



**CENTRALNA BANKA
CRNE GORE**

Financial and Banking Operations Department

- International Reserves Management Division -

International Financial Market Report

(3 – 7 February 2025)

Podgorica, 12 February 2025

[IYC4 152<GO>](#)
[Change on Month](#)
[IYC6 152<GO>](#)

[IYC4 148<GO>](#)
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[IYC6 148<GO>](#)
 For US Govt Yield Curve, type {IYC1 I2
 For US swap Curve, type {IYC1 152 <G

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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	1.1909
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 3/4	1.2025	F 2/10	1.1919
T 3/3	1.2012	T 2/9	1.1974
W 3/2	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

1) 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

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

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

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

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

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

China Airlines' Wei: Fleet Reorganization, Earnings Outlook

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

Bear Stearns Teleconference: Fiscal First-Quarter Profit

6) Bear Stearns Teleconference: Fiscal First-Quarter Profit

Microsoft's Gaillet: Stock Performance, Strategy, Products

7) Microsoft's Gaillet: 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 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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Weekly overview of short news

- The price of gold rose this reporting week from \$2,792.40 to \$2,861.07 per ounce, mostly due to uncertainty regarding the trade war, which poses a major challenge to the global economy.
- The price of oil recorded a slight decline during the week - it stood at \$75.64 at the beginning of the week, being \$75.17 per barrel and at the end of week.
- According to preliminary estimates, the annual inflation rate in the euro area increased from 2.4% to 2.5%, while the core inflation remained stable, at the level of 2.7%, although a decrease to 2.6% was expected.
- At this week's meeting, the Bank of England reduced the interest rate by 25bp to 4.50%. The decision regarding the reduction was unanimous, but two members advocated a reduction of 50bp. The BoE warned that inflation could rise to 3.7% in Q3 2025, due to high energy costs, to fall to 2.5% in 2026, and reach the 2% target in 2027. The forecast for economic growth has been reduced from 1.50% to 0.75% for this year, and growth of 1.5% is forecast for 2026.
- President Trump has decided to postpone the 25% tariffs on Canada and Mexico for a month, until 4 March, after both countries agreed to take stricter measures to curb migration and the transfer of drugs across the border. The 10% tariffs on China remain in place, although Trump may talk to the Chinese president about delaying them. It was later reported that China retaliated against Donald Trump's trade tariffs by targeting several U.S. companies and imposing tariffs on some U.S. products, in an attempt to avoid escalating tensions between the world's largest economies. Beijing has imposed a 15% tariff on U.S. energy imports worth less than 5 billion dollars and a 10% tax on U.S. oil and agricultural equipment.

FX NEWS

EUR/USD



The EUR/USD exchange rate increased on a weekly basis. The exchange rate rose at the beginning of the week as investors' risk appetite improved after the news of the postponement of tariffs to Canada and Mexico. The exchange rate also rose as weaker-than-expected U.S. economic data were released. Job creation in the U.S. fell in December to a 3-month low, which indicated a deterioration in the labour market. The EUR/USD exchange rate rose mid-week as concerns over the U.S.-led trade war eased, and it was reported that activity in the service sector of the U.S. economy slowed (the ISM index fell from 54.1 to 52.7 in January). The EUR/USD exchange rate weakened slightly over the last two days, first as it was announced that retail sales fell in the euro area in January, and later due to the uncertainty surrounding the plans of the U.S. President regarding the introduction of reciprocal measures towards trade partners.

EUR/GBP



The EUR/GBP exchange rate appreciated in this reporting period. The U.S. President's statement that tariffs against the euro area are "coming quite soon" and that trade issues with Great Britain can be resolved, caused a downward trend in the exchange rate on Monday. The exchange rate recovered slightly over the next two days, in anticipation of the Bank of England meeting and expectations of an

interest rate cut. The exchange rate rose sharply on Thursday, following the Bank of England meeting. The BoE cut interest rates by 25bp as expected, but two of the nine members of the Monetary Policy Committee voted for a 50bp rate increase. The BoE cut its forecast for economic growth this year to 0.75%, which together with the previous one caused sterling to weaken. The exchange rate had a downward trend on Friday, due to the strengthening of sterling following the chief economist of the Bank of England statement that the fight against inflation is not yet over and that it is necessary to maintain a certain level of restrictive measures due to a slower than expected reduction in inflation and an unexpected increase in earnings in the private sector.

