

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  
 Currency 1/4  
 1) News



**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	1.1878
T 3/16	1.2149	T 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	1.1909
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**

(29 April 2019 - 3 May 2019)

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, Euro  
 Societe Generale's Maguire, BOJ Policy, Japan Rate, Economy  
 China Airlines' Wei, Fleet Reorganization, Earnings Outlook  
 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) 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	🔊

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

USD INTEREST RATE SWAPS

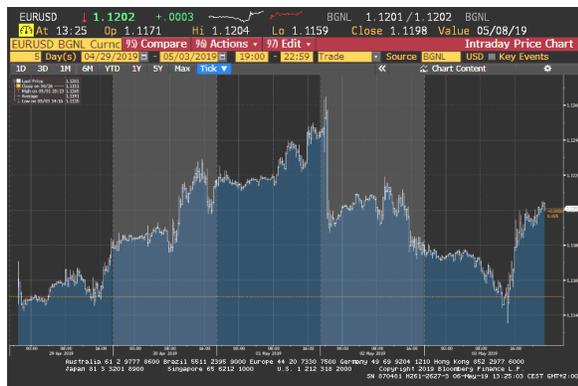
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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  
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 Change on Month  
 IYC6 I48<GO>  
 For US Govt Yield Curve, type fIYC1 I2  
 For US swap Curve, type fIYC1 I52 <G

Podgorica, 8 May 2019

## FX NEWS

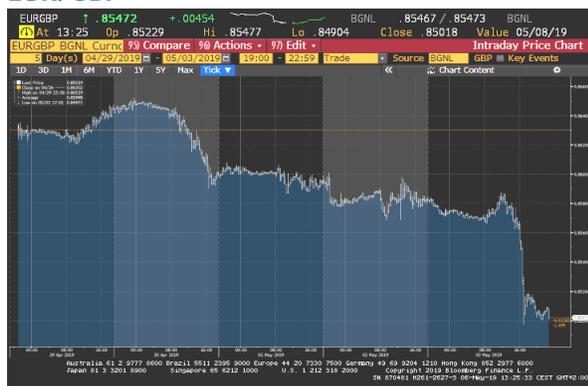
### EUR/USD



Source: Bloomberg LP

The EUR/GBP exchange rate had an upward trend at the beginning of this reporting week. Euro appreciated against the US dollar, due to announced better than expected economic data of GDP in the euro area for the first quarter of this year. Dollar depreciated in the eve of Fed's mid-week meeting. Following the meeting, the exchange rate weakened. Fed kept the interest rates unchanged (ranging from 2.25% to 2.50%), and announced lower interest on reserves deposited with this central bank from 2.40% to 2.35%. Fed chairmen said that low inflation can be just "transitory", which encouraged US dollar to strengthen. The downward trend of the EUR/USD exchange rate stopped on Friday afternoon when the euro appreciated against the US dollar, following the announcement of the report from the US labour market. To wit, the number of new jobs outside agriculture increased in March, the unemployment rate declined to 3.6%, but the growth of wages recorded a slight decline.

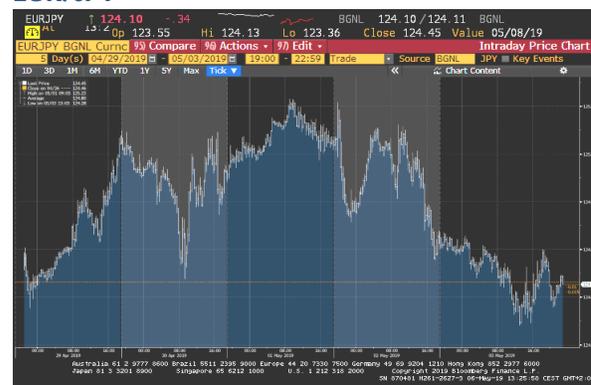
### EUR/GBP



Source: Bloomberg LP

During this reporting week, the EUR/GBP exchange rate recorded a decline. At the beginning of the week, sterling was rather stable against the euro in the eve of the meeting of the BoE that was supposed to take place at the end of the week. Most of market participants expected the BoE not to increase the interest rate by the beginning of 2020, which was later confirmed. Sterling later strengthened due to speculations that negotiations between the British government and main opposition party improved (UK Government asked for a consensus with the Labour Party in order to reach Brexit agreement). The volume of trade weakened during this week as many market in Europe and Asia were closed for the holidays. On Friday, the EUR/GBP exchange rate recorded a sharp decline, following the statement of the leader of British opposition party that the Parliament has to put an end to the Brexit impasse and "reach an agreement" to exit the European Union. During this week, the exchange rate ranged between 0.86317 and 0.85018.

