

EURUSD 1.2179
 At 19:38 Op 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 Daily Market mid/trd

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	F 2/17	1.1878
T 3/16	1.2050	T 2/22	1.1911
W 3/15	1.2050	T 2/21	1.1914
T 3/14	1.2016	M 2/20	1.1946
M 3/13	1.1934	F 2/17	1.1909
F 3/10	1.1894	T 2/15	1.1904
T 3/ 9	1.1909	W 2/15	1.1904
W 3/ 8	1.1928	T 2/14	1.1897
T 3/ 7	1.1889	M 2/13	1.1902
M 3/ 6	1.1996	F 2/10	1.1919
F 3/ 3	1.2025	T 2/ 9	1.1974
T 3/ 2	1.2012	W 2/ 8	1.1944
W 3/ 1	1.1913	T 2/ 7	1.1974
T 2/28	1.1923	M 2/ 6	1.1962
M 2/27	1.1853		

International Financial Market Report

(31 May 2021 - 4 June 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
 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

Event	Date	Time	Language	Type
14) Legal & General Teleconference: Full-Year Earnings	3/17	Now Playing	English	CF
15) UBS Warburg's Hickson: Outlook for Steel Industry	3/17	Now Playing	English	CF
16) European Commission: Daily News Conference	3/17	20:00 - 20:30	English	CF
17) Egypt's Mohamed: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	CF
18) Bonders Group Teleconference: 4th-Qtr Results	3/17	22:00 - 23:00	English	CF
19) AIG Teleconference About Fourth-Quarter Results	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 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

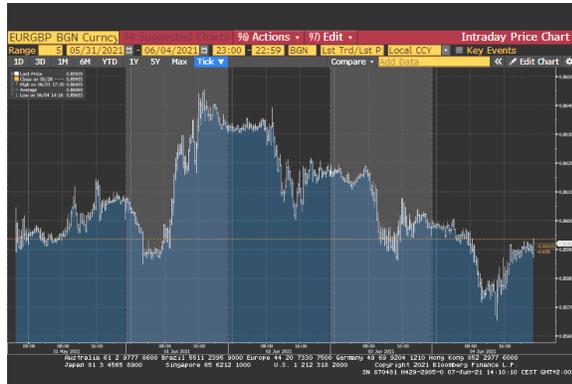
Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	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 fIYC1 I2
 For US swap Curve, type fIYC1 I52 <G

Podgorica, 9 June 2021

FX NEWS

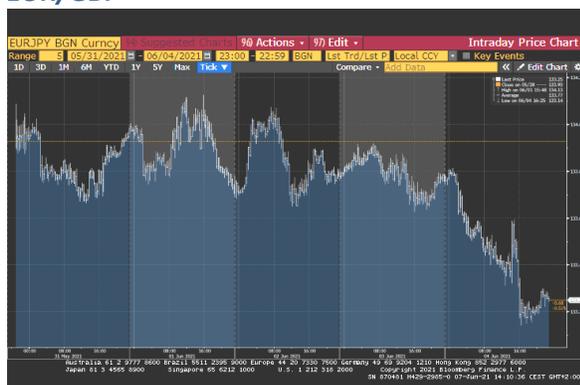
EUR/USD



Source: Bloomberg LP

On Monday, the **EUR/USD exchange rate** depreciated slightly. The USD was under pressure as market participants estimated the US inflation growth impact awaiting monthly labour market data. (A week earlier, it was announced that a key US inflation measure had reached a 29-year high). The euro continued to appreciate against the dollar the next day after releasing data on euro area inflation, which rose to 2% in May from the previous level of 1.6% in April. It was the fastest growth of inflation since 2018. Later this week, the exchange rate dropped. The USD strengthened against the euro due to the release of better-than-expected economic data in the US, especially from the labour market.

EUR/GBP

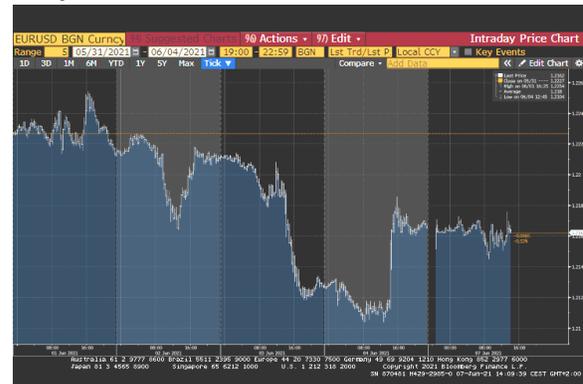


Bloomberg LP

On Monday, the UK market was closed due to the holidays, and the **EUR/GBP exchange rate** did not show significant changes. Although the exchange rate began to fall the next day due to sterling growth after comments about the earlier Bank of England interest rate increase,

the trend was soon interrupted. The exchange rate rose to 0.86455 on the same day. Namely, the euro strengthened due to the released data on the inflation rate growth in the euro area and better than expected PMI production index in Germany. The exchange rate appreciation also resulted from the sterling's depreciation due to a new coronavirus variant in the UK and uncertainty regarding the economic recovery. As the week continued, the exchange rate generally trended down. At the very end of the reporting period, it stood at the level from the period beginning (0.85920). This decline was caused by lower-than-expected annual retail sales data in Germany in April (4.4% vs 10.1%) and better data on the UK service sector in May resulting from the restrictive measures' easing.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** fluctuated between 133.60 and 134.10 during most of the reporting week. It happened mainly due to the publication of mixed Japanese economic data and awaiting the publication of the Bank of Japan bond-purchase plan details, which became unchanged compared to May. The mentioned data showed less than expected industrial production and retail sales increase, a more than expected capital consumption and higher than expected consumer confidence index and new construction growth. The exchange rate recorded a significant change on Friday when it fell to 133.25 as the Japanese currency appreciated due to rising stock prices.

