



## 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 2/22	1.1911
W 3/15	1.2050	T 2/21	1.1914
T 3/14	1.2016	M 2/20	1.1946
M 3/13	1.1934	F 2/17	1.1909
F 3/10	1.1894	T 2/16	1.1904
T 3/ 9	1.1909	W 2/15	1.1904
W 3/ 8	1.1928	T 2/14	1.1897
T 3/ 7	1.1889	M 2/13	1.1902
M 3/ 6	1.1996	F 2/10	1.1919
F 3/ 3	1.2025	T 2/ 9	1.1974
T 3/ 2	1.2012	W 2/ 8	1.1944
W 3/ 1	1.1913	T 2/ 7	1.1974
T 2/28	1.1923	M 2/ 6	1.1962
M 2/27	1.1853		

# International Financial Market Report

(5 - 9 April 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 Policy, Euro
- 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

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. 6615-301-3 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

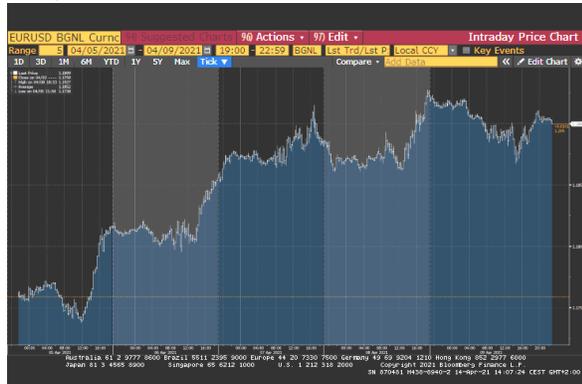
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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 {IYC1 I2  
For US swap Curve, type {IYC1 I52 <G

Podgorica, 15 April 2021

## FX NEWS

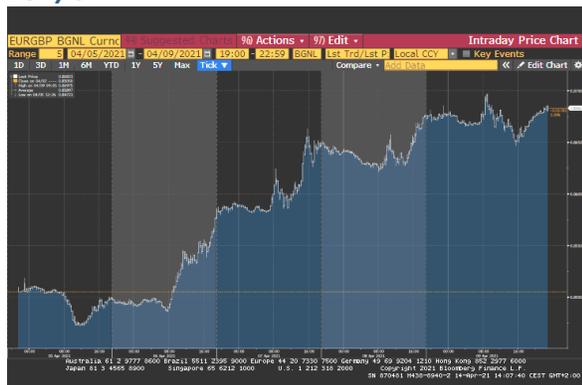
### EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** appreciated during this reporting period, particularly in the first half of the week. Namely, the USD depreciated due to scepticism about whether the economic data were strong enough to change the FED's current way of pursuing monetary policy. On the other side of the Atlantic, the euro was positively affected because the EU improved the vaccination process, and it is predicted that most of the population will be vaccinated by the end of June. It had a positive effect on strengthening demand for Europe's single currency. On Thursday, the USA's disappointing data on the growth of jobless claims during the previous week to 744 thousand (with expected growth of 728 thousand) resulted in the additional EUR/USD exchange rate appreciation. At the very end of this week, there was no significant change in this currency pair's trend.

### EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** was stable on Monday to appreciate during the rest of the week. It appreciated as the EU improved its vaccination plan and profit-driven investors sought to take advantage of previous British currency's appreciation during the first quarter. However, the EUR/GBP exchange rate stabilised towards the end of this period. It happened after announcing that business confidence in the UK was at a peak after the country drew up a plan to exit the lock-in measures and as the risks of Brexit were slowly diminishing.

### EUR/JPY



Source: Bloomberg LP

Despite its fluctuations during the week (between 129.57 and 130.69), the **EUR/JPY exchange rate** remained at almost the same level as the reporting period's opening. Analysts predict that Japan's economy will contract in the first quarter of this year. Like some other areas, Tokyo is facing growth in coronavirus cases, adversely impacting businesses, especially services.

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

	05.04.2021 <sup>1</sup>	09.04.2021 <sup>2</sup>	% Change
EUR/USD	1.1759	1.1899	1.19
EUR/GBP	0.85050	0.86831	2.09
EUR/JPY	130.17	130.51	0.26
EUR/AUD	1.54539	1.56112	1.02
EUR/CHF	1.10833	1.09992	-0.76
USD/JPY	110.69	109.67	-0.92
GBP/USD	1.3832	1.3707	-0.90

**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%	22 April 2021
Federal Reserves	Federal Funds Target Rate	0.25%	28 April 2021
Bank of Japan	Overnight Call Rate	-0.10%	27 April 2021
Bank of England	Official Bank Rate	0.10%	6 May 2021
Swiss National Bank	Libor Target Rate	-0.75%	17 June 2021
Bank of Canada	Target Overnight Rate	0.25%	21 April 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	4 May 2021

**Table 3 - Eonia and Euribor**

	05.04.2021. <sup>1</sup>	09.04.2021. <sup>2</sup>	Change in basis points
Eonia	-0.481	-0.483	-0.2
Euribor 1W	-0.555	-0.558	-0.3
Euribor 1M	-0.551	-0.559	-0.8
Euribor 3M	-0.538	-0.544	-0.6
Euribor 6M	-0.512	-0.522	-1.0
Euribor 12M	-0.488	-0.497	-0.9

