

EURUSD 1.2179

At 19:38 Op 1.2174 Hi 1.2179

1.2179/1.2180 TTOL

Value 3/21/06



CENTRALNA BANKA
CRNE GORE

Range 3/17/05 - 3/17/06
Upper Chart: 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 | 1.2181 | F 2/17 | 1.1909 |
| T 3/16 | 1.2179 | 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

(11 - 15 May 2020)

BLOOMBERG NEWS AUDIO/VIDEO

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

- Bankinvest's Broby: Softbank, Vodafone, LOreal, Body Shop
- ICAP's Smith: U.S. Dollar, Fed
- F.Mat's Bennett: U.S. Dollar, Fed Policy, Euro
- U.S. Long-Term Growth: 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

Daniel Broby, chief investment officer at Japanese mobile-phone unit and LOreal SA's purchase of Body Shop International Plc.

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 |

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 |

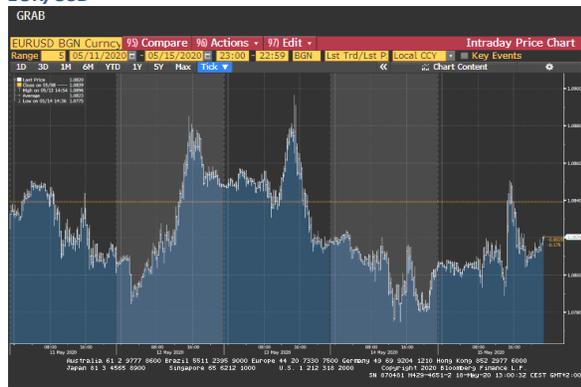
| RATE SWAPS | | | | |
|------------|-------|-------|-------|------|
| Ticker | Bid | Ask | Mid | Chng |
| US SPREADS | | | | |
| 22) 2 YR | 42.88 | 44.13 | 43.50 | -- |
| 23) 3 YR | 41.50 | 42.75 | 42.13 | -.17 |
| 24) 4 YR | 44.38 | 45.63 | 45.00 | -.10 |
| 25) 5 YR | 48.25 | 49.25 | 48.75 | +.25 |
| 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 {IYC1 I2
For US swap Curve, type {IYC1 I52 <G

Podgorica, 20 May 2020

FX NEWS

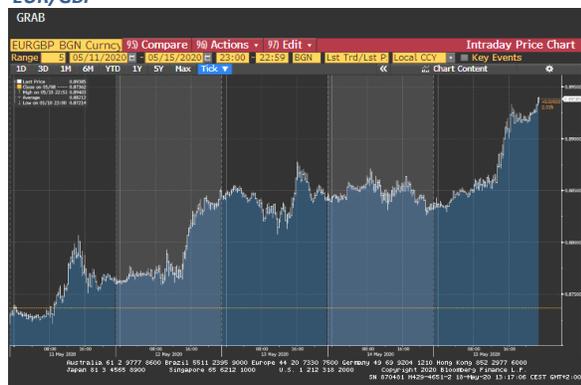
EUR/USD



Source: Bloomberg LP

At the beginning of the reporting week, the **EUR/USD exchange rate** depreciated due to the USD appreciation as the USA and other countries were preparing to open economies, which encourages hope for faster global recovery from the deep recession triggered by the health crisis. The euro's depreciation also resulted from the statement of the former German finance minister Schaeuble. He stated that the European currency might be questioned if national constitutional courts and other EU member states decide on their own, as was the case in Germany a week ago, after examining the legitimacy of the ECB's monetary policy of purchase of government bonds. Germany's constitutional court judges have given the ECB a three-month ultimatum to correct alleged flaws in the quantitative easing programme. The President of the European Commission, Ursula von der Leyen, stated that Luxembourg always passed the last word on EU law, and that court proceedings could be initiated in Germany due to the court's decision. Export in Germany recorded a record drop of 11.8% in March, as the demand for goods from the most significant European economy decreased due to the Coronavirus. By the end of the week, the EUR/USD exchange rate did not change significantly and averaged around 1.0823. Fed's Chair Jerome Powell has dismissed speculation about the introduction of negative interest rates in the USA.

