

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: 3 Market Price
Currency 1/4
1) News



CENTRALNA BANKA
CRNE GORE

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 | 1.2179 | F 2/24 | 1.1878 |
| T 3/16 | 1.2174 | W 2/22 | 1.1911 |
| W 3/15 | 1.2050 | T 2/21 | 1.1914 |
| T 3/14 | 1.2016 | M 2/20 | 1.1946 |
| M 3/13 | 1.1934 | F 2/17 | 1.1909 |
| F 3/10 | 1.1894 | T 2/16 | 1.1909 |
| T 3/9 | 1.1909 | W 2/15 | 1.1904 |
| W 3/8 | 1.1928 | T 2/14 | 1.1897 |
| T 3/7 | 1.1889 | M 2/13 | 1.1902 |
| M 3/6 | 1.1996 | F 2/10 | 1.1919 |
| F 3/3 | 1.2025 | 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 | M 2/6 | 1.1962 |
| M 2/27 | 1.1853 | | |

International Financial Market Report

(7 May 2018 - 11 May 2018)

BLOOMBERG NEWS AUDIO/VIDEO

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

- Bankinvest's Broby: Softbank, Walker, L'Oreal, Body Shop
- ICAP's Smith: U.S. Fed Policy, Eurozone
- F.Marks 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
- Microsoft's Ballmer: Stock Performance, Strategy, Products

10 Bloomberg TV Live 11 Bloomberg Radio Live 12 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 Mohamed: 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 13:27:28

| 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 |

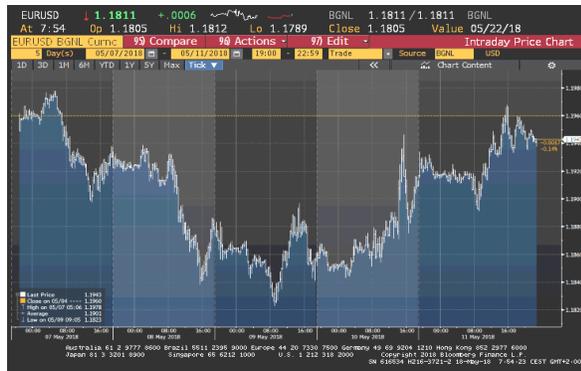
| USD INTEREST RATE SWAPS | | | | |
|-------------------------|-------|-------|-------|------|
| Ticker | Bid | Ask | Mid | Chng |
| US SPREADS | | | | |
| 22) 2 YR | 42.88 | 44.13 | 43.50 | -- |
| 23) 3 YR | 41.50 | 42.75 | 42.13 | -.17 |
| 24) 4 YR | 44.38 | 45.63 | 45.00 | -.10 |
| 25) 5 YR | 48.25 | 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 fIYC1 I2
For US swap Curve, type fIYC1 I52 <G

Podgorica, 18 May 2018

FX NEWS

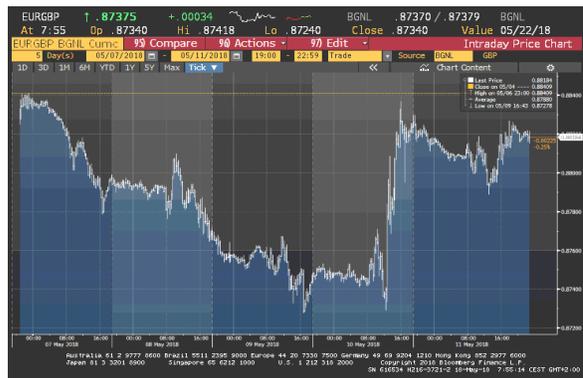
EUR/USD



Source: Bloomberg LP

During the first half of the week the **EUR/USD exchange rate** weakened, primarily as a result of publishing of weaker-than-expected data on German industrial orders which declined by 0.9% in March (a decline of 0.5% was expected), and later as a result of the decision of the Italy's 5-Stars Movement to reject the idea on forming the government and to prepare for new elections, thus making the forming of technical government on Italy more complicated. A further pressure to euro was caused by expectations that the inflation in the U.S. will be better than forecasted. President of the U.S. Donald Trump announced that the United States was pulling out of the nuclear deal with Iran, which again caused the decline in the currency pair EUR/USD. During the last two days the EUR/USD exchange rate grew. On Thursday, it was announced that the inflation rate in the U.S. failed to fulfil expectations, thus reducing the pressure on FED to hike interest rates in the country (inflation rate in April increased by 0.2% compared to the previous month, with the expected growth of 0.3%). St. Louis Federal Reserve Bank President James Bullard on Friday said that the interest rates in the U.S. should not be raised as the inflation does not fulfil the set targets.

