

EURUSD ↓ 1.2179
 At 19:38 Dp 1.2174 HI 1.2179 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 D 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	1.1878
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	1.1887
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

(20 - 24 April 2020)

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. and Fed Policy, Eur
 FIMark's Bennett, U.S. Fed Policy, Eur
 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

13) LIVE <GO> Events

Date	Time	Language	Type
3/17	Now Playing	English	CF
3/17	Now Playing	English	CF
3/17	20:00 - 20:30	English	CF
3/17	21:05 - 21:20	English	CF
3/17	22:00 - 23:00	English	CF
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.
 6615-311-3 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

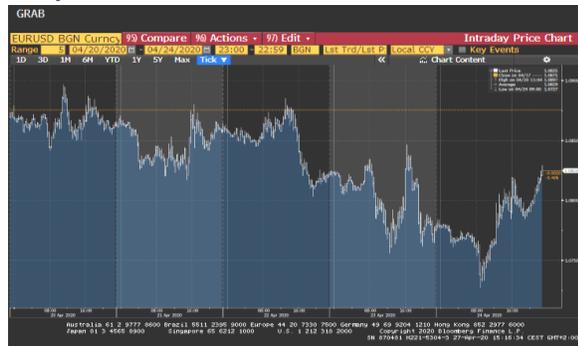
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR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

Podgorica, 30 April 2020

FX NEWS

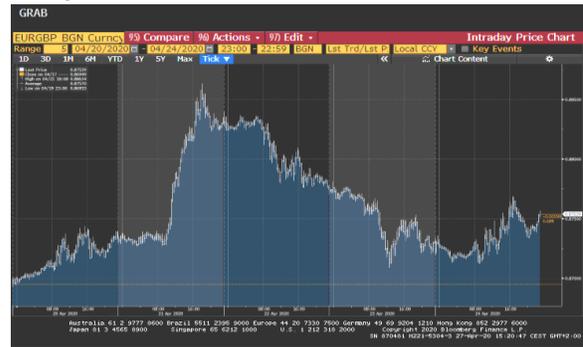
EUR/USD



Source: Bloomberg LP

On the first day of this reporting week, the **EUR/USD exchange rate** was stable. The USD did not depreciate either due to a significant oil price or due to the global stock prices decline to result from the coronavirus spread. The euro depreciated slightly against the USD on Tuesday morning as European countries considered the gradual opening up of their economies, with the Italian prime minister saying Italy was ready to cooperate with the EU on a new ESM credit line. On Tuesday afternoon, the EUR/USD exchange rate increased slightly, continuing to rise until the middle of Wednesday, as the USD briefly interrupted its two-day growth due to a better risk market appetite, reflected through the global stock prices growth, while the US and German bond prices dropped. Since Wednesday, the exchange rate has been falling in the eve of the virtual EU leaders summit, which made investors sceptical as the topic was a euro block institutions' proposal on how to fund an economic recovery fund. On the last day of this reporting week, the EUR/USD exchange rate rebounded slightly. This was the result of the EU Council supporting an agreement of EU finance ministers on a short-term package of 540 billion euros concerning the new financial support from ESM, EIB, and the new Support to mitigate Unemployment Risks in an Emergency (SURE), which will be operational from 1 June. It did not decide on the size, timing and interconnection of the European Recovery Fund (RF), even though analysts believed it was an agreement based on the new EU budget for 2021-2027. Italy's Prime Minister Conte later said that all EU countries had agreed to set up a fund to support economic recovery. After being struck by the pandemic, Italy's Deputy Minister of Economy, Castelli, responded that Italy could not afford to wait until June for the joint European recovery fund approval. On the other hand, ECB governors agreed to accept "junk" bonds as collateral if euro area governments and companies saw their credit ratings down while combating the coronavirus pandemic.

