



**CENTRALNA BANKA
CRNE GORE**

Financial and Banking Operations Department - International Reserves Management Division -

International Financial Market Report

(27 - 31 January 2025)

EURUSD ↓ 1.2179
At 19:38 Op 1.2174 HI 1.2174 Value 3/21/06
Market Price

Range 3/17/05 - 3/17/06
Upper Chart: 3 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 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	1.2016	T 2/22	1.1911
T 3/14	1.2016	T 2/21	1.1914
M 3/13	1.1934	M 2/20	1.1946
W 3/12	1.1934	W 2/19	1.1946
T 3/11	1.1894	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	T 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		

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 Gallmer: Stock Performance, Strategy, Products

7) Microsoft's Gallmer: Stock Performance, Strategy, Products

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

13)	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 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	+0.0305
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 2397 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) 2 YR 48.25 49.25 48.75 +.25
25) 5 YR 49.50 50.50 50.00 +.30
26) 6 YR 50.50 51.50 51.00 +.40
27) 7 YR 51.13 52.13 51.63 +.33
28) 8 YR 51.75 52.75 52.25 +.45
29) 9 YR 52.25 53.25 52.75 +.50
30) 10 YR 57.00 58.00 57.50 +.50
31) 15 YR 58.63 59.88 59.25 +.15
32) 20 YR 57.38 58.63 58.00 +.20
33) 30 YR 57.38 58.63 58.00 +.20

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

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Weekly overview of short news

- The price of oil decreased from \$77.93 to \$76.00 per barrel in this reporting week. The price of oil weakened the most due to concerns about how the proposed tariffs of the Trump administration will affect economic growth and demand for oil.
- The price of gold rose from \$2,771.44 to \$2,798.41 per ounce mainly as a result of uncertainty about how the introduction of the announced tariffs will affect global economic growth and inflation, which fuelled the demand for safe assets, such as gold.
- The ECB reduced all three key interest rates by 25bp each on Thursday, so now the refinancing interest rate is at the level of 2.90%, the rate of deposit facility at the level of 2.75%, and the rate on loan facilities at 3.15%. This decision to reduce the interest rate was made on the basis of a new assessment of inflationary outlook, the dynamics of core inflation and the strength of monetary policy transmission. Inflation is mainly in line with the ECB's projections and should return to the medium-term target of 2% during the year. After this meeting, market participants expect the ECB to continue with interest rate cuts and interest rates are expected to drop by an additional 70bp by the end of the year. The ECB President added that the direction of future developments is known, but that it is unrealistic to give firm future guidelines, for the fact that the ECB is currently facing great uncertainty.
- At the regular meeting, the Fed kept the interest rate at the same level, which ranges from 4.25% to 4.50%. The Fed's priority will be the return of inflation to the target level. The Fed will wait for more encouraging inflation data before continuing its monetary policy easing cycle.
- The Bank of Canada cut its reference interest rate by 25bp to 3% and increased its inflation forecasts for 2025 to 2.3% and 2026 to 2.1%.
- S&P confirmed Germany's AAA credit rating, and the outlook remained stable.

FX NEWS

EUR/USD



The EUR/USD exchange rate rose on Monday, as the euro was supported by data on an unexpected increase in business confidence in Germany. It began to weaken soon afterwards, and this trend remained until the end of the week, thus it fell if observed at the weekly level. Namely, the dollar strengthened as the U.S. President Trump said that he is in favour of imposing much higher tariffs than proposed by the Minister of Finance, Scott Bessent. The Financial Times previously reported that Bessent supports universal tariffs on U.S. imports, starting at 2.5%. In addition, Trump has announced that he will impose tariffs on many sectors, including chip manufacturing, pharmaceuticals and steel. The meetings of the Fed and the ECB were held this week, which slightly contributed to the downward trend of the EUR/USD exchange rate. The Fed kept interest rates at their current level, while the ECB continued to cut them by 25bp. The exchange rate continued to fall at the very end of the week, as the U.S. President reiterated the plan to introduce tariffs of 25% to Canada and Mexico as of 1 February, but also due to the release of surprising preliminary data on inflation in France and Germany, which strengthened expectations that the ECB will continue to ease monetary policy this year.

EUR/GBP



The EUR/GBP exchange rate depreciated in this reporting week. The exchange rate fell to the greatest extent as investors positioned themselves ahead of the regular ECB meeting. During the week, a meeting was held at which interest rates were reduced, which caused the euro to further weaken against the British currency.

EUR/JPY



The EUR/JPY exchange rate fell in this reporting week due to the strengthening of the yen. On Monday, the yen was supported by growing demand for safe assets due to a large decline in the share prices of technology companies. News that Trump supports higher tariffs halted the yen's increase on Tuesday, but its uptrend continued over the next two days. The minutes from the Bank of Japan's January meeting indicated the need to continue increasing the interest rate, as inflation has been above the 2% target for three years in a row, and the growth of earnings has been steady. The Deputy Governor of the Bank of Japan, Ryozi Himino, reiterated that the central bank will continue to tighten the monetary policy if the economic and price outlook of the Bank of Japan is realized. The exchange rate recovered slightly on Friday, due to the news about the U.S. tariffs, but also as the BoJ Governor's comment that the interest rate will reach a peak of around 1% in the next two years, reduced expectations of an interest rate increase in the near future.

