

EURUSD ↓ 1.2179  
 At 19:38 Dp 1.2174 Hi 1.2174 Value 3/21/06  
 Market Currency 1/4  
 Range 3/17/05 - 3/17/06  
 Upper Chart: Market Price  
 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 Daily  
 Market mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	F 2/17	1.1878
T 3/16	1.2050	T 2/16	1.1911
W 3/15	1.2050	W 2/15	1.1914
T 3/14	1.2016	T 2/14	1.1946
M 3/13	1.1934	M 2/13	1.1909
F 3/10	1.1894	F 2/10	1.1974
T 3/ 9	1.1909	T 2/ 9	1.1944
W 3/ 8	1.1928	W 2/ 8	1.1974
T 3/ 7	1.1889	T 2/ 7	1.1962
M 3/ 6	1.1996	M 2/ 6	1.1919
F 3/ 3	1.2025	F 2/ 3	1.1974
T 3/ 2	1.2012	T 2/ 2	1.1944
W 3/ 1	1.1913	W 2/ 1	1.1974
T 2/28	1.1923	T 1/28	1.1962
M 2/27	1.1853	M 1/27	1.1919

**International Financial Market Report**

(2 - 6 November 2020)

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. Dollar, Fed Policy, Euro
- F.Mart's Bennett: U.S. Dollar, Fed Policy, Euro
- U.S. Longshore Senator Walker: Fiscal Policy and Deficit
- Commerzbank's Thurlall: Oil Prices, Iraq
- 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, Produce

10 Bloomberg TV Live 10 Bloomberg Radio Live 10 All Audio/Video Reports

LIVE <GO> Events	Date	Time	Language	Type
14) Legal & General Teleconference: Full-Year Earnings	3/17	Now Playing	English	CF
15) UBS Warburg's Hickson: Outlook for Steel Industry	3/17	Now Playing	English	CF
16) European Commission: Daily News Conference	3/17	20:00 - 20:30	English	CF
17) Egypt's Mohamed: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	CF
18) Bonders Group Teleconference: 4th-Qtr Results	3/17	22:00 - 23:00	English	CF
19) AIG Teleconference About Fourth-Quarter Results	3/17	22:30 - 23:30	English	CF

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410  
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 218 2000 Copyright 2006 Bloomberg L.P.  
 6615-311-3 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

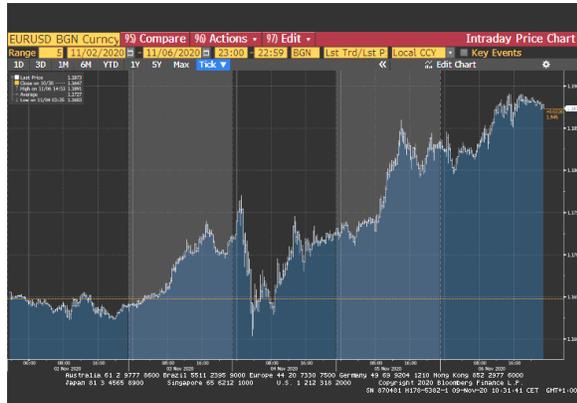
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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, 11 November 2020

## FX NEWS

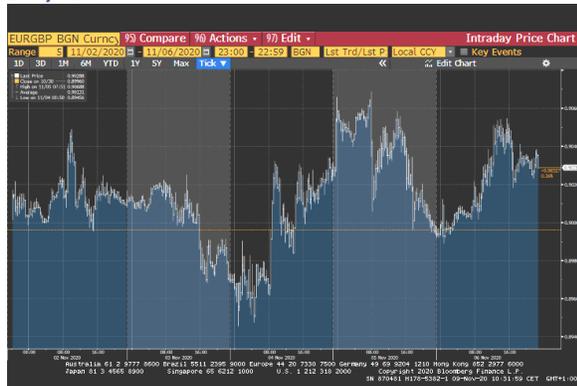
### EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate recorded no significant changes at the very beginning of the week, to appreciate during the week remainder. The euro appreciated as the ECB pointed out clearly that it would continue its monetary easing policy in December, but that details were now open for discussion at present. On the other hand, the USD depreciated. It happened due to the expected approval of the long-awaited support package for the US economy after the elections. On Wednesday, this exchange rate had a mixed trend awaiting the US presidential election results. The euro appreciated even after the election, as the ballot count slowed in the US presidential election, and Trump's threats to go to court for vote theft fell. At the end of the week, the demand for the dollar also decreased due to favourable data from the US labour market and due to the increasingly certain victory of Joe Biden.