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

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

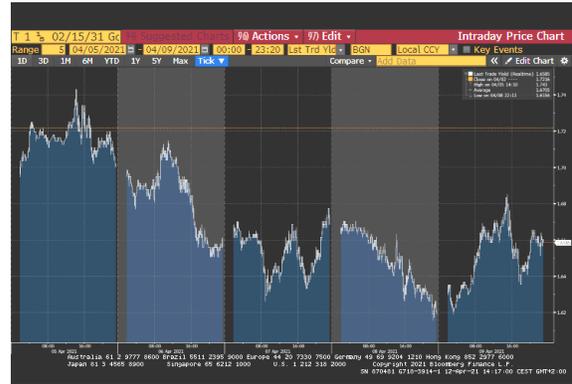
## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The European government bond market was closed on Monday due to the holidays. Later in the week, the return on German 10-year government bonds dropped following a decline in the US bonds' return. It trended up on Friday. The return on 10-year bonds rose by 3.7 basis points, reaching a weekly high of -0.29% after announcing large state auctions next week in Italy, Germany, and the Netherlands. By Friday evening, the return on German bonds still weakened and stood at -0.30% at the market closing on Friday.

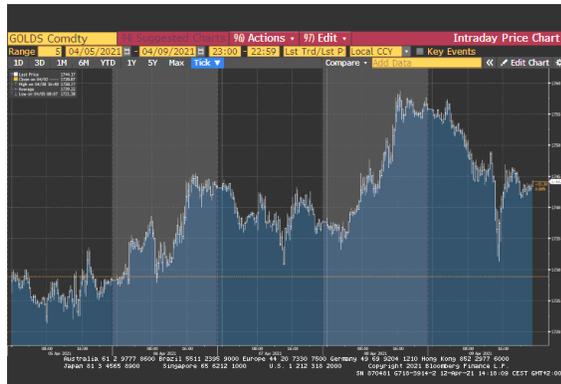
## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During most of this reporting week, the return on 10-year US government bonds trended down. This trend resulted from the Fed's minutes awaiting, which showed that monetary policy remains as it is. The Fed's Chair said that the economic recovery was far from complete despite the signs of progress. Namely, he stated that the economy still needed support to recover from the pandemic consequences. The central bank has a "tool" to limit inflation pressure, which will undoubtedly be short-term. On Friday, the return on US 10-year bonds rose slightly, awaiting the auctions of 3-, 10- and 30-year government bonds expected early next week.

## GOLD



Source: Bloomberg LP

Due to reduced market activity due to the holidays, the gold price did not change significantly on Monday. Later this week, the gold price rose substantially due to the USD depreciation making gold a more attractive investment for buyers outside the USA. Moreover, the weakening of the return on US bonds provided additional support to this precious metal. On Friday, the gold price stopped the weekly growth trend resulting from a falling return due to encouraging comments from the Fed's Chair about the inflation-related risks. Still, this precious metal's price dropped on Friday from the previous week's maximum after releasing US labour data, leading to a renewed increase in US bonds' return.

## OIL



Source: Bloomberg LP

The oil price fell on Monday due to the OPEC+ organisation's decision to increase output volume from May. The price drop also resulted from an increased number of coronavirus-infected people in India that could potentially limit demand in the world's third-largest importer of this fuel. By the end of the reporting week, oil price did not change significantly. Saudi Arabia has defended OPEC's plan to increase this fuel's output (OPEC plans to increase production to more than 2 million barrels per day in the coming months). The price of this fuel also dropped due to the USD appreciation. At the same time, investors estimated this fuel's demand on the market. The reason was an oil consumption decrease for the third consecutive week due to the growing new coronavirus cases globally, which slowed economic recovery.

**Table 4 - Economic indicators (5 - 9 April 2021)**

Country	Indicator	Period	Expected value	Current value	Previous value
<b>Euro area</b>	<p><b>Unemployment Rate</b> The percentage of individuals on the labour market and unemployed, but actively looking for a job. In general, higher unemployment rate weakens the economy and results in lower personal spending.</p>	February %	8.1%	8.3%	8.1%
<b>Germany</b>	<p><b>Imports</b> It represents German domestic demand for foreign goods. The value of exports is an important input for calculating trade balance, current account and GDP. It is very often compared with exports.</p>	February MoM%	2.1%	3.6%	1.4%
<b>USA</b>	<p><b>Initial Jobless Claims</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>	April 3 K=1000	680K	744K	719K
<b>Italy</b>	<p><b>Unemployment Rate</b> The percentage of individuals on the labour market and unemployed, but actively looking for a job. In general, higher unemployment rate weakens the economy and results in lower personal spending.</p>	February %	8.9%	10.2%	10.3%
	<p><b>Retail Sales</b> This indicator measures activity related to retail trade volume (not applicable to motor vehicles and motorcycles).</p>	March MoM%	2.0%	6.6%	-3.0%

Source: Bloomberg