

EURUSD ↓ 1.2179

At 19:38 Op 1.2174 HI 1.2179

1.2179/1.2180 TTDL

Value 3/21/06

Market

Currency

1/4

Range 3/17/05 - 3/17/06

Upper Chart: 3 Market Price



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 D Daily
Market Y mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2179	F 2/24	1.1978
T 3/16	1.2174	T 2/23	1.1978
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	1.1914
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

(30 July 2018 - 3 August 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

Commodity: 2018, Fed Policy, Eurozone

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

Daniel Busby, chief investment officer at Bankinvest

Japanese mobile-phone unit and Corel 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 Mohamed: 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.
8615-351-3 17-Har-06 19 12 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

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

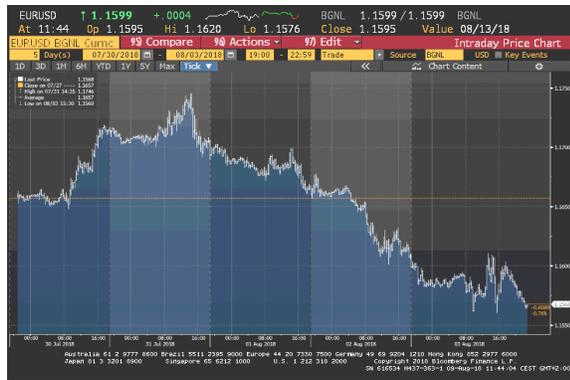
Change on day
IYC4 I52<GO>
Change on Month
IYC6 I52<GO>

Change on day
IYC4 I48<GO>
Change on Month
IYC6 I48<GO>
For US Govt Yield Curve, type fIYC1 I2
For US swap Curve, type fIYC1 I52 <G

Podgorica, 9 August 2018

FX NEWS

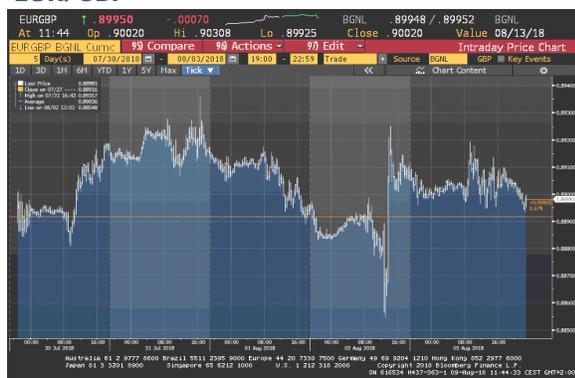
EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate recorded slight growth at the beginning of this week. However, from mid-Tuesday until the end of the reporting week, this exchange rate recorded a decline. The decline came after the Fed reiterated at its regular meeting that it will continue with the gradual increase of the interest rate (the next increase of the interest rate is expected to take place as soon as September). Also, the publishing of payroll data in the USA had a positive influence on the strengthening of dollar demand. Namely, by the end of the week, a payroll report was published that does not include farm employees, non-profit organizations and persons employed in households, and this indicator recorded an increase of 158 thousand, while the total unemployment rate was 3.9%.

EUR/GBP

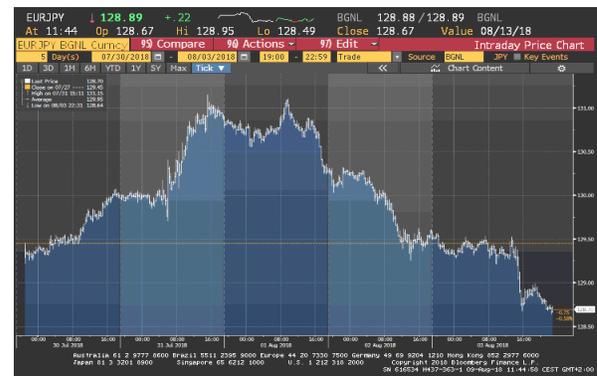


Source: Bloomberg LP

The EUR/GBP exchange rate failed to record major changes during the week and finished the Sunday at the same level as at the beginning

(0.88916 at the beginning and 0.88981 at the end). This exchange rate recorded a slight decline only after the Bank of England increased the interest rate by 25bp, but the decline was short-lived as the political situation surrounding Brexit deteriorated. To wit, there is a growing possibility of the EU and Great Britain not reaching an agreement, which would result in trade disruption and deceleration in the economic growth of Great Britain.

