



**CENTRALNA BANKA
CRNE GORE**

Financial and Banking Operations Department - International Reserves Management Division -

International Financial Market Report (20 - 24 January 2025)

EURUSD ↓ 1.2179
At 19:38 Op 1.2174 HI 1.2179 Value 3/21/06
Market Price

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



CMU/Close	
Last	1.2179
High 03/17/05	1.3360
Average	1.2217
Low 11/14/05	1.1886

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	1.1878
T 3/16	1.2174	T 2/23	1.1871
W 3/15	1.2166	W 2/22	1.1864
T 3/14	1.2016	T 2/21	1.1914
F 3/13	1.1934	F 2/20	1.1946
T 3/12	1.1928	T 2/19	1.1939
W 3/11	1.1928	W 2/18	1.1932
T 3/10	1.1894	F 2/17	1.1909
F 3/9	1.1909	T 2/16	1.1881
T 3/8	1.1928	W 2/15	1.1884
W 3/7	1.1889	T 2/14	1.1897
T 3/6	1.1996	W 2/13	1.1902
F 3/5	1.1996	F 2/12	1.1902
T 3/4	1.2025	F 2/10	1.1919
W 3/3	1.2012	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	W 2/6	1.1962
W 2/27	1.1853		

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby: Softbank, Vodafone, L'Oréal, Body Shop

1) Daniel Broby, chief investment officer at Bankinvest, talks about Softbank Corp.'s agreement to buy Vodafone Group Plc's Japanese mobile-phone unit and L'Oréal SA's purchase of Body Shop International Plc.

ICAP's Smith: U.S. European Bonds, Fed Rates and Strategy

2) ICAP's Smith discusses U.S. European Bonds, Fed Rates and Strategy.

Folmar's Bennett: U.S. Dollar, Fed Policy, Euro, Yen

3) Folmar's Bennett discusses U.S. Dollar, Fed Policy, Euro, Yen.

Societe Generale's Maguire: BOJ Policy, Japan Rate, Economy

4) Societe Generale's Maguire discusses BOJ Policy, Japan Rate, Economy.

China Airlines' Wei: Fleet Reorganization, Earnings Outlook

5) China Airlines' Wei discusses Fleet Reorganization, Earnings Outlook.

Bear Stearns Teleconference: Fiscal First-Quarter Profit

6) Bear Stearns Teleconference: Fiscal First-Quarter Profit.

Microsoft's Gallmer: Stock Performance, Strategy, Products

7) Microsoft's Gallmer discusses Stock Performance, Strategy, Products.

13)	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 Mottelid: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	☐
18)	Borders 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	☐

2)	2 YR	5.0670	5.0800	5.0755	+0.035
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

2) Australia 61 2 8777 8800 Brazil 5511 3048 4500 Europe 44 20 7390 7500 Germany 49 69 920410
 Hong Kong 852 2977 6000 Japan 81 3 3201 3900 Singapore 65 6212 1000 U.S. 1 212 316 2000 Copyright 2006 Bloomberg L.P.
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24) 4 YR 47.00 47.00 47.00 +.00
 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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Weekly overview of short news

- The price of oil decreased from \$82.48 to \$78.46 per barrel in this reporting week. The price drop was caused by Trump's promise to increase oil production in the U.S., his call to OPEC members to "lower the price of oil", and uncertainty regarding the implementation of tariff threats.
- The price rose from \$2,704.02 to \$2,770.58 per ounce. The increasing uncertainty concerning the market with the return of Trump to the White House has caused the demand for gold to rise as a safe investment.
- The Bank of Japan increased the interest rate by 25bp, thus it reached the level of 0.50% now.
- The inauguration of the President of the USA, Donald Trump, took place on Monday, 20 January. In just a week, President Trump has begun implementing many of his campaign promises, including those related to immigration, energy, military and federal workers. He imposed a state of emergency on the border with Mexico to fight immigration. He pardoned 1,500 people accused of participating in the riots on Capitol Hill on 6 January 2021. He also introduced a moratorium on employment in federal institutions, while ordering the return of existing employees to offices. He withdrew from the World Health Organization (WHO) and the Paris Climate Agreement. He threatened Canada and Mexico with tariffs of 25% as of 1 February. According to the WSJ, Trump is pressuring these countries to start renegotiating the USMCA trade agreement. He urged the E.U. again to buy more U.S. oil and gas if the bloc wants to avoid tariffs, and said he was considering imposing 10% tariffs on Chinese exports over drug concerns. By the end of the week, it was increasingly uncertain when the tariffs would be imposed, given that Trump did not specify his plan. Trump also referred to Russia, saying that the U.S. will probably impose sanctions if Vladimir Putin does not sit down at the negotiating table regarding Ukraine. Trump also ordered the formation of a cryptocurrency task force, which will be in charge of proposing new regulations for digital assets and exploring the possibility of creating a national cryptocurrency repository. In addition, at the World Economic Forum in Davos, he said that he would demand that Fed interest rates be lowered immediately, and that it should be like that all over the world. He also told world leaders that he would ask Saudi Arabia and other OPEC countries to "reduce the price of oil."
- The Fed has withdrawn from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), an international organization of central banks and supervisors that is researching ways to incorporate climate risks into the financial system. The network also aims to "mobilize mainstream financial flows to support the transition to a sustainable economy". The Fed announced that it is withdrawing from the NGFS as the scope of its work has expanded and now exceeds the scope of the Federal Reserve's statutory mandate. The NGFS regrets but respects the Fed's decision.

