

EURUSD ↓ 1.2179
At 19:38 Op 1.2174 HI 1.2174 Value 3/21/06
Market Currency 1/4



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 2/24	1.1878
T 3/16	1.2174	T 2/23	1.1911
W 3/15	1.2016	W 2/22	1.1914
T 3/14	1.2016	T 2/21	1.1914
M 3/13	1.1934	M 2/20	1.1946
W 3/12	1.1934	W 2/19	1.1946
T 3/11	1.1934	T 2/18	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	1.1881
T 3/ 7	1.1889	T 2/14	1.1897
M 3/ 6	1.1996	M 2/13	1.1902
W 3/ 5	1.1996	W 2/12	1.1902
T 3/ 4	1.2025	T 2/10	1.1919
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

(1 - 5 July 2024)

BLOOMBERG NEWS AUDIO/VIDEO

Search Audio/Video 3/17/06 19:27:27

- Bankinvest's Broby: Softbank, Vodafone, L'Oréal, Body Shop
- ICAP's Smith: U.S. European Bonds, Fed Rates and Strategy
- Folmar's Bennett: U.S. Dollar, Fed Policy, Euro, Yen
- 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 Gallmer: Stock Performance, Strategy, Products

LIVE <GO> Events

ID	Event	Date	Time	Language	Type
14	Legal & General Teleconference: Full-Year Earnings	3/17	Now Playing	English	🔊
15	UBS Warburgs 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	Bondora 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	🔊

USD INTEREST RATES

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

US SPREADS

ID	Spread	Chng		
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

Podgorica, 10 July 2024
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

Weekly overview of short news

- The Fed Chair said the latest economic data indicated that inflation is returning downward but stressed that officials needed more evidence before the central bank cut interest rates.
- ECB Governing Council member, Gediminas Šimkus, emphasised that the ECB would collect more information before making any decision and that there is no rush to lower borrowing costs. The ECB's Governing Council member Mario Centeno said policymakers were likely to cut borrowing costs several more times this year to support the economy.
- The monthly CPI in the euro area in June was 0.2%, which was in line with market expectations, while the annual core CPI was 2.9%. The consumer price index increased by 2.5% annually, which is less than the previous month (2.6%). These data will convince the ECB that more time is needed to determine the path of price pressures before it can cut interest rates further. The ECB's Chief Economist, Philip Lane, has already commented that the June readings "will not answer the ECB's questions about services", so the data is unlikely to cause too much turbulence in the market.
- The ISM index that measures the activity of the service sector in the USA for June recorded the highest contraction in the last four years. Namely, the index fell to 48.8 in June and was lower than the expected 52.7. At the same time, it was announced that the ADP report (monitoring the opening of jobs in the private sector) slowed down and that 150 thousand jobs were created during June compared to expected 165 thousand.
- In the elections in Great Britain, the Labour Party won at least 412 seats, thereby securing control of the Parliament. Prime Minister Sunak announced that he would step down as leader of the Conservative Party in the coming period.
- On July 7, France is deciding between radically different visions of its future. Marine Le Pen's right-wing National Assembly (RN) has ambitions to increase spending, challenge EU ideology, and reduce migration. Pro-European centrists led by Macron and an alliance of left-wing parties hope to block the right-wing dominance.
- Minutes from the ECB's June meeting suggest that the Governing Council still believes that growth in the euro area will be moderate, which favours interest rate cuts in September. However, concerns about elevated price pressures will almost certainly prevent a rate cut in July.

EUR/USD



The **EUR/USD exchange rate** fluctuated slightly on the first two days of this reporting week, averaging 1.0739 to appreciate in the rest of the week. On Wednesday, the daily rate appreciated as June ISM data showed that the US service sector contracted. Namely, the index fell to 48.8 and was lower than the expected level of 52.7. US markets were closed on Thursday due to holiday. Disappointing economic data on the US at the end of the week encouraged the sale of the US currency, which caused the exchange rate to appreciate. Namely, the report on private sector payroll expanded less than expected in June, while initial jobless claims in the USA increased last week compared to the previous period. Investors' risk appetite also improved due to expectations that the Fed will have to cut interest rates to prevent a worsening of the economy, as data from the US labour market failed to meet expectations.

