



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 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	1.2016	T 2/21	1.1914
T 3/14	1.2016	M 2/20	1.1946
M 3/13	1.1934	M 2/17	1.1909
F 3/10	1.1894	F 2/16	1.1881
T 3/ 9	1.1909	W 2/15	1.1884
W 3/ 8	1.1928	T 2/14	1.1897
T 3/ 7	1.1889	M 2/13	1.1902
M 3/ 6	1.1996	F 2/10	1.1919
F 3/ 3	1.2025	T 2/ 9	1.1974
T 3/ 2	1.2012	W 2/ 8	1.1944
W 3/ 1	1.1913	T 2/ 7	1.1974
T 2/28	1.1923	M 2/ 6	1.1962
M 2/27	1.1853		

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. 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

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'Oreal SA's purchase of Body Shop International Plc.

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-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, 20 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

- Preliminary data showed that the GDP in the euro area in Q3 grew by 0.4% on a quarterly basis, while it grew by 0.9% annually.
- The consumer price index in the USA increased by 0.2% on a monthly basis in October, being 2.6% higher on an annual basis.
- The price of gold fell this week from \$2,679.57 to \$2,563.25 per ounce as a result of strengthening of the U.S dollar and the market's reaction to the election victory of Donald Trump.
- The price of oil fell by 0.64% this week due to concerns about the oil demand in China.

EUR/USD



The EUR/USD exchange rate recorded a decline from 1,070 to 1,054 on the weekly level. The euro weakened due to concerns that the trade policy and potential U.S. import tariffs will hit the economy of the euro area, although the markets are still waiting for clarifications of the future policy of the USA, while on the other hand the dollar is constantly strengthening since Trump's victory in the elections. The Governor of the Central Bank of Finland, Oli Rehn, said that the ECB plans to continue cutting interest rates, potentially reaching a neutral level by early 2025. The ECB's Martin Kazaks said monetary policymakers should cut rates gradually. The ECB will ask lenders for more information about their exposure to geopolitical risks. The unstable political situation in Germany put additional pressure on the euro, as this country faces significant economic challenges, and the German Council of Economic Experts lowered its growth forecasts for 2024 (0.1% decline is expected instead of the previously predicted 0.2%) and for 2025 (a more modest growth of 0.4% is expected, instead of the previously forecast growth of 0.9%), citing a decline in activity in the manufacturing sector and structural problems as the reason. The German economy is struggling with weak foreign demand, a shortage of skilled labour force and increasing competition. The EUR/USD exchange rate fluctuated at the end of the week. The dollar strengthened after the Fed chairman said that recent U.S. economic performance was "extremely good" and that the Bank will carefully approach future decisions, then due to expectations that the Fed will cut rates more modestly, as well as on the view that upon assuming office Trump's policy could further stimulate inflation.

EUR/GBP



The EUR/GBP exchange rate increased in this reporting week, fluctuating from 0.82600 to 0.83600 during the week. The exchange rate weakened on Monday, as the euro was under pressure due to uncertainty about Trump's future policy. It started to rise already on Tuesday, as the data on the unemployment rate in Great Britain fuelled speculation that the Bank of England could cut the interest rate once again in December. In addition, it was reported that wages growth, excluding bonuses, was the lowest in the past two years, potentially reducing inflationary pressures. The exchange rate weakened on Wednesday afternoon, only to be stable the following day. Catherine L Mann, member of the Monetary Policy Committee of the Bank of England, the only one to oppose an interest rate cut at the latest meeting, warned that British economic growth and inflation could be hit by the global trade tensions. Disappointing UK GDP data released on Friday fuelled concerns about the condition of the economy, which weakened sterling, and the EUR/GBP exchange rate ended the week in an uptrend again.

EUR/JPY



The EUR/JPY exchange rate fluctuated during most of the week, and fell at the very end. The EUR/JPY exchange rate was trending upwards at the start of the day on Monday, as the yen weakened due to uncertainty surrounding the Bank of Japan's interest rate increase. However, by the end of the day the exchange rate weakened as the euro was depreciating. Japan's finance minister has warned against taking certain actions to manage fluctuations in the currency market. The EUR/JPY exchange rate rose on the daily level on Thursday. There was a concern in the market that the authorities would step in to take measures to support the currency as the yen weakens against the dollar. In Q3 2024, the Japanese economy grew by 0.9% on an annual basis, which is above the consensus estimate of 0.7%, supporting the increase in interest rates of the central bank and the easing of the government's pressure for fiscal stimulation. Japan's finance minister warned against excessive yen depreciation on Friday, stressing the need for stable exchange rates that reflect economic fundamentals.

Table 1 - Exchange rates of the most important currencies

	11-Nov-2024 ¹	15-Nov-2024 ²	% Change
EUR/USD	1.0718	1.0540	-1.66
EUR/GBP	0.82965	0.83521	0.67
EUR/JPY	163.61	162.66	-0.58
EUR/AUD	1.62807	1.63115	0.19
EUR/CHF	0.93868	0.93608	-0.28
USD/JPY	152.64	154.30	1.09
GBP/USD	1.2921	1.2618	-2.35

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

	11-Nov-2024 ¹	15-Nov-2024. ²	Change in basis points
ESTR	3.1620	3.1650	0.30
Euribor 1W	3.135	3.172	3.70
Euribor 1M	3.087	3.062	-2.50
Euribor 3M	3.032	2.998	-3.40
Euribor 6M	2.822	2.748	-7.40
Euribor 12M	2.534	2.475	-5.90

