



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 3/10	1.1894
F 3/10	1.1894	T 3/ 9	1.1909
T 3/ 9	1.1909	W 3/ 8	1.1928
W 3/ 8	1.1928	T 3/ 7	1.1889
T 3/ 7	1.1889	M 3/ 6	1.1996
M 3/ 6	1.1996	F 3/ 3	1.2025
F 3/ 3	1.2025	T 3/ 2	1.2012
T 3/ 2	1.2012	W 3/ 1	1.1913
W 3/ 1	1.1913	T 2/28	1.1923
T 2/28	1.1923	M 2/27	1.1853
M 2/27	1.1853	F 2/10	1.1919
F 2/10	1.1919	T 2/ 9	1.1974
T 2/ 9	1.1974	W 2/ 8	1.1944
W 2/ 8	1.1944	T 2/ 7	1.1974
T 2/ 7	1.1974	M 2/ 6	1.1962
M 2/ 6	1.1962		

International Financial Market Report

(10 - 14 May 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.Mart'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

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

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

RATE SWAPS

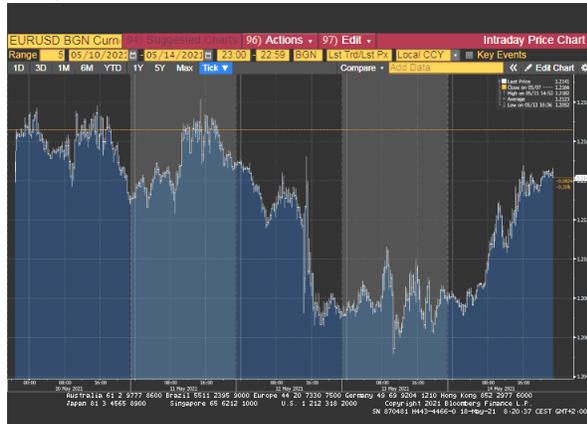
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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
IYC1 I52<GO>
Podgorica, 20 May 2021
IYC6 I52<GO>

Change on day
IYC4 I48<GO>
Change on Month
IYC6 I48<GO>
For US Govt Yield Curve, type fIYC1 I2
For US swap Curve, type fIYC1 I52 <G

FX NEWS

EUR/USD



Source: Bloomberg LP

In the first two days of this reporting week, the **EUR/USD exchange rate** fluctuated from 1.2130 to 1.2180, recording the first significant change on Wednesday. On that day, the exchange rate depreciated to 1.2065 after releasing the US April inflation growth rate data. On Thursday, the exchange rate was volatile again. Data received from the US showed that producer prices rose in April more than expected, and data from the labour market were better than expected. On Friday, the EUR/USD exchange rate recovered as the USD depreciated due to weaker-than-expected retail data. At the very end of the reporting week, the exchange rate stood at 1.2141.

EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** depreciated from 0.8690 to 0.8590 on Monday. The depreciated resulted from the sterling's appreciation after the UK Prime Minister had a stronger position in the parliamentary elections. At the same time,

the party that advocated Scotland's independence was missing one seat from the absolute majority necessary to call a referendum on Scottish independence. During the next two days, this exchange rate continued to depreciate slightly and stood at 0.8560 on Wednesday. The successful presentation of the vaccination campaign enabled a narrowing of the Bank of England bonds purchases volume. With Great Britain's GDP data in the first quarter, which weakened less than expected, this provided support to the British currency. However, in the last two days of this reporting period, the exchange rate recorded a slight recovery to 0.8610 but recorded a weekly decline.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** appreciated this reporting week, although its trend in the first half of the week did not indicate growth. This exchange rate generally depreciated by Wednesday noon, as the yen strengthened due to the risk aversion growth, especially after releasing data on stronger-than-expected producer prices growth in China in April. However, after releasing US inflation rate data, the return on US government bonds and the oil price increased, causing the yen to depreciate. The Japanese government expanded emergency measures against the pandemic due to the fourth coronavirus wave worsening, putting additional pressure on the currency.

Table 1 - Exchange rates of the most important currencies

	10.05.2021¹	14.05.2021²	% Change
EUR/USD	1.2166	1.2141	-0.21
EUR/GBP	0.86976	0.86110	-1.00
EUR/JPY	132.12	132.78	0.50
EUR/AUD	1.55102	1.56209	0.71
EUR/CHF	1.09548	1.09471	-0.07
USD/JPY	108.60	109.35	0.69
GBP/USD	1.3984	1.4097	0.81

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%	10 June 2021
Federal Reserves	Federal Funds Target Rate	0.25%	16 June 2021
Bank of Japan	Overnight Call Rate	-0.10%	18 June 2021
Bank of England	Official Bank Rate	0.10%	24 June 2021
Swiss National Bank	Libor Target Rate	-0.75%	17 June 2021
Bank of Canada	Target Overnight Rate	0.25%	9 June 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	24 June 2021

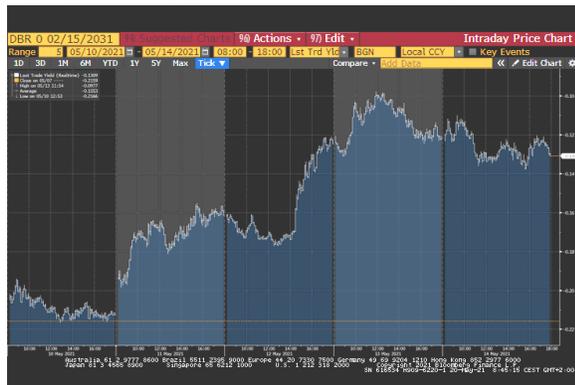
Table 3 - Eonia and Euribor

	10.05.2021¹	14.05.2021²	Change in basis points
Eonia	-0.478	-0.479	-0.10
Euribor 1W	-0.560	-0.567	-0.70
Euribor 1M	-0.553	-0.561	-0.80
Euribor 3M	-0.529	-0.549	-2.00
Euribor 6M	-0.514	-0.513	0.10
Euribor 12M	-0.483	-0.478	0.50

