

EURUSD ↓ 1.2179  
 At 19:38 Dp 1.2174 Hi 1.2174 Value 3/21/06  
 Market Currency 1/4  
 Range 3/17/05 - 3/17/06  
 Upper Chart: Market Price  
 1) News



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 2/16	1.1878
T 3/16	1.2016	T 2/15	1.1881
W 3/15	1.2050	W 2/14	1.1897
T 3/14	1.2016	T 2/13	1.1902
M 3/13	1.1934	M 2/12	1.1911
F 3/10	1.1894	F 2/11	1.1919
T 3/9	1.1909	T 2/10	1.1974
W 3/8	1.1928	W 2/9	1.1974
T 3/7	1.1889	T 2/8	1.1944
M 3/6	1.1996	M 2/7	1.1974
F 3/3	1.2025	F 2/6	1.1962
T 3/2	1.2012		
W 3/1	1.1913		
T 2/28	1.1923		
M 2/27	1.1853		

# International Financial Market Report

(15-19 February 2021)

BLOOMBERG NEWS AUDIO/VIDEO

Search Audio/Video 3/17/06 19:27:27

Bankinvest's Broby: Softbank, Vodafone, L'Oreal, Body Shop  
 Daniel Broby, chief investment officer at Bankinvest, discusses the company's investment strategy and its focus on technology and healthcare sectors.

ICAP's Smith: U.S. Dollar, Fed Policy, Euro  
 ICAP's Smith discusses the impact of the Fed's policy on the U.S. dollar and the Euro.

China Airlines' Wei: Fleet Reorganization, Earnings Outlook  
 China Airlines' Wei discusses the company's fleet reorganization and earnings outlook.

Bear Stearns Teleconference: Fiscal First Quarter Profit  
 Bear Stearns Teleconference: Fiscal First Quarter Profit

Microsoft's Ballmer: Stock Performance, Strategy, Product  
 Microsoft's Ballmer: Stock Performance, Strategy, Product

LIVE <GO> Events

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

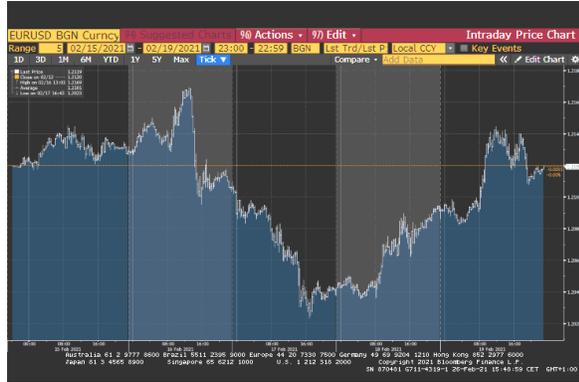
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR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

## FX NEWS

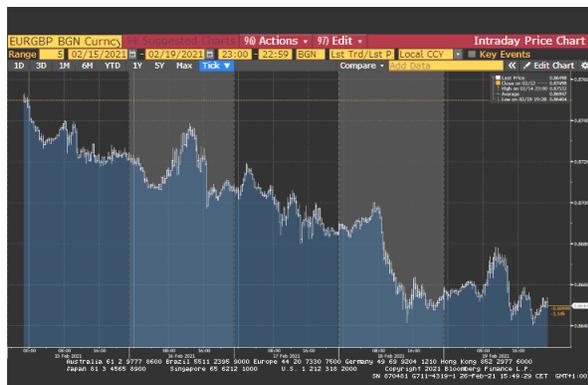
### EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** was stable at the beginning of this period. The next day it began to fall, which lasted until the end of Wednesday. The exchange rate depreciation came as Fed officials indicated expected “some time” to pass before meeting the mass bond purchase programme conditions. This left room for speculation whether this could happen before 2022. From Thursday until the end of this reporting period, the EUR/USD exchange rate appreciated after releasing unfavourable US labour market data. (The unemployment benefits for social assistance rose to 861 thousand). This was reflected in the USD depreciation against the euro. At the very end of the week, the euro was supported against the dollar after releasing positive data on Germany and France’s production indices.

### EUR/GBP

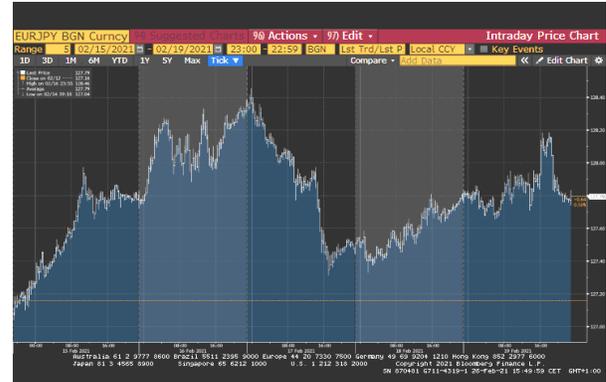


Source: Bloomberg LP

The **EUR/GBP exchange rate** depreciated throughout this reporting period. The British currency was supported by investors’ optimism about the UK’s vaccination process and the optimism that restrictive measures would begin to

ease gradually during March, leading to economic recovery. Also, this exchange rate depreciation was influenced by the statement of a Bank of England board member, Saunders, that there was limited space for additional interest rate cuts in the UK.

### EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** appreciated during the first days due to the falling demand for safe funds. In the middle of the week, this exchange rate depreciated sharply as the demand for safe funds recovered. During the last two days, this exchange rate again was appreciating. The Japanese government lowered its forecasts for the economy for the first time since April last year. The growing number of people suffering from coronavirus affected the decline in household consumption and business activity.

**Table 1 - Exchange rates of the most important currencies**

	15.02.2021 <sup>1</sup>	19.02.2021 <sup>2</sup>	% Change
EUR/USD	1.2141	1.2127	-0.12
EUR/GBP	0.87387	0.86498	-1.02
EUR/JPY	127.810	127.79	-0.02
EUR/AUD	1.56051	1.53999	-1.31
EUR/CHF	1.08157	1.08625	0.43
USD/JPY	105.28	105.45	0.16
GBP/USD	1.3892	1.4016	0.89

**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**

	15.02.2021 <sup>1</sup>	19.02.2021 <sup>2</sup>	Change in basis points
Eonia	-0.479	-0.478	0.1
Euribor 1W	-0.562	-0.565	-0.3
Euribor 1M	-0.553	-0.553	0.0
Euribor 3M	-0.547	-0.543	0.4
Euribor 6M	-0.522	-0.517	0.5
Euribor 12M	-0.502	-0.494	0.8

<sup>1</sup> Opening market value on Monday

<sup>2</sup> Closing market value on Friday

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on German 10-year government bonds grew during this reporting period. At the beginning of this reporting period, it rose as demand for safe funds declined after Germany saw new coronavirus infections decline, and the vaccination program progressed. Just before the end of the week, the yield on German bonds increased further, as the movement of yields on these bonds followed the recovery of yields on US government bonds. At the end of the period, the yield on 10-year German bonds stood at -0.307%.

## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The bond market was closed on the first day of this week due to the US holidays. The return on US 10-year bonds jumped on Tuesday as fuels price rose and following expectations that the new US stimulus package would accelerate the economic recovery. In the middle of the week, the return was stable to increase again during Friday. It rose on Friday due to rising inflation concerns (the producer price index rose 1.3% in January, while the expected growth was 0.4%). It also rose after growing expectations that the US economic recovery would accelerate even before approving additional fiscal stimuli. The return on 10-year bonds stood at 1.36% on Friday.

## GOLD



Source: Bloomberg LP

The gold price fell in this reporting week. Although it was stable early this week, it fell sharply on Tuesday afternoon, as the USD recovered amid growing optimism that the US economy was recovering from the pandemic impact. In the middle of the week, the gold price hit a 2-month low as a stronger USD, and the US better-than-expected economic data affected the decline in demand for safe funds. The next day, this precious metal's price fluctuated, to rise slightly on Friday after announcing that the US production index had fallen. It also increased after a congressional report stressed that there were still "significant" risks that could negatively affect US businesses.

## OIL



Source: Bloomberg LP Bloomberg LP

The oil price was stable during the first two days of this reporting period. In the middle of the week, the oil price jumped in after the US oil production fell by a record 40% due to bad weather conditions in the USA's central part. The downward trend in this energy source's price began from Thursday as oil companies in Texas were preparing to start oil and gas production after the area was previously affected by cold weather conditions.

**Table 4 - Economic indicators (15 - 19 February 2021)**

Country	Indicator	Period	Expected value	Current value	Previous value
Japan	<p><b>Gross domestic product (GDP)</b> 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.</p>	Q4 QoQ%	2.4%	3.0%	5.3%
Great Britain	<p><b>Consumer price index (CPI)</b> 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.</p>	January MoM%	-0.4%	0.9%	0.8%
USA	<p><b>Initial Jobless Claims</b> Measures the number of people receiving unemployment allowances.</p>	13 February K=1,000	773 K	861 K	793 K
	<p><b>Industrial output</b> It measures the changes in output of production, service and mining sectors.</p>	January MoM%	0.4%	0.9%	1.6%
Euro area	<p><b>Industrial output</b> It measures the changes in output of production, service and mining sectors.</p>	December MoM%	-0.8%	-0.8%	-0.6%

Source: Bloomberg