

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 D Daily
 Market mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	F 2/17	1.1909
T 3/16	1.2174	T 2/16	1.1909
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	1.1909
W 3/ 8	1.1928	W 2/15	1.1904
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
 (26 – 30 April 2021)

BLOOMBERG NEWS AUDIO/VIDEO

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

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

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

US. Longshore's 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

Commerzbank's 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) AIG Teleconference About Fourth-Quarter Results	3/17	22:30 - 23:30	English	🗑️

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, 7 May 2021

FX NEWS

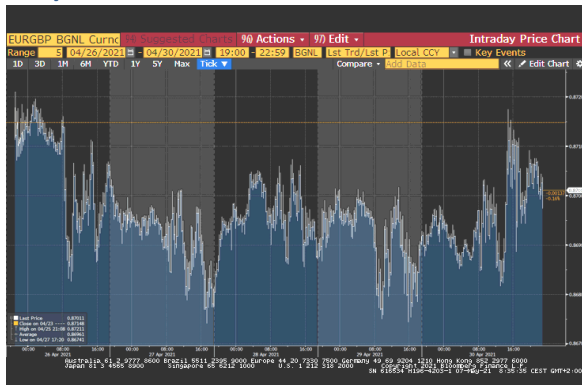
EUR/USD



Source: Bloomberg LP

During the first half of this reporting period, the **EUR/USD exchange rate** depreciated slightly awaiting the regular Fed meeting. However, after the regular session ended, the EUR/USD exchange rate appreciated sharply after the Fed chairman said it was not yet time to slow down the bond purchase programme and the temporary inflation rise could not justify an interest rates increase. On Friday, the EUR/USD exchange depreciated sharply, after the euro area showed that the quarterly economic decline in Q1 was 0.6%, and the German economy fell by 1.7%.

EUR/GBP



Source: Bloomberg LP

During this week, the **EUR/GBP exchange rate** was in a narrow range between 0.87211 and 0.86741. The only major changes in the exchange rate trend happened at the very beginning when the exchange rate declined as investors were optimistic about the UK's economic recovery. The changes also occurred at the very end when this exchange rate appreciated and real estate prices in the UK rose at the highest rate in the last 17 years during April.

EUR/JPY



Source: Bloomberg LP

During the first two days of this week, the **EUR/JPY exchange rate** depreciated slightly awaiting the regular Bank of Japan meeting. After the regular meeting ended, interest rates and the way monetary policy was conducted did not change as expected, and the EUR / JPY exchange rate continued to rise. On Friday, this exchange rate depreciated due to weak economic data on GDP from the euro area and Germany.

Table 1 - Exchange rates of the most important currencies

	26.04.2021 ¹	30.04.2021 ²	% Change
EUR/USD	1.2097	1.2020	-0.64
EUR/GBP	0.87148	0.87011	-0.16
EUR/JPY	130.49	131.40	0.70
EUR/AUD	1.56293	1.55742	-0.35
EUR/CHF	1.10530	1.09781	-0.68
USD/JPY	107.88	109.31	1.33
GBP/USD	1.3876	1.3822	-0.39

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%	6 May 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%	4 May 2021

US Federal Reserve held a regular meeting this week. The central bank decided to keep the interest rate unchanged and to maintain a monthly bond purchase programme of 120 billion USD, enabling consumers and companies to access cheaper loans. Fed Chairman Jerome Powell said he would stick to this course until the economy strengthens sufficiently, even after a more noticeable drop in new coronavirus cases, even though the objective was far ahead. Powell acknowledged that inflation had risen, but mainly due to transient factors. He believes the inflation will soon be at 2% and withdraw from that level later in the year. However, if that did not happen, the Fed would take measures to stop further growth, yet with a small likelihood. The Bank of Japan also held its regular meeting. As expected, it neither changed the interest rate nor its monetary policy. In its forecasts for economic activity and prices, the BoJ maintained a dose of caution. It suggested it would maintain its massive stimulus for the next few years, possibly at least until April 2023, when Governor Kuroda is scheduled to leave the bank. Inflation is expected to be below 2% in 2022 and 2023.

