



**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 Y 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 | 1.2174 | W 2/22 | 1.1911 |
| T 3/14 | 1.2016 | T 2/21 | 1.1914 |
| F 3/13 | 1.1934 | F 2/20 | 1.1946 |
| M 3/12 | 1.1934 | M 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 | 1.1884 |
| T 3/ 7 | 1.1889 | T 2/14 | 1.1897 |
| M 3/ 6 | 1.1996 | M 2/13 | 1.1902 |
| T 3/ 5 | 1.1996 | T 2/12 | 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 |

BLOOMBERG NEWS AUDIO/VIDEO

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

Bankinvest's Broby: Softbank, Vodafone, L'Oréal, Body Shop  
 Daniel Broby, chief investment officer at Bankinvest, talks about Softbank Corp.'s agreement to buy Vodafone Group Plc's Japanese mobile-phone unit and L'Oréal SA's purchase of Body Shop International Plc.

ICAP's Smith: U.S. European Bonds, Fed Rates and Strategy  
 ICAP's Smith discusses U.S. European Bonds, Fed Rates and Strategy.

Folmar's Bennett: U.S. Dollar, Fed Policy, Euro, Yen  
 Folmar's Bennett discusses U.S. Dollar, Fed Policy, Euro, Yen.

Societe Generale's Maguire: BOJ Policy, Japan Rate, Economy  
 Societe Generale's Maguire discusses BOJ Policy, Japan Rate, Economy.

China Airlines' Wei: Fleet Reorganization, Earnings Outlook  
 China Airlines' Wei discusses Fleet Reorganization, Earnings Outlook.

Bear Stearns Teleconference: Fiscal First-Quarter Profit  
 Bear Stearns Teleconference: Fiscal First-Quarter Profit.

Microsoft's Gallmer: Stock Performance, Strategy, Products  
 Microsoft's Gallmer discusses Stock Performance, Strategy, Products.

| 13) | 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 Mottelain: Sale of State-Owned Businesses  | 3/17 | 21:05 - 21:20 | English  | ☐    |
| 18) | Borders Group Teleconference: 4th-Qt Results       | 3/17 | 22:00 - 23:00 | English  | ☐    |
| 19) | AIG Teleconference: About Fourth-Quarter Results   | 3/17 | 22:30 - 23:30 | English  | ☐    |

|     |       |        |        |        |         |
|-----|-------|--------|--------|--------|---------|
| 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 |

|     |           |       |       |       |       |
|-----|-----------|-------|-------|-------|-------|
| 2)  | Australia | 61.2  | 5777  | 8800  |       |
| 21) | Brazil    | 5511  | 3048  | 4500  |       |
| 22) | Canada    | 62.0  | 5777  | 8800  |       |
| 23) | China     | 6.0   | 5777  | 8800  |       |
| 24) | France    | 66.0  | 5777  | 8800  |       |
| 25) | Germany   | 63.0  | 5777  | 8800  |       |
| 26) | India     | 48.25 | 49.25 | 48.75 | +0.25 |
| 27) | Japan     | 49.50 | 50.50 | 50.00 | +0.30 |
| 28) | UK        | 50.50 | 51.50 | 51.00 | +0.40 |
| 29) | US        | 51.13 | 52.13 | 51.63 | +0.33 |
| 30) | Other     | 51.75 | 52.75 | 52.25 | +0.45 |
| 31) | 10 YR     | 52.25 | 53.25 | 52.75 | +0.50 |
| 32) | 15 YR     | 57.00 | 58.00 | 57.50 | +0.50 |
| 33) | 20 YR     | 58.63 | 59.88 | 59.25 | +0.15 |
| 34) | 30 YR     | 57.38 | 58.63 | 58.00 | +0.20 |

