

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	T 2/23	1.1878
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

12 - 16 March 2018

BLOOMBERG NEWS AUDIO/VIDEO

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

- Bankinvest's Broby: Softbank, L'Oreal, Body Shop
- ICAP's Smith: U.S. Fed Policy, Eurozone
- F.Mario'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 Mubaidin: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	🔊
18) Bonders 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 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2006 Bloomberg L.P.
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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

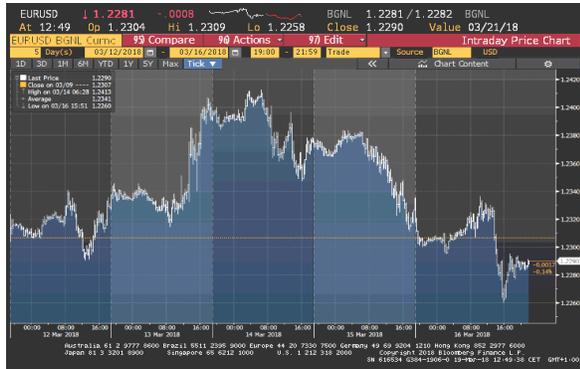
US SPREADS				
Ticker	Bid	Ask	Mid	Chng
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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, 21 March 2018

FX NEWS

EUR/USD



Source: Bloomberg LP

At the start of the new reporting week the **EUR/USD exchange rate** trended upwards, taking a downturn in the second half of the week, which resulted in a mild decline in its weekly value. The exchange rate underwent no significant changes on Monday, however the next day it exceeded 1.2400, reaching its 1-week peak (1.2413), due to the factors influencing the dollar. To wit, February data on inflation (monthly data below that recorded in January), as well as turbulent White House administration layoffs, caused the weakening of the dollar against the European currency (the US President replaced the Secretary of State with the CIA chief and appointed a new Chief Economic Advisor). Weaker US retail data exerted additional pressure on the dollar. However, Wednesday marked the start of the exchange rate downturn. At the annual conference held Wednesday in Frankfurt, The European Central Bank President Mario Draghi said that the ECB needed further evidence that inflation was rising towards its target (of 2%), even if its confidence in the inflation path was increasing. He also added that the appreciation of the euro has recently been driven more by exogenous factors, and that such development will need to be monitored closely. His statement had an adverse effect on the euro, as did the data showing lower inflation rate in the euro area in February. In addition to the weakening of the euro, the exchange rate downtrend observed until the end of the reporting period was mainly due to the dollar strengthening on the back of positive data on the US economy that have supported the expectations that the Fed will raise the interest rate at their March 20-21 meeting (initial jobless claims continued to decline; industrial output increased in February; labour demand increased).

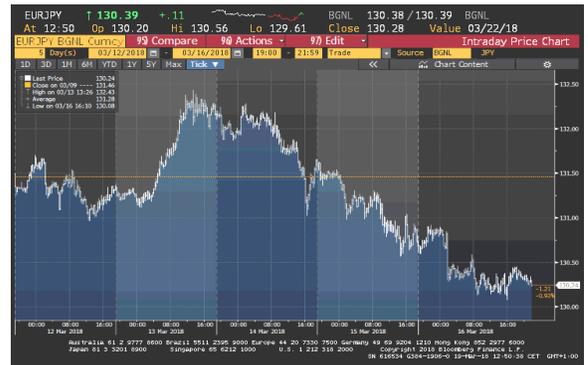
EUR/GBP



Source: Bloomberg LP

This week, the **EUR/GBP exchange rate** recorded a minor decline (from 0.88991 to 0.88165). The sterling appreciated against the euro backed by the indications that the UK and the EU are close to striking a deal (against the backdrop of optimistic expectations that significant progress will be made in Brexit negotiations at the EU summit next week). No significant economic indicators that would affect the sterling trends were published over the week. The Bank of England policy meeting next week is expected to provide new determinants for the British currency trends.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** trended downward in this reporting week. The mild downtrend present early in the week reversed amid the weakening of the Japanese currency caused by the scandal surrounding the country's Prime Minister (he was accused of discounted sale of state-owned land to a school operator with ties to his wife). Nevertheless, since the growing demand for yen as a safe currency caused the increase in its value, the exchange rate maintained the downtrend throughout the reporting period. To wit, the mounting geo-political tensions, as well as the concerns about the US protectionism emerged, causing the drop in stock prices. Growing political uncertainty in the US induced by the Trump's administration layoffs and the announcement of the replacement of the national security adviser, additionally downturned the investors' risk propensity.

Table 1 - Exchange rates of the most important currencies

	12 March 2018 ¹	16 March 2018 ²	% Change
EUR/USD	1.2307	1.2290	-0.14
EUR/GBP	0.88858	0.88165	-0.78
EUR/JPY	131.46	130.28	-0.90
EUR/AUD	1.56913	1.59302	1.52
EUR/CHF	1.17116	1.17013	-0.09
USD/JPY	106.82	106.01	-0.76
GBP/USD	1.3850	1.3942	0.66

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 April 2018
Federal Reserves	„Federal Funds Target Rate“	1.50%	21 March 2018
Bank of Japan	„Overnight Call Rate“	-0.10%	27 April 2018
Bank of England	„Official Bank Rate“	0.50%	22 March 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

As expected, the Swiss National Bank kept its reference interest rate at the same level (0.75%).