Table 3 - Eonia and Euribor

	26.04.2021 ³	30.04.2021 ⁴	Change in basis points
Eonia	-0.480	-0.484	-0.4
Euribor 1W	-0.561	-0.567	-0.6
Euribor 1M	-0.557	-0.556	0.1
Euribor 3M	-0.539	-0.535	0.4
Euribor 6M	-0.515	-0.521	-0.6
Euribor 12M	-0.476	-0.481	-0.5

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 4 base points this reporting week. During the first two days, it fluctuated within a limited interval. On Wednesday, it approached -0.20%, due to growing expectations that the difficult period of combating the coronavirus in the Euro area will end soon, but also awaiting the Fed meeting. Although the return dropped on the same day due to the ECB President's comments that the worst period of the coronavirus's third wave was most likely over in the euro region, the growing trend continued due to still-present short-term risks. The return reached its peak (-0.18%) on Thursday, which was also the peak value in more than a year, as better than expected data on US economic growth and inflation in Germany were published. It ended the week at -0.20%.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds also appreciated this week, by some 7 base points. Early this week, the return did not show significant changes, to start growing soon awaiting the Fed meeting, and due to the inflation expectations growth that could change the this institution's position that tightening monetary policy was still far away. However, the return weakened after the meeting, as President Powell stressed that monetary policymakers have not begun to consider slowing the bond purchase pace and that significant progress in the central bank's goals will likely happen sometime later. The return rose on Thursday to a nearly 2-week high (1.686%), still due to rising inflation expectations, data on the US economic growth's acceleration in Q1, but also rising stock prices causing a decline in safe funds' demand. On Friday, the return withdrew from this level after a stock market turnaround and due to the growing investors' demand for bonds at the end of the month.

GOLD



Source: Bloomberg LP

The gold price fell slightly in this reporting period. At the beginning of the week, it was stable to weaken awaiting the Fed meeting. After the meeting, the price rose as a falling return on US government bonds attracted investors' demand for precious metals. However, the gold price had a downward trend since Thursday, after the bonds return recovered and expecting the release of US important economic indicators.

OIL



Source: Bloomberg LP

Although the oil price trended down at the very beginning of the week due to the strong increase in new coronavirus cases in India, it soon started to grow remaining such a trend almost until the end of the week. The price increase was caused by the news that the demand for this fuel in China was above the pre-pandemic level and due to OPEC's decision to continue with the planned gradual crude oil production increase. In the middle of the week, it was announced that US fuel stocks fell. Together with expectations on the global consumption revival and consequently higher demand for this raw material, this stimulated a growing trend. The price dropped on Friday due to concerns that the renewed Covid-19 wave in some countries, especially in India, will reduce consumption in the short term. Despite that, the price recorded a weekly increase.

Table 4 - Economic indicators (26 - 30 April 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Gross domestic product (GDP) It measures the value of products and services produced inside the country. GDP is the most comprehensive measure of economic output and provides a key insight into the main drivers of an economy.	Q1 QoQ%	-0.8%	-0.6%	-0.7%
	Consumer price index (CPI) It estimates the changes in the cost of living, measuring price changes in the basket of consumer goods and services used by an average German household.	March MoM%	0.5%	0.7%	0.5%
Germany	Gross domestic product (GDP) It measures the value of products and services produced inside the country. GDP is the most comprehensive measure of economic output and provides a key insight into the main drivers of an economy.	Q1 QoQ%	-1.5%	-1.7%	0.3%
	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.	April 24 K=1,000	540K	553K	547K
USA	Gross domestic product (GDP) It measures the value of products and services produced inside the country. GDP is the most comprehensive measure of economic output and provides a key insight into the main drivers of an economy.	Q1 QoQ%	6.7%	6.4%	4.3%

Source: Bloomberg