

EURUSD 1.2179
At 19:38 Dp 1.2174 Hi 1.2174 Value 3/21/06
1.2179/1.2180 TTOL
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	1.1878
T 3/16	1.2050	T 2/16	1.1911
W 3/15	1.2050	W 2/15	1.1914
T 3/14	1.2016	T 2/14	1.1946
M 3/13	1.1934	M 2/13	1.1909
F 3/10	1.1894	F 2/10	1.1981
T 3/9	1.1909	T 2/9	1.1884
W 3/8	1.1928	W 2/8	1.1897
T 3/7	1.1889	T 2/7	1.1902
M 3/6	1.1996	M 2/6	1.1919
F 3/3	1.2025	F 2/3	1.1974
T 3/2	1.2012	T 2/2	1.1944
W 3/1	1.1913	W 2/1	1.1974
T 2/28	1.1923	T 1/31	1.1962
M 2/27	1.1853	M 1/30	

International Financial Market Report

18 - 22 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. Dollar, Fed
- F.Mat's Bennett: U.S. Dollar, Fed Policy, Euro
- U.S. Long-Term Growth: 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

10 Bloomberg TV Live 10 Bloomberg Radio Live 10 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 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 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 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

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>

Change on day
IYC4 I48 <GO>
Change on Month
IYC6 I48 <GO>
For US Govt Yield Curve, type {IYC1 I2
For US swap Curve, type {IYC1 I52 <G

Podgorica, 27 October 2021

FX NEWS

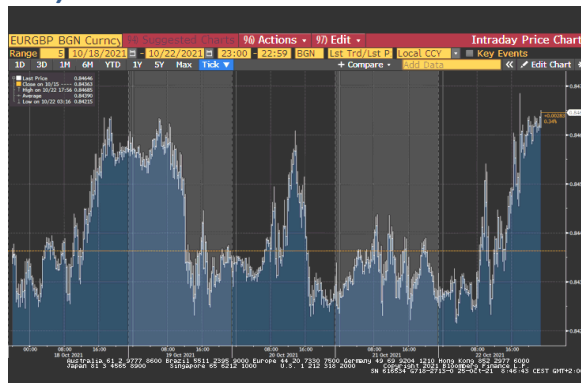
EUR/USD



Source: Bloomberg LP

During this reporting week, the **EUR/USD exchange rate** appreciated. At the market opening on Monday, the exchange rate depreciated as rising inflation expectations and returns on the US government bonds caused rising demand for the USD. On the same day, after the publication of weaker-than-expected data on US industrial output, the USD began to depreciate and reached a 3-week maximum on Tuesday (1.1669). As the week continued, the exchange rate fluctuated mainly under the influence of the USD trend remaining close to the previously mentioned level. Rising return on US government bonds and expectations that the Fed would raise interest rates earlier than expected due to high inflation caused the dollar to appreciate. Investors' increased risk appetite caused its depreciation. On Friday, the Fed Chair said that the bank could soon start reducing bond purchases but would still not increase interest rates. Powell said US employment was still too low, and high inflation was likely to ease next year as COVID-19 pandemic pressures fade. However, many market participants are worried that rising price pressures will last longer than the Fed believes. The most important euro side data are inflation data released in the middle of the week, which met the expectations. At the very end of the reporting week, the EUR/USD exchange rate stood at 1.1645.

EUR/GBP



Source: Bloomberg LP

This week, the **EUR/GBP exchange rate** had an uneven trend. It appreciated on Monday due to the sterling's depreciation amid concerns about Great Britain's

