



**CENTRALNA BANKA
CRNE GORE**

Financial and Banking Operations Department - International Reserves Management Division -

International Financial Market Report

(18 - 22 November 2024)

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

Range 3/17/05 - 3/17/06
Upper Chart: 3 Market Price



CMU/Close
Last 1.2179
High 03/17/05 1.3360
Average 1.2217
Low 11/14/05 1.1886

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	W 2/22	1.1864
T 3/14	1.2016	T 2/21	1.1914
F 3/13	1.1934	F 2/20	1.1946
T 3/12	1.1928	T 2/19	1.1909
W 3/11	1.1928	W 2/18	1.1881
T 3/10	1.1894	T 2/17	1.1884
F 3/9	1.1909	F 2/16	1.1884
T 3/8	1.1928	T 2/15	1.1884
W 3/7	1.1889	W 2/14	1.1897
T 3/6	1.1996	T 2/13	1.1902
F 3/5	1.1996	F 2/12	1.1902
T 3/4	1.2025	T 2/11	1.1919
W 3/3	1.2012	W 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
W 2/27	1.1853	W 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

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

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

Deficit

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

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-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

2) Australia 61 2 5777 8800 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410
 Hong Kong 852 2377 6000 Japan 81 3 3201 3900 Singapore 65 6212 1000 U.S. 1 212 316 2000 Copyright 2006 Bloomberg L.P.
 6515-5511-3 17-Nov-06 19:27:28

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

Page 1
Page 2
Page 3

Podgorica, 27 November 2024

Weekly overview of short news

- The manufacturing sector of the euro area continues to weaken, whereas the service sector also faces difficulties, according to preliminary data on the euro area purchasing managers` index (PMI) for November. For this reason, the composite PMI fell below the level that separates contraction from expansion.
- Following the release of the mentioned data, the EUR/USD exchange rate fell sharply to 1.0335 on Friday, which is its lowest level since 1 December 2022.
- Unlike the euro area, the U.S. composite purchasing managers` index, a leading indicator of economic activity, reached its highest value since April 2022. Despite the slowdown in manufacturing sector activity, growing activity in the service sector is responsible for the aforementioned rise in the composite PMI.
- The past week was also marked by growing geopolitical tensions caused by the escalation of the conflict between Russia and Ukraine, which is the main cause of the rise in the price of gold and oil. Namely, the price of gold rose from \$2,563.25 to \$2,716.19 per ounce, while the price of oil rose from \$71.86 to \$75.39 per barrel.

EUR/USD



The EUR/USD exchange rate started the week with a slight growth. The ECB officials expressed more concern about the potentially negative impact of the new U.S. President's trade tariffs on euro area economic growth than on the inflation. The ECB Vice President Luis de Guindos and Bundesbank President Joachim Nagel stressed that new trade restrictions could hurt manufacturing, while inflation concerns remain low. The exchange rate continued to rise slightly on Tuesday, but fell in the rest of the week. This drop in the exchange rate is the result of worsening relations between Russia and Ukraine, which has increased uncertainty in the market. At the very end of the week, additional pressure on the exchange rate was caused by the release of preliminary data on the purchasing managers' index for the euro area, which were weaker than expected.

EUR/GBP



The EUR/GBP exchange rate fell from 0.83491 to 0.83132 in this reporting week. The exchange rate rose on Monday as a result of expectations that the Bank of England will cut interest rates by 25bp in December. The EUR/GBP exchange rate fluctuated slightly the following day (ranged between 0.8329 and 0.8376). The pound fell against the yen and Swiss franc on the same day as investors rushed to safer assets after Russia warned it was updating its nuclear doctrine as Joe Biden's administration allowed Ukraine to fire American missiles deep into Russian territory. The EUR/GBP exchange

rate fell on Wednesday following the release of U.K. inflation data, which showed that it grew by 2.3% in October, being above market expectations by 2.2% and which confirmed market beliefs that the BoE will reduce interest rates more slowly over the next year compared to other leading central banks. The exchange rate fell at the end of the week, as the euro was under a lot of pressure, as traders tried to take into account the possible impact of tariffs from the U.S. on the growth of the euro area. The pound weakened against the dollar as investors remained focused on who might be chosen as President Trump's finance minister and what that might mean for its growth, trade and tax policies. The EUR/GBP exchange rate fluctuated on Friday, but recorded a slight drop during the day. Disappointing PMI data for both the euro area and Great Britain were released on Friday.

