

EURUSD ↓ 1.2179 / 1.2180 TTOL
 At 19:38 Dp 1.2174 Hi 1.2174 Value 3/21/06
 Currency 1/4



CENTRALNA BANKA
 CRNE GORE

Range 3/17/05 - 3/17/06
 Upper Chart: Market Price



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 | 1.1864 |
| 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

(7 - 11 February 2022)

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 impact of the Japanese mobile phone unit and LOreal's purchase of Body Shop International Plc.

ICAP's Smith: U.S. Dollar, Fed
 ICAP's Smith discusses the U.S. Dollar and Fed policy.

FM's Bennett: U.S. Dollar, Fed Policy, Euro
 FM's Bennett discusses the U.S. Dollar, Fed Policy, and the Euro.

US: Longshore's Walker: Fiscal Policy and Deficit
 US: Longshore's Walker discusses fiscal policy and the deficit.

Societe Generale's Maguire: BOJ Policy, Japan Rate, Economy
 Societe Generale's Maguire discusses BOJ policy, Japan rate, and the economy.

China Airlines' Wei: Fleet Reorganization, Earnings Outlook
 China Airlines' Wei discusses fleet reorganization and earnings outlook.

Bear Stearns Teleconference: Fiscal First Quarter Profit
 Bear Stearns teleconference discussing fiscal first quarter profit.

Microsoft's Ballmer: Stock Performance, Strategy, Produce
 Microsoft's Ballmer discusses stock performance, strategy, and products.

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 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 1P-MR-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 I52 <GO>

Change on day
 IYC4 I48 <GO>
 Change on Month
 IYC6 I48 <GO>
 For US Govt Yield Curve, type {IYC1 I2
 For US swap Curve, type {IYC1 I52 <G

Podgorica, 16 February 2022

FX NEWS

EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** did not change significantly during most of this reporting week. It recorded its more significant jump on Thursday as expected, awaiting the publication of data on US inflation. However, after publishing the data, the exchange rate dropped sharply, continuing the drop until the very end of this week. Namely, the US inflation rate rose at the highest rate in the last 40 years. It led to growing speculation that the Fed could raise interest rates by 50 basis points at its March session, reflected in the USD appreciation.

EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** depreciated during this reporting period, with the more pronounced depreciation at the very end of the reporting period. The exchange rate depreciated as investors believed that the ECB would lag significantly behind the BoE concerning monetary policy tightening. At the end of the week, positive data on the UK economy contributed to a significant exchange rate's depreciation. It was then announced that the UK's GDP grew by 6.5% year-on-year in Q4.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** was stable for most of the reporting week. It increased slightly on Thursday as the Bank of Japan announced it would buy an unlimited amount of 10-year bonds at a fixed rate of 0.25%. On Friday, it depreciated sharply as the demand for safe funds increased due to the worsening situation between Russia and Ukraine.

Table 1 - Exchange rates of the most important currencies

| | 07.02.2022¹ | 11.02.2022² | % Change |
|---------|-------------------------------|-------------------------------|-----------------|
| EUR/USD | 1.1449 | 1.1350 | -0.86 |
| EUR/GBP | 0.84615 | 0.83698 | -1.08 |
| EUR/JPY | 131.96 | 130.95 | -0.77 |
| EUR/AUD | 1.61963 | 1.59045 | -1.80 |
| EUR/CHF | 1.05961 | 1.05050 | -0.86 |
| USD/JPY | 115.26 | 115.42 | 0.14 |
| GBP/USD | 1.3531 | 1.3564 | 0.24 |

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 March 2022 |
| Federal Reserves | Federal Funds Target Rate | 0.25% | 16 March 2022 |
| Bank of Japan | Overnight Call Rate | -0.10% | 18 March 2022 |
| Bank of England | Official Bank Rate | 0.50% | 17 March 2022 |
| Swiss National Bank | Libor Target Rate | -0.75% | 24 March 2022 |
| Bank of Canada | Target Overnight Rate | 0.25% | 2 March 2022 |
| Reserve Bank of Australia | Cash Rate Target | 0.10% | 1 March 2022 |

Table 3 – ESTR and Euribor

| | 07.02.2022¹ | 11.02.2022² | Change in basis points |
|-------------|-------------------------------|-------------------------------|-------------------------------|
| ESTR | -0.578 | -0.578 | 0.00 |
| Euribor 1W | -0.569 | -0.577 | -0.80 |
| Euribor 1M | -0.551 | -0.557 | -0.60 |
| Euribor 3M | -0.548 | -0.523 | 2.50 |
| Euribor 6M | -0.473 | -0.458 | 1.50 |
| Euribor 12M | -0.346 | -0.298 | 4.80 |

