CENTRALNA BANKA CRNE GORE

## Financial and Banking Operations Division

*- International Reserves Management Department -*

# International Financial Market Report

**(16 - 20 November 2026)**

**Podgorica, 24 November 2026**

## Overview of the most important market and macroeconomic developments

- The price of oil dropped from $93.39 to $90.05 per barrel in this reporting week. Despite the tensions in the Middle East, good supply of the market with this energy product is causing the price to fall for the time being.

- The price of gold also fell from $3,875.96 to $3,538.49 an ounce, as a result of the dollar strengthening and signals from the Federal Reserve officials indicating the possibility of more restrictive monetary policy.

- Final data showed that inflation in the euro area, measured by the harmonized index of consumer prices (HICP), reached 4.0% on an annual and 0.5% on a monthly level in October, which is in line with the preliminary estimates. Growth is primarily a consequence of higher energy prices. The annual core inflation rate amounted to 2.6%, which represents an upward revision compared to the preliminary estimate of 2.5%.

- Germany nominated Princeton University economist Markus Brunnermeier for the position of the ECB Chief Economist, whereas France nominated Laurence Boone for the position on the Executive Board in charge of market operations, which is currently headed by Isabelle Schnabel. These candidacies are part of a broader agreement on the distribution of leading positions in the institution. Germany and France support the former Banco de España Governor, Pablo Hernández de Cos, to succeed Christine Lagarde, while the former De Nederlandsche Bank Governor, Claes Knot, is also a candidate. The Eurogroup confirmed two candidates for the Executive Board on 20 November, while the election of the ECB President is expected in the coming period.

- Minutes from the October meeting of the U.S. Federal Reserve showed that almost all officials believe that an additional increase in interest rates will be necessary to curb inflation. Some participants also considered the possibility of an increase of 50 basis points in December if inflationary pressures remain pronounced. The Fed Governor Christopher Waller also supported considering such an increase or additional tightening of monetary policy during 2027.

- The presidents of the USA, Russia and China met at the APEC summit in Shenzhen, where they discussed international security, situation in Ukraine and energy issues. Concrete progress in solving the Ukrainian conflict has not been achieved, but the intention of the three countries to work on increasing the global supply of refined petroleum products has been highlighted.

## *EUR/USD Exchange Rate*




**The EUR/USD exchange rate** recorded a decrease during the first two days of the reporting week. The euro was under pressure early in the week due to the strengthening of USD, supported by strong economic data from the U.S. and growing expectations that the Fed may continue to raise interest rates. The dollar strengthened further in mid-week following the release of the Minutes from the October Fed meeting, which indicated the possibility of further tightening of monetary policy, which led to the lowest level of the EUR/USD exchange rate in the last 19 months. The exchange rate recorded occasional recoveries in the rest of the week, but the dollar gained support again as a result of increased demand for safe assets and expectations of higher interest rates in the U.S. The yields on the U.S. treasuries weakened in the end of the week, easing pressure on the dollar, while increased risk aversion in global financial markets fuelled the demand for safe assets. However, the mentioned developments were not enough for a significant recovery of the euro.

## Table 1 - Economic indicators (16 - 20 November 2026)

| Country | Indicator | Period | Expected value | Current value | Previous value |
|---|---|---|---|---|---|
| **Germany** | **Producer Price Index (PPI)**<br>It measures changes in the selling 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. | October<br>MoM%<br>YoY% | <br>1.0%<br>7.3% | <br>1.4%<br>8.1% | <br>1.9%<br>6.7% |
| **Euro area** | **Industrial Production**<br>It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply).<br>**Consumer price index (CPI)**<br>Estimates changes in the cost of living by measuring changes in the prices of certain items for which the consumers allocate their money**.** | September SA<br>MoM%<br><br><br>F October<br>MoM%<br>YoY% | <br>0.3%<br><br><br><br>0.4%<br>4.0% | <br>0.2%<br><br><br><br>0.5%<br>4.0% | <br>-0.5%<br><br><br><br>0.4%<br>4.0% |
| **Italy** | **CPI Harmonized**<br>The index primarily used in the E.U. is a measure of the price consumers pay for a market basket of goods and services. It is calculated by using the same methodology across the E.U. countries to enable a comparable inflation measurement. | F October<br>MoM%<br>YoY% | <br>1.2%<br>5.6% | <br>1.2%<br>5.6% | <br>1.2%<br>5.6% |
| **USA** | **Initial Jobless Claims**<br>This indicator measures the number of people receiving unemployment allowances.<br>**Industrial Production**<br>It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply).<br>**Housing Starts**<br>It shows a change in the number of new real estate built in the U.S. (the increase in this indicator indicates investment growth and business optimism).<br>**Imports Price Index**<br>The index shows changes in import prices for a month. It is an indicator of inflation. | 14 November<br><br>October<br>MoM%<br><br>October<br>MoM%<br><br>October<br>MoM% | 198 K<br><br>0.1%<br><br>2.4%<br><br>0.7% | 203 K<br><br>-0.4%<br><br>9.9%<br><br>1.1% | 202 K<br><br>0.7%<br><br>-7.0%<br><br>1.1% |

