

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



CENTRALNA BANKA
 CRNE GORE



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	1.1909
T 3/16	1.2174	T 2/16	1.1904
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	1.1904
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

(29 March – 2 April 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
 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

Daniel Broby, chief investment officer at Bankinvest

LIVE <GO> Events

Event	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

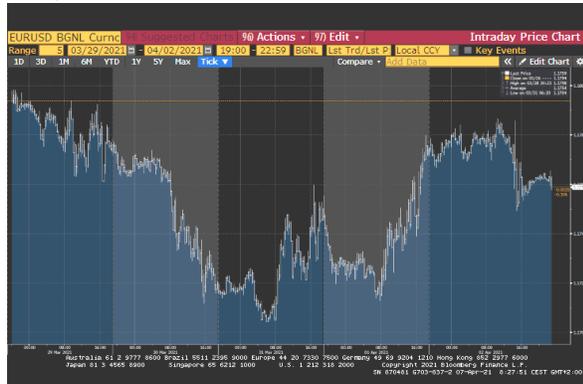
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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>
 For US Govt Yield Curve, type {IYC1 I2
 For US swap Curve, type {IYC1 I52 <G

Podgorica, 7 April 2021

FX NEWS

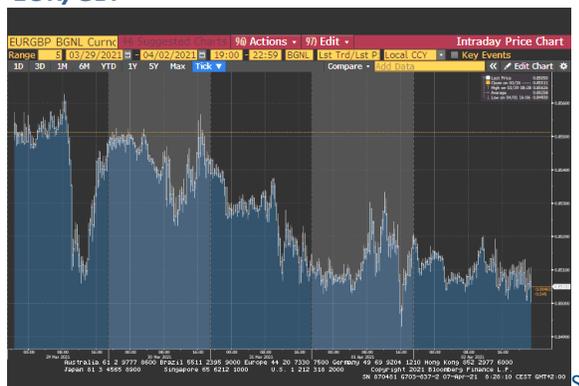
EUR/USD



Source: Bloomberg LP

The **EUR/USD** exchange rate depreciated slightly on Monday. The next day, it depreciated sharply as a Fed board member, Chris Waller, said that the central bank was far from raising interest rates. However, from the middle of the week until its end, this exchange rate grew as the US President presented his recovery plan worth more than 2 trillion dollars. The expectations that the US economy's recovery will be strong enough to lead to the Fed's monetary policy a change additionally influenced the exchange rate's appreciation. Much better than expected labour market data supported the appreciation. Namely, the USA's payrolls, which do not include agriculture employees, increased by even 916 thousand in March, compared to the expected growth of 660 thousand.

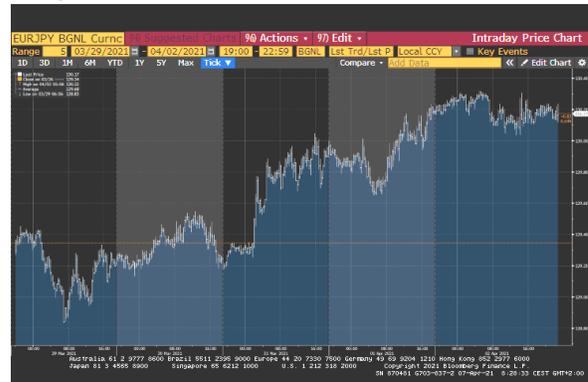
EUR/GBP



Source: Bloomberg LP

During this week, the **EUR/GBP** exchange rate depreciated. The exchange rate's decline resulted from many of Great Britain's economic indicators pointing that the economy recorded better-than-expected results. They also showed that it successfully implemented the vaccination compared to the EU, which was still fighting the pandemic. These reasons have influenced the British currency to appreciate against the euro throughout the reporting period.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY** exchange rate exchange rate appreciated during this reporting week. The appreciation due to growing demand for riskier funds after the US President presented a 2 billion dollars plan to stimulate the US economy. The plan aims at revitalising the US infrastructure, water systems, broadband network, social support and protection, etc. At the very end of the week, the EUR/JPY exchange rate was stable.

Table 1 - Exchange rates of the most important currencies

	29.03.2021 ¹	02.04.2021 ²	% Change
EUR/USD	1.1794	1.1759	-0.30
EUR/GBP	0.85511	0.85050	-0.54
EUR/JPY	129.34	130.17	0.64
EUR/AUD	1.54433	1.54539	0.07
EUR/CHF	1.10754	1.10833	0.07
USD/JPY	109.64	110.69	0.96
GBP/USD	1.3789	1.3832	0.31

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%	22 April 2021
Federal Reserves	Federal Funds Target Rate	0.25%	28 April 2021
Bank of Japan	Overnight Call Rate	-0.10%	27 April 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%	21 April 2021
Reserve Bank of Australia	Cash Rate Target	0.10%	6 April 2021

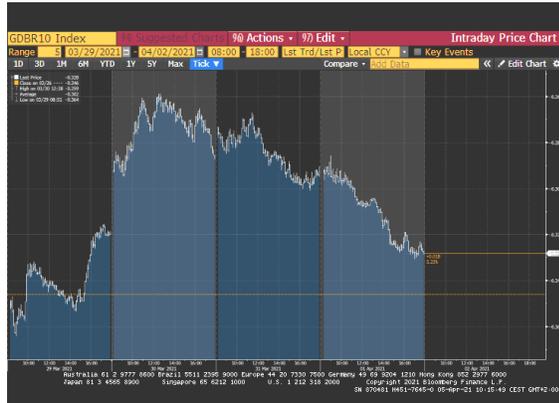
Table 3 - Eonia and Euribor

	29.03.2021 ³	02.04.2021 ⁴	Change in basis points
Eonia	-0.483	-0.481	0.2
Euribor 1W	-0.559	-0.555	0.4
Euribor 1M	-0.550	-0.551	-0.1
Euribor 3M	-0.537	-0.538	-0.1
Euribor 6M	-0.514	-0.512	0.2
Euribor 12M	-0.489	-0.488	0.1

