



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	1.2016	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

# International Financial Market Report

(1 - 5 June 2026)

BLOOMBERG NEWS AUDIO/VIDEO

Search Audio/Video 3/17/06 19:27:27

Bankinvest's Broby: Softbank, Vodafone, L'Oréal, Body Shop  
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  
ICAP's Smith discusses U.S. European Bonds, Fed Rates and Strategy.

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

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

China Airlines' Wei: Fleet Reorganization, Earnings Outlook  
China Airlines' Wei discusses Fleet Reorganization, Earnings Outlook.

Bear Stearns Teleconference: Fiscal First-Quarter Profit  
Bear Stearns Teleconference: Fiscal First-Quarter Profit.

Microsoft's Gallmer: Stock Performance, Strategy, Products  
Microsoft's Gallmer discusses Stock Performance, Strategy, Products.

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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 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

Podgorica, 9 June 2026

IYC4 I52 <GO>  
Change on Month  
IYC6 I52 <GO>

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. 6015-501-9 17-Mar-06 19:27:28

24)	5 YR	48.25	49.25	48.75	+0.25
25)	6 YR	49.50	50.50	50.00	+0.30
26)	7 YR	50.50	51.50	51.00	+0.40
27)	8 YR	51.13	52.13	51.63	+0.33
28)	9 YR	51.75	52.75	52.25	+0.45
29)	10 YR	52.25	53.25	52.75	+0.50
30)	15 YR	57.00	58.00	57.50	+0.50
31)	20 YR	58.63	59.88	59.25	+0.15
32)	30 YR	57.38	58.63	58.00	+0.20

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

## Weekly overview of short news

- The price of gold fell this week from \$4,522.73 to \$4,328.45 per ounce, as better-than-expected data from the U.S. labour market fuelled expectations of higher interest rates, but also as a result of uncertainty in the Middle East.
- The price of oil remained almost the same, amounting to \$92.41 at the beginning of the week, being \$92.49 per barrel at the end of the week.
- The euro area inflation rate exceeded 3% for the first time since September 2023. According to preliminary data, the annual inflation rate reached 3.2% in May, which reinforced expectations that the ECB will raise interest rates by 25 bp on 11 June. Core inflation has risen to the highest level in the last year, amounting to 2.5%.
- In Q1 2026, the GDP of the euro area decreased by 0.2% compared to the previous quarter, due to a significant downward revision of data for Ireland. Namely, the GDP fell by 12.1% in Ireland, instead of the previously estimated drop of 2%. This reduction in euro area GDP makes it difficult to assess the direction of the economy and complicates the task of the ECB in assessing the consequences of the conflict in Iran and finding an appropriate monetary policy response.
- The ECB's report on central bank reserves highlights a shift in the distribution of global reserves, with central banks now holding more gold than the U.S. government bonds and treasury bills. The report shows that the share of gold increased from 20% to 27% of global central bank reserves at end-2025, while the share of the U.S. bonds fell from 25% to 22%. This change is the result of geopolitical tensions, concerns about sanctions and a desire to reduce exposure to dollar-denominated assets.

## EUR/USD



**The EUR/USD exchange rate** faced a downward trend in this reporting week, dropping from 1.1667 to 1.1522. The EUR/USD exchange rate weakened during this week mainly due to the rise in the price of oil and the uncertainty concerning the peace agreement between the USA and Iran. The euro weakened against the dollar also due to better-than-expected data from the U.S. labour market (the number of employees in the private sector increased by 122,000 in May, compared to the expected 120,000). Risk sentiment worsened during this period due to the lack of progress in negotiations between the U.S. and Iran, as well as attacks on the U.S. facilities in Bahrain and Kuwait, which renewed concerns about possible disruption of trade flows in the Strait of Hormuz area. The ongoing stalemate in the Middle East casts a shadow over broader market sentiment, adding a layer of complexity to the global risk environment. The dollar recorded its best day of the week on the final day as traders raised expectations for a rise in interest rates following the release of new data showing a stronger-than-expected U.S. labour market. Namely, the unemployment rate in the U.S. remained at 4.3%, while the number of people employed outside the agricultural sector increased by 172,000 last month, well above the expected 88,000, which is the clearest sign yet that the labour market may be emerging from an extended period of low employment.

