

EURUSD ↓ 1.2179 At 19:38 Op 1.2174 HI 1.2174 Value 3/21/06
 1.2179/1.2180 TTDL
 Currency 1/4



CENTRALNA BANKA
CRNE GORE

Range 3/17/05 - 3/17/06
 Upper Chart: 3 Market Price



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 Y mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	F 2/22	1.1911
T 3/16	1.2179	T 2/21	1.1914
W 3/15	1.2050	M 2/20	1.1946
T 3/14	1.2016	F 2/17	1.1909
M 3/13	1.1934	T 2/16	1.1881
F 3/10	1.1894	W 2/15	1.1884
T 3/ 9	1.1909	T 2/14	1.1897
W 3/ 8	1.1928	M 2/13	1.1902
T 3/ 7	1.1889	F 2/10	1.1919
M 3/ 6	1.1996	T 2/ 9	1.1974
F 3/ 3	1.2025	W 2/ 8	1.1944
T 3/ 2	1.2012	T 2/ 7	1.1974
W 3/ 1	1.1913	M 2/ 6	1.1962
T 2/28	1.1923		
M 2/27	1.1853		

International Financial Market Report

11 - 15 October 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. Clean Energy Fed
- F.Marks Bennett: U.S. Dollar, Fed Policy, Euro
- U.S. Commerce Secretary Walker: Fiscal Policy and Deficit
- Commodity Bank's Thurlbell: 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, Products

10 Bloomberg TV Live 11 Bloomberg Radio Live 12 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 Mubaidin: 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 7930 7500 Germany 49 69 920410
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2006 Bloomberg L.P.
 8615-351-3 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

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

Podgorica, 20 October 2021

FX NEWS

EUR/USD



Source: Bloomberg LP

Early this week, the **EUR/USD exchange rate** fluctuated during the day but tended to depreciate. The Demand for the USD increased due to rising energy prices and growing expectations that the Fed would begin withdrawing incentives from the economy despite disappointing US labour market data. On Tuesday, the exchange rate depreciated, as weaker-than-expected ZEW Institute data on Economic Confidence and statements by ECB member Villeroy that the ECB should retain some flexibility of the PEPP even after returning to more conventional policies caused the euro's depreciation. The next day, the EUR/USD appreciated after announcing that consumer prices in the US rose slightly in September (recording 0.4% monthly growth). At the end of the week, the exchange rate fluctuated as investors focused on when the Fed could start raising interest rates, and after publishing mixed US economic data (retail was better than expected, and consumer confidence and production conditions were weaker).

EUR/GBP



Izvor: Bloomberg LP

The **EUR/GBP exchange rate** depreciated this reporting week. Although it appreciated at the beginning of the week, it soon started to depreciate, as expectations concerning the interest rate increase

supported the sterling. Namely, the markets expect that the Bank of England will be the first among the leading central banks to make this decision by the end of the year. BoE officials also expressed concern this week about growing inflation, saying the British should prepare for an earlier interest rate hike. Inflation in the UK is currently at 3%, and its further growth is expected due to rising energy prices. In addition to these expectations, this week's exchange rate depreciation was partly caused by strong data from the British labour market and weaker than expected data from the German ZEW Institute. At the very end of the week, sterling further appreciated after the comments of the BoE Governor that the BoE will have to react to stop price pressures, so there were speculations that the interest rate could increase next month.

EUR/JPY



Izvor: Bloomberg LP

On Monday, the **EUR/JPY exchange rate** was growing due to doubled expectations that the US would raise interest rates and Japan would be among the last central banks to do so. The EUR/JPY exchange rate appreciation continued for the rest of the week. Namely, the previous growth in the return on US government bonds and rising commodity prices, especially oil, caused a declining demand for the Japanese currency. The euro appreciated against the yen also amid expectations that the Bank of Japan would continue with the current monetary policy. A member of the BoJ board, Noguchi, said the central bank might have to step up incentives if increased demand did not improve the country's labour market as expected. At the press conference, Noguchi said the central bank might also have no choice but to extend its pandemic lending programmes after March unless Japan's economic activity returned fully to pre-pandemic levels. At the end of the week, the investor's risk appetite increased, causing the yen to depreciate.

