

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



EUR EURO SPOT PRICE 1.2181

Range 9/19/05 to 3/17/06 Period D Daily Market mid/trd

DATE	PRICE	DATE	PRICE
F 3/7	1.2181	F 2/7	1.1922
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	1.1945
F 3/10	1.1894	F 2/17	1.1909
T 3/ 9	1.1909	T 2/16	1.1881
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

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby: Softbank, Vodafone, Oracle, etc.

ICAP's Smith: U.S. Bonds, Fed

F.M.'s Bennett: U.S. Dollar, Fed Policy, Euro

U.S. International General Walker: Fiscal Policy and Deficit

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, Products

Daniel Broby, chief investment officer at Bankinvest, talks about Softbank Corp.'s agreement to buy Vodafone Group Plc's Japanese mobile-phone unit and L'Oréal SA's purchase of Body Shop International Plc.

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

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

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

2) Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7930 7500 Germany 49 69 920410
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 918 2000 Copyright 2006 Bloomberg L.P.
 6615-301-3 1P-MR-06 19/27/28

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

Change on day
 IYC4 I48<GO>
 Change on Month
 IYC6 I48<GO>
 For US Govt Yield Curve, type fIYC1 I2
 For US swap Curve, type fIYC1 I52 <G

International Financial Market Report

12 - 16 October 2020

Podgorica, 22 October 2020

FX NEWS

EUR/USD



Source: Bloomberg LP

The EUR/USD exchange rate depreciated this reporting week as there were no significant events during the week. The exchange rate's depreciation at the beginning of the week was caused by the news on the Covid 19 vaccine study temporarily stopped. The exchange rate depreciation was due to the absence of concrete decisions regarding Brexit, the support package for the American economy, and due to the uncertainty surrounding the presidential elections in this country. In the middle of the week, the August industrial output slowdown was released, which put pressure on the European currency. The growing number of cases infected with Covid around the world boosted the demand for safe funds, which is another reason for the exchange rate's depreciation. At the very end of the reporting week, a favourable US economic data were published, and expectations rose that the fiscal package would still be adopted before the elections.

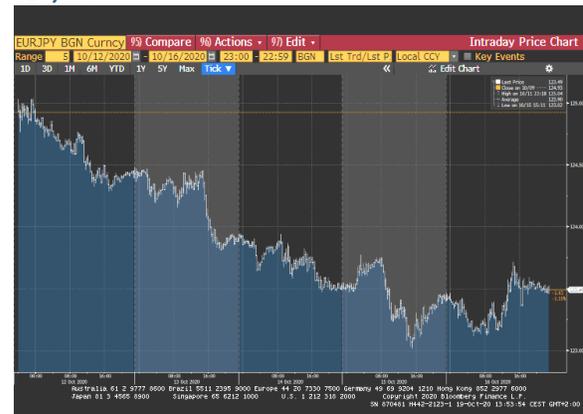
EUR/GBP



Source: Bloomberg LP

The EUR/GBP exchange rate kept the same level throughout this reporting period. Within this period, the exchange rate fluctuated due to uncertainty regarding Brexit. At the beginning of the week, it trended down due to the hint that the Friday negotiations ended positively. However, as the UK-EU meeting approached (15 October), the exchange rate began to rise due to speculation that there would be no progress in the negotiations. The exchange rate depreciated on Wednesday, since the *Guardian* reported that the British Prime Minister's Office would ask the President of the EC and EU leaders to confirm their readiness to work on writing a joint legal text. However, it soon began to recover and maintained a slightly growing trend until the end of the reporting week. At the Thursday meeting, there was no agreement. However, there were speculations whether the UK Prime Minister would continue negotiations. (He said his country was towards not reaching an agreement with the EU, but still left room for further negotiations).

EUR/JPY



Source: Bloomberg LP

Throughout the week, the EUR/JPY exchange rate trended down as the Japanese currency appreciated due to the strengthened demand for safe funds. Namely, the news on two pharmaceutical companies stopping the studies of vaccine against the Coronavirus (due to obstacles in the research), and the simultaneous growth of the number of new cases infected with the virus turned investors to safe investments. Uncertainty over the adoption of the US support package has further fuelled this demand and the yen's value.

