

EURUSD ↓ 1.2179 / 1.2174 TTOL 1.2179/1.2180 Value 3/21/06  
 At 19:38 Dp 1.2174 HI 1.2174 Value 3/21/06  
 Market Currency 1/4



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 D 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	1.1981
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	1.1981
W 3/ 8	1.1928	W 2/15	1.1884
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

(16 - 20 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 Senator 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, discusses the company's investment strategy in various sectors including technology, telecommunications, and consumer goods.

**LIVE <GO> Events**

Event	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.  
 6615-311-3 17-Mar-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, 25 August 2021

## FX NEWS

### EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** recorded a weekly depreciation. In the first half of the week, the euro's depreciation against the USD resulted from falling stock prices and increased demand for safe funds. It happened due to concerns that the global economic recovery would slow further with increased restrictive measures to restrict the new Delta strain spread. The euro found itself at a 9-month low against the USD on Wednesday ahead of the release of the Fed's July minutes, after which the exchange rate recovered briefly. The Fed's July meeting minutes showed that many officials of this institution agreed to start a bond purchases reduction programme at the end of the year, considering inflation targets and employment. On the other hand, some officials believed that the trend would be more appropriate for next year. During the last two days, the USD was again the prevailing currency. There was pessimism that the Delta strain could disrupt the global recovery when central banks begin to withdraw pandemic measures.

### EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** was stable during the first three days of this reporting week. From Thursday until the very end of this period, it appreciated sharply after announcing that retail sales fell unexpectedly by 2.5% monthly in the UK in July. This exchange rate's appreciation additionally resulted from increased investor demand for safer funds due to concerns that the Delta strain expansion could jeopardise the global economic recovery.

### EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** depreciated this week, as did the EUR/USD exchange rate. At the beginning of the week, the EUR/JPY exchange rate recorded a sharp downtrend. Investors turned to invest in safer funds after the release of less favourable economic data from China, political tensions in Afghanistan and the coronavirus Delta spread. Throughout the week, investors were worried about a possible economic growth slowdown, pushing them towards the yen and the USD. Restrictions suppressing movements in Japan were not as effective as in the past, aggravating the government's fight to slow down the COVID-19 infection, thus increasing the risk to delay the economic recovery. At the end of the week, the exchange rate recovered slightly after announcing that consumer prices in Japan fell 0.2% in July on an annual basis (last month, this index rose 0.2%).

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

	16.08.2021 <sup>1</sup>	20.08.2021 <sup>2</sup>	% Change
EUR/USD	1.1797	1.1698	-0.84
EUR/GBP	0.85043	0.85880	0.98
EUR/JPY	129.30	128.44	-0.67
EUR/AUD	1.60083	1.64076	2.49
EUR/CHF	1.08019	1.07277	-0.69
USD/JPY	109.59	109.78	0.17
GBP/USD	1.3866	1.3623	-1.75

**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

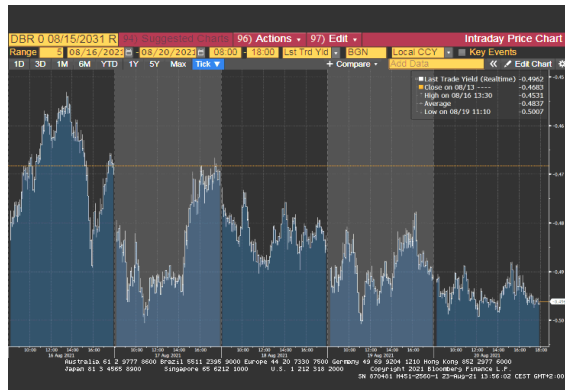
**Table 3 – Eonia and Euribor**

	16.08.2021 <sup>1</sup>	20.08.2021 <sup>2</sup>	Change in basis points
Eonia	-0.484	-0.482	0.20
Euribor 1W	-0.574	-0.574	0.00
Euribor 1M	-0.561	-0.552	0.90
Euribor 3M	-0.552	-0.548	0.40
Euribor 6M	-0.528	-0.528	0.00
Euribor 12M	-0.496	-0.494	0.20

