



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	1.2174	T 2/16	1.1881
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	1.1881
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

(22 - 26 February 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

13) LIVE <GO> Events

Date	Time	Language	Type
3/17	Now Playing	English	CF
3/17	Now Playing	English	CF
3/17	20:00 - 20:30	English	CF
3/17	21:05 - 21:20	English	CF
3/17	22:00 - 23:00	English	CF
3/17	22:30 - 23:30	English	CF

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 1P-MR-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

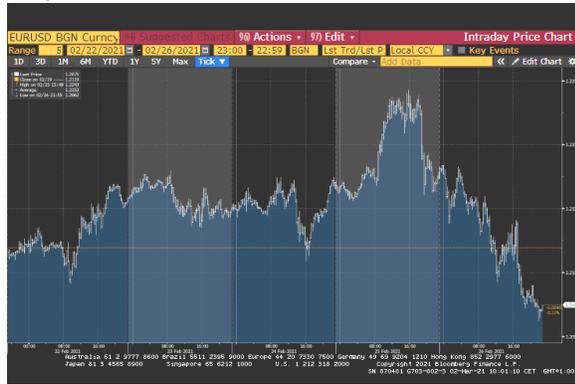
Change on day
IYC4 I52 <GO>
Change on Month
IYC6 I52 <GO>

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, 3 March 2021

FX NEWS

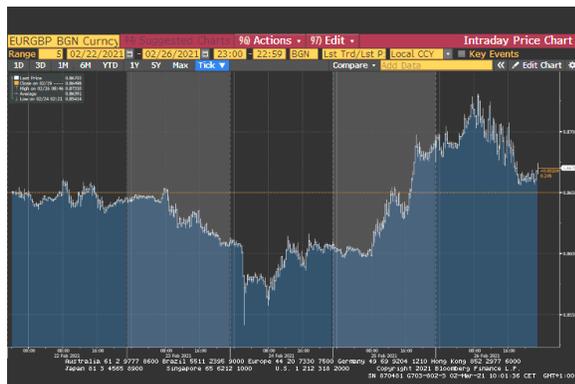
EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** did not change significantly in the first part of this reporting week. A significant change occurred on Thursday when the exchange rate appreciated briefly to a weekly high of 1.2243. The USD depreciated, following the US stock prices downtrend. By the end of the week, the EUR/USD exchange rate depreciated. The USD appreciated to its highest level over a month, following the US 10-year government bonds return trend.

EUR/GBP

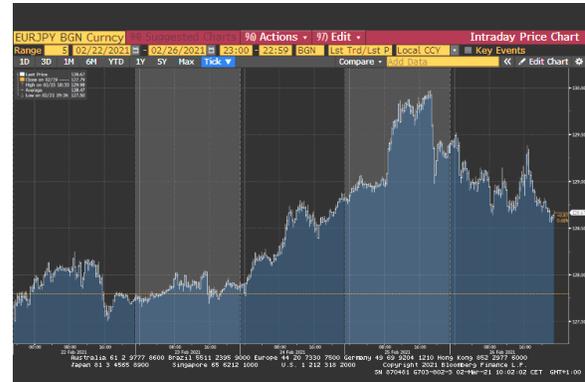


Source: Bloomberg LP

The **EUR / GBP exchange rate** was stable on Monday to decline the next day slightly. It happened due to the United Kingdom's prime minister's statement that the end of the pandemic in England was approaching. The euro's depreciation against sterling was influenced by a successful UK vaccination

programme and the optimism that the movement restriction in this country, introduced due to the coronavirus, will soon be lifted. From the middle of this reporting week, the EUR/USD exchange rate is recovering. The Sterling depreciated against the euro and the USD due to rising return on government bonds worldwide, as investors turned to invest in riskier assets.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** trended up during this reporting week due to the growing investors' demand for riskier assets. The exchange rate averaged around 128.67 during this week.

