



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	1.1909
T 3/16	1.2181	T 2/16	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	1.1888
W 3/ 8	1.1928	W 2/15	1.1864
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 November 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
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 Brody, chief investment officer at...
Japanese mobile-phone unit and L'Oreal SAs purchase of Body Shop International Plc.

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

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

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

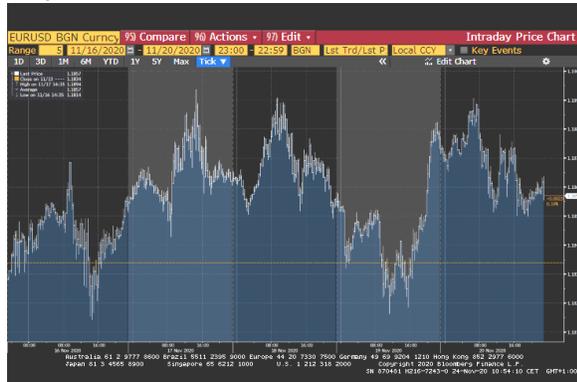
Change on day
IYC4 I52 <GO>
Change on Month
IYC6 I48 <GO>
For US Govt Yield Curve, type {IYC1 I2
For US swap Curve, type {IYC1 I52 <G

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Podgorica, 25 November 2020

FX NEWS

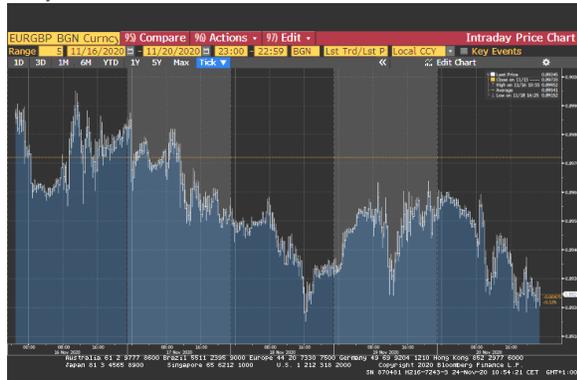
EUR/USD



Source: Bloomberg LP

During this reporting week, the **EUR/USD exchange rate** fluctuated with minor oscillations and averaged around 1.1857. Namely, information on the Coronavirus vaccine success boosted investors' risk appetite. On the other hand, the number of infected people in the USA and Europe is growing. The current uncertainty regarding the European 2 billion euros budget contributed to an additional exchange rate fluctuation. Compared to the rest of the EU members, the prime ministers of Hungary and Poland expressed their concern about aid payments. They called for adherence to democratic standards, which reflected adversely on the euro.

EUR/JPY

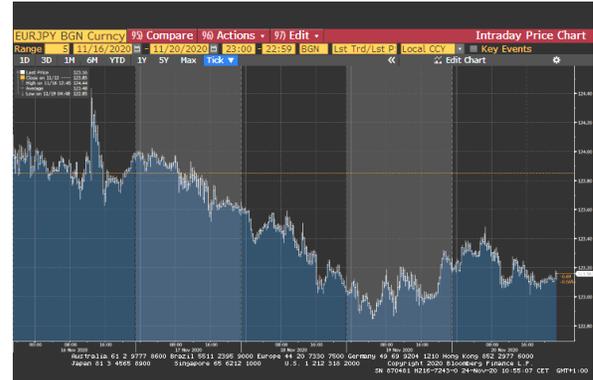


Source: Bloomberg LP

On Monday, the **EUR/GBP exchange rate** appreciated to a weekly high to weaken over the next two days. It happened as Coronavirus vaccine optimism overcame pessimism about

the Brexit agreement and the approaching exit deadline, which gave support to the British currency. By the end of the week, the exchange rate fluctuated slightly, to depreciate again on Friday. It happened as sterling appreciated against the euro, due to the release of better-than-expected October economic data on retail in the UK.

EUR/JPY



Source: Bloomberg LP

During this reporting week, the **EUR/JPY exchange rate** recorded trended down and ranged from 122.85 to 124.44. The exchange rate weakening was due to the increased demand for safe funds after the increased number of Coronavirus patients in Tokyo.

Table 1 - Exchange rates of the most important currencies

	16.11.2020 ¹	20.11.2020. ²	% Change
EUR/USD	1.1834	1.18570	0.19
EUR/GBP	0.89720	0.89245	-0.53
EUR/JPY	123.85	123.160	-0.56
EUR/AUD	1.62766	1.62354	-0.25
EUR/CHF	1.08008	1.08036	0.03
USD/JPY	104.63	103.860	-0.74
GBP/USD	1.3189	1.32750	0.65

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%	10 December 2020
Federal Reserves	Federal Funds Target Rate	0.25%	16 December 2020
Bank of Japan	Overnight Call Rate	-0.10%	18 December 2020
Bank of England	Official Bank Rate	0.10%	17 December 2020
Swiss National Bank	Libor Target Rate	-0.75%	17 December 2020
Bank of Canada	Target Overnight Rate	0.25%	9 December 2020
Reserve Bank of Australia	Cash Rate Target	0.10%	1 December 2020

Table 3 - Eonia and Euribor

	16.11.2020 ¹	20.11.2020 ²	Change in basis points
Eonia	-0.471	-0.472	-0.10
Euribor 1W	-0.535	-0.545	-1.00
Euribor 1M	-0.533	-0.543	-1.00
Euribor 3M	-0.514	-0.528	-1.40
Euribor 6M	-0.503	-0.509	-0.60
Euribor 12M	-0.469	-0.483	-1.40

