

EURUSD ↓ 1.2179  
 At 19:38 Op 1.2174 Hi 1.2179  
 Market Price  
 Range 3/17/05 - 3/17/06  
 Upper Chart: Market Price  
 1.2179/1.2180 TTOL  
 Value 3/21/06  
 1/4  
 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	1.2179	F 2/24	1.1878
T 3/16	1.2174	T 2/23	1.1878
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	1.1887
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

**International Financial Market Report**

(13 - 17 April 2020)

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby, Softbank, L'Oreal, Body Shop  
 Daniel Broby, chief investment officer at Bankinvest, discusses the company's acquisition of Japanese mobile-phone unit and L'Oreal's purchase of Body Shop International Plc.

ICAP's Smith, U.S. and Fed Policy  
 ICAP's Smith, U.S. and Fed Policy, discusses the company's outlook.

China Airlines' Wei, Fleet Reorganization, Earnings Outlook  
 China Airlines' Wei, Fleet Reorganization, Earnings Outlook.

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

Microsoft's Ballmer, Stock Performance, Strategy, Produce  
 Microsoft's Ballmer, Stock Performance, Strategy, Produce.

LIVE <GO> Events

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

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

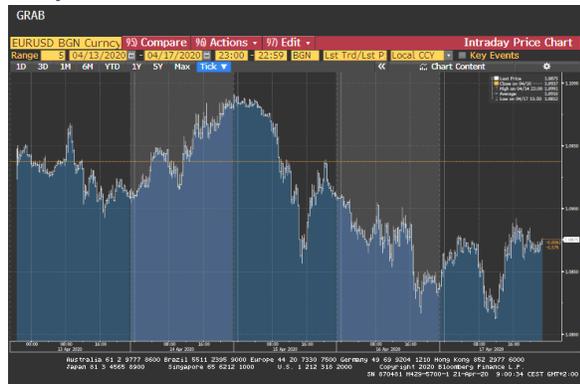
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR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

## FX NEWS

### EUR/USD



Source: Bloomberg LP

On the first day of this reporting week, the **EUR/USD exchange rate** recorded no significant changes due to European markets closed for the holidays. The exchange rate appreciated the next day significantly and recorded the weekly peak. The depreciation of the USD resulted from the release of economic data of China, which showed a less-than-expected adverse picture of the economic downturn effects caused by the pandemic. Namely, China's March exports recorded an annual drop of 6.6%, compared to the forecasted decline of 14%, and imports decreased by less than 1%, compared to the forecasted decline of 1%. Vice President of the ECB, Guindos, said the most likely scenario for the euro area was to see the first growth signs in Q3, yet to wait until 2021 to see the real economic recovery. The IMF expected the global economy to decline by 3% this year, being the fastest decline since the Great Depression of 1930. As the week continued, the EUR/USD exchange rate trended down with minor oscillations. Initial jobless claims for assistance to (newly) unemployed people in the USA in the previous week rose to 6.6 million (22 million unemployed in four weeks in total), indicating the severity of the economic crisis and its long-term consequences. The USA also recorded a record decline in retail sales in March and the most significant decline in factory output since 1946.

### EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** trended down on Monday, amid speculation that the coronavirus pandemic in Europe could begin to ease. According to a Bloomberg News survey, the UK economy will shrink by 5% in 2020 and expand by 3.8% in 2021 and 2.1% in 2022. Coronavirus sheds light on Brexit, which can be good news for boosting sterling. The EUR/GBP exchange rate remained stable over the week.

### EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** trended down during this reporting week. The yen appreciated slightly against the euro following a weaker-than-expected Japanese government bond auction, also reflecting a rise in stock prices in Japan. Moreover, better-than-expected Chinese trade data reduce investors' demand for safe funds.

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

	13.04.2020 <sup>1</sup>	17.04.2020 <sup>2</sup>	% Change
EUR/USD	1.0937	1.0875	-0.57
EUR/GBP	0.87802	0.86949	-0.97
EUR/JPY	118.57	116.95	-1.37
EUR/AUD	1.72303	1.70881	-0.83
EUR/CHF	1.05696	1.05196	-0.47
USD/JPY	108.47	107.54	-0.86
GBP/USD	1.2455	1.2499	0.35

**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%	30 April 2020
Federal Reserves	Federal Funds Target Rate	0.25%	29 April 2020
Bank of Japan	Overnight Call Rate	-0.10%	28 April 2020
Bank of England	Official Bank Rate	0.10%	7 May 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%	5 May 2020

This week, the Bank of Canada held a meeting where it decided not to change the interest rate. Yet, for the first time, it introduced a quantitative easing programme for the government bonds purchase worth a billion Canadian dollars (703 million USD) in total.