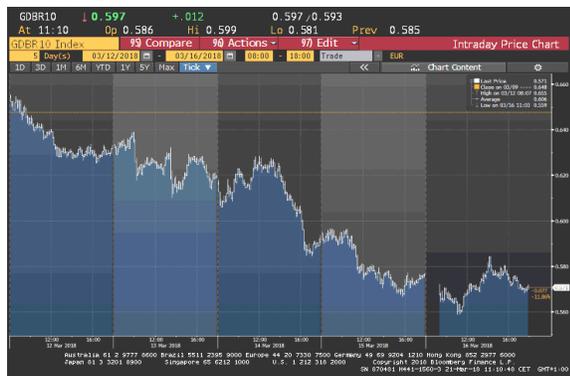
Table 3 - Eonia and Euribor

	12.03.2018. ¹	16.03.2018. ³	Change in basis points
Eonia	-0.361	-0.366	-0.50
Euribor 1W	-0.379	-0.378	0.10
Euribor 1M	-0.371	-0.370	0.10
Euribor 3M	-0.327	-0.328	-0.10
Euribor 6M	-0.271	-0.272	-0.10
Euribor 12M	-0.191	-0.192	-0.10

¹ Opening market value on Monday.

² Closing market value on Friday.

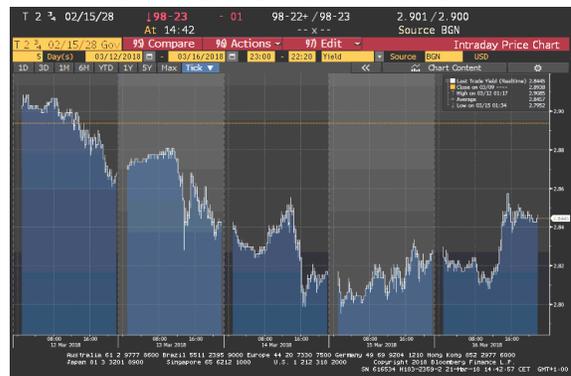
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Over the course of the reporting week, the European government bond yields trended downward. Early this week, the news that the US President replaced the Secretary of State Rex Tillerson in the wake of their clashes over the President's protectionist measures, prompted the drop in the government bond yields on both sides of the Atlantic. Despite the post-electoral political tensions in the country, the demand for the Italian government bonds was solid in the first part of the week. As the week continued, a potential trade war as well as a statement made by an ECB official that the euro area inflation had not yet reached the expected level possibly creating an obstacle for the abandonment of the monetary easing policy, have led to the additional decline in the Germany's 10-year government bond yield, which dropped to their 5-week low of 0.57%. Contrary to the market expectations, the spread between German and the US 10-year bonds hit the highest value since December 2016.

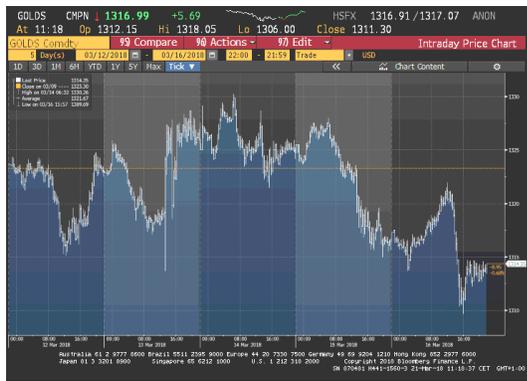
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

In the first three days of the week the US government bond yield declined. In this part of the week, weaker than expected economic data as well as the White House turmoil affected the decline in yield on these bonds. Thus it was first published that in February the US inflation slowed down to 0.2% from 0.5% in January, which was followed by the news that the retail trade declined by 0.1% over the same period. Over the final two days of the reporting week, the US government bond yields mildly recovered. This upturn is deemed to be a result of the expected interest rate raise at the upcoming Fed's meeting, as well as the fact that, in February, the US industrial output increased by 1.1% that was announced at the end of the week. This week, the US 10-year bond yields declined from 2.90% to 2.84%.

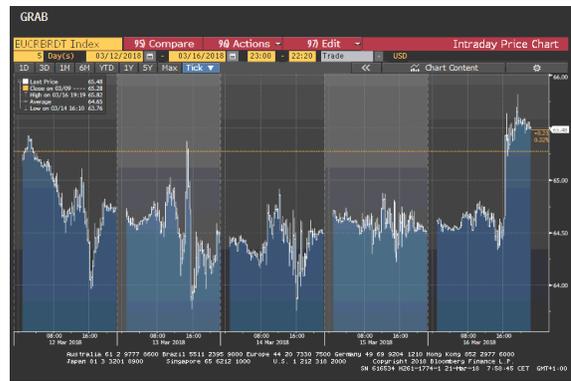
GOLD



Source: Bloomberg LP

Early in the week the price of gold trended upward, which was followed by a downturn in the second part of the week. The rise in the price of this precious metal was a result of the USD weakening and the deceleration of consumer prices recorded in the previous month. Following midweek, the positive data from the US labour market that could speed-up the interest rates increase pace induced the drop in the price of gold. It amounted to 1314.35 USD per ounce at the end of the week.

OIL



Source: Bloomberg LP

Due to the lack of major developments the price of oil trended about 64.50 USD per barrel over the main part of the week. The final day brought a surge in the price of this energy generating product, which rose to 65.48 USD per barrel, following the announcement that the US industrial output recorded a monthly rise of 1.1% in February.

Table 4 - Economic indicators (12- 16 March 2018)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<p>Industrial Output Measures production output for energy, factory and mining sector. In the short term, this indicator is very significant as rising industrial output points to increased production and economic expansion.</p>	January MoM%	-0.5%	-1.0%	0.4%
USA	<p>Industrial output Measures the changes in the output volume of the production, service and mining sectors.</p> <p>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.</p> <p>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 households, thus representing the key inflation measure in the USA.</p>	February MoM%	0.4%	1.1%	-0.1%
		10 March K=1,000	228 K	226 K	231 K
		February MoM% (YoY%)	0.2% (2.2%)	0.2% (2.2%)	0.5% (2.1%)

Data source: Bloomberg