



CENTRALNA BANKA
CRNE GORE



Financial and Banking Operations Department - International Reserves Management Division -

International Financial Market Report (28 October – 1 November 2024)

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
M 3/14	1.2016	M 2/20	1.1946
T 3/13	1.1934	F 2/17	1.1909
F 3/10	1.1894	T 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'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: BOJ Policy, Rates, Economy

China Airlines' Wei: Fleet Reorganization, Earnings Outlook

Bear Stearns Teleconference: Fiscal First-Quarter Profit

Microsoft's Ballmer: 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.

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 8777 8800 Brazil 5511 3048 4500 Europe 44 20 7390 7500 Germany 49 69 920410
 Hong Kong 852 2977 6000 Japan 81 3 3201 3900 Singapore 65 6212 1000 U.S. 1 212 316 2000 Copyright 2006 Bloomberg L.P.
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24) 5 YR	48.25	49.25	48.75	+0.25
25) 6 YR	49.50	50.50	50.00	+0.30
26) 7 YR	50.50	51.50	51.00	+0.40
27) 8 YR	51.13	52.13	51.63	+0.33
28) 9 YR	51.75	52.75	52.25	+0.45
29) 10 YR	52.25	53.25	52.75	+0.50
30) 15 YR	57.00	58.00	57.50	+0.50
31) 20 YR	58.63	59.88	59.25	+0.15
32) 25 YR	57.38	58.63	58.00	+0.20
33) 30 YR	57.38	58.63	58.00	+0.20

Podgorica, 6 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 price of gold rose from \$2,730.87 to \$2,736.53 per ounce on a weekly basis, ahead of the U.S. presidential elections and the Fed meeting.
- The price of oil increased from \$73.02 to \$73.33 per barrel on the weekly level as the market's focus remained on the conflicts in the Middle East.
- The annual core inflation in the euro area remained at the same level in October as in the previous month, being 2.7%, above forecast of 2.6%.
- The polls of the U.S. presidential elections, which basically mean evaluation of the candidates to solve the most important social, political and economic issues, show a very uncertain race between Kamala Harris and Donald Trump.

FX NEWS

EUR/USD



The EUR/USD exchange rate recorded growth in this reporting week. During the first two days of the week, the exchange rate fluctuated within a limited interval, with more significant changes occurring on Wednesday. The euro strengthened that day, due to release of better-than-expected data on German economic growth, avoiding a technical recession, but also the economic growth of the euro area. The announcement that employment in American companies increased the most in more than a year provided a short-term support for the dollar, but the exchange rate continued to rise. According to estimates released on Thursday, the euro area consumer price index recorded an increase from 1.7% to 2% in October, due to higher food and energy generating product costs, which exceeded market expectations (1.9%). Despite the weaker-than-expected U.S. non-manufacturing payrolls data released on Friday, the unemployment rate remained steady at 4.1%, which supported the dollar, and the downtrend prevailed in the market that day.

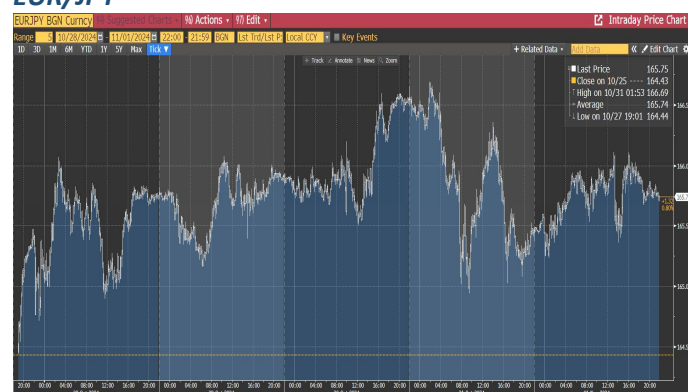
EUR/GBP



The EUR/GBP exchange rate was stable early week, to fall slightly on Tuesday. The announcement that U.K. lenders in October approved the highest number of mortgage loans since August 2022, largely due to the Bank of England's August interest rate cut, provided

support to sterling. The EUR/JPY exchange rate had an upward trend as of Wednesday. The euro strengthened due to the release of better-than-expected data on the economic growth of the euro area, but also due to estimates that the inflation rate of the euro area rose above expectations in October as well. Sterling, on the other hand, has been under pressure in anticipation of Labour Party first budget. The Chancellor of the Exchequer, Rachel Reeves, has announced measures that include a £40bn annual tax increase to fund public investments, raising inflationary expectations, which has weakened sterling. Despite the weaker-than-expected PMI data in the U.K., sterling recovered on Friday, but this exchange rate achieved growth on a weekly basis.