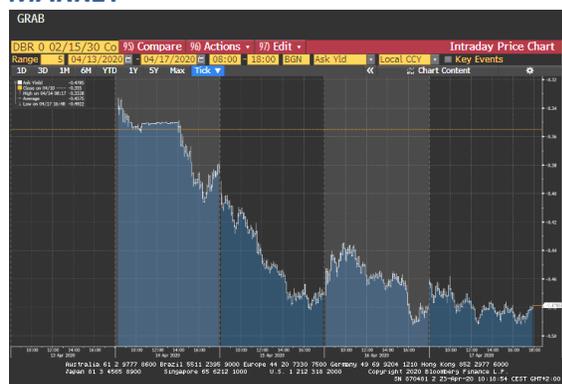
**Table 3 – Eonia and Euribor**

	13.04.2020 <sup>1</sup>	17.04.2020 <sup>2</sup>	Change in basis points
Eonia	-0.4500	-0.453	-0.30
Euribor 1W	-0.507	-0.518	-1.10
Euribor 1M	-0.387	-0.434	-4.70
Euribor 3M	-0.220	-0.243	-2.30
Euribor 6M	-0.179	-0.195	-1.60
Euribor 12M	-0.087	-0.105	-1.80

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

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

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On the first day of this reporting week, markets in Europe were closed due to holidays. As the week continued, the yields on 10-year German government bonds trended down and ranged from -0.3328% to -0.4922%. The decline in German bond yields indicates a more cautious assessment by the German government regarding the pandemic in the coming weeks and months. Italian government bonds plummeted this week, following the release of a report that the Italian government was ready to ask Parliament for a significant departure from the deficit in the wake of the health crisis. The yield on German bonds rose briefly on Thursday amid a stock prices rebound after an interview with US President Donald Trump, who plans to reopen the US economy soon. On the other hand, Italian government bonds rose after an interview with the French President Macron for the Financial Times, who said that the EU needed financial transfers and solidarity to withstand the crisis. He also said that the EU and the euro were at risk unless more prosperous Member States like Germany and the Netherlands no longer show solidarity in the form of financial assistance.

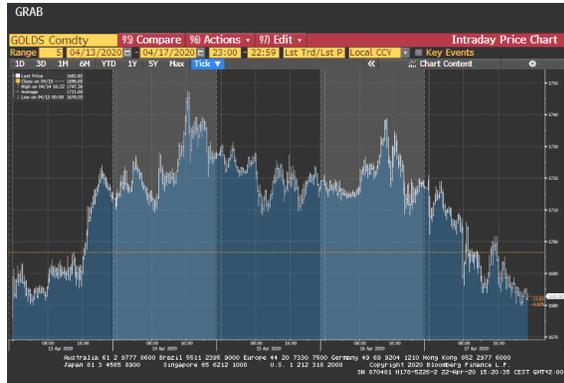
## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During the first two days of this reporting week, the yield on US 10-year government bonds rose and reached their weekly high of 0.7729% on Tuesday, following the announcement of better-than-expected economic indicators from China, and after a slight recovery in stock prices, amid indications on mitigating the coronavirus spread. However, yields on US bonds decreased from the mid-week, following the announcement of unfavourable US economic indicators that show the real impact of COVID-19 on the US economy. At the same time, investors are less optimistic about economic activity for this quarter. The yields on 2-year US bonds dropped to 0.1869%, recording the lowest level since 2011. Stock prices in the USA also declined. The Fed has announced that the government bond repurchase program will be 30 billion USD/day during this week, and 15 billion USD/day next week (between 19 March and 1 April, the Fed bought bonds of 75 billion USD/day). At the end of the reporting week, the yield on 10-year government bonds stood at 0.6417%.

