

EURUSD ↓ 1.2179  
At 19:38 Op 1.2174 HI 1.2174 Value 3/21/06  
1.2179/1.2180 TTOL  
L.2174 Value 3/21/06  
Currency 1/4



CENTRALNA BANKA  
CRNE GORE

Range 3/17/05 - 3/17/06  
Upper Chart: 3 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 D Daily  
Market Y mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	F 2/24	1.1978
T 3/16	1.2174	W 2/22	1.1911
W 3/15	1.2050	T 2/21	1.1974
T 3/14	1.2016	M 2/20	1.1974
M 3/13	1.1934	F 2/17	1.1909
F 3/10	1.1894	T 2/16	1.1894
T 3/ 9	1.1909	W 2/15	1.1884
W 3/ 8	1.1928	T 2/14	1.1897
T 3/ 7	1.1889	M 2/13	1.1902
M 3/ 6	1.1996	F 2/10	1.1919
F 3/ 3	1.2025	T 2/ 9	1.1974
T 3/ 2	1.2012	W 2/ 8	1.1944
W 3/ 1	1.1913	T 2/ 7	1.1974
T 2/28	1.1923	M 2/ 6	1.1962
M 2/27	1.1853		

# International Financial Market Report

28 June - 2 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. European Bonds, Euro
- F.Marks Bennett: U.S. Dollar, Fed Policy, Euro, Yen
- Commonwealth Bank's Thurlbell: Oil Prices, Iraq
- China Airlines' Wei: Fleet Reorganization, Earnings Outlook
- Mitsubishi Banker: Stock Performance, Strategy, Products
- Bankinvest's Broby: Softbank, Vodafone, L'Oreal, Body Shop
- ICAP's Smith: U.S. European Bonds, Euro
- F.Marks Bennett: U.S. Dollar, Fed Policy, Euro, Yen
- Commonwealth Bank's Thurlbell: Oil Prices, Iraq
- China Airlines' Wei: Fleet Reorganization, Earnings Outlook
- Mitsubishi Banker: Stock Performance, Strategy, Products

10 Bloomberg TV Live 11 Bloomberg Radio Live 12 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 Mubaidin: 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 7930 7500 Germany 49 69 920410  
Hong Kong 852 2977 6000 Japan 81 3 3201 6900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2006 Bloomberg L.P.  
8635-351-3 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 fIYC1 I2  
For US swap Curve, type fIYC1 I52 <G

Podgorica, 7 July 2021

## FX NEWS

### EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate decreased during this reporting period, with the downward trend being more pronounced in the first half of the week. The drop in exchange rate came as Portugal and Spain introduced new restrictions on visitors from the UK, as well as for the fact that Germany suggested better EU coordination and greater caution regarding the allowed entry of passengers from non-EU countries. Additionally, the exchange rate fell due to concerns that the spread of the coronavirus Delta variant could jeopardise the global economic recovery. At the same time, the EUR/USD exchange rate fell due to the statement of one of the members of the Fed board, Christopher Waller, that the bank could start reducing the mass programme of buying bonds this year to allow the option to increase interest rates during the next year-end. The exchange rate stabilised on Thursday, and increased on Friday following the release of data from the U.S. labour market. Namely, payrolls that do not include employees in agriculture were above expectations (an increase of 850 thousand), while on the other hand the unemployment rate also rose to 5.9%, from the previous 5.8%.

### EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate fluctuated in this reporting week. It weakened earlier in the week, as sterling was backed by a statement from the UK Health Minister that he wanted to see the country return to normal as soon as possible, so speculations were raised that he could speed up the pandemic restrictions. However, due to concerns about the rate of spread of the Delta variant of the virus in the UK, and the publication of weaker-than-expected data on British GDP, the exchange rate soon began to rise. The growing trend stopped on Wednesday, due to easing tensions between the EU and the UK, after the EU decided to exempt UK meat deliveries to Northern Ireland from customs inspections for another three months. The BoE Governor's statement that the central bank should not overreact to the temporary rise in inflation, to ensure that the recovery is not affected by the premature tightening of monetary policy, put pressure on sterling on Thursday, therefore the EUR/GBP rose to a 2-week high. However, growing expectations that restrictive measures in the UK will be lifted on schedule (19 July), supported by Prime Minister Johnson's statement that Britain is on track to lift the rest of the restrictions, provided support for the British currency, so the EUR/GBP exchange rate returned to the level from the beginning of the week.

### EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate had a downward trend during the first three days of this reporting period. The fall in the exchange rate came as demand for safe funds increased due to concerns about the spread of Delta coronavirus variant. The exchange rate rose sharply on Thursday as traders positioned themselves ahead of the release of a monthly report from the US labour market. However, once the data were published, the exchange rate fell.

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

	28 June 2021 <sup>1</sup>	2 July 2021 <sup>2</sup>	% Change
EUR/USD	1.1935	1.1865	-0.59
EUR/GBP	0.85981	0.85831	-0.17
EUR/JPY	132.250	131.75	-0.38
EUR/AUD	1.57248	1.57645	0.25
EUR/CHF	1.09445	1.09255	-0.17
USD/JPY	110.750	111.05	0.27
GBP/USD	1.38790	1.3824	-0.40

**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%	22 July 2021
Federal Reserves	Federal Funds Target Rate	0.25%	28 July 2021
Bank of Japan	Overnight Call Rate	-0.10%	16 July 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%	14 July 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	6 July 2021

**Table 3 - Eonia and Euribor**

	28 June 2021 <sup>1</sup>	2 July 2021 <sup>2</sup>	Change in basis points
Eonia	-0.480	-0.479	-0.10
Euribor 1W	-0.566	-0.567	-0.70
Euribor 1M	-0.562	-0.561	-0.80
Euribor 3M	-0.538	-0.549	-2.00
Euribor 6M	-0.513	-0.513	0.10
Euribor 12M	-0.478	-0.478	0.50