Podgorica, 12 November 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 past week was marked by the meetings of the leading central banks, the U.S. presidential elections and the collapse of the German government.
- At the Fed meeting, the interest rate was reduced by 25bp, so it now ranges from 4.50% to 4.75%. The change in the policy statement is the removal of the phrase stating that the committee has "gained greater confidence that inflation is moving sustainably toward 2 percent". Regarding the results of the elections, the Fed President Powell said that they will not affect the actions of the Fed in the near future, since it is still too early to know what moves the Trump administration will take.
- The Bank of England meeting was held last week, where the interest rate was reduced by 25bp, therefore it now stands at 4.75%. The BoE increased the average inflation forecast from 2.25% to 2.75% for 2025, and from 1.50% to 2.25% for 2026, respectively. The forecast for economic growth this year was reduced from 1.25% to 1%, while it increased from 1% to 1.5% for 2025.
- Trump's return to the White House on Wednesday caused the biggest one-day drop in the EUR/USD exchange rate from 1.0937 to 1.0683 since March 2020.
- The price of gold fell this week from \$2,740.50 to \$2,684.77 an ounce, the largest weekly drop in five months, as markets weighed the impact of the U.S. presidential election results on US interest rates.
- The price of oil fell slightly in this reporting week, from \$74.70 to \$74.27 per barrel.
- The German Chancellor, Olaf Scholz, dismissed the finance minister, Christian Lindner, leading to the collapse of the government. The Chancellor has called for a vote of confidence in the government on 15 January, which could lead to early elections in March.

EUR/USD



The EUR/USD exchange rate recorded a decrease during the week. The exchange rate fluctuated on Monday, registering a slight increase the next day as the U.S. elections were approaching, and the race between Trump and Harris for the presidency was very "close". Investors have been balancing their positions ahead of the elections and the likely Fed rate cut. The exchange rate fell sharply on Wednesday from 1.0937 to 1.0683, after the elections, but at the end of the day it recovered slightly to 1.0728, as the dollar strengthened as a result of Trump's victory. On the other hand, the euro weakened due to concerns that Trump's restrictive trade policy will have a negative impact on growth in Europe. On Wednesday, the dollar had its biggest one-day jump in the past four years. On the aforementioned day, prices of European shares fell in late afternoon trading due to fears of a global trade war and risks to E.U. exports. The exchange rate partially recovered on Thursday as the dollar weakened ahead of the Fed meeting, and following its decision to cut interest rates by 25bp, which was in line with market expectations. In addition, despite the collapse of the German government, the euro strengthened as traders reacted better than expected to data on euro area retail sales. The exchange rate fell again on Friday as the market adjusted to the results of the U.S. elections. Investors are weighing the impact of Trump's victory on global markets, worried about possible tariffs that could hit export-dependent regions, such as Europe.

EUR/GBP



The EUR/GBP exchange rate rose during the day on Monday, as the pound weakened against both euro and the dollar due to uncertainty concerning the outcome of the U.S. presidential elections, as well as the Bank of England's decision. The exchange rate had a downward trend for the rest of the week as the euro weakened due to the results of the U.S. elections. After Trump's victory, the British finance minister said that she would make "strong statements" about the importance of free trade to the future administration of the newly elected president, who proposed imposing tariffs on all U.S. imports. Sterling strengthened on Thursday following the Bank of England cut interest rates by 25bp. It was announced at the meeting that the acceleration of inflation and growth is expected, which results from last week's budget of the Minister of Finance, therefore traders reduced expectations that the interest rate could be reduced once again by the year end. This rate continued to weaken on Friday as the Bank of England is expected to cut interest rates at a slower pace than the ECB.

EUR/JPY



The EUR/JPY exchange rate was stable during most of the week, while the largest change was recorded on Friday. Namely, the exchange rate faced a sharp drop on Friday as the demand for safe funds increased.

