



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	1.1878
T 3/16	1.2050	T 2/16	1.1851
W 3/15	1.2050	W 2/15	1.1804
T 3/14	1.2016	T 2/14	1.1897
M 3/13	1.1934	M 2/13	1.1902
F 3/10	1.1894	F 2/10	1.1919
T 3/ 9	1.1909	T 2/ 9	1.1974
W 3/ 8	1.1928	W 2/ 8	1.1944
T 3/ 7	1.1889	T 2/ 7	1.1974
M 3/ 6	1.1996	M 2/ 6	1.1962
F 3/ 3	1.2025		
T 3/ 2	1.2012		
W 3/ 1	1.1913		
T 2/28	1.1923		
M 2/27	1.1853		

International Financial Market Report

(8 - 12 November 2021)

BLOOMBERG NEWS AUDIO/VIDEO

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- Bankinvest's Broby: Softbank, Vodafone, L'Oreal, Body Shop
- ICAP's Smith: U.S. Dollar, Fed
- F.Mat's Bennett: U.S. Dollar, Fed Policy, Euro
- U.S. Longshore Investor 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

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. 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

USD INTEREST RATE SWAPS				
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, 17 November 2021

FX NEWS

EUR/USD



Source: Bloomberg LP

During the first two days of this reporting period, the **EUR/USD exchange rate** was relatively stable before declining sharply in the middle of the week. The depreciation happened as reported that US inflation rose 6.2% in October compared y-o-y. It suggested that long-term higher inflation would trigger the Fed to raise interest rates before expectation. The next day, this exchange rate depreciated as the market's prevailing opinion was that rising US inflation would cause the Fed to raise interest rates earlier than expected. The EUR/USD exchange rate stabilised during Friday, and the euro area's industrial production fell less than expected during September. Namely, industrial production decreased by 0.2%, with the expected decrease of 0.5%.

EUR/GBP



Source: Bloomberg LP

Early this week, the **EUR/GBP exchange rate** depreciated as sterling recovered from an excessive depreciation a week earlier, after the BoE did not raise interest rates as expected. In the rest of the week, the EUR/GBP exchange rate appreciated slightly with occasional fluctuations. The exchange rate recovered after the announcement that investor confidence in Germany rose in November to 31.7 from October 22.3. The exchange rate's appreciation was additionally influenced by the news that the GDP in Great Britain grew by 1.3% in the third quarter, less than expected. On Friday, the EUR/GBP exchange rate also depreciated as the BoE and the National Bank of China agreed to extend the sterling-renminbi exchange rate line for the next five years.

EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate had a downward trend this week. The exchange rate depreciation was due to the global decline in the return on government bonds and lower expectations regarding the interest rates increase by leading central banks. In addition, investors' propensity for riskier investments reduced after data on the US inflation were published, which reflected a further appreciation of the Japanese currency against the euro.

Table 1 - Exchange rates of the most important currencies

	08.11.2021¹	12.11.2021²	% Change
EUR/USD	1.1567	1.1445	-1.05
EUR/GBP	0.85699	0.85307	-0.46
EUR/JPY	131.19	130.33	-0.66
EUR/AUD	1.56297	1.56093	-0.13
EUR/CHF	1.05525	1.05418	-0.10
USD/JPY	113.41	113.89	0.42
GBP/USD	1.3498	1.34141	-0.62

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%	16 December 2021
Federal Reserves	Federal Funds Target Rate	0.25%	15 December 2021
Bank of Japan	Overnight Call Rate	-0.10%	17 December 2021
Bank of England	Official Bank Rate	0.10%	16 December 2021
Swiss National Bank	Libor Target Rate	-0.75%	16 December 2021
Bank of Canada	Target Overnight Rate	0.25%	8 December 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	7 December 2021

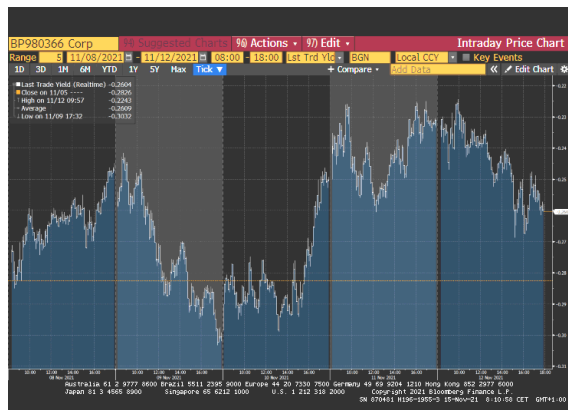
Table 3 - Eonia and Euribor

	08.11.2021¹	12.11.2021²	Change in basis points
Eonia	-0.487	-0.487	0.0
Euribor 1W	-0.571	-0.569	0.2
Euribor 1M	-0.567	-0.566	0.1
Euribor 3M	-0.567	-0.562	0.5
Euribor 6M	-0.536	-0.533	0.3
Euribor 12M	-0.495	-0.473	2.2

