

EURUSD 1.2179  
At 19:38 Dp 1.2174 Hi 1.2174 Value 3/21/06  
1.2179/1.2180 TTOL  
1.2174 Value 3/21/06



CENTRALNA BANKA  
CRNE GORE

Range 3/17/05 - 3/17/06  
Upper Chart: Market Price



## 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	1.1909
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

(26 - 30 July 2021)

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
- F.Mat's Bennett: U.S. Dollar, Fed Policy, Euro
- U.S. Long-Term Growth: Walker: Fiscal Policy and Deficit
- Commodity Banks: 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

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

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>

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

Podgorica, 4 August 2021

## FX NEWS

### EUR/USD



Source: Bloomberg LP

At the weekly level, the **EUR/USD exchange rate** appreciated. It fluctuated slightly awaiting the Fed meeting during the first two days, so investors were reluctant to invest. The USD depreciated slightly due to fears that the coronavirus Delta strain will affect the Fed to retain monetary stimulus rather than raise interest rates. The exchange rate depreciated on Tuesday as demand for safe funds increased after weakening stock prices in China. Durable goods orders rose in the USA less than expected during this period, pulling the USD down again. After the two-day Fed meeting, the exchange rate appreciated. The Fed stated the bank wanted to see more progress in achieving its goals (inflation, unemployment rate) before withdrawing incentives from the economy. On Friday, the EUR/USD exchange rate reached a 1-month high in the morning (1.1909) as stock prices fell and due to the announcement that the French and Spanish economies grew in the second quarter. The euro area economy grew by 2% in the same period. After that, the exchange rate depreciated. The USD appreciated as investors rebalanced their portfolios on the last working day of the month. The USD also appreciated due to a statement by Fed St. Louis Chair that the Fed should begin cutting asset purchases in the autumn.

### EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** depreciated this reporting week. At the very beginning of the week, the exchange rate showed signs of growth. However, it soon began to fall as the sterling appreciated against the euro. Namely, the latest data showed that the number of newly infected with coronavirus in the UK has recently decreased (in the last seven days), pointing to a possible situation calming. However, the UK Prime Minister advised not to conclude the published data because the measures in the economy have almost been interrupted. He added that it was too early to determine whether there is a definite decline. The sterling also appreciated because the UK approved a plan to open the borders to foreign travellers. The fully vaccinated persons from the USA and the EU enter the UK without a 10-day quarantine from Monday 2 August. Towards the end of the week, the exchange rate recovered due to the euro recovery. It followed the announcement that the unemployment rate in Germany fell in June and that the inflation rate in July was 3.8%.

### EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** fluctuated during this reporting period. On Tuesday, the exchange rate depreciated due to falling stock prices in China. It happened after speculation that the USA would impose restrictions on investments in China and Hong Kong, stimulating the demand for safer funds. During the rest of the week, the EUR/JPY exchange rate averaged around 130.11. The EUR/JPY exchange rate first appreciated on Friday, as investors settled their positions due to the month-end depreciating due to falling stock prices and returning to the level from the beginning of the day.

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

	26.07.2021 <sup>1</sup>	30.07.2021 <sup>2</sup>	% Change
EUR/USD	1.1771	1.1870	0.84
EUR/GBP	0.85589	0.85372	-0.25
EUR/JPY	130.11	130.23	0.09
EUR/AUD	1.59793	1.61604	1.13
EUR/CHF	1.08226	1.07474	-0.69
USD/JPY	110.55	109.72	-0.75
GBP/USD	1.3748	1.3904	1.13

**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%	5 August 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%	3 August 2021

At the two-day meeting held this reporting week, Fed kept the interest rate at the current level. It said it would pursue a flexible monetary policy until inflation rose moderately above 2% for some time (averaging 2% over time), while long-term inflation expectations remained at 2%. The Fed Chair pointed out that the economy would make “good progress” in the next few years to reach maximum employment and that the withdrawal of the bond purchase programme would depend on the upcoming data.

