

EURUSD 1.2179
At 19:38 Dp 1.2174 HI 1.2174 Value 3/21/06
Market 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	1.2181	F 2/17	1.1909
T 3/16	1.2181	T 2/16	1.1909
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	1.1884
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

(10 - 14 August 2020)

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. Dollar, Fed Policy, Euro
- F.Mart's Bennett: U.S. Dollar, Fed Policy, Euro
- U.S. Congressional Quarterly Walker: Fiscal Policy and Deficit
- Commerzbank's Thurlall: Oil Prices, Iraq
- Societe Generale's Maguire: BOJ Policy, Japan Rate, Economy
- China Airlines' Wei: Fleet Reorganization, Earnings Outlook
- Bear Stearns Teleconference: Fiscal First Quarter Profit
- Microsoft's Ballmer: Stock Performance, Strategy, Produce

Daniel Broby, chief investment officer at Bankinvest, discusses the company's investment strategy in various sectors including technology, telecommunications, and consumer goods.

LIVE <GO> Events

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

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 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. 6615-301-3 1P-MR-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

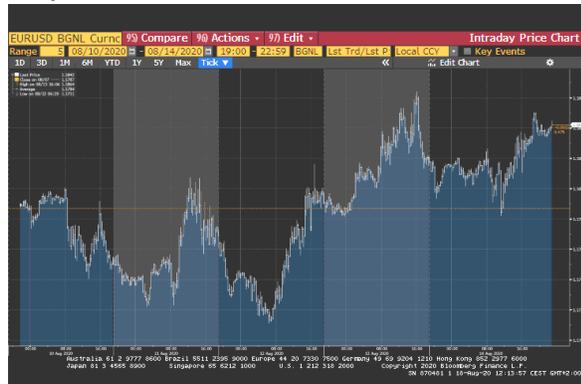
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR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

Podgorica, 19 August 2020

FX NEWS

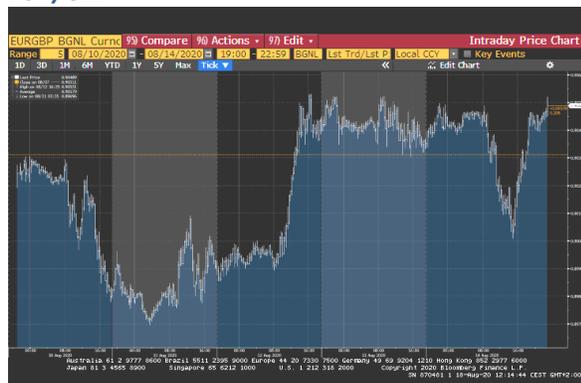
EUR/USD



Source: Bloomberg LP

Early this week, the **EUR/USD exchange rate** fluctuated. At the end of the week, the exchange rate appreciated due to the increased demand for riskier assets such as stocks, and to better-than-expected data on inflation in the United States. The higher inflation rate in the USA reduces the advantage of real interest rates over the euro area (the inflation rate in the USA was 0.6% in July). On Friday, the USD was at a weekly low against the euro, as the US economic recovery slowed and negotiations to boost the country's economy stalled.

EUR/GBP

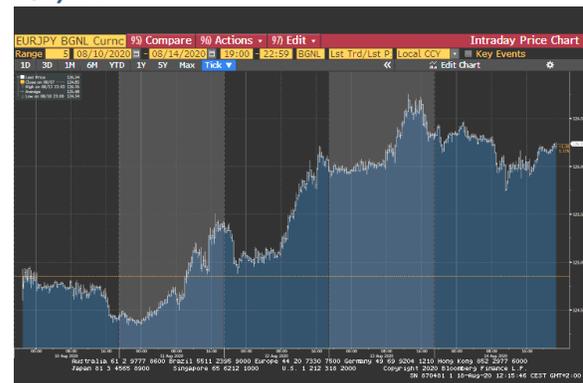


Source: Bloomberg LP

The **EUR/GBP exchange rate** depreciated throughout Monday as the number of retail customers in the UK recorded a weekly increase of 3.8% in August compared to the previous one after the government's "Eat Out to Help Out" programme launch. The programme is worth 500 million GBP and offers a 50% discount on the food and drink bill (excluding alcohol) which will apply on Mondays, Tuesdays and

Wednesdays in August. The next day, the exchange rate began to recover, after the release of the number of employed in the UK dropping at the highest rate since 2009. (Data showed that the number of employed people decreased by 730K from March to July this year). By the end of the week, the EUR/GBP exchange rate continued to grow after announcing that the British economy recorded a quarterly decrease by 20.4% in Q2 due to the Coronavirus pandemic. The British Minister for Economy said that the data on GDP confirmed that Britain was facing a difficult period, thousands of people have lost their jobs, and this trend was likely to continue in the coming months. The British currency appreciated briefly against the euro on Friday. The rise in the pound was supported by an improved investors' appetite for riskier assets due to growing optimism about trade Brexit negotiations, following a statement by UK chief negotiator David Frost that an agreement could be reached in September.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** appreciated during most of this reporting week resulting from the euro's appreciation and rising stock prices on Asian stock exchanges.

