

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 2/17	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 2/17	1.1909
F 3/10	1.1894	T 2/16	1.1909
T 3/ 9	1.1909	W 2/15	1.1884
W 3/ 8	1.1928	T 2/14	1.1897
T 3/ 7	1.1889	M 2/13	1.1902
M 3/ 6	1.1996	F 2/10	1.1919
F 3/ 3	1.2025	T 2/ 9	1.1974
T 3/ 2	1.2012	W 2/ 8	1.1944
W 3/ 1	1.1913	T 2/ 7	1.1974
T 2/28	1.1923	M 2/ 6	1.1962
M 2/27	1.1853		

International Financial Market Report

(17 – 21 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
- 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	🗑️
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				
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

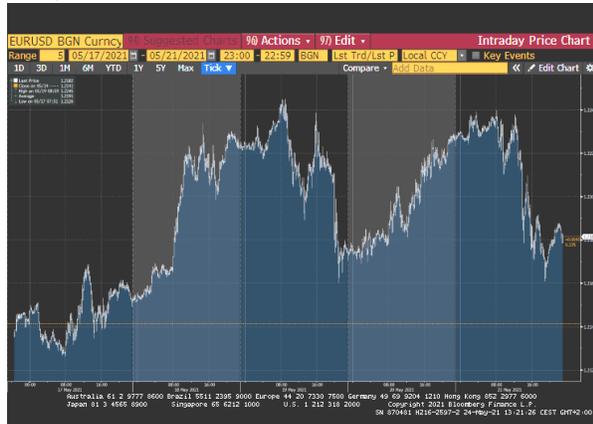
RATE SWAPS				
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25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

FX NEWS

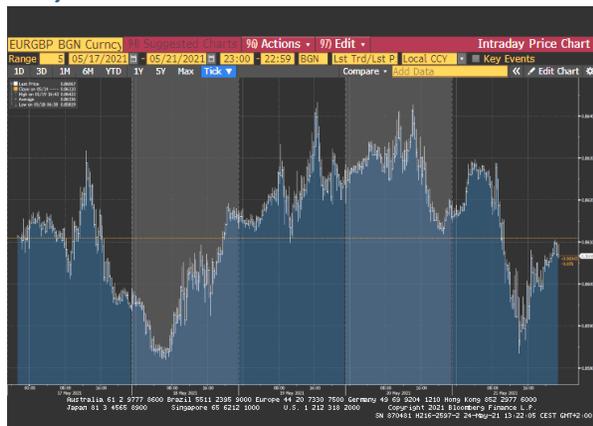
EUR/USD



Source: Bloomberg LP

The **EUR/GBP exchange rate** had an upward trend during the reporting week. The USD depreciated against the euro due to expectations that the Fed would not raise interest rates soon. The ECB President Christine Lagarde said the ECB would continue to protect the euro area economy. The coronavirus pandemic situation remained uncertain, and the authorities should not withdraw support measures to economies early. As the week continued, the exchange rate fluctuated and standing at 1.2191 on average this week. The last Fed meeting minutes showed the openness of some board members to discuss a possible Fed's massive bond-purchase programme reduction at future meetings if the economy improved towards the Fed's objectives.

EUR/GBP



Bloomberg LP

On Monday, the **EUR/GBP exchange rate** depreciated due to investor optimism about the UK's economic activity recovery, as the country

was slowly lifting strict measures to combat the coronavirus pandemic. Over the next few days, the euro appreciated slightly against the sterling. A report showed that the inflation rate in the UK in April was at 1.5% after the easing of restrictive measures began. It is still below the 2% target level. The country's central bank expects this recovery in inflation will be short-term. At the end of the reporting week, the exchange rate depreciated again. The sterling appreciated the euro as retail sales rose 9.2% monthly in April since consumers boosted their stores due to easing measures in the UK.

EUR/JPY



Source: Bloomberg LP

In the first part of this reporting period, the **EUR/JPY exchange rate** appreciated. The Japanese government expanded emergency pandemic measures due to the coronavirus fourth wave's worsening, putting pressure on the yen. It was also announced that the Japanese economy weakened more than expected in the first quarter of this year. The probability of a double recession is increasing, given that this economy is struggling to curb infections and speed up the vaccination process. However, the exchange rate depreciated slightly by the end of the reporting week as the Japanese currency gained support after releasing better-than-expected export data for April.

Table 1 - Exchange rates of the most important currencies

	17.05.2021 ¹	21.05.2021 ²	% Change
EUR/USD	1.2141	1.2182	0.34
EUR/GBP	0.86110	0.86052	-0.07
EUR/JPY	132.78	132.72	-0.05
EUR/AUD	1.56209	1.57517	0.84
EUR/CHF	1.09471	1.09369	-0.09
USD/JPY	109.35	108.96	-0.36
GBP/USD	1.4097	1.4150	0.38

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

	17.05.2021 ¹	21.05.2021 ²	Change in basis points
Eonia	-0.479	-0.479	0.00
Euribor 1W	-0.567	-0.563	0.40
Euribor 1M	-0.561	-0.563	-0.20
Euribor 3M	-0.549	-0.543	0.60
Euribor 6M	-0.513	-0.513	0.00
Euribor 12M	-0.478	-0.479	-0.10

