CENTRALNA BANKA CRNE GORE

Financial and Banking Operations Division

- International Reserves Management Department -

International Financial Market Report

(6 - 10 July 2026)

Podgorica, 16 July 2026

Weekly overview of short news

- The price of gold fell from $4,178.80 to $4,119.93 per ounce this week as a result of strengthening of the dollar and rising inflationary risks due to increased tensions in the Middle East.

- The price of oil increased from $71.58 to $75.22 per barrel during this week due to renewed conflict in the Middle East.

- Minutes from the ECB's June meeting showed that members of the Governing Council still see elevated risks to inflation, especially due to geopolitical tensions and a possible rise in energy prices. Officials stressed that monetary policy decisions will continue to depend on new economic data and an assessment of inflationary prospects. Renewed tensions in the Middle East have further increased uncertainty regarding inflation trends and the ECB's future interest rate policy.

- Minutes from the Federal Reserve's June meeting showed that Fed members still see inflation as a top risk, with caution over its persistence. The participants of the meeting pointed out that future decisions will depend on the received economic data, especially on the inflation trend and the labour market. Some officials believed that in case the inflationary pressures continue, it might be necessary to keep the restrictive policy longer, while others pointed to the risks to economic growth.

- The IMF maintained its global growth forecast, but warned of higher inflationary risks. The IMF expects the global economy to grow at a rate of 3% in 2026, but warns that risks to economic growth remain negative due to geopolitical tensions and increased uncertainty. At the same time, the IMF increased the global inflation forecast to 4.7%, compared to the previous estimate of 4.4%, as a result of higher energy and food costs. The Fund states that the global economy is currently between the positive effects of technological progress, especially the development of artificial intelligence, and the negative consequences of geopolitical tensions that increase risks to growth and inflation.

EUR/USD Exchange Rate

The EUR/USD exchange rate fluctuated in this reporting week, averaging at 1.1427. In the first three days of the reporting period, the exchange rate weakened mainly due to mixed economic data from the euro area that negatively affected the euro (PPI index, retail sales), and also after the U.S. carried out military attacks on Iran, in response to Iranian attacks on ships in the Strait of Hormuz, which led to an increase in the price of oil. Donald Trump has confirmed that the temporary ceasefire between the U.S. and Iran has ended. The ceasefire followed renewed U.S. attacks on Iran and the withdrawal of an exemption allowing the sale of Iranian oil. The dollar weakened on Thursday due to the drop in the price of oil, and the markets also assessed renewed conflicts in the Middle East (continued negotiations between the U.S. and Iran). The exchange rate fell again on Friday as geopolitical tensions escalated after the U.S. launched new missile attacks on Iran in response to Iran's attack on a Cypriot-flagged container ship.

Table 4 - Economic indicators (6 - 10 July 2026).

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	**Producer Price Index (PPI)** The index measures the average price change domestic producers receive for their production. **Euro-zone Retail Sales** This indicator measures activity related to retail trade volume (not applicable to motor vehicles and motorcycles). **Sentix Investor Confidence** A monthly survey that shows the market's opinion on the current economic situation and expectations for the next semester. Above 0.0 indicates to optimism, below to pessimism. Usually, a higher reading is considered positive for the Euro area.	May MoM% YoY% May MoM% YoY% July	 0.2% 5.8% 0.3% 1.6% -10.0	 0.2% 5.9% 0.2% 1.6% -3.1	 0.7% 5.0% -0.3% 0.9% -13.4
Germany	**Consumer price index (CPI)** It estimates the cost-of-living changes by measuring changes in the price level of market basket of consumer goods and services purchased by an average household. Therefore, it is the key inflation measure in Germany. **Factory Orders** Factory orders provide a fairly comprehensive view of the manufacturing sector.	F June MoM% YoY% May	 -0.3% 2.3% 1.1%	 -0.3% 2.3% 1.9%	 -0.3% 2.3% -3.2%
Great Britain	**S&P Global UK Construction PMI** An economic indicator measuring activity in the U.K. construction sector.	June	40.0	38.4	38.2
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. **S&P Global US 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. **Existing Home Sales** The indicator shows records of sales in the U.S. real estate sector and is revised monthly. This report provides a fairly accurate assessment of housing market conditions.	4 July F June June MoM%	217 K 52.2 1.0%	215 K 51.9 -2.4%	217 K 52.2 3.7%
Japan	**Producer Price Index (PPI)** It measures changes in the prices Japanese producers charge for their goods. The index represents an important indicator of inflationary pressures in the economy, as changes in production prices often precede changes in consumer prices (CPI). A rise in the PPI indicates an increase in producer costs and a potential rise in inflation, whereas a fall in the PPI may signal a weakening of inflationary pressures.	June MoM% YoY%	 0.4% 6.8%	 0.4% 7.1%	 1.1% 6.6%

