

EURUSD 1.2179  
At 19:38 Dp 1.2174 Hi 1.2174 Value 3/21/06  
1.2179/1.2180 TTOL  
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	1.1909
T 3/16	1.2181	T 2/16	1.1881
W 3/15	1.2050	W 2/15	1.1884
T 3/14	1.2016	T 2/14	1.1897
M 3/13	1.1934	M 2/13	1.1902
F 3/10	1.1894	F 2/10	1.1919
T 3/ 9	1.1909	T 2/ 9	1.1974
W 3/ 8	1.1928	W 2/ 8	1.1944
T 3/ 7	1.1889	T 2/ 7	1.1974
M 3/ 6	1.1996	M 2/ 6	1.1962
F 3/ 3	1.2025		
T 3/ 2	1.2012		
W 3/ 1	1.1913		
T 2/28	1.1923		
M 2/27	1.1853		

# International Financial Market Report

19 - 23 October 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. Congressional Quarterly 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

10 Bloomberg TV Live 10 Bloomberg Radio Live 10 All Audio/Video Reports

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.  
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

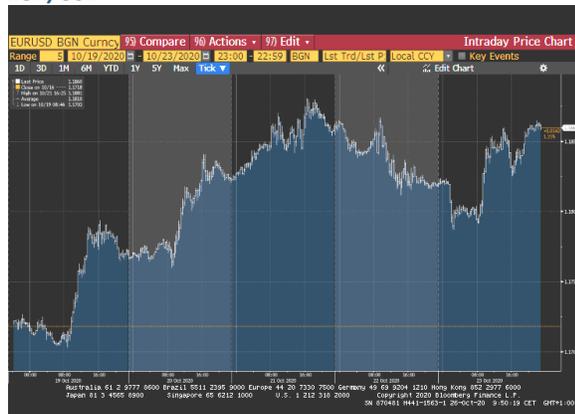
RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25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

## FX NEWS

### EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** appreciated in this reporting week. It trended up during the first three days due to optimism that the US incentive package would be adopted before the presidential election. However, President Trump's sceptical attitude on Twitter regarding this issue raised the market participants' concern about the adoption of this package. Hence, the dollar appreciated that day, and the exchange rate fell. The exchange rate also weakened due to the growing number of infected with the virus in Europe. However, on the last day of this reporting period, the exchange rate continued to rise after announcing that the German economy was continuing a solid recovery.

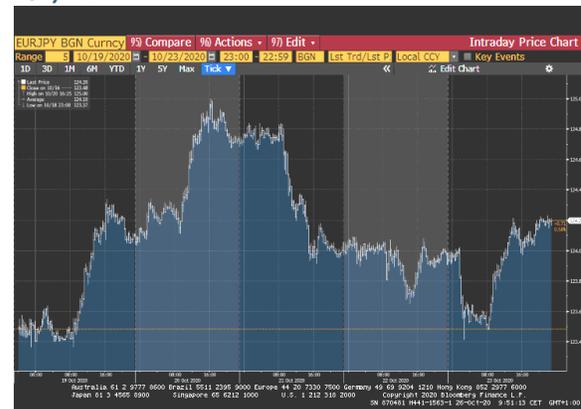
### EUR/GBP



Source: Bloomberg LP

Every day, often-contradictory signals on Brexit marked this reporting week as well. Thus, the **EUR/GBP exchange rate** changed direction depending on them. Although this exchange rate started to depreciate on Monday, it soon appreciated keeping such trend the next day. On Wednesday morning, it fell sharply, as sterling appreciated due to the EU chief negotiator's statement they were close to reaching an agreement with the UK. On Thursday, the exchange rate was relatively stable. Still, despite this statement, investors were cautious, expecting concrete evidence that the EU and the UK were close to reaching a trade agreement. For that reason, the exchange rate appreciated at the very end of the week, which compensated for a part of the previously realised losses.

### EUR/JPY



Source: Bloomberg LP

During the first two days of the reporting week, the **EUR/JPY exchange rate** trended up mainly due to the growing demand for riskier assets. Later this week, the exchange rate depreciated as the number of newly infected coronaviruses in Europe grew, thus turning investors to safer funds. At the very end of the reporting week, this exchange rate began to recover after announcing that the consumer price index in Japan dropped by 0.3% in September compared year-on-year.