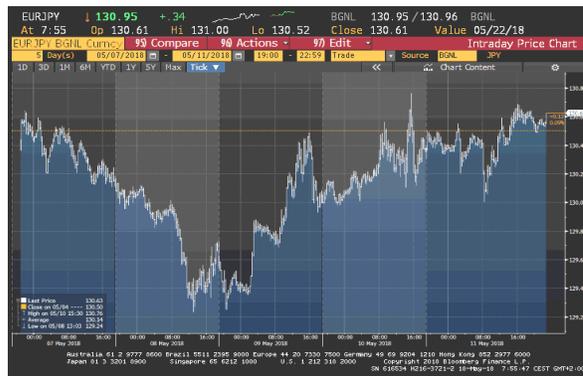
EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** had a downward trend during the first half of the week, on the eve of the meeting of the Bank of England. However, following the meeting on Thursday, this exchange rate regained all losses and was almost unchanged on a weekly level. To wit, at the meeting, the Bank of England kept the interest rates at the present level, voting 7 - 2 to keep the interest rates unchanged, which influenced the EUR/GBP exchange rate to record a sharp growth on that day.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** failed to record significant oscillation during this reporting period. The EUR/JPY exchange rate ranged between 130.76 and 129.24. On Tuesday, it was weaker in relation to Yen as the president of the U.S. announced withdrawal from the nuclear agreement with Iran, which ignited demand for safe funds. Later during the week, risk appetite of the investors increased leading to the recovery of the EUR/JPY exchange rate.

Table 1 - Exchange rates of the most important currencies

| | 7 May 2018 ¹ | 11 May 2018 ² | % Change |
|---------|-------------------------|--------------------------|----------|
| EUR/USD | 1.1960 | 1.1943 | -0.14 |
| EUR/GBP | 0.88409 | 0.88184 | -0.25 |
| EUR/JPY | 130.50 | 130.63 | 0.10 |
| EUR/AUD | 1.58669 | 1.58318 | -0.22 |
| EUR/CHF | 1.19603 | 1.19482 | -0.10 |
| USD/JPY | 109.12 | 109.39 | 0.25 |
| GBP/USD | 1.3531 | 1.3542 | 0.08 |

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% | 14 June 2018 |
| Federal Reserves | "Federal Funds Target Rate" | 1.75% | 13 June 2018 |
| Bank of Japan | "Overnight Call Rate" | -0.10% | 15 June 2018 |
| Bank of England | "Official Bank Rate" | 0.50% | 21 June 2018 |
| Swiss National Bank | "Libor Target Rate" | -0.75% | 21 June 2018 |
| Bank of Canada | "Target Overnight Rate" | 1.25% | 30 May 2018 |
| Reserve Bank of Australia | "Cash Rate Target" | 1.50% | 5 June 2018 |

During the regular meeting, the Bank of England kept the interest rate unchanged, and the bond purchase programme also remained unchanged. The Governor of the Bank of England stated that he expected that there will be an increase of the interest rates during this year if there were no economic shocks.

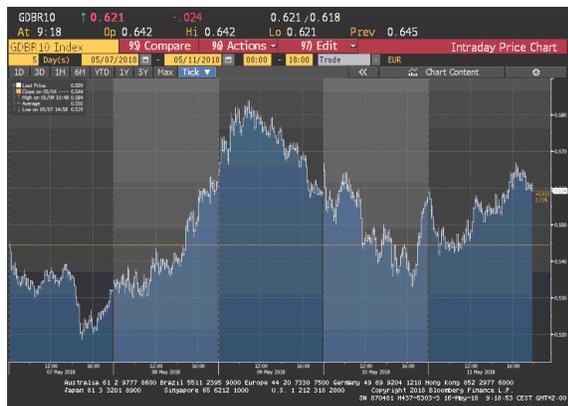
Table 3 - Eonia and Euribor

| | 07.04.2018. ¹ | 11.05.2018. ² | Change in basis points |
|-------------|--------------------------|--------------------------|------------------------|
| Eonia | -0.360 | -0.361 | -0.1 |
| Euribor 1W | -0.379 | -0.381 | -0.2 |
| Euribor 1M | -0.372 | -0.371 | 0.1 |
| Euribor 3M | -0.328 | -0.327 | 0.1 |
| Euribor 6M | -0.269 | -0.272 | -0.3 |
| Euribor 12M | -0.190 | -0.189 | 0.1 |

