

EURUSD 1.2179 At 19:38 Dp 1.2174 Hi 1.2174 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	1.1878
T 3/16	1.2050	T 2/16	1.1881
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	1.1881
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

International Financial Market Report

(14-18 December 2020)

BLOOMBERG NEWS AUDIO/VIDEO

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

- Bankinvest's Broby: Softbank, Vodafone, L'Oreal, Body Shop
- ICAP's Smith: U.S. Dollar, Fed
- F.Mat's Bennett: U.S. Dollar, Fed Policy, Euro
- U.S. Longshore Senator 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 Bankinvest, discusses the company's investment strategy in emerging markets, including its stakes in Softbank, Vodafone, L'Oreal, and Body Shop.

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. 6615-301-3 1P-MR-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

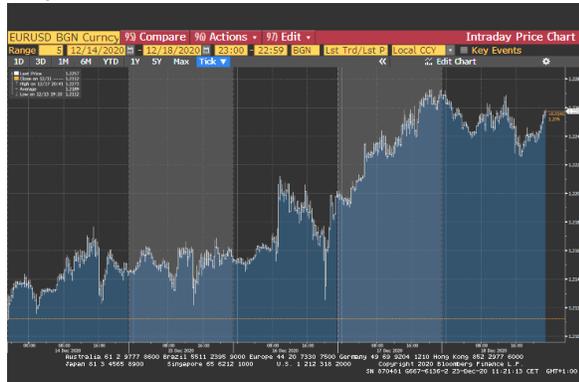
Change on day
IYC4 I52<GO>
Change on Month
IYC6 I48<GO>

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

Podgorica, 24 December 2020

FX NEWS

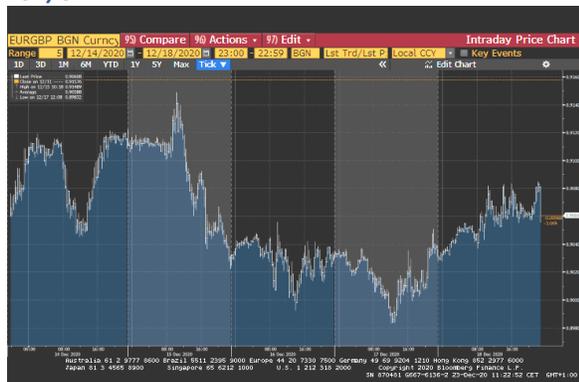
EUR/USD



Source: Bloomberg LP

During this reporting week, the **EUR/USD exchange rate** had an upward trend. This exchange rate's appreciation was influenced by the Fed meeting awaiting. Progress in the US incentive package has also boosted risk appetite. The euro was supported by solid research in France and Germany (indices related to the manufacturing and service sectors). The EUR/GBP exchange rate had an upward trend during the reporting week.

EUR/GBP

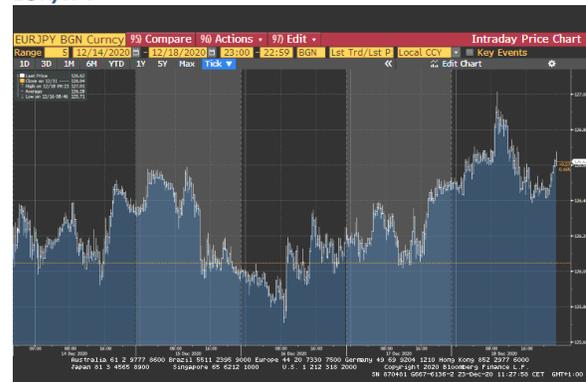


Source: Bloomberg LP

Early this reporting week, the **EUR/GBP exchange rate** fluctuated, to depreciate in the

middle of the week as the news on Brexit negotiations extending encouraged sterling against the euro and the dollar. On Friday, the euro recovered slightly against sterling, following the announcement that Germany, Italy and the Netherlands were suspending flights from the UK. At the same time, Belgium banned air and rail transport. France has announced it will stop the entry of passengers from the UK by any form of transport. Travel bans followed after the latest figures showed that a new COVID-19 variant was causing an alarming rise in infections in London and south-east England.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** fluctuated slightly during most of this reporting week, before rising slightly at the end of the week. This exchange rate ranged between 125.71 and 127.01.

