BPI

Financial Markets

Daily Report 1-Mar-2024

- US January PCE deflator came in line with expectations (2.4% yoy down from 2.6% the previous month), and euro area countries' CPI did not surprise either (Germany: 2.5% yoy, France: 2.9% yoy, Spain: 2.8% yoy), boosting markets' expectations of a first interest rate cut starting in June and July.
- The lack of surprises in inflation data resulted in a session without large movements. Euro area sovereign bond yields rose modestly and were barely changed in the US. Equities were mixed, posting some losses in the euro area and gains in US markets, with the Nasdaq index reaching a new all-time high.
- Elsewhere, Chinese equities powered ahead amid new measures from the government to support markets. The US dollar rose slightly, leaving its cross with the euro around $1.08. Today all eyes will be on the euro area's February CPI report an d the US February ISM indices. Spain's manufacturing PMI will also be released today.

Interest Rates (%)	2/29	2/28	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4.50**	4.50	0	0	0	150
€STR	**3.89**	3.91	-2	-2	0	149
Swap €STR (10Y)	**2.56**	2.61	-5	-4	27	-51
3 months (Euribor)	**3.94**	3.94	-1	-1	3	115
12 months (Euribor)	**3.75**	3.75	0	5	24	0
Germany - 2-Year Bond	**2.90**	2.92	-1	0	53	-30
Germany - 10-Year Bond	**2.41**	2.46	-5	-3	47	-30
France - 10-Year Bond	**2.88**	2.93	-4	-3	41	-30
Spain - 10-Year Bond	**3.29**	3.34	-5	-6	39	-38
Portugal - 10-Year Bond	**3.12**	3.17	-5	-6	57	-45
Italy - 10-Year Bond	**3.84**	3.88	-4	-7	25	-72
Risk premium - Spain (10Y)	**88**	88	0	-3	-8	-8
Risk premium - Portugal (10Y)	**71**	71	0	-4	10	-15
Risk premium - Italy (10Y)	**143**	142	1	-4	-22	-42
US						
Fed - Upper Bound	**5.50**	5.50	0	0	0	75
Fed Funds Rate Future (Dec.-24)	**4.61**	4.60	1	0	78	47
3 months (SOFR)	**5.33**	5.34	-1	1	0	42
12 months (SOFR)	**5.07**	5.09	-2	4	30	-27
2-Year Bond	**4.62**	4.64	-2	-9	37	-26
10-Year Bond	**4.25**	4.26	-1	-7	37	26

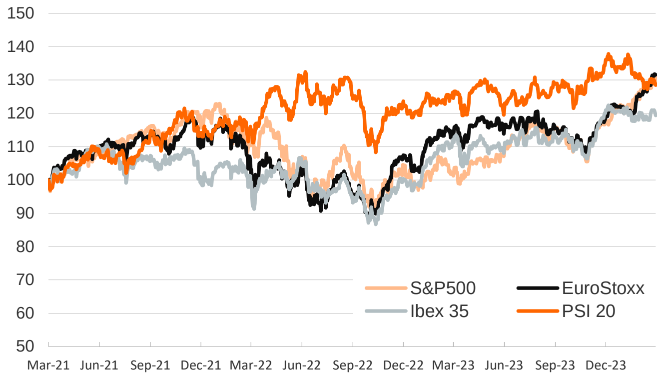
Stock Markets	2/29	2/28	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**4.17**	4.17	0.1	2.0	11.9	4.2
Ibex 35	**10001**	10069	-0.7	-1.4	-1.0	7.3
PSI 20	**6158**	6193	-0.6	-0.7	-3.7	3.2
MIB	**32581**	32618	-0.1	0.7	7.3	19.3
DAX	**17678**	17601	0.4	1.8	5.5	15.5
CAC 40	**7927**	7954	-0.3	0.2	5.1	9.6
Eurostoxx50	**4878**	4884	-0.1	0.5	7.9	15.7
S&P 500	**5096**	5070	0.5	0.2	6.8	29.0
Nasdaq	**16092**	15948	0.9	0.3	7.2	41.4
Nikkei 225	**39166**	39208	-0.1	0.2	17.0	42.3
MSCI Emerging Index	**1021**	1019	0.2	-0.8	-0.3	3.7
MSCI Emerging Asia	**544**	542	0.3	-0.7	0.2	2.2
MSCI Emerging Latin America	**2521**	2532	-0.5	-1.9	-5.3	14.1
Shanghai	**3015**	2958	1.9	0.9	1.4	-9.0
VIX Index	**13.40**	13.84	-3.2	-7.8	7.6	-34.9

Currencies	2/29	2/28	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.081**	1.084	-0.3	-0.2	-2.1	1.3
EUR/GBP	**0.86**	0.86	0.0	0.1	-1.3	-3.5
EUR/CHF	**0.96**	0.95	0.3	0.3	2.9	-4.7
USD/JPY	**149.98**	150.69	-0.5	-0.4	6.3	10.1
USD/CNY	**7.19**	7.20	-0.1	-0.1	1.2	4.6