EUR/GBP



The **EUR/GBP exchange rate** depreciated in this reporting week. On Monday, the exchange rate appreciated. After the first round of elections in France, speculations intensified that the right-wing Marine Le Pen would fail in forming a majority in Parliament and that events on the political scene would depend on a potential agreement between Macron's party and the left, which caused the euro to appreciate. However,

on the same day, the exchange rate depreciated as German inflation data caused the euro to depreciate. Over the next two days, the exchange rate depreciated as the political outlook in the UK, which contrasted with that of Europe, supported the British currency. The PMI in the UK was lower in June compared to May but above expectations, and the 50 level indicated expansion in this sector, which further supported the sterling. On Thursday, it was announced that this same index for the construction sector fell in June and was below expectations, so the sterling depreciated slightly against the euro. The Labour Party won the British parliamentary elections on Thursday. Prime Minister Sunak announced he would resign from the position of Conservative Party president, so on Friday, sterling was stable, and the exchange rate continued to depreciate. Britain's new prime minister, Keir Starmer, said voters had given his government a "mandate for change" and stressed the urgency for his new cabinet to "get the country moving" by immediately ending the policy of deporting asylum seekers to Rwanda.

EUR/JPY



The **EUR/JPY exchange rate** appreciated this reporting week. The yen depreciated after data that showed the Japanese economy weakened more than initially reported in the first quarter. In addition, expectations regarding the intervention of the Japanese authorities to stimulate the currency heightened, so the yen depreciated against the USD. The exchange rate appreciated on Wednesday after the announcement that activity in Japan's service sector had fallen for the first time in almost two years. The service sector PMI fell to 49.4 in June from 53.8 in May. The exchange rate fluctuated on Thursday, and the same continued the next day. Mixed data on the US economy supported the yen on speculation that the Fed will cut rates this year. On Friday, Japan's finance minister, Shunichi Suzuki, said that a weak yen is increasing import costs and affecting prices. He added that the stock and currency markets will be closely monitored.

Table 1 - Exchange rates of the most important currencies

	01.07.2024 ¹	05.07.2024 ²	% Change
EUR/USD	1.0713	1.0840	1.19
EUR/GBP	0.84727	0.84580	-0.17
EUR/JPY	172.39	174.21	1.06
EUR/AUD	1.60638	1.60611	-0.02
EUR/CHF	0.96282	0.97093	0.84
USD/JPY	160.88	160.75	-0.08
GBP/USD	1.2645	1.2815	1.34

Table 2 - Overview of the leading central banks' interest rates

Central Bank	Reference interest rate	Reference interest rate level	Next meeting
European Central Bank (ECB)	ECB main refinancing rate	4.25%	18 July 2024
Federal Reserves (Fed)	Federal Funds Target Rate	5.50%	31 July 2024
Bank of Japan (BoJ)	Overnight Call Rate	0.00%	31 July 2024
Bank of England (BoE)	Official Bank Rate	5.25%	1 August 2024
Swiss National Bank (SNB)	Libor Target Rate	1.25%	26 September 2024
Bank of Canada (BoC)	Target Overnight Rate	4.75%	24 July 2024
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	6 August 2024

Table 3 – ESTR and Euribor

	01.07.2024 ¹	05.07.2024 ²	Change in basis points
ESTR	3.6560	3.6630	0.70
Euribor 1W	3.612	3.607	-0.50
Euribor 1M	3.632	3.635	0.30
Euribor 3M	3.711	3.712	0.10
Euribor 6M	3.682	3.678	-0.40
Euribor 12M	3.578	3.588	1.00

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (1 – 5 July 2024)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<p>HCOB Eurozone Manufacturing, Services, Composite PMI PMI surveys tracks opinion among procurement managers at manufacturing, construction and/or services firms. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.</p> <p>CPI estimate This is an early euro area estimate. It measures changes in the price level 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.</p> <p>Consumer price index (CPI Core) This index tracks price changes in the basket of consumer goods and services used by the average household, but excludes items subject to frequent price changes - food, energy, alcohol and cigarettes.</p>	Jun Final	45.6 52.6 50.8	45.8 52.8 50.9	45.6 52.6 50.8
		June YoY%	2.5%	2.5%	2.6%
		June Preliminary YoY%	2.8%	2.9%	2.9%
Germany	<p>(CPI – EU Harmonised) 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 households.</p> <p>Factory Orders It shows change in the number of orders to domestic producers, and gives an overview of demand for German industrial products. Factory orders are an early indicator of the overall consumption in an economy.</p> <p>Industrial output It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply).</p>	June Preliminary MoM%	0.2%	0.2%	0.2%
		June Preliminary YoY%	2.5%	2.5%	2.8%
		May MoM YoY%	0.5% -6.1%	-1.6% -8.6%	-0.6% -1.8%
		May MoM YoY%	0.1% -4.3%	-2.5% -6.7%	0.1% -3.7%
Great Britain	<p>S&P Global UK Manufacturing, Services, Composite, Construction PMI PMI surveys tracks opinion among procurement managers at manufacturing, construction and/or services firms. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.</p>	Jun Final	51.4 51.2 51.7 54.0	50.9 52.1 52.3 52.2	51.4 51.2 51.7 54.7
USA	<p>ISM Manufacturing This indicator assesses the state of industry by questioning executors about their expectations in terms of production, new orders, employment, raw materials deliveries and inventory.</p> <p>ADP Employment Change This indicator measures the number of employees on the private sector payroll.</p> <p>Change in non-farm payrolls The report shows the total number of newly employed workers by economy industries. It does not include employees in farms, some government agencies, self-employed individuals and NGOs. It serves as the basis for tailoring economic policy and forecasting future economic trends.</p> <p>Unemployment Rate It shows the number of unemployed persons as a percentage of the total labour force.</p>	June	49.1	48.5	48.7
		June K=1,000	165K	150 K	157 K
		June K=1,000	190K	206 K	218 K
Japan	<p>Household Spending This indicator monitors all consumers' expenditures on products and services, and is adjusted with inflation.</p>	May YoY%	0.3%	-1.8%	0.5%