Table 1 - Exchange rates of the most important currencies

	10.08.2020 ¹	14.08.2020 ²	% Change
EUR/USD	1.1787	1.1842	0.47
EUR/GBP	0.90311	0.90489	0.20
EUR/JPY	124.85	126.24	1.11
EUR/AUD	1.64685	1.65140	0.28
EUR/CHF	1.07557	1.07651	0.09
USD/JPY	105.92	106.60	0.64
GBP/USD	1.3052	1.3086	0.26

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%	10 September 2020
Federal Reserves	Federal Funds Target Rate	0.25%	16 September 2020
Bank of Japan	Overnight Call Rate	-0.10%	17 September 2020
Bank of England	Official Bank Rate	0.10%	17 September 2020
Swiss National Bank	Libor Target Rate	-0.75%	24 September 2020
Bank of Canada	Target Overnight Rate	0.25%	9 September 2020
Reserve Bank of Australia	Cash Rate Target	0.25%	1 September 2020

Table 3 – Eonia and Euribor

	10.08.2020 ³	14.08.2020 ⁴	Change in basis points
Eonia	-0.468	-0.464	0.40
Euribor 1W	-0.525	-0.526	-0.10
Euribor 1M	-0.510	-0.519	-0.90
Euribor 3M	-0.478	-0.482	-0.40
Euribor 6M	-0.418	-0.432	-1.40
Euribor 12M	-0.350	-0.353	-0.30

¹ Opening market value on Monday

² Closing market value on Friday

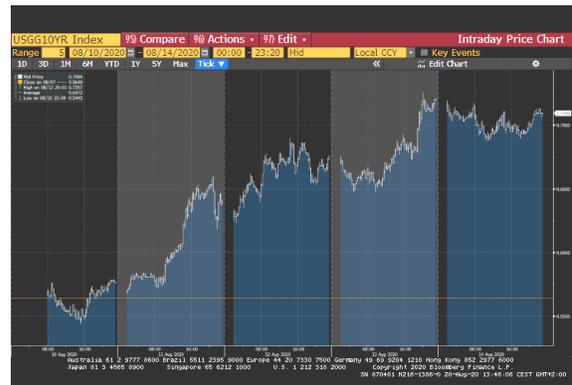
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Early this week, the return on 10-year German bonds was stable to record a growing trend to the end of the week. The recovery in German bond return came after releasing positive data on investor confidence in Germany. The index that measures investor confidence in Germany reached the level of 71.5 during August, compared to July 59.33. Moreover, the industrial output monthly growth in the euro area by 9.1% in June caused the return on German bonds to rise. The growth of the return on American bonds also influenced the recovery of German bond return in the last half of the week. The return on 10-year German bonds rose from -0.51% to -0.42% this week.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds rose steadily during this reporting period. The growth has occurred as large issues of both government and corporate bonds are expected in the USA in the coming period. At the same time, the better-than-expected inflation in the USA further shifted the return on US bonds to a higher value. Specifically, the inflation in the USA recorded a 0.6% monthly increase in July. The return on 10-year US bonds rose from 0.55% to 0.70% during this period.

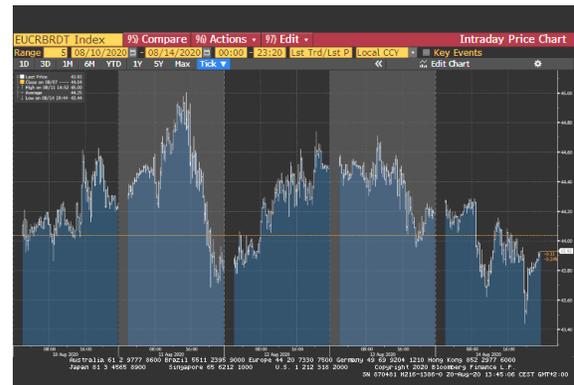
GOLD



Source: Bloomberg LP

On the first day of this reporting period, the gold price was stable to fall sharply on Tuesday. Namely, during Tuesday, the growth of investors' demand for riskier assets on Tuesday resulted in the price decline of this precious metal. During the rest of the week, the gold price did not change much and ranged around 1945 USD/oz.

OIL



Source: Bloomberg LP

The oil price rose from Monday to the middle of Tuesday. After that, it experienced a sharp drop due to concerns about the lacking progress concerning the aid package that would be aimed at stimulating the US economy. The oil price recovered on Wednesday, as the USA recorded was a drop in oil stocks by 4.5 million barrels over the previous week. The oil price was dropping from Thursday until the end of the day on Friday, as the International Energy Agency lowered its forecasts regarding the oil demand for this year.

Table 4 - Economic indicators (10 - 14 August 2020)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Sentix investor confidence A monthly survey showing market opinion on the current economic situation and expectations for the next quarter. Usually, a higher reading of the index is considered positive for the euro area, having a positive effect on the euro.	August	-16.0	-13.4	-18.2
	GDP s.a. 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.	Q2 P P=preliminary QoQ% (YoY%)	-12.1% (-15.0%)	-12.1% (-15.0%)	-12.1% (-15.0%)
Germany	CPI – EU Harmonised The harmonized index of consumer prices is an indicator of inflation and price stability, which uses a methodological concept applied by all EU Member States.	July MoM% (YoY%)	-0.5% (-0.1%)	-0.5% (-0.1%)	-0.5% (-0.1%)
Italy	CPI – EU Harmonised The harmonized index of consumer prices is an indicator of inflation and price stability, which uses a methodological concept applied by all EU Member States.	July YoY%	0.9%	0.8%	0.9%
Great Britain	ILO Unemployment Rate 3-mths UK Unemployment, defined by the International Labour Organization (ILO), is a situation where people are out of work and actively seeking employment. This rate measures the size of unemployment, and it is obtained as a percentage when the number of unemployed is put in relation to the total number of people currently in the labour market.	June	4.2%	3.9%	3.9%
USA	Initial Jobless Claims Measures the number of people who receive unemployment benefits.	8 August K=1000	1100K	963K	1191K

Source: Bloomberg