¹ Opening market value on Monday

² Closing market value on Friday

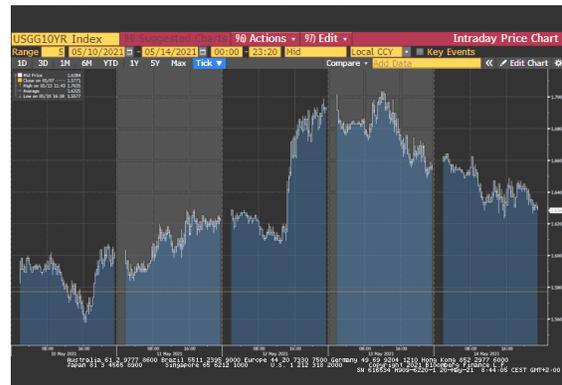
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year German government bonds was stable on Monday, with a growth trend of these return during the next two days. In this period, the return increased due to rising inflation expectations in the euro area and after the USA published data on the monthly inflation rate rise in April by 0.8%, and a y-o-y growth of 4.2%. Over the past two days, the return on these bonds declined slightly after Fed officials said inflation growth in the USA was short-lived. The return on 10-year German bonds rose from about -0.21% to -0.13%.

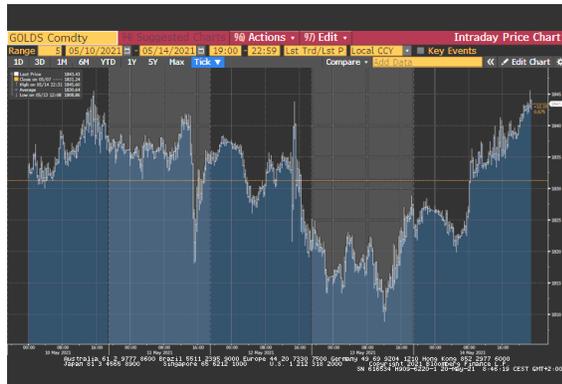
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds was stable during the first two days of this reporting week. It recorded a big jump on Wednesday, after releasing that the US inflation rate recorded a monthly increase of 0.8% in April and a y-o-y increase of 4.2%. However, over the next two days, the return dropped after Fed officials reacted quickly and calmed the market, saying that this inflation rise was temporary. The return on 10-year US bonds jumped from 1.55% to 1.62% this week.

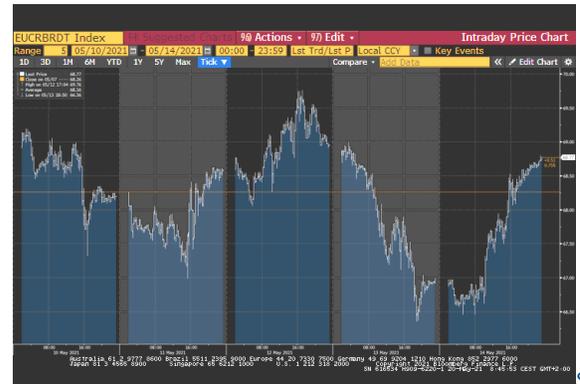
GOLD



Source: Bloomberg LP

The gold price was stable during the first two days of this week. It declined in the middle of the week as the USD appreciated against most currencies after the release on US inflation. Over the past two days, the gold price recovered due to USD depreciation and Fed officials lowering expectations regarding the interest rate increase.

OIL



Source: Bloomberg LP

The oil price weakened until Tuesday noon, to start rising until Wednesday evening. It resulted from the USD depreciation and how the US crude oil stocks drop by 0.4 million barrels during the previous week. This fuel's price recorded a significant drop on Thursday as US rising inflation caused concerns about inflation expectations. Oil prices recovered slightly on Friday.

Table 4 - Economic indicators (10 - 14 May 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Germany	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, as the difference between the number of positive and the number of negative responses. The higher value of the indicators points to strengthening of the economy and a better business climate.	May	-41.6	-40.1	-48.8
	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.	May	72	84.4	70.7
Euro area	Industrial output It measures the change in the output volume in the manufacturing and energy sectors. Industrial output represents around ¼ of the euro area's GDP.	March MoM%	0.8%	0.1%	-1.0%
USA	Consumer price index (CPI) It estimates changes in the cost of living by measuring changes in the prices of certain items for which the consumers allocates their money.	April MoM%	0.2%	0.8%	0.6%
		YoY%	3.6%	4.2%	2.6%
	Producer Price Index (PPI) This index measures changes in sale prices of goods and services used by producers.	April MoM%	0.3%	0.6%	1.0%
	Advance retail sales) The index shows changes in the retail sales volume. This is one of indicators showing consumer consumption. Its growth indicates an increase in commodity production, a strengthening of the economy and currencies.	April MoM%	1.0%	0.0%	9.8%
Great Britain	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.	Q1 QoQ%	-1.6%	-1.5%	1.3%
		YoY%	-6.1%	-6.1%	-7.3%

Source: Bloomberg