



**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 3/14	1.2016
T 3/16	1.2174	M 3/13	1.1934
W 3/15	1.2050	F 3/10	1.1894
T 3/14	1.2016	T 3/ 9	1.1909
M 3/13	1.1934	W 3/ 8	1.1928
F 3/10	1.1894	T 3/ 7	1.1889
T 3/ 9	1.1909	M 3/ 6	1.1996
W 3/ 8	1.1928	F 3/ 3	1.2025
T 3/ 7	1.1889	T 3/ 2	1.2012
M 3/ 6	1.1996	W 3/ 1	1.1913
F 3/ 3	1.2025	T 2/28	1.1923
T 3/ 2	1.2012	M 2/27	1.1853
W 3/ 1	1.1913	F 2/10	1.1919
T 2/28	1.1923	T 2/ 9	1.1974
M 2/27	1.1853	W 2/ 8	1.1944
		T 2/ 7	1.1974
		M 2/ 6	1.1962

**International Financial
Market Report**

28 January - 1 February 2019

BLOOMBERG NEWS AUDIO/VIDEO

Market Data Table:

Symbol	Price	Change	Volume
EURUSD	1.2181	+0.0007	100000
USDJPY	107.25	+0.15	100000
GBPUSD	1.3150	+0.0020	100000
AUDUSD	0.7150	+0.0010	100000
US10Y	2.15%	+0.01%	100000

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

Change on day
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Change on Month
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USD INTEREST RATE SWAPS

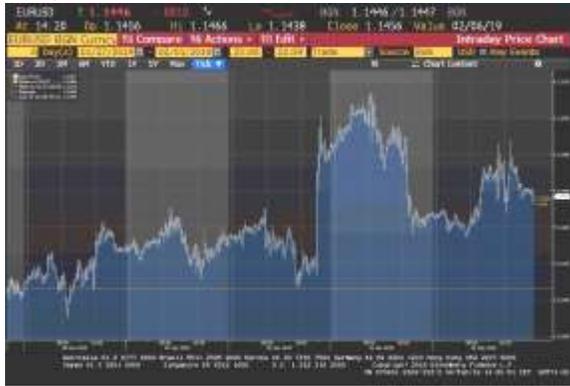
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
2) 2 YR	42.88	44.13	43.60	---
3) 3 YR	41.50	42.75	42.13	-0.17
4) 4 YR	44.38	45.63	45.00	-0.10
5) 5 YR	48.25	49.25	48.75	+0.25
6) 6 YR	49.50	50.50	50.00	+0.30
7) 7 YR	50.50	51.50	51.00	+0.40
8) 8 YR	51.13	52.13	51.63	+0.33
9) 9 YR	51.75	52.75	52.25	+0.45
10) 10 YR	52.25	53.25	52.75	+0.50
11) 15 YR	57.00	58.00	57.50	+0.50
12) 20 YR	58.63	59.63	59.25	+0.15
13) 30 YR	57.38	58.63	58.00	+0.20

Change on day
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Change on Month
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For US swap Curve, type {IYC1 I52 <G

Podgorica, 6 February 2019

FX NEWS

EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate did not record any major changes during the first three days of this reporting week. However, this exchange rate recorded a sharp growth on Thursday morning after the Fed's regular meeting. The rise in the exchange rate came as the Fed kept interest rates at the current level and pointed out that the risk of inflation declined, adding that it would be cautious in future interest rate developments. In the rest of the day, the EUR/USD exchange rate retracted from the maximum level of 1.1536 as the Bundesbank President stated that weakening in the German economy would take longer than initial estimates. The EUR/USD exchange rate rose slightly during the last day of the week, ending the week at 1.1456.

