CENTRALNA BANKA
CRNE GORE

## Financial and Banking Operations Division

*- International Reserves Management Department -*

# International Financial Market Report

## (21 – 25 September 2026)

**Podgorica, 29 September 2026**

## Weekly overview of short news

- The price of gold fell from $4,382.34 to $4,284.81 per ounce during the reporting period.

- The price of oil fell from $101.27 to $97.19 per barrel during the reporting period.

- The ECB President, Christine Lagarde, speaking at the Eurogroup meeting in Dublin, emphasized that energy price hikes do not directly determine monetary policy. She explained that the ECB takes into account broader factors, such as economic growth and consumption, and pointed out that there are no effects of the second round of inflation. She also confirmed that her term as the ECB President expires in 2027, but did not want to specify whether she will remain in that position until October the same year.

- The ECB's Chief Economist, Philip Lane, said that a new wave of high energy prices means that inflation in the euro area will remain elevated longer than expected. A second wave of price increases, not only for oil but also for gas, will produce higher and more persistent inflation, before returning to the target by mid-2027. On the other hand, an important point is that the ECB has not yet seen a significant expansion of inflationary pressures on services as of February. This is very important for the market for the fact that an energy shock is not the same as generalized inflation. If the price of oil stabilizes around $100 per barrel, the need for a more aggressive monetary tightening policy by the ECB is becoming lesser.

- The Boston Fed President supported the interest rate increase, whereas the St. Louis Fed President said that additional increases were probably needed. Markets currently estimate a little over 50% probability of another interest rate increase at the October FOMC meeting.

- Three Fed officials spoke out at the end of the week: The New York Fed President said another interest rate hike by the end of the year was a reasonable expectation. The Philadelphia Fed President said moderate additional tightening of monetary policy may be reasonable, noting that core inflation is showing little or no progress and that AI-related investments are contributing to price pressures. The Cleveland Fed President said that the outlook for inflation remains very uncertain, with elevated risks.

- The ECB Executive Board member Isabelle Schnabel confirmed on Thursday that she will leave the ECB in January to take up the position of the IMF Managing Director of the Monetary and Capital Markets Department.

## *EUR/USD Exchange Rate*

**The EUR/USD exchange rate** fell from 1.1496 to 1.1391 during the previous week. The most important factor in the downward development of this currency pair was the strengthening of the dollar, due to the change in expectations for a more restrictive monetary policy of the Fed, strong U.S. economic data, rising U.S. yields and inflationary risks associated with oil. Once the Fed tightened monetary policy a week earlier, the market began seeing a higher probability of another interest rate hike at the October meeting. The euro recorded a two-month low during this week.

### Table 4 - Economic indicators (21 - 25 September 2026)

| Country | Indicator | Period | Expected value | Current value | Previous value |
|---|---|---|---|---|---|
| **Euro area** | **Consumer Confidence**<br>An assessment of consumer confidence in terms of business conditions, employment and personal earnings. The Consumer Confidence Index is tied to personal spending. | September P | -16.0 | -16.5 | -15.5 |
| **Germany** | **IFO Business climate**<br>It refers to a survey of German companies on the current conditions (state) of business in Germany, and their expectations for the next six months. | September | 89.0 | 89.9 | 88.8 |
| | **GfK Consumer Confident**<br>This index measures the level of households' confidence in terms of economic performance. | October | -27.2 | -30.6 | -26.6 |
| **Great Britain** | **PMI Manufacturing**<br>Monthly research on production activity and its future outlook. A higher index measuring this activity indicates a more optimistic economic outlook. | September P | 51.5 | 52.0 | 51.7 |
| | **PMI Services**<br>This index measures the overall activity of the U.K. service sector. It includes the status of sales, employment, as well as their outlook. A higher value of the index indicates an increased volume of purchases and a positive economic outlook. | September P | 52.0 | 51.7 | 52.5 |
| **USA** | **Initial Jobless Claims**<br>Number of inhabitants receiving unemployment benefits. | 19 September | 200 K | 197k | 196k |
| | **Durable Goods Orders**<br>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. | August P | -0.3 | 0.0 | 1.1 |
| | **S&P Global Manufacturing, Services, Composite PMI**<br>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. | September P | 53.7<br>55.8<br>55.3 | 57.0<br>58.7<br>58.4 | 53.9<br>56.5<br>56.0 |
| **France** | **Consumer Confidence**<br>This indicator measures how French households assess their financial situation and the overall economic situation in France, as well as their consumption intentions. | September | 85 | 86 | 86 |

