



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	1.1884
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

(15 February 2021)

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 Investor 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

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.
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

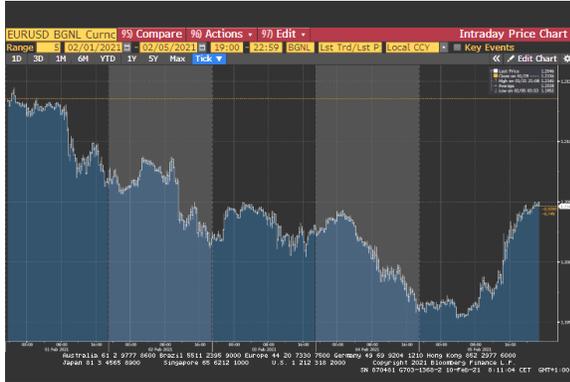
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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 fIYC1 I2
For US swap Curve, type fIYC1 I52 <G

Podgorica, 12 February 2021

FX NEWS

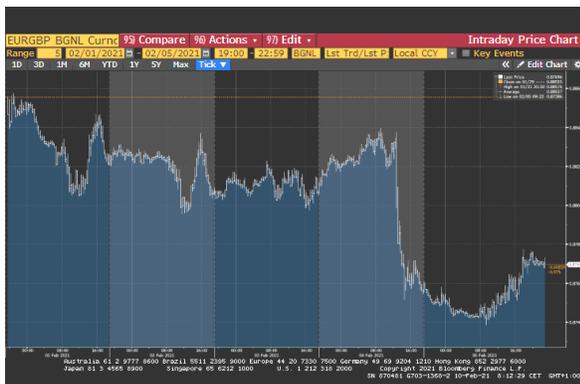
EUR/USD



Source: Bloomberg LP

The **EUR/USD** exchange rate depreciated during the first four days of this reporting period. Early this week, the exchange rate declined after releasing unfavourable German retail sales data. Namely, retail sales in Germany recorded a 9.6% monthly decline in December, significantly larger than the expected 2%. Besides, the exchange rate depreciated after investors' expectations of faster recovery from the pandemic in the USA than in Europe, after Europe continued to lock economies. At the same time, there were delays in providing vaccines that are necessary to combat the pandemic. Over Friday, the EUR/USD appreciated amid the USD depreciation due to the weaker-than-expected report from the US labour market. This boosted expectation of additional economic stimulus (payrolls in the non-productive sector expanded by 49 thousand in January compared to the expected growth of 105 thousand).

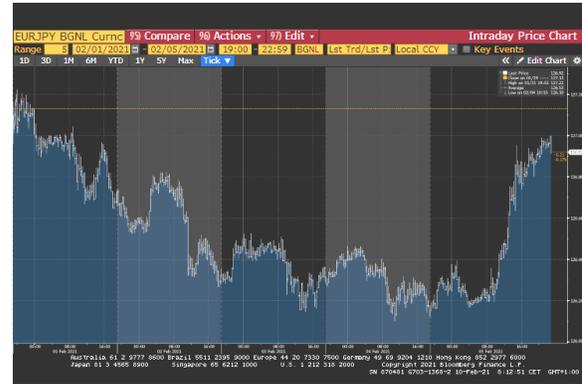
EUR/GBP



Source: Bloomberg LP

The **EUR/GBP** exchange rate was stable during the first three days of this week, before depreciating sharply on Thursday. The exchange rate depreciated on Thursday after the regular BoE meeting and its release of not considering the negative interest rate introduction yet. Moreover, the British currency appreciation against the euro was accompanied by optimism about the UK's vaccination process compared to the EU. This exchange rate appreciated slightly on Friday.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY** exchange rate trended down until the last day of this reporting period. The exchange rate decline in the mentioned period was due to unfavourable economic data from Germany, and European countries were locked to fight the coronavirus. The EUR/JPY exchange rate appreciated during the last day, as did the expectations regarding adopting a new aid package in the USA, which was reflected in the growth of demand for riskier assets.

