CENTRALNA BANKA CRNE GORE

Financial and Banking Operations Division

- International Reserves Management Department -

International Financial Market Report

(10 - 14 August 2026)

Podgorica, 18 August 2026

Weekly overview of short news

- The price of gold rose from \$4,350.09 to \$4,376.40 an ounce this week, supported by reduced expectations of a Federal Reserve interest rate increase.

- The price of oil increased from \$83.60 to \$88.00 per barrel as a result of heightened tensions and standstill in negotiations between the U.S. and Iran.

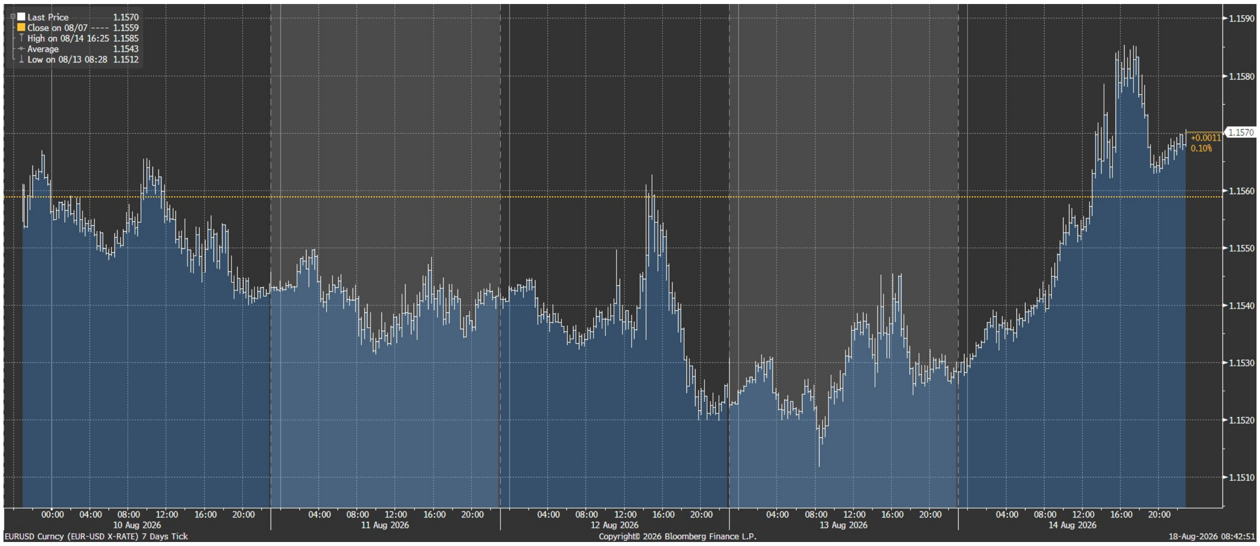
- The Reserve Bank of Australia kept the reference interest rate at 4.35%, for the second time in a row, but did not rule out the possibility of raising it again. Governor Michelle Bullock took a tough line, warning that it was "quite possible" that additional monetary policy tightening would be needed if inflationary pressures persisted.

- Credit rating agency Fitch has confirmed the U.S. long-term credit rating at AA+, with a stable outlook, and the U.K. long-term credit rating at AA-, with a stable outlook as well.

- The consumer price index (CPI) in the U.S. rose by 0.1% on a monthly basis in July, which was in line with expectations, following the drop of 0.4% in the previous month. The CPI rose 3.4% on an annual basis, also in accordance with expectations, but less than the previous month, when the growth amounted to 3.5%.

- The producer price index (PPI) in the U.S. remained unchanged on a monthly basis in July, which was below the expected growth of 0.2%. The PPI rose 4.7% on an annual basis, which was below expectations of 4.9% and the previous month, when the growth reached 5.5%.

EUR/USD Exchange Rate



The EUR/USD exchange rate was mainly influenced by the increased demand of investors for safe investments during the first three days of this week, due to the increased tensions between the USA and Iran. The exchange rate recorded growth in the last two days of the week, following the release of weaker than expected data on the U.S. producer price index (PPI). Namely, the PPI remained unchanged in July, which was below the forecasts and consensus on a growth of 0.2%. On the last day of the week, additional pressure on the U.S. dollar was by put by the latest, weaker-than-expected economic data from the U.S., which included a decline in retail sales and consumer sentiment. These data led to a decrease in expectations regarding the further tightening of the Fed's monetary policy, which was reflected in the sharp EUR/USD exchange rate growth.

Table 4 - Economic indicators (10 - 14 August 2026)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	**Industrial production** It measures the changes in output of production, service and mining sectors.	June MoM% YoY%	 0.0% -0.6%	 0.0% 0.1%	 0.3% -0.1%
	Gross domestic product (GDP) One of the fundamental macroeconomic indicators, which represents the calculated value in the market prices of products and services produced within the country. The GDP calculation uses the following four components: consumption, investments, government expenditure, and net exports.	Q2 S QoQ% YoY%	 0.4% 1.0%	 0.4% 1.0%	 0.4% 1.0%
Germany	**Consumer price index (CPI)** 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 an average household.	F July MoM% YoY%	 0.8% 2.8%	 0.8% 2.8%	 0.8% 2.8%
France	**Consumer price index (CPI)** 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 an average household.	F July MoM% YoY%	 0.6% 2.1%	 0.6% 2.1%	 0.6% 2.1%
Japan	**Producer Price Index (PPI)** It evaluates the average price change of certain producers in all stages of production, does not include imported goods, services and tax. The index is considered an indicator of future inflation.	July MoM% YoY%	 0.6% 7.4%	 0.1% 7.2%	 0.4% 7.1%
Great Britain	**Gross domestic product (GDP)** One of the fundamental macroeconomic indicators, which represents the calculated value in the market prices of products and services produced within the country. The GDP calculation uses the following four components: consumption, investments, government expenditure, and net exports.	Q2 P QoQ% YoY%	 0.4% 1.1%	 0.4% 1.2%	 0.6% 0.9%
	Industrial production It measures the changes in output of production, service and mining sectors.	June MoM% YoY%	 0.1% 0.3%	 -0.2% -0.2%	 -0.5% 1.0%
USA	**S&P Global US 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.	F July	-	54.5	53.6
	Initial Jobless Claims Number of inhabitants receiving unemployment benefits.	1 August	205 K	199k	198k
	Change in nonfarm 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. When the sign is negative, it means that the number of jobs has been lost.	July	80k	-23K	20 K
	US Job Openings Rate This indicator shows what percentage of all jobs in the USA are currently unfilled, that is, for which employers are actively looking for employees. It is calculated in relation to the total number of employees plus open positions.	June	4.4%	4.4%	4.5%