Table 1 - Exchange rates of the most important currencies

	27-Jan-2025 ¹	31-Jan-2025 ²	% Change
EUR/USD	1.0497	1.0362	-1.29
EUR/GBP	0.84064	0.83604	-0.55
EUR/JPY	163.68	160.78	-1.77
EUR/AUD	1.66222	1.66847	0.38
EUR/CHF	0.95101	0.94411	-0.73
USD/JPY	156.00	155.19	-0.52
GBP/USD	1.2484	1.2395	-0.71

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%	06.03.2025.
Federal Reserves (Fed)	Federal Funds Target Rate	4.50%	19.03.2025.
Bank of Japan (BoJ)	Overnight Call Rate	0.50%	19.03.2025.
Bank of England (BoE)	Official Bank Rate	4.75%	06.02.2025.
Swiss National Bank (SNB)	Libor Target Rate	0.50%	20.03.2025.
Bank of Canada (BoC)	Target Overnight Rate	3.00%	12.03.2025.
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	18.02.2025.

Table 3 - ESTR and Euribor

	27-Jan-2025 ¹	31-Jan-2025. ²	Change in basis points
ESTR	2.921	2.912	-0.9
Euribor 1W	2.913	2.901	-1.2
Euribor 1M	2.735	2.660	-7.5
Euribor 3M	2.641	2.589	-5.2
Euribor 6M	2.581	2.596	1.5
Euribor 12M	2.499	2.519	2.0

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (27 - 31 January 2025)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	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.	December	6.3%	6.3%	6.3%
	Economic Confidence The monthly confidence indicator reflects general economic activity in the euro area. This indicator combines estimates and expectations derived from surveys of companies and consumers, which include various components of the economy: industry, consumers, construction and retail.	January	94.1	95.2	93.7
Germany	Retail Sales This indicator tracks sales of new or used products to consumers for personal or household use.	December MoM%	0.0%	-1.6%	-0.6%
	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.	January Preliminary data MoM%	0.1%	-0.2%	0.5%
	Gross domestic product (GDP) 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.	YoY% Q4 Preliminary data QoQ%	2.6% -0.1%	2.3% -0.2%	2.6% 0.1%
France	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.	January Preliminary data MoM%	0.0%	-0.1%	0.2%
	Gross domestic product (GDP) 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.	YoY% Q4 Preliminary data QoQ%	1.5% 0.0%	1.4% 0.9%	1.3% 0.3%
		YoY%	0.8%	-0.1%	0.4%
USA	Gross domestic product (GDP) 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.	January Preliminary data	55.6	52.4	55.4
	Initial Jobless Claims It measures the number of people filing for unemployment benefits for the first time.	25 January k=thousand	225K	207 K	223K
	New Home Sales The indicator shows the sale of newly built properties in the U.S. This data represents a timely indicator of housing market conditions, counting house sales when housing contracts are signed.	December MoM%	1.7%	3.6%	5.9%
Japan	Retail Sales This indicator tracks sales of new or used products to consumers for personal or household use.	December MoM%	-0.1%	-0.7%	1.8%
	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.	YoY%	3.2%	3.7%	2.8%
		December	2.5%	2.4%	2.5%

EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German government bonds fell from 2.51% to 2.45% this week. The yield on 10-year German government bonds had an upward trend in the first half of the week, as investors' risk appetite returned, as well as due to the rise in gas prices, as Norway's unplanned extension of the gas delivery limit. The yield growth was partially limited on Monday, as share prices in the technology sector fell. The yield weakened on Thursday and Friday as it was announced that Germany's GDP in the Q4 2024 did not meet expectations, and later due to the ECB decision to reduce interest rates, as well as expectations that the ECB will continue monetary easing following the release of inflation data in Germany.

U.S. GOVERNMENT BONDS MARKET



The yield on 10-year U.S. government bonds fell on the weekly level, from 4.59% to 4.54%. The yield on 10-year U.S. government bonds fell intraday on Monday as demand for safe assets grew after share prices fell sharply in the technology sector. The decline was driven by concerns that China's new artificial intelligence technology could significantly reduce the need for expensive, high-tech computer chips that have been a key driver of the AI technology boom. The next day, the yield fell towards the end of the day, as demand for 7-year bonds in the amount of 44 billion dollars attracted a lot of attention from investors. The yield rose on Wednesday once the Fed said inflation remained "somewhat elevated" and left interest rates unchanged (as expected). The Fed said inflation remained high and economic activity continued to grow at a solid pace. The yields weakened on Thursday as a result of Trump's announcement that he would impose tariffs on Canada and Mexico. The yield increased at the daily level on Friday, and the focus was on 1 February and the introduction of the announced tariffs.

GOLD



The price of gold rose this week from \$2,771.44 to \$2,798.41 per ounce. The price fell on Monday, as investors sold the precious metal to offset losses caused by the fall in the share prices of the U.S. technology companies. The price had an almost constant upward trend in the rest of the week. In general, the increase in the price of this precious metal was due to the increase in demand for safe assets. Namely, President Trump's threats regarding tariffs raised concerns about global economic growth and inflationary pressures, while mixed signals from the Fed and President Trump regarding the interest rates trend in the U.S. increase uncertainty in the market, which has turned investors to safe assets. The price of gold reached a new record high value of \$2,817.18 per ounce on Friday, and achieved in January the highest monthly growth since March of the previous year.

OIL



The price of oil continued its downward trend this week, dropping from \$77.93 to \$76.00 per barrel. The price fell sharply on Monday amid concerns that the Trump administration's proposed tariffs would put pressure on economic growth and oil demand. In the rest of the week, the weakening of the oil price was caused by the following factors: the growth of oil and fuel supplies in the USA (reports of the American Petroleum Institute and the American Government); anticipation of the OPEC+ meeting, which will focus on the group's plan to increase supply from April; reduction of concerns about deliveries of this energy generating product from Libya, after the notification of the state-owned oil company that exports are again taking place smoothly; concerns about the outlook for Chinese oil demand; uncertainty about U.S. tariffs on Canada and Mexico. The price fluctuated in the last two days of the week, following the announcement of the U.S. President that he will introduce tariffs of 25% to these countries, and 10% to China as of 1 February.

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.