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

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

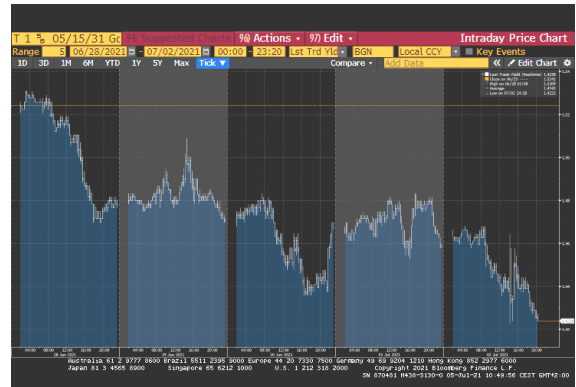
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on 10-year German bonds recorded a downward trend during the reporting week. Yields on German 10-year government bonds fell to -0.19% at the very beginning of the week. Last week, the ECB increased the amounts of securities purchased under the Pandemic Emergency Purchase Programme (PEPP) to the highest level of the year, which, together with the fall in the region's stock prices, stimulated the demand for safe funds. Yields recovered on a daily basis on Tuesday, as the EU generated more than 171 billion euros in demand for the second auction of NextGenerationEU bonds. The EU offered 9 billion euros in 5-year bonds to the market. In the second part of the week, investors took positions as the end of the month was approaching, being more cautious in investing, which reduced the demand for riskier assets. On Thursday, the yield on 10-year German government bonds rose to -0.18% in the first part of the day, to continue to decline and at the end of the day reached -0.20%. Yields rose before the release of data on the demands of the unemployed to obtain social assistance in the US, only to fall after they were released. Yields weakened on Friday following a decline in yields on US bonds.

## U.S. GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on 10-year US government bonds, as the yield on German bonds, had a downward trend. Yields on 10-year US government bonds fell to 1.47% on Monday, as falling prices on Wall Street caused demand for safe funds to rise. The drop in yields was also caused by a decrease in investors' risk appetite after the US air strike on Syria and Iraq. The next day, yields on 10-year US government bonds rose in the first half of the day, only to weaken in the second half due to comments made by one of the Fed's board members, Thomas Barkin, that he wanted to see significant greater recovery in the US labour market before reducing the bond-buying programme. Yields on 10-year US government bonds fell on Wednesday, revealing investors' doubts about how strong the economy will be in the coming years, even as inflation reaches its highest levels. Yields fluctuated on Thursday, before falling on Friday as the US employment report was released in support of the Fed's decision to be patient before changing monetary facilities.

## GOLD



Source: Bloomberg LP

The gold prices were on a downward trend in this reporting week. The main reason for this is that traders are assessing new travel restrictions in Europe and comments from the Fed officials about a possible increase in interest rates as early as 2022. The dollar also rose against most currencies, making investing in this precious metal less interesting. As of Wednesday, the recovery in the price of gold was noticeable, as investors expressed great concern about the contagiousness of the new coronavirus variant.

## OIL



Source: Bloomberg LP

On the first day of this reporting week, the price of oil fell from the previously reached 2-1/2-year maximum. The price fell as a result of the growth of the number of infected with coronavirus in Asia and concerns about the impact on demand, but also ahead of this week's OPEC+ meeting, which is expected to result in an increase in the supply of this energy generating product. As the week went on, the price of this energy generating product recorded an upward trend. The price of oil rose as the OPEC ministers were divided over a decision to increase oil production ahead of the organization's meeting this week. In addition, the news that oil stocks in China fell to the lowest level this year had an impact on the growth of oil prices. By the end of the week, the price of oil was around a 3-year high, supported by the reduction of stocks of this energy generating product in the U.S. and the expectations that the demand will be higher. The OPEC+ group failed to agree on an increase in output, which further boosted the price. Saudi Arabia and Russia are working on a cautious increase in output by 400,000 barrels per day for the period from August to December, but this was blocked by the UAE, which states that the agreement on limiting supply was reached at the peak of the pandemic last year.

**Table 4 - Economic indicators (28 June - 2 July 2021)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro Area	<p><b>Economic Sentiment (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, service sector, consumers, construction, and retail trade.</p> <p><b>Consumer price index (CPI)</b> 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 an average household.</p> <p><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.</p> <p><b>Markit Eurozone Manufacturing PMI</b> This index tracks trust among managers in manufacturing companies, and is obtained as a result of surveys on output, orders, supplies, employment, prices, and so on.</p>	June	116.5	117.9	114.5
		June P MoM%	0.2%	0.3%	0.3%
		May	8.0%	7.9%	8.0%
		June F	63.1	63.4	63.1
Great Britain	<p><b>Gross domestic product (GDP)</b> Measures the value of products and services produced within the country. GDP is the most comprehensive measure of economic output and provides a key insight into the main drivers of an economy.</p>	1Q F QoQ% (YoY%)	-1.5% (-6.1%)	-1.6% (-6.1%)	-1.5% (-6.1%)
USA	<p><b>Change in nonfarm payrolls</b> This is a report showing the total number of newly employed workers on a monthly basis by branches of the economy. This report does not include employees in agricultural sector and non-governmental organisations. It serves as the basis for tailoring economic policy and forecasting future economic trends.</p> <p><b>Unemployment Rate</b> It shows the number of unemployed persons as a percentage of the total labour force.</p>	June K=1,000	720k	850k	559k
		June	5.6%	5.9%	5.8%

Source: Bloomberg