



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	1.1909
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
(2 August 2018 - 6 August 2018)

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

Bankinvest's Broby: Softbank, Vodafone, LOreal, Body Shop
ICAP's Smith: U.S. Dollar, Fed Reserve
F.M.A.'s Bennett: U.S. Dollar, Fed Policy, Euro
U.S. Department of Health and Human Services: 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, Products
FIS Global's Pines: FIS Global

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) 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 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.
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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

Change on day
IYC4 I52<GO>
Change on Month
IYC6 I48<GO>

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

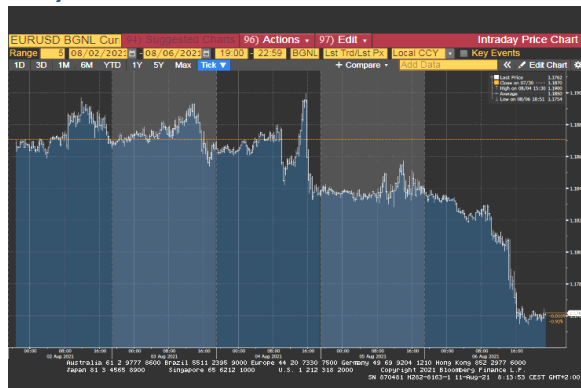
Change on day
IYC4 I48<GO>
Change on Month
IYC6 I48<GO>
For US Govt Yield Curve, type {IYC1 I2
For US swap Curve, type {IYC1 I52 <G

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Podgorica, 11 August 2021

FX NEWS

EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** was stable until the middle of the week at the weekly level. From the middle of the week, it started a period of a more pronounced depreciation, first as expected from the US labour market, to depreciate sharply on Friday, after releasing data on employed persons. The data showed that the number of employed persons not working in agriculture and non-profit organisations increased by 943 thousand, or 73 thousand more than expected. Such data increased speculation that the Fed could soon start tightening its monetary policy.

EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** was stable during the first two days of this week. It started trending down from the middle of the week until its very end. The appreciation of the British pound against the euro mainly was the result of the regular Bank of England meeting. At this meeting, the BoE hinted it could start easing the large support measures provided during the pandemic. Over Friday, data on rising real estate

prices in the UK in July caused this exchange rate to depreciate further.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** declined during the first two days due to increased demand for safe funds as the delta strain expanded and jeopardised global economic growth. However, the recovery period of this exchange rate started in the middle of the week. It came as investors' appetite for riskier investments increased.

Table 1 - Exchange rates of the most important currencies

	02.08.2021¹	06.08.2021²	% Change
EUR/USD	1.1870	1.1762	-0.91
EUR/GBP	0.85372	0.84786	-0.69
EUR/JPY	130.23	129.70	-0.41
EUR/AUD	1.61604	1.59903	-1.05
EUR/CHF	1.07474	1.07599	0.12
USD/JPY	109.72	110.25	0.48
GBP/USD	1.3904	1.3872	-0.23

Table 2 - Overview of the reference interest 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%	9 September 2021
Federal Reserves	Federal Funds Target Rate	0.25%	22 September 2021
Bank of Japan	Overnight Call Rate	-0.10%	22 September 2021
Bank of England	Official Bank Rate	0.10%	23 September 2021
Swiss National Bank	Libor Target Rate	-0.75%	23 September 2021
Bank of Canada	Target Overnight Rate	0.25%	8 September 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	7 September 2021

The Bank of England held a regular meeting this week and decided not to change the interest rate. It followed expectation, but the bank said it could withdraw the bond-purchase programme when the interest rate reached 0.50 % and most likely not reinvest maturing bonds. The bank confirmed that it still expected the economy to grow by 7.25% in 2021, having slightly increased expectations from 5.75% to 6% for 2022. Monetary policymakers expect inflation to reach 4% in the last quarter of this year, but only temporary.

Table 3 – Eonia and Euribor

	02.08.2021	06.08.2021	Change in basis points
Eonia	-0.479	-0.484	-0.5
Euribor 1W	-0.567	-0.566	0.1
Euribor 1M	-0.561	-0.561	0.0
Euribor 3M	-0.549	-0.541	0.8
Euribor 6M	-0.513	-0.524	-1.1
Euribor 12M	-0.478	-0.501	-2.3

¹ Opening market value on Monday

² Closing market value on Friday

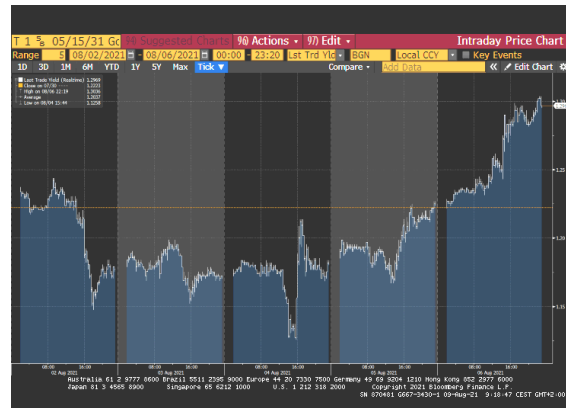
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Over most of this reporting week, the return on 10-year German government bonds trended down, falling from -0.455% (beginning of the week) to -0.52% (Thursday). However, the return started to recover on Thursday afternoon. The growing trend continued until the end of the week when it stood again at -0.455%. There were no significant developments in the European government bond market this week. The mentioned return trend resulted from the US market data. Namely, the data published early this week on the US production activity slowdown caused an increased demand for safe funds, which spilled over into the German government bond market. The demand for secure funds was current until Thursday when the 10-year return was below the ECB's deposit rate (-0.50%) for the first time in the last six months. However, awaiting the US labour market data, the return began to rise. This trend continued after publishing better-than-expected data (the unemployment rate drop to its nadir since the beginning of the pandemic and higher-than-expected payroll growth in the non-agricultural sector).

