



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	1.1911
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	1.1911
W 3/ 8	1.1928	W 2/15	1.1911
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
(1 - 5 March 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. Long-Term Growth: 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

LIVE <GO> Events

ID	Event	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	Borders 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

US SPREADS

Ticker	Bid	Ask	Mid	Chng
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

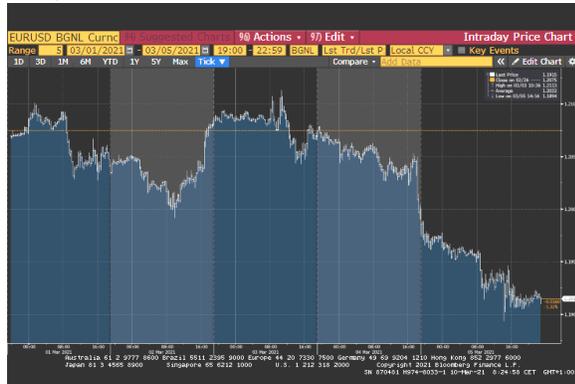
Change on day
IYC4 I52 <GO>
Change on Month
IYC6 I48 <GO>
For US Govt Yield Curve, type {IYC1 I2
For US swap Curve, type {IYC1 I52 <G

Podgorica, 12 March 2021

Page 1 Page 2 Page 3

FX NEWS

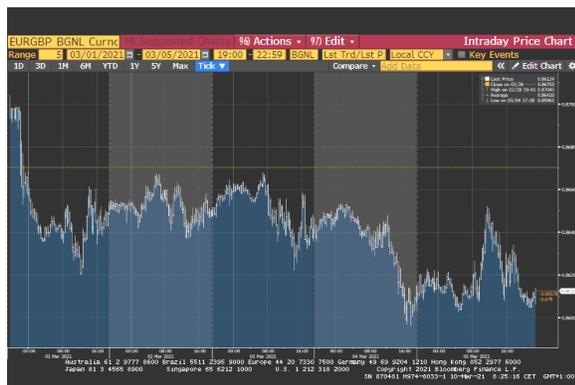
EUR/USD



Source: Bloomberg LP

On Monday, the **EUR/USD exchange rate** depreciated as the demand for safe assets decreased. The next day, the exchange rate recovered as euro area monetary policy makers still saw no drastic need for limiting the region's government bond return. They believed that the verbal intervention and flexibility of their bond purchase programme could manage risk to the economy. From the middle of the week until the very end, the exchange rate depreciation trend began. The exchange rate depreciated as the Fed president refrained from verbally influencing the recent rise in US bonds' return. Another reason for the exchange rate decline was the release of payrolls in the USA data that increased by 379 thousand in February from an expected increase of 200 thousand. The unemployment rate fell to 6.2%.

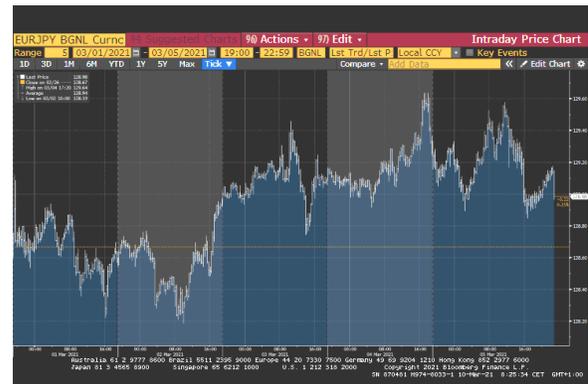
EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** depreciated slightly during this reporting period. In the first part of the week, the exchange rate deteriorated slightly as February UK's output production index was revised from 54.9 to 55.1. For the rest of the week, the British currency appreciated against the euro. The UK finance minister unveiled a budget under which large sums will continue to be spent to help the economy emerge from the pandemic-caused crisis. An additional 65 billion pounds will be set aside to help companies and citizens this and next year.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** depreciated slightly on Monday to rise sharply on Tuesday following the Fed Chair's comments. It eased investor concerns that the rising return on US government bond could slow the economic recovery. This exchange rate did not record significant changes For the rest of the week.

Table 1 - Exchange rates of the most important currencies

	01.03.2021 ¹	05.03.2021 ²	% Change
EUR/USD	1.2075	1.1915	-1.33
EUR/GBP	0.86703	0.86124	-0.67
EUR/JPY	128.67	128.98	0.24
EUR/AUD	1.56674	1.55020	-1.06
EUR/CHF	1.08625	1.10870	2.07
USD/JPY	106.57	108.31	1.63
GBP/USD	1.3933	1.3841	-0.66

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%	6 April 2021

Table 3 - Eonia and Euribor

	01.03.2021 ³	05.03.2021 ⁴	Change in basis points
Eonia	-0.481	-0.477	0.4
Euribor 1W	-0.567	-0.558	0.9
Euribor 1M	-0.547	-0.554	-0.7
Euribor 3M	-0.530	-0.537	-0.7
Euribor 6M	-0.516	-0.514	0.2
Euribor 12M	-0.483	-0.487	-0.4

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 ranged from a minimum of -0.356% (3 March) to a maximum of -0.276% (5 March). On Friday, it stood at the level recorded on Monday at the market's opening (-0.30%). On Monday, the return trended down as an ECB Board Member, Francois Villeroy, stated that the ECB must respond to any unjustified return increase. It should do so first through the PEPP programme and lowering interest rates to ensure favourable financial conditions. Although the return recovered the following morning, its decline continued. However, throughout Wednesday, the trend was growing as ECB officials said that verbal interventions could tackle the risks to the euro area economy. There was no need for drastic actions such as increasing the total PEPP programme amount standing at 1.85 trillion euros. As the week continued, the return fluctuated. Its decline was caused by a stock prices drop and the growth by releasing better-than-expected data on factory orders in Germany. Investors focused on Spanish and French government bond auctions and new statements by ECB officials. Klaas Knot said he said the government bond return rise was a "positive story" as it reflected expectations that the economy would improve. Mario Centeno said adopting a formal return curve control mechanism for the ECB would not be the easiest way to go forward.