Table 1 - Exchange rates of the most important currencies

	14.12.2020 ¹	18.12.2020 ²	% Change
EUR/USD	1.2112	1.2257	1.20
EUR/GBP	0.91576	0.90608	-1.06
EUR/JPY	126.04	126.62	0.46
EUR/AUD	1.60780	1.60836	0.03
EUR/CHF	1.07789	1.07789	0.00
USD/JPY	104.04	103.30	-0.71
GBP/USD	1.3224	1.3523	2.26

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%	21 January 2021
Federal Reserves	Federal Funds Target Rate	0.25%	27 January 2021
Bank of Japan	Overnight Call Rate	-0.10%	21 January 2021
Bank of England	Official Bank Rate	0.10%	4 February 2021
Swiss National Bank	Libor Target Rate	-0.75%	25 March 2021
Bank of Canada	Target Overnight Rate	0.25%	20 January 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	2 February 2021

The Fed, the Bank of Japan, the Bank of England, and the Swiss National Bank held their respective regular monthly meetings during this reporting week. These banks did not change the reference interest rates. At the Fed meeting, it was concluded to continue injecting cash into the financial markets until the US economy's recovery is ensured. The Fed will continue to increase government bonds investments by at least 80 billion monthly and those in mortgage-backed agency securities by at least 40 billion monthly until significant progress in achieving the full employment and price stability goals. The Bank of Japan extended its bond repurchase program until September 2021. This central bank said the economy rate had risen, but was in line with expectations, only moderately, given the pandemic-associated risks.

Table 3 - Eonia and Euribor

	14.12.2020 ³	18.12.2020 ⁴	Change in basis points
Eonia	-0.472	-0.473	-0.10
Euribor 1W	-0.552	-0.548	0.40
Euribor 1M	-0.554	-0.560	-0.60
Euribor 3M	-0.543	-0.537	0.60
Euribor 6M	-0.520	-0.520	0.00
Euribor 12M	-0.499	-0.498	0.10

¹ Opening market value on Monday

² Closing market value on Friday

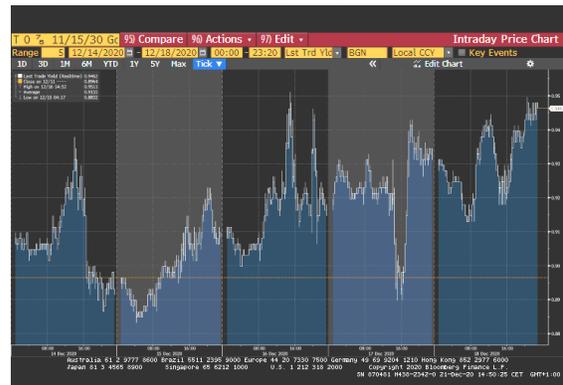
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

At the beginning of the week, the return on 10-year German government bonds did not change significantly. Still, it increased later in the week due to better-than-expected data on euro area output indices. In the last two days, the return on the mentioned bonds did not change significantly. At the end of the week, the return stood at -0.573%.

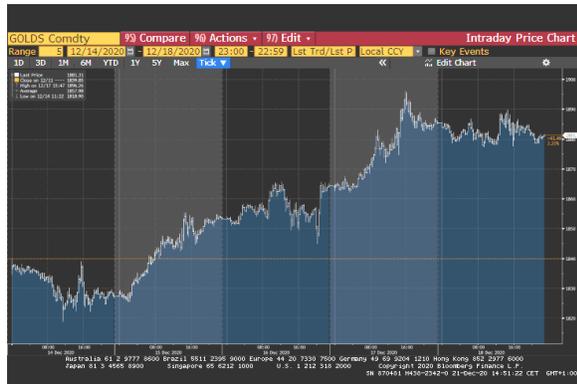
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds fluctuated earlier this week. The next day, it rose from increased optimism on passing an aid package in Congress to support the economy. During the reporting period remainder, the return trend was fluctuating and averaged around 0.92%. The increased number of assistance requests led to a return decline. On Thursday, the return increased due to the US legislators' growing hints on being close to the aid package agreement amounting to some 900 billion USD. At the end of the week, the return on long-term bonds stood at 0.94%.