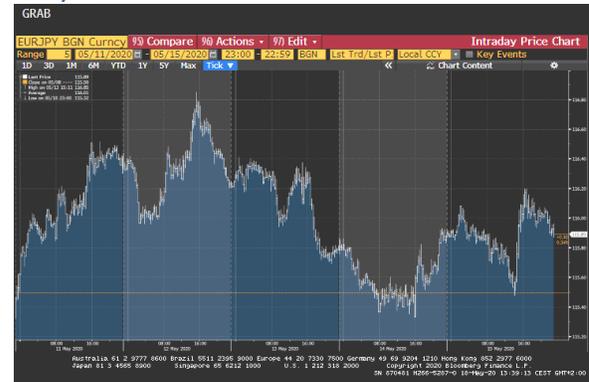
EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** had an upward trend during the reporting week. Sterling depreciated against the euro, due to investors' concerns about weaker progress in UK-EU trade negotiations, which were further complicated by the advent of COVID-19. This week, the British government started to ease measures slightly, after the country was "closed" due to the pandemic. By the end of this reporting week, sterling was at its lowest weekly level since mid-March this year. Michale Barnier, the EU's chief representative in negotiations with the UK, described the latest negotiations as "disappointing". Negotiators have the deadline until 30 June to ask for negotiations extending, but the British insist on no extension, even at the cost of the so-called "hard Brexit".

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** appreciated at the beginning of this reporting week, following the rise in stock prices. The Japanese currency depreciated against the euro and the dollar, as investors turned to invest in riskier assets. Governor Kuroda said that the Bank of Japan would do everything to mitigate the economic consequences of the Coronavirus. He also confirmed that the Central Bank of Japan had various tools at its disposal (such as negative interest rates, or money printing) if necessary to increase stimulation. However, there will be no hyperinflation because all possible new measures will relate to inflation targets. Later this week, the EUR/JPY exchange rate depreciated slightly.

Table 1 - Exchange rates of the most important currencies

| | 11.05.2020 ¹ | 15.05.2020 ² | % Change |
|---------|-------------------------|-------------------------|----------|
| EUR/USD | 1.0839 | 1.0820 | -0.18 |
| EUR/GBP | 0.87363 | 0.89353 | 2.28 |
| EUR/JPY | 115.50 | 116.02 | 0.45 |
| EUR/AUD | 1.65965 | 1.68697 | 1.65 |
| EUR/CHF | 1.05233 | 1.05171 | -0.06 |
| USD/JPY | 106.65 | 107.06 | 0.38 |
| GBP/USD | 1.2410 | 1.2116 | -2.37 |

Table 2 - Overview of 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% | 4 June 2020 |
| Federal Reserves | Federal Funds Target Rate | 0.25% | 10 June 2020 |
| Bank of Japan | Overnight Call Rate | -0.10% | 16 June 2020 |
| Bank of England | Official Bank Rate | 0.10% | 18 June 2020 |
| Swiss National Bank | Libor Target Rate | -0.75% | 18 June 2020 |
| Bank of Canada | Target Overnight Rate | 0.25% | 3 June 2020 |
| Reserve Bank of Australia | Cash Rate Target | 0.25% | 2 June 2020 |

Table 3 – Eonia and Euribor

| | 11.05.2020 ¹ | 15.05.2020 ² | Change in basis points |
|-------------|-------------------------|-------------------------|------------------------|
| Eonia | -0.456 | -0.458 | -0.20 |
| Euribor 1W | -0.503 | -0.512 | -0.90 |
| Euribor 1M | -0.451 | -0.467 | -1.60 |
| Euribor 3M | -0.246 | -0.266 | -2.00 |
| Euribor 6M | -0.145 | -0.131 | 1.40 |
| Euribor 12M | -0.075 | -0.078 | -0.30 |

¹ Opening market value on Monday.

² Closing market value on Friday

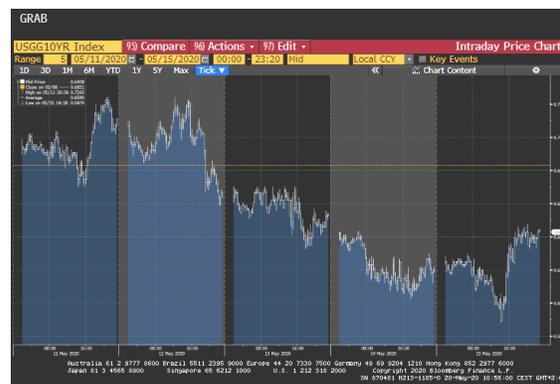
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On the first day of this reporting week, the return on German 10-year government bonds was stable, to rise the next day after the announcement that the Fed would not consider introducing negative interest rates. From the middle of the week, the return on these bonds decreased, after the auction of 30-year-old German bonds. The decline in return was also the result of the fall in stock prices. The yield on 10-year German government bonds ranged around -0.29% at the end of the reporting week.

