CENTRALNA BANKA CRNE GORE

Financial and Banking Operations Division

- International Reserves Management Department -

International Financial Market Report

(7 - 11 September 2026)

Podgorica, 15 September 2026

Weekly overview of short news

- The price of gold recorded a decline from $4,417.75 to $4,349.08 per ounce during the observed reporting period, due to the strengthening of the dollar and expectations of what will happen to the Fed's monetary policy.

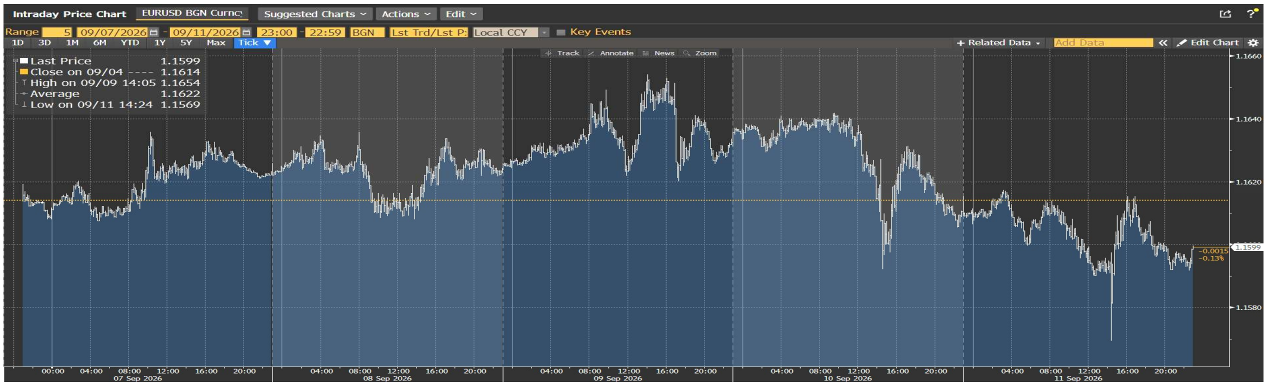
- The price of oil recorded a significant increase from $96.19 to $103.47 per barrel in this period, as a result of escalation of geopolitical tensions in the Middle East and the increased risk of global oil supply disruptions.

- The ECB Governing Council increased all three key interest rates by 25 bp. Therefore, the interest rate on deposit facilities amounted to 2.50%, the main refinancing operations rate stood at 2.65%, whereas the marginal credit facilities rate equalled 2.90%. The ECB announced that the conflict in the Middle East continues to increase inflationary pressures, and inflation is expected to remain above the target of 2% for longer period of time. The new ECB projections point to the resilience of the euro area economy, but also to persistent inflationary pressures. Average inflation is projected at 3.0% in 2026, 2.5% in 2027 and 2.1% in 2028, and the real GDP growth is expected at the level of 0.9%, 1.4% and 1.5% for the same period. The ECB President Christine Lagarde said at a press conference that inflation will remain well above the 2% target during H1 2027. She stated that the risks to inflationary trends are directed upwards, while the risks to economic growth are directed downwards, especially as a result of the conflict in the Middle East. The ECB reiterated that it does not commit to a certain path of interest rates in advance and that it will continue to make decisions from meeting to meeting.

- The Bundesbank Governor, Joachim Nagel, indicated that the ECB may need to raise interest rates slightly to control inflation, stressing that energy prices remain a key driver of monetary policy. Governing Council members emphasized vigilance on inflation, with concerns about resilient economic activity and market pricing for further increases. Makhlouf warned that prolonged conflict in the Middle East could increase energy-driven inflation, although he cautioned that significant interest rate increase could hurt growth given the high uncertainty in the outlook. Markets are currently pricing in 90bp of additional ECB tightening by 2027, with an October move also under consideration.

- Canada's Prime Minister, Mark Carney, said he does not believe in an escalation of the trade war with the U.S., but argued that it is necessary to retaliate with the latest U.S. tariffs, while warning Canadians to prepare for turbulent times ahead. The Carney government raised imports taxes on many American steel products from 25% to 50% and applied tariffs to a range of consumer goods - motorcycles, cosmetics, cheese and more. The tariffs were a response to the so-called Section 338 tariffs on $20 billion worth of Canadian goods imposed by Washington, which took effect on 22 August after trade talks were suspended.

EUR/USD Exchange Rate



The EUR/USD exchange rate had a slight upward trend during the first three days of this period. The euro strengthened against the dollar as the ECB meeting approached. The period of decline of this currency pair begins as of Thursday. Despite the ECB's decision to increase interest rates, the exchange rate fell under the influence of new data on the U.S. producer price index. Namely, the PPI recorded a higher-than-expected growth on an annual basis, which further increased expectations that the Fed could increase its reference interest rate at the next meeting. Expectations regarding the tightening of the Fed's monetary policy had an effect on the exchange rate on Friday as well.

