



**CENTRALNA BANKA  
CRNE GORE**

## Financial and Banking Operations Department - International Reserves Management Division -

# International Financial Market Report

(3 - 7 March 2025)

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: 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 Daily  
Market 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	1.1934	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
- 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

**LIVE «GO» Events**

ID	Event	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	+0.035
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	
3) Brazil	5511	3048	4500	
4) Europe	44	20	7390	7500
5) Germany	49	69	920	110
6) Hong Kong	652	2977	6000	
7) Japan	81	3	3201	3900
8) Singapore	65	6212	1000	U.S.
9) U.S.	1	212	316	2000

**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

## Weekly overview of short news

- The price of gold rose this week from \$2,856.39 to \$2,909.10 per ounce, as the U.S. President's tariff policy brought great uncertainty and concern to the market.
- The price of oil fell from \$73.53 to \$71.05 per barrel this week as the OPEC+ announced that it would begin a long-delayed increase in oil production, and the U.S. tariffs on Mexico, Canada and China took effect.
- In line with expectations, the ECB cut interest rates by 25bp each at the March meeting, whereas the ECB President Christine Lagarde emphasized a less restrictive monetary policy. The ECB President refused to repeat her previous message - the direction of development towards lower rates is clear, which caused some commotion among investors. The ECB revised its economic growth forecast for 2025 to 0.9% and raised its inflation outlook to 2.3%, highlighting the need for caution in the face of global uncertainty. Lagarde noted that the ECB will remain dependent on data and will make decisions on a meeting-by-meeting basis.
- The credit agency Fitch confirmed Germany's AAA credit rating with a "stable" outlook.
- Inflation in the euro area has slowed, which increases confidence that inflation is approaching the target level of 2%. The CPI estimate index increased in February by 2.4%, while it stood at 2.5% in January.

## FX NEWS

### EUR/USD



The **EUR/USD exchange rate** rose at the beginning of the week as preliminary data showed that inflation in the euro area increased by 2.4% on an annual basis in February in relation to the expected 2.3%. The growth of this exchange rate continued in the following days and Germany announced that it would approve hundreds of billions of euros for defence and infrastructure, which improves the outlook for economic growth. On the other hand, the dollar was under pressure due to speculation that the trade war will have negative consequences for the U.S. economic growth. The growth of the exchange rate came to a halt on Thursday as the ECB reduced interest rates at its regular meeting, which was in line with the expectations. The rate rose slightly on the last day of the week as it was announced that the unemployment rate in the U.S. rose from 4.0% to 4.1%.

### EUR/GBP



The **EUR/GBP exchange rate** was stable at the very beginning of the week, only to increase during the rest of the week. The exchange rate

rose as Germany announced that it would increase borrowing in order to increase investments in infrastructure and defence. It is expected that these investments will have a positive impact on economic growth. This caused the euro to rise against the British currency until the end of the week.

### EUR/JPY



The **EUR/JPY exchange rate** was stable at the opening of the reporting week. There was a sharp increase in this exchange rate the very next day. The increase came as Germany announced an increase in borrowing, which increased the prospects for growth. Namely, German political parties, including Friedrich Merz's conservatives and the Social Democrats (SPD) announced plans to ease fiscal rules and create an infrastructure fund of 500 billion euros. Despite the fact that the regular ECB meeting was held in the rest of the week, the exchange rate did not record a major change.

**Table 1 - Exchange rates of the most important currencies**

	3-Mar-2025 <sup>1</sup>	7-Mar-2025 <sup>2</sup>	% Change
EUR/USD	1.0375	1.0833	4.41
EUR/GBP	0.82494	0.83826	1.61
EUR/JPY	156.27	160.36	2.62
EUR/AUD	1.67103	1.71808	2.82
EUR/CHF	0.93706	0.95335	1.74
USD/JPY	150.63	148.04	-1.72
GBP/USD	1.2577	1.2920	2.73

**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	2.65%	17-Apr-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	4.10%	1-Apr-2025

**Table 3 - ESTR and Euribor**

	3-Mar-2025 <sup>1</sup>	7-Mar-2025. <sup>2</sup>	Change in basis points
ESTR	2.658	2.665	0.7
Euribor 1W	2.607	2.561	-4.6
Euribor 1M	2.463	2.456	-0.7
Euribor 3M	2.464	2.529	6.5
Euribor 6M	2.355	2.408	5.3
Euribor 12M	2.394	2.481	8.7

