



**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 2/24	1.1878
T 3/16	1.2174	T 2/23	1.1923
W 3/15	1.2050	W 2/22	1.1911
T 3/14	1.1997	T 2/21	1.1946
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	1.1881
W 3/ 8	1.1928	W 2/15	1.1884
T 3/ 7	1.1889	T 2/14	1.1997
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**  
**(31 January - 4 February 2022)**

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. Treasury, Fed  
FidMar's Bennett: U.S. Dollar, Fed Policy, Euro  
Societe Generale's Maguire: BOJ Policy, Japan Rate, Economy  
China Airlines' Wei: Fleet Reorganization, Earnings Outlook  
Microsoft's Ballmer: Stock Performance, Strategy, Products

LIVE+GO Events	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 Mohieldin: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	CF
18) Borders 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

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Hong Kong 852 2577 6000 Japan 81 3 3201 8900 Singapore 65 6312 1000 U.S. 1 212 318 2000 Copyright 2006 Bloomberg L.P.  
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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

Change on day  
IYC4 I52<GO>  
Change on Month  
IYC6 I52<GO>

USD INTEREST RATE SWAPS

Ticker	Bid	Ask	Mid	Chng
US SPREADS				
2) 2 YR	42.88	44.13	43.50	---
2) 3 YR	41.50	42.75	42.13	-.17
2) 4 YR	44.38	45.63	45.00	-.10
2) 5 YR	48.25	49.25	48.75	+0.25
2) 6 YR	49.50	50.50	50.00	+0.30
2) 7 YR	50.50	51.50	51.00	+0.40
2) 8 YR	51.13	52.13	51.63	+0.33
2) 9 YR	51.75	52.75	52.25	+0.45
2) 10 YR	52.25	53.25	52.75	+0.50
2) 15 YR	57.00	58.00	57.50	+0.50
2) 20 YR	58.63	59.88	59.25	+0.15
2) 30 YR	57.38	58.63	58.00	+0.20

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, 9 February 2022

## FX NEWS

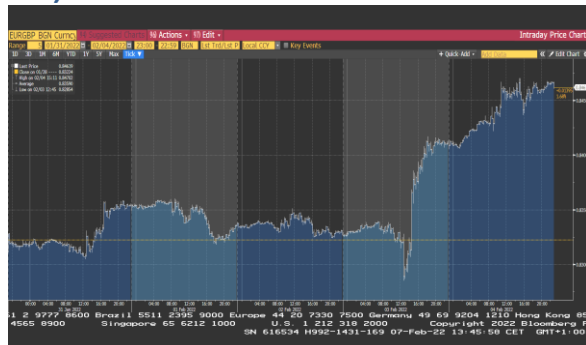
### EUR/USD



Source: Bloomberg LP

During this reporting week, the **EUR/USD exchange rate** appreciated from 1.1140 to 1.1450. At the beginning of the week, the appreciation was caused by the reduced traders' expectations that the Fed would pursue a rapid stimulus measures withdrawal policy. The Fed focused on economic data, which will provide more clues in the coming weeks on how monetary stimulus will be withdrawn. Later in the week, published European economic data (euro area manufacturing sector, German unemployment rate) supported the exchange rate appreciation. Euro area inflation preliminary data were released ahead of the ECB's Thursday meeting. The inflation rate reached a record high of 5.1% in January, contrary to expectations that it would fall. At the ECB meeting, as expected, interest rates did not change. Still, President Lagarde pointed out that "the situation has changed" regarding the inflation outlook, emphasising growth risks, especially in the short term. Unlike December, Lagarde did not take the opportunity to deter markets from increasing the rate in 2022. She said she would keep its decision until the updated macroeconomic projections were released in March. Due to such comments, the market expectations that the ECB's interest rate will increase this year rose, so the EUR/USD exchange rate rose sharply that day. At the end of Friday, this exchange rate was at the level of 1.1449.

### EUR/GBP



Source: Bloomberg LP

The **EUR/GBP exchange rate** also appreciated this reporting week. From Monday until the BoE and the ECB Thursday meetings, the exchange rate was within a limited interval from about 0.82850 to 0.83600. The inflation rate in Germany rose, increasing pressures on the ECB and its position that the interest rate will not increase this year, and appreciating the European currency on Monday. On the other hand, UK data on the factory output growth and a better real estate market situation supported sterling. Sterling also appreciated expecting that the BoE would increase the interest rate at the upcoming meeting. Although the BoE meeting outcome was as expected and the BoE announced the prediction that consumer prices in the UK would peak at 7.25% in April, the EUR/GBP exchange rate rose sharply on the same day. The main reason was the ECB meeting and consequent growing expectations that the ECB interest rate would increase this year. At the very end of the week, the exchange rate stood at 0.84615.

### EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** appreciated this reporting week. For most of the week, it did not show significant changes to record a sharp rise on Thursday after the ECB meeting. Namely, after the ECB meeting, expectations that the interest rate will be increased this year rose. On the other hand, the Deputy Governor of the Bank of Japan said it would be too early to tighten monetary policy before inflation reaches the BoJ target, which could harm the economy. This exchange rate exceeded 132.00 on Friday, the highest level since early November.

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

	31.01.2022 <sup>1</sup>	04.02.2022 <sup>2</sup>	% Change
EUR/USD	1.1151	1.1449	2.67
EUR/GBP	0.83224	0.84615	1.67
EUR/JPY	128.58	131.96	2.63
EUR/AUD	1.59537	1.61963	1.52
EUR/CHF	1.03801	1.05961	2.08
USD/JPY	115.26	115.26	0.00
GBP/USD	1.3401	1.3531	0.97

**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

At its meeting on 3 February, the ECB kept interest rates at existing levels, as expected. However, President Lagarde noted that compared to the December projections, the “situation has changed” regarding the inflation outlook, emphasising the growth risks, especially in the short term. She emphasised that the bank would be flexible and manage according to the data. The ECB has said it will continue to buy bonds of 20 billion euros monthly as needed as part of the APP program from October. There was no statement that the interest rate was “unlikely” to increase this year during the press conference.

The BoE raised interest rates by 25 basis points (0.50%) at a meeting held the same day as the ECB. It decided to increase it after inflation in the UK reached a 30-year high. It also decided to begin withdrawing the assets purchase programme, so there will be no reinvestment of matured bonds from next month.

At its meeting, the Central Bank of Australia kept the interest rate at the current level.

**Table 3 – ESTR and Euribor**

	31.01.2022 <sup>1</sup>	04.02.2022 <sup>2</sup>	Change in basis points
ESTR	-0.573	-0.578	-0.50
Euribor 1W	-0.573	-0.569	0.40
Euribor 1M	-0.563	-0.551	1.20
Euribor 3M	-0.550	-0.548	0.20
Euribor 6M	-0.519	-0.473	4.60
Euribor 12M	-0.459	-0.346	11.30

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

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

## EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year German government bonds had an upward trend during this reporting week, ranging from -0.04% to 0.22%. Return rose above zero at the beginning of the week after announcing that the inflation rate in Germany was higher than forecasted. Further return growth also resulted from the announcement that the euro area inflation rose to 5.1% in January compared to year-on-year. After the ECB meeting on Thursday, President Lagarde pointed out inflation risks in the euro area. Return growth was driven by growing expectations that the ECB would raise interest rates this year.

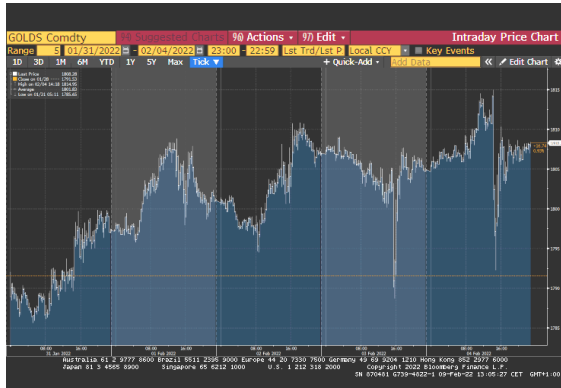
## US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year US government bonds was stable during the first three days of this reporting week, did not change significantly and hovered around 1.77%. By the end of the week, it jumped to its 1.93% peak since December 2019 after publishing the US labour market data. US payrolls expanded by 467 thousand in January (125 thousand was expected), while November and December payrolls were revised upward by 709 thousand, according to data from the US Department of Labour on Friday. At the same time, it was announced that average hourly earnings increased by respective 0.7% a 5.7% monthly and annually in January, raising market expectations for even more aggressive Fed's monetary policy. The unemployment rate rose to 4%.