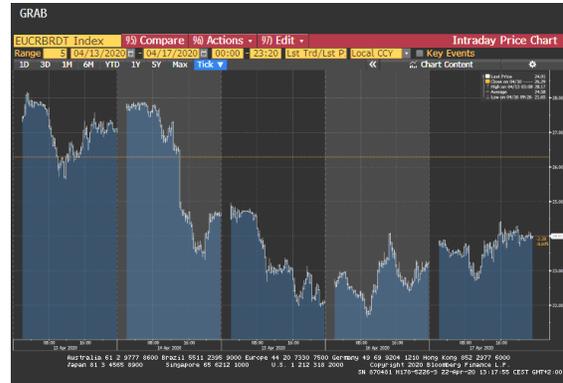
## GOLD



Source: Bloomberg LP

Earlier this reporting week, the price of gold rose and reached its highest level since 2012, as investors sought refuge amid concerns over potential global debt growth and a muted economic outlook. The gold price rise was also the result of the IMF warning that the global recession triggered by the pandemic would be the largest since the Great Depression, with a plea for even greater impetus. The gold price dropped slightly in the middle of the week as investors used the profits of the previous gold price rise, and the dollar increased. By the end of the week, the price of this precious metal significantly declined, as a decreased coronavirus spread curbed investors' demand for safe havens.

## OIL



Source: Bloomberg LP

Oil prices dropped at the beginning of this reporting week. This happened amid investors' concern that an agreement to cut OPEC+ production by 9.7 million bbl/day (which will not start before this May) was not enough to avoid a global oversupply of this commodity, as the oil demand amid a pandemic declined, causing most countries to shut down completely. The oil demand is trending towards the most significant annual collapse in history. Saudi Arabia's energy minister, Prince Salaman, said he was ready to reduce oil production further only if other members of OPEC+ do so. At the end of the reporting week, oil prices recorded their lowest level since 2002.

**Table 4 - Economic indicators (13 – 17 April 2020)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<p><b>Euro area industrial production</b> It measures the output change in the manufacturing and energy sectors. Although industrial output accounts for only a quarter of the euro area's GDP, its monitoring is essential for forecasting GDP change since this ratio shows the most significant variations.</p> <p><b>Euro-area CPI</b> 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. The high value of this index indicates the presence of inflation pressures in euro area economies, which further pressures the ECB to increase interest rates, and vice versa.</p> <p><b>Consumer price index (CPI)</b> This is a method for measuring core inflation. The Consumer Price Index excludes energy and food prices. This method is used increasingly as food and energy prices may be volatile and could thus affect inflation.</p>	February MoM% (YoY%)	-0.1% (-1.9%)	-0.1% (-1.9%)	2.3% (-1.7%)
	March MoM% (YoY%)	0.5% (0.7%)	0.5% (0.7%)	0.5% (0.7%)	
	March YoY%	1.0%	1.0%	1.0%	
Germany	<p><b>CPI – EU Harmonised</b> The Harmonized Index of Consumer Prices is an indicator of inflation and price stability, which uses a methodological concept applied by all EU Member States.</p>	March MoM% (YoY%)	0.1% (1.3%)	0.1% (1.3%)	0.1% (1.3%)
Italy	<p><b>CPI – EU Harmonised</b> The Harmonized Index of Consumer Prices is an indicator of inflation and price stability, which uses a methodological concept applied by all EU Member States.</p>	February YoY%	0.1%	0.1%	0.1%
France	<p><b>CPI – EU Harmonised</b> The Harmonized Index of Consumer Prices is an indicator of inflation and price stability, which uses a methodological concept applied by all EU Member States.</p>	March MoM% (YoY%)	0.0% (0.7%)	0.1% (0.8%)	0.0% (0.7%)
USA	<p><b>Initial Jobless Claims</b> Measures the number of people who receive unemployment benefits.</p> <p><b>Advance retail sales</b> The index shows changes in the volume of retail sales. Retail sale volume is an indicator of consumer spending, and it can serve as a guide to currency markets to show economic cycle turning points. Its growth indicates an increase in commodity production, a strengthening of the economy and currencies.</p> <p><b>Industrial output</b> It measures the output of the energy, factories, and mines sectors. This indicator is significant in the short term as it shows the UK industrial activity's strength. Rising industrial production points to output increase and economic expansion.</p>	April 11 K=1.000	5500 K	5245 K	6615 K
	March MoM%	-8.0%	-8.7%	-0.4%	
	March MoM%	-4.0%	-5.4%	0.5%	

Source: Bloomberg