



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	1.1878
W 3/15	1.2050	W 2/15	1.1864
T 3/14	1.2016	T 2/14	1.1897
M 3/13	1.1934	M 2/13	1.1902
F 3/10	1.1894	F 2/10	1.1919
T 3/ 9	1.1909	T 2/ 9	1.1974
W 3/ 8	1.1928	W 2/ 8	1.1944
T 3/ 7	1.1889	T 2/ 7	1.1974
M 3/ 6	1.1996	M 2/ 6	1.1962
F 3/ 3	1.2025		
T 3/ 2	1.2012		
W 3/ 1	1.1913		
T 2/28	1.1923		
M 2/27	1.1853		

International Financial Market Report

20 - 24 September 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 Policy, Euro
- 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

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 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

Change on day
IYC4 I52 <GO>
Change on Month
IYC6 I52 <GO>

USD INTEREST 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 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, 29 September 2021

FX NEWS

EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** during the first three days of this reporting period did not fluctuate significantly, awaiting the regular Fed meeting. However, this exchange rate depreciated sharply after the end of the regular Fed meeting in the middle of the week. Namely, after the meeting, the Fed signalled it could start reducing the bond purchase programme from November. The exchange rate recovered on Thursday due to the increased risk appetite after concerns about the Chinese company Evergrande eased. It happened after agreeing to a 30-day grace period for the company to settle its obligations to bondholders. Over the last day, this exchange rate depreciated again, as investors' focus shifted again to the US inflation and statements by some Fed officials concerning the bond purchase programme reduction.

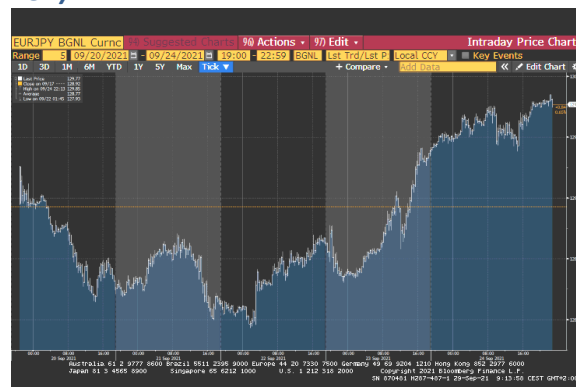
EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** rose on Monday due to speculation that rising energy prices could make it harder for the Bank of England to raise interest rates as rising energy prices decreased household purchasing power and business confidence. The next day, the exchange rate was stable to grow on Wednesday, as weak UK economic data lowered expectations that the Bank of England would soon raise interest rates (due to the stagnant UK economic growth in July). The EUR/GBP fell on Thursday. At this regular meeting, two Bank of England's board members voted to terminate the pandemic bond-buying programme early. This exchange rate appreciated slightly on Friday.

EUR/JPY



Source: Bloomberg LP

During the first two days of this week, the **EUR/JPY exchange rate** depreciated. The exchange rate depreciation came after increasing demand for safe funds due to the Chinese giant Evergrande collapse. It failed to raise money to settle bonds, and the company's crisis risk spilt over into the US market. The rest of the week saw this exchange rate recover. The yen was less attractive than other currencies as the Bank of Japan was still not considering withdrawing monetary stimulus since the country's economy continued to face problems caused by the coronavirus.

Table 1 - Exchange rates of the most important currencies

	20.09.2021 ¹	24.09.2021 ²	% Change
EUR/USD	1.1725	1.1720	-0.04
EUR/GBP	0.85366	0.85706	0.40
EUR/JPY	128.92	129.77	0.66
EUR/AUD	1.61032	1.61377	0.21
EUR/CHF	1.09318	1.08338	-0.90
USD/JPY	109.93	110.73	0.73
GBP/USD	1.3741	1.3679	-0.45

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%	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%	4 October 2021

The Fed held a regular meeting this week and kept interest rates unchanged. After this meeting, the central bank signalled to reduce the bond purchase programme from November. The Fed pointed out that inflation was high, but it was still transitory. Moreover, the Central Bank of England held a meeting this week that met the market's expectations on interest rates, leaving them unchanged. It also did not change the bond purchase programme. Investors were surprised by the two policymakers' (Dave Ramsden and Michael Saunders) vote for early termination of the bond purchase programme. In contrast, all other members were unanimous to keep the rates unchanged. Many analysts have interpreted the 7-2 vote as the beginning of an upward "shift" in rates.

