



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	1.1871
W 3/15	1.2166	W 2/22	1.1864
T 3/14	1.2016	T 2/21	1.1914
M 3/13	1.1934	M 2/20	1.1946
W 3/12	1.1911	W 2/19	1.1939
T 3/11	1.1909	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	W 2/12	1.1902
W 3/5	1.1996	T 2/10	1.1919
T 3/4	1.2025	W 2/9	1.1974
F 3/3	1.2025	W 2/8	1.1944
T 3/2	1.2012	T 2/7	1.1974
W 3/1	1.1913	M 2/6	1.1962
T 2/28	1.1923		
M 2/27	1.1853		

International Financial Market Report
(6 - 10 January 2025)

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 Gaillet: 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.

10 Bloomberg TV Live 11 Bloomberg Radio Live 12 All Audio/Video Reports

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	
21) Hong Kong 852 2977 6000	Japan 81 3 3201 3900	Singapore 65 6212 1000	U.S. 1 212 316 2000	
24) 2 YR	47.00	47.00	47.00	
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, 15 January 2025

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 \$2,639.21 to \$2,689.76 per ounce in this reporting week, mostly due to geopolitical tensions and economic uncertainty as to how the arrival of Trump in the White House will lead to certain changes.
- The price of oil rose from \$77.16 to \$81.22 per barrel, due to the drop in oil supplies in the U.S. and the new package of U.S. sanctions against the Russian energy sector.
- Preliminary data showed that the consumer price index in Germany increased from -0.2% to 0.4% on a monthly basis in December, while it increased from 2.2% to 2.6% annually.
- Preliminary data showed that the estimated consumer price index in the euro area rose from 2.2% to 2.4% on an annual basis in December.

EUR/USD



The **EUR/USD exchange rate** rose on Monday as the euro strengthened after preliminary data showed Germany's inflation rate rose in December, supporting the ECB's gradual approach to interest rate cuts. On the other hand, the dollar weakened due to news from the USA about a potential reduction in tariffs, which President Trump denied on the same day, that led to a slight drop in the exchange rate. The exchange rate growth continued on Tuesday as, according to estimates, euro area inflation reached a 5-month high of 2.4% in December, and the ECB announced that euro area consumer inflation expectations rose in November. Consumers expect price growth of 2.6% in the next 12 months (previously 2.5%), and in the next three years 2.4% (previously 2.1%). However, the exchange rate began to fall on the same day, as the dollar was supported by the release of stronger than expected U.S. economic data (job creations, service sector activities). The downward trend of the exchange rate lasted until the end of the week, and stood at an almost 26-month low of 1.0215 on mid-day Friday. The reason for this decline was the strengthening of the dollar due to the release of encouraging data from the labour market (new unemployment claims for social assistance, payrolls in the non-manufacturing sector, unemployment rate) and rising inflationary expectations, which fuelled expectations of a pause in interest rate cuts in the U.S. The U.S. markets were closed on Thursday for a day of mourning following the death of former U.S. President Jimmy Carter.

EUR/GBP



During the first two days of this week, the **EUR/GBP exchange rate** was stable, but it had an upward trend from Wednesday until the end of the week. The rise in the exchange rate occurred as investors were worried about the U.K.'s fiscal and inflationary outlook. There were concerns about the Labour government's ability to manage the deficit as borrowing costs rise to their highest level since 2008.

EUR/JPY



During this reporting week, the **EUR/JPY exchange rate** fluctuated within the interval from 161.21 to 164.55, remaining almost unchanged at a weekly level. The exchange rate rose sharply on Monday and the growth continued early next day, as stronger-than-expected preliminary data on inflation in Germany and the euro area in December indicate caution and a gradual approach by the ECB in further reducing interest rates. However, the exchange rate began to weaken on Tuesday as Japan issued its first warning to traders this year, causing the yen to strengthen. Specifically, the Minister of Finance, Katsunobu Kato, expressed deep concern about the sudden and unilateral moves on the currency market and hinted at a possible direct intervention, stating that he would take appropriate measures if necessary. The decline continued into the rest of the week as the yen continued to rise on strong Japanese earnings data, supporting expectations that the Bank of Japan could raise interest rates by 25bp at its January meeting.

Table 1 - Exchange rates of the most important currencies

	6-Jan-2025 ¹	10-Jan-2025 ²	% Change
EUR/USD	1.0308	1.0244	-0.62
EUR/GBP	0.82967	0.83898	1.12
EUR/JPY	162.08	161.59	-0.30
EUR/AUD	1.65822	1.6667	0.51
EUR/CHF	0.93649	0.93884	0.25
USD/JPY	157.26	157.73	0.30
GBP/USD	1.2423	1.2207	-1.74

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	3.15%	30-Jan-2025
Federal Reserves (Fed)	Federal Funds Target Rate	4.50%	29-Jan-2025
Bank of Japan (BoJ)	Overnight Call Rate	0.25%	24-Jan-2025
Bank of England (BoE)	Official Bank Rate	4.75%	6-Feb-2025
Swiss National Bank (SNB)	Libor Target Rate	0.50%	20-Mar-2025
Bank of Canada (BoC)	Target Overnight Rate	3.25%	29-Jan-2025
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	18-Feb-2025

Table 3 - ESTR and Euribor

	6-Jan-2025 ¹	10-Jan-2025 ²	Change in basis points
ESTR	2.919	2.917	-0.2
Euribor 1W	2.901	2.925	2.4
Euribor 1M	2.792	2.839	4.7
Euribor 3M	2.731	2.766	3.5
Euribor 6M	2.554	2.641	8.7
Euribor 12M	2.448	2.564	11.6

