

EURUSD ↓ 1.2179 + 0.0005 High 1.2179/1.2180 TTOL  
 At 19:38 Op 1.2174 HI 1.2174 Value 3/21/06  
 1.2174 Curncy 1/4



CENTRAL BANK OF MONTENEGRO

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

DATE	PRICE	DATE	PRICE
F 3/17	1.2179	F 2/24	1.1878
T 3/16	1.2174	T 2/23	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	1.1881
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

(2 - 6 April 2018)

BLOOMBERG NEWS AUDIO/VIDEO

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

- Bankinvest's Broby: Softbank, Yahoo, L'Oreal, Body Shop
- ICAP's Smith: U.S. Clean Energy and ESG
- F.Maria's Bennett: U.S. Fed Policy, Eurozone
- Comptroller General Walker: Fiscal Policy and Deficit
- Societe Generale's Maguire: BOJ Policy, Japan Rate, Economy
- China Airlines' Wei: Fleet Reorganization, Earnings Outlook
- Bear Stearns Teleconference: Fiscal First-Quarter Profit
- Microsoft's Ballmer: Stock Performance, Strategy, Products

13) LIVE <GO> Events

Event	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) Borders Group Teleconference: 4th-Qt Results	3/17	22:00 - 23:00	English	🔊
19) AIG Teleconference About Fourth-Quarter Results	3/17	22:30 - 23:30	English	🔊

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

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 I52<GO>  
 Change on Month  
 IYC6 I48<GO>  
 For US Govt Yield Curve, type f{IYC1 I2  
 For US swap Curve, type f{IYC1 I52 <G

Podgorica, 12 April 2018

## FX NEWS

### EUR/USD



Source: Bloomberg LP

At the beginning of last week, the **EUR/USD** exchange rate depreciated after better than expected data on the sale of cars manufactured in the USA, and low concern on trade war between China and the USA. This ratio grew mildly on Wednesday after the information that the unemployment in the Euro area continued to be at the lowest level over the last ten years (8.5%). The next day, the dollar appreciated slightly, to fall again on Friday after the US Department of Labour announced that the number of new jobs created in March amounted to modest 103,000, and that the unemployment rate remained at the 17-year minimum of 4.1%.

### EUR/GBP



Source: Bloomberg LP

The **EUR/GBP** exchange rate depreciated during this week. It depreciated in the beginning of the

week due to Easter holidays. Two significant changes occurred on Tuesday and Friday when the positive data on Great Britain economy were published on these days. To wit, the GBP appreciated when it was published that the Manufacturing Purchasing Managers' Index (PMI) in the Great Britain reached the value of 55.1 and was higher than the expectation (54.7). On the other hand, the information published on Friday that productivity in Great Britain grew 0.7% in Q4, i.e. above the long-term average, resulted in additional GBP to EUR appreciation.

### EUR/JPY



Source: Bloomberg LP

The **EUR/JPY** exchange rate depreciated as markets along Asia were concerned on the trade war between China and the USA. As the week continued, this exchange rate appreciated as investors increased their risk appetite following lower tensions in the trade war. However, on the last day of the reporting period, yen continued to appreciate relative to the US dollar after Donald Trump's statement on considering additional customs tariffs on import of Chinese products.

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

	<b>2 April 2018<sup>1</sup></b>	<b>6 April 2018<sup>2</sup></b>	<b>% Change</b>
EUR/USD	1.2324	1.2281	-0.35
EUR/GBP	0.87909	0.87144	-0.87
EUR/JPY	130.97	131.32	0.27
EUR/AUD	1.60370	1.59830	-0.34
EUR/CHF	1.17536	1.17787	0.21
USD/JPY	106.28	106.93	0.61
GBP/USD	1.4015	1.4092	0.55

**Table 2 - Overview of the reference interest rates of the leading central banks**

<b>Central Bank</b>	<b>Reference interest rate</b>	<b>Reference interest rate level</b>	<b>Next meeting</b>
European Central Bank	"ECB main refinancing rate"	0.00%	26 April 2018
Federal Reserves	"Federal Funds Target Rate"	1.75%	2 May 2018
Bank of Japan	"Overnight Call Rate"	-0.10%	27 April 2018
Bank of England	"Official Bank Rate"	0.50%	10 May 2018
Swiss National Bank	"Libor Target Rate"	-0.75%	21 June 2018
Bank of Canada	"Target Overnight Rate"	1.25%	18 April 2018
Reserve Bank of Australia	"Cash Rate Target"	1.50%	3 April 2018

The Bank of Australia did not change the interest rate on its regular meeting held during the reporting week.

**Table 3 - Eonia and Euribor**

	<b>2 April 2018<sup>1</sup></b>	<b>6 April 2018<sup>3</sup></b>	<b>Change in basis points</b>
Eonia	-0.348	-0.368	-2.0
Euribor 1W	-0.379	-0.379	0.0
Euribor 1M	-0.372	-0.372	0.0
Euribor 3M	-0.328	-0.328	0.0
Euribor 6M	-0.271	-0.270	0.1
Euribor 12M	-0.190	-0.191	-0.1

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

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

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Markets were closed on Monday due to holidays. On the next day, German 10-year bond yields were merely volatile (ranging to some 0.49%). The demand for safe funds increased on Wednesday as tensions between the USA and China intensified, while share prices on stock exchanges decreased in general. However, at the end of the day, yields on long-term German bonds recovered, which continued on the following day when they reached the level of 0.54%, after releasing data on euro area inflation that were in line with expectations and the lower concern the trade war even though they are trying to solve customs tariff problems through negotiations. On the last day, yields on 10-year German bonds dropped again, due to the release of unfavourable US labour market data (yields fell from 0.52% to 0.49%, reaching the same level as at the beginning of the week).

