

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



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	1.2181	F 2/17	1.1909
T 3/16	1.2174	T 2/16	1.1881
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	1.1881
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 September – 2 October 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 Reserve  
 F.Mart's Bennett: U.S. Dollar, Fed Reserve, Euro  
 U.S. Congressional Quarterly Walker: Fiscal Policy and Deficit  
 Societe Generale's Maguire: BOJ Policy, Japan Rate, Economy  
 China Airlines' Wei: Fleet Reorganization, Earnings Outlook  
 Microsoft's Ballmer: Stock Performance, Strategy, Produce

10 Bloomberg TV Live 10 Bloomberg Radio Live 10 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) AVG 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 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

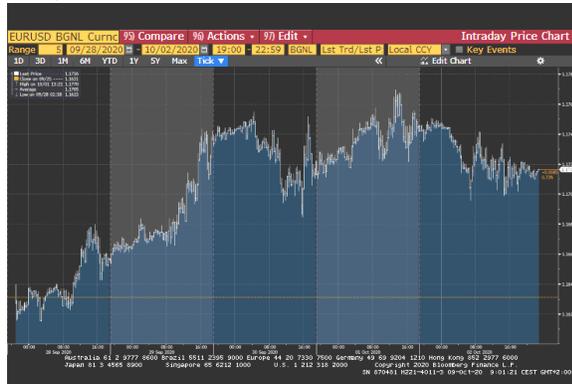
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR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

## FX NEWS

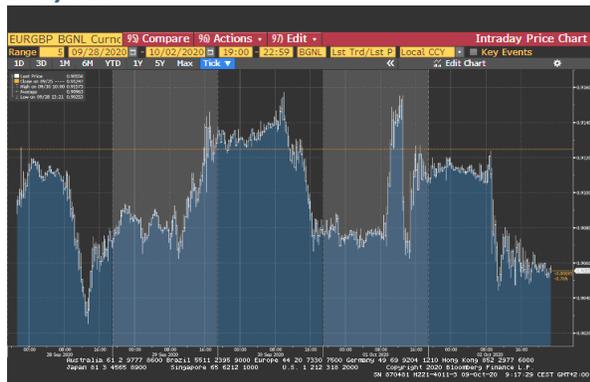
### EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate grew during the first two days of this reporting week. The exchange rate appreciation came after the release that the index measuring economic confidence in the euro area rose more than expected. Namely, this index rose from August's 87.5 during to 91.1 in September. In the middle of the week, this exchange rate was relatively stable, to recover slightly on Thursday, after the uncertainty regarding the adoption of a fiscal incentive measures package in the USA. During the last day, this exchange rate depreciated and it was announced that inflation in the euro area fell by 0.3% in September. An additional factor that affected the euro's depreciation was the increase in demand for safe funds, after releasing that the US President was Coronavirus positive.

### EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate fluctuated sharply this week. At the very beginning of the reporting period, it depreciated as the leading

clearinghouse in London was given the right to continue doing business with banks in the EU during the next year. The next day, the EUR/GBP exchange rate appreciated after releasing that economic confidence in the euro area had grown. In the middle of the week, this exchange rate dropped significantly due to optimism that the UK and the EU would agree on Brexit. However, this exchange rate appreciated the next day again. This resulted from the UK Prime Minister's statement he would not hesitate to introduce additional prohibition measures to stop the Coronavirus spread. At the very end of the week, the British currency appreciated against the euro after the release on the 0.3% euro area inflation drop in September.

### EUR/JPY



Source: Bloomberg LP

At the very beginning of the week, the EUR/JPY exchange rate rose as investors increased their demand for riskier assets. Moreover, the release on the more-than-expected rising economic confidence of the euro area contributed to the European currency's appreciation. This exchange rate did not change significantly in the middle of the week and on Thursday, but it depreciated on Friday. The EUR/JPY exchange rate depreciated on Friday as the US President announced he was Coronavirus positive. This announcement caused great uncertainty regarding a large number of political developments ahead of the US presidential election.