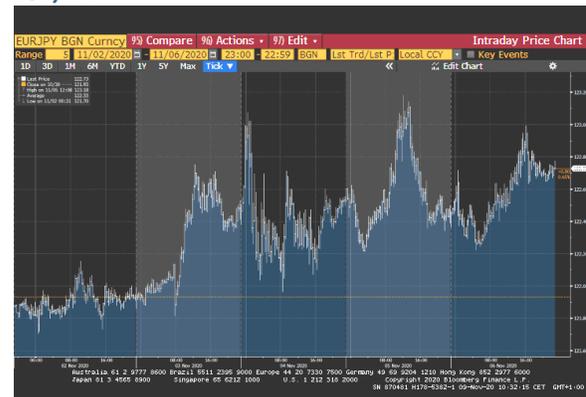
### EUR/GBP



Source: Bloomberg LP

On Monday, the EUR/GBP exchange rate appreciated due to UK-EU negotiations, and due to uncertainty concerning the UK's actions to limit the virus spread. The British currency appreciated against the euro and the USD the next day, as investors focused on the US presidential election, and market participants anticipated the victory of Democratic candidate Joe Biden. On Wednesday, the EUR/GBP exchange rate appreciated due to uncertainty over the US presidential election, as none of the candidates unexpectedly had a more significant advantage. The increasing number of coronavirus cases in the UK and the BoJ statement that it would do anything necessary to support the economy continued to limit the sterling's appreciation. On the last day, the EU Internal Market Commissioner Thierry Breton said there was a fifty-fifty chance that Britain and the EU would be able to reach an agreement on the terms of Britain's exit from the bloc. He added that the EU had an exact position on conditions and access to the European market, which depreciated the sterling. According to Breton, Britain would lose more than the EU if the negotiations break down and result in Brexit without an agreement.

### EUR/JPY



Source: Bloomberg LP

During this reporting period, the EUR/JPY exchange rate fluctuated with a growing trend. This week, investors focused on the US presidential election and the likelihood of electing a Democrats' candidate, which boosted demand for a safe currency. The EUR/JPY appreciated on Friday as the return on US government bonds increased after the October US labour market report outperformed expectations and reduced uncertainty over the presidential election outcome favouring Biden.

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

	02.11.2020 <sup>1</sup>	06.11.2020 <sup>2</sup>	% Change
EUR/USD	1.1647	1.1874	1.95
EUR/GBP	0.89960	0.90251	0.32
EUR/JPY	121.93	122.710	0.64
EUR/AUD	1.65708	1.63584	-1.28
EUR/CHF	1.06806	1.06868	0.06
USD/JPY	104.66	103.350	-1.25
GBP/USD	1.2947	1.31560	1.61

**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%	10 December 2020
Federal Reserves	Federal Funds Target Rate	0.25%	16 December 2020
Bank of Japan	Overnight Call Rate	-0.10%	18 December 2020
Bank of England	Official Bank Rate	0.10%	17 December 2020
Swiss National Bank	Libor Target Rate	-0.75%	17 December 2020
Bank of Canada	Target Overnight Rate	0.25%	9 December 2020
Reserve Bank of Australia	Cash Rate Target	0.10%	1 December 2020

The Fed and the BoE did not change interest rates at their respective meetings last week. The Fed's statement said economic activity remained "significantly below" levels before the coronavirus pandemic. Fed officials have spoken out loud about the need for more fiscal and perhaps additional monetary support, but this week's meeting returned no new initiatives. President Jerome Powell expressed his conviction that the Fed could still do much to help the troubled economy. At the BoE meeting, it was decided to expand the existing bond purchase program by an additional 150 billion pounds to be financed from the central bank's reserves. Both the Fed and the BoE have stressed that they would do whatever is necessary to support the economies. At its session, the Central Bank of Australia reduced the interest rate by 15 base points from 0.25% to 0.10% trying to support its economy wounded by the coronavirus crisis.