Abbreviations: **P**-preliminary data, **F**-final data, **S**-second estimate, **T**-third and final estimate, **k**-thousand, **b**-billion, **SA**-adjusted for seasonal fluctuations, **WDA**-working days adjusted, **A**-actual, **3M/3M** - past 3 months in relation to previous 3 months

Table 1 - Exchange rates of the most important currencies

	10-Aug-2026 [1]	14-Aug-2026 [2]	% Change
EUR/USD	1.1559	1.1570	0.10
EUR/GBP	0.85674	0.85473	-0.23
EUR/JPY	182.38	184.33	1.07
EUR/AUD	1.63556	1.63327	-0.14
EUR/CHF	0.93350	0.94079	0.78
USD/JPY	157.76	159.32	0.99
GBP/USD	1.3491	1.3538	0.35

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)	Deposit Facility Rate	2.25%	10-Sep-2026
Federal Reserves (Fed)	Federal Funds Target Rate	3.75%	16-Sep-2026
Bank of Japan (BoJ)	Overnight Call Rate	1.00%	17-Sep-2026
Bank of England (BoE)	Official Bank Rate	3.75%	17-Sep-2026
Swiss National Bank (SNB)	Libor Target Rate	0.00%	24-Sep-2026
Bank of Canada (BoC)	Target Overnight Rate	2.25%	2-Sep-2026
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	29-Sep-2026

The RBA held its regular meeting during this period and decided to keep the interest rate unchanged.

Table 3 – ESTR and Euribor

	10-Aug-2026[1]	14-Aug-2026[2]	Change in basis points
ESTR	2.185	2.189	0.4
Euribor 1W	2.132	2.155	2.3
Euribor 1M	2.201	2.214	1.3
Euribor 3M	2.474	2.508	3.4
Euribor 6M	2.683	2.671	-1.2
Euribor 12M	2.898	2.939	4.1

[1] Opening market value on Monday
[2] Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET

The yield on 10-year German government bonds rose from 3.13% to 3.20% this week. Expectations that the ECB will raise interest rates as a result of rising energy prices caused yield to rise already at the beginning of the week. However, the yield fell on Tuesday as renewed optimism about a possible deal in the Middle East eased inflation fears. The yield fluctuated in mid-week, but its decline continued on Thursday, following the release of weaker than expected data on the U.S. producer price index. The yield rose on the last day of the week, due to investors` concern related to the increased government borrowing and inflationary shocks as the conflict in the Middle East continues.

U.S. TREASURIES MARKET

The yield on 10-year U.S. treasuries rose from 4.66% to 4.69% this week, with the trend being similar to German yields. The weakening of hope for an agreement between the U.S. and Iran caused the price of oil to rise, which is why this yield had an upward trend in early week. The downward trend prevailed in the rest of the week, as data on consumer and producer prices in the USA reduced expectations regarding an increase in interest rates by the Federal Reserve in the upcoming period. However, this yield recovered on Friday, as investors worried that a delay in the Fed's interest rate increase could lead to a rebound in inflation.

GOLD

The price of gold increased from $4,350.09 to $4,376.40 per ounce during the reporting week. The price had an upward trend during most of the week, due to the decrease in expectations that the Federal Reserve will raise interest rates by the end of the year. After signs of the weakening U.S. labour market at the end of the previous week, data on consumer and producer prices in the U.S., released this week, led investors to expect the Fed to keep rates at their current level rather than raise them in September. The price of gold reached a 10-week high of $4,449.72 in early morning hours on Thursday, followed by a decline, as gold came under pressure from profit-taking, as well as uncertainty related to high energy prices and the situation concerning the Strait of Hormuz. The price of gold recovered at the very end of the week, as the data on the decline in the U.S. retail sales further weakened expectations regarding the increase in interest rates by the Fed.

OIL

The price of oil rose from $83.60 to $88.00 per barrel in this reporting week. The price of oil rose in the first two days of the week, as negotiations on the Strait of Hormuz again went down the drain, after a senior Iranian official made a series of tough demands to open the strait over the weekend, and the United Arab Emirates announced that Iran had launched a missile attack on one of its ships. These developments have fuelled traders' scepticism about reaching a deal between the U.S. and Iran. The price of oil weakened over the next two days. Pakistan mediated between the U.S. and Iran in reaching a truce, and it was reported that oil stocks in the U.S. rose by 17.4 million barrels last week, the largest increase since January 2023, due to growing imports of this energy generating product from Canada and Venezuela. The price recovered on Friday, as a result of the U.S. threats to introduce unprecedented economic measures to Iran.