

EURUSD 1.2179 At 19:38 Dp 1.2174 Hi 1.2174 Value 3/21/06



CENTRALNA BANKA CRNE GORE

Range 3/17/05 - 3/17/06
Upper Chart: 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 Daily Market mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	F 2/17	1.1909
T 3/16	1.2174	T 2/16	1.1909
W 3/15	1.2050	W 2/22	1.1911
T 3/14	1.2016	T 2/21	1.1914
M 3/13	1.1934	M 2/20	1.1946
F 3/10	1.1894	F 2/17	1.1909
T 3/ 9	1.1909	T 2/16	1.1909
W 3/ 8	1.1928	W 2/15	1.1904
T 3/ 7	1.1889	T 2/14	1.1897
M 3/ 6	1.1996	M 2/13	1.1902
F 3/ 3	1.2025	F 2/10	1.1919
T 3/ 2	1.2012	T 2/ 9	1.1974
W 3/ 1	1.1913	W 2/ 8	1.1944
T 2/28	1.1923	T 2/ 7	1.1974
M 2/27	1.1853	M 2/ 6	1.1962

International Financial Market Report

(14 - 18 June 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

13) LIVE <GO> Events

Event	Date	Time	Language	Type
14) Legal & General Teleconference: Full-Year Earnings	3/17	Now Playing	English	CF
15) UBS Warburg's Hickson: Outlook for Steel Industry	3/17	Now Playing	English	CF
16) European Commission: Daily News Conference	3/17	20:00 - 20:30	English	CF
17) Egypt's Mohamed: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	CF
18) Bonders Group Teleconference: 4th-Qtr Results	3/17	22:00 - 23:00	English	CF
19) AIG Teleconference About Fourth-Quarter Results	3/17	22:30 - 23:30	English	CF

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. 1 212 218 2000 Copyright 2006 Bloomberg L.P. 6615-311-3 1P-MR-06 19:27:28

USD INTEREST RATE SWAPS					RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng	Ticker	Bid	Ask	Mid	Chng
US Semi 30/360					US SPREADS				
2) 2 YR	5.0670	5.0800	5.0755	+0.0305	22) 2 YR	42.88	44.13	43.50	--
3) 3 YR	5.0500	5.0720	5.0610	+0.0330	23) 3 YR	41.50	42.75	42.13	-0.17
4) 4 YR	5.0620	5.0740	5.0680	+0.0250	24) 4 YR	44.38	45.63	45.00	-0.10
5) 5 YR	5.0860	5.0920	5.0890	+0.0235	25) 5 YR	48.25	49.25	48.75	+0.25
6) 6 YR	5.1100	5.1130	5.1105	+0.0170	26) 6 YR	49.50	50.50	50.00	+0.30
7) 7 YR	5.1300	5.1350	5.1325	+0.0170	27) 7 YR	50.50	51.50	51.00	+0.40
8) 8 YR	5.1470	5.1530	5.1500	+0.0160	28) 8 YR	51.13	52.13	51.63	+0.33
9) 9 YR	5.1620	5.1680	5.1640	+0.0135	29) 9 YR	51.75	52.75	52.25	+0.45
10) 10 YR	5.1780	5.1830	5.1805	+0.0175	30) 10 YR	52.25	53.25	52.75	+0.50
11) 15 YR	5.2370	5.2430	5.2400	+0.0145	31) 15 YR	57.00	58.00	57.50	+0.50
12) 20 YR	5.2670	5.2720	5.2690	+0.0130	32) 20 YR	58.63	59.88	59.25	+0.15
13) 30 YR	5.2750	5.2840	5.2795	+0.0190	33) 30 YR	57.38	58.63	58.00	+0.20

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, 23 June 2021

FX NEWS

EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** was stable during the first three days of this reporting week, to fall sharply on Wednesday just before the end of the day, after a regular Fed meeting. Namely, the Fed surprised the market by signalling that it could raise the interest rate faster than expected. Two interest rate increases could happen by the end of 2023. The EUR/USD exchange rate depreciated during the rest of this week due to such Fed meeting's outcome.

EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** appreciated during the first two days of this week. This appreciation in the mentioned period came as the UK Prime Minister ordered a four-week postponement of the COVID measures mitigation due to the appearance of a new delta strain. He stated that 19 July was the deadline for lifting all restrictions on social contacts. In the middle of

the week, the exchange rate depreciated after releasing that the UK's inflation rate was higher than expected in May and reached the level of 2.1%. The exchange rate depreciation continued until Friday, when there was a recovery after increasing expectations that the BoE would not change the current interest rates at the next meeting.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** was relatively stable until the middle of this reporting period. The downward trend of this exchange rate started on Wednesday-end, as the regular Bank of Japan's meeting was approaching. However, it stabilised after a regular meeting on Friday. The Bank of Japan did not change the current way of conducting monetary policy.