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**

| | 21-Sep-2026 [1] | 25-Sep-2026 [2] | % Change |
|---|---|---|---|
| EUR/USD | 1.1486 | 1.1380 | -0.92 |
| EUR/GBP | 0.85743 | 0.86088 | 0.40 |
| EUR/JPY | 180.23 | 180.80 | 0.32 |
| EUR/AUD | 1.61249 | 1.62275 | 0.64 |
| EUR/CHF | 0.94424 | 0.94209 | -0.23 |
| USD/JPY | 156.88 | 156.86 | -0.01 |
| GBP/USD | 1.3395 | 1.3219 | -1.31 |

**Table 3 - 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% | 29.10.2026. |
| Federal Reserves (Fed) | Federal Funds Target Rate | 4.00% | 28.10.2026. |
| Bank of Japan (BoJ) | Overnight Call Rate | 1.25% | 30.10.2026. |
| Bank of England (BoE) | Official Bank Rate | 3.75% | 05.11.2026. |
| Swiss National Bank (SNB) | Libor Target Rate | 0.00% | 10.12.2026. |
| Bank of Canada (BoC) | Target Overnight Rate | 2.25% | 28.10.2026. |
| Reserve Bank of Australia (RBA) | Cash Rate Target | 4.35% | 29.09.2026. |

The SNB did not change interest rates at its regular session, emphasizing it is ready to be active on the foreign exchange market if needed.

**Table 3 - ESTR and Euribor**

| | 21-Sep-2026[1] | 25-Sep-2026[2] | Change in basis points |
|---|---|---|---|
| ESTR | 2.4410 | 2.4400 | -0.10 |
| Euribor 1W | 2.357 | 2.388 | 3.10 |
| Euribor 1M | 2.473 | 2.460 | -1.30 |
| Euribor 3M | 2.620 | 2.607 | -1.30 |
| Euribor 6M | 2.978 | 3.070 | 9.20 |
| Euribor 12M | 3.343 | 3.379 | 3.60 |

[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 3.48% to 3.60% in this reporting week. The yield fell slightly in the first two days of the week, fluctuating around 3.46%, due to the drop in oil prices, which tempered expectations that the energy shock could force the ECB to increase interest rates more aggressively. However, the yield started to rise again as of Wednesday, under the influence of better-than-expected PMI data from the U.S. and the euro area, as well as a renewed rise in oil and natural gas prices. These factors fuelled expectations of persistent inflationary pressures and contributed to rising yields by the end of the reporting week.

## *U.S. TREASURIES MARKET*

The yield on 10-year U.S. treasuries rose from 4.96% to 5.16% during this reporting week. There were no significant changes in the first two days of the week, therefore the average yield remained around the level of 4.96%. The yield recorded an upward trend in the rest of the week, primarily due to the renewed rise in oil prices, heightened investor expectations regarding an additional increase in ECB interest rates, as well as more pronounced concerns regarding inflationary pressures. The yield stabilized by the end of the week, following a drop in oil prices due to reports that American and Iranian negotiators were considering the possibility of a phased agreement that would entail the reopening of the Strait of Hormuz by Tehran.

## *GOLD*

The price of gold fell from $4,382.34 to $4,284.81 per ounce during the reporting period. The drop in the price of gold was a result of investors' estimates that the Federal Reserve may continue to raise interest rates, which further increased the pressure on the precious metal. Despite the present geopolitical risks, expectations regarding a more restrictive monetary policy limited the space for gold price growth. Additional pressure on the price of gold was exerted by better-than-expected data on the U.S. economy, which indicated the resilience of economic activity and increased expectations that the Fed could increase the reference interest rate again in order to suppress inflationary pressures.

## *OIL*

The price of oil fell from $101.27 to $97.19 per barrel during the reporting period. The price weakened in early week due to expectations that diplomatic efforts between the U.S. and Iran could lead to the reopening of the Strait of Hormuz and ease risks to global oil supplies. Additional pressure on the price was exerted by the possibility of restarting the East-West oil pipeline in Saudi Arabia. The price recovered in mid-week as a result of the still present supply risks in the Middle East and new attacks in the area of the Strait of Hormuz. However, the price weakened again by the end of the week, as investors assessed the possibility of progress in the U.S.-Iranian negotiations and the potential reopening of the Strait of Hormuz, while at the same time being wary of the Houthis' continued threats to the Saudi energy infrastructure.

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