

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



**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	1.2181	F 2/24	1.1878
T 3/16	1.2174	W 2/22	1.1911
W 3/15	1.2050	T 2/21	1.1919
T 3/14	1.2016	M 2/20	1.1919
M 3/13	1.1934	F 2/17	1.1909
F 3/10	1.1894	T 2/16	1.1894
T 3/ 9	1.1909	W 2/15	1.1894
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**  
 (12 - 16 August 2019)

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby, Softbank, Vodafone, L'Oreal, Body Shop, ICAP's Smith, U.S. European Bonds, F.Marks Bennett, U.S. Dollar, Fed Policy, Euro, Yen, Commonwealth Bank's Thurlbell, Oil Prices, Iraq, China Airlines' Wei, Fleet Reorganization, Earnings Outlook, Microsoft's Ballmer, Stock Performance, Strategy, Products, Bear Stearns Teleconference, Focal First-Quarter Profit, Japanese mobile phone unit and L'Oreal SAs purchase of Body Shop International Plc.

Daniel Broby, chief investment officer at...

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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) 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-Mar-06 19:27:28

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

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 {IYC1 I2  
 For US swap Curve, type {IYC1 I52 <G

Podgorica, 22 August 2019

## FX NEWS

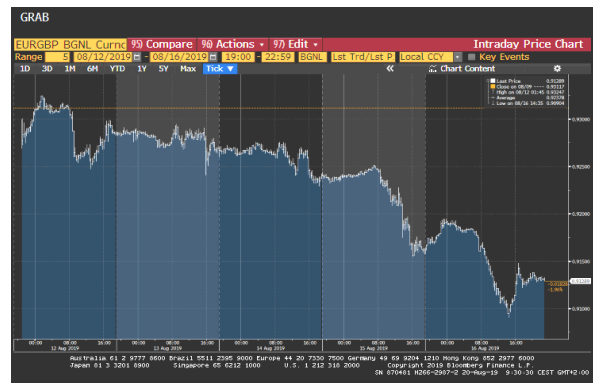
### EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate had a downward trend during this reporting week. Possible early elections in Italy, release of optimistic data on US inflation, GDP decline in Q2 in Germany, all prompted investors to turn their investments in the dollar. The EUR/USD exchange rate fell sharply on Thursday, following the ambitious statements by the ECB monetary board member Olli Rehn, who said that a strong incentive measures program should be proposed at the upcoming ECB meeting in September, which are better off in the market than to have them less. The EUR/USD exchange rate dropped slightly on the last day of the week. The Fed is expected to cut interest rates again at the next meeting in September, and White House officials said the administration is considering introducing fiscal stimulus, which would be funded by tax cuts and tariff revenues. The euro was showing signs of recovery by the end of the day as a plan to act in the event of a major recession in the country was announced in Germany.

### EUR/GBP



Source: Bloomberg LP

The EUR/USD exchange rate was trending downwards during this reporting week. The strengthening of the sterling was influenced by the release of a report by the UK Office for National Statistics, which showed that the inflation rate rose to 2.1% in July and was slightly above the targeted 2%. The euro also weakened as a result of the comments by the ECB official Olli Rehn, who said a new stimulus package should be announced at the ECB meeting in September to exceed investors' expectations in boosting the euro area economy. The strengthening of sterling is also affected by the fact that more and more British lawmakers are opposed to leaving the EU without a previously reached agreement, reducing the chances that the country will leave the EU on 31 October.

### EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate fluctuated slightly during the reporting period due to still existing tensions between China and the US, as well as the economic data released during the week.

**Table 1 - Exchange rates of the most important currencies**

	12 August 2019 <sup>1</sup>	16 August 2019 <sup>2</sup>	% Change
EUR/USD	1.1200	1.1090	-0.98
EUR/GBP	0.93117	0.91289	-1.96
EUR/JPY	118.38	117.96	-0.35
EUR/AUD	1.65037	1.63573	-0.89
EUR/CHF	1.08986	1.08530	-0.42
USD/JPY	105.69	106.38	0.65
GBP/USD	1.2033	1.2149	0.96