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

|         | 4-Nov-2024 <sup>1</sup> | 8-Nov-2024 <sup>2</sup> | % Change |
|---------|-------------------------|-------------------------|----------|
| EUR/USD | 1.0834                  | 1.0718                  | -1.07    |
| EUR/GBP | 0.83860                 | 0.82965                 | -1.07    |
| EUR/JPY | 165.77                  | 163.61                  | -1.30    |
| EUR/AUD | 1.65170                 | 1.62807                 | -1.43    |
| EUR/CHF | 0.94241                 | 0.93868                 | -0.40    |
| USD/JPY | 153.01                  | 152.64                  | -0.24    |
| GBP/USD | 1.2924                  | 1.2921                  | -0.02    |

**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 | 3.40%                         | 12-Dec-2024  |
| Federal Reserves (Fed)          | Federal Funds Target Rate | 4.75%                         | 18-Dec-2024  |
| Bank of Japan (BoJ)             | Overnight Call Rate       | 0.25%                         | 19-Dec-2024  |
| Bank of England (BoE)           | Official Bank Rate        | 4.75%                         | 19-Dec-2024  |
| Swiss National Bank (SNB)       | Libor Target Rate         | 1.00%                         | 12-Dec-2024  |
| Bank of Canada (BoC)            | Target Overnight Rate     | 3.75%                         | 11-Dec-2024  |
| Reserve Bank of Australia (RBA) | Cash Rate Target          | 4.35%                         | 10-Dec-2024  |

**Table 3 - ESTR and Euribor**

|             | 4-Nov-2024. <sup>1</sup> | 8-Nov-2024. <sup>2</sup> | Change in basis points |
|-------------|--------------------------|--------------------------|------------------------|
| ESTR        | 3.163                    | 3.162                    | -0.1                   |
| Euribor 1W  | 3.131                    | 3.135                    | 0.4                    |
| Euribor 1M  | 3.119                    | 3.087                    | -3.2                   |
| Euribor 3M  | 3.085                    | 3.032                    | -5.3                   |
| Euribor 6M  | 2.912                    | 2.822                    | -9.0                   |
| Euribor 12M | 2.629                    | 2.534                    | -9.5                   |

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

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

**Table 4 - Economic indicators (4 - 8 November 2024)**

| Country   | Indicator  | Period                    | Expected value   | Current value    | Previous value   |
|-----------|--|---------------------------|------------------|------------------|------------------|
| Euro area | <b>HCOB Composite PMI</b><br>The index is based on surveys of executives in production and service companies in the private sector. Each response is weighted according to the size of the company and its contribution to total production or service production. | October<br>Finally        | 49.7             | 50               | 49.7             |
|           | <b>Retail Sales</b><br>This indicator measures the volume of sales of goods for personal and household spending.   | September<br>MoM%<br>YoY% | 0.40%<br>1.30%   | 0.50%<br>2.90%   | 0.20%<br>0.80%   |
|           | <b>Producer Price Index (PPI)</b><br>This indicator measures the change in the price paid by domestic producers. The indicator rise is an early inflation indicator.   | September<br>MoM%<br>YoY% | -0.60%<br>-3.40% | -0.60%<br>-3.40% | -0.60%<br>-3.40% |
| Germany   | <b>HCOB Composite PMI</b><br>The index is based on surveys of executives in production and service companies in the private sector. Each response is weighted according to the size of the company and its contribution to total production or service production. | October<br>Finally        | 51.4             | 51.6             | 51.4             |
|           | <b>Industrial production</b><br>It measures the production of facilities in the following industries: mining and quarrying, manufacturing and public utilities (electricity, gas and water supply).  | September<br>MoM%<br>YoY% | -1.00%<br>-3.00% | -2.50%<br>-4.60% | 2.90%<br>-2.70%  |
| France    | <b>HCOB Composite PMI</b><br>The index is based on surveys of executives in production and service companies in the private sector. Each response is weighted according to the size of the company and its contribution to total production or service production. | October<br>Finally        | 48.3             | 49.2             | 48.3             |
|           | <b>Industrial production</b><br>It measures the production of facilities in the following industries: mining and quarrying, manufacturing and public utilities (electricity, gas and water supply).  | September<br>MoM%<br>YoY% | -0.60%<br>-0.90% | -0.90%<br>-0.60% | 1.40%<br>0.50%   |
| USA       | <b>Initial Jobless Claims</b><br>Number of inhabitants receiving unemployment benefits.  | 2 November<br>K=1,000     | 222 K            | 221 K            | 216 K            |
|           | <b>Factory Orders</b><br>This index points to a change in the number of orders from domestic manufacturers. The data shows the demand for German industrial products.  | September                 | -0.50%           | -0.50%           | -0.20%           |



## EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German government bonds fell by 2bp in this reporting week, from 2.387% to 2.367%. The yield fluctuated for the first two days. However, this yield fell by around 8bp on early Wednesday as Trump's victory fuelled traders' expectations that the ECB could accelerate the pace and amount of interest rate cuts to support the economy exposed to the risks of his policies. This yield recovered part of the loss by the end of the day, rising the next day, as German bonds came under pressure after the collapse of the ruling coalition in this country. After German Chancellor Olaf Scholz dismissed Finance Minister Christian Lindner and called for a vote of confidence in January, expectations rose among traders that the new administration could be more tolerant of the rising debt, which could increase the amount of planned bond issues in the next year. Yields began to weaken on the same day, and such a trend prevailed on Friday as concerns about global economic growth grew after China announced a 10 trillion yuan (\$1.4 trillion) programme to refinance local government debt to support an economy exposed to new risks after the election of Trump as the new U.S. President.

## U.S. GOVERNMENT BONDS MARKET



The return on 10-year U.S. government bonds rose from 4.29% to 4.31% in this reporting week. The yield fluctuated for the first two days in anticipation of the U.S. presidential elections and the Fed meeting, but also as the surveys conducted over the weekend, despite the close race between the presidential candidates, gave a slight advantage to the Democratic candidate. However, not only the 10-year yields, but also yields for all maturities in the U.S. rose by 9bp up to 17bp on Wednesday. Donald Trump's victory has raised traders' expectations that his return to the White House will boost economic activity and revive inflationary pressures. In addition, traders raised expectations that the pace of Fed rate cuts will slow next year. The market's attention on Thursday was focused on the meeting of the U.S. monetary authorities, which supported the 10-year yield. The yield began to weaken in the second half of the day, whereas the downward trend continued on Friday. The interest rate was reduced by 25bp at the Fed meeting, and uncertainty regarding the December reduction was still present.

## GOLD



The price of gold fell from \$2740.50 to \$2684.77 per ounce in this reporting week. The price fluctuated within the interval of \$2725-\$2750 for the first two days, as the markets eagerly awaited the key events in the USA - the presidential elections and the monetary authorities meeting. As it became almost certain that Donald Trump won the elections, which was confirmed on Wednesday during the day, the dollar started to strengthen, and the price of gold trended downwards, achieving a drop of about 3% on the daily level. Trump's return to the White House has fuelled uncertainty about how his victory will affect trade relations between the U.S. and key trading partners. Following the elections, the price trend was also dominated by profit making flows, considering that the price rose by around 4% in October, which additionally caused its fall. On Thursday, the price of gold recovered half of the loss from the previous day, due to the weakening of the dollar and the reduction of the interest rate by 25bp by the Fed. Prices fell slightly on Friday as the Fed Chairman said a December interest rate cut is neither in nor out, noting that recent indicators suggest the economy remains on solid foundations.

## OIL



The price of oil remained almost unchanged on the weekly level, recording a slight drop from \$74.70 to \$74.27 per barrel. The price generally had an upward trend at the beginning of the week. At the OPEC+ meeting, held over the weekend, the planned December output increase was postponed for a month, which affected the price increase. The increase in price is caused by the tightening of Iran's rhetoric against Israel, but also by the lower volume of trade due to the U.S. presidential elections. However, as Donald Trump won the elections, the price of oil started to fall. His victory caused the dollar to strengthen and heightened expectations that there could be potential trade disputes under his presidency, which could reduce demand for raw materials on global markets. The downward trend was interrupted mid-day on Wednesday as a result of possible new conflicts in the Middle East. The price was volatile the next day - the weekly U.S. government report showing that the U.S. oil supplies rose last week due to export cuts, caused the price to fall, while the risk that Hurricane Rafael in the Gulf of Mexico could significantly reduce output the price of oil and gas in the USA rose. The price had a downward trend on the last day of the week, due to the expectation that the mentioned hurricane will begin to weaken and the concern about its impact on the oil infrastructure will decrease.

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