



CENTRALNA BANKA
CRNE GORE

Financial and Banking Operations Division - International Reserves Management Department -



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
T 3/10	1.1894	T 2/17	1.1909
W 3/9	1.1909	W 2/16	1.1881
T 3/8	1.1928	T 2/15	1.1884
W 3/7	1.1889	W 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

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

Event	Date	Time	Language	Type
13) LIVE <GO> Events				
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

24) 1 YR	47.00	47.00	47.00	+0.00
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, 26 March 2025

IYC4 152<GO>
Change on Month
IYC6 152<GO>

Change on day
IYC4 148<GO>
Change on Month
IYC6 148<GO>
For US Govt Yield Curve, type {IYC1 I2
For US swap Curve, type {IYC1 152 <G

Weekly overview of short news

- The Federal Reserve kept the reference interest rate at the same level and indicated that it still expects to cut rates twice this year. The Fed President reiterated that the central bank is in no hurry to adjust borrowing costs. Uncertainty about the economic outlook has increased, the Fed said in a statement released after the two-day meeting. Powell revived at the meeting that the once-abandoned expression of the inflationary impact of tariffs will probably be "transient". His use of the word "transient" was surprising to many for the fact that the Fed used the same wording when the inflation exploded once the Covid-19 pandemic broke out. He and many others made a mistake then, and by using the same word, they could get it wrong again, which could damage the Fed's credibility.
- The Bank of England did not change the interest rate at its regular meeting citing a "gradual and careful approach to easing monetary policy". The balance of votes within the Bank of England was 8 in favour of keeping rates unchanged and 1 in favour of a 25bp cut. The BoE Governor emphasized the importance of gathering additional information before making further decisions on monetary policy.
- The Swiss National Bank (SNB) cut the key interest rate by 25bp, as expected. The interest rate is now at the level of 0.25%. The SNB is ready to intervene in the currency market if there is a need to provide appropriate monetary conditions. Inflation is in line with expectations, and global economic growth is expected to remain moderate. The SNB forecasts that GDP will increase from 1% to 1.5% in 2025, and 1.5% in 2026, and as for inflation, it will reach 0.4% this year, and 0.8% next year and in 2027 as well.
- At its regular meeting, the Bank of Japan kept interest rates at their current level.
- The Bundesrat (the upper house of the German Parliament) has approved a reform of borrowing rules and a 500-billion-euro fund to modernize infrastructure and stimulate the economy.
- The price of gold rose from \$2,983.61 to \$3,023.81 per ounce in this reporting week. The reasons why the price has increased include: escalation of tensions in the Middle East, expectations that the Fed will ease monetary policy and concerns about trade tensions. The price of gold continued to reach record highs even after the Fed meeting, as creators forecast slower growth and higher inflation this year, fuelling demand for the safe funds.
- The price of oil achieved a slight increase from \$71.30 to \$71.83 per barrel this week.
- The final data showed that the consumer price index (CPI) in the euro area amounted to 2.3% in February, less than the expected 2.4%, which strengthens the arguments for the ECB to continue with the policy of reducing interest rates.

EUR/USD



The EUR/USD exchange rate recorded an increase at the start of this period, as the data on the U.S. retail sales were not in line with expectations. The growth of this exchange rate continued on Tuesday, but this time as Germany's spending plans were approved. Namely, German MPs approved a historic spending package to unlock billions of euros in debt financing for defence and infrastructure. Backed by future Chancellor Friedrich Merz, the Social Democrats and the Greens, the law exempts defence spending from the debt limit and creates a 500-billion-euro fund for infrastructure. Now this package goes before the Bundesrat (the upper house of Parliament in Germany) for a vote on Friday, and if approved, it will be signed by the President Frank-Walter Steinmeier. There was a constant drop in the exchange rate during the rest of the week. The drop in the exchange rate occurred mainly as the Fed indicated that it was in no rush to cut interest rates. On the last day of this period, the Bundesrat approved the aforementioned package of measures to increase spending on defence and infrastructure.

EUR/GBP



The EUR/GBP exchange rate was stable during the first two days of this reporting period, but as of mid-week until the end of the week, it recorded a decline. The fall came as the regular meeting of the Bank of England was expected and after the meeting the central bank kept the interest rate at the same level. The exchange rate stabilized on Friday.

EUR/JPY



The EUR/JPY exchange rate rose for the first two days of this week. The rise in the exchange rate occurred as the demand for safe assets decreased and as investors positioned themselves for a possible looser monetary policy of the Bank of Japan. The exchange rate began to weaken in mid-week and the decline lasted almost until the very end of the reporting period. The Bank of Japan did not decide to change interest rates at its regular meeting, but signalled growing concern over the possible impact of escalating trade tensions on the global economy.