Table 1 - Economic indicators (7 – 11 September 2026)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	**Gross domestic product (GDP)** Measures the final market value of all products and services produced within the country. GDP is the most commonly used indicator of economic activity.	Q2 T QoQ% YoY%	0.4% 1.0%	0.6% 1.2%	0.4% 1.0%
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.	F August MoM% YoY%	0.2% 2.9%	0.2% 2.9%	0.2% 2.9%
	Industrial Production This indicator measures the change in the total volume of production of the industrial sector, including mining, manufacturing industry, as well as the electricity, gas and water supply. It represents an important indicator of economic activity and industrial growth.	P July MoM%	0.2%	-1.1%	0.0%
France	**Industrial Production** This indicator measures the change in the total volume of production of the industrial sector, including mining, manufacturing industry, as well as the electricity, gas and water supply. It represents an important indicator of economic activity and industrial growth.	July MoM% YoY%	0.2% 0.4%	-0.4% -0.5%	-0.1% -0.1%
Great Britain	**Industrial Production** This indicator measures the change in the total volume of production of the industrial sector, including mining, manufacturing industry, as well as the electricity, gas and water supply. It represents an important indicator of economic activity and industrial growth.	July MoM% YoY%	-0.2% 0.2%	0.2% 0.6%	-0.2% -0.2%
USA	**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.	August MoM% YoY%	0.4% 3.4%	0.4% 3.4%	0.1% 3.4%
	Producer Price Index (PPI Final Demand) It measures the price changes received by domestic producers for their output, whether on domestic or foreign market.	August MoM% YoY%	0.4% 5.3%	0.4% 5.4%	0.1% 4.8%
	Initial Jobless Claims Number of inhabitants receiving unemployment benefits.	5 September	205 K	206 K	207 K
	New Home Sales The indicator shows the sale of newly built properties in the United States.	August MoM%	-1.7%	-2.0%	-1.7%

Abbreviations: 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

	7-Sep-2026 [1]	11-Sep-2026 [2]	% Change
EUR/USD	1.1614	1.1599	-0.13
EUR/GBP	0.85901	0.85742	-0.19
EUR/JPY	181.46	178.11	-1.85
EUR/AUD	1.61228	1.61776	0.34
EUR/CHF	0.94051	0.94690	0.68
USD/JPY	156.26	153.61	-1.70
GBP/USD	1.3519	1.3524	0.04

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% ↑	29-Oct-2026
Federal Reserves (Fed)	Federal Funds Target Rate	3.75%	16-Sep-2026
Bank of Japan (BoJ)	Overnight Call Rate	1.00%	17-Sep-2026
Bank of England (BoE)	Official Bank Rate	3.75%	17-Sep-2026
Swiss National Bank (SNB)	Libor Target Rate	0.00%	24-Sep-2026
Bank of Canada (BoC)	Target Overnight Rate	2.25%	28-Oct-2026
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	29-Sep-2026

Table 3 – ESTR and Euribor

	7-Sep-2026 [1]	11-Sep-2026 [2]	Change in basis points
ESTR	2.1890	2.189	0.00
Euribor 1W	2.154	2.237	8.30
Euribor 1M	2.364	2.388	2.40
Euribor 3M	2.679	2.647	-3.20
Euribor 6M	2.794	2.820	2.60
Euribor 12M	3.108	3.160	5.20

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

EUROPEAN GOVERNMENT BONDS MARKET

The yield on 10-year German government bonds rose from 3.35% to 3.50% in this reporting week. The most pronounced growth was recorded on Wednesday and Thursday, due to the increase in the price of oil and growing concerns about inflationary pressures, which affected the expectations of market participants regarding the future decisions of the ECB on interest rates, including the possibility of their increase in December. Yields rose further after the ECB meeting, which pointed to inflationary risks. The yield remained relatively stable on Friday, being around 3.50%, which represented the highest level reached during the previous day.

U.S. TREASURIES MARKET

The yield on 10-year U.S. treasuries fell in this reporting week and followed a similar trend as the yield on 10-year German government bonds. The market was closed on Monday for the U.S. holiday, whereas the yield was mostly higher for the rest of the week, under the influence of the rise in the price of oil and the increased concern of investors regarding the strengthening of inflationary pressures due to the escalation of tensions in the Middle East and possible disruptions in the supply of energy. The yields were relatively steady on Friday following the release of August consumer price data for the U.S., which supported expectations of a tighter Fed monetary policy.

GOLD

The price of gold recorded a decline, from $4,417.75 to $4,349.08 per ounce during the observed reporting period. The price trended relatively stable in early week, with no significant changes, whereas it fell on Tuesday as traders assessed the effects of growing tensions in the Middle East. A recovery in the price of gold came on Wednesday, primarily as a result of the U.S. dollar weakening. The development of the dollar was influenced by the growing fiscal pressures in the USA, as well as the market's concern regarding the long-term value of the U.S. government debt, and thus confidence in the currency in which such debt is financed. The price of gold recorded a more pronounced drop on Thursday, after the U.S. dollar strengthened against a basket of currencies due to the release of data on the producer price index in the US. The price of gold was volatile at the end of the week, under the influence of the released data on inflation in the U.S. and the altered expectations of market participants regarding the Fed's next moves, including estimates of a possible increase in interest rates during the current week.

OIL

The price of oil recorded a significant increase, from $96.19 to $103.47 per barrel during the observed reporting period. The price had an upward trend during most of the week, supported by increased risks regarding the continuity of oil flow through the Strait of Hormuz, as well as growing geopolitical tensions in the Middle East. The price of oil reached almost $108 per barrel on Thursday, due to the additional tightening of the situation in the Middle East and increasingly pronounced concerns regarding the global oil supply. Additional pressure on the market was the information that Saudi Arabia informed OPEC that its production fell to 6,238 million barrels per day in August - the lowest level of production since 1990. At the same time, conflicts between the U.S. and Iran have made export routes even more difficult and increased the risk of disruptions in supply chains. The oil price recorded a downward adjustment at the end of the week, but still remained at a relatively high level.

__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.