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

	28.09.2020 <sup>1</sup>	02.10.2020 <sup>2</sup>	% Change
EUR/USD	1.1631	1.1716	0.73
EUR/GBP	0.91247	0.90556	-0.76
EUR/JPY	122.88	123.39	0.42
EUR/AUD	1.65440	1.63622	-1.10
EUR/CHF	1.08016	1.07848	-0.16
USD/JPY	105.58	105.29	-0.27
GBP/USD	1.2746	1.2935	1.48

**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 October 2020
Federal Reserves	Federal Funds Target Rate	0.25%	5 November 2020
Bank of Japan	Overnight Call Rate	-0.10%	29 October 2020
Bank of England	Official Bank Rate	0.10%	5 November 2020
Swiss National Bank	Libor Target Rate	-0.75%	17 December 2020
Bank of Canada	Target Overnight Rate	0.25%	28 October 2020
Reserve Bank of Australia	Cash Rate Target	0.25%	6 October 2020

**Table 3 – Eonia and Euribor**

	28.09.2020 <sup>3</sup>	02.10.2020 <sup>4</sup>	Change in basis points
Eonia	-0.469	-0.470	-0.1
Euribor 1W	-0.530	-0.537	-0.7
Euribor 1M	-0.523	-0.528	-0.5
Euribor 3M	-0.498	-0.505	-0.7
Euribor 6M	-0.468	-0.473	-0.5
Euribor 12M	-0.433	-0.449	-1.6

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

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

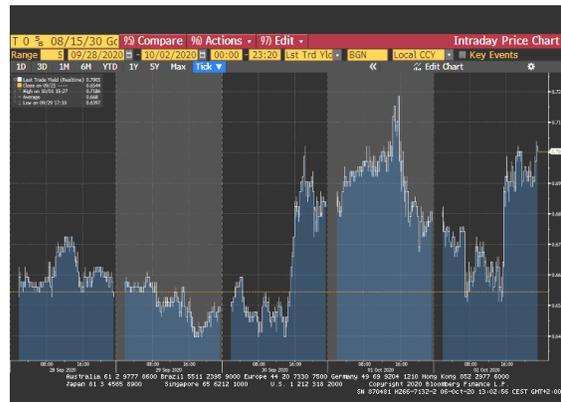
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year German government bonds fell by about 1 base point this reporting week, standing at -0.536% at the end of the week. In the first half of the week, this return mostly trended down. The statement by the ECB President that this monetary institution was ready to adjust all instruments if necessary, initially caused a decline in the return. Weaker-than-expected data on the HICP in Germany also contributed to this trend. According to preliminary data, inflation fell by 0.4% in September compared to year-on-year and is expected to fall by 0.1%. However, economic data released on Wednesday caused them the return's growth. (China's manufacturing index grew solidly in September, German retail trade recorded a more-than-expected monthly increase in August, and US private payrolls grew more than expected). Towards the end of the week, the return dropped again after increasing demand for safe funds further fuelled by the news that President Trump was Coronavirus positive just a month before the US presidential election.

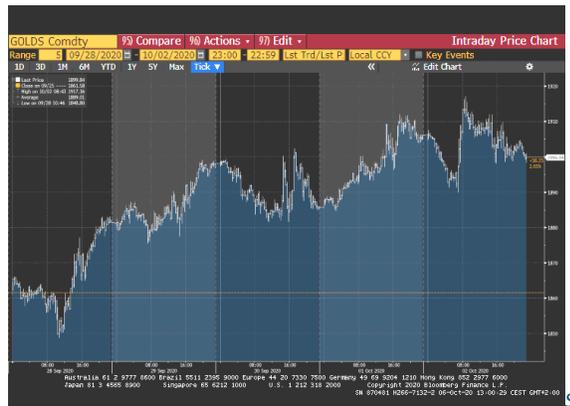
## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