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (6 - 10 January 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.	December Preliminary data YoY%	2.4%	2.4%	2.2%
		November	6.3%	6.3%	6.3%
	Unemployment Rate The percentage of individuals who are in the labour market and who are unemployed, but who are actively looking for a job. In general, higher unemployment rate weakens the economy and results in lower personal spending.	November MoM%	0.3%	0.1%	-0.5%
		YoY%	1.7%	1.2%	1.9%
	Retail Sales This indicator measures the volume of sales of goods for personal and household spending.	November MoM%	1.5%	1.6%	0.4%
		YoY%	-1.4%	-1.2%	-3.2%
Producer Price Index (PPI) This indicator measures the change in the price paid by domestic producers. The indicator rise is an early inflation indicator.	December Preliminary data MoM%	0.3%	0.2%	-0.1%	
	YoY%	1.5%	1.3%	1.3%	
	Germany	Consumer price index (CPI) 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.	December Preliminary data MoM%	0.3%	0.4%
Retail Sales This indicator measures the volume of sales of goods for personal and household spending.	YoY%	2.4%	2.6%	2.2%	
	November MoM%	0.5%	-0.6%	-1.5%	
	YoY%	2.5%	2.3%	3.6%	
USA	Initial Jobless Claims It measures the number of people filing for unemployment benefits for the first time.	4 January k=thousand	215 K	201 K	211 K
		November k=thousand	7740K	8098k	7744K
	JOLTS Job Openings This indicator monitors the number of vacancies in the economy, which generally include either newly opened or unfilled positions (or those that will soon become vacant) and for the filling of which the employer undertakes certain activities.	December	53.5	54.1	52.1
		December k=thousand	165K	256K	227K
ISM Services Index This indicator measures the economic condition and performance of companies in the field of services. It is based on a survey of the condition of more than 400 companies.	December	53.5	54.1	52.1	
	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.	December k=thousand	165K	256K	227K

EUROPEAN GOVERNMENT BONDS MARKET



The yields on 10-year German government bonds increased in this reporting week, amounting to 2.59% at the end of the week. The yields rose at the start of the week after it was reported that inflation in Germany accelerated more than expected, supporting the ECB's plan to continue gradually cutting interest rates. The yields continued to rise the next day after data from the euro area and the U.S. suggested their central banks may have less room to cut interest rates than many had thought. Euro area inflation rose to 2.4% last month from 2.2% in December (first estimate), Eurostat said, due to more expensive energy and stubbornly high service costs. The yields on 10-year German bonds rose slightly on Wednesday and was supported by euro area inflation data, increased bond offer and stronger-than-expected data from the U.S. The yields did not record a major change on the last day of the week as the market lowered expectations regarding the ECB's interest rate cut following encouraging data from the U.S. labour market, which prompted traders to bet on the Fed's rate cut by just a quarter of a basis point this year.

U.S. GOVERNMENT BONDS MARKET



The yields on 10-year U.S. government bonds rose from 4.61% to 4.77% in this reporting week. At the very beginning of the week, the yield did not record any significant changes, but an upward trend began on Tuesday and continued until the end of the week. President-elect Donald Trump has denied reports that his assistants are exploring tariff plans that would cover only critical imports, deepening uncertainty among business leaders about future U.S. trade policy. The Washington Post reported that Trump assistants are exploring tariff plans that would apply to every country but would cover only certain sectors deemed critical to national or economic security, a significant shift from Trump's 2024 campaign pledge. The released data on JOLTS and ISM services in the U.S., which were better than expected, further influenced yield growth. The bond markets were closed on Thursday for a national day of mourning for former U.S. President Jimmy Carter, who died end-December. The yields on 10-year U.S. government bonds rose on Friday after the release of surprisingly good December data on the U.S. labour market.

GOLD



The price of gold increased from \$2,639.21 to \$2,689.76 per ounce in this reporting week. This price fluctuated on Monday. From Tuesday until the end of the week, the price, despite the stronger-than-expected data from the U.S. labour market released during the week, had an upward trend. Namely, geopolitical tensions and economic uncertainty as a result of changes that will follow upon the return of Donald Trump to the White House, stimulate the demand for this precious metal as a traditionally safe asset. The price was also supported by the news that China increased its gold reserves for the second month in a row. According to data from the Central Bank of China, gold reserves rose to 73.29 million ounces at end-December, compared to 72.96 million ounces a month earlier.

OIL



The price of oil increased from \$77.16 to \$81.22 per barrel in this reporting week. The price fluctuated on Monday - at first it rose supported by expectations of higher consumption of distillates in the U.S. due to the winter season, and later fell after the U.S. President denied the news of a potential "nuance" of tariffs published in the Washington Post. The price rose the next day due to concerns about the tightening of U.S. sanctions against Russian oil exports, as well as reports that several major Chinese ports, key to the trade of oil under sanctions, have banned access to oil tankers under U.S. sanctions. The price also increased as data from the American Petroleum Institute showed that U.S. oil supplies fell by 4 million barrels last week. The price of oil fell on Wednesday, but had an upward trend for the last two days of the week, reaching the highest level in the last three months on Friday. The drop in oil supplies was also confirmed by the U.S. government, which, together with the new package of U.S. sanctions against the Russian energy sector, increased concerns about supplies in an already tight global market, and caused the aforementioned rise in oil prices.

Disclaimer

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