¹ Opening market value on Monday

² Closing market value on Friday

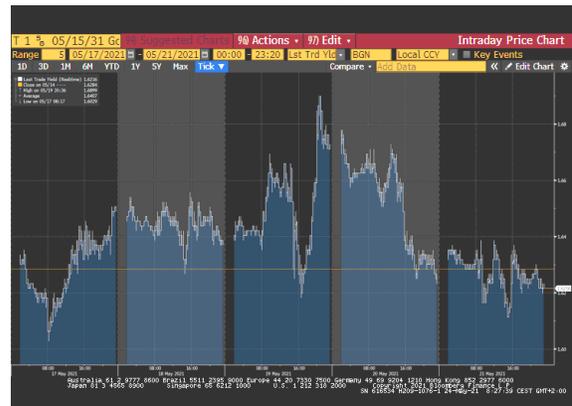
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year German government bonds rose on Monday as the coronavirus situation improved. The vaccination process in Europe accelerated, raising expectations that the EU's economic growth would improve, leading to bond purchases slowdown by the ECB. The growing return trend continued the next day as the German Constitutional Court rejected appeals against the ECB concerning the 2015 bond purchase program, assessing that this scheme proved to be adequate. In the middle of the week, the return on German bonds fluctuated around 3 base points. The return on German 10-year government bonds fell slightly on Friday due to doubts about whether the ECB will announce the withdrawal of part of the PEPP programme in June.

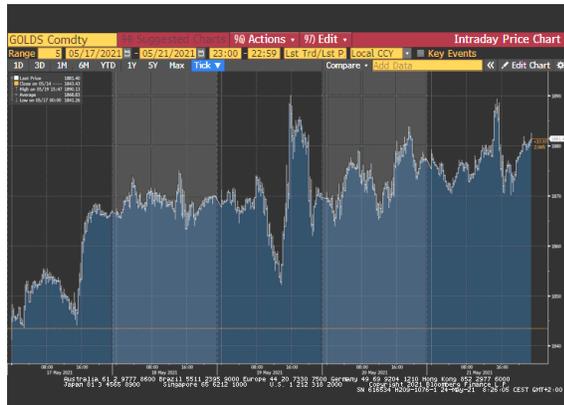
US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds rose on Monday due to optimistic expectations regarding the US inflation. The next day it hesitated and did not record significant changes. It continued to grow again as the last Fed session's minutes pointed to some board members' readiness for discussing the massive bond purchase programme reduction "on subsequent meetings" if justified by economic indicators. The return on US 10-year government bonds fluctuated throughout Friday.

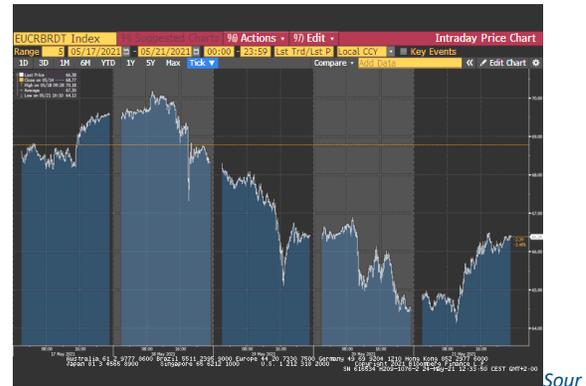
GOLD



Source: Bloomberg LP

The gold price rose on Monday due to concerns about US inflation. The next day, it did not change significantly, increasing slightly in the rest of the week due to the USD depreciation and awaiting the Fed's last meeting minutes. The gold price fell on Wednesday afternoon as the Fed's April meeting minutes indicated some board members' readiness to discuss the massive bond purchase programme reduction "on subsequent meetings" if the economy continued to improve. At the end of the week, the gold price rose due to the USD depreciation.

OIL



Source: Bloomberg LP

The oil price rose on Monday due to optimism that the demand will recover in countries like the United States, despite coronavirus spread problems in certain parts of Asia. For the rest of the week, the oil price weakened as traders followed the world powers' negotiations on the Iranian nuclear agreement revival, which could encourage the oil supply on the market by Iran. The price drop was also due to the report on the US oil stocks increase last week. On Thursday, it fell after diplomats said there was progress in lifting sanctions on Iran, leading to the possible increased supply in the market. Iranian President Hassan Rouhani said on television that the talks focused on oil sanctions, shipping, and petrochemicals. By Friday evening, the oil price rose due to the storm hitting the Gulf of Mexico with a 40% chance to turn into a cyclone.

Table 4 - Economic indicators (17 - 21 May 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Consumer price index (CPI Core) Method for measuring core inflation This is the consumer prices index excluding price of energy and food. This method has become used increasingly as food and energy prices can be unstable, and their volatile movements could affect the measure of inflation.	April	0.8%	0.7%	0.8%
	Consumer Confidence EC It measures consumer confidence in euro area countries. This figure is the result of a survey of euro area consumers in terms of their labour market finances, willingness to save, and expectations regarding the economy.	May	-6.5	-5.1	-8.1
Germany	Producer Price Index (PPI) This index measures changes in producer prices, also known as factory prices. These are prices paid by domestic producers before retail. The growth of these prices is an early inflation indicator because rising production prices can be “passed on” to consumers through higher retail prices.	April MoM% (YoY%)	0.8% (5.1%)	0.8% (5.2%)	0.9% (3.7%)
USA	Initial Jobless Claims It measures the number of people who receive unemployment benefits. It is similar to the applicant. The growing number of jobs accompanies the economic expansion, which could influence inflationary pressures.	8 May K=1,000	450 K	444 K	478 K
Great Britain	Consumer price index (CPI) This indicator estimates the changes in the cost of living, measuring changes in the price level of the basket of consumer goods and services purchased by an average household.	April MoM% (YoY%)	0.6% (1.5%)	0.6% (1.5%)	0.3% (0.7%)

Source: Bloomberg