EUROPEAN GOVERNMENT BONDS MARKET



The return on 10-year German government bonds trended down this week. It increased on Monday, and the demand for safe funds decreased due to the efforts of Macron's party and the left's to prevent the right-wing party from gaining an absolute majority in France. The spread between 10-year German and 10-year bonds began to narrow as media reported that 200 candidates in the French election had dropped out of the second round in an attempt to block a right-wing candidate from taking power. On Thursday, the yield on these bonds did not change significantly as the markets in the USA were closed and the trading volume reduced. During Friday, the yield on these bonds continued to fall, and the data from the US labour market fuelled speculation that the Fed will reduce the interest rate by the end of this year, which was also reflected in the fall in the yield on German bonds. The yield on 10-year bonds stood at 2.60% at the beginning of the week and 2.55% at the end.

US GOVERNMENT BONDS MARKET



The return on the 10-year US government bonds dropped this week. The yield on 10-year bonds grew only on Monday as investors assessed the potential economic implications of the November presidential elections in the USA after the debate between Trump and Biden. During the rest of the week, this exchange rate depreciated. The drop in yields occurred mainly due to the publication of data in the USA, which, including the ISM service index, were below expectations, and such weaker data increases speculation that the Fed will reduce the interest rate this year. The markets were closed on Thursday due to holiday. On Friday, the fall in yields continued and weaker-than-expected data from the US labour market (data on payrolls and the unemployment rate). The yield on 10-year bonds was 4.39% at the beginning and 4.27% at the end of the week.

GOLD



The gold price was 2,324.19 USD/oz.tr. in the beginning of the week and 2,392.19 USD/oz.tr. at the end of the week. The gold price fluctuated slightly in the first two days due to the USD appreciation, the rise in yields on US government bonds due to the results of the first round of elections in France, and traders were also waiting for more indications about the trajectory of the Fed's monetary policy. From Wednesday until the end of the week, the gold price trended up as the latest data from the US showed that the labour market had slowed down, which increased expectations that the Fed could reduce the interest rate in September. The trade volume was reduced on Thursday due to the holiday in the USA. The price of gold rose on Friday after the release of mixed data on the US economy, which increased pressure on the USD and fuelled expectations that there will be a US interest rate cut in the coming months.

OIL



The oil price was 84.67 USD/bbl. at the beginning of the week, and 87.46 USD/bbl. at the end. The oil price rose on Monday as market participants weighed increasing geopolitical risks in Europe and the Middle East, as well as a hurricane in the Caribbean. The following day, the oil price continued to rise and was close to a 2-month high after the Israeli army announced that 18 soldiers were injured in a drone attack by Hezbollah, which threatened to widen the conflict. On Wednesday, the oil price fluctuated. According to EIA data, in the US last week, crude oil stocks were reduced more than expected - stocks fell by 12.2 million barrels. Concerns regarding China and the euro area have limited the further growth of the price of this energy product. On Thursday, although the oil price went down at the beginning of the day, it soon started to rise and maintained that trend until the end of the day due to the expectation of an increase in demand during the summer driving season in the USA, but also due to concerns about renewed tensions in the Middle East that could lead to disruptions in supply from the region. The oil price fluctuated on Friday but recorded a daily drop. The focus was on Hurricane Beryl, which had landed in Mexico's Yucatan Peninsula and was expected to move into the Gulf of Mexico as a tropical storm.

Disclaimer

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