EUR/JPY



The EUR/JPY exchange rate fluctuated throughout the week, but the weakening of the yen prevailed. After Japan's election over the weekend saw the ruling coalition lose its parliamentary majority for the first time since 2009, monetary and political instability intensified, fuelling speculation among traders that the pace of future Bank of Japan rate increase could slow down. Speculations were also reinforced by the statement of the Minister of Economy that the yen trend is being carefully monitored, and that further weakening of this currency could have a significant impact on the economy (potential effects include a decrease in real income and personal spending). However, although the interest rate remained at the level of 0.25% at the Bank of Japan meeting on Thursday, Governor Ueda emphasized again the inflation growth forecast for the fiscal year 2025, which indicates a potential increase in the interest rate in the coming months, therefore yen strengthened that day. However, its weakening continued on Friday, as market expectations prevailed that the Bank of Japan would remain accommodative due to the weakening economy.

Table 1 - Exchange rates of the most important currencies

	28-Oct-2024¹	1-Nov-2024²	% Change
EUR/USD	1.0796	1.0834	0.35
EUR/GBP	0.83288	0.83860	0.69
EUR/JPY	164.43	165.77	0.81
EUR/AUD	1.63423	1.65170	1.07
EUR/CHF	0.93575	0.94241	0.71
USD/JPY	152.31	153.01	0.46
GBP/USD	1.2962	1.2924	-0.29

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	5.00%	7-Nov-2024
Bank of Japan (BoJ)	Overnight Call Rate	0.25%	19-Dec-2024
Bank of England (BoE)	Official Bank Rate	5.00%	07.11.2024.
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%	5-Nov-2024

At the meeting of the Bank of Japan, held on 31 October, the interest rate remained at the existing level. The Bank of Japan Governor, Kazuo Ueda, emphasized again the inflation growth forecast for the fiscal year 2025, and pointed to the possibility of further interest rate increase if the economic and inflation forecasts are met.

Table 3 - ESTR and Euribor

	28-Oct-2024¹	1-Nov-2024.²	Change in basis points
ESTR	3.166	3.163	-0.30
Euribor 1W	3.149	3.131	-1.80
Euribor 1M	3.127	3.119	-0.80
Euribor 3M	3.059	3.085	2.60
Euribor 6M	2.894	2.912	1.80
Euribor 12M	2.565	2.629	6.40