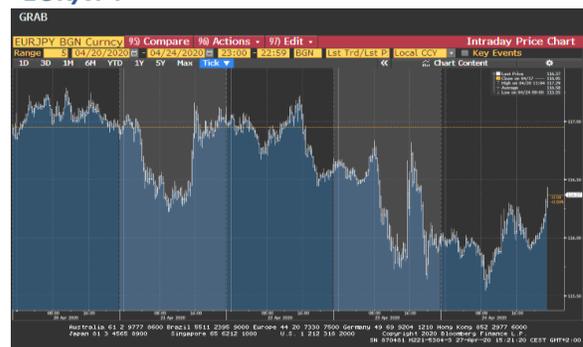
EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** has been rising for the first two days of this reporting week, despite investors' concerns about Brexit (as there was no mention of trade negotiations continuation with the EU despite the coronavirus). Exchange rate volatility was also the result of global volatility following a sharp oil prices fall, which turned investors' investments towards safer assets, with sterling reaching its 14-day nadir against the euro. Over the week, the EUR/GBP exchange rate dropped sharply with pandemic uncertainty leaving its mark on the two currencies with the USD rise. Despite the decreasing number of cases in the UK hospitals by 10% compared to a week earlier, the UK will be "closed" for two more weeks. A video conference hosted by EU chief negotiator Michael Barnier on Brexit negotiations took place on Friday. Still, there was no feedback on the conference outcome. The Brexit transition period should end by 31 December, unless the UK requests an extension by 30 June. If the UK and EU do not agree on a trade agreement, the UK will have to comply with WTO rules from February 2021.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** recorded a slight weekly depreciation as investors turned to safe assets such as the Japanese currency. The EUR/JPY exchange rate averaged to some 116.58.

Table 1 - Exchange rates of the most important currencies

	20.04.2020 ¹	24.04.2020 ²	% Change
EUR/USD	1.0875	1.0823	-0.48
EUR/GBP	0.86949	0.87523	0.66
EUR/JPY	116.95	116.40	-0.47
EUR/AUD	1.70881	1.69972	-0.53
EUR/CHF	1.05196	1.05304	0.10
USD/JPY	107.54	107.51	-0.03
GBP/USD	1.2499	1.2367	-1.06

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%	30 April 2020
Federal Reserves	Federal Funds Target Rate	0.25%	29 April 2020
Bank of Japan	Overnight Call Rate	-0.10%	28 April 2020
Bank of England	Official Bank Rate	0.10%	7 May 2020
Swiss National Bank	Libor Target Rate	-0.75%	18 June 2020
Bank of Canada	Target Overnight Rate	0.25%	3 June 2020
Reserve Bank of Australia	Cash Rate Target	0.25%	5 May 2020

Table 3 - Eonia and Euribor

	20.04.2020 ¹	24.04.2020 ²	Change in basis points
Eonia	-0.453	-0.454	-0.10
Euribor 1W	-0.518	-0.505	1.30
Euribor 1M	-0.434	-0.418	1.60
Euribor 3M	-0.243	-0.192	5.10
Euribor 6M	-0.195	-0.136	5.90
Euribor 12M	-0.105	-0.083	2.20

¹ Opening market value on Monday.

² Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During the first two days of this reporting week, the yield on 10-year German government bonds dropped due to the decline in stock prices in Germany following a sharp crude oil prices decline. The yield decline in yield was also the result of by a statement by French officials that an agreement was unlikely to be reached at the EU summit on Thursday 23 April. German bond yields rebounded mid-week after rising stock prices and yields on US bonds, as well as in the wake of the release of the PMI economic indicator for the euro area. The yield on Italian and Spanish bonds has been rising during this period due to the pandemic impact and due to increased demand for them supported by the ECB quantitative easing program. Spain collected 15 billion euros in a 10-year bonds auction. In the eve of the EU summit, yields on Italian bonds dropped, yet recovered after the summit. On the other hand, yields on German government bonds fell after EU leaders failed to agree on the exact financing and economic packages to combat the pandemic. In principle, EU finance ministers only agreed on an incentive package to support the deprived European economy. The yield on German 10-year government bonds stood at -0.4785% at the end of the week.

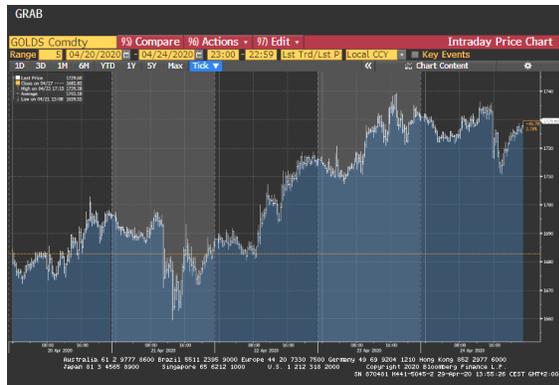
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During the first two days of this reporting week, the yield on US 10-year government bonds dropped, amid a historic US oil prices decline (below zero). The yield on 5-year US bonds was at a record low of 0.2991%. US stock prices also plummeted, and investors turned to invest in safer assets, such as the USD and US bonds. US bond yields rebounded slightly in mid-week to remain stable over the week, with no significant changes. At the end of the reporting week, the yield on 10-year government bonds stood at 0.6008%. This week, the Fed was buying 15 billion USD in government bonds daily, and it was announced that the government bond repurchase program would average about 10 billion USD a day over the next week.

