

EURUSD ↓ 1.2179
At 19:38 Op 1.2174 HI 1.2174 Value 3/21/06
Currency 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 Daily Market mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	T 2/24	1.1878
T 3/16	1.2174	W 2/23	1.1911
W 3/15	1.2050	T 2/22	1.1911
T 3/14	1.2016	M 2/21	1.1914
M 3/13	1.1934	M 2/20	1.1914
F 3/10	1.1894	F 2/17	1.1909
T 3/ 9	1.1909	T 2/16	1.1931
W 3/ 8	1.1928	W 2/15	1.1904
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

11 June 2018 - 15 June 2018

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby: Softbank, Vodafone, L'Oreal, Body
Daniel Broby, chief investment officer at Bankinvest, talks about the bank's investment in L'Oreal's mobile-phone unit and L'Oreal's purchase of Body Shop International Plc.

ICAP's Smith: U.S. European Bonds, Fed
ICAP's Smith discusses U.S. European Bonds, Fed policy, and the impact of the Fed's decision to raise rates.

Maguire: BOJ Policy, Japan Rate, Economy
Maguire discusses BOJ policy, Japan's rate, and the economy.

China Allined Wei: Fleet Reorganization, Earnings Outlook
China Allined Wei discusses fleet reorganization and earnings outlook.

Microsoft's Ballmer: Stock Performance, Strategy, Products
Microsoft's Ballmer discusses stock performance, strategy, and products.

LIVE <GO> Events

Event	Date	Time	Language	Type
14) Legal & General Teleconference: Full-Year Earnings	3/17	Now Playing	English	CF
15) UBS Warburg's Hickson: Outlook for Steel Industry	3/17	Now Playing	English	CF
16) European Commission: Daily News Conference	3/17	20:00 - 20:30	English	CF
17) Egypt's Mohieldin: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	CF
18) Borders Group Teleconference: 4th-Qtr Results	3/17	22:00 - 23:00	English	CF
19) AIG Teleconference About Fourth-Quarter Results	3/17	22:30 - 23:30	English	CF

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 320410
Hong Kong 852 2377 6000 Japan 81 3 3201 8800 Singapore 65 6312 1000 U.S. 1 212 318 2000 Copyright 2006 Bloomberg L.P.
6815-931-3 17-Mar-06 19:27:28

USD INTEREST RATE SWAPS					USD SPREADS				
Ticker	Bid	Ask	Mid	Chng	Ticker	Bid	Ask	Mid	Chng
US Semi 30/360					22) 2 YR	42.88	44.13	43.50	--
2) 2 YR	5.0670	5.0800	5.0755	+0.0305	23) 3 YR	41.50	42.75	42.13	-0.17
3) 3 YR	5.0500	5.0720	5.0610	+0.0330	24) 4 YR	44.38	45.63	45.00	-0.10
4) 4 YR	5.0620	5.0740	5.0680	+0.0250	25) 5 YR	48.25	49.25	48.75	+0.25
5) 5 YR	5.0860	5.0920	5.0890	+0.0235	26) 6 YR	49.50	50.50	50.00	+0.30
6) 6 YR	5.1100	5.1130	5.1105	+0.0170	27) 7 YR	50.50	51.50	51.00	+0.40
7) 7 YR	5.1300	5.1350	5.1325	+0.0170	28) 8 YR	51.13	52.13	51.63	+0.33
8) 8 YR	5.1470	5.1530	5.1500	+0.0160	29) 9 YR	51.75	52.75	52.25	+0.45
9) 9 YR	5.1620	5.1680	5.1640	+0.0135	30) 10 YR	52.25	53.25	52.75	+0.50
10) 10 YR	5.1780	5.1830	5.1805	+0.0175	31) 15 YR	57.00	58.00	57.50	+0.50
11) 15 YR	5.2370	5.2430	5.2400	+0.0145	32) 20 YR	58.63	59.88	59.25	+0.15
12) 20 YR	5.2670	5.2720	5.2690	+0.0130	33) 30 YR	57.38	58.63	58.00	+0.20
13) 30 YR	5.2750	5.2840	5.2795	+0.0190					

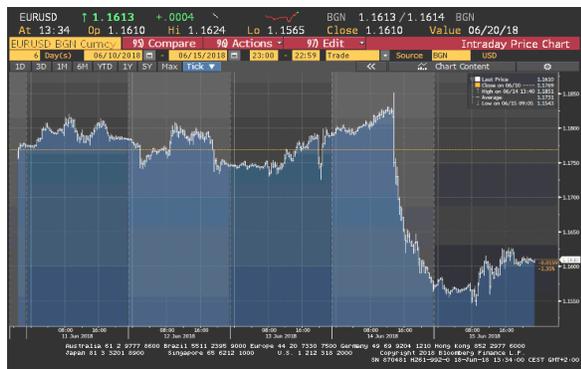
Change on day
IYC4 I52<GO>
Change on month
IYC6 I52<GO>