EUR/USD



The EUR/USD exchange rate recorded constant growth this week, with the largest growth occurring on the first and last day of this reporting period. At the very beginning of the week, the exchange rate rose as the "Wall Street Journal" announced that the U.S. President, Donald Trump, "will not introduce new tariffs yet." The exchange rate had a slight upward trend during the rest of the week. One of the reasons for the growth of the exchange rate was the announcement that the value of the non-production index of the Philadelphia Fed fell in January. In addition, the statement of the U.S. President that he wants the Fed to reduce interest rates as soon as possible, influenced the exchange rate to continue to rise. A sharper increase in the exchange rate trend as the preliminary data on the PMI indices of the euro area indicated that the manufacturing activity was less "depressive" than expected, led to the strengthening of the euro. On the other hand, the dollar weakened due to a sharp drop in the composite PMI index in the U.S.

EUR/GBP



The EUR/GBP exchange rate recorded a decrease during the week. The exchange rate fluctuated for the first three days and averaged at 0.84499. Sterling weakened against the euro during this period, due to economic data and comments from Bank of England officials, which influenced investors to increase their expectations regarding a BoE rate cut. Sterling also weakened due to the announcement that the 3-month unemployment rate (September-November) in Great Britain increased from 4.3% to 4.4%, and that the number of employees on payrolls decreased more than expected, by 47 thousand. The exchange rate fell in the second part of the day as better-than-expected average earnings without bonuses were released on Tuesday. The EUR/GBP exchange rate has been weakening for the last two days. The British Chancellor of the Exchequer, Reeves, said that new budget measures could be announced in March to meet the fiscal rules and emphasized the importance of waiting for the forecast of the Office for Budget Responsibility, which should be released on 26 March. The daily rate fell on Friday as a result of the release of data on the PMI index for Great Britain, which were better than the market expectations.

EUR/JPY



The EUR/JPY exchange rate increased this week. This week has passed in anticipation of the Bank of Japan meeting and the interest rate decision. After the meeting was held at the end of the week, the Bank of Japan decided to increase the interest rate by 25bp, which was in line with the market's expectations, so it did not have a major impact on trend of this currency pair. The euro was supported against the yen by the release of better-than-expected data on euro area business activity.

Table 1 - Exchange rates of the most important currencies

	20-Jan-2025 ¹	24-Jan-2025 ²	% Change
EUR/USD	1.0273	1.0497	2.18
EUR/GBP	0.84422	0.84064	-0.42
EUR/JPY	160.56	163.68	1.94
EUR/AUD	1.65876	1.66222	0.21
EUR/CHF	0.93884	0.95101	1.30
USD/JPY	156.30	156.00	-0.19
GBP/USD	1.2169	1.2484	2.59

Table 2 - Overview of the leading central banks' interest rates

Central Bank	Reference interest rate	Reference interest rate level	Next meeting
European Central Bank (ECB)	ECB main refinancing rate	3.15%	30-Jan-2025
Federal Reserves (Fed)	Federal Funds Target Rate	4.50%	29-Jan-2025
Bank of Japan (BoJ)	Overnight Call Rate	0.50%	19-Mar-2025
Bank of England (BoE)	Official Bank Rate	4.75%	6-Feb-2025
Swiss National Bank (SNB)	Libor Target Rate	0.50%	20-Mar-2025
Bank of Canada (BoC)	Target Overnight Rate	3.25%	29-Jan-2025
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	18-Feb-2025

The Bank of Japan raised interest rates by 25bp to 0.5%, the highest level since the global financial crisis in 2008, signalling confidence in stable inflation fuelled by rising wages. The decision followed the announcement that core inflation in Japan hit a 16-month high of 3% in December, largely due to high food prices and a weak yen. The Bank of Japan Governor, Kazuo Ueda, mentioned the possibility of further increases in interest rates, depending on whether inflation will trend around the target of 2%. The BoJ pointed out that the risks to inflation in fiscal years 2024 and 2025 are positive, which is a big change from its previous opinion in October, when it considered the risks to be neutral. The largest surprise was the sharp increase in the inflation forecast for 2025, where it is predicted to rise to 2.4% instead of the previously forecast 1.9%.