### EUR/JPY



Source: Bloomberg LP

The EUR/JPY exchange rate during this reporting week did not register significant changes, and ranged from 124.28 to 125.23, and the Japanese markets closed due to "Golden Week" holiday to mark the ascension of Japan's new emperor. In the first part of this reporting period, the exchange-rate had an upward trend as the euro appreciated against the yen due to the announcement of better economic data in the euro area. In the second part of the week the exchange rate slightly weakened.

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

	29 April 2019 <sup>1</sup>	3 May 2019 <sup>2</sup>	% Change
EUR/USD	1.1245	1.1198	0.418
EUR/GBP	0.86522	0.85018	1.738
EUR/JPY	125.820	124.450	1.089
EUR/AUD	1.57232	1.59553	-1.476
EUR/CHF	1.14064	1.13876	0.165
USD/JPY	111.920	110.100	1.626
GBP/USD	1.29930	1.31730	0.418

**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%	6 June 2019
Federal Reserves	Federal Funds Target Rate	2.50%	19.06.2019.
Bank of Japan	Overnight Call Rate	-0.10%	20 June 2019
Bank of England	Official Bank Rate	0.75%	20 June 2019
Swiss National Bank	"Libor Target Rate"	-0.75%	13 June 2019
Bank of Canada	Target Overnight Rate	1.75%	29 May 2019
Reserve Bank of Australia	Cash Rate Target	1.50%	7 May 2019

At the Fed meeting, held on 30 April to 1 May, it was unanimously decided to maintain the benchmark interest rate and that it is currently at the satisfying level, and that despite the criticism of president Trump, there is no strong evidence to indicate the change of the rate in one direction or another. During this week, the BoE also held a meeting (2 May), where the interest rate also remained unchanged.

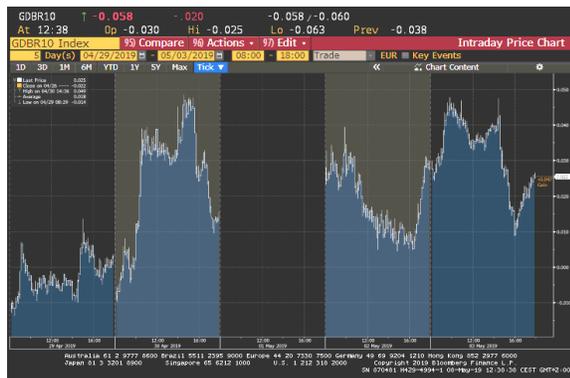
**Table 3 - Eonia and Euribor**

	29.04.2019. <sup>1</sup>	03.05.2019. <sup>2</sup>	Change in basis points
Eonia	-0.366	-0.356	1.00
Euribor 1W	-0.378	-0.376	0.20
Euribor 1M	-0.368	-0.365	0.30
Euribor 3M	-0.311	-0.309	0.20
Euribor 6M	-0.232	-0.230	0.20
Euribor 12M	-0.112	-0.114	-0.20

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

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

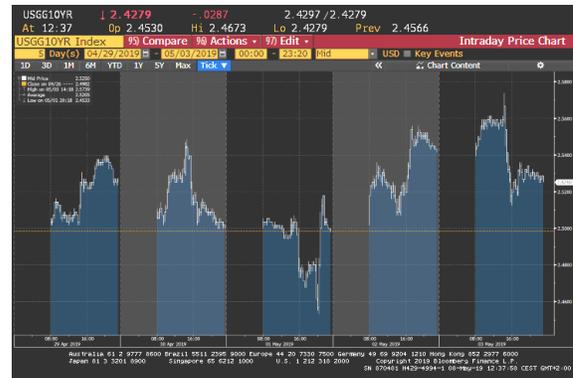
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The 10-year German bond yields in the first day of this reporting period were stable. During the following day the yields recovered as it was announced that the economic growth of the euro area in Q1 was better than expected and reached the level of 1.2%. At the same time, the growth in yields was also influenced by the news that during April, the inflation in some regions of Germany increased more than forecasted. The bonds market was closed in the mid-week due to holidays. During the rest of the week, yields first declined only to grow again. During this week, positive data about Italy have been released. To wit, credit rating agency S&P maintained BBB rating for this country, which in turn had a positive impact on the growth of demand for Italian bonds. Yields on 10-year German bonds increased from -0.022% at the beginning of the week to 0.025% at the end.