Table 1 - Exchange rates of the most important currencies

	12.10.2020 ¹	16.10.2020 ²	% Change
EUR/USD	1.1826	1.1718	-0.91
EUR/GBP	0.90678	0.90747	0.08
EUR/JPY	124.93	123.48	-1.16
EUR/AUD	1.63339	1.65493	1.32
EUR/CHF	1.07624	1.07212	-0.38
USD/JPY	105.62	105.40	-0.21
GBP/USD	1.3036	1.2915	-0.93

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%	29 October 2020
Federal Reserves	Federal Funds Target Rate	0.25%	5 November 2020
Bank of Japan	Overnight Call Rate	-0.10%	29 October 2020
Bank of England	Official Bank Rate	0.10%	5 November 2020
Swiss National Bank	Libor Target Rate	-0.75%	17 December 2020
Bank of Canada	Target Overnight Rate	0.25%	28 October 2020
Reserve Bank of Australia	Cash Rate Target	0.25%	3 November 2020

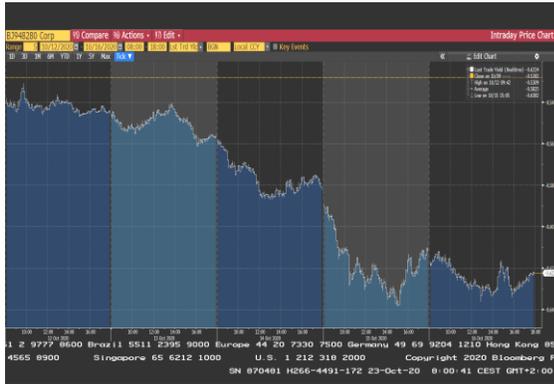
Table 3 - Eonia and Euribor

	12.10.2020 ¹	16.10.2020 ²	Change in basis points
Eonia	-0.468	-0.468	0.00
Euribor 1W	-0.538	-0.521	1.70
Euribor 1M	-0.526	-0.534	-0.80
Euribor 3M	-0.509	-0.509	0.00
Euribor 6M	-0.486	-0.498	-1.20
Euribor 12M	-0.463	-0.468	-0.50

¹ Opening market value on Monday

² Closing market value on Friday

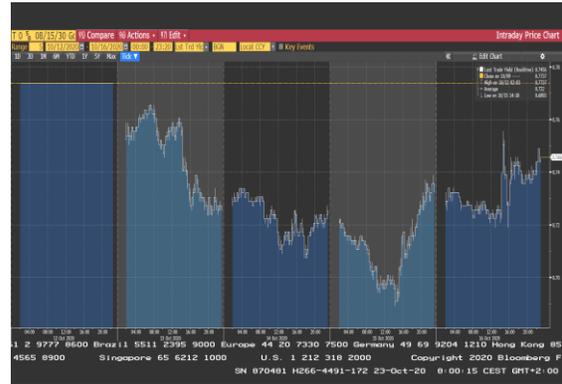
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

At the beginning of this reporting week, the return on German 10-year bonds was stable, to show a declining trend for the rest of the period. The return declined as investors turned to safe investments after a significant increase in the number of people infected with the Coronavirus in Europe. The such number of patients has led to the of new restrictive measures introduction, and to the announcement of additional ones in some EU countries, raising concerns about economic growth in the coming period. At the end of the week, the yield on 10-year German bonds stabilised around the level of -0.62%.

GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The bonds market in the US was closed on Monday due to the holidays. During the rest of the week, i.e. from Tuesday until the middle of Thursday, the return on 10-year US bonds weakened. Its decline occurred as two pharmaceutical firms temporarily suspended clinical trials on Coronavirus treatment. Besides, the return decrease during this period resulted from the lack of progress in the US fiscal stimulus negotiations. However, the yields on these bonds grew on Thursday afternoon and on Friday as investors turned to invest in stocks. The yield on 10-year bonds was 0.74% at the end of the period.

Table 4 - Economic indicators (12 - 16 October 2020)

Country	Indicator	Period	Expected value	Current value	Previous value
USA	Consumer price index (CPI) This indicator estimates the changes in the cost of living, measuring changes in the price level of the basket of consumer goods and services purchased by an average household.	September MoM% (YoY%)	0.2% (1.4%)	0.2% (1.4%)	0.4% (1.3%)
	Producer Price Index (PPI) This index measures changes in sale prices of goods and services used by producers.	September MoM% (YoY%)	0.2% (1.0%)	0.4% (1.2%)	0.4% (0.6%)
Euro area	Consumer price index (CPI) It 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, therefore representing the key inflation measure in the euro area	September MoM% (YoY%)	0.1% (-0.3%)	0.1% (-0.3%)	0.1% (-0.3%)
	Trade balance It represents the relationship between the amount of the price of goods exported outside the country and the price of goods imported into the territory of that country.	August B=bill.	18.0 b	21.9 b	20.3 b
Germany	ZEW Survey Expectations This survey measures expectations regarding the economic growth for the next 6 months. Experts are surveyed on whether they expect an improvement or deterioration, thus the difference between the number of positive and negative responses represents the indicator value.	October	72.0	56.1	77.4
Great Britain	ILO Unemployment Rate Unemployment, defined by the International Labour Organization (ILO), represents a situation where people are unemployed but actively looking for a job. Unemployment rate measures the size of unemployment and is obtained as a percentage when the number of unemployed individuals is shared with all individuals currently on the labour market.	August	4.3%	4.5%	4.1%

Source: Bloomberg