Table 1 - Exchange rates of the most important currencies

	14.06.2021¹	18.06.2021²	% Change
EUR/USD	1.2109	1.1864	-2.02
EUR/GBP	0.85838	0.85908	0.08
EUR/JPY	132.80	130.74	-1.55
EUR/AUD	1.57105	1.58644	0.98
EUR/CHF	1.08736	1.09460	0.67
USD/JPY	109.66	110.21	0.50
GBP/USD	1.4107	1.3810	-2.11

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 July 2021
Federal Reserves	Federal Funds Target Rate	0.25%	28 July 2021
Bank of Japan	Overnight Call Rate	-0.10%	16 July 2021
Bank of England	Official Bank Rate	0.10%	24 June 2021
Swiss National Bank	Libor Target Rate	-0.75%	23 September 2021
Bank of Canada	Target Overnight Rate	0.25%	14 July 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	6 July 2021

During this week, Fed held a regular meeting at which the interest rate remained unchanged. However, it surprised the market by signalling its readiness to react, protecting the US economy from “overheating” if necessary. Fed officials have signalled there could be two interest rate increases by the end of 2023. The Fed Chair also stated that the institution officials started discussing the possible bond purchase programme reduction. The Bank of Japan also held a regular meeting this week and did not change the interest rates.

Table 3 – Eonia and Euribor

	14.06.2021¹	18.06.2021²	Change in basis points
Eonia	-0.481	-0.478	0.3
Euribor 1W	-0.559	-0.560	-0.1
Euribor 1M	-0.551	-0.548	0.3
Euribor 3M	-0.548	-0.544	0.4
Euribor 6M	-0.521	-0.513	0.8
Euribor 12M	-0.489	-0.485	0.4

¹ Opening market value on Monday

² Closing market value on Friday

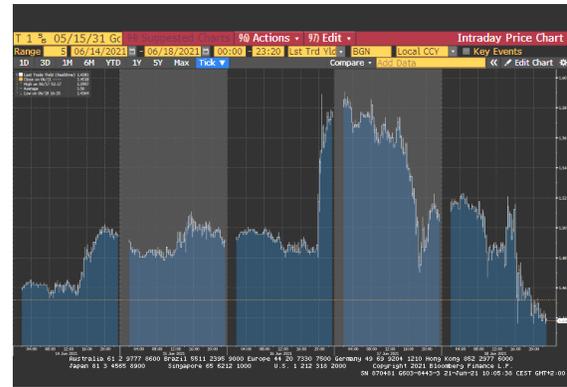
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Earlier this reporting week, the return on 10-year German government bonds recorded a slight upward trend awaiting auctions in Germany, Finland and the EU. Yields on German bonds rose even after the EU issued 10-year bonds of 20 billion euros, twice the planned amount since offers of some 142 billion euros have arrived. At the end of this reporting week, the return on German 10-year government bonds stood at -0.202%.

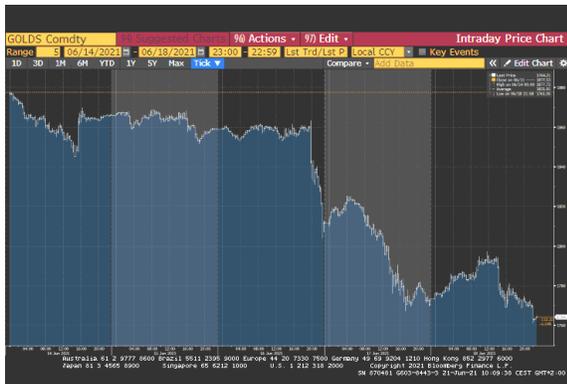
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On the first day of this reporting week, the return on US 10-year government bonds rose by 5 basis points from 1.45% to 1.50%. It happened as investors prepared for the auction of 20-year EU NextGeneration bonds and the outcome of the Fed meeting held this week. After the Fed meeting on Wednesday, the return of these bonds recorded a significant increase of 10 basis points and hovered around almost 1.60%. The Fed surprised market participants in terms of rising expectations of interest rates' faster growth. Namely, two interest rate increases may be expected by the end of 2023. It was a significant difference compared to the March session when no interest rate increase was expected until the 2023-end. By the end of the reporting week, the return on 10-year US bonds weakened, returning to the level at the beginning of the week.

GOLD



Source: Bloomberg LP

At the beginning of this reporting week, the gold price did not change significantly. Market participants expected the Fed's regular session's outcome, which could indicate a possible withdrawal of the economic support programme. Following the Fed's meeting, the gold price fell sharply at the end of Wednesday after announcing that the interest rate could rise faster than expected. By the end of the week, the downward trend in this precious metal's price continued due to the USD appreciation.

OIL



Source: Bloomberg LP

The oil price trended up until the middle of this reporting week due to the American Petroleum Institute's report that the crude oil stocks in the USA fell by 8.5 million barrels the previous week. In addition, demand is expected to continue improving due to the pandemic's easing in North America and Europe. As the week continued, the oil price fell slightly, as the USD appreciated against most currencies after the Fed meeting, which reduced the demand for this energy source. The Fed announced it could double the reference interest rate by 2023.

Table 4 - Economic indicators (14 – 18 June 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Germany	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.	May MoM% (YoY%)	0.5% (2.5%)	0.5% (2.5%)	0.5% (2.5%)
France	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.	May MoM% (YoY%)	0.3% (1.4%)	0.3% (1.4%)	0.3% (1.4%)
USA	Industrial output It measures the change in the output volume in the manufacturing and energy sectors.	May MoM%	0.7%	0.8%	0.7%
Great Britain	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.	May MoM% (YoY%)	1.8% (1.5%)	2.1% (2.0%)	1.5% (1.3%)
Euro area	Industrial output It measures the change in the output volume in the manufacturing and energy sectors. Industrial output represents around a quarter of the euro area's GDP.	April MoM%	0.4%	0.8%	0.1%

Source: Bloomberg