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

	19.10.2020 <sup>1</sup>	23.10.2020 <sup>2</sup>	% Change
EUR/USD	1.1718	1.1860	1.21
EUR/GBP	0.90747	0.90954	0.23
EUR/JPY	123.48	124.19	0.57
EUR/AUD	1.65493	1.66156	0.40
EUR/CHF	1.07212	1.07276	0.06
USD/JPY	105.40	104.71	-0.65
GBP/USD	1.2915	1.3039	0.96

**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%	29 October 2020
Federal Reserves	Federal Funds Target Rate	0.25%	5 November 2020
Bank of Japan	Overnight Call Rate	-0.10%	29 October 2020
Bank of England	Official Bank Rate	0.10%	5 November 2020
Swiss National Bank	Libor Target Rate	-0.75%	17 December 2020
Bank of Canada	Target Overnight Rate	0.25%	28 October 2020
Reserve Bank of Australia	Cash Rate Target	0.25%	3 November 2020

**Table 3 - Eonia and Euribor**

	19.10.2020 <sup>1</sup>	23.10.2020 <sup>2</sup>	Change in basis points
Eonia	-0.468	-0.468	0.00
Euribor 1W	-0.521	-0.533	-1.20
Euribor 1M	-0.534	-0.539	-0.50
Euribor 3M	-0.509	-0.512	-0.30
Euribor 6M	-0.498	-0.496	0.20
Euribor 12M	-0.468	-0.464	0.40

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

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

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year German bonds grew during the reporting period. At the very beginning of the week, the return on 10-year German government bonds first rose, to drop in the afternoon as investors took into account the more aggressive rhetoric of the ECB. Namely, on Sunday, the ECB President said the recovery was still insufficient and uneven. On Tuesday, the return rose as demand for riskier investments increased, causing bond prices to drop. The next day, the trend was volatile. The yield grew on Thursday and Friday. It stood at -0.57% at the end of the week (compared to some -0.63% on Monday).

## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On Monday, the return on 10-year US government bonds first rose, to fall in the afternoon as expectations of a fiscal stimulus deal before the November election in the US diminished. From Tuesday, it went up, after booting the risk appetite due to increased expectations that an agreement on a stimulus package in the US will be reached this week. During a one-hour telephone conversation with the Secretary of Finance, Steven Mnuchin, Pelosi said the two sides (Republicans and Democrats) reduced differences in their positions. She noted the administration was finally ready for an agreement. On Wednesday, the return on 10-year US government bonds fluctuated. At the very end of the week, the return on long-term government bonds weakened, as negotiations on fiscal stimulus in the United States stagnated again. The return stood at some 0.75% on Monday and to some 0.87% at the end of the week.

## GOLD



Source: Bloomberg LP

On Monday morning, the gold price rose as the dollar depreciated against other currencies and as the stock market recorded a decline in the United States. On Tuesday, the gold price trended up due to optimism about reaching an agreement on a stimulus package in the USA. It also rose due to the USD depreciation against most currencies, which made investing in gold more attractive to investors. On Thursday, the demand for gold dropped after the USD recovered due to the growing number of coronavirus infections worldwide. After fluctuating, it rose on Friday as the traders continued to focus on the aid package in the United States.

## OIL



Source: Bloomberg LP

Early this week, the oil price weakened due to not-yet reached agreement on the stimulus in the USA, and a possibility of not reaching it before the November elections. On Tuesday afternoon, the price rose as the potential reaching of an agreement on a stimulus package in the US improved the outlook regarding the demand for this fuel. The next day, the price dropped as the Energy Agency announced that fuel stocks increased by 1.9 million barrels over the past week in the USA. Throughout Thursday, the oil price was increasing. (Nancy Pelosi said an agreement between Republicans and Democrats could be reached soon, stressing that the Senate could be an obstacle along the way. The Russian president also said Russia was ready to reduce output further if necessary). On Friday, the oil price dropped again after the production growth in Libya threatened to increase market saturation. This was since the demand for this fuel dropped due to the increased number of coronavirus-infected people.

**Table 4 - Economic indicators (19 – 23 October 2020)**

Country	Indicator	Period	Expected value	Current value	Previous value
<b>Euro area</b>	<p><b>Consumer Confidence</b> It measures consumer confidence in euro area countries. This figure is the result of a survey of euro area consumers in terms of their labour market finances, willingness to save, and expectations regarding the economy.</p>	October	-15.0	-15.5	-13.9
<b>USA</b>	<p><b>Housing starts</b> It shows a change in the number of new real estates constructed in the USA and is one of the earliest indicators related to the real estate market. This indicator's increase points to a rise in investments and business optimism and is also associated with consumer activity.</p>	September MoM%	3.5%	1.9%	-5.1%
	<p><b>Initial Jobless Claims US</b> 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.</p>	17 October K=1,000	870k	787k	898k
	<p><b>Existing Home Sales</b> The indicator shows records of sales in the US real estate sector and is revised monthly. This report provides a fairly accurate assessment of housing market conditions. Due to its sensitivity to the business cycle, it can be an important indicator of overall housing conditions at a time when this is particularly important for the economy.</p>	September MoM%	5.0%	9.4%	2.4%
<b>Great Britain</b>	<p><b>Consumer price index (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.</p>	September MoM% (YoY%)	0.5% (0.6%)	0.4% (0.5%)	-0.4% (0.2%)
<b>Japan</b>	<p><b>Exports</b> Products and services produced in Japan, sold or pending for sale outside of Japan.</p>	September YoY%	-2.4%	-4.9%	-14.8%
	<p><b>Imports</b> Japan's demand for foreign products.</p>	September YoY%	-21.4%	-17.2%	-20.8%

Source: Bloomberg