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 2 - Exchange rates of the most important currencies**

| | 16-Nov-2026[1] | 20-Nov-2026[2] | % Change |
|---|---|---|---|
| EUR/USD | 1.1023 | 1.0968 | -0.50 |
| EUR/GBP | 0.83442 | 0.83816 | 0.45 |
| EUR/JPY | 176.10 | 173.92 | -1.24 |
| EUR/AUD | 1.62768 | 1.65391 | 1.61 |
| EUR/CHF | 0.92465 | 0.92127 | -0.37 |
| USD/JPY | 159.71 | 158.57 | -0.71 |
| GBP/USD | 1.3214 | 1.3084 | -0.98 |

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

| Central Bank | Reference interest rate | Reference interest rate level | Next meeting |
|---|---|---|---|
| European Central Bank (ECB) | Deposit Facility Rate | 2.50% | 17-Dec-2026 |
| Federal Reserves (Fed) | Federal Funds Target Rate | 3.75% - 4.00% | 9-Dec-2026 |
| Bank of Japan (BoJ) | Overnight Call Rate | 1.25% | 18-Dec-2026 |
| Bank of England (BoE) | Official Bank Rate | 4.00% | 17-Dec-2026 |
| Swiss National Bank (SNB) | Libor Target Rate | 0.00% | 10-Dec-2026 |
| Bank of Canada (BoC) | Target Overnight Rate | 2.50% | 9-Dec-2026 |
| Reserve Bank of Australia (RBA) | Cash Rate Target | 4.85% | 8-Dec-2026 |

**Table 4 - ESTR and Euribor**

| | 16-Nov-2026[1] | 20-Nov-2026[2] | Change in basis points |
|---|---|---|---|
| ESTR | 2.437 | 2.444 | 0.70 |
| Euribor 1W | 2.394 | 2.390 | -0.40 |
| Euribor 1M | 2.482 | 2.484 | 0.20 |
| Euribor 3M | 2.775 | 2.849 | 7.40 |
| Euribor 6M | 3.015 | 3.071 | 5.60 |
| Euribor 12M | 3.328 | 3.372 | 4.40 |

[1] Opening market value on Monday

[2] Closing market value on Friday

## *EUROPEAN GOVERNMENT BONDS MARKET*




The yield on 10-year German government bonds fell from 2.65% to 2.51% in this reporting week. It was mostly in the range from 3.35% to 3.40% during the first three days of the week. Expectations that the ECB could continue to raise interest rates caused yield to rise, whereas the drop in oil prices and the sell-off of technology sector shares had impact on its weakening. The yield recorded growth on Thursday and ended the day at 3.40%. The rise in yield was boosted by statements from the ECB officials that indicated the possibility of an interest rate increase in December. Bundesbank President Joachim Nagel said such an action would send a clear and strong message about the determination of monetary policymakers to bring inflation under control. However, the yield recorded a significant drop on Friday, ending the day at 3.30%. A deepening sell-off in global equity markets has increased investors' risk aversion and prompted a shift of capital into safer government assets.

## *U.S. TREASURIES MARKET*




The yield on 10-year U.S. treasuries dropped from 5.13% to 4.94% during this reporting week. The decline in yield was present almost throughout the week, and was especially intensified on Friday. Despite expectations that the Federal Reserve could continue to raise interest rates and strengthen the dollar, the yield on the U.S. treasuries fell, primarily due to increased risk aversion among investors. Namely, the instability in the technology companies shares market, especially due to concerns regarding the sustainability of the investment momentum in the artificial intelligence sector, encouraged investors to redirect capital to the U.S. treasuries as a safer haven. The fall in yields was further accelerated on Friday due to the deepening of the sell-off in the global stock markets. At the same time, markets continued to reassess previous expectations regarding the Federal Reserve's future monetary policy.

## GOLD




The price of gold recorded a significant drop, from the $3,875.96 to $3,538.49 per ounce during the reporting week. Gold was under pressure early in the week due to the U.S. dollar strengthening and growing expectations that the Fed could continue to raise interest rates. The pressure on the price was further intensified following the statements of the Fed officials, who indicated the need for further tightening of the monetary policy in order to curb persistently high inflation. Midweek gains in the dollar and the U.S. treasuries yields further reduced the precious metal's attractiveness, while a late-week sell-off in AI-related shares prompted investors to sell gold to cover losses. Concerns about a possible continuation of interest rate increase in the U.S. continued on Friday to put pressure on the price, despite occasional recoveries.

## OIL




The price of oil fell from $93.68 to $90.05 per barrel in this reporting week. It was under pressure in early week due to expectations that the global supply of oil will exceed the demand, despite the continuation of tensions in the Middle East. The International Energy Agency pointed to an increase in global supply, while a rise in the U.S. oil inventories added to concerns about an oversupply in the market. The price continued to weaken in mid-week as expectations of a well-supplied market outweighed concerns about possible supply disruptions due to the conflict in the Middle East and attacks on maritime traffic in the Strait of Hormuz. A slight price recovery was recorded on Thursday, fuelled by the fear of a new escalation of the conflict in the region. The price weakened again on Friday, as investors assessed improving conditions on the global supply side, against continued threats to the transportation of oil from the Middle East and the possibility of new U.S. military strikes on Iran.

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