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (11 - 15 November 2024)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	GDP SA Measures the final market value of all products and services produced within the country. GDP is the most commonly used indicator of economic activity.	Q3 Preliminary data QoQ% YoY%	0.4% 0.9%	0.4% 0.9%	0.4% 0.9%
	Industrial Production It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply).	September MoM% YoY%	-1.4% -2.0%	-2.0% -2.8%	1.5% -0.1%
USA	Consumer price index (CPI) Estimates changes in the cost of living by measuring changes in the prices of certain items for which the consumers allocate their money.	October MoM% YoY%	0.2% 2.6%	0.2% 2.6%	0.2% 2.4%
	Production price index excluding food and energy (PPI Ex Food and Energy) It measures the change in product prices from the moment they leave the place of production, that is, the change in prices that domestic producers receive for their output either on the domestic or foreign market.	October MoM% YoY%	0.2% 3.0%	0.3% 3.1%	0.2% 2.9%
	Empire Manufacturing This survey, conducted monthly by the New York Fed, tracks New York producers' confidence.	November	0.0	31.2	-11.9
Great Britain	Weekly Earnings Excluding Bonus 3M This indicator tracks total weekly payments to employees in exchange for work performed, excluding bonus payments.	September YoY%	4.7%	4.8%	4.9%
	ILO Unemployment Rate 3Mths The unemployment rate measures the size of unemployment as a percentage of the labour force (total number of employed and unemployed).	September	4.1%	4.3%	4.0%
	Industrial production It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply).	September MoM% YoY%	0.1% -1.1%	-0.5% -1.8%	0.5% -1.7%
	Gross domestic product (GDP) Measures the final market value of all products and services produced within the country. GDP is the most commonly used indicator of economic activity.	September MoM%	0.2%	-0.1%	0.2%
	Gross domestic product (GDP) Measures the final market value of all products and services produced within the country. GDP is the most commonly used indicator of economic activity.	Q3 Preliminary data QoQ% YoY%	0.2% 1.0%	0.1% 1.0%	0.5% 0.7%
Japan	GDP S.A. Measures the final market value of all products and services produced within the country. GDP is the most commonly used indicator of economic activity.	Q3 Preliminary data QoQ%	0.7%	0.9%	2.2%

EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German government bonds rose from 2.33% to 2.35% in this reporting week. The yield did not change significantly on the first day of this week, having an upward trend during the next two days. The increase in yields came about as the ECB Governing Council member, Martins Kazaks, warned that the ECB should gradually reduce interest rates, as it has already reduced interest rates three times since June. The increase in yields was additionally influenced by the announcement by the Chancellor of Germany, Olaf Scholz, that he will request a vote of confidence on 16 December, which could lead to early parliamentary elections in February next year. The yield on these bonds fell on Thursday as market participants' expectations rose that the ECB could cut interest rates by 50bp in December (the probability of that action increased to 30%), while the market consensus is that the rate will be cut by 25bp. The yield recorded a slight increase on the daily level on Friday.

U.S. GOVERNMENT BONDS MARKET



The yield on 10-year U.S. government bonds rose from 4.32% to 4.43% during this reporting week. The U.S. bond market was closed on Monday for the holiday, while the yield on these bonds recorded a sharp increase on Tuesday. The rise in yields that day occurred as investors positioned themselves ahead of the release of the U.S. inflation data. The yield rose further in mid-week following the release of the U.S. inflation data. Namely, the data showed that inflation is "persistent" in the USA and that it increased by 2.6% in October on an annual basis, while the growth of core inflation amounted to 3.3%. After an initial decline, the yield rose again on Thursday under the influence by the Fed chairman's statement, who said that the economy does not show signals that would suggest that the central bank must accelerate the reduction of interest rates. Therefore, the expectation that the Fed will reduce the interest rate in December has also decreased. The daily yield did not change much during the last day of the week.

GOLD



The price of gold decreased in this reporting week, from \$2,679.57 to \$2,563.25 per ounce. The drop in price is the result of the strengthening of the U.S. dollar and the market's reaction to Donald Trump's election victory, and expectations that the Fed will reduce interest rates at slower pace were heightened. The price of gold fell in the second part of the day on Wednesday once the data showed that annual inflation in the U.S. in October was slightly higher in relation to September. Economists predict higher inflation if the newly elected president, Donald Trump, implements his economic policy (tax cuts and higher tariffs). Financial markets now estimate a 79% chance that interest rates will be cut by 25bp at the December meeting. The price of gold did not register major changes in the last two days of the week. It fell almost 7% since of the U.S. election day. The strengthening of the dollar significantly affects the attractiveness of gold.

OIL



The oil price was \$72.32 per barrel at the beginning of the week, being \$71.86 per barrel at the end of the week. Markets were closed on Monday for the U.S. Veteran's Day. The price of oil weakened following the opening of the market due to reduced prospects in terms of Chinese demand, the strengthening of the dollar and concerns about the potential oversupply of the market with this energy generating product. The next day, the price fluctuated for most of the day as traders estimated mixed signals about risks coming out of the Middle East against the outlook for a potential oversaturation of the stock market. Traders also looked at Trump's potential impact on U.S. oil production and oil producers. The price of oil rose for most of the day on Thursday, as a report showed that crude oil supplies fell by 4.4 million barrels in the previous week. The price weakened as demand from China continued to weaken on Friday, as well as a possible slowdown in the pace of interest rate cuts in the U.S.

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.