**Table 3 – Eonia and Euribor**

	26.07.2021	30.07.2021	Change in basis points
Eonia	-0.478	-0.479	-0.10
Euribor 1W	-0.56	-0.567	-0.70
Euribor 1M	-0.553	-0.561	-0.80
Euribor 3M	-0.529	-0.549	-2.00
Euribor 6M	-0.514	-0.513	0.10
Euribor 12M	-0.483	-0.478	0.50

<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 German 10-year government bonds rose earlier this week as Belgium held bond auctions maturing in 2031, 2034 and 2040. In the rest of the week, there was a slight decline trend in return on these bonds, stimulated by the growing demand for safe funds caused by the stock prices fall on China stock exchanges. The return recorded a short-term increase only on Thursday after announcing that the unemployment rate in Germany dropped by 91 thousand people in July. On Friday, the demand for safe funds increased again, reflected in the German bonds return decline. The return on 10-year German bonds stood at -0.46% at the end of the period.

## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds rose at the beginning of this reporting period awaiting the Fed's regular meeting. It dropped the next day as the demand for safe funds rose after stock prices in China fell. It increased slightly in the middle of the week, after the regular Fed meeting when that central bank signalled it was near starting the bond purchase programme reduction. The return on these bonds also rose on Thursday after releasing better-than-expected US GDP data for the second quarter. However, the return fell again on Friday as investors rebalanced their positions at the end of the month. The return on 10-year bonds stood at 1.22% at the end of the week.

## GOLD



Source: Bloomberg LP

In the first half of the week, the gold price fluctuated slightly and averaged to 1,801.27 USD/oz. Investors waited patiently for the Fed meeting and future moves. Following the Fed meeting, the gold price rose due to the depreciating USD after the Fed Chair said the bank wanted to see more progress in meeting targets before withdrawing the incentive. The bank would not rush to raise interest rates. The gold price growth was additionally influenced by the news of weaker GDP growth in the USA than expected.

## OIL



Source: Bloomberg LP

At the very beginning of the week, the oil price rose due to speculations that the global recovery of demand for this energy source would continue despite the coronavirus Delta strain spread. For the rest of the week, the oil price had a slightly upward trend. Data from the American Petroleum Institute showed that oil inventories fell to pre-pandemic levels, prompting investors to consider declining stocks rather than increasing cases of COVID-19 infection. The oil price rose on Friday due to signs of declining supply.

**Table 4 – Economic indicators (26 – 30 July 2021)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<b>Economic Confidence</b> Monthly economic sentiment indicator reflects the general economic activity in the euro area. This indicator combines the assessments and expectations arising from surveying companies and consumers, whereas these surveys include different components of economy: industry, consumers, construction, and retail trade.	July	118.2	119.0	117.9
	<b>Unemployment Rate</b> 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.	June	7.9%	7.7%	7.0%
	<b>CPI estimate</b> It is an early inflation estimate. This index uses available data comparable to a historical trend in order to anticipate changes in consumer prices. It estimates the changes in the consumer prices, by measuring changes in the price level of market basket of consumer goods and services purchased by households, thus representing the key inflation measure in the Euro area. Positive CPI points to price increase.	July	2.0%	2.2%	1.9%
Germany	<b>IFO Business climate</b> Monthly survey of companies in Germany (in the area of manufacturing, construction, wholesale and retail trade), regarding the current business climate and the outlook for the next 6 months.	July	102.5	100.8	101.8
	<b>Consumer price index (CPI)</b> It estimates the changes in the cost of living, by measuring changes in the price level of market basket of consumer goods and services purchased by households.	P July MoM% (YoY%)	0.6% (3.2%)	0.9% (3.8%)	0.4% (2.3%)
USA	<b>New Home Sales</b> The indicator shows the sale of newly built properties in the United States. The figure is a temporary indicator of the housing market calculating the sale of houses when housing contracts have been signed.	June MoM%	3.5%	-6.6%	-5.9%
	<b>Durable Goods Orders</b> This indicator monitors the value of new orders received by domestic producers in the period it relates. It measures current industrial activity, and investors use it as an economic indicator.	P June	2.2%	0.8%	2.3%

Source: Bloomberg