

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	T 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	1.1800
W 3/ 8	1.1928	W 2/15	1.1834
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

(16 – 20 March 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, Eur
FIMark's Bennett, U.S. Fed Policy, Eur
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.
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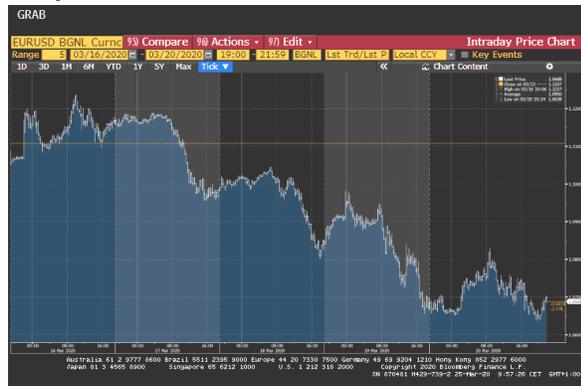
USD INTEREST RATE SWAPS					RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng	Ticker	Bid	Ask	Mid	Chng
US Semi 30/360					US SPREADS				
2) 2 YR	5.0670	5.0800	5.0755	+0.0305	22) 2 YR	42.88	44.13	43.50	--
3) 3 YR	5.0500	5.0720	5.0610	+0.0330	23) 3 YR	41.50	42.75	42.13	-0.17
4) 4 YR	5.0620	5.0740	5.0680	+0.0250	24) 4 YR	44.38	45.63	45.00	-0.10
5) 5 YR	5.0860	5.0920	5.0890	+0.0235	25) 5 YR	48.25	49.25	48.75	+0.25
6) 6 YR	5.1100	5.1130	5.1105	+0.0170	26) 6 YR	49.50	50.50	50.00	+0.30
7) 7 YR	5.1300	5.1350	5.1325	+0.0170	27) 7 YR	50.50	51.50	51.00	+0.40
8) 8 YR	5.1470	5.1530	5.1500	+0.0160	28) 8 YR	51.13	52.13	51.63	+0.33
9) 9 YR	5.1620	5.1680	5.1640	+0.0135	29) 9 YR	51.75	52.75	52.25	+0.45
10) 10 YR	5.1780	5.1830	5.1805	+0.0175	30) 10 YR	52.25	53.25	52.75	+0.50
11) 15 YR	5.2370	5.2430	5.2400	+0.0145	31) 15 YR	57.00	58.00	57.50	+0.50
12) 20 YR	5.2670	5.2720	5.2690	+0.0130	32) 20 YR	58.63	59.88	59.25	+0.15
13) 30 YR	5.2750	5.2840	5.2795	+0.0190	33) 30 YR	57.38	58.63	58.00	+0.20

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, 26 March 2020

FX NEWS

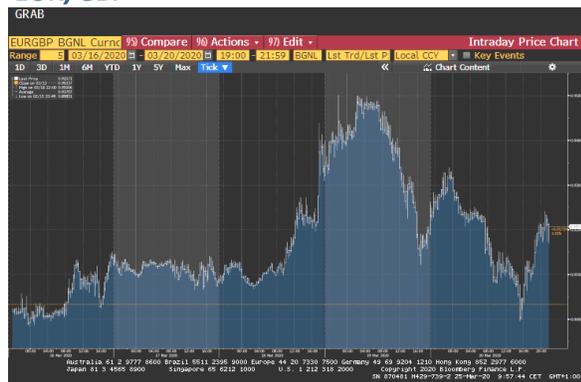
EUR/USD



Source: Bloomberg LP

At the beginning of this reporting week, the **EUR/USD exchange rate** was stable to begin trending down on Monday continuing until the end of the reporting period. The currency depreciation occurred in the first part of the week as the European Commission document pointed out that the EU economy could see a 1% decline this year as resulting from the coronavirus. Moreover, unfavourable data from Germany on the investor confidence drop to the lowest levels since the 2008 crisis outbreak further depreciated the EUR/USD exchange rate (investor confidence dropped from 8.7 in February to -49.5 in March). This exchange rate continued to trend down during the rest of the week resulting from the spread of the coronavirus in Europe, despite the ECB announcing a 750 billion euros Pandemic Asset Purchase Program (PEPP) to buy government and corporate bonds, with purchases to be performed by the end of 2020.

EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** was stable until the middle of this reporting period to record a significant appreciation. The euro's appreciation resulted from Britain joining other countries in

closing schools to prevent coronavirus spread, and from delayed negotiations on Brexit considered to continue beyond 2020. This exchange rate depreciated sharply on Thursday continuing until the end of the week, as the Bank of England cut interest rates to 0.1%, for the second time during in a week, announcing that it would implement a 200 billion bonds buyback program to protect the British economy from the coronavirus effects.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** did not record significant change during this reporting week and averaged to 118.35.