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 1 - Exchange rates of the most important currencies

	6-Jul-2026[1]	10-Jul-2026[2]	% Change
EUR/USD	1.1437	1.1416	-0.18
EUR/GBP	0.85672	0.85206	-0.54
EUR/JPY	184.54	184.56	0.01
EUR/AUD	1.64848	1.64128	-0.44
EUR/CHF	0.91892	0.92295	0.44
USD/JPY	161.34	161.68	0.21
GBP/USD	1.3350	1.3404	0.40

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	2.25%	23-Jul-2026
Federal Reserves (Fed)	Federal Funds Target Rate	3.75%	29-Jul-2026
Bank of Japan (BoJ)	Overnight Call Rate	1.00%	31-Jul-2026
Bank of England (BoE)	Official Bank Rate	3.75%	30-Jul-2026
Swiss National Bank (SNB)	Libor Target Rate	0.00%	24-Sep-2026
Bank of Canada (BoC)	Target Overnight Rate	2.25%	15-Jul-2026
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	11-Aug-2026

Table 3 – ESTR and Euribor

	6-Jul-2026[1]	10-Jul-2026[2]	Change in basis points
ESTR	2.183	2.182	-0.10
Euribor 1W	2.153	2.168	1.50
Euribor 1M	2.205	2.270	6.50
Euribor 3M	2.321	2.412	9.10
Euribor 6M	2.554	2.626	7.20
Euribor 12M	2.709	2.831	12.20

[1] Opening market value on Monday
[2] Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET

The yield on 10-year German government bonds increased from 2.92% to 3.03% in this reporting week. Heightened tensions between the U.S. and Iran sent oil prices higher, fuelling concerns about inflationary pressures. In response, market participants increased expectations that the ECB will continue to raise interest rates, while ECB Executive Board member Isabelle Schnabel warned that the economic consequences of the conflict with Iran are still being felt, and that core inflation remains persistently high. Additional tightening of market conditions followed after Washington revoked the temporary permit that allowed the sale of Iranian oil, and the U.S. President declared that the truce with Iran was over. The yield trended downwards in the last two days of the week, as crude oil prices weakened once Trump declared he was ready to resume negotiations with Iran, but despite this, it ended the week higher by 11bp.

U.S. TREASURIES MARKET

The yield on 10-year U.S. treasuries rose from 4.46% to 4.56% this week. It fluctuated on Monday, having a growing trend for the next two days, and being at the level of almost 4.60% on Wednesday, which was the highest level in the last seven weeks. Increased tensions in the Middle East, after the U.S. and Iran exchanged attacks, led to an increase in the price of oil. These developments raised concerns about a possible resurgence of inflationary pressures, supporting expectations that the Fed could keep interest rates at higher levels for longer than previously expected. The yield fluctuated and retreated from the mentioned level in the last two days of the week. Namely, lower oil prices eased concerns about inflation, and the weakening of the yield also occurred after reports that the U.S. and Iran could continue peace talks despite the re-escalation of the conflict.

GOLD

The price of gold fell this week from $4,178.80 to $4,119.93 per ounce. The price mostly weakened in the first half of the week, under the pressure of increased tensions between the U.S. and Iran, the cancellation of exemptions that allowed the sale of Iranian oil, the rise in energy prices and the strengthening of the U.S. dollar. At the same time, market expectations that the Fed could maintain a restrictive monetary policy longer than previously expected further negatively affected the demand for gold. The price of this precious metal recovered part of the losses on Thursday due to the weakening of the dollar, while the growth was limited at the end of the week due to the still present concerns regarding the inflationary consequences of geopolitical tensions. The U.S. President's statement that Iran got in touch to reach an agreement eased fears of a wider escalation of the conflict.

OIL

The price of oil rose from $71.58 to $75.22 per barrel this week. On Monday, the price did not change significantly on Monday, but it had an increasing trend during the next two days, due to increased tensions in the Middle East. Renewed military activities between the U.S. and Iran, the lifting of a temporary exemption from U.S. sanctions that allowed the sale of Iranian oil, have increased concerns about possible disruptions in global energy supplies, especially through the Strait of Hormuz. The price of oil weakened on Thursday and Friday after reports that, despite the new escalation of the conflict, negotiations between the U.S. and Iran could continue, which reduced the risk of further deterioration of the situation on the energy market.