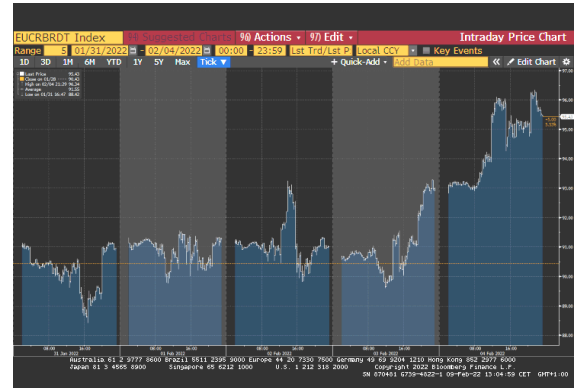
## GOLD



Source: Bloomberg LP

During this reporting week, the gold price had a slight growth trend and ranged from 1791.53 to 1814.95 USD/oz tr. USD depreciation and the growing geopolitical tensions around Ukraine influenced this precious metal's price growth. Investors traditionally sought refuge in safe assets such as gold.

## OIL



Source: Bloomberg LP

The oil price was stable for most of the week, to rise sharply at the end of the week. The market was worried about limited stocks, primarily due to OPEC's ability to increase output and geopolitical tensions between the West and Russia over Ukraine.

**Table 4 - Economic indicators (31 January – 4 February 2022)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<b>Markit Eurozone Manufacturing PMI</b> This index tracks confidence among managers in manufacturing companies. It is obtained as a result of surveys on production, orders, inventories, employment, prices, etc.	January	59.0	58.7	59.0
	<b>CPI estimate</b> This is an early euro area estimate. This index uses available data comparable to a historical trend in order to anticipate changes in consumer prices. By itself, CPI monitors the consumer price changes by measuring price changes of market basket of consumer goods and services purchased by an average household. Therefore, it is the key inflation measure. Positive CPI points to price increase.	January YoY%	4.4%	5.1%	5.0%
	<b>Retail Sales</b> This indicator measures the volume of sales of personal and household goods.	December MoM% YoY%	-0.9% 5.0%	-3.0% 2.0%	1.0% 7.8%
Germany	<b>Consumer Price Index - Preliminary Data (CPI)</b> This index measures the prices consumers pay for a basket of products and services.	January MoM% YoY%	-0.2% 4.4%	0.4% 4.9%	0.5% 5.3%
	<b>Retail Sales</b> This indicator measures the volume of sales of personal and household goods.	December MoM%	-1.4%	-5.5%	0.6%
	<b>Unemployment Claims Rate</b> This concept follows the total number of people who have applied for unemployment benefits. Sometimes, it points to registered unemployment. It was obtained as a percentage of persons who applied for unemployment benefits in the total workforce.	January	5.2%	5.1%	5.2%
	<b>Factory Orders</b> Shows change in the number of orders with domestic producers.	December MoM% YoY%	0.3% 3.0%	2.8% 5.5%	3.7% 1.3%
Great Britain	<b>Markit UK Manufacturing PMI</b> This index tracks confidence among managers in manufacturing companies. It is obtained as a result of surveys on production, orders, inventories, employment, prices, etc.	January Final data	56.9	57.3	56.9
	<b>Property Prices (Nationwide House PX)</b> This indicator monitors changes in housing prices.	January MoM% YoY%	0.6% 10.9%	0.8% 11.2%	1.0% 10.4%
	<b>Mortgage Approvals</b> This indicator measures the number and/or value of mortgage loans approved by lenders.	December k=1,000	66.0k	71.0k	67.0k
USA	<b>Markit US Manufacturing PMI</b> This index tracks confidence among managers in manufacturing companies. It is obtained as a result of surveys on production, orders, inventories, employment, prices, etc.	January	55.0	55.5	55.0
	<b>Change in non-farm payrolls</b> This report shows the total number of newly employed workers on a monthly basis by economy industries. It does not include employees in government services, NGOs, and the agricultural sector. It serves as the basis for tailoring economic policy and forecasting future economic trends.	January K=1,000	125k	467k	199k
	<b>Unemployment Rate</b> It shows the number of unemployed persons as a percentage of the total labour force.	January	3.9%	4.0%	3.9%
	<b>Average Hourly Earnings</b> This indicator tracks the amount of money paid to workers for work done in 1 hour.	January MoM% YoY%	0.5% 5.2%	0.7% 5.7%	0.6% 4.7%

Source: Bloomberg