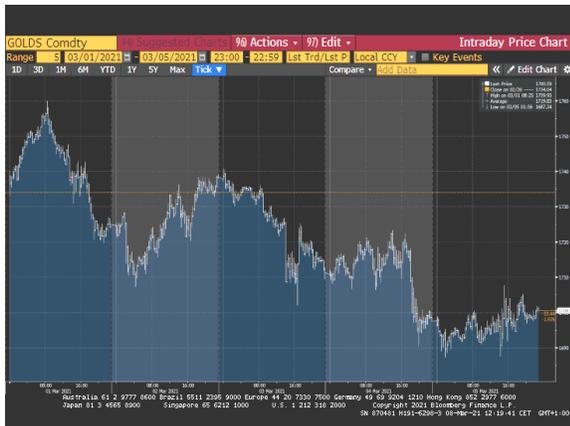
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on US 10-year government bonds rose from 1,378% (1 March) to 1,566% (5 March) this reporting week. At the beginning of the week, the return fluctuated by some 5-6 base points to start growing significantly from Wednesday. Growth followed, expecting the Fed Chair's speech at the Wall Street Journal webinar. Powell said the recent return rise has caught his attention and is closely monitoring financial conditions. The Fed needs more significant growth to consider taking any action. Market participants expected the central bank's re-focus on employment and inflation through loose monetary policy over the long term. They were disappointed that Powell did not point to specific steps the Fed could take to halt the rising return trend. As a result, the return on US government bonds continued to rise. On Friday, after the US labour market data release, the 10-year return reached 1.624%, its peak value for this week, to be 6 base points lower at the market's closing. Data on payrolls in the non-productive sector were better than estimated. In contrast, data from the previous month were revised upwards.

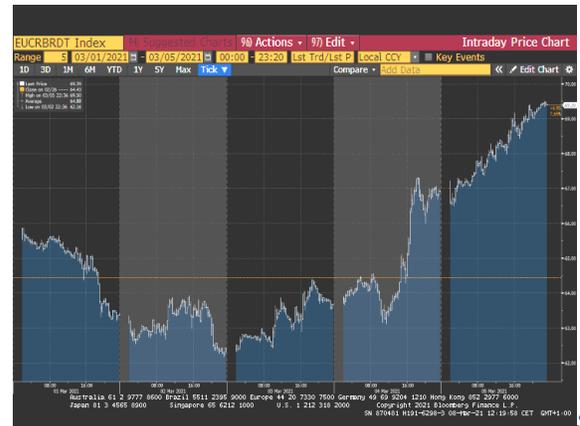
GOLD



Source: Bloomberg LP

The gold price declined during this reporting period, although occasionally showing recovery signs. Early this week, the price fell mainly due to the USD appreciation after Biden's aid package due to the pandemic received the green light in the US House of Representatives. The next step is its approval in the Senate. The gold price decline was also caused by a rising return on US government bonds that increased the opportunity cost of holding gold. Investors were focused on an economic recovery that reduced demand for gold as a safe investment. Towards the end of the week, the Fed Chair gave a speech that somewhat disappointed the market, so the return bond continued to rise and the gold price to fall. Better-than-expected data from the US labour market released on Friday provided support for the USD and further spurred the return's growing trend. The gold price fell to a 9-month low (1,687.34 USD) at the end of the week.

OIL



Source: Bloomberg LP

Unlike gold, the oil price increased in the observed period. During the first two days, the price trended down slightly. It was at a 1-week low, mainly due to the appreciating USD and awaiting the OPEC+ meeting. Namely, this meeting was held on Thursday 4 March. After the organisation's members and their partners made more significant output volume reductions over the past year, there were expectations that this meeting will result in its increase. This would point to the global economy's recovery from the coronavirus pandemic consequences. The price decline was also caused by concerns regarding Chinese demand for this fuel and factories' slow operation. However, the price of oil has been rising steadily since Wednesday. The driver of this trend was the US Government's report. It indicated a record domestic fuel stocks drop due to the refineries' closure in several countries due to bad weather conditions. On Thursday, oil prices rose the highest daily in two years. On Friday approached a nearly 2-year high, as OPEC members and their partners surprised market participants by deciding not to increase output but to keep it at current levels by the end of this April.

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

Country	Indicator	Period	Expected value	Current value	Previous value
Japan	<p>Jobless rate The percentage of unemployed individuals actively looking for a job.</p>	January	3.0%	2.9%	2.9%
Germany	<p>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.</p>	February MoM%	0.5%	0.7%	0.8%
	<p>Retail Sales This indicator measures changes in retail sales in Germany.</p>	January MoM%	0.3%	-4.5%	-9.6%
USA	<p>Initial Jobless Claims Measures the number of people receiving unemployment allowances.</p>	27 February K=1,000	750K	745K	730K
Italy	<p>Gross domestic product (GDP) One of the basic macroeconomic indicators, which represents the calculated value in the market prices of goods and services produced within the country, but excludes the income of citizens and corporations working abroad. The following four components are used to calculate GDP: consumption, investments, government expenditure, and net exports.</p>	2020 YoY%	-8.9%	-8.9%	0.3%

Source: Bloomberg