Table 1 - Exchange rates of the most important currencies

	22.02.2021 ¹	26.02.2021 ²	% Change
EUR/USD	1.2127	1.2075	-0.43
EUR/GBP	0.86498	0.86703	0.24
EUR/JPY	127.79	128.67	0.69
EUR/AUD	1.53999	1.56674	1.74
EUR/CHF	1.08625	1.08625	0.00
USD/JPY	105.45	106.57	1.06
GBP/USD	1.4016	1.3933	-0.59

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

	22.02.2021 ¹	26.02.2021 ²	Change in basis points
Eonia	-0.478	-0.481	-0.30
Euribor 1W	-0.565	-0.567	-0.20
Euribor 1M	-0.553	-0.547	0.60
Euribor 3M	-0.543	-0.530	1.30
Euribor 6M	-0.517	-0.516	0.10
Euribor 12M	-0.494	-0.483	1.10

¹ Opening market value on Monday

² Closing market value on Friday

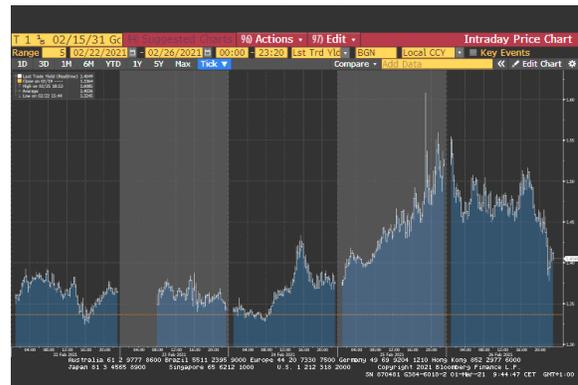
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on the 10-year German government reached an 8-month high of -0.28% on Monday morning. It trended down later in the day due to the ECB President Christine Lagarde's statement that the ECB monitored the return on long-term bonds. Over the next two days, the return fluctuated slightly at around -0.31%. Still, it tended to rise mainly due to the expectation that inflation would increase. On the last day, the return dropped to -0.26%.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

For the first two days, the trend on 10-year US bonds did not change significantly. It averaged around 1.36% as the Fed chair said he would continue with the monetary easing policy further. The Fed chair said interest rates would remain low and that the Fed would continue to purchase bonds to support the US economy. An auction of 7-year government bonds was on Thursday but did not attract the expected number of investors. This, in turn, led to an increase in yields (1.54%). The return on 10-year US bonds dropped by 14 basis points on Friday to 1.40%.

GOLD



Source: Bloomberg LP

At the beginning of the week, gold price rose as the fall in stock prices and rising inflation expectations stimulated precious metals' demand. On Tuesday, the price weakened slightly due to the USD appreciation against other currencies. By the end of the week, this precious metal's price trended down mainly due to the growth of the return on US bonds. Demand for gold has declined due to "brighter" prospects for the global economy and expectations that higher inflation was "just around the corner". Federal Reserve Chairman Jerome Powell assured investors that the central bank was in no hurry to withdraw monetary stimulus. This resulted in reducing gold's attractiveness as a safe haven.

OIL



Source: Bloomberg LP

The oil price was growing on Monday, as global stocks were expected to decline in response to the expected demand recovery in the upcoming period owing to vaccinations. The next day, the price trended down due to the release of an industry report. The report showed that this energy source's stocks increased in the USA during the previous week by 1.03 million barrels. On Wednesday, oil prices rose again as a government report still showed that stocks fell more than 1 million barrels during a rare cold winter storm in Texas. In the last two days, the price trended down due to the stronger USD and the investors' concerns about inflation.

Table 4 - Economic indicators (22 – 26 February 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<p>Euro-Area Economic Sentiment Monthly economic sentiment indicator reflects the general economic activity in the euro area. This indicator combines the assessments and expectations arising from surveying companies and consumers, whereas these surveys include different components of economy: industry, consumers, construction, and retail trade.</p>	February	92.1	93.4	91.5
Germany	<p>IFO Business climate Monthly survey of companies in Germany (in production, construction, wholesale and retail), in terms of the current business climate and expectations for the next 6 months. Given that Germany “accounts for” a quarter of the total GDP of the euro area, this is a significant indicator of the economic health of the euro area as a whole.</p>	February	90.5	92.4	90.3
	<p>Import Price Index The index shows changes in import prices for the month. This is an inflation indicator. Since the CPI calculation takes into account prices of imported goods and services, this characterises the role of import prices in the overall picture of retail prices changes in the basket of goods and services.</p>	January MoM% (YoY%)	1.0% (-2.2%)	1.9% (-1.2%)	0.6% (-3.4%)
USA	<p>Initial Jobless Claims Measures the number of people receiving unemployment allowances.</p>	20 February K=1,000	825 K	730 K	841 K
France	<p>Consumer Spending Goods and services purchased by households. It includes the purchase of durable and consumer goods.</p>	January MoM% (YoY%)	-4.0% (0.3%)	-4.6% (0.0%)	22.4% (3.6%)

Source: Bloomberg