Table 1 - Exchange rates of the most important currencies

	16.03.2020 ¹	20.03.2020 ²	% Change
EUR/USD	1.1107	1.0688	-3.77
EUR/GBP	0.90337	0.92071	1.92
EUR/JPY	119.46	118.53	-0.78
EUR/AUD	1.79090	1.84476	3.01
EUR/CHF	1.05711	1.05469	-0.23
USD/JPY	107.620	110.93	3.08
GBP/USD	1.22780	1.1629	-5.29

Table 2 - Overview of the reference interest rates of the leading central banks

Central Bank	Reference interest rate name	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%	26 March 2020
Swiss National Bank	Libor Target Rate	-0.75%	18 June 2020
Bank of Canada	Target Overnight Rate	0.75%	15 April 2020
Reserve Bank of Australia	Cash Rate Target	0.50%	7 April 2020

This week, the ECB announced the 750 billion euros worth Pandemic Asset Purchase Program (PEPP) under which it will buy government and corporate bonds, with purchases to be performed by the end of 2020. It also showed its readiness to increase the programme if needed. During this week, the Bank of England further reduced its interest rate by 15 base points.

Table 3 - Eonia and Euribor

	16.03.2020 ¹	20.03.2020 ²	Change in basis points
Eonia	-0.456	-0.439	1.7
Euribor 1W	-0.527	-0.496	3.1
Euribor 1M	-0.480	-0.450	3.0
Euribor 3M	-0.428	-0.371	5.7
Euribor 6M	-0.397	-0.313	8.4
Euribor 12M	-0.287	-0.186	10.1

¹ Opening market value on Monday.

² Closing market value on Friday

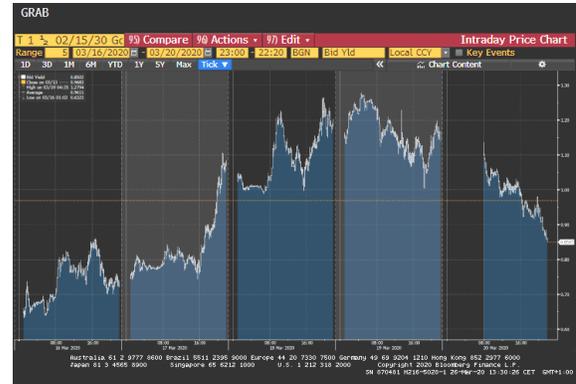
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yield on German 10-year government bonds rose this week as leading countries in the world announced aid packages aimed at eliminating the coronavirus effects that would lead to those countries' increased debt. Fitch warned that the spread of the coronavirus's adverse consequences would result in weakening the fiscal positions of many states, which further affected the yield on these bonds. At the end of the week, these yields declined slightly as the ECB announced the 750 billion euros worth Pandemic Asset Purchase Program (PEPP). During this week, yields on 10-year bonds rose from -0.58% to -0.32%.

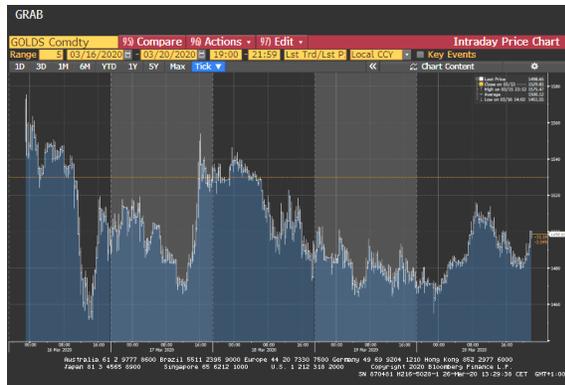
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The yields on US 10-year bonds were low at the beginning of the week as the Fed cut interest rates for the second time this month to near-zero level (0.25%). Still, the yield on these bonds increased during the rest of the week, as the world's leading countries announced plans to increase spending to deal with the coronavirus effects (US announced some incentive measures amounting to 1.2 trillion USD), leading to increased debts of these countries. The yield on 10-year bonds was 0.84% at the end of the week compared to 0.62% at the beginning of the week.

GOLD



Source: Bloomberg LP

The price of gold has been declining during this reporting period. The weakening price of this precious metal came as investors traded gold to cover losses incurred in other markets. The price of this precious metal rose slightly on Tuesday, to drop again during the rest of the week as investors continued to sell gold to cover losses in other investments. The price of this precious metal also declined due to the USD appreciation and drop in inflation expectations.

OIL



Source: Bloomberg LP

The price of oil dropped sharply during the first three days of this reporting week. Specifically, the price decline of this energy product resulted from coronavirus spread increasing speculation that the global economy was moving towards recession, which will lead to an oil demand drop with the simultaneous growth in stocks of this energy product globally. Still, the declining trend of this energy product price stopped during the last two days, to recover slightly on Friday as the US President said he could personally engage in mediation between Russia and Saudi Arabia. Explicitly, he stated that the two countries were in conflict over output volumes and market share and that he would step in at the right time.

Table 4 - Economic indicators (16 - 20 March 2020)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Producer Price Index (PPI) Assesses the average change in prices of certain manufacturers at all stages of production, but does not include imported goods, services and taxes. The index is an indicator of future inflation.	February YoY%	1.2%	1.2%	1.2%
Italy	Industrial output Measures the changes in output of production, service and mining sectors.	January	1.6%	3.7%	-2.7%
USA	Industrial output Measures the changes in output of production, service and mining sectors.	February MoM%	0.4%	0.6%	-0.3%
	Initial Jobless Claims This indicator measures the number of people receiving unemployment allowances.	February 29 K=1.000	220 K	281 K	211 K

Source: Bloomberg