¹ Opening market value on Monday

² Closing market value on Friday

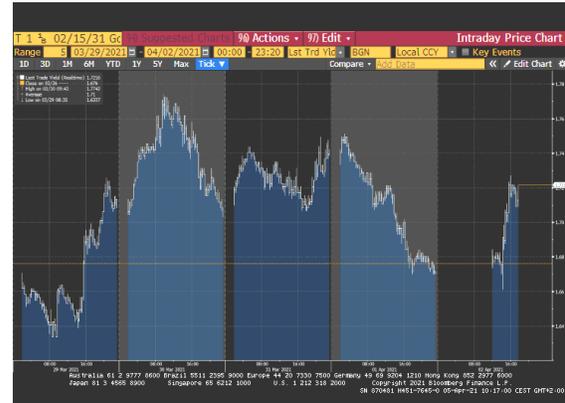
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

During this reporting week, the return on 10-year German government bonds increased from -0.36% to -0.33% on Thursday (as markets were closed on Friday due to Easter). It almost constantly trended up during the first two days, following developments in the US government bond market. Market activity declined to await the holiday, bringing it to -0.26% on Tuesday (the highest level in nearly two weeks). Stock prices rose, and Germany increased planned bond sales in Q2 by 2.5 billion euros as the government increased borrowing to mitigate the coronavirus pandemic's adverse impact. Federal government bond issuance will increase to 59.5 billion euros in April-June, compared to 57 billion euros planned late last year. However, this return declined from Tuesday afternoon until the end of the reporting, mainly due to falling stock prices in the euro region and after releasing lower than expected euro area inflation data. (Respective monthly and annual consumer price indices in March were 0.9% and 1.3%, compared to expected 1.0% and 1.4%, respectively). In addition, German bonds continued to follow the US bond market's developments, whose yields were also declining.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds also increased from 1.66% to 1.72% in this reporting week, recording its lowest value on Monday (1.63%) and the highest the next day (1.77% - also peak since last January). The return growth earlier this week resulted from the stock prices recovery. Investors were waiting for the US President to announce the infrastructure plan (on Wednesday) and the US labour market data (on Friday). In the middle of the week, the return fluctuated to trend down throughout Thursday, after President Biden presented infrastructure and economic recovery packages details. (A 2.25 trillion plan focused on transport, renewable energy sources, manufacturing and efforts to limit climate change. The plan is funded by corporate taxation changes by increasing income taxes from 21% to 28%, and taxes for profits made outside the USA from 13% to 21%). The markets were closed on Friday afternoon due to Easter. The released data exceeded expectations (payrolls excluding agriculture increased by 916 thousand, compared to the expected 660 increase). These facts pointed to economic recovery due to accelerated vaccination, increasing the return by 4 base points compared to the day before. A day earlier, it was released that the ISM Institute's output activity index jumped from 60.8 to 64.7 in March - its highest level in 37 years.

GOLD



Source: Bloomberg LP

The gold price trended down in the first half of the week to compensate for all previous losses in the second half, resulting in amongst unchanged weekly price of this precious metal. The price drop until Wednesday morning to its 9-month low (about 1678 USD/oz) resulted from the USD appreciation and rising US government bonds' return. They were jointly reducing the demand for gold as a safe investment. Besides, accelerated vaccination and the US economy's strengthening influenced stock prices to increase and further reduce the gold demand. However, since Wednesday, USD depreciated due to investors' concerns that the US government's plan to rebuild infrastructure could boost inflation. The gold price thus began to rise as well as due to falling return on US government bonds.

OIL



Source: Bloomberg LP

The same as the gold price, the oil price remained unchanged weekly but fluctuated throughout the week. At the beginning of the week, it rose to an almost 2-week maximum. The traders were expecting that this week's OPEC+ group meeting on Thursday would keep output rates at the current level. After more than a week, the Suez Canal was open after unblocking the ship that blocked it. Later this week, the price decreased due to USD depreciation and informing that France was introducing a country lockdown for a month. The price also weakened due to uncertainty awaiting the OPEC meeting. However, although the OPEC+ decided to start with a gradual output increase from May to July after growing confidence in the economic recovery, fuel price rose. The production in May and June is planned to increase by 350 thousand barrels per day and 400 thousand barrels per day in July. On Friday, the markets were closed due to Easter.

Table 4 - Economic indicators (29 March - 2 April 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<p>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.</p>	March MoM%	1.0%	0.9%	0.2%
Germany	<p>Retail Sales This indicator measures activity related to retail trade volume (not applicable to motor vehicles and motorcycles).</p>	March MoM%	2.0%	1.2%	-4.5%
	<p>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.</p>	March MoM%	0.5%	0.5%	0.5%
USA	<p>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.</p>	March 27 K=1000	675K	719K	684K
UK	<p>Gross domestic product (GDP) 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.</p>	IV Quarter QoQ%	1.0%	1.3%	1.0%

Source: Bloomberg