GOLD



Source: Bloomberg LP

On the first day of the reporting week, the gold price increased, driven by the investors' demand increase for collateral after a significant oil price decline. The next day, the gold price fell due to the USD appreciation, as investors saw the historical oil price decline; thus, they sold their positions. The price of this precious metal rebounded this week, as additional economic support measures packages are expected worldwide. New measures are expected at meetings of the FED, the ECB and Bank of Japan to be held next week.

OIL



Source: Bloomberg LP

The oil price was declining until the middle of this reporting week, as the coronavirus pandemic had an extremely adverse effect on the global economy. The US Oil Price Benchmark (WTI) was negative for the first time in history on Monday 20 April, thus upsetting the energy sector. The oil price decline came as oil traders feared that WTI contracts due in May would not be able to "roll over", lacking storage capacity for this raw material in Cushing, Oklahoma. According to the Energy Information Administration (EIA), as of 10 April, storage tanks in Cushing have housed 55 million barrels of crude oil (72% of operating capacity). The remaining capacity was not necessarily available to those who had not already rented it. However, the New York commodity exchange, CME Group, said its market was functioning, adding that the negative price suggested converting of spot and futures prices as intended. The Brent crude price dropped, but not as near as WTI, as it was better isolated due to its location in the North Sea, having fewer storage problems. OPEC+ held a conference call on Tuesday to discuss the oil price collapse. Saudi Arabia, the largest OPEC member, and its allies were ready to take further measures ensuring market stability. Since midweek, oil prices have rebounded slightly, ranging around 20USD/bbl on Friday.

Table 4 - Economic indicators (20 - 24 April 2020) – 24.04.2020.

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Markit Eurozone Composite PMI This research follows the views of procurement managers in the manufacturing, construction and/or service sectors. The index is obtained from the results of questionnaires regarding production, orders, stocks, employment, prices, etc.	April P P = Preliminary data	25.0	13.5	29.7
	Consumer Confidence EC It measures consumer confidence in euro area countries. This figure is the result of surveying euro area consumers concerning their finances, labour market, willingness to save, as well as economic expectations.	April	-20.0	-22.7	-11.6
Germany	ZEW Survey Current Situation This indicator focuses on a survey of the current soundness of the German economy. It is obtained by collecting expert estimates whether the current situation is improving, deteriorating or remains unchanged. Its value is obtained as the difference between the number of positive and negative responses. The higher value of the indicator indicates a stronger economy and a better business climate.	April	-77.5	-91.5	-43.1
	Producer Price Index (PPI) This index measures changes in output prices, also known as factory prices, these being prices paid by domestic manufacturers before retail. The rise in these prices is an early inflation indicator, as rising production prices can be “passed” on to consumers, through higher retail prices.	March MoM% (YoY%)	-0.7% (-0.8%)	-0.8% (-0.8%)	-0.4% (-0.1%)
	IFO Business climate Monthly survey of companies in Germany (in manufacturing, construction, wholesale, and retail) on the current business climate and expectations for the next six months. Given that Germany is “responsible” for ¼ the total GDP of the euro area, this indicator is a significant indicator of the whole euro area’s economic health.	April	79.7	74.3	85.9
Great Britain	ILO Unemployment Rate Unemployment, defined by the International Labour Organization (ILO), is a situation when people are out of work and when they are actively seeking employment. The unemployment rate measures the unemployment size and is obtained as a percentage by dividing the number of unemployed individuals by all individuals currently on the job market.	February	3.9%	4.0%	3.9%
USA	Initial Jobless Claims Measures the number of people who receive unemployment benefits.	April 18 K=1.000	4500 K	4427 K	5237 K

Source: Bloomberg