

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



**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	1.1881
W 3/15	1.2050	W 2/15	1.1884
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**

(23 - 27 August 2021)

BLOOMBERG NEWS AUDIO/VIDEO

Search Audio/Video 3/17/06 19:27:27

Bankinvest's Broby: Softbank, Vodafone, L'Oreal, Body Shop  
 Daniel Broby, chief investment officer at Bankinvest, discusses the Japanese mobile-phone unit and L'Oreal SAs purchase of Body Shop International Plc.

ICAP's Smith: U.S. Dollar, Fed  
 ICAP's Smith: U.S. Dollar, Fed Policy, Euro

U.S. Long-Term Growth Walker: Fiscal Policy and Deficit  
 Societe Generale's Maguire: BOJ Policy, Japan Rate, Economy

China Airlines' Wei: Fleet Reorganization, Earnings Outlook  
 Microsoft's Ballmer: Stock Performance, Strategy, Produce

Bear Stearns Teleconference: Fiscal First Quarter Profit

Commodity Banks' Thurlall: Oil Prices, Iraq

Bloomberg TV Live | Bloomberg Radio Live | 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) AVG 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

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, 1 September 2021

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## FX NEWS

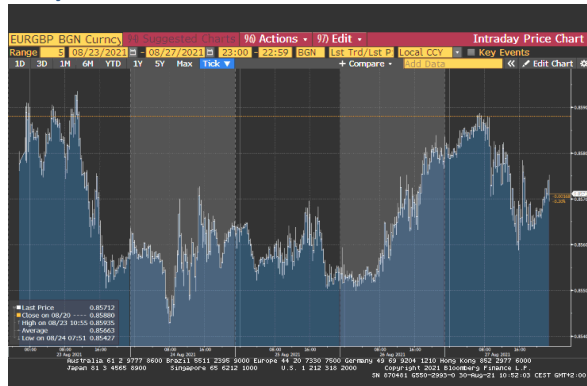
### EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** appreciated on Monday. Business activity in the euro area rose during the month as the vaccination process allowed companies to reopen. The upward trend continued during the next day, after the publication of better-than-expected German GDP data for the second quarter. In the middle of the week, the exchange rate depreciated as the symposium in Jackson Hole and the Fed Chair's speech approached, which supported the US currency. The USD appreciated against the euro and a basket of leading currencies, following rising US government bond return. The EUR/USD exchange rate recovered on Friday, appreciating again, as Fed Chair Jerome Powell said it might be convenient to begin withdrawing the bond-purchase programme this year. The withdrawal would not directly affect the timing of interest rate hikes in the USA.

### EUR/GBP



Izvor: Bloomberg LP

The **EUR/GBP exchange rate** depreciated on Monday after announcing that the index measuring employment growth in the UK reached its peak level since 1998, and companies were more optimistic about future production. Over the next two days, this exchange rate did not change significantly, to increase on Thursday after announcing that car production in Great Britain hit its nadir since 1956. On the last day of this reporting week, the EUR/GBP exchange rate depreciated from 0.8589 to 0.8559. The HM Treasury announced that the first green bond, intended for financing environmental investments, would mature on 31 July 2033.

### EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** appreciated slightly during this reporting week. The euro appreciated due to the release of positive economic data from the euro area. The exchange rate's appreciation also resulted from growing stock prices and growth of return on US government bonds.

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

	<b>23.08.2021<sup>1</sup></b>	<b>27.08.2021<sup>2</sup></b>	<b>% Change</b>
EUR/USD	1.1698	1.1795	0.83
EUR/GBP	0.85880	0.85692	-0.22
EUR/JPY	128.44	129.54	0.86
EUR/AUD	1.64076	1.61298	-1.69
EUR/CHF	1.07277	1.07459	0.17
USD/JPY	109.78	109.84	0.05
GBP/USD	1.3623	1.3764	1.04

**Table 2 - Overview of the reference interest of the leading central banks**

<b>Central Bank</b>	<b>Reference interest rate</b>	<b>Reference interest rate level</b>	<b>Next meeting</b>
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**

	<b>23.08.2021<sup>1</sup></b>	<b>27.08.2021<sup>2</sup></b>	<b>Change in basis points</b>
Eonia	-0.482	-0.485	-0.30
Euribor 1W	-0.574	-0.565	0.90
Euribor 1M	-0.552	-0.556	-0.40
Euribor 3M	-0.548	-0.550	-0.20
Euribor 6M	-0.528	-0.529	-0.10
Euribor 12M	-0.494	-0.502	-0.80

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

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

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on German 10-year bonds rose by midday on Monday as demand for safe funds declined, awaiting bond auctions in Italy, Spain and Germany announced in the coming period. However, towards the end of the day, the return on these bonds fell slightly. The next day, the return did not change significantly. On Wednesday, it rose by some 6 base points after an ECB official, Luis de Guindos, said the growth outlook could improve in future forecasts. Demand for safe funds increased on Thursday as consumer confidence in Germany did not meet expectations. On Friday, the return on German 10-year bonds fluctuated around 3 base points. Still, it fell at the very end of the day after the Fed Chair's statement that there was no hurry to increase the interest rate and that the assets purchase programme withdrawal could begin this year. The return on German 10-year bonds stood at -0.487% on Monday and at -0.425% on Friday.

## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds fell on Monday. It happened due to reduced expectations that the Fed would give signals towards monetary policy tightening at the annual symposium in Jackson Hole. At the same time, the coronavirus spread globally affected the demand growth for these assets. The next day, the return on 10-year US government bonds grew, continuing the trend until the rest of the week. Investors were waiting for the Fed's comments at the end of this week and indications of whether the bond purchase programme would reduce. The annual symposium at Jackson Hole, with Fed Chair Jerome Powell as a speaker, will be on Friday, 27 August. However, it will be held online due to increased caution due to the new virus strain spread. Investors focused on whether Powell would give any new hints regarding the bond purchases withdrawal and whether he expressed concern about the Delta strain spread. The Chair of the Fed in Dallas, who most strongly advocates the economy's phasing out, said he should perhaps adjust the opinion if the virus slowed down economic growth materially. There was a short-term drop in return on Thursday after the attack on Kabul airport. The week ended with a weakening return after Fed Chair Powell supported withdrawing the bond purchase programme in 2021. Still, he was uncertain about the timeframe. He also said that several factors point to a still temporary inflation rise.

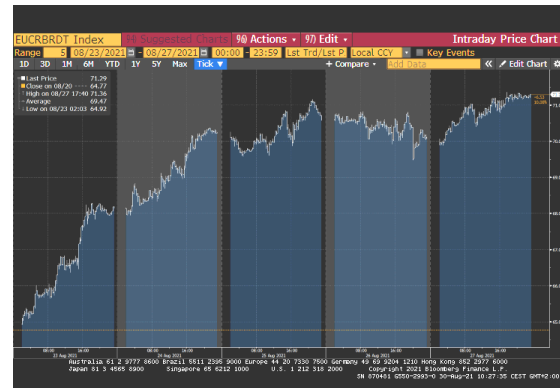
## GOLD



Source: Bloomberg LP

The gold price rose at the very beginning of the week as the USD depreciated against a basket of currencies and due to speculation that the Fed could postpone starting the bond purchase programme reduction. The gold price fell slightly on Wednesday due to an improved risk appetite among investors, and the Wyoming symposium, the most significant event this week, was approaching. On Friday, the gold price recorded the highest rise over the last two weeks, after the Fed Chair said that the asset purchase programme withdrawal would be appropriate this year, reducing the concerns regarding the monetary policy tightening.

## OIL



Source: Bloomberg LP

During the first two days, the oil price rose due to the news that the number of people suffering from coronavirus in China had dropped significantly. Market recovery and the signs of progress in halting the pandemic spread spurred growth, steering investors toward stocks and commodities. After that, the oil price trend did not fluctuate significantly. The oil price drop primarily resulted from the concerns about how the rapid Delta strain spread would affect the global recovery, as many countries impose various restrictions to fight infection. On Wednesday, the price rose as a government report showed oil and gas inventories fell despite the Delta strain expansion and investors' fears of an economic growth slowdown. Last week, stocks fell by 3 million barrels to 432.6 million barrels, with refineries operating at 92.4% of their capacity, the highest since late June. On Friday, the oil price rose as oil production in the Gulf of Mexico was closed due to Hurricane Ida Category 4, resulting in thousands of people being evacuated and planes being grounded.

**Table 4 - Economic indicators (23 - 27 August 2021)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<b>Markit Eurozone Composite PMI</b> PMI surveys tracks opinion among purchasing managers at manufacturing, construction and/or services firms. The index is calculated from the survey results on production, orders, inventories, employment, prices, etc.	August	59.6	59.5	59.8
	<b>Consumer Confidence EC</b> It measures consumer confidence in the euro area countries. This figure represents the result of a survey of euro area consumers in terms of their labour market finance, readiness to save, and economic expectations.	August	-4.9	5.3	-4.4
Germany	<b>GDP s.a.</b> One of the basic macroeconomic indicators, which represents the calculated value in the market prices of goods and services produced within the country, but excludes the income of citizens and corporations working abroad. The following four components are used to calculate GDP: consumption, investments, government expenditure, and net exports.	II Quarter QoQ%	1.5%	1.6%	1.5%
	<b>Imports Price Index</b> The index shows changes in import prices over a 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 changes in retail prices in the basket of goods and services.	July MoM% (YoY%)	1.2% (13.8%)	2.2% (15.0%)	1.6% (12.9%)
	<b>IFO Business climate</b> Monthly survey of companies in Germany (in the area of manufacturing, construction, wholesale and retail trade), regarding the current business climate and the outlook for the next 6 months. Since Germany accounts for 1/4 of total euro area GDP this index serves as a significant indicator of the euro area economic soundness as a whole.	August	100.4	99.4	100.7

Source: Bloomberg