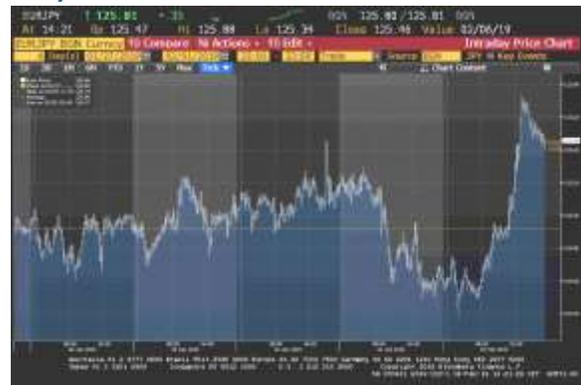
EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate had an upward trend during the reporting week. The pound weakened at the start of the week, in the wake of the UK parliamentary vote on the UK's Plan B for leaving the EU. The British Parliament adopted the so-called Spellman's amendment in a vote on Tuesday, by which the UK government calls for cancelling the possibility of leaving the European Union without reaching an agreement. The Prime Minister May, who will have to face the EU representatives again to negotiate new conditions for leaving the EU, was not in favour of this amendment. France, the second most powerful member of the EU, said there could be no new negotiations and demanded a credible British proposal. Juncker, President of the European Commission, believes that the chances of not reaching an agreement on Brexit increased. The British currency weakened against the euro by the end of this reporting week.

EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate was stable until Thursday. The exchange rate recorded a decline that day as the demand for safe assets rose. On the last day of the week, the exchange rate recovered all losses from the previous day and rose to a maximum level for this reporting week of 125.74 as it was announced that the Japanese manufacturing sector recorded the lowest growth rate in January in the past 29 months.

Table 1 - Exchange rates of the most important currencies

	28 January 2019 ¹	1 February 2019 ²	% Change
EUR/USD	1.14060	1.1456	0.44
EUR/GBP	0.86420	0.87566	1.33
EUR/JPY	124.920	125.46	0.43
EUR/AUD	1.58941	1.58002	-0.59
EUR/CHF	1.13294	1.14050	0.67
USD/JPY	109.550	109.500	-0.05
GBP/USD	1.31960	1.3079	-0.89

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%	7 March 2019
Federal Reserves	Federal Funds Target Rate	2.50%	20 March 2019
Bank of Japan	Overnight Call Rate	-0.10%	15 March 2019.
Bank of England	Official Bank Rate	0.75%	7 February 2019
Swiss National Bank	Libor Target Rate	-0.75%	21 March 2019
Bank of Canada	Target Overnight Rate	1.75%	6 March 2019
Reserve Bank of Australia	Cash Rate Target	1.50%	5 February 2019

The regular meeting of the Fed was held during this reporting week and it was decided that the interest rate would remain at the same level. The Fed stated on this occasion that it will be patient in terms of increasing the interest rate this year, as the growing uncertainty regarding the US economic outlook was pointed to.

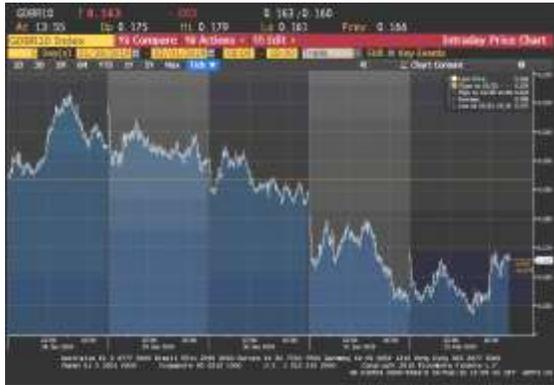
Table 3 - Eonia and Euribor

	28.01.2019. ¹	01.02.2019. ²	Change in basis points
Eonia	-0.369	-0.365	0.40
Euribor 1W	-0.376	-0.375	0.10
Euribor 1M	-0.368	-0.369	-0.10
Euribor 3M	-0.307	-0.308	-0.10
Euribor 6M	-0.237	-0.235	0.20
Euribor 12M	-0.114	-0.110	0.40

¹Opening market value on Monday

²Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on 10-year German government bond recorded a decline in this reporting period (yields fell from 0.22% to 0.15%). At the very beginning of the week, yields on long-term German bonds had a tendency for growth as the ECB President Mario Draghi stated that the bank is ready to adjust all its instruments if there is a need, which reduced the demand for safe funds. In the rest of the week, yields on German bonds followed the trend of yields on US bonds. Generally, investors were not inclined to invest in risky assets due to concerns over the slowdown in global economic growth and trade standstill in the US - China relations.

