

EURUSD ↓ 1.2179
At 19:38 Op 1.2174 HI 1.2179 Value 3/21/06
1.2179/1.2180 TTOL
L.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	F 2/24	1.1978
T 3/16	1.2174	W 2/22	1.1911
W 3/15	1.2050	T 2/21	1.1974
T 3/14	1.2016	M 2/20	1.1902
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

(30 April - 4 May 2018)

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby: Softbank, Vodafone, LOreal, Body Shop, etc.

ICAP's Smith: U.S. European Bonds, Euro, Yen

F.Marks Bennett: U.S. Dollar, Fed Policy, Euro, Yen

Commonwealth Bank's Thurlbell: Oil Prices, Iraq

China Airlines' Wei: Fleet Reorganization, Earnings Outlook

Mitsubishi's Ballmer: Stock Performance, Strategy, Products

Bear Stearns Teleconference: Fiscal First-Quarter Profit

Rate Generale's Mignis: BOJ Policy, Japan Rate, Economy

Daniel Busby: chief investment officer at Bankinvest, Japanese mobile-phone unit and LOreal SAS purchase of Body Shop International Plc.

Bloomberg TV Live | Bloomberg Radio Live | 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 Mubaidin: 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	🔊

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

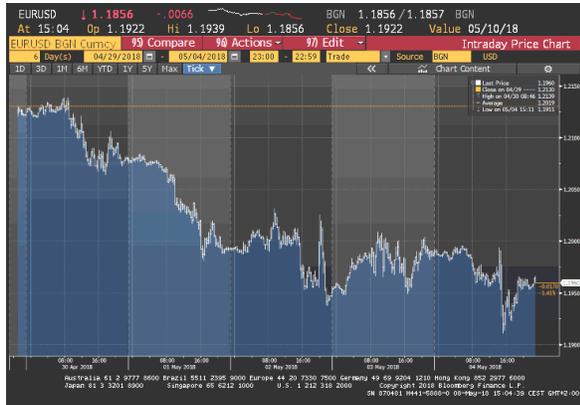
USD INTEREST RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75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

FX NEWS

EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate fell during this reporting week. The drop was more evident in the first part of the week ahead of the regular FED meeting. At the very meeting, which ended on Wednesday, the FED kept interest rates unchanged, while investors expect that the next meeting in June will lead to an increase in the interest rate that prompted the strengthening of the dollar against the euro. After this meeting, the Fed changed rhetoric, so instead of the previous statement that inflation was below the target of 2%, it was now announced that the inflation rate was close to the target of 2%. The fall of the EUR/USD exchange rate slowed down over the past two days, but it had a downward trend, as the US employment data was released, but as they were lower than expected, the decline in the exchange rate was limited. Namely, the total number of employed persons, which does not include farm and non-profitable organization employees and persons employed in households, increased by 164 thousand in April, while the expected increase was 193 thousand.

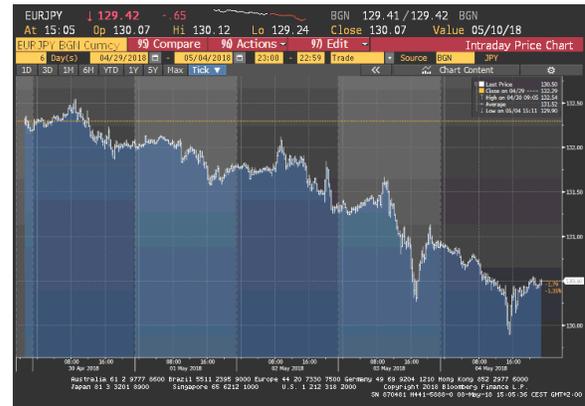
EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate had an upward trend during the week. It was up at the very start of the week, as the British currency weakened against the euro, following the news that the United Kingdom Minister of the Interior, Amber Rudd resigned over a scandal involving the deportation of illegal immigrants. The British currency further weakened against the euro and the dollar, following the release of worse than expected data on the production in Great Britain, which reduced the probability of the interest rate increase at the upcoming Bank of England meeting on 10 May.

EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate followed the EUR/USD exchange rate development, steadily weakening during the reporting week, with the decline in the exchange rate being more noticeable over the past two days. Namely, during this period there was a rise in investors' demand for safe funds, due to increased geopolitical tensions (a rise in tensions over US and Iran, as well as the fact that China and the US did not reach trade agreement).

Table 1 - Exchange rates of the most important currencies

	30 April 2018 ¹	4 May 2018 ²	% Change
EUR/USD	1.2130	1.1960	-1.40
EUR/GBP	0.87989	0.88409	0.48
EUR/JPY	132.29	130.50	-1.35
EUR/AUD	1.60021	1.58669	-0.84
EUR/CHF	1.19782	1.19603	-0.15
USD/JPY	109.05	109.12	0.06
GBP/USD	1.3781	1.3531	-1.81

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%	10 May 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

The FED and the Bank of Australia meetings were held in the previous reporting week. Both the ECB and the Bank of Japan did not change the level of interest rates. The FED also pointed to a weakening of economic growth in Q1, erasing the note enclosed to the March statements that "economic outlook strengthened in recent months," but this was balanced by mentioning the strong growth in business investments. As for the inflation, instead of the previous statement that "inflation is below the target of 2%" they now said that "inflation is close to the target of 2%," and that "based on 12 month period it is expected to be, in the mid-term, symmetrically close to the target of 2%," which, according to analysts, indicated the readiness to allow inflation to exceed this level. With regard to inflation, it was not said that its development will be closely monitored, as was the case so far.

Table 3 - Eonia and Euribor

	30.04.2018. ¹	04.05.2018. ³	Change in basis points
Eonia	-0.367	-0.360	0.70
Euribor 1W	-0.379	-0.379	0.00
Euribor 1M	-0.372	-0.372	0.00
Euribor 3M	-0.329	-0.328	0.10
Euribor 6M	-0.269	-0.269	0.00
Euribor 12M	-0.189	-0.190	-0.10

¹Opening market value on Monday

²Closing market value on Friday

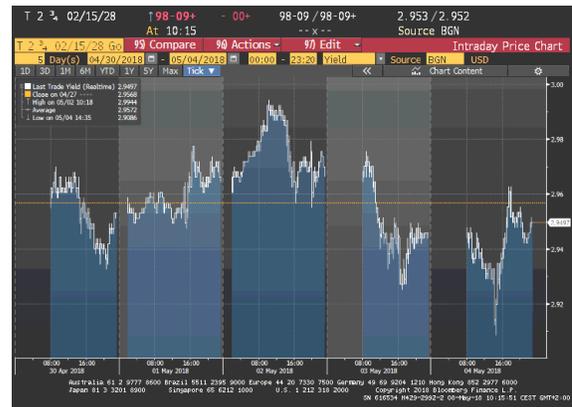
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on 10-year German government bonds ranged from 0.57% to 0.59% from Monday to Wednesday (the market was closed on Tuesday for holidays). A major change took place only on Thursday, when these yields fell by 6 basis points. The Eurostat Report, published that day, estimated that, despite expectations that it would remain at the same level, the inflation rate of the euro region in April slowed down to 1.2% from the March level of 1.3%, thus yields on 10-year German and French bonds fell to a 2-week minimum (0.53%, i.e. 0.753%). At the very end of the reporting week, these yields made a slight recovery (almost 2 basis points). The yields on French, Belgian and Dutch bonds developed similarly to the German ones, while Spanish and Italian yields recorded a weekly increase of 3 and 5 basis points respectively.

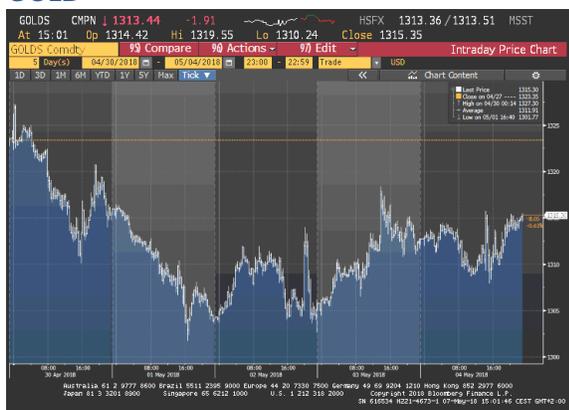
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

There was a slight fall in yields on 10-year US government bonds on Monday as the value of stock prices decreased on the US stock exchanges. For the next two days, investors were prone to investing in risky assets, the US currency rate was rising, which reflected the recovery in yields on these bonds. The yields fell again on Thursday, as the US stock prices weakened, and data on the non-productive sector did not meet expectations (the index in April was 56.8 instead of the expected 58). Yields on 10-year US government bonds recovered at the end of the week (from 2.92% to 2.94%) following the release of data from the US labour market.

