

EURUSD ↓ 1.2179  
At 19:38 Dp 1.2174 HI 1.2179 Value 3/21/06  
Market Price  
Range 3/17/05 - 3/17/06  
Upper Chart: Market Price  
Currency 1/4  
1) News



CENTRALNA BANKA  
CRNE GORE

## 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 mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2179	F 2/24	1.1878
T 3/16	1.2174	F 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	1.1904
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

(13 - 17 January 2020)

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. and Fed Policy  
FIMark's Bennett: U.S. Fed Policy, Eurozone  
Societe Generale's Maguire: BOJ Policy, Japan Rate, Economy  
China Airlines' Wei: Fleet Reorganization, Earnings Outlook  
Microsoft's Ballmer: Stock Performance, Strategy, Produce

13) LIVE <GO> Events

Date	Time	Language	Type
3/17	Now Playing	English	CF
3/17	Now Playing	English	CF
3/17	20:00 - 20:30	English	CF
3/17	21:05 - 21:20	English	CF
3/17	22:00 - 23:00	English	CF
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

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  
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, 22 January 2020

## FX NEWS

### EUR/USD



Source: Bloomberg LP

By mid-reporting week, the **EUR/USD exchange rate** trended up amid improving US-China relations, as well as amid investors' expectations that after signing of the first phase of the trade agreement, the second round of negotiations would start in a positive direction. During the last two days, the exchange rate depreciated as the German defence minister had confirmed that the US President had threatened Europe to impose 25% tariff on cars if they do not increase pressure on Iran to end its nuclear program.

### EUR/GBP



Source: Bloomberg LP

The beginning of the week saw the **EUR/GBP exchange rate** appreciation after a Bank of England member, Silvana Tenreiro, said she would support the interest rate cut if the UK economy failed to pick up. The exchange rate also appreciated following the release of UK economic data for November, which showed a GDP fall. Moreover, following the BoE board member Tenreiro's comments, other Bank of England monetary policymakers also commented, including Mr. Vlieghe's

commentary to the Financial Times that he would vote to cut interest rates if key data did not show a bounce in the economy, which had an adverse effect on the UK currency. The EUR/GBP exchange rate depreciated mildly between Tuesday and Wednesday. It recovered on Wednesday, after releasing lower than expected data on the UK inflation. Yet, it depreciated on Thursday after expectations that the UK's Prime Minister would submit the draft contract on Brexit to the Parliament the next week. At the end of the reporting week, the EUR/GBP exchange rate stood at 0.85115.

### EUR/JPY



Source: Bloomberg LP

On the first day of this reporting week, the **EUR/JPY exchange rate** appreciated after the US-Iran tensions eased. Investors' demand for safe assets reduced, expecting the signing of the first phase of the US-China trade agreement. The exchange rate depreciated slightly in the middle of the week, amid concerns that the trade tensions between the USA and China would remain after the planned signing of the trade agreement phase one. The EUR/JPY exchange rate appreciated on the eve and after the signing of the first phase of the USA and China trade agreement. On the last date of the reporting week, this exchange rate depreciated and stood at 121.65.

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

	13.01.2020 <sup>1</sup>	17.01.2020 <sup>2</sup>	% Change
EUR/USD	1.1121	1.1092	-0.26
EUR/GBP	0.85115	0.85201	0.10
EUR/JPY	121.65	122.19	0.44
EUR/AUD	1.61163	1.61210	0.03
EUR/CHF	1.08162	1.07372	-0.73
USD/JPY	109.45	110.14	0.63
GBP/USD	1.3064	1.3016	-0.37

**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%	23 January 2020
Federal Reserves	Federal Funds Target Rate	1.75%	29 January 2020
Bank of Japan	Overnight Call Rate	-0.10%	21 January 2020
Bank of England	Official Bank Rate	0.75%	30 January 2020
Swiss National Bank	Libor Target Rate	-0.75%	19 March 2020
Bank of Canada	Target Overnight Rate	1.75%	22 January 2020
Reserve Bank of Australia	Cash Rate Target	0.750%	4 February 2020

**Table 3 – Eonia and Euribor**

	13.01.2020 <sup>1</sup>	17.01.2020 <sup>2</sup>	Change in basis points
Eonia	-0.454	-0.452	0.20
Euribor 1W	-0.514	-0.505	0.90
Euribor 1M	-0.463	-0.462	0.10
Euribor 3M	-0.395	-0.391	0.40
Euribor 6M	-0.334	-0.332	0.20
Euribor 12M	-0.253	-0.242	1.10

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

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

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

At the beginning of the week, the yield on German 10-year government bonds rose by some 4 base points, as tensions between China and the US eased and after releasing favourable data on Germany's industrial output. It trended down on Tuesday and Wednesday, after the drop in prices of shares at stock exchange markets. During the week remainder, the yield on long-term German bonds did not change much and averaged to -0.215%.

## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During the first half of the week, the yield on US 10-year government bonds declined due to the release of unfavourable inflation data in the USA, as well as due to investors' concerns whether the newly signed US-China trade agreement would provide a significant boost to the global economic growth. Over the second half of the week, the yield on US 10-year bonds recovered amid rising stock prices resulting from optimism at the market after signing of the first phase of a China-US trade agreement. Better-than-expected data from the US real estate market added to the growth in yield on Friday. The yields on 10-year US bonds ended the week at 1.823%, which was almost as at the beginning of the week.

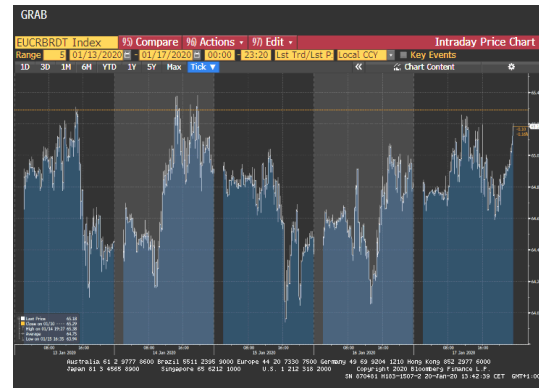
## GOLD



Source: Bloomberg LP

The price of gold dropped at the beginning of this reporting period, getting nearer to the moment of signing the first phase of the China-US trade agreement. Over the rest of the week, the price of this precious metal was continually rising. The gold price rose after releasing unfavourable economic data for the USA (the index measuring small business owners' optimism dropped from 104.7 in October to 102.7 in November). The gold price rise resulted from the USD depreciation against the currency basket as the US inflation data supported the rising expectations that interest rates would remain low in the coming period.

## OIL



Source: Bloomberg LP

The oil price has been fluctuating significantly this week. At the beginning of the week, it dropped as geopolitical tensions in the Middle East continue (the situation in Iran is unstable due to protests that hit that country and relations with the USA). The next day, it rose amid optimism at the market on the eve of signing the Phase I of the US-China trade agreement. In the middle of the week, the price of this energy product declined again, as the first phase of the trade agreement did not cover many issues and those would be revised during the second phase, while the USA would continue to keep tariffs on about two-thirds of imports from China in the coming period. The price of oil has been rising over the last two days, as market participants became optimistic that the USA will have a "reconciliatory" approach to trade, which could accelerate global economic growth.

**Table 4 - Economic indicators (13 - 17 January 2020)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<b>Industrial production</b> It measures the change in the output volume in the manufacturing and energy sectors. Industrial output accounts for a quarter of the euro area's GDP.	November MoM% (YoY%)	0.3% (-1.0%)	0.2% (-1.5%)	-0.9% (-2.6%)
	<b>Consumer price index (CPI)</b> It estimates the changes in the cost of living, by measuring changes in the price level of a market basket of consumer goods and services purchased by an average household, therefore representing the primary inflation measure in the Euro area.	December MoM% (YoY%)	0.3% (1.3%)	0.3% (1.3%)	0.3% (1.3%)
Great Britain	<b>Gross domestic product (GDP)</b> A basic macroeconomic indicator represents the market value of products and services produced within the country. The following four components are used to calculate GDP: consumption, investments, government expenditure, and net exports.	November MoM%	0.0%	-0.3%	0.1%
	<b>CPI Core</b> Method for measuring core inflation This is the consumer prices index excluding the price of energy and food. This method has become the most frequently used method since prices of food and energy may be unstable. Their volatility may affect inflation measurement.	December YoY%	1.7%	1.4%	1.7%
USA	<b>(Empire Manufacturing)</b> The survey deals with the business conditions and expectations of production executives in New York and is a useful early indicator of production in the United States. The Fed New York conducts this survey once a month.	January	3.6	4.8	3.3
	<b>Import Price Index</b> The index shows changes in import prices over a month. This is an inflation indicator. Since the CPI calculation takes into account prices of imported goods and services, this characterises the role of import prices in the overall picture of changes in retail prices in the basket of goods and services.	December MoM% (YoY%)	0.3% (0.5%)	0.3% (0.5%)	0.1% (-1.3%)

Source: Bloomberg