

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



CENTRALNA BANKA
CRNE GORE

Range 3/17/05 - 3/17/06
Upper Chart: Market Price
1) News



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 2/22	1.1911
W 3/15	1.2050	T 2/21	1.1914
T 3/14	1.2016	M 2/20	1.1915
M 3/13	1.1934	F 2/17	1.1909
F 3/10	1.1894	T 2/16	1.1904
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

(18 June - 22 June 2018)

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby: Softbank, Vodafone, L'Oreal Body
ICAP's Smith: U.S. European Bonds, Fed
FIM's Bennett: U.S. Dollar, Fed Policy, Euro, Yen
Commonwealth Bank's Thudell: Oil Prices, Iraq
China Allfined Wei: Fleet Reorganization, Earnings Outlook
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	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					US 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	-.17
3) 3 YR	5.0500	5.0720	5.0610	+0.0330	24) 4 YR	44.38	45.63	45.00	-.10
4) 4 YR	5.0620	5.0740	5.0680	+0.0250	25) 5 YR	48.25	49.25	48.75	+.25
5) 5 YR	5.0860	5.0920	5.0890	+0.0235	26) 6 YR	49.50	50.50	50.00	+.30
6) 6 YR	5.1100	5.1130	5.1105	+0.0170	27) 7 YR	50.50	51.50	51.00	+.40
7) 7 YR	5.1300	5.1350	5.1325	+0.0170	28) 8 YR	51.13	52.13	51.63	+.33
8) 8 YR	5.1470	5.1530	5.1500	+0.0160	29) 9 YR	51.75	52.75	52.25	+.45
9) 9 YR	5.1620	5.1680	5.1640	+0.0135	30) 10 YR	52.25	53.25	52.75	+.50
10) 10 YR	5.1780	5.1830	5.1805	+0.0175	31) 15 YR	57.00	58.00	57.50	+.50
11) 15 YR	5.2370	5.2430	5.2400	+0.0145	32) 20 YR	58.63	59.88	59.25	+.15
12) 20 YR	5.2670	5.2720	5.2690	+0.0130	33) 30 YR	57.38	58.63	58.00	+.20
13) 30 YR	5.2750	5.2840	5.2795	+0.0190					

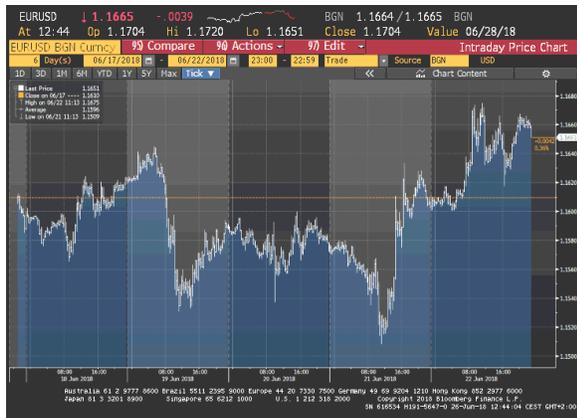
Change on day
IYC4 I52<GO>
Change on month
IYC6 I52<GO>

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, 27 June 2018

FX NEWS

EUR/USD



Source: Bloomberg LP

At the beginning of this reporting week, the **EUR/USD exchange rate** was stable. Over the next two days, there has been a decline in the exchange rate as the rising tensions between China and the United States have affected the decline in demand for risky assets, which has particularly affected the actions of European companies in the field of mining, technology companies and the automotive industry. The end of this reporting week brought the recovery of the EUR/USD exchange rate. The strengthening of the exchange rate occurred after the announcement that business activity of the Central Atlantic region of the US fell in June to its lowest level since November 2016. At the same time, on the other side of the Atlantic, there were positive data on the growth of the index measured by the private sector activity in Germany, France and the euro area, which additionally affected this exchange rate to grow.