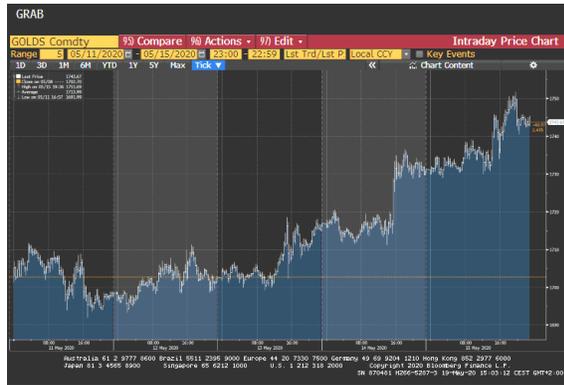
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on US 10-year bonds trended down during this reporting week. The US Treasury Department sold 32 billion USD at a 10-year government bonds auction on Tuesday, with the lowest recorded return of 0.7%. There was also a higher demand compared to the previous auction of securities with the same maturity. On Wednesday, the Fed Chair said the pandemic had exposed the US economy to the risk of long-term economic damage. He also stressed that the Fed was not currently considering negative interest rates, which had been the subject of investors' speculation. The Fed might slow down with the purchase of bonds under the quantitative easing programme starting next week, as the total purchase figure has exceeded 1.5 billion USD since the beginning of the programme, more precisely on 16 March. During this reporting week, the Fed purchased bonds worth 33.8 billion USD. The return on 10-year US government bonds was 0.6428% at the end of the reporting period.

GOLD



Source: Bloomberg LP

At the beginning of this week, the gold price was stable and stood at the level of 1,700 USD/oz, as investors expected the easing of measures in countries around the world after the Coronavirus pandemic. The US President also expressed doubts about the further trade negotiations with China. Since the middle of the week, this precious metal's price has been rising after the Fed's Chair gave a statement on the US economy's condition and the pandemic caused consequences. The rise in the gold price also resulted from less favourable US labour market data and escalating tensions with China as President Trump refused to negotiate with the Chinese president. By the end of the reporting week, the gold price reached its peak value since October 2012, after the announcement of weaker economic indicators in the USA.

OIL



Source: Bloomberg LP

The oil price was stable during the first three days of this reporting week. Saudi Arabia announced an unexpected reduction in oil production to the lowest level in the last 18 years, to encourage the recovery of its country after the energy crisis and influence the decline in global oversaturation with this raw material. The output volume will reduce by an additional 1 million barrels (it will produce 7.5 million BBL/d) than already agreed at the OPEC meeting. Following the example of Saudi Arabia, Kuwait and the United Arab Emirates also announced an additional output volume reduction by respective 80,000 and 100,000 BBL/d. The American Petroleum Institute report stated that stocks in Cushing, Oklahoma, dropped by 2.26 million barrels. By the end of the week, the oil price rose.

Table 4 - Economic indicators (11 - 15 May 2020)

| Current value | Previous value | 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 GDP calculation uses the following four components: consumption, investments, government expenditure, and net exports.</p> | Q1 preliminary data QoQ% (YoY%) | -3.8% (3.3%) | -3.8% (3.2%) | -3.8% (3.3%) |
| | <p>Trade balance It shows the difference between exports and imports of euro area products and services. It is the most common component of Europe's Balance of Payments, and it provides valuable insight into the pressures to which the European currency is exposed. When exports are higher than imports, the euro area records a trade surplus. The trade surplus indicates that financial assets are entering Europe in exchange for products and services, which could lead to the euro's appreciation.</p> | March b = billion | 17.0b | 23.5b | 25.6b |
| | <p>Euro Area Industrial Output It measures the output of the energy sectors, factories and mines. In the short term, this indicator is of high significance because it shows the intensity of industrial activities. Growing industrial output points to increased production and economic expansion.</p> | March MoM% (YoY%) | -12.5% (-13.6%) | -11.3% (-12.9%) | -0.1% (-2.2%) |
| Germany | <p>(CPI – EU Harmonised) GE Harmonised Index of Consumer Prices is an indicator of inflation and price stability using the methodological approach applied by all EU Member States.</p> | April MoM% (YoY%) | 0.4% (0.8%) | 0.4% (0.8%) | 0.4% (0.8%) |
| | <p>Consumer price index (CPI) It estimates the changes in the cost of living, measuring price changes in the basket of consumer goods and services used by an average German household.</p> | April MoM% (YoY%) | 0.3% (0.8%) | 0.4% (0.9%) | 0.3% (0.8%) |
| Great Britain | <p>Gross domestic product (GDP) It is a basic macroeconomic indicator that represents the market value of products and services produced within the country. The GDP calculation uses the following four components: consumption, investments, government expenditure, and net exports.</p> | March MoM% | -7.9% | -5.8% | -0.2% |
| USA | <p>Initial Jobless Claims This indicator measures the number of people receiving unemployment allowances.</p> | May 9 K=1.000 | 2500 K | 2981 K | 3176 K |
| | <p>Industrial outputThis is an economic indicator published by the Fed. It measures the amount of output in mining, gas, electricity and manufacturing industries.</p> | April MoM% | -12.0% | -11.2% | -4.5% |

Source: Bloomberg