

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	1.1909
T 3/16	1.2174	T 2/16	1.1909
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	1.1904
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
 (6 – 10 July 2020)

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby: Softbank, Vodafone, L'Oreal, Body Shop
 Daniel Broby, chief investment officer at Bankinvest, discusses the company's investment strategy and its focus on technology and healthcare sectors.

ICAP's Smith: U.S. Dollar, Fed Policy, Euro
 ICAP's Smith discusses the impact of the Fed's policy on the U.S. Dollar and the Euro.

China Airlines' Wei: Fleet Reorganization, Earnings Outlook
 China Airlines' Wei discusses the company's fleet reorganization and earnings outlook.

Bear Stearns Teleconference: Fiscal First Quarter Profit
 Bear Stearns Teleconference: Fiscal First Quarter Profit

Microsoft's Ballmer: Stock Performance, Strategy, Product
 Microsoft's Ballmer: Stock Performance, Strategy, Product

LIVE <GO> Events

Event	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

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

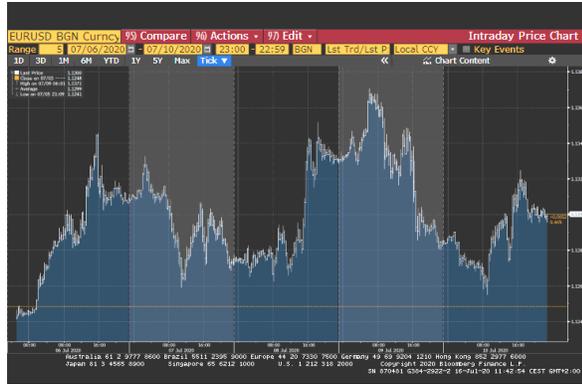
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR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

FX NEWS

EUR/USD



Source: Bloomberg LP

At the very beginning of this reporting week, the **EUR/USD exchange rate** appreciated after the stock market in China grew, resulting in the demand decline for safe assets, such as the USD. To wit, the stock market in China grew during the mentioned period after the influential state media announced that “nurturing a healthy” growing market after the pandemic was now more critical for the economy than ever. The next day, this exchange rate depreciated slightly, to appreciate sharply in the middle of the week. The European’s currency appreciation came as the ECB’s Vice President said the latest data from the euro area was more optimistic than before pointing to a less-than-expected economic downturn in Q2. The next day, this exchange rate depreciated sharply as the demand for safe funds increased after concerns that a reappearance of the Coronavirus would harm the global economic recovery. On the last day, the EUR/USD exchange rate appreciated slightly.

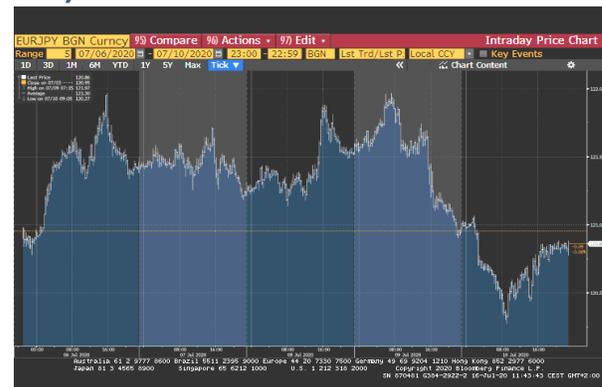
EUR/GBP



Source: Bloomberg LP

The **EUR/GBP** exchange rate appreciated at the beginning of this week as the UK media reported that the Governor of the BoE had sent a letter to banks stating that “negative rates are potential mechanisms to be considered if additional stimuli were needed.” During the rest of the week, this exchange rate depreciated due to growing optimism that the EU and the UK would agree on Brexit. The EU allowed British companies to access the UK derivatives market after Brexit, and to access clearing companies that are in charge of settling transactions worth several trillion dollars. Moreover, the exchange rate depreciation was the result of the British Minister of Finance’s statement that the country was now able to borrow at record low rates allowing them to bear a higher level of debt.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** was stable during most of this reporting period, to start showing a downtrend on Thursday. This exchange rate depreciation occurred as the growth of Coronavirus patients resulted in declining optimism concerning the global economic recovery.

Table 1 - Exchange rates of the most important currencies

	06.07.2020 ¹	10.07.2020 ²	% Change
EUR/USD	1.1248	1.1300	0.46
EUR/GBP	0.90126	0.89530	-0.66
EUR/JPY	120.95	120.86	-0.07
EUR/AUD	1.62066	1.62612	0.34
EUR/CHF	1.06288	1.06355	0.06
USD/JPY	107.51	106.93	-0.54
GBP/USD	1.2483	1.2622	1.11

Table 2 - Overview of the reference interest rates of the leading central banks

Central Bank	Reference interest rate name	Reference interest rate level	Next meeting
European Central Bank	ECB main refinancing rate	0.00%	16 July 2020
Federal Reserves	Federal Funds Target Rate	0.25%	29 July 2020
Bank of Japan	Overnight Call Rate	-0.10%	15 July 2020
Bank of England	Official Bank Rate	0.10%	6 August 2020
Swiss National Bank	Libor Target Rate	-0.75%	24 September 2020
Bank of Canada	Target Overnight Rate	0.25%	15 July 2020
Reserve Bank of Australia	Cash Rate Target	0.25%	4 August 2020

