

EURUSD ↓ 1.2179  
At 19:38 Op 1.2174 HI 1.2179 Value 3/21/06  
Market Price 1.2174 Curncy 1/4



CENTRALNA BANKA  
CRNE GORE

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

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

# International Financial Market Report

10 - 14 September 2018

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby, Softbank, Vodafone, L'Oreal, Body Shop, etc.

ICAP's Smith, U.S. European Bonds, etc.

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 BDI Policy, Japan Rate, Economy

Beau Shams Teleconference: Fiscal First-Quarter Profit

Microsoft's Ballmer, Stock Performance, Strategy, Products

Daniel Broby, chief investment officer at Bankinvest mobile-phone unit and L'Oreal SAS purchase of Body Shop International Plc.

Bloomberg TV Live | Bloomberg Radio Live | 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) 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	🔊

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.  
8615-351-3 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

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

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 fIYC1 I2  
For US swap Curve, type fIYC1 I52 <G

Podgorica, 21 September 2018

## FX NEWS

### EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate grew in this reporting week. At the beginning of the week, the euro strengthened as a result of the news that the deal on Brexit could be reached by end-November. However, on Tuesday afternoon the publication of positive US economic data (the number of newly created jobs in July increased to a record high and optimism among smaller private companies reached the highest level so far) affected the strengthening of the dollar, thus the exchange rate weakened. On the same day, rumours of the potential merger of Commerzbank and Deutsche Bank, as well as the openness of the German government on this issue, led to the continuation of the rising trend of the EUR/USD exchange rate. Reduction in the demand for dollar, due to the indication that the US and China will hold another round of negotiations in order to solve trade issues, caused its additional growth. The ECB session was held on Thursday, where President Draghi stated he believed that the euro area economy can deal with global risks, which, together with lower than expected data on the US inflation rate, led to a growth in the exchange rate. However, the dollar boosted on Friday incited by higher yields on US government bonds (due to the release of better than expected data on US industrial output in August), as well as the growing demand for this currency due to the expectations that President Trump will announce new tariffs on 200 billion dollar Chinese imports, causing the exchange rate drop.

### EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate trended downward in this reporting week. The fall was recorded already at the very beginning of the week, as the sterling strengthened, prompted by the statement of EU chief Brexit negotiator Michel Barnier at a forum in Slovenia, that it is realistic to expect the Brexit agreement to be reached from six to eight weeks. For the remainder of the reporting week, the exchange rate ranged within a limited interval, having a growing trend in general, mainly as a result of the continued uncertainty about Brexit. However, this exchange rate weakened on Friday.

### EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate had a growing trend in this reporting period. The main reason for this was the weakening of the yen. Namely, the rise in stock prices led investors to invest in risky instruments at the beginning of the week, so the demand for yen, as a safe investment, was reduced. Optimism in terms of trade relations between the US and China further reduced the demand for the safe assets. The exchange rate showed signs of weakening on Friday, as it was expected that Trump would still announce new tariffs on imports of Chinese products.

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

	10 September 2018 <sup>1</sup>	14 September 2018 <sup>2</sup>	% Change
EUR/USD	1.1553	1.1625	0.62
EUR/GBP	0.89418	0.88946	-0.53
EUR/JPY	128.23	130.29	1.61
EUR/AUD	1.62568	1.62518	-0.03
EUR/CHF	1.11995	1.12543	0.49
USD/JPY	110.990	112.06	0.96
GBP/USD	1.2920	1.3068	1.15

**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%	25 October 2018
Federal Reserves	Federal Funds Target Rate	2.00%	26 September 2018
Bank of Japan	Overnight Call Rate	-0.10%	19 September 2018
Bank of England	Official Bank Rate	0.75%	1 November 2018
Swiss National Bank	Libor Target Rate	-0.75%	20 September 2018
Bank of Canada	Target Overnight Rate	1.50%	24 October 2018
Reserve Bank of Australia	Cash Rate Target	1.50%	02.10.2018.

The ECB meeting was held on Thursday, 13 September, with the interest rate not being changed, confirming that the record low interest rates will remain at the existing levels at least by end-summer 2019. The ECB will also halve the volume of bond purchases to 15 billion euro as of October this year.

The Bank of England meeting was held the same day. In line with expectations and by unanimous decision, the interest rate remained at the current level.