<sup>1</sup> Opening market value on Monday

<sup>2</sup> Closing market value on Friday

**Table 4 - Economic indicators (3 - 7 March 2025)**

Country	Indicator	Period	Expected value	Current value	Previous value
Italy	<b>HCOB Manufacturing PMI</b> An indicator that measures the soundness of Italy's manufacturing sector, and is based on surveys of purchasing managers in terms of new orders, production, employment, supplier delivery times and stock of purchased goods. Values range between 0 and 100. An index value below 50 indicates contraction of the manufacturing sector, whereas a value above 50 indicates expansion.	February	46.7	47.4	46.3
France	<b>HCOB Manufacturing PMI</b> An indicator that measures the soundness of France's manufacturing sector, and is based on surveys of purchasing managers in terms of new orders, production, employment, supplier delivery times and stock of purchased goods. Values range between 0 and 100. An index value below 50 indicates contraction of the manufacturing sector, whereas a value above 50 indicates expansion. <b>Industrial production</b> measures the production of facilities in the following industries: mining and quarrying, manufacturing and public utilities (electricity, gas and water supply).	February	45.5	45.8	45.5
		January MoM% YoY%	0.4% -0.2%	-0.6% -1.6%	-0.4% -1.7%
Germany	<b>HCOB Manufacturing PMI</b> An indicator that measures the soundness of Germany's manufacturing sector, and is based on surveys of purchasing managers regarding new orders, production, employment, supplier delivery times, and stock of purchased goods. Values range between 0 and 100. An index value below 50 indicates contraction of the manufacturing sector, whereas a value above 50 indicates expansion.	February	46.1	46.5	46.1
USA	<b>Change in nonfarm payrolls</b> This is a report that shows the number of newly employed workers on a monthly basis by branch of the economy, which does not include employees on farms, in some government services, employees in private households, and non-profit organizations. It serves as the basis for tailoring economic policy and forecasting future economic trends.	February k=thousand	160K	151K	143K
Euro area	<b>Consumer price index (CPI)</b> 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. <b>HCOB Manufacturing PMI</b> An indicator that measures the health of the manufacturing sector in the euro area, and is based on surveys of purchasing managers regarding new orders, production, employment, supplier delivery times and stock of purchased goods. Values range between 0 and 100. An index value below 50 indicates contraction of the manufacturing sector, whereas a value above 50 indicates expansion. <b>Unemployment Rate</b> Shows the number of unemployed persons as a percentage of the total workforce. <b>Producer Price Index (PPI)</b> This indicator measures the change in the price paid by domestic producers. The indicator rise is an early inflation indicator.	February Preliminary data MoM% YoY%	0.4% 2.3%	0.5% 2.4%	-0.3% 2.5%
		February	47.3	47.6	47.3
		January	6.3%	6.2%	6.3%
		January MoM% YoY%	0.3% 1.3%	0.8% 1.8%	0.4% 0.0%

## EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German bonds rose from 2.43% to 2.83% this week. The yield on 10-year German government bonds did not change significantly in the first two days and averaged 2.47%. The yield rose in the rest of the week following the announcement that Germany will establish a fund of 500 billion euros as part of a comprehensive policy reform to address urgently needed investments in defence (infrastructure, transport, energy networks and housing). There was also speculation that the supply of bonds would increase to finance defence spending. Following the ECB's meeting on Thursday, traders lowered expectations for further rate cuts after a widely expected rate cut that signalled the easing cycle could soon end. German bonds stabilized on Friday.

## U.S. GOVERNMENT BONDS MARKET



The yield on 10-year U.S. bond rose slightly this week, from 4.23% to 4.30%. The yield on 10-year U.S. government bonds weakened on Monday as there was an unexpected drop in February new orders and oil prices in the U.S. Over the next two days, the yield rose as it was announced that Germany would establish a defence fund of 500 billion euros, as the ISM index of services was higher than expected and as the U.S. President announced that tariffs on cars from Canada would be suspended for one month. The yield on 10-year U.S. government bonds rose on the last day of the week as comments by the Fed Chairman Jerome Powell reduced expectations that the central bank could continue to cut interest rates as early as May.

## GOLD



The price of gold rose from \$2,856.39 to \$2,909.10 per ounce in this reporting week. It rose for the first two days of the week as a result of weakening of the dollar and the increase in demand for safe assets, as the tariff policy of the new U.S. President brought great uncertainty to the market, which favoured gold. As of Wednesday, until the end of the week, the price of gold fluctuated and averaged \$2,913.93 per ounce.

## OIL



The price of oil decreased from \$73.56 to \$71.05 per barrel in this reporting week. The price of oil weakened for the first three days as the OPEC+ announced that it would begin the long-delayed increase in oil production, and U.S. tariffs against Mexico, Canada and China came into effect. Additional pressure came from President Trump's decision to pause military aid to Ukraine. The U.S. President also said that he will withdraw the permit from Venezuela that allowed it to export part of its oil to the USA despite the sanctions. He also warned that Venezuela's economy could suffer more if Chevron leaves the country, which could lead to further migration to the U.S. The oil was supported on Friday due to the weakening of the dollar, the U.S. plan to allow its strategic oil reserves, as well as the hint of Russian Deputy Prime Minister Alexander Novak that OPEC+ could cancel the planned increase in production after April.

*Disclaimer: 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.*