

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



EUR EURO SPOT PRICE 1.2181

Range 9/19/05 to 3/17/06 Period D Daily Market Y mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	F 2/17	1.1909
T 3/16	1.2174	T 2/16	1.1901
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	1.1901
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

(30 August – 3 September 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 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

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	🗑️

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

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 I48<GO>  
 For US Govt Yield Curve, type {IYC1 I2  
 For US swap Curve, type {IYC1 I52 <G

Podgorica, 10 September 2021

## FX NEWS

### EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** appreciated this reporting week. It did not show significant changes at the beginning of the week, so it started to appreciate significantly from Wednesday. This growth resulted from the USD depreciation that followed the announcement that US companies created fewer jobs than expected in August. Consumer confidence in the US weakened over the same period. In addition, the USD depreciated, awaiting the US labour market data and due to concerns about their impact on Fed policy. After announcing that the number of initial social claims in the USA fell less than expected and that the payrolls were increased, also less than expected, the USD continued to depreciate. On the other hand, the euro appreciated due to ECB officials' statement that inflation would remain the monetary authorities' focus.

### EUR/GBP



Source: Bloomberg LP

During this reporting week, the **EUR/GBP exchange rate** fluctuated. At the end of the week, it stood at the level from the beginning of

the week. At the beginning of the week, the exchange rate was stable, to start appreciating on Tuesday. The next day, the trend was present mainly due to the euro's appreciation supported by ECB officials' comments about potential purchases reductions under the PEPP programme. The exchange rate depreciated on Thursday due to the announcement that business confidence in the UK rose in August owing to optimism that the economy will recover after unlocking it. On the other hand, companies expressed concern about the lack of staff, which could increase their compensation in the coming months. The exchange rate downtrend was present until the end of the reporting period, mainly due to the publication of weaker-than-expected data on euro area retail and due to the sterling's appreciation against the USD.

### EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** appreciated this reporting week. Rising stock prices on Japanese stock exchanges and generally observed decline in demand for safe funds caused its growth during most of the week. Towards the end of the week, the main factor to exchange rate appreciation was the predictions related to the political scene in Japan. Namely, the Japanese Prime Minister, Yoshihide Suga, stated that he would not run for the ruling Liberal Democratic Party leader again. It triggered rumours that he would not be the next Prime Minister of Japan but would probably be the person elected party leader.

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

	<b>30.08.2021<sup>1</sup></b>	<b>03.09.2021<sup>2</sup></b>	<b>% Change</b>
EUR/USD	1.1795	1.1880	0.72
EUR/GBP	0.85692	0.85722	0.04
EUR/JPY	129.54	130.31	0.59
EUR/AUD	1.61298	1.59330	-1.22
EUR/CHF	1.07459	1.08565	1.03
USD/JPY	109.84	109.71	-0.12
GBP/USD	1.3764	1.3871	0.78

**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>30.08.2021<sup>1</sup></b>	<b>03.09.2021<sup>2</sup></b>	<b>Change in basis points</b>
Eonia	-0.485	-0.483	0.20
Euribor 1W	-0.565	-0.567	-0.20
Euribor 1M	-0.556	-0.553	0.30
Euribor 3M	-0.550	-0.548	0.20
Euribor 6M	-0.529	-0.519	1.00
Euribor 12M	-0.502	-0.500	0.20

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

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

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

On the first day of this reporting week, the return on German 10-year government bonds weakened as ECB official Francois Villeroy de Galhau said the future of the central bank's regular bond-purchase programme was unlikely to be the upcoming meeting's topic. Over the next two days, the return on these bonds recovered. ECB board member, Robert Holzmann, said that the 9 September meeting should discuss the transition from the emergency incentives provided during the pandemic crisis to monetary support supporting the inflation target. On Thursday, the return on German bonds weakened slightly and fell by 2 basis points. On Friday, the returns recovered to -0.36%, due to the publication of surveys pointing to the service sector's strengthening in Italy, France, Germany and the euro area as a whole and stronger-than-expected average data on earnings per hour in the USA.

## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds weakened earlier this week to below 1.30%. In the middle of the week, it fluctuated as the US private sector employment report showed significantly worse-than-expected results due to the appearance of the new coronavirus's strain and its impact on the economy. At the very end of the week, the return on 10-year US government bonds rose and hovered around 1.33% after announcing that the average hourly earnings in the US exceeded expectations, and the unemployment rate fell.

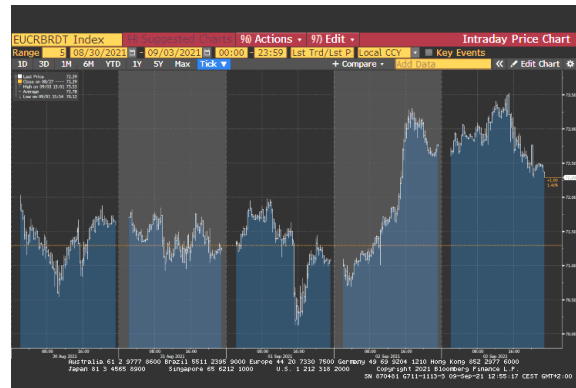
## GOLD



Source: Bloomberg LP

The gold price was stable for most of this reporting week, to pick up sharply on Friday and reach a 7-week high. The report showed that payrolls in the US rose less than expected, reducing concerns that the Fed would soon begin to withdraw incentives.

## OIL



Source: Bloomberg LP

Earlier this reporting week, oil prices were stable, as US producers estimated damage from hurricane Ida, while refineries in the USA were closed. At the end of the week, the oil price rose due to signs of this energy source's decreasing globally due to the USD depreciation. Hurricane Ida caused the market to absorb the additional amount of stock provided by OPEC due to the weather disaster's onset.

**Table 4 – Economic indicators (30 August – 3 September 2021)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<p><b>Retail Sales</b> This indicator measures the sales volume of goods for personal and household spending.</p>	August MoM% (YoY%)	0.0% (4.5%)	-2.3% (3.1%)	1.4% (5.0%)
	<p><b>CPI estimate</b> Early estimate in Euro area estimate. This index uses available data comparable to a historical trend in order to anticipate changes in consumer prices. It estimates the changes in the consumer prices, by measuring changes in the price level of market basket of consumer goods and services purchased by households, thus representing the key inflation measure in the Euro area. Positive CPI points to price increase.</p>	August	2.7%	3.0%	2.2%
USA	<p><b>Change in non-farm payrolls</b> This is a report showing the total number of newly employed workers on a monthly basis by branches of the economy. This report does not include employees in government services, NGOs, and the agricultural sector. Serves as the basis for tailoring economic policy and forecasting future economic trends.</p>	August K=1,000	733K	235K	943K
	<p><b>Initial Jobless Claims</b> It measures the number of people who receive unemployment benefits.</p>	28 August K=1,000	345K	340K	353K
	<p><b>Conference Board Consumer Confidence</b> This index monitors the trust among households or consumers. Its results are obtained by surveying a random sample of households.</p>	August	123.0	113.8	129.1

Source: Bloomberg