Table 3 – Eonia and Euribor

	20.09.2021 ¹	24.09.2021 ²	Change in basis points
Eonia	-0.486	-0.484	0.2
Euribor 1W	-0.563	-0.567	-0.4
Euribor 1M	-0.562	-0.553	0.9
Euribor 3M	-0.548	-0.543	0.5
Euribor 6M	-0.526	-0.523	0.3
Euribor 12M	-0.490	-0.488	0.2

¹ Opening market value on Monday

² Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on German government 10-year bonds weakened slightly during the first three days of this reporting week, hovering around -0.34%. The demand for secure funds increased this week due to the crisis at the Chinese company Evergrande. During the last two days of this reporting week, the return on German bonds recorded a sharp growth trend, following the US government bonds' trend and optimistic signals sent by the Fed and the Bank of England. At the market close on Friday, the return on German 10-year bonds stood at -0.22%.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During the first three days of this reporting week, the return on 10-year US government bonds did not change significantly. On Thursday, the return on these bonds increased by 11 basis points, as the possible bond purchase programme reduction in November was announced at the Fed meeting. After completing this programme, the interest rate increase cycle will begin at the end of 2022. The upward trend in return on 10-year US bonds continued during Friday when the return stood at 1.45%.

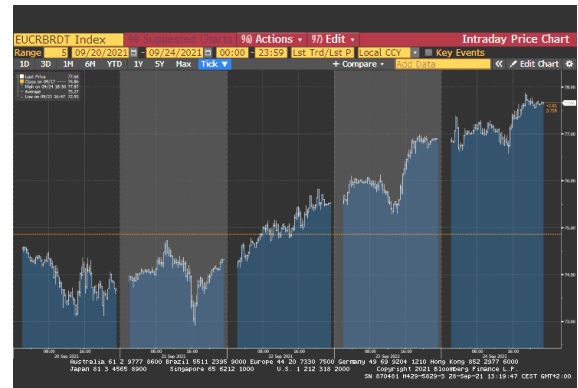
GOLD



Izvor: Bloomberg LP

At the beginning of this reporting week, the gold price trended up due to the growing demand for safe funds, as the second-largest construction company in China, Evergrande, found itself facing bankruptcy. It led to fears that weakening economic growth from China could “spill over” to the rest of the world. At the end of the reporting week, the gold price fell, due to the Fed officials’ optimistic announcements, after this institution held its regular monthly meeting. The gold price weakening also resulted from the USD appreciation, which made gold less attractive for investors.

OIL



Izvor: Bloomberg LP

On the first day of this reporting week, the oil price dropped slightly as the demand for risky assets decreased after the US stock market fell and due to the USD appreciation. At the same time, the production of this fuel in the Gulf of Mexico increased after some refineries were previously closed due to two hurricanes, further weakening the oil price. As the week continued, the oil price trended up. The price increase of this energy source resulted from publishing reports and data showing that the crude oil stocks in the USA fell more than expected, at the same time increasing the oil demand. The oil demand is growing globally as world economies recover from the pandemic effects. At the same time, OPEC and countries close to the organisation are increasing oil production less than the growing demand for this fuel.

Table 4 – Economic indicators (20 – 24 September 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Germany	Producer price index (PPI) 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.	August MoM%	0.8%	1.5%	1.9%
Euro area	Consumer Confidence Index It assesses consumer confidence in terms of business conditions, employment, and personal income. The consumer confidence index is related to personal consumption.	September	-5.9	-4.0	-5.3%
Italy	Consumer Confidence Index It assesses consumer confidence in terms of business conditions, employment, and personal income. The consumer confidence index is related to personal consumption.	September	115.8	119.6	116.2
USA	New Home Sales The indicator shows the sale of newly built properties in the United States. The figure is a temporary indicator of the housing market calculating the sale of houses when housing contracts have been signed.	August K=1,000	715 K	740 K	708 K
		September 18 K=1,000	320 K	351 K	332 K
	Initial Jobless Claims It measures the number of people who receive unemployment benefits.	August MoM	0.5%	0.4%	0.9%

Source: Bloomberg