



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	1.1871
W 3/15	1.2166	T 2/22	1.1864
T 3/14	1.2016	T 2/21	1.1914
W 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	1.1897
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

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: U.S. Dollar, Fed Policy, Euro, Yen

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

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

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

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

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 Mottelid: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	☐
18) Borders 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	☐

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

24) 2 YR	47.00	47.00	47.00	+0.00
25) 5 YR	48.25	49.25	48.75	+0.25
26) 6 YR	49.50	50.50	50.00	+0.30
27) 7 YR	50.50	51.50	51.00	+0.40
28) 8 YR	51.13	52.13	51.63	+0.33
29) 9 YR	51.75	52.75	52.25	+0.45
30) 10 YR	52.25	53.25	52.75	+0.50
31) 15 YR	57.00	58.00	57.50	+0.50
32) 20 YR	58.63	59.88	59.25	+0.15
33) 30 YR	57.38	58.63	58.00	+0.20

Podgorica, 14 August 2024
 IYC4 152<GO>
 Change on Month
 IYC6 152<GO>

Change on day
 IYC4 148<GO>
 Change on Month
 IYC6 148<GO>
 For US Govt Yield Curve, type {IYC1 I2
 For US swap Curve, type {IYC1 152 <G

Weekly overview of short news

- Australia's central bank kept interest rate at a 12-year high as it waits for inflation to ease before signalling any move to join other central banks in easing monetary policy. The Bank kept the rate at 4.35% the sixth time in a row. It aims to reduce consumer prices while maintaining a significant increase in employment. It is predicted that inflation will decrease to 3.5% by the end of this year, and reach 3.1% by mid-2025. The Bank has increased its forecast of economic growth from 1.6% to 1.7% by the end of the year, and it will reach a peak of 2.6% in June 2025, compared to the previously predicted 2.1%.
- The volatility that occurred in the financial markets has influenced the Bank of Japan to announce that it will not increase the interest rate if the financial markets are unstable. Market developments have recently been "extremely volatile" and the central bank must keep monetary policy "loose" for the time being, Deputy Governor Shinichi Uchida said in his first public address after the last Bank of Japan meeting. He added that the BoJ should monitor any potential impact of market developments on prices and the economy as a whole, so the path of monetary policy could change depending on such impact.
- The unemployment rate in France unexpectedly decreased from 7.5% to 7.3% in Q2, which is a sign that President Macron's not so popular labour market reforms are providing results.
- The ECB's Ollie Wren said that while the slowdown in inflation continues, the 2% target remains challenging for this year. According to him, if confidence in the slowing inflation trend is strengthened, the rate reduction may continue. He assured that this rate cut will not have a negative impact on the fragile growth of the euro area and weak investments, while he attributed the recent turmoil in the market more to an overreaction to uncertainty and poor liquidity, rather than to fundamental economic issues.
- China's consumer price index rose more than expected in July, largely due to seasonal factors such as poor weather conditions. Considering that the growth of domestic demand is not responsible for the increase in inflation, concerns in this area are still present. CPI recorded an annual growth of 0.5%, with 0.3% being expected. The producer price index continued the weakening trend that has been current since end-2022. The PPI decreased by 0.8% on an annual basis as well.

EUR/USD



The EUR/USD exchange rate ranged between 1.0882 and 1.1008 in this reporting week. The EUR/USD exchange rate rose during Monday as the dollar continued to weaken as a result of the earlier announcement that U.S. employment slowed significantly in July, prompting a number of calls from banks for the Fed to make aggressive cuts, as well as due to falling yields on U.S. bonds. The exchange rate fell on Tuesday, due to the weakening of the euro, as retail prices in the euro area fell by 0.3% both monthly and annually in June, while the expected drop and growth were 0.1%. On the other hand, the calming of the situation on the markets caused the strengthening of the dollar. Some Fed officials suggested that the expectation of a recession in the U.S. and the strengthening of interest rate cut expectations by the Fed was an overreaction of the market to the latest labour market data. The dollar strengthened for the rest of the week as recession fears receded, as well as better-than-expected data on unemployment benefit claims in the U.S. The exchange rate fluctuated slightly on the last day of the week, ranging between 1.0909 and 1.0931. Market participants adjusted their positions in response to speculations related to a potential rapid recession of the U.S. economy and expectations of the Fed's response regarding all of the aforementioned.