EUR/GBP



Source: Bloomberg LP

For most of this reporting week, the **EUR/GBP exchange rate** recorded a rising trend, due to the weakening of the sterling in response to the forthcoming Bank of England meeting, as well as the uncertainty about the vote in the British Parliament on Brexit. In the middle of the week, the exchange rate showed signs of recovery, after parliament adopted the draft Law on Brexit of the Prime Minister May, and the negotiations will continue at the EU summit 28-29 June. On Thursday, after the end of the BoE meeting, sterling recorded sharp growth against the euro. Namely, as expected interest rate was left at the current level, but this time also the Chief Economist voted for its increase. However, on Friday, the exchange rate recovered losses from the previous day, due to the strengthening of the euro caused by the better than expected data on the composite index of the procurement managers for manufacturing and service sectors of the euro area.

EUR/JPY



Source: Bloomberg LP

During the first two days, the **EUR/JPY exchange rate** weakened due to the rising of trade tensions between China and the US. However, from Wednesday until the end of the week, this exchange rate recorded growth. Namely, one of the members of the Bank of Japan Board has declared that they still have to implement large monetary easing, as the achievement of the inflation target of 2% is still far away, and the Governor of the Bank of Japan agreed with these statements.

Table 1 - Exchange rates of the most important currencies

	18 June 2018 ¹	22 June 2018 ²	% Change
EUR/USD	1.1610	1.1651	0.35
EUR/GBP	0.87400	0.87878	0.55
EUR/JPY	128.43	128.15	-0.22
EUR/AUD	1.56005	1.56610	0.39
EUR/CHF	1.15746	1.15167	-0.50
USD/JPY	110.66	109.97	-0.62
GBP/USD	1.3278	1.3261	-0.13

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%	2 August 2018
Swiss National Bank	„Libor Target Rate“	-0.75%	20 September 2018
Bank of Canada	„Target Overnight Rate“	1.25%	11 July 2018
Reserve Bank of Australia	„Cash Rate Target“	1.50%	3 July 2018

On Thursday (21 June) regular meetings of the Bank of England and the Central Bank of Switzerland were held, which did not change the interest rates. As far as BoE is concerned, 3 of the 9 members of the Monetary Policy Committee voted this time to change the level of the interest rate, as BoE's Chief Economist Andy Haldane joined the advocates of its increase due to concerns about rising pressures in terms of wages and salaries.

¹ Opening market value on Monday

² Closing market value on Friday

Table 3 - Eonia and Euribor

	18 June 2018	22 June 2018	Change in basis points
Eonia	-0.365	-0.364	0.10
Euribor 1W	-0.379	-0.376	0.30
Euribor 1M	-0.370	-0.370	0.00
Euribor 3M	-0.321	-0.323	-0.20
Euribor 6M	-0.268	-0.268	0.00
Euribor 12M	-0.183	-0.180	0.30

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on 10-year German government bonds did not record major changes on Monday (the average yield on that day was 0.395%). The next day there was a decline in yields on these bonds (from 0.398% to 0.337%) as tensions were rising between the US and China due to trade negotiations. A decline in yields on long-term German bonds continued on Thursday as a result of the weakening of stock prices on European stock markets due to rising protectionism by America (yields ranged around 0.335%). On the other hand, yields on Italian long-term bonds rose on the same day (from 2.54% to 2.74%), as two Euro-sceptical representatives from the Lega Nord party were elected to be heads of key committees in the Italian Parliament (Alberto Bagnai was appointed Head of the Committee for Finance, Claudio Borghi has been appointed Head of the Budget Committee in the Lower House). On Friday, yields on 10-year German bonds rose again due to recovery in demand for risky assets such as shares (0.35%).

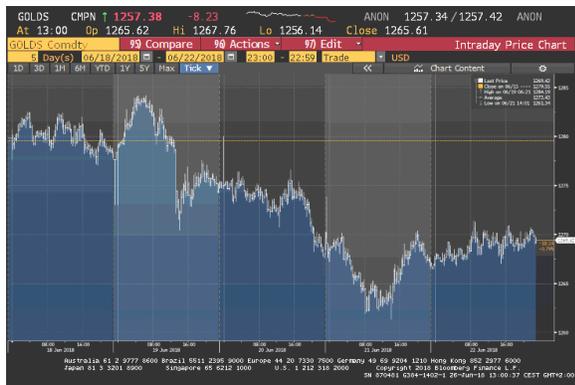
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

At the beginning of this reporting week, the price of the US 10-year government bonds recorded an upward trend, as the financial market was at risk because of the tensions over the trade dispute between the US and China. In the middle of the week, the prices of these bonds fell, as a result of the price increase of shares in the USA. However, on Thursday, US bond prices recovered again, as a result of the decline in shares' prices at the US stock exchanges and the weakening of the dollar. On the last day of this reporting week, the price of the US 10-year bonds continued to rise after US President Donald Trump announced that he would introduce a 20% tariff on imports of cars from the European Union.