**Table 3 - Eonia and Euribor**

	10.09.2018. <sup>1</sup>	14.09.2018. <sup>2</sup>	Change in basis points
Eonia	-0.361	-0.366	-0.50
Euribor 1W	-0.377	-0.376	0.10
Euribor 1M	-0.371	-0.371	0.00
Euribor 3M	-0.319	-0.319	0.00
Euribor 6M	-0.269	-0.269	0.00
Euribor 12M	-0.167	-0.168	-0.10

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

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

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on German 10-year government bonds rose by around 8 basis points in this reporting week, amounting to 0.346% at the end of the week. These yields rose in the first half of the week as a result of the recovery in the stock prices on the German stock exchanges following the announcement of a possible merger of Deutsche Bank and Commerzbank. The yields on 10-year German bonds fell slightly on Wednesday as it was expected that Mario Draghi would reduce forecasts regarding the euro area economic growth at the ECB's meeting. The yields on Italian bonds rose on the same day, but less than expected, as the *La Stampa* newspaper reported that the Finance Minister of Italy threatened to resign due to the constant pressure from the Five Star Movement, seeking a 10 billion euro fund to finance the poor next year. The demand for German bonds was reduced in the second half of the week following the comments by the Deputy Prime Minister of Italy, *Salvin*, that the Italian Government and the Government of Austria were committed to creating changes within the EU. Of all European government bonds, only 10-year Portuguese government bonds recorded increase on Friday, as investors were buying these before S&P revised the credit rating of the country.

## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on 10-year US government bonds were stable on Monday, going up the next day, as a result of rise in US stock prices driven by the technology and energy sector. The yields grew once the information that optimism in smaller US companies reached the highest level since 1983 was published. Thereafter, the prices of long-term US bonds recovered as both the ECB meeting and forecasts of economic growth were expected, as well as for the fact that the US production price index did not meet expectations. The yields rose on the last day of the week as investors expected that the US President, Trump, would impose a 10% tariff on imports of Chinese goods at a total value of 200 billion dollar at the beginning of this week. The 10-year US bond yields started the week at 2.94%, closing at 2.99%.

## GOLD



Source: Bloomberg LP

Gold prices did not record larger changes for the first two days of the week (average price of gold ranged around 1,195 dollar per ounce). The price of this precious metal rose on Wednesday afternoon as a result of the weakening of the US currency, once the new round of US-China trade talks spurred the demand for gold. Gold prices depreciated partially during the week as the industrial report from the United States was "good", and the same case was with consumer confidence, which provided support to dollar.

## OIL



Source: Bloomberg LP

Oil prices rose in the first half of the week, primarily as a result of the industry report that showed the biggest drop in stocks since July (the American Institute announced that stocks fell by 8.64 million barrels in Oklahoma oil storage tanks last week), and later due to Hurricane Florence that was supposed to hit the American coast. The last two days of this reporting week, the price of oil dropped from the previously reached level as tensions between the US and China increased, and traders were worried about the potential impact of US sanctions on Iran.

**Table 4 - Economic indicators in the period 10 - 14 September 2018**

Country	Indicator	Period	Expected value	Current value	Previous value
USA	<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>August MoM% YoY%</p>	<p>0.3% 2.8%</p>	<p>0.2% 2.7%</p>	<p>0.2% 2.9%</p>
Germany	<p><b>ZEW Survey Expectations</b> This survey measures expectations regarding the economic growth for the next 6 months. Experts are surveyed on whether they expect an improvement or deterioration, thus the difference between the number of positive and negative responses represents the indicator value.</p>	<p>September</p>	<p>-13.0</p>	<p>-10.6</p>	<p>-13.7</p>
UK	<p><b>Industrial production</b> Measures the production output of the sectors for energy, factories and mines. This indicator is of high significance in the short term because it shows the intensity of UK's industrial activities. Growing industrial output points to increased production and economic expansion, which is "healthy" for the sterling.</p> <p><b>Gross domestic product (GDP)</b> One of the basic macroeconomic indicators; represents the market value of products and services produced within the country. The following four components are used to calculate GDP: consumption, investments, government expenditure, and net exports.</p>	<p>July MoM% YoY%</p>	<p>0.2% 1.1%</p>	<p>0.1% 0.9%</p>	<p>0.4% 1.1%</p>
		<p>July MoM%</p>	<p>0.1%</p>	<p>0.3%</p>	<p>0.1%</p>

Source: Bloomberg