EUR/GBP



The EUR/GBP exchange rate rose for the first two days of this reporting week as the pound traded weaker, as investors'

appetite for riskier assets was reduced due to increased risks in the Middle East. The exchange rate fluctuated on Wednesday and averaged 0.85961. Britain was hit by anti-immigrant demonstrations in the mid-week. Some of the politicians asked Prime Minister Starmer to send the army to certain cities, and he held urgent meetings with the Cabinet and the crisis centre, in order to coordinate the stopping of further violence. The Chinese authorities have been warning their citizens that they should avoid travelling to Great Britain, that is the cities affected by the riots, and China is not the only country that has issued this warning. The EUR/GBP exchange rate fell on Thursday. Sterling's recovery against the euro followed speculation that "sticky" inflation in Britain is causing the Bank of England to be cautious, which could lead to a yield differential against the Fed, where interest rates could be cut by as much as 50bp. The EUR/GBP exchange rate fell slightly during Friday. Investors' focus has shifted to the release of data on U.K. inflation and GDP, as well as employment and earnings, which will overall provide more information on the future direction of the Bank of England's monetary policy. Investors are also estimating the prospect of more interest rate cuts by the BoE amid concerns about slowing global growth.

EUR/JPY



The EUR/JPY exchange rate fell in the first half of the day on Monday as the yen rose due to increased demand for safe assets, as well as speculation that the Bank of Japan will continue to "tighten" monetary policy. The exchange rate recovered in the second half of the day. The EUR/JPY exchange rate had an upward trend at the beginning of the day on Wednesday as BoJ Deputy Governor Shinichi Ueda said that policymakers will not raise benchmark interest rates during times when financial markets are volatile. Ueda said that it is necessary to maintain the current levels of monetary easing in the future as there is acute volatility in the domestic and international financial markets. There were no significant changes in the EUR/JPY exchange rate trend on the last day of the week.

Table 1 - Exchange rates of the most important currencies

	5-Aug-2024 ¹	9-Aug-2024 ²	% Change
EUR/USD	1.0911	1.0917	0.05
EUR/GBP	0.85210	0.85552	0.40
EUR/JPY	159.91	160.00	0.06
EUR/AUD	1.67590	1.66087	-0.90
EUR/CHF	0.93598	0.94448	0.91
USD/JPY	146.53	146.61	0.05
GBP/USD	1.2801	1.2761	-0.31

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%	12-Sep-2024
Federal Reserves (Fed)	Federal Funds Target Rate	5.50%	18-Sep-2024
Bank of Japan (BoJ)	Overnight Call Rate	0.25%	20-Sep-2024
Bank of England (BoE)	Official Bank Rate	5.00%	19-Sep-2024
Swiss National Bank (SNB)	Libor Target Rate	1.25%	26-Sep-2024
Bank of Canada (BoC)	Target Overnight Rate	4.50%	4-Sep-2024
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	24-Sep-2024

Table 3 - ESTR and Euribor

	5-Aug-2024 ³	9-Aug-2024 ⁴	Change in basis points
ESTR	3.663	3.6640	0.10
Euribor 1W	3.642	3.645	0.30
Euribor 1M	3.621	3.611	-1.00
Euribor 3M	3.655	3.623	-3.20
Euribor 6M	3.591	3.553	-3.80
Euribor 12M	3.426	3.320	-10.60