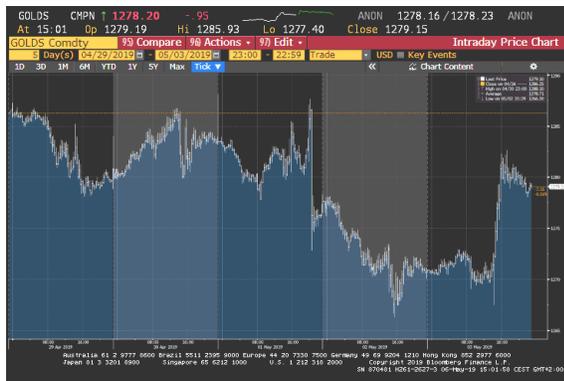
## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

By mid-week, yields on the US government bonds weakened as the US president said that Fed should lower the interest rate by 1% and continue with the bonds purchase programme. However, at the middle of the week, yields on the US bonds started to recover following the regular meeting of Fed where it was stated that the interest rates will remain unchanged. The upward trend of yields continued until the last day of this week when the US president threatened to introduce additional tariffs to China, which influenced the growing demand for safe funds. Yields on 10-year US government bonds stood at the level of 2.52% at the end of the reporting week.

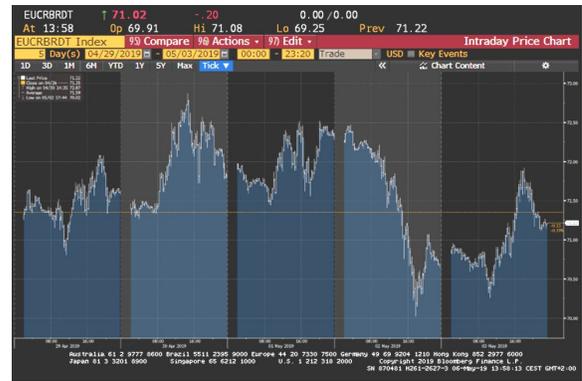
## GOLD



Source: Bloomberg LP

On the first day of this reporting week the price of gold declined due to the strengthening of the US dollar and the announcement of the US economic data that were better than expected (household consumption increased in March), showing signs of economic growth resilience, which lowered the demand for this precious metal as a safe investment. During the following day, the prices of gold slightly recovered due to growing concerns regarding trade negotiations between the United States and China. To wit, White House chief of staff, Mick Mulvaney, stated that the U.S. would not accept any agreement with China unless it was a "great deal". During the middle of the week, the prices of gold continued to record mild growth, following comments from the Fed's meeting that it will maintain benchmark interest rate and lower interest rates on reserves deposited with this central bank. However, by the end of Wednesday the prices of gold declined, after the Fed's president Jerome Powell stated that low inflation can be just "transitory", which encouraged US dollar to strengthen. On Thursday, the prices of gold continued to decline. In the second part of Friday, the prices of gold increased following the announcement of the report on slower than expected growth of wages in the U.S. which supported the Fed's position on interest rates, despite higher employment rate over the past month.

## OIL



Source: Bloomberg LP

The price of oil did not record significant changes on the first day of this reporting week. As soon as the following day, the prices of this energy generating product have risen, due to announcement of the Saudi Arabia that OPEC and partners could extend the program of reduction of the production until the end of this year in order to regulate the global level of oil supplies. On the other hand, in Venezuela, the leader of opposition called for the military to rise up. In the middle of the week, the price of oil weakened slightly following the report that the United States had increased crude oil supplies to the highest level since 2017, which reduced the concerns that tensions in Venezuela were a threat to supplies. On Thursday, oil prices recorded a sharper decline, as investors saw that, despite the U.S. sanctions against Iran, the United States, Russia and Saudi Arabia could potentially fill the production gap. On the last day of this reporting week, oil prices slightly recovered following the report that unemployment in the United States reached its record low for the last 49 years. Nevertheless, oil prices recorded a decline on a weekly level, due to a higher volume of oil production in the United States.

**Table 4 - Economic indicators (29 April - 3 May 2019)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<b>Business Confidence Indicator</b> This indicator measures sentiment of business leaders in France. It is based on filtered expectations concerning new orders and impressions on the general economic outlook.	April	0.49	0.42	0.53
	<b>Unemployment Rate</b> 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.	March	7.8%	7.7%	7.8%
	<b>GDP harmonised for seasonal oscillations (GDP SA)</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.	Q1 QoQ% (YoY%)	0.3% (1.1%)	0.4% (1.2%)	0.2% (1.1%)
Germany	<b>GfK Consumer Confidence</b> Consumer confidence measures the level of consumer confidence in economic activity.	May	10.3	10.4	10.4
USA	<b>Initial Jobless Claims</b> Measures the number of people receiving unemployment allowances.	April K=1,000	215K	230K	230K
	<b>Unemployment Rate</b> 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.				
Italy	<b>Unemployment Rate</b> 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.	March P P=Preliminary	10.7%	10.2%	10.7%

Source: Bloomberg