¹ Opening market value on Monday

² Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on German 10-year bonds appreciated slightly early this week, as market participants speculated about the 10 basis points ECB's interest rate in December 2022. After that, the return fell, as the ECB President reiterated that inflation was temporary. The return on German 10-year bonds rose on Wednesday afternoon. The ECB expected the interest rate to grow at the end of next year, as the US inflation data globally raised its forecasts for monetary policy "tightening". The European Commission believes that the inflation in the euro area will record a sharp slowdown in 2023 after energy costs stabilise, and the same applies to supply channels. The return on German 10-year bonds fluctuated on Friday, falling around 4 basis points daily. The market adjusted the expectations regarding the interest rate, i.e. the first interest rate increase of 10 basis points will occur in November 2022. One of the ECB's monetary policy creators, Philip Lane, stated that inflation growth was a part of the pandemic process and that people should not panic.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on US 10-year government bonds rose slightly on Monday, awaiting a 56 billion USD 3-year bond auction. The US bond returns growth was also stimulated by adopting the infrastructure package in the USA. The next day, the return on US bonds dropped, expecting the publication of US inflation data by the end of the week. The return on US 10-year government bonds rose sharply on Wednesday, following a higher-than-expected US inflation data release. It pressured Fed officials to start raising interest rates earlier than expected. US markets were closed on Thursday due to Veterans Day. On the last day, the return on 10-year US bonds fluctuated. The University of Michigan research results that consumer confidence in the USA fell in early November caused the return to decline.

GOLD



Source: Bloomberg LP

Early this week, the gold price as the USD depreciated and awaiting the USA and China's inflation data release. Market sentiment in the USA improved during this period, as the most extensive US infrastructure package (550 billion USD) was adopted in the House of Representatives. After the US inflation data publication, the gold price reached the highest level in the previous five months on Wednesday afternoon. It could result in pressure on the Fed to speed up the decision to increase the interest rate. Concerns about rising consumer prices in the USA on Thursday also led to increased demand for precious metals. On Friday morning, the gold price weakened due to the University of Michigan research results (consumer confidence fell in early November). Still, it rose in the afternoon after announcing that job creation in the USA was declining.

OIL



Source: Bloomberg LP

The oil price had an upward trend in the first two days. (Saudi Arabia raised oil prices, the USA opened borders for international travel, indicating an increased demand for fuel. There was speculation that the Biden administration could thwart plans to release oil supplies from government reserves following the US Government's report publication on inventory growth in the following year). As of Wednesday, the oil price has been falling as the USD appreciated, and the US Government report showed a surprising increase in crude oil inventories. On Thursday, investors assessed the prospects of the White House intervention around the oil price lowering. At the same time, President Biden said his main priority now was to reverse inflation, causing this fuel's price to fluctuate. OPEC has released reduced forecasts for oil demand growth this year. Still, it has maintained expectations that demand will recover to pre-pandemic levels next year. The oil price fell by the end of Friday due to the USD appreciation, and the possible release of crude oil from strategic oil reserves as US President Joe Biden faced an increasing number of calls to activate them to address rising gasoline prices.

Table 4 - Economic indicators (8 - 12 November 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Great Britain	Gross domestic product (GDP) 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.	Q3 QoQ% (YoY%)	1.5% (6.5%)	1.3% (6.6%)	5.5% (23.6%)
	Imports It represents German domestic demand for foreign goods. The main number represents percentage change in imports value. The value of exports is an important input for calculating trade balance, current account and GDP. It is very often compared with exports.	Q3 QoQ%	3.4%	2.5%	2.4%
Germany	Consumer price index (CPI) 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.	October MoM% (YoY%)	0.5% (4.5%)	0.5% (4.5%)	0.5% (4.5%)
USA	Consumer price index (CPI) 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.	October MoM% (YoY%)	0.6% (5.9%)	0.9% (6.2%)	0.4% (5.4%)
	Initial Jobless Claims It measures the number of people who receive unemployment benefits. It is similar to the applicant. The growing number of jobs accompanies the economic expansion, which could influence inflationary pressures.	6 November K=1,000	260 K	267 K	269 K
Italy	Industrial output It measures the output of industrial enterprises in the following industries: mining and ore mining, production, and public utilities (electricity, gas and water supply).	September MoM%	-0.10%	-0.10%	-0.20%

Source: Bloomberg