Table 3 - ESTR and Euribor

	20-Jan-2025 ¹	24-Jan-2025. ²	Change in basis points
ESTR	2.9200	2.9210	0.10
Euribor 1W	2.915	2.913	-0.20
Euribor 1M	2.798	2.735	-6.30
Euribor 3M	2.704	2.641	-6.30
Euribor 6M	2.642	2.581	-6.10
Euribor 12M	2.524	2.499	-2.50

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (20 - 24 January 2025)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	HCOB Eurozone Composite PMI The index is based on surveys of over 300 executives in production and service companies in the private sector. Each response is weighted according to the size of the company and its contribution to total production or service production.	January Preliminary data	51.5	51.4	51.6
		Producer Price Index (PPI) The index measures the average price change that domestic producers receive for their production. HCOB Germany Composite PMI The index is based on surveys of over 300 executives in production and service companies in the private sector. Each response is weighted according to the size of the company and its contribution to total production or service production.	December MoM% YoY% January Preliminary data	0.3% 1.1% 48.3	-0.1% 0.8% 50.1
Great Britain	S&P Global UK Composite PMI PMI surveys tracks opinion among procurement managers in manufacturing, construction and/or services sectors. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc. Average Weekly Earnings 3M/YoY This concept monitors total weekly compensation paid to employees in exchange for performed job (or paid leave). GfK Consumer Confident This index measures the level of households' confidence in terms of economic performance.	January Preliminary data	50.1	50.9	50.4
		November	5.7%	5.6%	5.2%
		January	-18	-22	-17
USA	S&P Global UK Composite PMI PMI surveys tracks opinion among procurement managers in manufacturing, construction and/or services sectors. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc. Initial Jobless Claims It measures the number of people filing for unemployment benefits for the first time. Existing Home Sales This report provides a fairly accurate assessment of housing market conditions.	January Preliminary data	55.6	52.4	55.4
		18 January k=thousand	220K	223K	217 K
		December MoM%	1.2%	2.2%	4.8%
Japan	Natl CPI ex Fresh Food It estimates changes in the cost of living, by measuring changes in the goods and services' prices, excluding fresh food. This index measures the change in prices from the consumer's perspective. Exports Products and services produced in Japan, sold or pending for sale outside of Japan. Imports Japan's demand for foreign products. The value of exports and imports is an important input in the calculations of the trade balance, current account and GDP.	December YoY%	3.0%	3.0%	2.7%
		December YoY%	2.4%	2.8%	3.8%
		December YoY%	3.2%	1.8%	-3.8%

EUROPEAN GOVERNMENT BONDS MARKET



The yields on 10-year German government bonds rose by some 4bp in this reporting week, from 2.53% to 2.57%. In the first two days, the yield weakened slightly, due to reports that President Trump will not immediately introduce aggressive tariffs, and the release of a less optimistic than expected economic confidence indicator from the German ZEW Institute. The statements of certain ECB officials also contributed to weakening of the yields, which strengthened current expectations of four ECB interest rate cuts this year. The yield has been on an upward trend as of Wednesday, following development in the U.S. bond market, and as investors awaited data on purchasing managers' index (PMI) for Germany and the euro area. Once the data indicated an increase in business activity, expectations regarding the reduction of ECB interest rates this year weakened, which affected the growth of yields.

U.S. GOVERNMENT BONDS MARKET



The yields on 10-year U.S. government bonds rose in this reporting week. The markets in the U.S. were closed on Monday due to the President Trump inauguration. At the opening of the market on Tuesday, this yield stood at 4.55%, reaching 4.62% at the end of the week. Uncertainty regarding U.S. tariff threats that could fuel price pressures had impact on yield growth. The comments of the U.S. President, at the World Economic Forum in Davos, that he wants the Fed to reduce interest rates, caused a slight weakening of yields, but their growth continued. The yields were fluctuating on Friday, and weakened slightly at a daily level, due to release of somewhat weaker data on consumer confidence and business activity in the USA, which supported expectations that the Fed could reduce the interest rate at least once this year.

GOLD



The price of gold recorded almost constant growth this week, rising from the initial \$2,704.02 to \$2,775.58 per ounce. The increase in the price of gold occurred when Trump announced the introduction of tariffs on goods entering the U.S. from Canada and Mexico next month, and he also hinted to introduce tariffs on the E.U. and China as well. The price of gold rose as investors worried about the implications of Trump's policies on U.S. finances and inflation, as well as the impact of new trade and immigration policies on the global economy, increasing demand for gold as a safe investment.

OIL



The price of oil decreased from \$82.48 to \$78.46 per barrel in this reporting week. At the beginning of the week, the drop was caused by the announcement of the U.S. President, Donald Trump, that he will increase domestic oil production. Trump's threat to introduce tariffs on China and the E.U. in the amount of 10% also had an additional effect on the drop in oil prices. In the rest of the week, the drop was caused by Trump's call to reduce the price of oil. Namely, Trump told the world leaders gathered in Davos that he will ask Saudi Arabia and other OPEC countries to "reduce the price of oil". During the last day of week, the drop in the price of oil was halted and the data of the U.S. government showed that oil supplies in that country had fallen.

Disclaimer

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