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (28 October - 1 November 2024)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<p>GDP SA It measures the value of products and services produced inside the country. GDP is the most comprehensive measure of economic output and provides a key insight into an economy's main drivers.</p> <p>CPI estimate Early assessment of the Consumer Price Index. The consumer price index measures changes in the cost of living, tracking price changes in a basket of goods and services used by an average household, and is therefore a key measure of inflation.</p> <p>Consumer price index - core inflation (CPI Core) Core inflation represents the long-term trend of price levels. In measuring long-term inflation, transient price changes should be excluded, and the only way is to exclude items subject to frequent price changes, such as food and energy.</p> <p>Unemployment Rate The percentage of individuals on the labour market and unemployed, but actively looking for a job. In general, higher unemployment rate weakens the economy and results in lower personal spending.</p>	Q3 QoQ%	0.2%	0.4%	0.2%
		YoY%	0.8%	0.9%	0.6%
		October YoY%	1.9%	2.0%	1.7%
		October Preliminary YoY%	2.6%	2.7%	2.7%
September	6.4%	6.3%	6.3%		
Germany	<p>GDP SA It measures the value of products and services produced inside the country. GDP is the most comprehensive measure of economic output and provides a key insight into an economy's main drivers.</p>	Q3 Preliminary QoQ%	-0.1%	0.2%	-0.3%
Great Britain	<p>S&P Global UK Manufacturing PMI This survey tracks opinion among procurement managers at manufacturing. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.</p>	October Finally	50.3	49.9	50.3
USA	<p>ADP Employment Change This indicator measures the monthly change in the number of employees on the private sector payroll.</p> <p>PCE Price Index The deflator of expenditures for personal spending monitors on a monthly level the total price changes of goods and services purchased by consumers.</p> <p>PCE Price Index This indicator tracks changes in personal spending expenditures excluding food products and energy.</p> <p>Change in nonfarm payrolls The report shows the total number of newly employed workers on a monthly basis by economy industries. It does not include employees in farms, some government agencies, self-employed individuals and NGOs.</p> <p>ISM Manufacturing This indicator assesses the state of U.S. industry by questioning executors about their expectations in terms of production, new orders, employment, raw materials deliveries and inventory.</p>	October K=1,000	111K	233K	159K
		September MoM%	0.2%	0.2%	0.1%
		YoY%	2.1%	2.1%	2.3%
		September MoM%	0.3%	0.3%	0.2%
		YoY%	2.6%	2.7%	2.7%
October K=1,000	100K	12 K	223K		
October	47.6	46.5	47.2		

EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German government bonds rose from 2.34% to 2.41% in this reporting week. The yield on 10-year German government bonds fell on Monday, but recovered towards the end of the day due to signs of easing geopolitical tensions in the Middle East, which increased demand for riskier assets. The yield had an upward trend on Wednesday, due to release of data on the economic growth of the euro area which were better than expected, and which could soften the market's expectations that the ECB will reduce the interest rate by more than 25bp at the next meeting. The yield also rose due to release of preliminary data on inflation in Germany, as well as the statement of Isabelle Schnabel, the ECB Executive Board member, that they should not rush to reduce borrowing costs and go below the so-called neutral level in order to stimulate the economy. The yield fluctuated the next day, as data on euro area inflation diminished the possibility of a major interest rate cut by the ECB. At the very end of the week, the yield remained almost the same at the daily level, amounting to 2.41% at the end of the day (standing at 2.40% at the beginning of the day).

U.S. GOVERNMENT BONDS MARKET



The yield on 10-year U.S. government bonds rose from 4.26% to 4.38% in this reporting week. The yield on 10-year U.S. government bonds did not register major changes on Monday and averaged at 4.27%. Investors are facing not only the uncertain prospects for further Fed rate cuts - which would support the value of existing securities - but also the prospect of larger auctions in the upcoming period. The yield had a volatile trend again the next day, but at the end of the day it still fell, as investors expected that the Fed, although the data from the U.S. was generally better than expected, would cut the interest rate by 25bp at the next meeting. The yield on 10-year U.S. government bonds first weakened on Thursday due to release of the U.S. economic growth report, but then recovered later in the day due to stronger-than-expected data from the labour market. The yield on 10-year U.S. government bonds rose on Friday and ended the day at 4.38%.

GOLD



The price of gold rose this week from \$2,730.87 to \$2,736.53 per ounce. The price had an upward trend for the first three days as traders awaited the release of key economic data that will help determine the intensity of interest rate cuts in the U.S., and on the other hand, the presidential elections in this country were approaching. The price of gold weakened on Thursday as some investors took profits after the price hit record highs. The price of this precious metal fell even after the release of stronger-than-expected economic data on the USA, which reduced the demand for safe funds. On the last day of the week, the price of gold had an upward trend for most of the day, only to fall towards the end of the day, as traders took advantage of the previously reached level in order to make profit.

OIL



The price of oil increased in this reporting week from \$73.02 to \$73.33 per barrel. This price weakened at the very beginning of the week due to reduced concerns in the market, as Israel did not attack Iran's energy infrastructure. The price of oil rose in the second half of the week, as the U.S. Government report showed that oil supplies fell last week, and in addition, the focus of the market was on the events in the Middle East and the potential escalation of the conflict as there are prospects that Iran is preparing for attack on Israel. The price of oil fell at the end of Friday due to the strengthening of the dollar.

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.