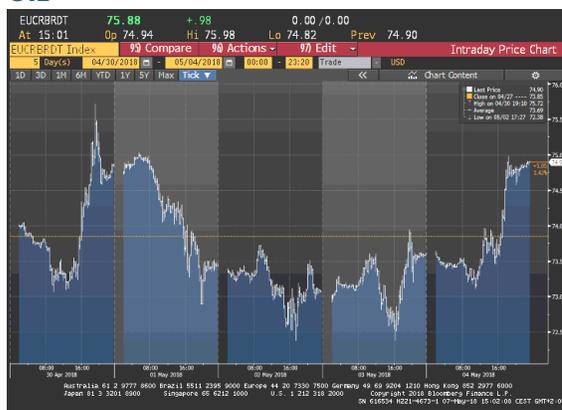
GOLD



Source: Bloomberg LP

Easing of tensions over the Korean Peninsula at the beginning of the week prompted the tendency towards risky assets, which together with the appreciation of the dollar caused a decline in the price of gold. The gold price also weakened due to concerns that the central bank could accelerate the pace of interest rate rises, therefore it stood at 2-month low (USD 1301.77) on Tuesday. However, after the FED meeting ended without changing interest rate and the officials signalled they would keep up with its gradual increase, the dollar weakened, and the price of gold started to rise. The gold price had an upward trend on the last day of the reporting period as well. Despite its growth in the second half of the week, the price recorded a decline on the weekly level.

OIL



Source: Bloomberg LP

The oil prices jumped on Monday as Israeli Prime Minister Benjamin Netanyahu accused Iran of having a secret nuclear program. On the following day, the oil prices weakened after an industrial report showed that last week crude oil stocks rose more than expected (they rose 3.43 million barrels while an increase of 1.23 million barrels was expected according to Bloomberg surveys). The oil prices did not record major changes on Wednesday and Thursday. They rose again on Friday as Trump threatened to withdraw from the Iranian nuclear agreement, as well as due to increasing chances of imposing new sanctions on Iran.

Table 4 - Economic indicators (30 April - 4 May 2018)

Country	Indicator	Period	Expected value	Current value	Previous value
Germany	Advance Retail Sales Measures changes in retail trade sector in Germany	March			
		MoM%	0.8%	-0.6%	-0.2%
	YoY%	1.2%	1.3%	1.3%	
	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.	April			
MoM%		-0.1%	0.0%	0.4%	
		YoY%	1.5%	1.6%	1.6%
Euro area	Gross domestic product seasonal adjustments (GDP s.a.) One of the basic macroeconomic indicators, which represents the calculated value in the market price of goods and services produced within the country, but excludes the income of citizens and corporations working abroad. 4 components are used to calculate GDP: consumption, investments, government expenditure and net exports.	I Quarter			
		QoQ%	0.4%	0.4%	0.7%
		YoY%	2.5%	2.5%	2.8%
Great Britain	PMI Manufacturing Monthly research on production activity and its future outlook. The higher index that measures this activity points to a more optimistic economic outlook.	April	54.8	53.9	54.9
USA	Production (ISM Manufacturing and ISM Prices Paid) This indicator assesses the condition of the US industry by examining executives about their expectations regarding future production, new orders, stocks, employment and deliveries. The value of the index above 50 points to an expansion, while below this level points to contraction.	April	58.5	57.3	59.3
		Unemployment Rate The percentage of individuals being on the labour market and unemployed, but actively looking for a job. Higher unemployment rate generally weakens the economy and results in lower personal spending.	April	4.0%	3.9%

Source: Bloomberg