



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	1.1911
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	1.1904
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 February – 4 March 2022)

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 Policy, Euro
- F.Mart's Bennett: U.S. Dollar, Fed Policy, Euro
- U.S. Long-Term Growth: 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
- Year Steams: Teleconference: Fiscal 1st Quarter Profit
- Microsoft's Ballmer: Stock Performance, Strategy, Products

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

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

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 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, 10 March 2022

FX NEWS

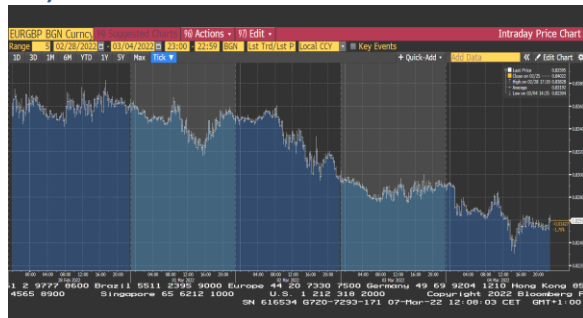
EUR/USD



Source: Bloomberg LP

At the very beginning of the reporting week, the **EUR/USD exchange rate** appreciated and stood 1.1220 at the end of Monday. However, this course constantly appreciated as the week continued, ending at 1.0929 on Friday. The intensification of the Russia-Ukraine conflict and sanctions against Russia were the main reasons for this trend. For the same reasons, the price of crude oil jumped simultaneously, and the return on leading economies' government bonds fell. The exchange rate also depreciated due to the Fed Chair's statement that the monetary authorities would do everything necessary to stabilise prices, so the USD appreciated. Russia attacked Ukraine's nuclear power plant on Friday. Russian forces continued to occupy Ukrainian cities, including Mariupol, the country's main port. In addition, the market focused on this situation's possible impact on European energy supplies, given that euro area economies rely heavily on imports from Russia. Economic data on Friday announced that Germany's exports and imports fell unexpectedly in January. According to a separate survey conducted before Russia invaded Ukraine, business activity across the euro area accelerated significantly in February due to a jump in demand, especially services. Payrolls in the USA expanded more than expected in February, continuing the trend of solid employment growth. The unemployment rate fell to 3.8%.

EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** depreciated this week. The aggravated situation between Russia and Ukraine and new sanctions against Russia caused an increased demand for safe funds, so the sterling appreciated against the euro. After the BoE committee members Michael Saunders and Catherine Mann suggested supporting interest rate increases, traders raised expectations that the trend would continue. It further affected the EUR/GBP exchange rate depreciation. Towards the end of the week, the news that Russia attacked the main Ukrainian nuclear plant also harmed this exchange rate's trend. On Friday, it was announced that the British construction sector grew at the fastest pace since last June.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** also depreciated this reporting week. The escalated Russia-Ukraine conflict caused rising demand for safe funds, so the Japanese currency appreciated against the euro. Despite the exchange rate's recovery signs in the middle of the week due to the current declining demand for safe investments, the downward trend soon continued and was present until the end of the week.

Table 1 - Exchange rates of the most important currencies

	28.02.2022 ¹	04.03.2022 ²	% Change
EUR/USD	1.1268	1.0928	-3.02
EUR/GBP	0.84022	0.82595	-1.70
EUR/JPY	130.25	125.55	-3.61
EUR/AUD	1.55871	1.48269	-4.88
EUR/CHF	1.04343	1.00239	-3.93
USD/JPY	115.55	114.82	-0.63
GBP/USD	1.3409	1.3230	-1.33

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%	10 March 2022
Federal Reserves	Federal Funds Target Rate	0.25%	16 March 2022
Bank of Japan	Overnight Call Rate	-0.10%	18 March 2022
Bank of England	Official Bank Rate	0.50%	17 March 2022
Swiss National Bank	Libor Target Rate	-0.75%	24 March 2022
Bank of Canada	Target Overnight Rate	0.50%	13 April 2022
Reserve Bank of Australia	Cash Rate Target	0.10%	5 April 2022

This week, the Central Bank of Australia (BoA) and the Central Bank of Canada (BoC) held their meetings.

The BoA kept the interest rate current, citing the war in Ukraine as the main new source of uncertainty and the necessity to be patient concerning the monetary policy's tightening.

The BoC raised the interest rate by 25 basis points. Governor Macklam said the BoC would not rule out major increases at any meeting. According to him, the situation in Ukraine has heightened uncertainty about growth and accelerating inflation. He added that the BoC was on the "unmistakable policy normalisation path". The BoC's primary mechanism for tightening will be a reference rate complemented by the quantitative easing programme tightening.