EUR/JPY



Source: Bloomberg LP

By the middle of the week, the EUR/JPY exchange rate increased as the Bank of Japan refrained from changing the current manner of conducting monetary policy. The Bank of Japan offered less than the market expected, with the only change being the one that the Bank of Japan will allow for the yield on 10-year bonds to range between 0% and 0.20% (previously it was allowed for it to range between 0% and 0.10%). Over the remaining part of the week, this exchange rate recorded constant weakening. The decline came following the statement of the deputy governor of the Bank of Japan that the creators of monetary policy are well aware of the risk of keeping ultra-expansionary monetary policy, and that the Bank of Japan will act if there is an increase of yields on bonds of Japan. Also, the pressure on euro was caused by the upcoming budget talks in Italy.

Table 1 - Exchange rates of the most important currencies

	27 July 2018 ¹	3 August 2018 ²	% Change
EUR/USD	1.16570	1.1568	-0.76
EUR/GBP	0.88916	0.88981	0.07
EUR/JPY	129.45	128.70	-0.58
EUR/AUD	1.57530	1.56237	-0.82
EUR/CHF	1.15910	1.15022	-0.77
USD/JPY	111.050	111.025	-0.02
GBP/USD	1.31050	1.3001	-0.79

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%	13 September 2018
Federal Reserves	Federal Funds Target Rate	2.00%	26 September 2018
Bank of Japan	Overnight Call Rate	-0.10%	19 September 2018
Bank of England	Official Bank Rate	0.75%	13 September 2018
Swiss National Bank	"Libor Target Rate"	-0.75%	20 September 2018
Bank of Canada	Target Overnight Rate	1.50%	5 September 2018
Reserve Bank of Australia	Cash Rate Target	1.50%	7 August 2018

During this week, the Fed held its regular meeting. At the meeting, the Fed decided to keep its interest rate at the existing level, and indicated that there is stronger economic growth, improvements in the labour market and inflation rate which is close to 2%. During this reporting period there was also a meeting of the Bank of England where the rate increased by 25bp to the level of 0.75%. The Central Bank of Japan also held a regular meeting where it decided to maintain the current manner of conducting monetary policy, but left an open door for more flexibility in terms of bonds trade. The interest rates remained unchanged at this meeting.

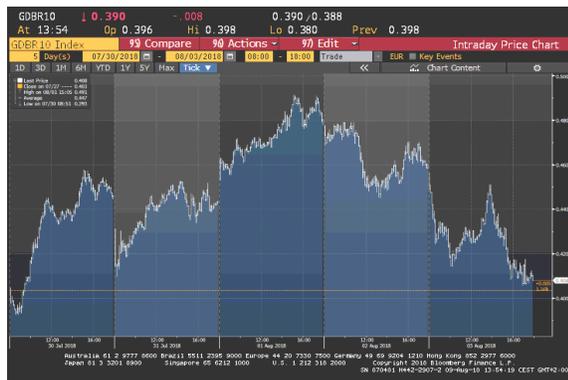
Table 3 - Eonia and Euribor

	30.07.2018. ¹	03.08.2018. ²	Change in basis points
Eonia	-0.366	-0.355	0.01
Euribor 1W	-0.376	-0.377	0.00
Euribor 1M	-0.369	-0.369	0.00
Euribor 3M	-0.320	-0.319	0.00
Euribor 6M	-0.269	-0.268	0.00
Euribor 12M	-0.179	-0.179	0.00

¹Opening market value on Monday

²Closing market value on Friday

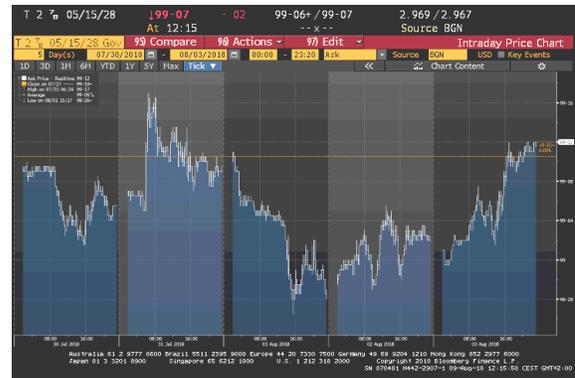
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

By the middle of this reporting week, yields on 10-year German government bonds increased, as a result of announcement that in July the inflation in the euro area recorded the year-on-year increase of 2.1%. On Wednesday, yields on 10-year German and French government bonds reached 7-week highs (German 0.49%, French 0.79%), and yields on long-term bonds of other European countries also rose (from 4bp to 7bp), as the events in the Japanese bond market spilled over to other leading markets of these instruments. In mid-week, yields on Italian 10-year bonds have also risen around 18bp as populist leaders, Luigi Di Maio and Matteo Salvini, were scheduled to meet the Finance Minister Giovanni Trio, to discuss the budget. However, by the end of the reporting week there was a decline in yields on German bonds, as investors were not too eager to take risks due to the trade war run between the U.S. and China.

