CENTRALNA BANKA CRNE GORE

Financial and Banking Operations Division

- International Reserves Management Department -

International Financial Market Report

(2 - 6 November 2026)

Podgorica, 11 November 2026

Overview of the most important market and macroeconomic developments

- The price of oil recorded a decrease of approximately 13.2% on a weekly basis, whereas trading on Friday ended at the level of $97.18 per barrel.

- Gold started the week at $3,882.27, ending it at the level of $4,070.80 per ounce.

- The Bank of England increased the reference interest rate by 25bp to 4%. This is the first increase in more than three years, and the decision was made to respond to the threat of accelerating inflation, which could reach almost 5% next year. This move was prompted by increasingly pronounced price pressures in the economy. The Bank of England decision was also influenced by the war with Iran and its impact on energy markets. Governor Andrew Bailey pointed out that a significant de-escalation of the conflict is needed to avoid further increases in interest rates. All nine members of the Monetary Policy Committee voted to raise interest rates. Catherine L. Mann argued for a 50bp increase, while the remaining 8 members supported a 25bp increase. A narrow majority of Committee members indicated their willingness to support another rate increase in the coming months.

- The Reserve Bank of Australia increased the reference interest rate by 25bp to 4.85%. This is the highest level in the last 18 years, and at the same time the highest interest rate among all central banks of the G10 countries. The increase in the interest rate was already expected, and the decision was followed by a more cautious vote of the Board members, with a result of 6 to 3.

- The Democratic Party won the elections for the U.S. Congress, held halfway through Donald Trump's term. The Democrats thus took control of the House of Representatives and the Senate. The U.S. Vice President J.D. Vance blamed the war with Iran for the defeat.

EUR/USD Exchange Rate



The EUR/USD exchange rate fluctuated in the observed period with growth in the first part of the week and a more pronounced fall on the last day of the week. The euro strengthened at the start of the period as a result of the weaker dollar, accompanied by a drop in the yield on the U.S. treasuries and oil prices, following news that fuelled expectations of an easing of conflicts in the Middle East. At the same time, investors' attention was focused on the upcoming U.S. elections and the release of data from the labour market. The exchange rate fluctuated slightly on Tuesday, but its growth was more pronounced on Wednesday (1.1273), after the victory of the Democrats in both houses of Congress. The election results reduced uncertainty about the election outcome, bringing up questions about future fiscal and regulatory policy under conditions of divided government, which pressured the dollar. The exchange rate weakened slightly on Thursday, following the announcement of a lower-than-expected number of new claims for unemployment benefits in the U.S., while the recovery in oil prices and the decline in the price of tech-companies` shares further supported the dollar. The EUR/USD exchange rate recorded a pronounced decline on the last day of the observed period, after the release of much better-than-expected employment data in the USA. Namely, the number of employees outside agriculture increased by 165 thousand, against the expected 70 thousand, with revisions of previous data upwards. These data strengthened expectations of further interest rate hikes by the Fed and boosted U.S. yields, which contributed to the strengthening of the dollar.

Table 1 - Economic indicators (2 - 6 November 2026)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	**S&P Global Eurozone Composite PMI** PMI surveys tracks opinion among procurement managers in manufacturing, construction and/or services sectors. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.	F October	51.9%	51.7%	51.9%
	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.	P October MoM% YoY%	0.4% 4.0%	0.4% 4.0%	0.6% 3.8%
	Retail Sales This indicator shows changes in sales. The statistics covers universal shops and supermarkets. It shows the level of consumer shocks and consumer demand.	September MoM% YoY%	-0.1% 0.6%	-0.7% 0.4%	0.4% 1.3%
Germany	**S&P Global Germany Composite PMI** PMI surveys tracks opinion among procurement managers in manufacturing, construction and/or services sectors. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.	F October	52.8%	53.4%	52.8%
	Retail Sales This indicator shows changes in sales. The statistics covers universal shops and supermarkets. It shows the level of consumer shocks and consumer demand.	September MoM%	0.4%	-2.0%	1.2%
France	**S&P Global France Composite PMI** PMI surveys tracks opinion among procurement managers in manufacturing, construction and/or services sectors. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.	F October	48.4	46.6	48.4
Great Britain	**S&P Global UK Composite PMI** PMI surveys tracks opinion among procurement managers in manufacturing, construction and/or services sectors. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.	F October	53.1	52.9	53.1
USA	**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.	31 October	196k	189 K	195k
	Change in nonfarm payrolls This report shows the total number of newly employed workers on a monthly basis by economy industries. It does not include employees in government services, NGOs, and the agricultural sector. It serves as the basis for tailoring economic policy and forecasting future economic trends.	October	70k	165K	60k