Table 1 - Exchange rates of the most important currencies

	01.02.2021 ¹	05.02.2021 ²	% Change
EUR/USD	1.2136	1.2046	-0.74
EUR/GBP	0.88555	0.87696	-0.97
EUR/JPY	127.13	126.92	-0.17
EUR/AUD	1.58768	1.56920	-1.16
EUR/CHF	1.07760	1.08295	0.50
USD/JPY	104.68	105.39	0.68
GBP/USD	1.3708	1.3735	0.20

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%	11 March 2021
Federal Reserves	Federal Funds Target Rate	0.25%	17 March 2021
Bank of Japan	Overnight Call Rate	-0.10%	19 March 2021
Bank of England	Official Bank Rate	0.10%	18 March 2021
Swiss National Bank	Libor Target Rate	-0.75%	25 March 2021
Bank of Canada	Target Overnight Rate	0.25%	10 March 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	2 March 2021

The Bank of England held its regular meeting during this reporting period and decided to keep the reference interest rate. It did not consider the introduction of negative interest rates yet. The Bank of England predicted an economic activity recovery as the vaccination program accelerated in that country.

Table 3 - Eonia and Euribor

	01.02.2021 ³	05.02.2021 ⁴	Change in basis points
Eonia	-0.479	-0.480	-0.1
Euribor 1W	-0.563	-0.559	0.4
Euribor 1M	-0.571	-0.554	1.7
Euribor 3M	-0.548	-0.535	1.3
Euribor 6M	-0.531	-0.519	1.2
Euribor 12M	-0.512	-0.504	0.8

¹ Opening market value on Monday

² Closing market value on Friday

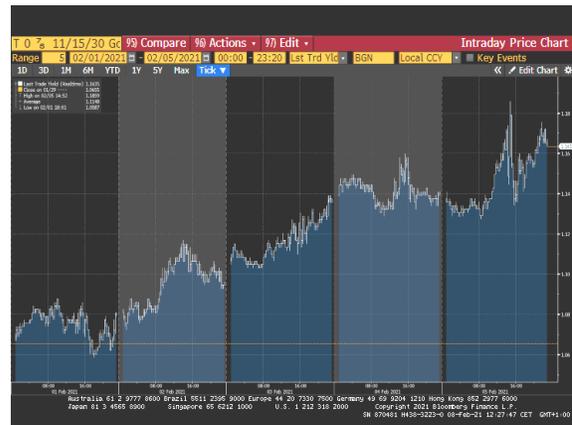
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During this reporting week, the return on 10-year German government bonds rose from -0.52% (at market opening on Monday) to -0.45% (at market closing on Friday). The return in this market grew due to rising stock prices in the global market, optimism regarding the adoption of US fiscal stimulus measures, and large-scale bond auctions held across the euro area. There was also a somewhat calming political situation in Italy, resulting in the return on 10-year bonds fall during this reporting week. This led to the yield range between 10-year Italian and German bonds, a key risk measure in the euro region, falling below 100 base points at the end of the week for the first time since 2016. At the beginning of the week, there was optimism on the market on forming a new coalition government in Italy, considering that they were already working on finding a solution to avoid new elections. In the middle of the week, it was announced that the former ECB president, Mario Draghi, accepted the mandate to form the next government in this country. This supported the price growth, i.e. the falling yields on Italian government bonds. Concerning this economy, it was also announced that the manufacturing sector's index recorded unexpected growth.