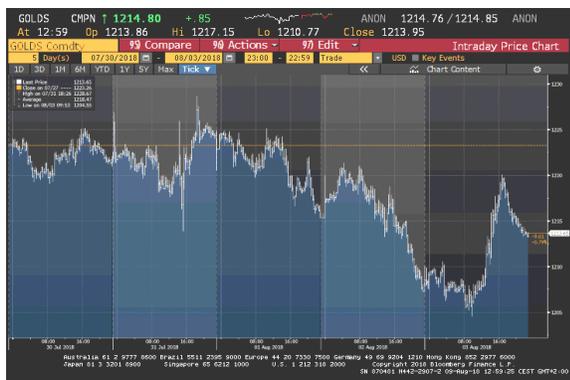
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On the first day of this reporting week, the prices of 10-year government bonds failed register significant changes, while yields on these bonds ranged between 2.98% and 2.96%. On Tuesday, the prices of these bonds rose, while during the following day they recorded a decline, following the announcement by the Bank of Japan to allow yields on 10-year bonds to range from 0% to 0.20%. The yields on 10-year US government bonds rose in the middle of the week and for the first time since 13 June they exceeded the level of 3% (3.014%), as the US Treasury announced that the amount of auctions of long-term bonds in the third quarter would amount to USD 78 billion, while in the previous quarter a total of USD 73 billion of bonds were sold. The yields rose as the Fed kept interest rates at the same level, but pointed to the intention to increase them due to boosting economic growth. At the end of the week, the prices of 10-year bonds recovered as China announced that it would introduce additional tariffs towards the US. The publication of the Payroll Report for July did not have a major impact on the movement of yields on the US bonds.

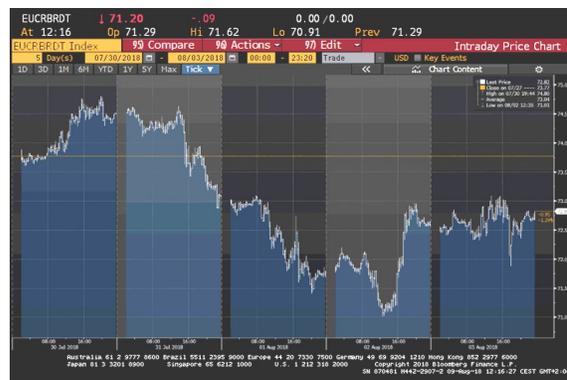
GOLD



Source: Bloomberg LP

The gold price during this reporting week recorded a downward trend. Strengthening of dollar led to lower demand for this precious metal. Prices of gold on average stood at the level of 1218.47.

OIL



Source: Bloomberg LP

At the beginning of this reporting week, oil prices rose owing to concern that oil plants in Canada, which supply refineries in the United States, will not regain full production as previously planned. On Tuesday, oil prices lost part of the steady growth, following the unexpected growth in crude oil inventories in the US. At the same time, trade disputes between the US and China have a negative impact on the movement of prices of this energy product. Oil prices recorded a downward trend by Thursday, as official US government data showed that oil inventories in the US rose by 3.8 million barrels over the last week. At the end of the week, the price of this energy generating product slightly recovered, as the US officials told Reuters that Iran plans to hold military exercises in the Persian Gulf area in the coming days, which is one of the important strategic positions.

Table 4 - Economic indicators (30 July - 3 August 2018)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	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	June	8.3%	8.3%	8.4%
	GDP Measures the value of products and services produced within the country. GDP is the most comprehensive measure of economic output and provides a key insight into the main drivers of an economy.	II Quarter QoQ% YoY%	0.4% 2.2%	0.3% 2.1%	0.4% 2.5%
Germany	Retail Sales Measures changes in retail trade in Germany	June MoM%	1.0%	1.2%	-2.1%
USA	Initial Jobless Claims Measures the number of people receiving unemployment allowances.	28 July K=1,000	220 K	218 K	217 K

Source: Bloomberg