**Tabela 3 – Eonia and Euribor**

	02.11.2020 <sup>1</sup>	06.11.2020 <sup>2</sup>	Change in basis points
Eonia	-0.472	-0.473	-0.10
Euribor 1W	-0.541	-0.538	0.30
Euribor 1M	-0.548	-0.533	1.50
Euribor 3M	-0.523	-0.513	1.00
Euribor 6M	-0.521	-0.512	0.90
Euribor 12M	-0.489	-0.483	0.60

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

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

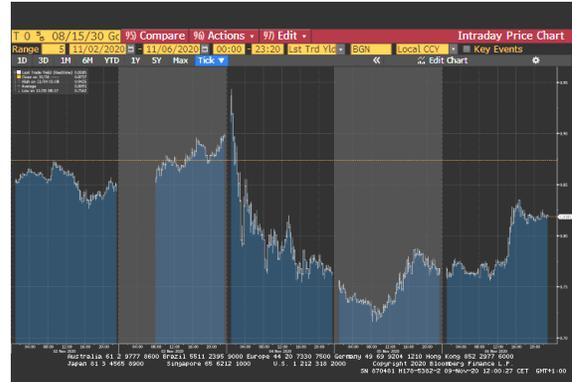
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year German government bonds had a volatile trend during this reporting week and averaged around -0.62%. The trend of German government bonds was volatile due to uncertainty regarding the US elections results.

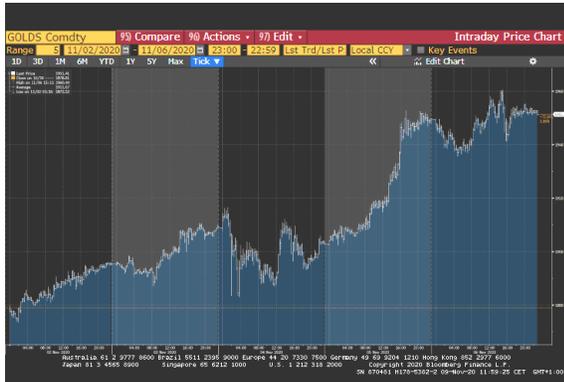
## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Earlier this week, the return on 10-year US government bonds rose slightly ahead of the US election, as investors' demand for riskier assets grew. Government bond prices fell, stock and oil prices rose, while the dollar depreciated. The return on these bonds weakened in the middle of the week as the uncertainty over the next US president grew. On the last day of this reporting week, the return on US bonds recovered slightly, due to the release of good data from the US labour market and the increasingly certain victory of the Democratic presidential candidate, Joe Biden.

## GOLD



Source: Bloomberg LP

The gold price trended up during this reporting week and was heading towards the highest weekly growth since this July. Investors have sought refuge in this precious metal in the run-up to the US presidential election, and investors' expectations in winning Democratic candidate Joe Biden, who supports approving a support package for the population and economy, which would lead to a depreciated dollar and rising gold prices.

## OIL



Source: Bloomberg LP

The oil price has been rising during most of this reporting week. The OPEC+ members' decision to postpone the planned output increase resulted in oil prices rise. Saudi Arabia, Russia and Iraq are trying to persuade OPEC+ to extend the reduced production program. The USD depreciation also influenced oil price growth. The fall in the price of fuel also resulted from the oil stocks in the USA. On Friday, oil prices recorded a slight drop due to the increased number of new coronavirus infected persons and the uncertain situation regarding the US presidential elections results.

**Table 4 – Economic indicators (2 – 6 November 2020)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<b>Producer Price Index (PPI)</b> Assesses the average change in prices of certain manufacturers at all stages of production, but does not include imported goods, services and taxes. The index is seen as an indicator of future inflation.	September MoM% (YoY%)	0.3% (-2.4%)	0.3% (-2.4%)	0.1% (-2.5%)
	<b>Euro area retail sales</b> This indicator measures activity related to retail trade volume (not applicable to motor cars and motor cycles).	September MoM% (YoY%)	-1.5% (2.8%)	-2.0% (2.2%)	4.4% (3.7%)
Great Britain	<b>Publishing of the BoE interest rate</b> Regular meeting of Bank of England	5 November	0.10%	0.10%	0.10%
USA	<b>Factory Orders</b> Factory orders provide a rather comprehensive overview of the manufacturing sector.	September	1.0%	1.1%	0.7%
	<b>Initial Jobless Claims US</b> It measures the number of people who receive unemployment benefits. It is similar to the applicant. The growing number of jobs accompanies the economic expansion, which could influence inflationary pressures.	31 October k=1,000	735k	751k	751k
	<b>Unemployment Rate</b> A percentage of jobless persons at the labour market actively looking for job. In general, higher unemployment rate weakens the economy and results in lower personal spending.	October	7.6%	6.9%	7.9%
	<b>Change in non-farm payrolls</b> This report shows 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). The report does not include civil servants, non-governmental organisations and the agriculture. 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 a strong signal of total economic trends in the country, and covers 80% of total number of employees whose income is included in GDP calculation.	October k=1,000	580k	638k	661k

Source: Bloomberg