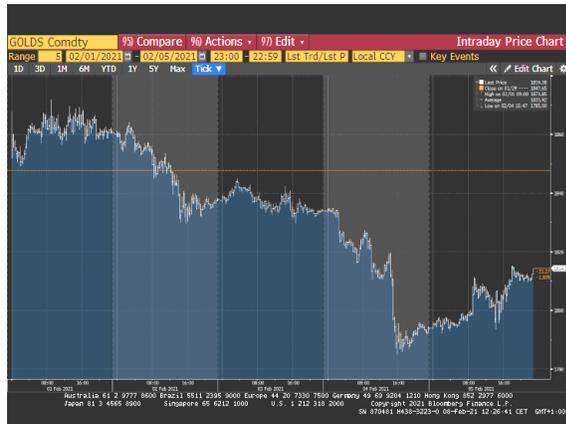
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds also trended up this reporting week, growing by 10 base points (from 1.065% to 1.165%). The stock prices growth in the reporting period turned investors into riskier assets, increasing the demand for safe investments, as a bond prices decline factor and the return growth. The return growth was also supported by the Fed's programme under which the monetary institution purchases 80 billion USD of long-term bonds monthly. Concerning this, Fed officials signalled that they were still not ready to reduce the bond purchases volume during the week. At the end of the week, weaker-than-expected data from the US labour market were further boosted by yield growth. (Payrolls in the non-productive sector expanded less than forecast in January, while its December data was revised downwards).

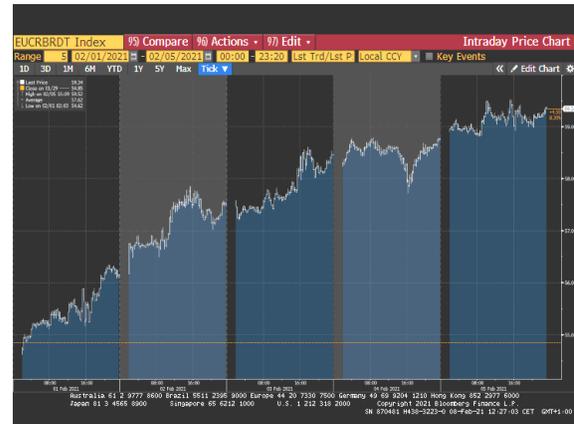
GOLD



Source: Bloomberg LP

Although the gold price tended to rise at the very beginning of the reporting week, this market was soon dominated by a downward trend, which was current until Thursday. The US President and Republican senators held a meeting earlier this week, and hopes for a stimulus package in the US rose, causing gold prices to fall. However, this meeting ended without an agreement on an aid package for the American economy. After that, US Senate Democrats started a debate on the state budget for the fiscal year 2021, including a 1.9 billion USD aid package for combating coronavirus. This package can be approved without Republican support, and the gold price was stable in the middle of the week. However, the price continued to fall, mainly because the growing yields on US government bonds deterred investors from precious metals. On Thursday, the price hit its 9-week low. However, the price withdrew from this level on Friday afternoon, as weaker-than-expected data from the US labour market increased demand for gold.

OIL



Source: Bloomberg LP

The oil price was rising during the entire reporting week. The growing trend was triggered by an American Petroleum Institute report, which showed that US oil inventories dropped by 4.3 million barrels in the week before the reporting period. Independent of this report, it was announced that China's oil inventories fell to their lowest annual level. Increased demand for fuel due to the winter season, mostly noticeable in the USA's northern part, further stimulated this fuel's growing price trend. The OPEC+ members committed themselves to continue reducing this energy source's reserves, so they will continue to consume the surplus oil caused by the pandemic. Saudi Arabia decided to keep oil prices unchanged for the Asian market, while the price for Europe the USA buyers was rising. The price growth was also the result of the expectations that the US stimulus package will be adopted. Its adoption will stimulate the demand for fuel, so the price was around the 1-year maximum at the end of the week.

Table 4 - Economic indicators (1 - 5 February 2021)

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.	January MoM% YoY%	0.1% 0.6%	0.2% 0.9%	0.3% 0.3%
	Retail Sales This indicator measures changes in retail sales in euro area.	December MoM%	2.8%	2.0%	-2.9%
France	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.	January MoM% YoY%	0.0% 0.3%	0.2% 0.6%	0.0% 0.2%
Germany	Retail Sales This indicator measures changes in retail sales in Germany.	December MoM%	-2.0%	-9.6%	1.9%
USA	Initial Jobless Claims Measures the number of people receiving unemployment allowances.	January 30 K=1000	830K	779K	847K
Italy	Unemployment rate The percentage of unemployed individuals actively looking for a job.	December	9.0%	9.0%	8.9%

Source: Bloomberg