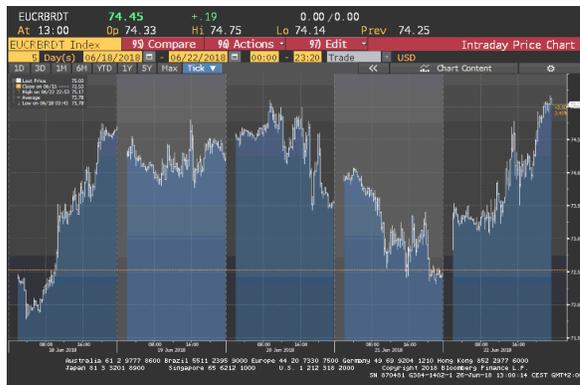
GOLD



Source: Bloomberg LP

On Tuesday, the price of gold fell, due to increased tensions between the US and China. And the next day, the price of this precious metal followed the same trend that it had on the previous day due to the strengthening of the dollar. On Thursday, the price of gold slightly fluctuated, while on Friday it was relatively stable. At the beginning of the week, the price of gold was a\$ 1,278.72, and at the end of the week \$ 1,269.32.

OIL



Source: Bloomberg LP

On the first day of this reporting week, the price of oil increased, due to the announcement that the OPEC, at its forthcoming meeting on 22 June will consider increasing the daily production volume between 300,000 and 600,000 barrels, as oil reserves have been globally observed at satisfactory levels. On the following day, the price of oil was stable, so as to grow on Wednesday in the first part of the day, as the yield on government bonds rose in the US. By the end of the day, the price of oil weakened, as the OPEC and allied meeting in Vienna on reaching an agreement to increase the volume of oil production again approached. On Thursday, the price of this fuel dropped, as OPEC members have different opinion on increasing output, while Saudi Arabia is pushing to increase output. The price of crude oil had an upward trend on Friday, as investor attention was focused on the expectation of a meeting of the OPEC members in Vienna. Namely, OPEC members and their allies have agreed to increase the volume of oil production by about 600,000 to 700,000 barrels per day, starting as of next month. The goal of increasing production volumes is to keep the price of oil at just below \$ 70 per barrel.

Table 4 - Economic indicators (18 June 2018 – 15 June 2018)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Markit Eurozone Composite PMI This survey follows the opinions of procurement managers in the manufacturing, construction and/or service sectors. The index is obtained from the results of the questionnaire in relation to production, orders, stocks, employment, prices, and the like.	June (preliminary data)	53.9	54.8	54.1
Germany			53.4	54.2	53.4
France			54.2	55.6	54.2
USA	Housing starts It shows a change in the number of new real estates built in the US and this is one of the earliest real estate market indicators. The increase in this indicator points to the growth of investments and business optimism, and it is also related to the activity of consumers. Building Permits The indicator shows the number of licenses for building new facilities, and is very sensitive to changes in interest rates, since bank loans are needed for construction. These data are prone to seasonal fluctuations due to the nature of the real estate market. The construction process is directly linked to the income of population, and the increase in the volume of construction represents the improvement of its well-being and the healthy development of the economy. Existing Home Sales The indicator shows sales records in the real estate sector in the US and is revised from month to month. This report provides a fairly accurate assessment of the housing market conditions and, due to its sensitivity to the business cycle, can be an important indicator of overall housing conditions at a time when it is particularly important for the economy.	May MoM%	1.9%	5.0%	-3.7%
		May MoM%	-1.0%	-4.6%	-1.8%
		May MoM%	1.1%	-0.4%	-2.5%

Source: Bloomberg