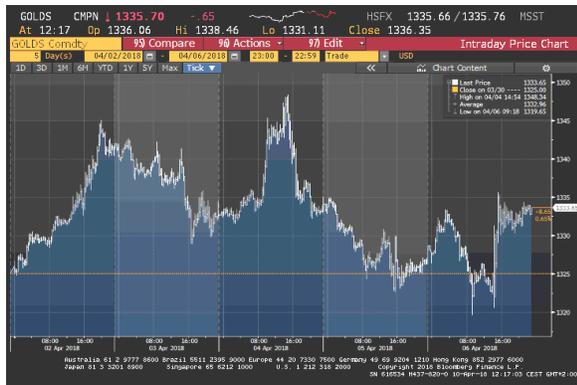
## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During this week, US 10-year government bond yields increased 2-3 bp. These yields fell on Monday, standing at a 7-week minimum (2.7153%), as investors turned to bonds due to a fall in stock prices. However, due to the stabilization in the stock markets, bond prices mostly fell during the next three days, so yields had a rising trend. Appreciation of USD was another yield increase factor. However, on Friday, yields trended down after it was announced that payroll lists in the non-agricultural sector had been expanded, but less than expected, even though the yield decline was also fuelled by tougher USA-China relations (On mid-Sunday, China announced the introduction of tariffs for over 100 US products, while the US president in response announced that it would consider introducing additional tariff measures towards China). At the week-end, this yield stood at 2.7735%.

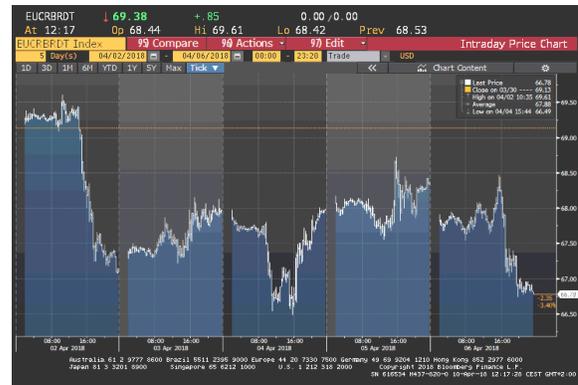
## GOLD



Source: Bloomberg LP

The price of gold on Monday gained value due to market's sensitivity to a trade war between the USA and China (the price rose from 1,325 USD to 1,345 USD/ounce). On that day, investors were not prone to risky investments, which resulted in the decline in stock prices, leading to a rise in gold prices. On the next day, the price increase of this precious metal stopped, as the prices of shares recovered. On Thursday, the weakening of the gold price continued due to the appreciation of the US dollar exchange rate. The price of gold was volatile on the last date.

## OIL



Source: Bloomberg LP

Fearful of the trade war, at the very beginning of the week, investors were discouraged by commodity and risky assets, thus on Monday, oil prices recorded the largest drop in the last two months. During the next three days, the price of this fuel managed to compensate for a portion of the lost value, due to the announcement that OPEC's production dropped and is at its lowest level in the year, as well as the reports of the American Petroleum Institute and the US government that showed that stocks oil decreased. However, at the very end of the reporting week, the price trended down again, as it was announced that the US president is considering introducing additional tariff measures towards China.

**Table 4 - Economic indicators (2 - 6 April 2018)**

Country	Indicator	Period	Expected value	Current value	Previous value
Germany	<b>Factory orders</b> Shows change in number of orders to domestic producers. The data shows the demand for German industrial products. Factory orders are an early indicator of the overall consumption in the economy, which affects economic growth.	February MoM% YoY%	1.5% 6.5%	0.3% 3.5%	-3.5% 8.6%
	<b>Retail trade</b> Measures changes in retail trade in Germany	February MoM% YoY%	0.7% 2.4%	-0.7% 1.3%	-0.3% 8.6%
Euro area	<b>Euro area CPI index - estimate</b> Early estimate in Euro area estimate. This index uses available data comparable to a historical trend in order to anticipate changes in consumer prices. Estimates the changes in the consumer prices, by measuring changes in the price level of market basket of consumer goods and services purchased by households, thus representing the key inflation measure in the Euro area. Positive CPI points to price increase.	March YoY%	1.4%	1.4%	1.1%
Great Britain	<b>Service sector index</b> This index measures the total activity of service sector in Great Britain. It includes the status of sale, employment, and their outlook. Higher value of the index points to the increased volume of the purchase and positive economic outlook.	March	54.7	55.1	55.0
USA	<b>Change in employment without agriculture</b> This is a report showing the total number of newly employed workers on a monthly basis by branches of the economy. This report does not include employees in government services, NGOs, and the agricultural sector. Serves as the basis for tailoring economic policy and forecasting future economic trends. The most important data in this report is the monthly change in the total number of employees. It represents strong signal of total economic trends in the country, and covers 80% of total number of employees which income is included in GDP calculation.	March K=1000	185K	103K	326K

Data source: Bloomberg