¹ Opening market value on Monday

² Closing market value on Friday

³ Opening market value on Monday

⁴ Closing market value on Friday

Table 4 - Economic indicators (5 – 9 August 2024)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Producer Price Index (PPI) It measures changes in the selling prices of goods and services used by producers. Producers transfer higher costs to consumers through retail prices, thus the PPI is important as an early inflation indicator.	June MoM% YoY%	0.5% -3.3%	0.5% -3.2%	-0.2% -4.2%
	S&P Global/CIPS Composite PMI PMI surveys tracks opinion among procurement managers in manufacturing, construction and/or services sectors. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.	July Final data	50.1	50.2	50.1
	Retail Sales This indicator measures activity related to retail trade volume (not applicable to motor vehicles and motorcycles).	June MoM% YoY%	-0.1% 0.1%	-0.3% -0.3%	0.1% 0.3%
Germany	HCOB Composite PMI The index is based on surveys of over 300 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.	July Final data	48.7	49.1	48.7
	Factory Orders This index points to a change in the number of orders from domestic manufacturers. The data shows the demand for German industrial products.	July MoM%	0.5%	3.9%	-1.6%
	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.	July Final data MoM% YoY%	0.3% 2.3%	0.3% 2.3%	0.3% 2.3%
France	Unemployment Rate The percentage of individuals on the labour market and unemployed, but actively looking for a job.	2Q	7.5%	7.3%	7.5%
Great Britain	S&P Global UK Composit PMI PMI surveys tracks opinion among procurement managers in manufacturing, construction and/or services sectors. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.	July Final data	52.7	52.8	52.7
USA	Initial Jobless Claims Number of inhabitants receiving unemployment benefits.	2 August K=1,000	240K	233K	249K
	S&P Global US Service PMI This survey tracks the opinions of purchasing managers in the service sector.	July Final data	56.0	55.0	56.0

EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German government bonds increased from 2.17% to 2.22% this week. The yield growth was most pronounced in the first half of the week when the yield jumped from 2.17% to 2.28%. The increase in yields in the mentioned period occurred as the appetite for riskier investments increased, and after the situation on the global markets calmed down (BoJ officials' comments ended speculative positioning regarding the interest rates development). The yield on the 10-year bond has slightly weakened over the past two days as investors position themselves for the release of U.S. inflation data and as the ECB is expected to cut interest rates by 25bp in September.

U.S. GOVERNMENT BONDS MARKET



The yield on 10-year U.S. government bonds increased this week from 3.79% at the beginning of the week, to 3.93%, at the very end of the reporting period. Yield grew from Monday until the end of the day on Thursday, as the demand for riskier assets increased due to the calming of the situation on the financial markets. In addition, the growth of yields was influenced by the news that the claims of the unemployed for receiving social benefits in the U.S. fell during the last week. Yields on these bonds weakened slightly on the last day of the week as market participants adjusted their positions ahead of the release of U.S. inflation data.

GOLD



The price of gold experienced a sharp decline during the first day of this week, which lasted until Wednesday. The price of gold fell on Monday as investors sold the precious metal in an effort to cover losses incurred in other positions. However, the fall in the price of gold was interrupted by comments from the Fed officials, which increased expectations that there will be a larger reduction in interest rates in the U.S. this year. The strengthening of the dollar in relation to the currency basket influenced the weakening of the price of gold on Tuesday. As of the mid-week until the end of this period, the price of gold recorded growth. The rise in the price of gold came as a result of an increase in the demand for safe assets due to the unstable geopolitical situation, and the weakening of the dollar in relation to the leading currencies had the effect of increasing the demand for gold on the last day of the week. The price of gold reached \$2443.24 per ounce at the very beginning of the week, being \$2431.32 per ounce at the end of the week.

OIL



The price of oil increased during this reporting week from \$77.70 per barrel at the very beginning of the week, to \$80.83 per barrel, at the end of this period. The increase in oil prices was pronounced from Wednesday until the end of the week. The rise in the price of oil in the mentioned period was the result of the recovery that took place in the global markets (rising stock prices), as investors carefully monitor the development of geopolitical risks and the possibility of Iran retaliating against an attack on Israel. Additionally, the increase in the price of this energy generating product was also influenced by the news that oil stocks fell by 3.7 million barrels in the U.S. during the previous week, according to the International Energy Agency report. At the very end of the week, positive data from the American market (the largest drop in new claims from the unemployed for receiving social benefits in a period of almost a year) had a positive effect on the growth of demand for this energy generating product.

Disclaimer

The aforementioned overview of trends is based on external sources and does not contain any comments, assessments and views of the CBCG. CBCG cannot guarantee their accuracy and is not responsible for direct or indirect damage that may occur as a result of the use or inability to use information, materials or content, or for the consequences of decisions made based on them.