economic growth. However, the exchange rate depreciated on Tuesday as sterling appreciated amid increased investors' expectations that the Bank of England could increase the interest rate already at the November meeting. The exchange rate's downward trend continued until Friday, when it stood at a 20-month low (0.84215). The exception was on Wednesday when it rose sharply due to lower-than-expected inflation data in the UK. Still, the data did not worsen interest rate expectations, and the decline continued. The BoE chief economist's statement that the rate increase will be discussed at the 4 November meeting supported these expectations. The EUR/GBP appreciated rose on Friday as the sterling depreciated amid concerns over a post-Brexit trade agreement. According to unnamed sources, the EU could seek to terminate the agreement if the UK withdraws from its obligations to Northern Ireland. British Prime Minister Boris Johnson threatened to unilaterally suspend parts of the Northern Ireland Protocol regulating trade between the province and the rest of the UK using the powers given in Article 16 of the Pact. Despite such a trend during the week, the exchange rate remained close to the 20-month low and stood at 0.84685 on Friday at the market close.

EUR/JPY



Source: Bloomberg LP

During the reporting period, the **EUR/JPY exchange rate** depreciated. It appreciated in the first half of the week, reaching a 4-month high on Wednesday (133.48). The yen depreciated as weaker-than-expected data on China's GDP and industrial output raised concerns that the economy's slowdown could affect the global economy. The yen also weakened due to rising returns on US government bonds and growing investor risk appetite. In addition, rising energy prices, which Japan imports, threaten to jeopardise recovery after the pandemic, which has also had an adverse impact on the yen. On Wednesday, it was announced that Japan had its second trade deficit in September due to rising oil prices and a weakening currency. However, the yen appreciated in the last two days. According to unnamed sources, the BoJ is considering the possibility of gradually withdrawing the support programme introduced during the pandemic. According to the original plans, the programme was supposed to be completed in March, possibly prolonging. According to some representatives of Japan's monetary authorities, the need for urgent liquidity is decreasing, so the withdrawal of the program can be considered earlier. Falling Asian stock prices and declining risk appetite have played a part in the yen's appreciation.

Table 1 - Exchange rates of the most important currencies

	18.10.2021 ¹	22.10.2021 ²	% Change
EUR/USD	1.1601	1.1643	0.36
EUR/GBP	0.84363	0.84649	0.34
EUR/JPY	132.52	132.18	-0.26
EUR/AUD	1.56264	1.55957	-0.20
EUR/CHF	1.07079	1.06664	-0.39
USD/JPY	114.22	113.50	-0.63
GBP/USD	1.3751	1.3755	0.03

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%	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

	18.10.2021 ³	22.10.2021 ⁴	Change in basis points
Eonia	-0.487	-0.484	0.30
Euribor 1W	-0.567	-0.568	-0.10
Euribor 1M	-0.564	-0.563	0.10
Euribor 3M	-0.548	-0.549	-0.10
Euribor 6M	-0.528	-0.534	-0.60
Euribor 12M	-0.483	-0.471	1.20

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 recorded a weekly rise. At the very beginning of the reporting period, the return fluctuated on average around -0.14%. On Tuesday, the return rose due to the stock prices recovery on stock exchanges. The return on German 10-year government bonds fell to -0.125% in the middle of the week, amid concerns about a potential tightening of the ECB's monetary policy. Market expectations concerning future interest rate movements do not follow the ECB's guidelines. According to them, there will be no increase until inflation is stable at 2%, said the ECB chief economist. The return also dropped after the announcement of the Bundesbank President leaving the office at the end of the year. On Friday, the return fluctuated around 2 basis points as there were not too many reactions regarding Jens Weidmann's relieving from office when the ECB discussed the future of its incentive post-covid programme.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On Monday, the return on 10-year US government bonds fell due to weak economic data from China (weaker than expected GDP in Q3) and the USA (weaker data on industrial production in September). On Tuesday, it rose as fears of stagnation eased and confidence in the global recovery increased, reducing demand for long-term fixed-income assets. The next day, the return on 10-year US government bonds first trended down and fell to 1.62%, after which it recovered to 1.655%. The returns recovery was partially due to weak demand at the auction of 20-year US bonds. Rising inflation expectations on Thursday affected the growth of returns on 10-year US government bonds. At the end of the week, the return on 10-year US bonds fell after Fed Chair Powell signalled that the central bank was ready to start withdrawing monthly bond purchases. He warned that inflation would likely remain high through 2022. The Fed Chair noted that the central bank would raise rates if it noticed serious risks from rising inflation expectations.