EUR/JPY



The EUR/JPY exchange rate fluctuated slightly on Monday and rose on Tuesday as the Bank of Japan Governor told parliament the bank is focused on achieving sustainable, stable inflation at the level of 2%, and the Prime Minister added that it remains uncertain whether Japan will avoid a return to deflation. Although the inflation rate in Japan has been over 2% for almost three years, the government has not yet declared a complete exit from deflation. The EUR/JPY exchange rate has been falling since Wednesday due to speculation that the BoJ will continue with interest rate increase, and BoJ Board member Naoki Tamura said he is in favour of raising the interest rate to 1% by the second half of the fiscal year 2025 (two or more increases), from the current 0.5%. The former BoJ Governor Haruhiko Kuroda said Japan had "completely" ended deflation and that it was natural to continue raising interest rates to normalize policy. The exchange rate fell on Friday as a result of the growing demand for safe assets, which was caused by the uncertainty regarding the tariffs that Trump will introduce in the coming period.

Table 1 - Exchange rates of the most important currencies

	3-Feb-2025 ¹	7-Feb-2025 ²	% Change
EUR/USD	1.0362	1.0328	-0.33
EUR/GBP	0.83604	0.83279	-0.39
EUR/JPY	160.78	156.38	-2.74
EUR/AUD	1.66847	1.64669	-1.31
EUR/CHF	0.94411	0.93978	-0.46
USD/JPY	155.19	151.41	-2.44
GBP/USD	1.2395	1.2402	0.06

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	2.90%	6-Mar-2025
Federal Reserves (Fed)	Federal Funds Target Rate	4.50%	19-Mar-2025
Bank of Japan (BoJ)	Overnight Call Rate	0.50%	19-Mar-2025
Bank of England (BoE)	Official Bank Rate	4.50%	20-Mar-2025
Swiss National Bank (SNB)	Libor Target Rate	0.50%	20-Mar-2025
Bank of Canada (BoC)	Target Overnight Rate	3.00%	12-Mar-2025
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	18-Feb-2025

Table 3 - ESTR and Euribor

	3-Feb-2025. ¹	7-Feb-2025. ²	Change in basis points
ESTR	2.9120	2.6650	-24.7
Euribor 1W	2.801	2.694	-10.7
Euribor 1M	2.660	2.646	-1.4
Euribor 3M	2.589	2.527	-6.2
Euribor 6M	2.590	2.468	-12.2
Euribor 12M	2.519	2.384	-13.5

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (3 - 7 February 2025)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	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.	January Preliminary data YoY%	2.4%	2.5%	2.4%
	Consumer price index - core inflation (CPI Core) This index tracks price changes in the basket of consumer goods and services used by the average household, but excludes items subject to frequent price changes - food, energy, alcohol and cigarettes.	January Preliminary data YoY%	2.6%	2.7%	2.7%
	Retail Sales This indicator measures the volume of sales of goods for personal and household spending.	December MoM% YoY%	-0.1% 1.9%	-0.2% 1.9%	0.0% 1.6%
Germany	Industrial Production It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply).	December MoM% YoY%	-0.7% -2.1%	-2.4% -3.1%	1.3% -2.8%
	Trade Balance The difference between exports and imports of goods and services in Germany.	December b=billion	17.0b	20.7b	19.2b
USA	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.	January	50.0	50.9	49.2
	JOLTS Job Openings This concept tracks the number of free jobs in the economy. Vacancies generally include either newly created or unfilled positions (or soon-to-be-vacant positions) that the employer is taking particular action to fill.	December k=thousand	8000k	7600k	8156 K
	Initial Jobless Claims It measures the number of people filing for unemployment benefits for the first time.	February F k=thousand	213 K	219 K	208 K
	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 non-profit organisations. It serves as the basis for tailoring economic policy and forecasting future economic trends.	January k=thousand	175K	143K	-30
	Unemployment Rate It shows the number of unemployed persons as a percentage of the total labour force.	January	4.1%	4.0%	4.1%
Japan	Labour Cash Earnings This indicator shows total payments to employees in exchange for performed work.	December	3.7%	4.8%	3.9%

EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German government bonds fell from 2.43% to 2.36% this week. A drop in yields was recorded at the very beginning of the week due to uncertainty about American tariffs, which increased the demand for safe assets. During the following day, the yield rose slightly in the first half of the day, but fell again in the second half of the day, with the downward trend continuing until Wednesday. This decline was fuelled by a drop in yields on U.S. government bonds following the release of the U.S. employment report. There were no significant changes at the daily level on Thursday, while the yield recorded an increase on Friday.

U.S. GOVERNMENT BONDS MARKET



The yield on 10-year U.S. government bonds fell from 4.57% to 4.49% this week. The yield on these bonds rose during the first two days, until mid-day Tuesday. The increase came as Trump delayed the introduction of tariffs on Canada and Mexico. However, from the second half of the day on Tuesday, until Wednesday, the yield weakened. The decline came following the release of the JOLTS report on U.S. employment, which indicated a larger-than-expected decline in job creation. Also, the release of the data that the ISM index, which measures service activity in the USA, was weaker than expected for January further reduced this yield. The yield has recovered slightly over the last two days of the week. The recovery was most pronounced in the second half of the day on Friday as payrolls excluding farm workers rose more than expected, raising expectations that the Fed will not cut interest rates in March.

GOLD



The price of gold rose in this reporting week from \$2,792.40 to \$2,861.07 per ounce, mostly due to uncertainty regarding the trade war, which poses a major challenge to the global economy, that increased the demand for safe assets. The price of gold has also risen as central banks and investors increase demand for safe assets due to geopolitical tensions and economic uncertainty. The rise in gold purchases by central banks signals a strategic shift in global finance, with institutions seeking to reduce reliance on the U.S. dollar amid heightened geopolitical risks. The World Gold Council emphasized that the total demand for gold in Q4 2024 increased by 1% compared to the previous year, including "over-the-counter" investments. Central banks led the way, buying over 1,000 tonnes of gold for the third year in a row, with purchases rising sharply in Q4 2024 to 333 tonnes. The latest tensions between the U.S. and China, fuelled by Trump's proposed 10% import tariffs and China's restrictions on energy imports from the U.S., have only strengthened gold's status. The price fluctuated slightly in the last two days of the week, and it weakened due to the recovery of the dollar and the release of a set of American economic data.

*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.

OIL



The price of oil recorded a slight decline during the week - it was \$75.64 at the beginning of the week, reaching \$75.17 per barrel at the end of the week. The price of oil had a volatile trend on Monday, i.e. it first grew due to the news that the USA was introducing tariffs on Canada, Mexico and China, and after the announcement that the tariffs on Canada and Mexico were being postponed, the price weakened. The daily price of oil recorded an increase the following day due to speculation that the U.S. President will issue a directive to exert maximum pressure on sanctions against Iran with the aim of reducing oil exports from that country to zero. The price also fell as the Russian Minister of Energy, Novak, announced that he would increase oil production from April. The price of oil rose in the first half of the day on Thursday, as the U.S. Treasury Department announced sanctions against "an international network that facilitates the delivery of Iranian oil to China worth hundreds of millions of dollars." The sanctions include entities and individuals from China, India and the UAE, and several ships have also been targeted. However, the price fell in the second part of the day, as the levels of oil supplies in the U.S. continued to rise last week, whereas the U.S. President announced that he plans to reduce the price of oil by intensifying domestic production. The price of oil did not register major changes in its trend on the last day of the week.