



Financial and Banking Operations Department - International Reserves Management Division -

EUR EURO SPOT PRICE 1.2181

Range 9/19/05 to 3/17/06 Period D 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	1.1881
T 3/ 9	1.1909	W 2/15	1.1884
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

(9 - 13 August 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

Daniel Broby, chief investment officer at Bankinvest

Japanese mobile-phone unit and L'Oreal SAs purchase of Body Shop International Plc.

Bloomberg TV Live | Bloomberg Radio Live | 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 1P-MR-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

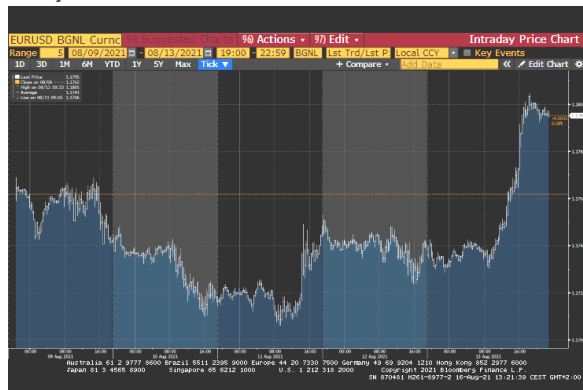
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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, 19 August 2021

FX NEWS

EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** depreciated towards the middle of this reporting week, as the USD appreciated against the euro, due to the US labour market strengthening. On the other hand, it also depreciated due to growing fear of coronavirus infection in Germany resulting in falling economic confidence index, which weakened the European currency. At the end of Wednesday, the EUR/USD exchange rate appreciated slightly, after publishing that the consumer prices growth rate in the USA slowed down in July. The USD also depreciated due to the falling return on US government bonds following a strong auction of 10-year US bonds. By the end of the week, the exchange rate recovered. It reached its weekly maximum on Friday after announcing that US consumer confidence in August in the USA dropped to a multi-year low of 70.2.

EUR/GBP

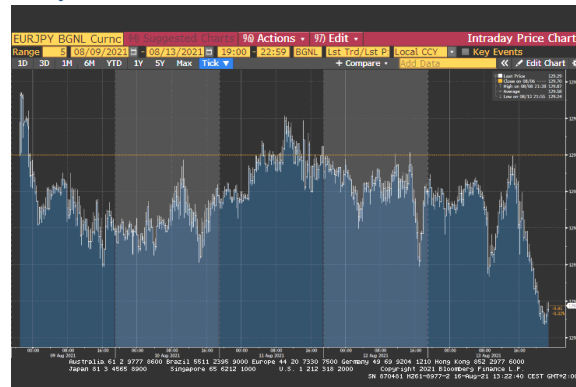


Source: Bloomberg LP

In the first part of this reporting week, the **EUR/GBP exchange rate** depreciated and stood

at its lowest level since February 2020. Sterling has appreciated against the euro. The growth will be short-term and occurred due to the economy opening, providing only moderate support to the British currency. By the end of the week, the EUR/GBP exchange rate recovered as current expectations of rising interest rates proved too optimistic.

EUR/JPY



Source: Bloomberg LP

On the first day of this reporting week, the **EUR/JPY exchange rate** depreciated. Due to the corona virus spread, China introduced new restrictions that include flight delays, travel warnings and other measures, increasing the demand for safe assets. Later this week, the exchange rate recovered slightly, as investors' risk appetite grew due to the publication of data on strong earnings of corporations, and stock prices in Asia rose. The exchange rate appreciation was additionally the result of the publication of US economic data. It caused increased speculations that the Fed could start considering reducing the bond purchase programme, which reflected on the growth of demand for risky assets. By the end of the week, the exchange rate fluctuated, to depreciate on Friday due to growing demand for safe funds as concerns about the coronavirus delta strain caused US consumer confidence to decline.

Table 1 - Exchange rates of the most important currencies

	09.08.2021 ¹	13.08.2021 ²	% Change
EUR/USD	1.1762	1.1797	0.30
EUR/GBP	0.84786	0.85043	0.30
EUR/JPY	129.70	129.30	-0.31
EUR/AUD	1.59903	1.60083	0.11
EUR/CHF	1.07599	1.08019	0.39
USD/JPY	110.25	109.59	-0.60
GBP/USD	1.3872	1.3866	-0.04

Table 2 - Overview of the reference interest 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%	9 September 2021
Federal Reserves	Federal Funds Target Rate	0.25%	22 September 2021
Bank of Japan	Overnight Call Rate	-0.10%	22 September 2021
Bank of England	Official Bank Rate	0.10%	23 September 2021
Swiss National Bank	Libor Target Rate	-0.75%	23 September 2021
Bank of Canada	Target Overnight Rate	0.25%	8 September 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	7 September 2021