Table 1 - Exchange rates of the most important currencies

	11.10.2021 ¹	15.10.2021 ²	% Change
EUR/USD	1.1569	1.1601	0.28
EUR/GBP	0.84979	0.84363	-0.72
EUR/JPY	129.86	132.52	2.05
EUR/AUD	1.58293	1.56264	-1.28
EUR/CHF	1.07316	1.07079	-0.22
USD/JPY	112.24	114.22	1.76
GBP/USD	1.3615	1.3751	1.00

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%	28 October 2021
Federal Reserves	Federal Funds Target Rate	0.25%	3 November 2021
Bank of Japan	Overnight Call Rate	-0.10%	28 October 2021
Bank of England	Official Bank Rate	0.10%	4 November 2021
Swiss National Bank	Libor Target Rate	-0.75%	16 December 2021
Bank of Canada	Target Overnight Rate	0.25%	27 October 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	2 November 2021

Table 3 – Eonia and Euribor

	11.10.2021 ³	15.10.2021 ⁴	Change in basis points
Eonia	-0.483	-0.487	-0.40
Euribor 1W	-0.568	-0.567	0.10
Euribor 1M	-0.561	-0.564	-0.30
Euribor 3M	-0.548	-0.548	0.00
Euribor 6M	-0.518	-0.528	-1.00
Euribor 12M	-0.482	-0.483	-0.10

¹ Opening market value on Monday

² Closing market value on Friday

³ Opening market value on Monday

⁴ Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year German government bonds was stable on Monday. The next day, it increased slightly after increased expectations that the ECB would increase the interest rate by the end of 2022. The falling trend of the returns on these bonds began in the next two days and lasted until Friday. The decline in the returns was due to lower-than-expected data from the ZEW Institute on economic confidence in the euro area and due to some ECB members' statement that the central bank should maintain the PEPP programme's flexibility even after its termination. The return on 10-year German bonds was relatively stable during the last day and hovered around -0.16%.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On Monday, the US bond market was closed due to the holidays. The return on 10-year US bonds trended down during the rest of the week as the demand for safe funds increased. In addition, the return also declined after the news that China's economy was slowing down and caused concerns about global economic growth. Only the return on 10-year American bonds increased during the last day due to the inflation expectations growth. At the end of the period, the return on these bonds stood at 1.57%.

GOLD



Source: Bloomberg LP

During this reporting week, the gold price rose by some 10 USD/oz. The USD appreciation limited the rising price trend in the first half of the week. After the USD depreciated on Wednesday, this precious metal's price increased significantly. Growing concerns about inflation caused investors to reduce their risk appetite and boost demand for precious metals, being the main reason for prices rising during this reporting week. The price also increased due to an IMF report that reduced the global economy's outlook. The IMF expects global economic growth to be 5.9% this year (previous forecast 6%), and it projected growth in the USA this year to reduce from 7% to 6%. However, the gold price fell on Friday as the USD fluctuated, the returns on US government bonds rose, and investors assessed the outlook regarding incentive measures.

OIL



Source: Bloomberg LP

The oil price also rose this week. In the first half of the week, the prices fluctuated as investors considered how the global energy crisis would affect demand over the coming winter. However, the price fell on Wednesday after OPEC lowered its forecasts for oil demand for the rest of the year in its monthly report. Still, the price recovered in the second part of the day as the USD depreciation caused the oil demand to increase. In the last two days of this reporting week, the oil price grew despite the American Petroleum Institute and the American Energy Agency's data showing that oil stocks increased the previous week. Namely, a leading oil producer, Saudi Arabia, rejected OPEC calls for additional supplies, stating that the steps taken so far were sufficient and protect the oil market from sudden jumps in the natural gas and coal markets. The price also rose due to growing indications of increased demand and declining stocks in the coming months, precisely due to the high price of gas and coal, causing a shift to oil and oil derivatives.

Table 4 - Economic indicators (11 – 15 October 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Industrial output It measures the changes in the output volume of the production, service and mining sectors.	August MoM%	-1.7%	-1.6%	1.5%
Great Britain	Industrial output It measures the changes in the output volume of the production, service and mining sectors.	August MoM% (YoY%)	0.2% (3.3%)	0.8% (3.7%)	1.2% (3.8%)
	PMI Manufacturing PMI surveys tracks opinion among managers at manufacturing, construction and/or services firms. The index is calculated from the survey results on production, orders, inventories, employment, prices, etc.	August MoM% (YoY%)	0.0% (4.1%)	0.5% (4.1%)	0.0% (6.0%)
USA	Number of applications for receiving unemployment allowances (Initial Jobless Claims) It measures the number of people receiving unemployment allowances. Similar to the applicant, the growing number of jobs is accompanied by an economic expansion that could influence inflationary pressures.	9 October K=1,000	320 K	293 K	326 K
	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.	September MoM% (YoY%)	0.3% (5.3%)	0.4% -5.4%	0.3% (5.3%)
	Retail Sales It measures changes in retail trade in Italy.	September MoM%	-0.2%	0.7%	0.7%
Japan	Producer Price Index (PPI) This indicator measures the change in the price paid by domestic producers. The indicator rise is an early inflation indicator.	September MoM% (YoY%)	5.8% (0.2%)	6.3% (0.3%)	5.5% (0.0%)

Source: Bloomberg