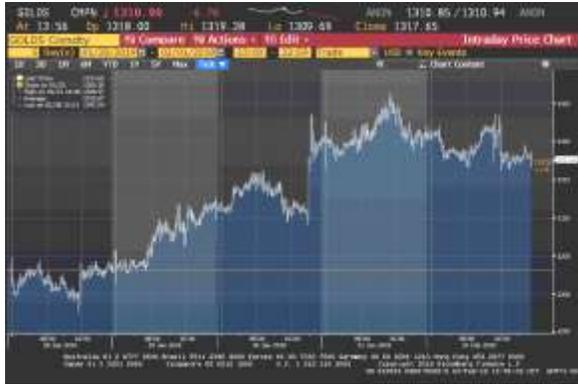
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on 10-year US bonds were stable for the most of the week (yields varied a few basis points only). From Wednesday afternoon, as well as on Thursday, yields on these bonds fell by 10 basis points, after the Fed's two-day session ended. The Central Bank announced that it will temporarily pause with regard to further increase of interest rates in the country, as there is uncertainty about the United States economic outlook (geopolitical tensions, political disagreements). There was a slight recovery in yields on Friday due to encouraging data from the US labour market. The yields on U.S. 10-year bonds started the week at 2.76%, closing at 2.68%.

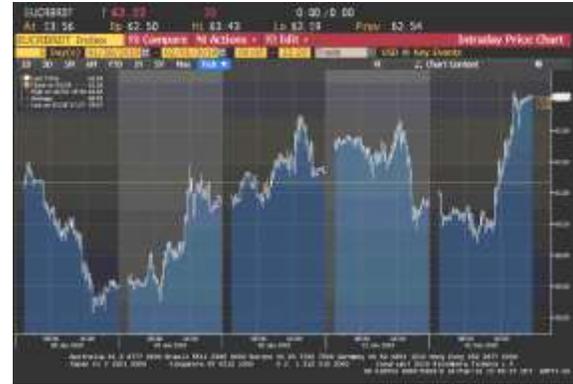
GOLD



Source: Bloomberg LP

Price of gold was on an almost constantly upward trend during the reporting week. The rise in the price of gold resulted in the growing concern that a trade war between the US and China will negatively affect global economic growth. Also, the growth in demand for safe assets, and hence the rise in gold prices, is also affected by the uncertainty over Brexit. An additional factor that led to rise in gold prices this week were also the comments by the FED officials that they will be patient in future interest rate increases. The price of gold fell slightly at the very end of the reporting week as the positive data from the US labour market were released.

OIL



Source: Bloomberg LP

The price of oil recorded decline on the first day of this reporting week due to investors' concerns over the slowdown in global economic growth. However, the next day there was a recovery in the price of oil as the US Treasury Secretary said it was possible for the White House to abolish tariffs for China if Beijing offers certain concessions. Oil price growth continued over the next few days, as the news came from the US that crude oil stocks increased less than expected. There was a slight drop in oil prices on Thursday, and it was announced that production in China fell in January. However, on the last day of the week, a sharp increase in oil prices occurred, as it was reported that the number of oil wells in the United States fell to the lowest level in the past nine years.

Table 4 - Economic indicators (28 January - 1 February 2019)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<p>Gross domestic product seasonal adjustments (GDP s.a.) 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>	IV Quarter QoQ% (YoY%)	0.2% (1.2%)	0.2% (1.2%)	0.2% (1.6%)
Germany	<p>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.</p>	January P MoM% (YoY%)	-0.8% (1.6%)	-0.8% (1.4%)	0.1% (1.7%)
France	<p>Gross domestic product (GDP) 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>	IV Quarter QoQ% (YoY%)	0.2% (0.9%)	0.3% (0.9%)	0.3% (1.3%)
USA	<p>Change in nonfarm payrolls This is a report showing the total number of newly employed workers at the monthly level by branches of economy (health care, finance, mining, construction, production, wholesale, retail, transport and storage, IT sector). This report does not include civil servants, non-governmental organizations and the agricultural sector. It serves as the basis for tailoring economic policy and forecasting future economic trends. The most important data in this report is the monthly change in the total number of employees. It represents strong signal of total economic trends in the country, and covers 80% of total number of employees whose income is included in GDP calculation.</p>	January K=1,000	165K	304K	222K

Source: Bloomberg