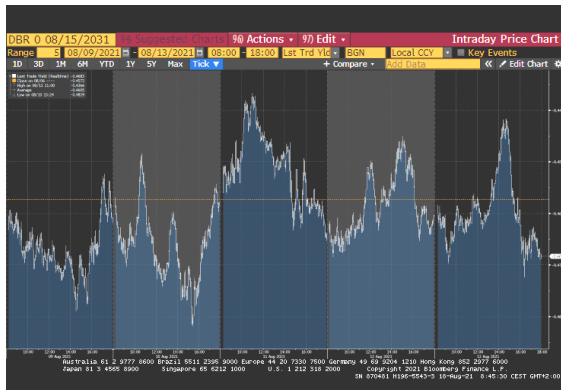
Table 3 – Eonia and Euribor

	09.08.2021	13.08.2021	Change in basis points
Eonia	-0.484	-0.484	0.00
Euribor 1W	-0.566	-0.574	-0.80
Euribor 1M	-0.561	-0.561	0.00
Euribor 3M	-0.541	-0.552	-1.10
Euribor 6M	-0.524	-0.528	-0.40
Euribor 12M	-0.501	-0.496	0.50

¹ Opening market value on Monday

² Closing market value on Friday

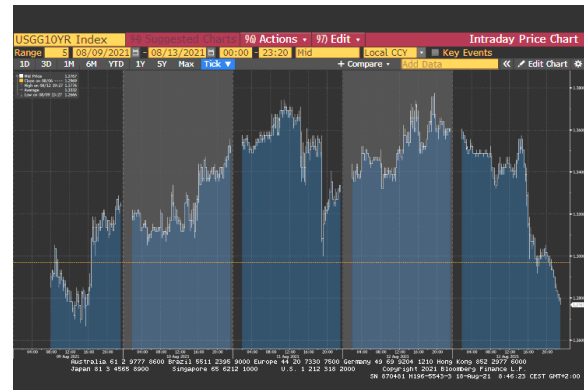
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

At the very beginning of this reporting period, the return on German 10-year bonds was stable to decline slightly the next day. In the middle of the week, these bonds recorded a slightly higher return growth as they followed the recovery of the US market return. However, on Wednesday, after the return on German bonds reached a 2-week high, the release of US consumer price data resulted in lowered expectations that the Fed could start reducing its bond purchase programme. It reflected a decline in return on German bonds. During the last two days, the return on German bonds fluctuated and stood at -0.46% at the end of the week.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds was growing trend until the middle of this reporting week. During this period, the return recovered due to the expectations that the Fed could begin considering to reduce the bond purchase programme. However, in the middle of the week, it was announced that the consumer prices growth rate in the USA slowed down in July to 0.5% compared to June. It resulted in lowering expectations regarding the withdrawal of the Fed's support programme. The return on these bonds increased slightly the next day as the auction of 30-year US bonds saw weaker-than-expected demand. Over the last day, the return on 10-year bonds fell sharply after announcing that the index measuring consumer confidence in the USA fell to its lowest level in 10 years in August.

GOLD



Source: Bloomberg LP

The gold price was on a slight downtrend during the first two days of this week. The decline came as the USD appreciated against a basket of currencies due to speculation that the Fed might begin considering to reducing bond purchase programme. However, from the middle of the week until the very end, gold price was rising. In the mentioned period, it rose as the USD depreciated against a basket of currencies, and the gold price increase also resulted from the consumer prices increase in the USA in July at a lower than expected rate. The gold price also rose due to the news that consumer confidence in the USA fell to a multi-year low of 70.2.

OIL



Source: Bloomberg LP

The crude oil price rose in the first half of this week. The oil price growth came about as the stocks of this fuel fell in the USA in the previous period. Moreover, the USD depreciation against a basket of currencies led to an increased demand for this fuel, which has affected the price rise. From Thursday until the end of the week, oil price declined slightly as the International Energy Agency lowered forecasts for oil demand for the rest of this year. Moreover, a couple of leading countries introduced new restrictive measures aimed at slowing the coronavirus spread.

Table 4 – Economic indicators (9 – 13 August 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Sentix Investors' Confidence Monthly survey showing market opinion about the current economic situation and expectations for the following quarter. Usually, a higher reading of the index is considered positive for the euro area, which is also positively reflected on the euro.	August	29.0	22.2	29.8
Germany	Consumer price index (CPI) Estimates the changes in the cost of living, by measuring changes in the price level of market basket of consumer goods and services purchased by an average household in Germany. (CPI – EU Harmonised) GE The harmonized index of consumer prices is an indicator of inflation and price stability, which uses a methodological concept applied by all EU Member States.	July MoM%	0.9%	0.9%	0.9%
		July YoY%	3.8%	3.8%	3.8%
	ZEW Survey Current Situation This indicator focuses on the results of the research on the current soundness of the German economy. It is obtained by collecting estimates of experts on whether the current situation is improving, worsening or remaining unchanged, so the indicator value is obtained as the difference between the number of positive and the number of negative responses. The higher value of the indicators indicates to strengthening of the economy and a better business climate. ZEW Survey Expectations This survey measures expectations regarding the economic growth for the next 6 months. Experts are surveyed on whether they expect an improvement or deterioration, thus the difference between the number of positive and negative responses represents the indicator value.	July MoM%	0.5%	0.5%	0.5%
		July YoY%	3.1%	3.1%	3.1%
		August	31.0	29.3	21.9%
		August	55.0	40.4	63.3
Great Britain	Gross domestic product (GDP) One of the basic macroeconomic indicators; represents the market value of products and services produced within the country. The following four components are used to calculate GDP: consumption, investments, government expenditure, and net exports.	II Quarter QoQ%	4.8%	4.8%	-1.6%
		YoY%	22.1%	22.2%	-6.1%

Source: Bloomberg