Commodities	2/29	2/28	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**96.7**	96.7	0.0	0.3	-2.0	-9.9
Brent (US$/barrel)	**83.6**	83.7	-0.1	-0.1	8.5	-0.8
TTF Natural Gas-1M Future (€/MWh)	**24.9**	25.6	-2.9	7.2	-23.1	-47.2
TTF Natural Gas-Dec.-24 Future (€/MWh)	**28.7**	31.0	-7.3	-1.3	-24.9	-44.4
Gold (US$/ounce)	**2044.3**	2034.6	0.5	1.0	-0.9	11.3

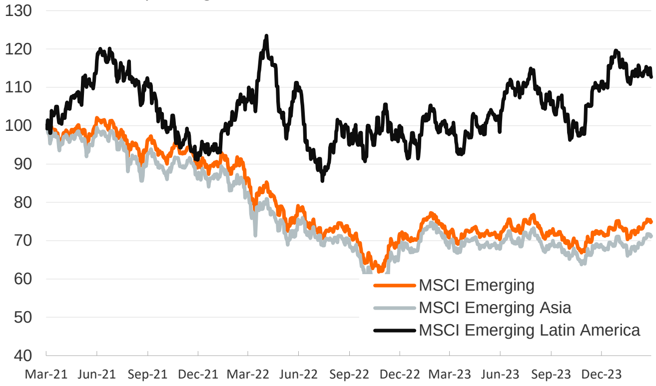
Main advanced stock markets

Index (100=Three years ago)



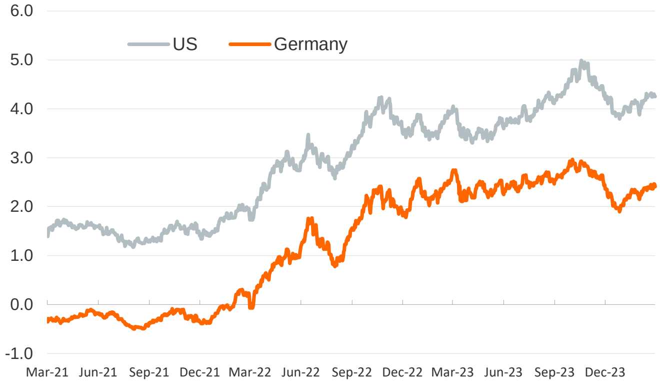
Emerging economies stock markets

Index (100=Three years ago)



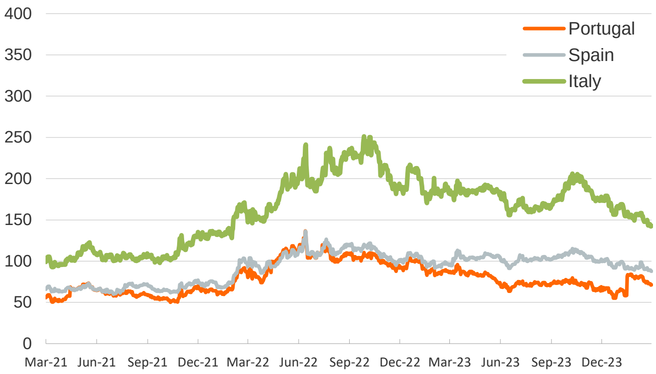
Yield on 10-year public debt: U.S. and Germany

(%)



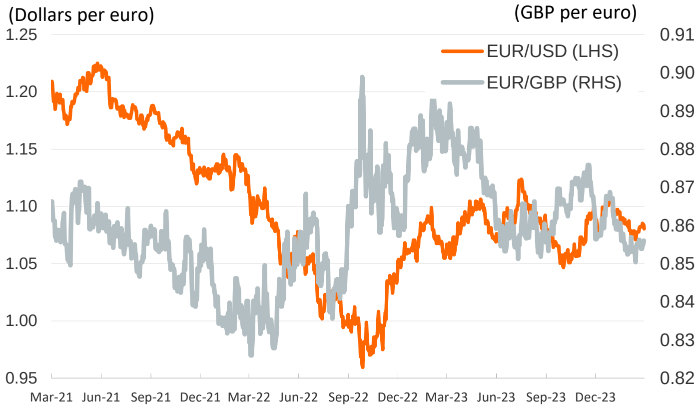
Risk Premium on 10-year debt: Italy, Spain and Portugal

(basis points)



Exchange rate: Advanced-economy currencies

(Dollars per euro) (GBP per euro)



Exchange rate: emerging economies index

(Index (100=Three years ago)

Brent oil price

(US$/barrel)

Dutch TTF Natural gas price

(€/MWh)