



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	1.1911
W 3/15	1.2050	W 2/15	1.1914
T 3/14	1.2016	T 2/14	1.1946
M 3/13	1.1934	M 2/13	1.1909
F 3/10	1.1894	F 2/10	1.1974
T 3/ 9	1.1909	T 2/ 9	1.1944
W 3/ 8	1.1928	W 2/ 8	1.1974
T 3/ 7	1.1889	T 2/ 7	1.1962
M 3/ 6	1.1996	M 2/ 6	1.1919
F 3/ 3	1.2025	F 2/ 3	1.1974
T 3/ 2	1.2012	T 2/ 2	1.1944
W 3/ 1	1.1913	W 2/ 1	1.1974
T 2/28	1.1923	T 1/31	1.1962
M 2/27	1.1853	M 1/30	1.1919

International Financial Market Report

(8 - 12 February 2021)

BLOOMBERG NEWS AUDIO/VIDEO

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Bankinvest's Broby: Softbank, Vodafone, LOreal, 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
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 Broby, chief investment officer at Bankinvest, says that the Japanese mobile phone unit and LOreal 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. 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

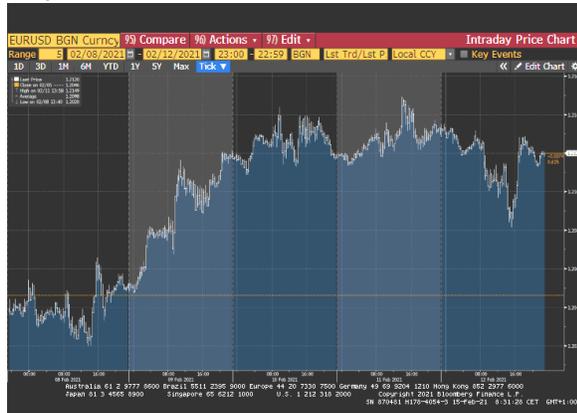
Change on day
IYC4 I52 <GO>
Change on Month
IYC6 I48 <GO>
For US Govt Yield Curve, type {IYC1 I2
For US swap Curve, type {IYC1 I52 <G

Podgorica, 17 February 2021

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FX NEWS

EUR/USD



Source: Bloomberg LP

The **EUR/USD** exchange rate did not change significantly at the beginning of the week. As of Tuesday, the exchange rate started appreciating due to the USD depreciation amid optimism that the US aid package would be adopted by mid-March, strengthening oil prices and shares. The USD's demand also declined due to the US inflation data release, which did not meet expectations. At the very end of the week, the exchange rate depreciated slightly as trade in the markets was reduced in the run-up to the Lunar New Year in Asian countries.

EUR/GBP



Source: Bloomberg LP

The **EUR/GBP** exchange rate fluctuated in this reporting period. The GBP was supported by the growing investors' risk appetite to invest in riskier assets and the UK's increasingly powerful vaccination process. On Thursday, the exchange rate recovered after announcing that the British

economy recorded a record decline last year despite growth in Q4. At the very end of the week, the exchange rate depreciated again. Prime Minister Johnson said more than 15 million people had already received the first dose of the coronavirus vaccine, calling it an "extraordinary feat" and a "significant milestone". He added that it was "a real effort of Great Britain". Sterling also appreciated amid increased expectations of relaxing measures in this country.

EUR/JPY



Source: Bloomberg LP

For the first two days, the **EUR/JPY** exchange rate depreciated to appreciate later this week. The Bank of Japan could take steps in March to let the market know that there is room to further send interest rates into negative territory and support the economy. At the end of the week, market activity focused on adjusting the traders' positions. Many market participants from Asia were not active, as China, Hong Kong and Singapore were already closed due to the Lunar New Year.

Table 1 - Exchange rates of the most important currencies

	08.02.2021 ¹	12.02.2021 ²	% Change
EUR/USD	1.2046	1.2141	0.79
EUR/GBP	0.87696	0.87387	-0.35
EUR/JPY	126.92	127.810	0.70
EUR/AUD	1.56920	1.56051	-0.55
EUR/CHF	1.08295	1.08157	-0.13
USD/JPY	105.39	105.28	-0.10
GBP/USD	1.3735	1.3892	1.14

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

Table 3 - Eonia and Euribor

	08.02.2021 ¹	12.02.2021 ²	Change in basis points
Eonia	-0.480	-0.479	0.10
Euribor 1W	-0.559	-0.562	-0.30
Euribor 1M	-0.554	-0.553	0.10
Euribor 3M	-0.535	-0.547	-1.20
Euribor 6M	-0.519	-0.522	-0.30
Euribor 12M	-0.504	-0.502	0.20

¹ Opening market value on Monday

² Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

For most of this reporting week, the return on 10-year German government bonds weakened, following a trend in Italian bonds. Mario Draghi began negotiations with political parties to gather support for forming a new government in Italy. At the very end of the week, German bond yields recovered (0.42%). The spread between German and Italian bonds also narrowed (around 90bp) due to Mario Draghi's growing chances to be appointed the new Prime Minister of Italy.