**Table 4 - Economic indicators (1 – 5 June 2026)**

Country	Indicator	Period	Expected value	Current value	Previous value
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.	May P			
		MoM%	0.1%	0.1%	1.0%
		YoY%	3.2%	3.2%	3.0%
	<b>Euro-Zone Retail Sales</b> It represents the monthly change in the volume of retail sales in the euro area and is one of the key indicators of household consumption and economic activity in the region.	April			
		MoM%	-0.3%	-0.4%	0.8%
		YoY%	0.3%	1.0%	2.1%
	<b>GDP Seasonal Adjustments (GDP SA)</b> One of the fundamental macroeconomic indicators, which represents the calculated value in the market prices of products and services produced within the country, but excludes the income of citizens and corporations working abroad. The GDP calculation uses the following four components: consumption, investments, government expenditure, and net exports.	2Q P			
		QoQ%	0.1%	-0.2%	0.1%
		YoY%	0.8%	0.3%	0.8%
Germany	<b>Retail Sales</b> This indicator shows changes in sales. The statistics covers universal shops and supermarkets. It shows the level of consumer shocks and consumer demand. <b>S&amp;P Global GE Composite PMI</b> A monthly indicator of total business activity in the private sector in Germany, based on surveys of procurement managers in the manufacturing and service sectors. A value above 50 indicates expansion, whereas below 50 indicates a contraction of economic activity.	April	-0.5%	-0.3%	-0.3%
		May F	48.6	48.8	48.6
Great Britain	<b>S&amp;P Global UK Manufacturing PMI</b> A monthly index measuring the level of business activity in the U.K. manufacturing sector, based on surveys of purchasing managers. A value above 50 indicates growth, and below 50 a decline in activity in the sector.	May F	53.7	53.9	53.7
USA	<b>Initial Jobless Claims</b> This indicator measures the number of people receiving unemployment allowances. <b>S&amp;P Global US Manufacturing PMI</b> A monthly index that measures the level of business activity in the U.S. manufacturing sector, based on surveys of purchasing managers. A value above 50 indicates growth, while a value below 50 indicates a decline in activity in the sector. <b>Durable Goods Orders - DGO</b> This is an indicator of consumer safety that reflects their expectations and the ability to spend money. Its positive growth marks the state of the economy, helping to strengthen the currency. Its decline leads to the opposite result. The DGO index is an excellent indicator for the future. Many manufacturers plan production based on available orders, the decline in DGO precedes the decline in production and vice versa.	May 30	215 K	225K	212 K
		May F	55.3	55.1	55.3
		April F	7.9%	8.0%	7.9%

Abbreviations: P-preliminary data, F-final data, S-second estimate, T-third and final estimate, k-thousand, b-billion, SA-seasonal adjustments, WDA-working days adjusted, A-actual

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

	1-Jun-2026 <sup>1</sup>	5-Jun-2026 <sup>2</sup>	% Change
EUR/USD	1.1659	1.1522	-1.18
EUR/GBP	0.86652	0.86371	-0.32
EUR/JPY	185.67	184.66	-0.54
EUR/AUD	1.62211	1.63525	0.81
EUR/CHF	0.91047	0.91717	0.74
USD/JPY	159.27	160.29	0.64
GBP/USD	1.3456	1.3342	-0.85

**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	2.15%	11-Jun-2026
Federal Reserves (Fed)	Federal Funds Target Rate	3.75%	17-Jun-2026
Bank of Japan (BoJ)	Overnight Call Rate	0.75%	16-Jun-2026
Bank of England (BoE)	Official Bank Rate	3.75%	18-Jun-2026
Swiss National Bank (SNB)	Libor Target Rate	0.00%	18-Jun-2026
Bank of Canada (BoC)	Target Overnight Rate	2.25%	10-Jun-2026
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	16-Jun-2026