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

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

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Early this reporting week, the return on 10-year German government bonds weakened, as borrowing costs in Germany fell briefly on Monday to the lowest level over the last week. The return dropped due to growing investor demand for safe investments. Geopolitical uncertainty in Afghanistan supported the bond market. Moreover, worse-than-expected factory production data and the retail sales slowdown in China pointed that China was losing momentum in achieving better economic results. It resulted in declining stock prices globally and the demand for government bonds. The return of these bonds recovered briefly at the end of Tuesday after the recovery of return on US bonds and due to issuing of German 2-year bonds of 4.809 billion euros at a return rate of -0.75%. By the end of the week, the German bonds return continued to depreciate due to pessimism that the coronavirus delta strain spread would harm the global economic recovery. At the close of the market on Friday, the return on 10-year German government bonds stood at -0.49%.

## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On the first day of this reporting week, the return on 10-year US government bonds dropped due to the release of weaker-than-expected economic data from China and the political situation in Afghanistan. It stimulated investors' demand for safer funds. On Tuesday morning, the downward trend continued, and the return on these bonds hit its nadir since 5 August (1.21%). The US stock prices also dropped due to concerns about global economic growth as the new coronavirus strain spread and New Zealand introduced a complete lockdown. However, later in the day and during the following day, the return of 10-year US bonds recovered towards the auction of 27 billion USD of 20-year government bonds, reaching the level of 1.30%. By the end of the week, the return had weakened again due to growing concerns that the coronavirus delta strain would threaten the global economic recovery. It stood at 1.25% and on Friday at the close of the market.

## GOLD



Source: Bloomberg LP

On the first day of this reporting week, the gold price rose as investors turned to invest in safer investments due to the coronavirus delta strain spread and the publication of weaker economic data. This precious metal's price continued to rise during the next day, followed by a decline towards the end of the same day, as the USD appreciated against a basket of currencies. By the end of the reporting week, prices had fluctuated slightly as market participants assessed US monetary policy tightening prospects.

## OIL



Izvor: Bloomberg LP

The oil price had a downtrend during this reporting week due to the release of worse economic data in China and the coronavirus delta strain spread, which may negatively impact the global demand for this fuel. The oil price weakened even after a surprising rise in the level of fuel stocks in the USA, pointing to a decreased demand for this petroleum product due to the threat of the coronavirus delta strain spread. According to EIA data, US fuel inventories rose by 696,000 barrels (showing the first increase in the past month). In comparison, oil inventories fell more than expected (3.23 million barrels). After the publication of these data, the initial reaction of the market was positive. The traders' rapid consolidation resulted in the oil prices decrease, taking into account the demand risks. Due to the coronavirus new strain spread, many countries introduced travel restrictions to combat it. China introduced stricter disinfection methods in ports, and Australia increased travel restrictions.

**Table 4 – Economic indicators (16 – 20 August 2021)**

Country	Indicator	Period	Expected value	Current value	Previous value
USA	<b>Industrial output</b> It measures the production output of the energy sectors, factories and mines. Growing industrial output points to increased production and economic expansion.	July MoM%	0.5%	0.9%	0.4%
	<b>Initial Jobless Claims</b> It measures the number of people who receive unemployment benefits. Similar to the applicant, the growing number of jobs is accompanied by an economic expansion that could influence inflationary pressures.	August 14 K=1,000	364K	348K	375K
Great Britain	<b>Consumer price index (CPI)</b> 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.	July MoM%	0.2%	0.0%	0.5%
		YoY%	2.2%	2.0%	2.5%
Germany	<b>Producer price index (PPI)</b> It assesses the average change in prices of certain manufacturers at all stages of production, but does not include imported goods, services and taxes. The index is seen as an indicator of future inflation	July MoM%	0.8%	1.9%	1.3%
		YoY%	0.2%	-2.5%	0.5%
Euro area	<b>Consumer price index (CPI)</b> 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.	July YoY%	2.2%	0.7%	0.7%
Japan	<b>Gross domestic product (GDP)</b> 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%	0.1%	0.3%	-1.0%
		YoY%	0.5%	1.3%	-3.9%

Source: Bloomberg