**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%	12-Sep-2019
Federal Reserves	Federal Funds Target Rate	2.25%	18-Sep-2019
Bank of Japan	Overnight Call Rate	-0.10%	19-Sep-2019
Bank of England	Official Bank Rate	0.75%	19-Sep-2019
Swiss National Bank	Libor Target Rate	-0.75%	19-Sep-2019
Bank of Canada	Target Overnight Rate	1.75%	4-Oct-2019
Reserve Bank of Australia	Cash Rate Target	1.00%	3-Sep-2019

**Table 3 - Eonia and Euribor**

	12 August 2019 <sup>1</sup>	16 August 2019 <sup>2</sup>	Change in basis points
Eonia	-0.358	-0.364	-0.60
Euribor 1W	-0.408	-0.403	0.50
Euribor 1M	-0.403	-0.423	-2.00
Euribor 3M	-0.404	-0.420	-1.60
Euribor 6M	-0.396	-0.427	-3.10
Euribor 12M	-0.343	-0.385	-4.20

<sup>1</sup>Opening market value on Monday

<sup>2</sup>Closing market value on Friday

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on 10-year German government bonds recorded downward trend during the reporting period. Increase in demand for safe funds, and the fall in yields on these bonds, came early in the week as stock prices weakened in Europe and there was also uncertainty over anti-government protests in Hong Kong, as well as the one in China - USA relations. By the end of the week, the media quoted a statement of one of ECB's monetary policy makers, Olli Rehn, that the ECB should announce a new stimulus measures package at its September meeting, which should exceed investors' expectations, further knocking down yields on these bonds. Yields on German 10-year bonds stood at -0.685% at the end of the reporting week.

## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on US 10-year US government bonds declined during this reporting period. They were declining at the start of the week as demand for secure funds was boosted both by protests in Hong Kong and the currency crisis in Argentina. Yields on 10-year US bonds recovered slightly on Tuesday as President Trump's administration decided to delay tariff increase on certain Chinese products. Still, the rest of the week saw again a sharp drop in yields, with signals pointing to a possible recession in both the US and globally. The decline in yields on US bonds was stopped on Friday, as the Treasury Department announced it was evaluating the market for issuing 50 and 100-year maturity bonds. The yields on 10-year US bonds stood at 1.55% at the end of the week.

## GOLD



Source: Bloomberg LP

Geopolitical tensions caused concerns over global economic growth and currency volatility in the markets at the beginning of the week, leading to an increased demand for gold. Encouraging US inflation figures resulted in the gold price decline on Tuesday afternoon. The gold price trend was mainly on the rise in the rest of the week due to tightening trade relations between the US and China, protests in Hong Kong, the political situation in Argentina, and weaker than expected economic data in both Germany and China.

## OIL



Source: Bloomberg LP

The oil price did not change much at the start of the week, rising sharply on Tuesday afternoon (from \$ 57.95 per barrel to \$ 61.29 per barrel), following Trump's decision to delay the introduction of 10% tariffs on certain Chinese products. Soon, the news of an increase in the stocks of this energy generating product that came on Wednesday, caused the price of oil to decline, worrying again the market over the outlook for oil demand globally. The tensions between the US and China intensified by the end of the week, and an attack on the Saudi Arabian oil field was carried out, which, in the overall, reduced the price of oil.

**Table 4 - Economic indicators (12 - 16 August 2019)**

Country	Indicator	Period	Expected value	Current value	Previous value
<b>Euro Area</b>	<p><b>Gross domestic product seasonal adjustments (GDP s. a.)</b>                      One of the basic macroeconomic indicators, which represents the calculated value in the market prices of goods and services produced within the country, but excludes the income of citizens and corporations working abroad. The following four components are used to calculate GDP: consumption, investments, government expenditure, and net exports.</p>	II Quarter QoQ% (YoY%)	0.2% (1.1%)	0.2% (1.1%)	0.2% (1.1%)
<b>Germany</b>	<p><b>Consumer price index (CPI)</b>                      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 in Germany.</p>	July MoM% (YoY%)	0.5% (1.7%)	0.5% (1.7%)	0.5% (1.7%)
<b>France</b>	<p><b>Consumer price index (CPI)</b>                      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.</p>	July MoM% (YoY%)	-0.2% (1.1%)	-0.2% (1.1%)	-0.2% (1.1%)
<b>Great Britain</b>	<p><b>Consumer price index (CPI)</b>                      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.</p>	July MoM% (YoY%)	-0.1% (1.9%)	0.0% (2.1%)	0.0% (2.0%)

Source: Bloomberg