

EURUSD ↓ 1.2179
 At 19:38 Op 1.2174 HI 1.2179 Value 3/21/06
 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	1.2179	F 2/24	1.1878
T 3/16	1.2149	F 2/23	1.1911
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	1.1804
W 3/ 8	1.1928	W 2/15	1.1804
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

(14-18 October 2019)

BLOOMBERG NEWS AUDIO/VIDEO

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

- Bankinvest's Broby: Softbank, Microsoft, L'Oreal, Body Shop
- ICAP's Smith: U.S. Fed Policy, Eurozone
- F.Mario Bennet: U.S. Fed Policy, Eurozone
- Comptroller General Walker: Fiscal Policy and Deficit
- 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) 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	☑

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 6900 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

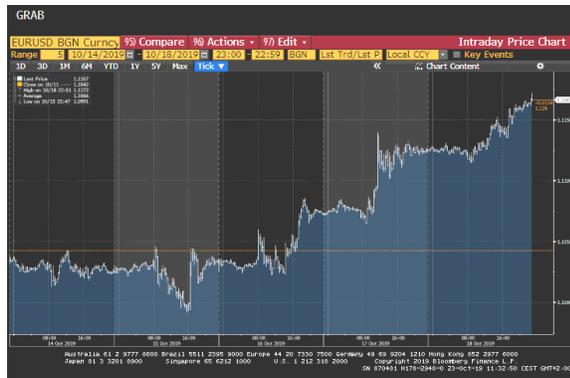
USD INTEREST RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	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 f{IYC1 I2
 For US swap Curve, type f{IYC1 I52 <G

Podgorica, 23 October 2019

FX NEWS

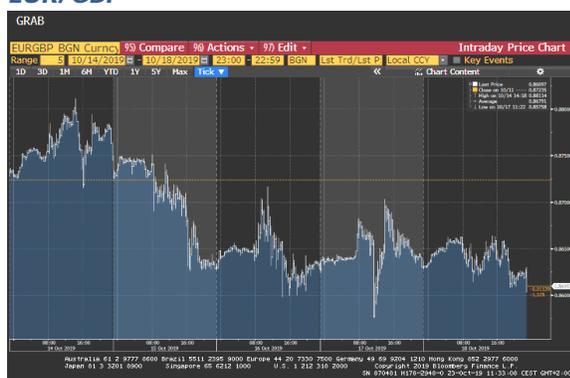
EUR/USD



Source: Bloomberg LP

During the first two days of the reporting week, the **EUR/USD exchange rate** was stable, to start growing from the middle of the week. This exchange rate appreciated due to optimism that the EU and the UK would reach agreement on Brexit, as well as due to negative data on the USA. The USA published retail data worse than expected, which fuelled the speculations that the FED would continue the policy of interest rates decreasing. Moreover, the optimism on possible progress in relations between China and the USA resulted in growing demand for less risky funds, reflecting on the appreciation of the EUR/USD exchange rate.

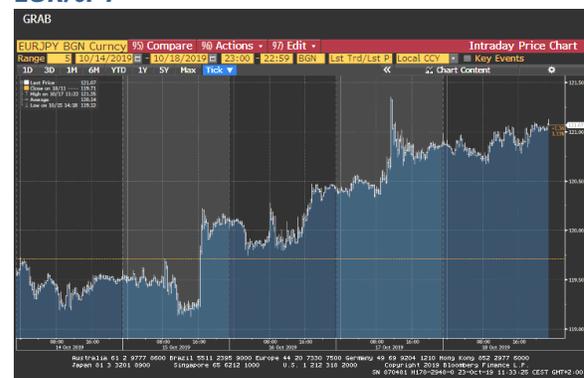
EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** has been constantly depreciating during the reporting period due to optimism that the EU and the UK would agree on an agreement on Brexit. This was done at the end of the week by resolving the disputable issue of the Northern Ireland-Ireland border with non-establishing of a solid border, but Northern Ireland benefiting from a UK-led trade policy, and at the same time being a “point of entry to EU single market”. However, the UK Parliament will still need to ratify this agreement between the EU and the UK over the coming week.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** was on a constant uptrend this week. This appreciation was the result of investors' increased demand for riskier funds following a partial US-China trade agreement and optimism on Brexit. Yen depreciated due to news that consumer prices in Japan rose in September at the slowest rate in the last two years.