EUR/JPY



The EUR/JPY exchange rate recorded growth at the start of the week as it was announced that machinery orders, which exclude volatile orders for ships and orders from power companies, fell 4.8% year-on-year in Japan. The exchange rate had an upward trend until mid-week, after which, due to the growing demand for safe assets, it began to fall and the decline lasted until the end of the week. The growth of geopolitical tensions due to the worsening of the situation between Ukraine and Russia had a negative impact on the euro during most of the reporting period.

Table 1 - Exchange rates of the most important currencies

	18-Nov-2024¹	22-Nov-2024²	% Change
EUR/USD	1.0540	1.0418	-1.16
EUR/GBP	0.83521	0.83132	-0.47
EUR/JPY	162.66	161.24	-0.87
EUR/AUD	1.63115	1.60255	-1.75
EUR/CHF	0.93608	0.93114	-0.53
USD/JPY	154.30	154.78	0.31
GBP/USD	1.2618	1.2530	-0.70

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

	18-Nov-2024¹	22-Nov-2024.²	Change in basis points
ESTR	3.1650	3.1680	0.30
Euribor 1W	3.172	3.138	-3.40
Euribor 1M	3.062	3.075	1.30
Euribor 3M	2.998	3.022	2.40
Euribor 6M	2.748	2.770	2.20
Euribor 12M	2.475	2.489	1.40

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (18 - 22 November 2024)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Consumer price index (CPI) This indicator estimates the changes in the cost of living, by measuring changes in the price level of the basket of consumer goods and services purchased by an average household. Therefore, it is a key measure of euro area inflation. 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.	October Final data MoM% YoY%	 0.3% 2.0%	 0.3% 2.0%	 0.3% 2.0%
		November Preliminary data	50.0	48.1	50.0
Germany	GDP Seasonal Adjustments (GDP SA) One of the fundamental macroeconomic indicators, which represents the calculated value in the market prices of products and services produced within the country, but excludes the income of citizens and corporations working abroad. The GDP calculation uses the following four components: consumption, investments, government expenditure, and net exports. Producer Price Index (PPI) This indicator measures the change in the price paid by domestic producers. The indicator rise is an early inflation indicator.	Q3 Final data	0.2%	0.1%	0.2%
		October MoM% YoY%	0.2% -1.0%	0.2% -1.1%	-0.5% -1.4%
USA	Initial Jobless Claims This indicator measures the number of people receiving unemployment allowances. Similar to the applicant, the growing number of jobs is accompanied by an economic expansion that could influence inflationary pressures. S&P Global 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.	16 November K=1,000	220K	213 K	219 K
		November Preliminary data	54.3	55.3	54.1
Great Britain	S&P Global 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.	November Preliminary data	51.7	49.9	81.8
Japan	Exports Products and services produced in Japan, sold or pending for sale outside of Japan. Imports Demand for foreign products. The value of exports and imports is an important input in the calculations of the trade balance, current account and GDP. Natl CPI ex Fresh Food, Energy It estimates changes in the cost of living, by measuring changes in the goods and services' prices, excluding fresh food and energy. This index measures the change in prices from the consumer's perspective. It is a key way of measuring changes in buying trends and inflation.	October YoY%	1.0%	3.1%	-1.7%
		October YoY%	-1.9%	0.4%	2.1%
		October Preliminary data	2.2%	2.3%	2.1%

EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German government bonds fell from 2.34% to 2.24% in this reporting week. The yield had an upward trend on Monday, only to begin to weaken at the end of the day. The downward trend is caused by the growing demand for safe assets. Ukraine fired American missiles into Russian territory using the permission of the Biden administration. In response, President Putin updated the nuclear policy principles, after which the market became concerned about a nuclear attack on Ukraine. Russia's attempts to calm concerns about the nuclear threat caused yields to recover by the end of the day on Tuesday. The yield was also incited by the ECB data which showed that negotiated wages in the euro area in Q3 grew at an annual rate of 5.4%, which is the highest since the introduction of the euro. As of Wednesday afternoon, the downward trend in yields on German government bonds continued, as the market was dominated by growing demand for safe assets and expectations for more ECB interest rate cuts. On that day, Ukraine carried out a new attack on Russian territory using British missiles, and a day later Russia responded by firing a new type of medium-range hypersonic ballistic missile at a Ukrainian military facility. Friday's sharp fall in yields was caused by the release of PMI data in the euro area, which were lower than in October and compared to forecasts, which fuelled traders' expectations of a faster rate cut by the ECB.

U.S. GOVERNMENT BONDS MARKET



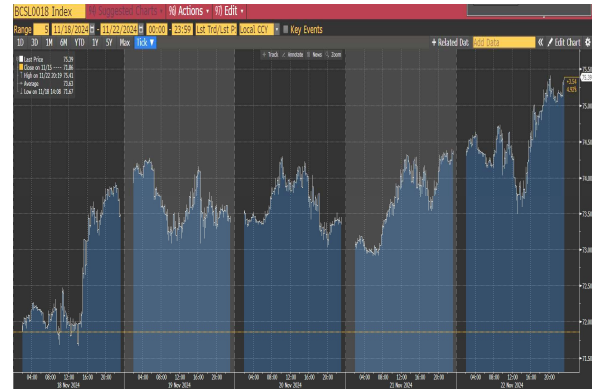
The yields on 10-year U.S. government bonds fell from 4.44% to 4.40% in this reporting week. Although the yield had an upward trend on Monday, it soon began to weaken, as the demand for safe assets increased as a result of escalation of relations between Russia and Ukraine. The yield started to rise on Tuesday afternoon. The growth continued into the next day as the U.S. 20-year Treasury bond auction had weaker demand, suggesting that the recent increase in yields is not attractive enough for investors. The yield fluctuated as of Wednesday until the end of the reporting week. The market was focused on geopolitical tensions due to the escalation of the conflict between Russia and Ukraine, thus the demand for safe assets grew, which dragged yields downwards. The Kremlin said on Friday that the attack on Ukraine, carried out a day earlier, using a newly developed hypersonic ballistic missile, was a message to the West that Moscow would respond strongly to any "reckless" actions by the West in support of Ukraine. On the other hand, the growth of share prices, the weak auction of 10-year U.S. government bonds, the reduction of the number of new applications of the unemployed for receiving social assistance and the data on the PMI for the USA, had impact on the growth of yields.

GOLD



The price of gold had a constant upward trend during this week. It rose from \$2563.25 to \$2716.19 per ounce. The start of the week was marked by a drop in the dollar against a currency basket, which boosted the price of gold, as it became more attractive to buyers using other currencies. The demand for safe assets further raised the price of gold in the rest of the week, due to the escalation of tensions between Russia and Ukraine. The price of gold increased by 5.97% during this week.

OIL



The price of oil increased from \$71.86 to \$75.39 per barrel in this reporting week. The highest rise in the price occurred on Monday and Friday, being relatively stable during the rest of the week. The price of oil rose on Monday due to the growth of geopolitical tensions in Europe, which could disrupt the supply chains of this energy generating product. The price of oil recorded a sharp rise on Friday since the risk premium rose, as the war in Ukraine intensifies. At the weekly level, the price of oil increased by 4.91%.

Disclaimer

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