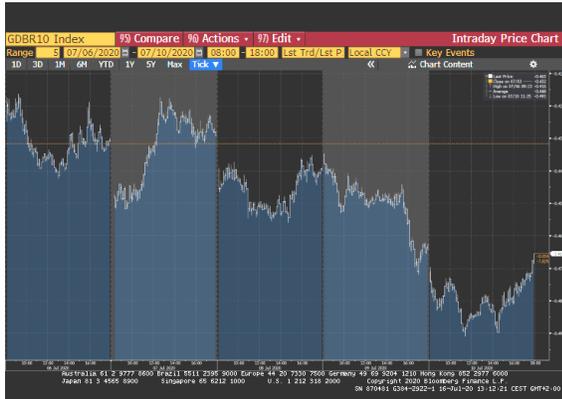
Table 3 - Eonia and Euribor

	06.07.2020 ³	10.07.2020 ⁴	Change in basis points
Eonia	-0.464	-0.464	0
Euribor 1W	-0.519	-0.522	-0.3
Euribor 1M	-0.502	-0.503	-0.1
Euribor 3M	-0.435	-0.440	-0.5
Euribor 6M	-0.314	-0.330	-1.6
Euribor 12M	-0.238	-0.284	-4.6

¹ Opening market value on Monday

² Closing market value on Friday

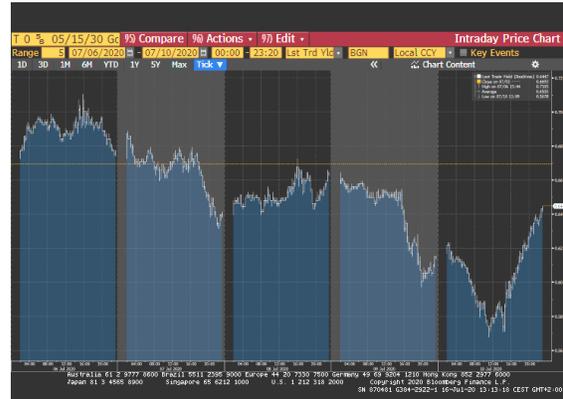
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year German government bonds declined by some 4 basis points this reporting week, from -0.42% to -0.46%. Such a trend was mostly the result of the stock market trends, and the concerns about the Coronavirus spread. Apart from the auction of Irish government bonds (1.5 billion euros in 7-, 10- and 30-year bonds), there were no significant developments in the European government bond market in this reporting period.

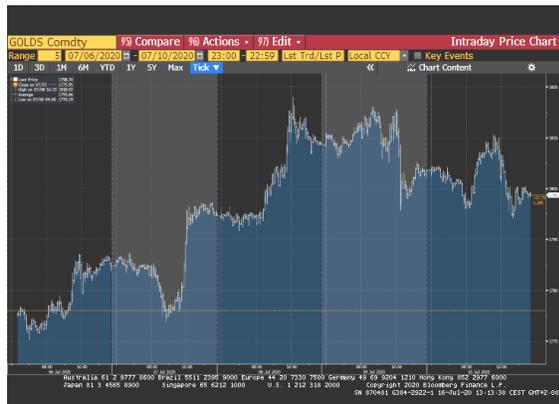
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds also dropped this week. Early this week, the weakening of prices on the Chinese stock market caused the downward trend. In the middle of the week, this market recovered slightly due to the shift in the stock market. However, after publishing the details from the 29 billion USD of 10-year bonds auction, the return continued to drop. (The Ministry of Finance announced that the auction attracted demand above average). Growing concerns that a reappearance in Coronavirus infected would harm global economic recovery boosted the demand for safe assets, resulting in the decline of these bonds until almost the end of the week. A strong auction of 30-year bonds also contributed to this. Compared to 0.67% at the very beginning of the week, these yields stood at 0.57% on Friday. However, on the same day, they recovered to 0.64%, as stock prices rose.

GOLD



Source: Bloomberg LP

During this reporting period, the gold price rose mostly due to concerns about the Coronavirus spread. To wit, the increase in the number of infected people, and the statement of the US chief expert on infectious diseases that any vaccine made for the virus would most likely protect the body for only a limited period, increased the demand for safe assets. By the end of the week, the number of confirmed infections exceeded 3 million in the United States alone, accounting for a quarter of the total number of infected in the world. The price of this precious metal also rose due to the stock prices decline, almost reaching an 11-year high of 1818.02 USD on Wednesday. However, the price retreated from this level on Friday.

OIL



Source: Bloomberg LP

The oil price fluctuated throughout the week. At the very beginning of the week, the price went up, but the concern that the Coronavirus spread would jeopardize the demand for this energy source soon resulted in its decline. The market recovered in the middle of the week, mainly due to the expectations that the EIA report would show the decline in US crude oil stocks. The price also rose due to signs of fuel consumption recovery, with limited growth after both API and EIA reports showed oil inventories rising. However, the concerns about the constant growth in new Coronavirus infected continued to bring down the price of this fuel. The price of oil recovered on Friday afternoon.

Table 4 - Economic indicators (6 – 10 July 2020)

Country	Indicator	Period	Expected value	Current value	Previous value
Germany	Factory Orders It shows the change in the number of orders from domestic manufacturers. The data gives an overview of the demand for German industrial products. This is an early indicator of the overall consumption in the economy, which affects economic growth.	May MoM%	15.4%	10.4%	-25.8%
	Industrial output It measures the output of the energy sector, factories and mines. In the short term, this indicator is significant as it shows the strength of the UK's industrial activity. Growing industrial production points to increased production and economic expansion.	June MoM%	11.1%	7.8%	-17.9%
Euro area	Retail Sales This indicator measures changes in retail sales in euro area.	May MoM%	15.0%	17.8%	-11.0%
Italy	Retail Sales This indicator measures changes in retail sales in Italy.	May MoM%	15.5%	24.3%	-10.5%
USA	Initial Jobless Claims 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.	4 July K=1000	1375K	1314K	1427K

Source: Bloomberg