Table 1 - Exchange rates of the most important currencies

	14 October 2019 ¹	18 October 2019 ²	% Change
EUR/USD	1.10420	1.1167	1.13
EUR/GBP	0.87235	0.86097	-1.30
EUR/JPY	119.710	121.07	1.14
EUR/AUD	1.62546	1.62929	0.24
EUR/CHF	1.10057	1.100932	0.03
USD/JPY	108.290	108.45	0.15
GBP/USD	1.26680	1.2984	2.49

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%	24 October 2019
Federal Reserves	Federal Funds Target Rate	2.00%	30 October 2019
Bank of Japan	Overnight Call Rate	-0.10%	31 October 2019
Bank of England	Official Bank Rate	0.75%	7 November 2019
Swiss National Bank	Libor Target Rate	-0.75%	12 December 2019
Bank of Canada	Target Overnight Rate	1.75%	30 October 2019
Reserve Bank of Australia	Cash Rate Target	0.750%	5 November 2019

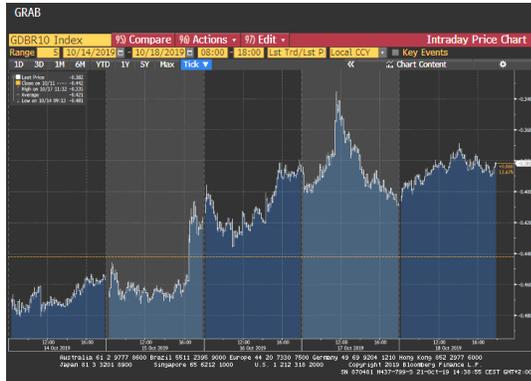
Table 3 - Eonia and Euribor

	14 October 2019 ³	18 October 2019 ⁴	Change in basis points
Eonia	-0.465	-0.462	0.3
Euribor 1W	-0.496	-0.488	0.8
Euribor 1M	-0.473	-0.438	3.5
Euribor 3M	-0.418	-0.407	1.1
Euribor 6M	-0.358	-0.351	0.7
Euribor 12M	-0.303	-0.298	0.5

¹ Opening market value on Monday

² Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Yields on 10-year German government bonds soared this week. At the beginning of the week, there were no major deviations and the average yield stood around -0.457%. Yields rose yet on Tuesday afternoon due to China's willingness to hold additional talks with the USA. The growing optimism on Brexit, and improved China-USA relations contributed to the increased demand for riskier funds until the end of the week (yield at the end of the week stood at -0.382%). Speculations that Germany would increase fiscal incentives to boost economic growth continued to push yields upwards. On Friday, the yields saw no major changes.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Due to Labour Day holiday, the market was closed on Monday. Yields on US 10-year government bonds fluctuated slightly during the rest of the week. The positive development of US-China trade relations, a signal of the UK and EU getting closer to the Brexit agreement, and higher-than-expected earnings of US companies in Q3 of this year, made yields rise. At the end of the week, yields on 10-year bonds stood at 1.75%.

GOLD



Source: Bloomberg LP

Earlier this week, the price of gold rose as China was ready for further talks before its President agreed to sign the “first phase” of a trade agreement imposed by Donald Trump. After that, the price trended down due to increased optimism that the EU and the UK were heading towards agreement on Brexit, which reduced demand for secure funds. The demand for gold intensified again on Wednesday and Thursday as the unexpected decline in US retail raised concerns about the economy. The demand also increased due to Washington's stance on Hong Kong (the US administration backs protesters), which could jeopardize negotiations with Beijing. The price of gold was volatile on the last day.

OIL



Source: Bloomberg LP

During the first two days of the reporting week, oil prices weakened amid concerns over a not-yet reached trade agreement between the two powers, the US and China. Washington and Beijing made some compromises last week, but China intended to hold a few more negotiations to clarify the details of the “first phase” of the agreement set by the US President. New IMF estimates of slowing global economic growth increased expectations that demand for this energy would also decline, which resulted in price drop of this fuel. The price fluctuated after that, however with many growth moments, mostly due to the expectation that OPEC would continue to reduce output. On Friday, oil prices plummeted amid concerns that the economy was slowing globally (weak data on China's economic growth were published).

Table 4 - Economic indicators (14 - 18 October 2019)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Industrial output Measures the changes in the output volume of the production, service and mining sectors.	August MoM% (YoY%)	0.3% -2.5%	0.4% -2.8%	-0.4% (-2.0%)
Great Britain	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 an average household.	August MoM% (YoY%)	0.2% 1.8%	0.1% 1.7%	0.4% 1.7%
France	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 an average household.	September MoM% (YoY%)	-0.3% 0.9%	-0.30% 0.9%	-0.3% 0.9%
USA	Number of applications for receiving unemployment allowances (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.	12 October K=1.000	215 K	214 K	210 K

Source: Bloomberg