Table 1 - Exchange rates of the most important currencies

	31.05.2021¹	04.06.2021²	% Change
EUR/USD	1.2192	1.2167	-0.21
EUR/GBP	0.85935	0.85933	0.00
EUR/JPY	133.93	133.21	-0.54
EUR/AUD	1.58085	1.57198	-0.56
EUR/CHF	1.09711	1.09400	-0.28
USD/JPY	109.85	109.52	-0.30
GBP/USD	1.4188	1.4157	-0.22

Table 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%	24 June 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%	1 June 2021

During this reporting week, the Bank of Australia held its regular monthly meeting, and it did not change the reference interest rate.

Table 3 – Eonia and Euribor

	31.05.2021³	04.06.2021⁴	Change in basis points
Eonia	-0.481	-0.478	0.30
Euribor 1W	-0.567	-0.571	-0.40
Euribor 1M	-0.558	-0.558	0.00
Euribor 3M	-0.543	-0.546	-0.30
Euribor 6M	-0.512	-0.513	-0.10
Euribor 12M	-0.481	-0.486	-0.50

¹ Opening market value on Monday

² Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

Early this week, the return on German 10-year bonds grew, expecting that Germany, Belgium, Spain and France would issue around 23 billion euros of bonds of various maturities this week. In the rest of the week, it trended down. The investors' focus was on the ECB meeting next week, expecting that the purchases within the PEPP programme will remain at the current level. The return on German 10-year government bonds fell on Friday (following the US government bonds trend), as data from the US labour market did not meet expectations. The return on 10-year German bonds stood at -0.17% at the beginning of the week, to stand at -0.21% at the end of the week.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The US bond market closed on Monday due to Memorial Day. After that, the return was relatively stable. It fell on Wednesday after Beige Book measurements showed that business conditions in the US are slowly improving (the economic recovery pace is "modest"), and inflationary pressures intensified. The return recovered on Thursday as US initial jobs claims fell in the US last week, while private-sector payrolls rose in May. On Friday, the return on US 10-year government bonds trended down again as the report showed weaker payrolls growth in the USA.

GOLD



Source: Bloomberg LP

From Monday to Wednesday, the gold price fluctuated in a limited interval. It mostly stood above 1,900 USD/oz and close to the 5-month maximum, primarily due to USD depreciation and rising inflationary pressures in the USA. The first significant change occurred on Thursday when the price fell from 1,910 to 1,865 USD/oz due to investor concerns about inflation and a potential reduction in incentive measures. The downward trend continued on Friday morning. The price soon began to recover, as the publication of data on US payrolls did not meet expectations. The concerns about the Fed stimulus measures withdrawal reduced. However, this precious metal's price recorded a weekly decline.

OIL



Source: Bloomberg LP

The oil price was growing on Monday, to continue until the end of the week. Namely, the fuel demand outlook for the next quarter is quite positive, and investors were also waiting for the OPEC+ meeting to see the reaction. At the meeting, OPEC members agreed to continue with a gradual oil output increase through July. The arrival of the summer season has further increased the expectations regarding the demand growth for this fuel. On Thursday, the price increase briefly stopped. It was due to the report that showed a last week's drop in fuel stocks (more than expected - stocks fell 5.1 million barrels vs the expected 2.1 million barrels). The oil price increased on Friday with minor fluctuations due to the expectation that demand will recover due to the summer season beginning in the USA.

Table 4 - Economic indicators (31 May 2021 – 4 June 2021)

Country	Indicator	Period	Expected value	Current value	Previous value
Germany	<p>Consumer price index (CPI) Estimates the changes in the cost of living, by measuring changes in the price level of market basket of consumer goods and services purchased by an average household in Germany.</p>	May MoM% (YoY%)	0.3% (2.3%)	0.5% (2.5%)	0.7% (2.0%)
Euro area	<p>CPI estimate Early estimate in Euro area estimate. This index uses available data comparable to a historical trend in order to anticipate changes in consumer prices. 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>	May YoY%	1.9%	2.0%	1.6%
	<p>Unemployment Rate The percentage of individuals being on the labour market and unemployed, but actively looking for a job. Higher unemployment rate generally weakens the economy and results in lower personal spending.</p>	April	-8.1%	-8.0%	-8.1%
USA	<p>Unemployment Rate It shows the total percentage of those considered unemployed in the United States. Given that the Fed must keep unemployment under control, its high rate puts pressure on interest rates (in terms of their reduction), as the Fed will then seek ways to improve the situation on the labour market</p>	May	5.9%	5.8%	6.1%
	<p>Change in non-farm payrolls This report shows the total number of newly employed workers at the monthly level by branches of economy (health care, finance, mining, construction, production, wholesale, retail, transport and storage, IT sector). The report does not include civil servants, non-governmental organisations and the agricultural sector. Serves as the basis for tailoring economic policy and forecasting future economic trends.</p>	May K=1,000	675 K	559 K	278 K

Source: Bloomberg