Change on day
IYC4 I48<GO>
Change on month
IYC6 I48<GO>
For US Govt Yield Curve, type {IYC1 I2
For US swap Curve, type {IYC1 I52 <G

Podgorica, 22 June 2018

FX NEWS

EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** was stable during the first three days of this reporting week. The long-awaited meeting of the USA and North Korean presidents was held at the beginning of the week in Singapore. At this meeting, the two leaders signed an important agreement, which will soon begin the process of the denuclearization of North Korea. On Thursday, the rate recorded a sharp drop from 1.1850 to less than 1.1600 after the ECB signalled that it would keep interest rates at record low levels during the most of the following year. The weakening of the exchange rate was also influenced by the FED's decision to raise interest rates by 25bp leaving room for another 2 raises this year. On the last day of this reporting week, the rate slightly increased, as the introduction of new US sanctions against China and weaker than expected production data from the United States caused a weakening of the dollar (industrial production recorded monthly decline of 0.1% in May, while the growth of 0.2% had been expected).

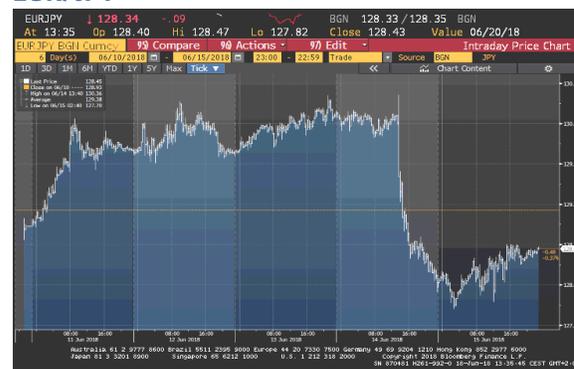
EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** had a volatile trend at the beginning of this reporting week. The strengthening of the exchange rate was affected by the uncertain situation in the UK in terms of adopting a set of laws in the House of Lords that would regulate the UK's exit from the EU. On the other hand, the exchange rate weakened as a reaction to disclosure better than expected data from the UK labour market, as well as worse economic sentiment data in Germany and the euro area. The EUR/GBP exchange rate fell sharply on Thursday after a meeting of the ECB. The euro weakened after the ECB's announcement and due to the way the program of quantitative easing will end. Namely, the purchase of bonds will be reduced to 15 billion euros between October and December and the end of the program by the end of December, while the interest rate will remain at the current level until the summer of 2019.

EUR/JPY



Source: Bloomberg LP

On the first day of this reporting week, the **EUR/JPY exchange rate** has risen, due to the optimism that the meeting of US and North Korean leaders will help reduce geopolitical tensions (especially with regard to the denuclearization of North Korea). Over the next two days, the exchange rate was stable, and like the previous two currency pairs, it recorded sharp fall on Thursday, after a meeting of the ECB.

Table 1 - Exchange rates of the most important currencies

	11 June 2018 ¹	15 June 2018 ²	% Change
EUR/USD	1.1769	1.1610	-1.35
EUR/GBP	0.87773	0.8740	-0.42
EUR/JPY	128.83	128.43	-0.31
EUR/AUD	1.54822	1.56005	0.76
EUR/CHF	1.15907	1.15746	-0.14
USD/JPY	109.55	110.66	1.01
GBP/USD	1.3405	1.3278	-0.95

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%	26 July 2018
Federal Reserves	„Federal Funds Target Rate“	2.00%	1 August 2018
Bank of Japan	„Overnight Call Rate“	-0.10%	31 July 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%	11 July 2018
Reserve Bank of Australia	„Cash Rate Target“	1.50%	03 July 2018

During this reporting week meetings of the ECB, FED, Bank of Japan and the Bank of Australia were held. FED raised interest rates to between 1.75% and 2%, signalling that by the end of the year interest rates could be increased two more times. At the regular session, the ECB kept the interest rates unchanged. The ECB reported that after September this year, it will reduce the volume of bond purchases from 30 billion euros at the monthly level to 15 billion euros under the program of quantitative easing, and that the program itself will be completed by the end of this year. On the other hand, the ECB announced that interest rates will remain at the existing levels during the summer of 2019 or as long as necessary to ensure that inflation is in line with expectations. The ECB reduced the forecasted growth rate for this year from 2.4% to 2.1%, while it increased its inflation forecasts from 1.4% to 1.7%. At a regular meeting, the Central Bank of Japan has maintained interest rates at the current levels, but has dampened inflation forecasts for the upcoming period. Thus, according to the new estimates, inflation will range from 0.5% to 1%, while earlier it was expected to be at the level of 1%.