¹ Opening market value on Monday

² Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On Monday afternoon, the return on 10-year German government bonds had a short-term 3-4 base points jump amid optimism regarding the development of the Moderna vaccine for Covid-19. Still, but by the end of the day, it returned to the level near to morning one (-0.55%). In the rest of the week, the return on long-term German bonds trended down (ranging between -0.58% and -0.54% in this period). Investors' prudence in investing in riskier assets led to an increased demand for safe assets, weakening the return on these bonds. The increased number of Coronavirus infections further reduced the return.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds was similar to German bonds and hit a weekly decline of some 11 base points (from 0.92% to 0.81%). Positive news about the vaccine for Covid-19 caused an increase in stock prices on Monday. At the same time, the demand for safe funds decreased, which was reflected in the growth of the return on American government bonds. After that, the return mostly weakened, due to the fall in stock prices on US stock exchanges. The prices of long-term American bonds rose both due to the announced restrictions on economic activity and to entirely new ones, as the infection wave did not decline. The return on 10-year US bonds rose slightly on Friday expecting additional fiscal stimulus from the Fed. This stimulus could place investors' focus on buying bonds with longer maturities by the end of the year.

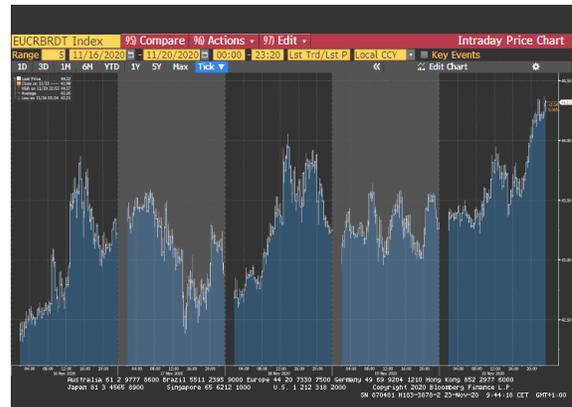
GOLD



Source: Bloomberg LP

The gold price trended down until Friday when it recorded a slight rise. The reasons for such gold price trend were preliminary analyses by another American pharmaceutical company, Moderna Inc. This company indicated the high efficiency of the new vaccine for Covid-19, which caused a decrease in demand for precious metals. (Pfizer vaccine, which was first announced in the US, gives 90% protection, while Moderna's vaccine gives 94.5%, according to Reuters sources). In addition to its effectiveness, Moderna's vaccine stands out for another important thing. It does not require storage at extremely low temperatures but is stable at temperatures of 2 to 8 degrees for 30 days, and can be stored at a temperature of -20 degrees. The Pfizer vaccine must be stored at -70, while the Russian vaccine Sputnik V, which is 92% effective, can be stored at -18 degrees. The positive development of the vaccine has led to a decreased demand for this precious metal. At the very end of the week, the gold price recovered, after the US Secretary of State for Finance, Steven Mnuchin, called for the ending some pandemic loans of the Federal Reserve.

OIL



Source: Bloomberg LP Bloomberg LP

The oil price rose on Monday, as investors analysed the news about the Covid-19 vaccine, while OPEC+ was getting closer to postponing the planned easing of measures related to the output reduction. Hurricane Lotta hit Central America with heavy rains and strong winds. It posed a huge threat to a region that was already facing a devastating storm just two weeks ago. The next day, the oil price weakened due to the report on the crude oil inventories increase in the United States by 4.17 million barrels during the previous week. The oil price rose in the middle of the week, although it occasionally showed signs of weakening. The main reason for this trend was the OPEC+ group events that followed during the debate on postponing the planned easing of measures. The UAE officials were considering leaving the group because decision-makers were frustrated by what they saw as the unfair allocation of output quotas. The price of oil fluctuated slightly on Thursday, to range around a 3-months high on Friday due to encouraging news about the Coronavirus vaccine development, which will have a positive impact on demand for this fuel.

Table 4 – Economic indicators (16 – 20 November 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.	October MoM% (YoY%)	0.2% (-0.3%)	0.2% (-0.3%)	0.2% (-0.3%)
	(Euro zone Consumer Confident) It shows the consumers' concerns about the euro area economy. The growing value of this indicator predicts growth in personal consumption, which is reflected in economic growth and inflation.	November	-18.0	-17.6	-15.5
Germany	Producer Price Index (PPI) This index measures changes in producer prices, also known as factory prices. These are prices paid by domestic producers before retail. The growth of these prices is an early inflation indicator, because rising production prices can be "passed on" to consumers through higher retail prices.	October MoM% (YoY%)	0.1% (-0.8%)	0.1% (-0.7%)	0.4% (-1.0%)
Great Britain	Euro area retail sales This indicator measures activity related to retail trade volume (not applicable to motor cars and motor cycles).	October MoM% (YoY%)	0.0% (5.9%)	1.3% (7.8%)	1.5% (6.4%)
	Consumer price index (CPI) 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 households	October MoM% (YoY%)	-0.1% (0.5%)	0.0% (0.7%)	0.4% (0.5%)
USA	Initial Jobless Claims It measures the number of people who receive unemployment benefits. It is similar to the applicant. The growing number of jobs accompanies the economic expansion, which could influence inflationary pressures.	14 November K=1,000	700 K	742 K	711 K

Source: Bloomberg