Table 3 – ESTR and Euribor

	28.02.2022 ¹	04.03.2022 ²	Change in basis points
ESTR	-0.575	-0.577	-0.20
Euribor 1W	-0.558	-0.567	-0.90
Euribor 1M	-0.543	-0.546	-0.30
Euribor 3M	-0.528	-0.520	0.80
Euribor 6M	-0.488	-0.482	0.60
Euribor 12M	-0.348	-0.359	-1.10

¹ Opening market value on Monday

² Closing market value on Friday

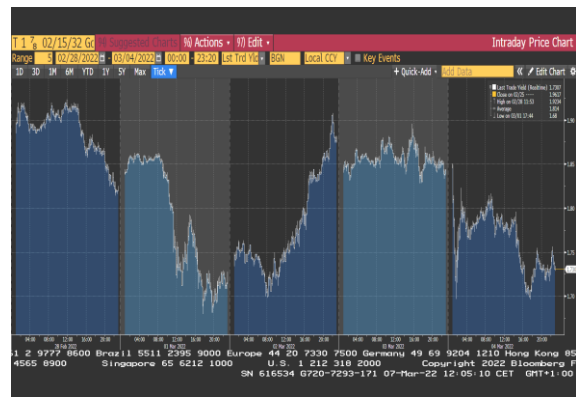
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year German government bonds fell this reporting week. At the beginning of the week, it stood at almost 0.20%, to become negative on Tuesday (-0.08%). The escalation of the Russia-Ukraine conflict, and the introduction of sanctions against Russia, caused an increased demand for safe funds, resulting in the downward trend. Another reason for the return decline was the expectation that the ECB would slow down the monetary policy tightening process due to current developments and the risk posed by economic growth. On Wednesday and Thursday, this return recovered to 0.07% after announcing that the euro area's inflation rate rose to 5.8% in February compared year-on-year. However, another return drop happened at the end of the week to end the reporting week at -0.069%. The decline resulted from growing demand for safe funds, as Russia attacked Ukraine's main nuclear plant and amid concerns about oil supplies in Europe, as it relied heavily on oil from Russia.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds fell this reporting week. Russia's invasion of Ukraine and signs of slowing US wage growth turned investors to US government bonds as a safe investment causing longer-term returns to plummet and risky asset prices to fall. Earlier this week, Russia's President announced the nuclear forces were ready, so the demand for safe means increased. The return decline was also caused by expectations that the Fed would slow down the monetary policy tightening process due to the Ukraine situation. The return recovered in the middle of the week after the Fed Chair confirmed the Fed would start raising interest rates this year. At the end of the week, the return fell again as Ukrainian officials said the Russian military attacked the largest nuclear power plant in Ukraine. Moreover, the data showed hourly US wages rose less than expected. At the end of the week, the return stood at 1.73% compared to 1.92% at the very beginning of the week.

GOLD



Source: Bloomberg LP

At the very beginning of this reporting week, the gold price was stable to grow during the rest of the week except Wednesday. It rose after sanctions were imposed on Russia and the Ukraine conflict escalation negatively impacted global economic growth, resulting in increased demand for safe funds. The gold price rose this week from 1889.34 USD/oz. tr. at the opening to 1870.70 USD/oz. tr. at the closing of the reporting period.

OIL



Source: Bloomberg LP

The oil price was stable at the very beginning of the reporting week after the news that the USA would release 60 million barrels of crude oil from its reserves. However, oil prices rose in the rest of the week, reaching the highest level since 2008. The oil price rise resulted from the Ukraine conflict and speculations that the USA could ban oil imports from Russia. This week, oil prices rose from 99.71 USD/bbl. (on Monday) to 123.54 USD/ bbl. at the end of the reporting week.

Table 4 - Economic indicators (28 February – 4 March 2022)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	CPI estimate This is an early euro area estimate. This index uses available data comparable to a historical trend in order to anticipate changes in consumer prices. By itself, CPI monitors the consumer price changes by measuring price changes of market basket of consumer goods and services purchased by an average household. Therefore, it is the key inflation measure. Positive CPI points to price increase.	February YoY%	5.6%	5.8%	5.1%
	EC Producer Price Index (PPI) This index measures changes in sale prices of goods and services used by producers. Producers transfer higher costs to consumers through retail prices, thus PPI is important as an early inflation indicator.	January MoM% YoY%	2.8% 27.3%	5.2% 30.6%	2.9% 26.2%
Germany	Exports Products and services produced in Germany, sold or pending for sale outside of Germany.	January MoM%	1.0%	-2.8%	0.9%
	Imports Germany's demand for foreign products.	January MoM%	2.0%	-4.2%	4.7%
	Trade balance It shows the difference between exports and imports of euro area products and services.	January B=bill.	5.5 bill.	3.5 bill.	7.0 bill.
USA	Change in non-farm payrolls This report shows the total number of newly employed workers on a monthly basis by economy industries. It does not include employees in government services, NGOs, and the agricultural sector. It serves as the basis for tailoring economic policy and forecasting future economic trends.	February k=1000	423k	678k	467k
	Unemployment Rate It shows the number of unemployed persons as a percentage of the total labour force.	February	3.9%	3.8%	4.0%
Great Britain	Markit/CIPS UK Construction PMI PMI surveys tracks opinion among managers at manufacturing, construction and/or services firms. The index is calculated from results based on output, orders, inventories, employment, prices, etc.	February	57.5	59.1	56.3

Source: Bloomberg