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 fluctuated (from 0.17% to 0.27%) for most of the reporting week but increased at the very end of the week (the return reached its weekly high of 0.30%). The return on 10-year German bonds averaged around 0.22% on Monday. An ECB Governing Council member Klaas Knot commented that he believed the ECB's reference rate could increase by 25 basis points in October. After that, his colleague Kazak added "oil on the fire" by commenting that the rate is unlikely to rise in July, but the APP bond purchase programme may be completed. The Governor of the Bank of France said on Tuesday that the markets might have overreacted to the conclusions of the last ECB meeting. He added that the ECB had several options in monetary policy normalisation. It considered ending the assets purchase programme before any interest rate increase, causing the return on the mentioned bonds to fall slightly. On Wednesday, the return on 10-year German bonds fell to 0.21% at the end of the day. Market expectations concerning the ECB's interest rate increase of 25 basis points in October and December eased after the Bank of France Governor's statement. It was despite Schabel's statement that the inflation rate would remain high longer than thought, and the Bundesbank President Nagel's statement that interest rates increase would be possible this year if the euro area inflation outlook did not improve significantly. Following the US inflation rate data publication, expectations regarding the ECB interest rate increase were again current, so the return increased for this reason at the end of the week.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds rose slightly earlier this week, awaiting US inflation data. An auction of 37 billion USD in 10-year bonds was on Wednesday with very strong demand. On Thursday, the return on 10-year US government bonds was relatively stable until the inflation data publication, to exceed the level of 2% after the publication, reaching 2.05% (maximum value since August 2019). The return also rose due to Fed official James Bullard's statement that he favoured a 50 basis points interest rate increase. The return on 10-year US government bonds fell on Friday as investors turned to secure funds due to the deteriorating situation between Russia and Ukraine.

GOLD



Source: Bloomberg LP

The gold price had a slight growth trend during this reporting week, with a more pronounced growth at the very end of the week. Despite rising return on US government bonds and a stronger USD, the gold price rose earlier this week as international tensions boosted demand for gold as a safe haven. After the release of higher-than-expected US inflation data on Thursday, this precious metal price's drop was the first reaction. Still, the correction was soon made due to the rising demand for gold as a hedge against inflation. Intensified geopolitical tensions between Russia and Ukraine continued to strengthen the demand for gold on Friday. US officials warned that a Russian invasion of Ukraine might be imminent. However, Moscow dismissed it as "hysteria" and called for diplomatic talks. Russia repeatedly denied planning an invasion of Ukraine.

OIL



Source: Bloomberg LP

The oil price had a volatile but downward trend in the first half of the week (from 96.6 to 94.30 USD/bbl.). Nuclear negotiations with Iran will continue, and it was thought that the sanctioned oil would return to the market if an agreement is reached, which pushed the price down. On Tuesday, the price weakened for most of the day as traders "weighed" between tensions between Russia and Ukraine and the resumption of Iranian nuclear talks. On Thursday, the oil price was uneven but achieved a slight daily increase. After API data, US government data confirmed that US oil inventories fell last week. The oil price continued to rise on Friday as the pressure on Russia and Ukraine's relations increased, raising concern regarding the global oil stocks.

Table 4 - Economic indicators (7 – 11 February 2022)

| Country | Indicator | Period | Expected value | Current value | Previous value |
|---------------|--|------------------------------|-------------------|--------------------|--------------------|
| Great Britain | <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% (YoY%) | 1.10% (6.40%) | 1.00% (6.50%) | 1.10% (6.80%) |
| Germany | <p>Industrial output It measures the output of the energy sector, factories and mines. Growing industrial production points to increased production and economic expansion.</p> | December MoM% (YoY%) | 0.50% (-3.60%) | -0.30% (-4.10%) | -0.20% (-2.20%) |
| | <p>Exports Products and services produced in Germany, sold or pending for sale outside of Germany.</p> | December MoM% | -0.50% | 0.90% | 1.70% |
| | <p>Imports Germany's demand for foreign products.</p> | December MoM% | -2.10% | 4.70% | 3.30% |
| | <p>Consumer price index (CPI) It 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> | January MoM% (YoY%) | 0.40% (4.90%) | 0.40% (4.90%) | 0.40% (4.90%) |
| Italy | <p>Industrial output It measures the output of the energy sector, factories and mines. Growing industrial production points to increased production and economic expansion.</p> | December MoM% (YoY%) | -0.70% (4.60%) | -1.00% (4.40%) | -1.90% (6.30%) |
| USA | <p>Initial Jobless Claims It measures the number of people who receive unemployment benefits.</p> | 5 February K=1,000 | 230 K | 223 K | 238 K |
| | <p>Consumer price index (CPI) It 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> | January MoM% (YoY%) | 0.40% (7.30%) | 0.60% (7.50%) | 0.60% (7.00%) |

Source: Bloomberg