**Table 3 – ESTR and Euribor**

	1-Jun-2026 <sup>1</sup>	5-Jun-2026 <sup>2</sup>	Change in basis points
ESTR	1.930	1.931	0.10
Euribor 1W	1.941	1.903	-3.80
Euribor 1M	1.983	2.009	2.60
Euribor 3M	2.2268	2.312	8.52
Euribor 6M	2.547	2.584	3.70
Euribor 12M	2.804	2.842	3.80

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

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

## EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German bonds rose from 2.97% to 3.04% this week. Yields rose on Monday as escalating tensions between the U.S. and Iran fuelled inflation concerns and boosted expectations of an ECB rate increase later this year. Mixed signals about efforts to end the conflict brought yields down the very next day. The rising trend prevailed in this market in the rest of the week. Wednesday's rise in yields was fuelled by rising oil prices, which highlighted the risk of rising inflationary pressures. Although the yield fluctuated the next day, growth was recorded again on Friday. Namely, the yield followed the development on the American bond market, where a strong report from the labour market caused the yield to rise. Additional support for the yield on 10-year German government bonds was provided by expectations that the ECB will raise interest rates at the June meeting, and that there will be a total of two or possibly three increases by the year end.

## U.S. GOVERNMENT BONDS MARKET



The yield on the 10-year U.S. government bonds rose from 4.46% to 4.53% this week. The yield rose on Monday following the news on the end of the U.S.-Iran peace talks, which led to a rise in the price of oil. The yield weakened at the end of the same day and during the following day mainly due to different statements of the American President and the Israeli Prime Minister about the conflicts in Lebanon. Rising oil prices and a report on the U.S. private sector job growth in May fuelled expectations that the Fed could raise interest rates, sending yields higher on Wednesday. The increased number of claims for unemployment benefits in the U.S. led to a weakening of yields the very next day. However, another better-than-expected report from the U.S. labour market was released on Friday. Non-farm payrolls topped expectations, sending the 10-year U.S. government bonds yield up by 5bp.

## GOLD



The price of gold fell from \$4,522.73 to \$4,328.45 per ounce this week. It fell on Monday following the reports that Iran would suspend messaging with the U.S., which raised doubts about the renewal of the ceasefire and the risk of a prolonged period of higher energy prices, adding to inflation concerns. The price fluctuated the very next day due to the drop in oil prices, continuing to weaken after a stronger-than-expected report from the U.S. labour market, which strengthened expectations regarding an increase in Fed interest rates. The cease-fire between Israel and Iran, conditioned by the end of Israeli military operations in Lebanon, as well as the growth of expectations regarding the calming of the conflict in the Middle East caused a recovery in the price of gold on Thursday. However, the largest change came on Friday, when another better-than-expected U.S. jobs report fuelled expectations of a Fed rate increase, sending gold prices down sharply.

## OIL



The price of oil ranged from \$92.13 to \$98.36 per barrel during this week, and almost did not change, amounting to \$92.41 at the beginning and \$92.49 at the end of the week. The first three days were dominated by the rising trend in the price of this energy generating product due to tensions in the Middle East and uncertainty related to the negotiations between the USA and Iran. After Iran's announcement that it will suspend the exchange of messages with the U.S., the price of oil rose strongly on Monday. Although the statement by the U.S. President that Israel and Hezbollah had reached an agreement to stop mutual attacks put pressure on the price, the upward trend continued after the statement by the Israeli Prime Minister that the campaign in southern Lebanon would continue, as well as after Kuwait's announcement of a temporary suspension of air transport. However, the price was adjusted downwards on the last two days of the week, due to signs of calming tensions. The U.S. has announced that Israel and Iran have reached an agreement on the implementation of a cease-fire agreement, raising hopes for a de-escalation of the situation in the Middle East.

*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.