM%	3.5%	3.5%	3.5%

Source: Bloomberg