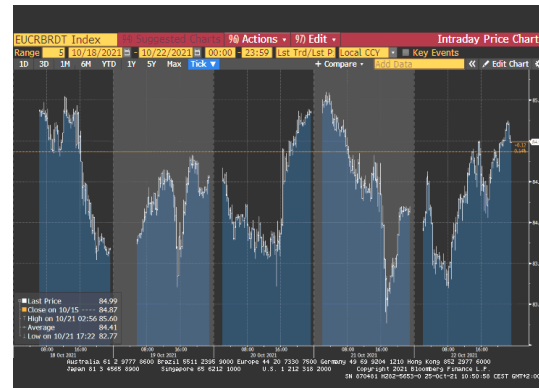
GOLD



Izvor: Bloomberg LP

The gold price fluctuated on Monday. Traders estimated the possibility that the Fed would start reducing its bond-buying programme ahead of time and after releasing weak economic data from the USA and China. The next day, it rose due to the USD depreciation. In the middle of the week, the price growth trend continued as Fed officials' comments reduced the likelihood that the interest rate increase would be scheduled soon. The gold price fell at the end of the week as the USD appreciated against most currencies and the Fed Chair's statement that Fed would begin withdrawing bond purchases soon. He noted that the bank would be patient about raising interest rates, which resulted in the reduced demand for gold as an investment.

OIL



Izvor: Bloomberg LP

The oil price weakened on Monday after releasing that the growth of China in Q3 was weaker than expected. The next day, the oil price fluctuated as the US dollar weakened. Investors also estimated the energy crisis that shook the global market. On Wednesday, the oil price first had a downward trend. An industry report indicated the US oil inventories increased, and China announced measures to stabilise energy supplies for the coming winter. However, the price of this fuel rose in the afternoon, as the US Government report showed oil stocks in the USA dropped unexpectedly in the week before. At the end of the week, a sharp drop in oil price resulted from the growing uncertainty regarding global economic growth. The introduction of new locking measures in Eastern Europe and Russia threatened the global economic recovery. On Friday, oil prices rose due to travel restrictions easing, slowed the US crude oil production recovery, and expectations that the energy demand would increase due to colder weather and holidays.

Table 4 - Economic indicators (18 – 22 October 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	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. Therefore, it is a key measure of euro area inflation.	September MoM% (YoY%)	0.5% (3.4%)	0.5% (3.4%)	0.5% (3.4%)
	Markit Manufacturing PMI 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.	October	57.1	58.5	58.6
Germany	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%)	1.1% (12.8%)	2.3% (14.2%)	1.5% (12.0%)
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.	September MoM% (YoY%)	0.4% (3.2%)	0.3% (3.1%)	0.7% (3.2%)
USA	Industrial output It measures the changes in output of production, service and mining sectors.	September MoM%	0.1%	-1.3%	0.4%
	Existing Home Sales The indicator shows records of sales in the US real estate sector and is revised monthly. This report provides a fairly accurate assessment of housing market conditions. Due to its sensitivity to the business cycle, it can be an important indicator of overall housing conditions at a time when this is particularly important for the economy.	September MoM%	3.7%	7.0%	-2.0%
	Markit Manufacturing PMI This index tracks confidence among managers in manufacturing companies. It is obtained as a result of surveys on production, orders, inventories, employment, prices, etc.	October	60.5	59.2	60.7
	Markit Services PMI This index monitors trust among service company managers.	October	55.2	58.2	54.9
Japan	Export Products and services made in the UK sold or awaiting sale abroad.	September YoY%	10.5%	13.0%	26.2%
	Import Japan's demand for foreign products.	September YoY%	34.6%	38.6%	44.7%

Source: Bloomberg