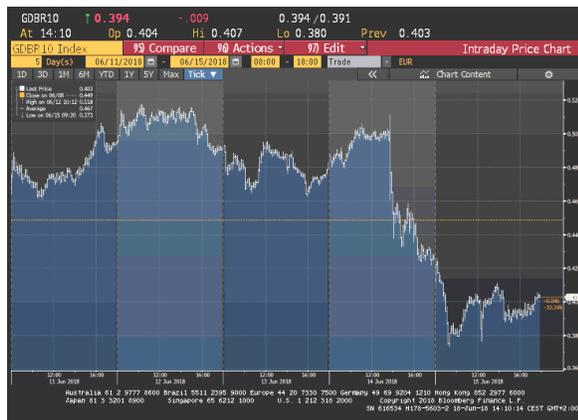
Table 3 - Eonia and Euribor

	11 June 2018	15 June 2018	Change in basis points
Eonia	-0.357	-0.365	-2.24
Euribor 1W	-0.380	-0.379	0.26
Euribor 1M	-0.371	-0.370	0.27
Euribor 3M	-0.321	-0.321	0.00
Euribor 6M	-0.267	-0.268	-0.37
Euribor 12M	-0.180	-0.183	-1.67

¹ Opening market value on Monday

² Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The 10-year German government bonds yields fell by around 8bp this week. For most of the week, these yields ranged from 0.46% to 0.52%, but without some equilibrium trend. However, after the ECB's session on Thursday, these yields fell by 13bp to 0.38%. The main reason for this decline was the ECB's announcement that interest rates would not be raised before the summer of 2019. On Friday, these yields recovered by 2bp and ended the reporting week at 0.40%. As for the Italian government bonds, 10-year yields fell by about 30bp, from 2.90% to around 2.60%, largely due to the statement of the country's Minister of Finance, Giovanni Triolo, that he is not planning to leave the EU, which has calmed markets and recovered investor confidence in these instruments, and high demand was recorded at auctions this week. Positive comments from the new Italian government followed at the end of the week, which further hampered yields on these bonds (the EU Relations Minister said that a single European currency is necessary).

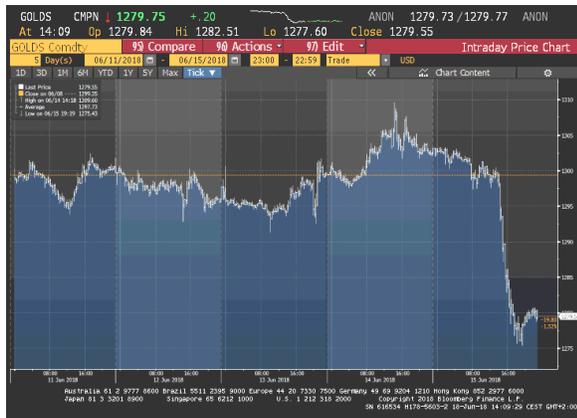
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The 10-year US government bond yields were pretty stable in the first part of the reporting week, so as to increase on Wednesday after the FED meeting. Namely, after the FED decided to increase the interest rate, these yields exceeded the level of 3%, but soon began to withdraw from this level. This trend continued for the last two days of this reporting period, which ended at 2.92%. This week, the auction of 14 billion US dollars of 30-year bonds was held.

GOLD



During almost entire reporting period, the gold prices had a slightly downward trend, due to forthcoming meeting of the FED and the ECB (after which the price had no significant reactions), but also a successful meeting of the US President and the leader of North Korea, who signed the document on joint work on achieving peace in the Korean peninsula. Major changes occurred only before the end of the week. Namely, on Thursday, the price grew, as the dollar weakened due to trade relations between the US and China. However, on the same day, the dollar strengthened significantly, so the price of this precious metal began to weaken. The downward trend continued on Friday, when the price fell sharply to 1275 dollars.

OIL



In the period from Monday to Thursday, the price of crude oil was rather volatile, but it did not show any significant oscillations. The API (American Petroleum Institute) report showed that oil reserves in the preceding reporting period rose by 833,000 barrels, while the US government's stock report for the same period indicated a decline of 4.14 million barrels. However, the price of this fuel dropped on Friday, largely due to the expectation that OPEC and its members, at a meeting on 21-22 June, will adopt a decision to increase the output.

Table 4 - Economic indicators (11 June 2018 – 15 June 2018)

County	Indicator	Period	Expected value	Current value	Previous value
Euro area	Consumer price index (CPI) 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, therefore representing the key inflation measure in the euro area.	Maj F F=final data YoY%	1.9%	1.9%	1.9%
Germany	ZEW Survey Expectations This survey measures expectations regarding economic growth in the next 6 months. Experts are examined whether they expect improvement or deterioration, so the value of the indicator is obtained as the difference between the number of positive and the number of negative responses. Consumer price index (CPI) 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 German household.	June May F F=final data MoM% YoY%	85.0 0.5% 2.2%	80.6 0.5% 2.2%	87.4 0.5% 2.2%
Great Britain	Industrial production Measures the production output of the energy, factories and mines sectors. In the short term, this indicator is very significant because it shows the strength of the UK industry activity. Growing industrial production points to increased production and economic expansion, which is "healthy" for sterling.	April MoM% YoY%	0.1% 2.7%	-0.8% 1.8%	0.1% 2.9%
USA	Consumer price index (CPI) 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.	May MoM% YoY%	0.2% 2.8%	0.2% 2.8%	0.2% 2.5%

Source: Bloomberg