¹Opening market value on Monday

²Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on 10-year German government bonds recorded volatile movements during this reporting week. On Monday, yields on these bonds recorded weekly minimum of 0.519%, while by Wednesday there was an upward trend, when they recorded a weekly maximum of 0.584%, as the yields on Germany government bonds followed the growth of yields of the U.S. government bonds, as a result of expectation by the investors that FED will increase the interest rate three times by the end of the year. By the end of the reporting week, yields on 10-year German bonds recorded slight fluctuations and at the very end of the week amounted to 0.559%.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During this week, US 10-year government bond yields increased by 1 bp. At the beginning of the week, yields failed to show significant changes as the markets were quiet on the eve of the decision of the President Trump in relation to the nuclear agreement with Iran. On Tuesday afternoon there was an increase in the markets, following the announcement that the U.S. is withdrawing from this agreement, thus reaching 3% on Wednesday, but they soon withdrew from this level. On Thursday, the yields continued to record slight deterioration, after the report showed that in April, the inflation rate in the U.S. was weaker than expected. On the last day of this reporting period, yields increased by 2bp to 2.97%.

GOLD



Source: Bloomberg LP

During the first three days of this reporting week, the price of gold failed to record significant changes. By the end of the week, the price of this precious metal recorded slight increase, as it was published that the inflation rate in the U.S. was weaker than expected and as the U.S. dollar depreciated in relation to the currency basket. The growth of the gold price was additionally influenced by the growing geopolitical tensions in the Middle East.

OIL



Source: Bloomberg LP

At the start of the week, the oil prices recorded fluctuations. However, uncertainties in relation to whether the President Trump, i.e. the U.S. will withdraw from the 2015 nuclear agreement with Iran, and the anticipation of his decision caused a decline in oil prices on Tuesday. Following the announcement that the U.S. will withdraw, and that it will impose stricter sanctions on this, the third largest oil producer of OPEC, thus limiting its export, the oil prices increased. Since Thursday afternoon, the price showed signs of weakening, as traders in this raw material were worried about the potential impact of the renewed U.S. sanctions on Iran. Saudi Arabia is ready to work together with other producers to alleviate any lack of oil that might arise from this, and some analysts believe that the sanctions could limit Iran's exports by as much as 500 thousand barrels a day within the next six months.

Table 4 - Economic indicators (7 May - 11 May 2018)

| Country | Indicator | Period | Expected value | Current value | Previous value |
|---------|--|--------------------|----------------|---------------|----------------|
| Germany | Import Represents domestic demand of Germany for foreign goods. The value of import is an important output for calculating trade balance, current account and GDP. | March MoM% | 1.0% | -0.9% | -1.3% |
| | Export Products and services produced in Germany, sold or pending to be sold outside of Germany. | March MoM% | 1.8% | 1.7% | -3.2% |
| | Industrial production Measures the production output of the sector for energy, factories and mines. In the short term, this indicator is very significant as rising industrial output points to increased production and economic expansion. | March MoM% YoY% | 0.8% 3.0% | 1.0% 3.2% | -1.6% 2.6% |
| France | Industrial output Measures the production output of the sector for energy, factories and mines. In the short term, this indicator is very significant as rising industrial output points to increased production and economic expansion. | March MoM% YoY% | 0.4% 2.8% | -0.4% 1.8% | 1.2% 4.0% |
| USA | Initial Jobless Claims Measures the number of people receiving unemployment allowances. Similar to the applicant, the growing number of jobs is accompanied by an economic expansion that could influence inflationary pressures. | May 5 K=1,000 | 219K | 211K | 211K |

Source: Bloomberg