In the first half of the reporting week, the return on 10-year US government bonds trended down slightly, mainly due to uncertainty over the incentive fiscal package adoption in the USA. However, the return rose from 0.64% to almost 0.72% on Wednesday afternoon and the next day as the US Treasury Secretary show optimism about these measures' adoption. After that, the return began to drop, due to growing demand for safe funds, especially after the news that President Trump was Coronavirus positive. However, the return grew again at the very end of the reporting week due to optimism on progress concerning the US incentive measures. Compared to 0.655% at the beginning of the week, this return stood at 0.70% at the end of the week.

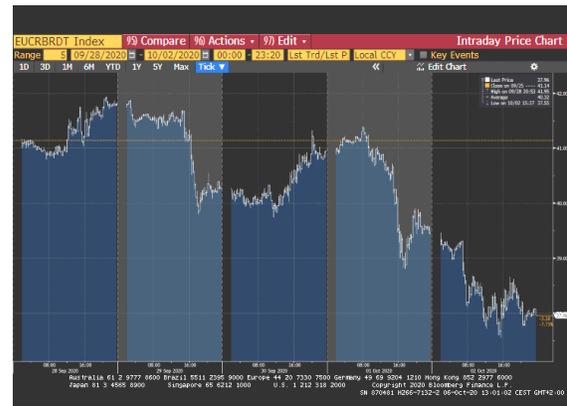
## GOLD



Source: Bloomberg LP

The gold price rose during this reporting week. The main growth drivers were the US currency's depreciation, the uncertainty about the further development of the situation in the USA in terms of aid packages aimed at eliminating the Coronavirus effects, and increased demand for safe funds. In the middle of the week, the price of this precious metal fluctuated, as the USD appreciated strengthened slightly after the first presidential debate in the United States, but its growth continued. Towards the end of the week, it was announced that President Trump was Coronavirus positive, which additionally turned investors to safe funds. At the very end of the week, the price of gold was around 1,900 USD/oz.

## OIL



Source: Bloomberg LP

The crude oil price rose on Monday and Wednesday afternoon. The reasons were optimism that the leading economies would introduce new measures to stimulate consumption and the publication of US oil stock reports in the week preceding this reporting period. (Stocks fell by almost 2 million barrels, to its nadir since April). However, the price trended down during the rest of the week, which resulted in its weekly fall. The Coronavirus spread and signals that the oil demand recovery would last longer due to the pandemic have caused the price weakening along with the concerns about market oversaturation in conditions of weaker economic growth. The price had been decreasing as the USA has not yet adopted an incentive measures package, but after publishing the news before the end of the week that the US president was Coronavirus positive.

**Table 4 - Economic indicators (28 September – 2 October 2020)**

Country	Indicator	Period	Expected value	Current value	Previous value
<b>USA</b>	<p><b>Initial Jobless Claims</b></p> <p>This indicator measures the number of people receiving unemployment allowances. It is similar to the applicant. The growing number of jobs accompanies an economic expansion that could influence inflationary pressures.</p>	26 September K=1000	850K	837K	873K
<b>Germany</b>	<p><b>Consumer price index (CPI)</b></p> <p>This indicator estimates the changes in the cost of living, measuring changes in the price level of the basket of consumer goods and services purchased by an average household.</p>	September Preliminary MoM%	-0.1%	-0.2%	-0.1%
<b>Japan</b>	<p><b>Industrial output</b></p> <p>It measures the output of the energy sector, factories and mines. Growing industrial production points to increased production and economic expansion.</p>	August MoM%	1.4%	1.7%	8.7%
<b>Great Britain</b>	<p><b>Gross domestic product (GDP)</b></p> <p>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 GDP calculation uses the following four components: consumption, investments, government expenditure, and net exports.</p>	Q2 QoQ% YoY%	-20.4% -21.7%	-19.8 -21.5%	-11.5% -23.4%

Source: Bloomberg