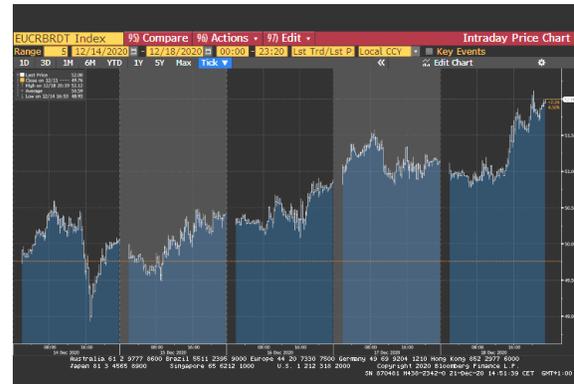
GOLD



Source: Bloomberg LP

The gold price had been rising throughout the reporting period amid market participants' increased expectations concerning additional monetary and fiscal stimuli. The growing number of coronavirus patients worldwide has prompted new restrictive measures. In the middle of the week, the Fed's president stated that interest rates would not increase until the inflation rate returned to its trajectory, which continued to strengthen gold price. The price was stable on Friday.

OIL



Source: Bloomberg LP Bloomberg LP

The oil price fluctuated on Monday, but it remained the same daily level. The price rose due to the start of vaccinations in the USA. It weakened due to the monthly OPEC report publication which revised the estimated fuel demand downwards in Q1 from 1 million barrels to 0.5 million barrels per day. On Tuesday, this fuel price rose as vaccination boosted hopes for a fuel demand recovery. The news of a tanker explosion in Saudi Arabia made the markets "nervous". The price also rose due to optimism about the progressing negotiations in the USA on aid measures. Together with the vaccination start, this raised expectations that this fuel demand would recover. The upward oil prices trend continued further during the week due to the USD depreciation and the announcement that US oil inventories dropped by 3.1 million barrels the week before. At the end of the week, market participants remained optimistic about vaccines' presentation and the United States' prospects due to growing hopes on an aid package approval. This caused the oil price to rise.

Table 4 - Economic indicators (14 - 18 December 2020)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	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. Therefore, it is a key measure of euro area inflation.	November MoM% (YoY%)	-0.3% (-0.3%)	-0.3% (-0.3%)	-0.3% (-0.3%)
	Consumer price index (CPI Core) Method for measuring core inflation This is the consumer prices index excluding price of energy and food. This method has become used increasingly as food and energy prices can be unstable, and their volatile movements could affect the measure of inflation.	November YoY%	0.2%	0.2%	0.2%
France	Business Confidence Indicator This indicator is based on expectations concerning new orders and impressions of the general economic situation. The higher value of the indicator is usually accompanied by the investments' growth leading to a higher output level.	December	81	91	79
Germany	IFO Business climate Monthly survey of companies in Germany (in production, construction, wholesale and retail), in terms of the current business climate and expectations for the next 6 months. Given that Germany "accounts for" a quarter of the total GDP of the euro area, this is a significant indicator of the economic health of the euro area as a whole.	December	90.0	92.1	90.9
Great Britain	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.	November MoM% (YoY%)	0.1% (0.6%)	-0.1% (0.3%)	0.0% (0.7%)
	Consumer price index (CPI Core) U Method for measuring core inflation This is the consumer prices index excluding price of energy and food. This method has become used increasingly as food and energy prices can be unstable, and their volatile movements could affect the measure of inflation.	November YoY%	1.4%	1.1%	1.5%
USA	Initial Jobless Claims Measures the number of people receiving unemployment allowances. It is similar to the applicant. The growing number of jobs accompanies the economic expansion, which could influence inflationary pressures.	December 12 K=1,000	818 K	885 K	862 K

Source: Bloomberg