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds rose this reporting week. In the first half of the week, it trended down. It fell from some 1.235% (beginning of the week) to 1.125% (Wednesday), due to lower-than-expected US output data, along with concerns about the spread of Delta coronavirus strains. The virus has raised concerns about economic recovery, resulting in the growing demand for safe assets. The drop in the return was also caused by releasing weaker-than-expected data on payrolls in the USA. However, the returns at this market recovered since Wednesday afternoon. The recovery resulted from publishing favourable data on the US service sector, rising stock prices, and the announcement of a decline in the initial jobless claims in the USA in the week preceding this reporting period. Stronger-than-expected data from the US labour market, released on Friday, boosted expectations that the Fed was moving towards reducing incentive measures, so the 10-year return continued to grow. At the end of the week, the return stood at 1.2969% and recorded the first weekly growth in the last six weeks.

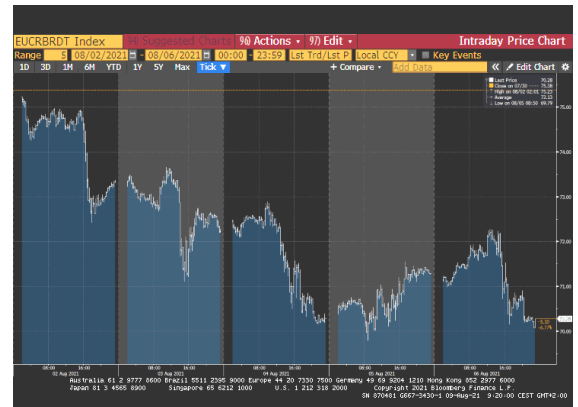
GOLD



Source: Bloomberg LP

The gold price fell this reporting week. For most of the week, it ranged between 1805 and 1820 USD/oz. The short-term exception was on Wednesday when it exceeded 1830 USD/oz. To wit, the weaker-than-expected data from the US labour market released on Wednesday caused an increased demand for safe assets, which led to a price increase. However, after announcing that the US service sector was growing at a record high rate, the demand for gold decreased. There was growing concern that the Fed could soon begin withdrawing support for the economy. Thus, the gold price fell and continued to be within the aforementioned interval. In the second half of Thursday, this precious metal's price fell below 1800 USD/oz. It dropped the next day significantly as strong data from the US labour market raised expectations that the Fed could begin withdrawing incentive measures. The reporting week ended the gold price at around 1763 USD/oz. This week, the gold price recorded the highest drop in the last seven weeks.

OIL



Source: Bloomberg LP

The crude oil price fell this reporting week. Earlier this week, unfavourable economic data released from China and the USA, the two primary fuel consumers, raised concerns about fuel demand, resulting in the oil price fall. The survey showed that China's factory activity is growing at the slowest rate in the last 17 months. Disappointing data on production and weaker-than-expected data on payrolls arrived from the US market. Investors were worried about the demand for this energy source and the coronavirus spread. Later in the week, US government data showed that oil stocks rose unexpectedly last week, which further affected the oil prices fall. However, the price started to recover on Thursday. Such a trend was also current on most of Friday due to heightened tensions in the Middle East. However, the oil price fell again at the end of Friday as China increased restrictive measures to combat the coronavirus. During this reporting week, the oil price recorded the most significant drop since last October.

Table 4 – Economic indicators (2 – 6 August 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Producer Price Index (PPI) It assesses the average change in prices of certain manufacturers at all stages of production, but does not include imported goods, services and taxes. The index is seen as an indicator of future inflation.	June MoM%	1.4%	1.4%	1.3%
Italy	Retail Sales Measures changes in retail trade in Italy.	June MoM%	1.9%	0.7%	0.2%
Germany	Industrial output It measures the production output of the energy sectors, factories and mines. Growing industrial output points to increased production and economic expansion.	June MoM%	0.5%	-1.3%	-0.3%
France	Industrial output It measures the production output of the energy sectors, factories and mines. Growing industrial output points to increased production and economic expansion.	June MoM%	0.5%	0.5%	-0.3%
USA	Initial Jobless Claims It measures the number of people who receive unemployment benefits.	31 July K=1,000	383K	385K	400K
	Unemployment Rate The percentage of individuals being on the labour market and unemployed, but actively looking for a job. Higher unemployment rate generally weakens the economy and results in lower personal spending.	July	5.7%	5.4%	5.9%

Source: Bloomberg