Abbreviations: **P**-preliminary data, **F**-final data, **S**-second estimate, **T**-third and final estimate, **k**-thousand, **b**-billion, **SA**-adjusted for seasonal fluctuations, **WDA**-working days adjusted, **A**-actual, **3M/3M -** past 3 months in relation to previous 3 months

Table 2 - Exchange rates of the most important currencies

	2-Nov-2026[1]	6-Nov-2026[2]	% Change
EUR/USD	1.1160	1.1143	-0.15
EUR/GBP	0.83327	0.83453	0.15
EUR/JPY	175.78	176.65	0.49
EUR/AUD	1.58681	1.62400	2.34
EUR/CHF	0.92037	0.91376	-0.72
USD/JPY	157.56	158.48	0.58
GBP/USD	1.3391	1.3352	-0.29

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)	Deposit Facility Rate	2.50%	17-Dec-2026
Federal Reserves (Fed)	Federal Funds Target Rate	4.00%	9-Dec-2026
Bank of Japan (BoJ)	Overnight Call Rate	1.25%	18-Dec-2026
Bank of England (BoE)	Official Bank Rate	4.00% ↑	17-Dec-2026
Swiss National Bank (SNB)	Libor Target Rate	0.00%	10-Dec-2026
Bank of Canada (BoC)	Target Overnight Rate	2.50%	9-Dec-2026
Reserve Bank of Australia (RBA)	Cash Rate Target	4.85% ↑	8-Dec-2026

Table 3 - ESTR and Euribor

	2-Nov-2026[1]	6-Nov-2026[2]	Change in basis points
ESTR	2.440	2.443	0.30
Euribor 1W	2.395	2.392	-0.30
Euribor 1M	2.429	2.473	4.40
Euribor 3M	2.676	2.794	11.80
Euribor 6M	2.992	3.016	2.40
Euribor 12M	3.306	3.248	-5.80

[1] Opening market value on Monday

[2] Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



The yield on German 10-year government bonds fell from 3.34% to 3.25% this week. The yield was relatively stable in the first two days of the week, whereas a more pronounced drop followed towards the end of the day on Wednesday, stimulated by the reduction in oil prices, which eased investors' concerns regarding inflationary pressures. A similar trend continued on Thursday, when the yield fell again in the late afternoon, due to increased demand for safe assets after a strong sell-off in the U.S. technology company shares. There was a partial recovery in yield at the end of the week, after technology and semiconductor stocks recovered some of the previous losses, reducing investors' need for safer assets.

U.S. TREASURIES MARKET



The yield on 10-year U.S. treasuries fell from 4.94% to 4.85% during the reporting week. The yield fell at the beginning of the week as the price of oil fell, thereby easing concerns about inflation. However, the yield rose to this week's high of 4.96% the next day after the indicator of the number of open jobs in the U.S. exceeded the expectations of economists. That points to the strength of the labour market and gives the Federal Reserve room to raise interest rates to curb inflation. The yield began to weaken as of Wednesday after the victory of the Democrats in the U.S. elections brought down the price of oil, which led to a decrease in expectations regarding the interest rate increase by the Fed. The yield continued to weaken as the victory of the Democrats also caused a sell-off in the shares of technology companies. The decline in yields stopped on the last day of the week.

GOLD



The price of gold recorded a significant recovery during the previous week, recording a growth of approximately 4.86% on a weekly basis, thus ending the series of previous weekly declines. The growth was especially pronounced on Wednesday and Thursday. The recovery was supported by increased demand for gold, due to uncertainty in financial markets and falling share prices, especially in the technology sector, due to the high costs of investing in artificial intelligence and uncertainty regarding their profitability. Additional support for the price of gold was provided by the drop in the price of oil during the previous week, as well as the weakening of the U.S. dollar. Nevertheless, a mild price correction was recorded on Friday, following the release of better-than-expected data from the U.S. labour market, which further strengthened expectations regarding a possible increase in interest rates by the Fed. Gold started the week at the level of $3,882.27, ending it at $4,070.80 per ounce.

OIL



The price of oil recorded a significant downward trend during the previous week, under the influence of expectations about a possible de-escalation of the conflict between the USA and Iran. The drop in the price of oil was more pronounced during the first three days of this reporting period, while a slight recovery in the price of oil came at the end of the week, due to the resurgence of concerns about the safety of maritime traffic and possible disruptions in supply. The price of oil recorded a decrease of approximately 13.2% on a weekly basis, whereas trading on Friday ended at the level of $97.18 per barrel.

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.*