Table 1 - Exchange rates of the most important currencies

	17-Mar-2025 ¹	21-Mar-2025 ²	% Change
EUR/USD	1.0879	1.0818	-0.56
EUR/GBP	0.84119	0.83750	-0.44
EUR/JPY	161.69	161.55	-0.09
EUR/AUD	1.72056	1.72496	0.26
EUR/CHF	0.96302	0.95509	-0.82
USD/JPY	148.64	149.32	0.46
GBP/USD	1.2935	1.2919	-0.12

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	2.50%	17.04.2025.
Federal Reserves (Fed)	Federal Funds Target Rate	4.50%	07.05.2025.
Bank of Japan (BoJ)	Overnight Call Rate	0.50%	01.05.2025.
Bank of England (BoE)	Official Bank Rate	4.50%	08.05.2025.
Swiss National Bank (SNB)	Libor Target Rate	0.25%	19.06.2025.
Bank of Canada (BoC)	Target Overnight Rate	2.75%	16.04.2025.
Reserve Bank of Australia (RBA)	Cash Rate Target	4.10%	01.04.2025.

Table 3 - ESTR and Euribor

	17-Mar-2025 ¹	21-Mar-2025 ²	Change in basis points
ESTR	2.417	2.417	0.0
Euribor 1W	2.424	2.404	-2.0
Euribor 1M	2.379	2.374	-0.5
Euribor 3M	2.478	2.386	-9.2
Euribor 6M	2.415	2.404	-1.1
Euribor 12M	2.451	2.371	-8.0

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (17 - 21 March 2025)

Country	Indicator	Period	Expected value	Current value	Previous value
Germany	Producer Price Index (PPI) This indicator measures the change in the price paid by domestic producers. The indicator rise is an early inflation indicator.	February MoM% YoY%	0.2% 1.0%	-0.2% 0.7%	-0.1% 0.5%
Euro area	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.	February Final data MoM% YoY%	0.5% 2.4%	0.4% 2.3%	0.5% 2.4%
	Consumer Confidence This index measures the level of households' confidence in terms of economic performance.	March Preliminary data	-13.0	-14.5	-13.6
France	Business Confidence A monthly confidence indicator that assesses general economic activity. This indicator combines estimates and expectations resulting from company research.	March	96	97	96
USA	Retail Sales This indicator measures the volume of sales of goods for personal and household spending.	February MoM%	0.6%	0.2%	-0.9%
	Import Price Index It measures the average change in the prices of goods and services that residents of a country buy from abroad.	February MoM% YoY%	0.0% 1.6%	0.4% 2.0%	0.3% 1.9%
	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.	15 March k=thousand	224K	223K	220K
	Philadelphia Fed Business Outlook A monthly survey conducted by the Philadelphia Fed that tracks confidence among manufacturers in the Philadelphia area.	March	9.0	12.5	18.1
Japan	Exports Products and services produced in Japan, sold or pending for sale outside of Japan.	February YoY%	12.6%	11.4%	7.2%
	Imports Japan's demand for foreign products.	February YoY%	0.8%	-0.7%	16.7%

EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German government bonds fell from 2.86% to 2.76% this week. The yield on 10-year German government bonds weakened during this week as the vote on the borrowing programme in Germany was expected, and later after its adoption in the Parliament, then due to investor focus that shifted to tariffs, as well as the geopolitical tensions. The yield on 10-year German government bonds fluctuated slightly over the last two days and averaged 2.76%.

U.S. GOVERNMENT BONDS MARKET



The yield on the 10-year U.S. bond fell this week, from 4.28% to 4.24%. The yield on 10-year U.S. government bonds fluctuated for the first three days of the week and averaged 4.29%. The yield on the mentioned bonds fell on Wednesday afternoon once the Fed released new projections for this year, which increased the demand for safe assets. The Fed kept interest rates at the same level, but monetary policy makers confirmed they still expect two cuts in 2025. Their economic forecast predicts higher inflation and lower economic growth due to the great uncertainty prevailing in the market. Powell said the new administration is in the process of implementing significant changes in trade, immigration, fiscal policy and deregulation. The overall effect of those policies will be crucial for the economy and for the monetary policy direction. The yield fluctuated slightly, averaging 4.22% in the last two days of the week.

GOLD



The price of gold fell from \$2,983.61 to \$3,023.81 per ounce in this reporting week. The price of gold rose in the first part of the week for several reasons: escalating tensions in the Middle East, investors looked at data from the U.S. that fuelled concerns about the economic slowdown, and there was also concern about trade tensions. Following the Fed's two-day meeting, although there was no change in interest rates, the price of gold continued to hit record high records as Fed policymakers projected slower growth and higher inflation this year, fuelling demand for safe assets. The price of gold fell on the last day of the week as a result of the rise of the dollar, and traders also sold this metal in order to make a profit due to the record high price.

OIL



The price of oil achieved a slight increase this week - from \$71.30 it rose to \$71.83 per barrel. The price of oil fluctuated on Monday before falling to intraday levels the following day as the U.S. attacks on Yemen's Iran-backed Houthis fuelled concerns about a wider confrontation in the Middle East. The price of oil weakened due to the expectation that in the future OPEC+ will increase production, while at the same time there may be a drop in demand for this energy generating product due to the escalation of trade wars. At the end of the week the price of oil rose as a result of the news that the USA sanctioned a Chinese oil refinery for allegedly buying oil from Iran worth \$500 million.

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.