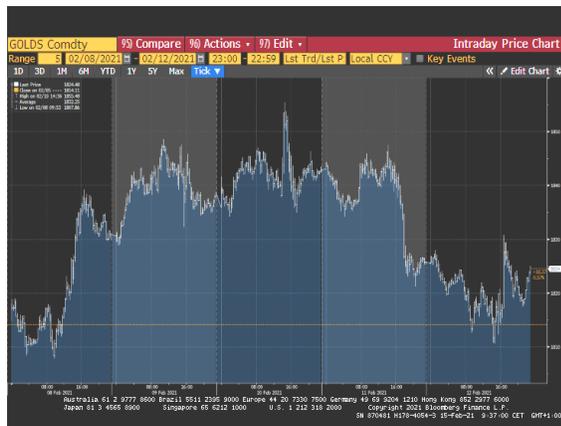
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds weakened slightly by the middle of this reporting week. The return weakening resulted from the publication of weaker US core inflation data. In the second part of the week, the return on the mentioned bonds recovered and followed the stock prices market trend. At the end of the week, the yield on 10-year US government bonds stood at 1.20%.

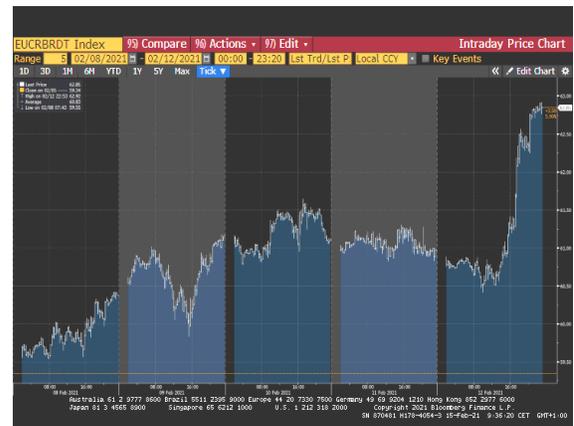
GOLD



Source: Bloomberg LP

On Monday, the gold price rose as investors' focus shifted again to the expectation of approving a significant US stimulus package. This boosted demand for this precious metal as a means of hedging against inflation. Over the next two days, the price of this precious metal did not change significantly. It weakened at the end of the week after releasing weaker-than-expected US inflation data and the USD recovery, which reduced investors' demand for gold.

OIL



Source: Bloomberg LP Bloomberg LP

In the first part of this reporting week, the oil price trended up. In addition to expecting the US stimulus package adoption and its adoption would stimulate fuel demand, prices were also affected by key producers' oil supply reduction. The US American Petroleum Institute published a weekly report, which recorded a drop in oil stocks in the previous week by 3.5 million barrels. Also, optimism of increasing vaccination had a positive effect on the growing demand for this energy source. On Thursday, oil prices weakened mildly as OPEC cut demand forecasts. The International Energy Agency said the market remained oversaturated. On Friday, the oil price reached a weekly maximum of 62.85 USD/Bbl due to fears that Texas's extremely cold weather could disrupt oil flows.

Table 4 - Economic indicators (8 - 12 February 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Great Britain	Industrial output It measures the changes in output of production, service and mining sectors.	December MoM% (YoY%)	0.5% (-3.7%)	0.2% (-3.3%)	-0.1% (-4.7%)
	Gross domestic product (GDP) It measures the value of products and services produced inside the country. GDP is the most comprehensive measure of economic output and provides a key insight into the main drivers of an economy.	4Q QoQ% (YoY%)	0.5% (-8.1%)	1.0% (-7.8%)	16.0% (-8.6%)
France	Industrial output It measures the output volume in the mining and industrial sectors of Germany. Industrial output responds significantly to business cycle changes and can often predict trends in employment rates, earnings, and personal income.	December MoM% (YoY%)	0.4% (-1.7%)	-0.8% (-3.0%)	-0.9% (-4.6%)
Germany	Consumer price index (CPI) It estimates the cost of living changes by measuring changes in the price level of market basket of consumer goods and services purchased by an average household. Therefore, it is the key inflation measure in the euro area.	January MoM% (YoY%)	0.8% (1.0%)	0.8% (1.0%)	0.8% (1.0%)
USA	Initial Jobless Claims Measures the number of people receiving unemployment allowances.	6 February K=1,000	760 K	793 K	779 K
	CPI ex Food&Energy It estimates changes in the cost of living, measuring changes in the goods and services' prices, excluding food and energy. It is a key way of measuring changes in buying trends and inflation.	January MoM% (YoY%)	0.2% (1.5%)	0.0% (1.4%)	0.1% (1.6%)
Italy	Industrial output It measures the changes in output of production, service and mining sectors.	December	0.3%	-0.2%	-1.4%

Source: Bloomberg