Financial Markets

Daily Report 4-Mar-2024

- In the last session of the week, investors traded with a moderately optimistic tone amid economic data releases that offered mixed signals on the monetary policy path ahead. On the one hand, the US ISM manufacturing index fell from 49.1 to 47.8 (49.5 expected), with employment and new orders subcomponents decreasing.
- On the other hand, euro area headline and core inflation fell 0.2 p. p. in February to 2.6% and 3.1%, respectively. Services inflation is showing more persistence than expected and suggests the last mile to 2% will be gradual.
- In this context, yields on sovereign bonds edged up in the euro area and declined markedly in the US. Elsewhere, equities rose across the board and the US dollar weakened against most currencies, with the euro trading above $1.08.
- This week the focus will be on the ECB monetary policy meeting (Thu.), on the February US employment report (Fri.) and on the Super Tuesday primary elections in the US, with 15 states voting.

Interest Rates (%)	3/1	2/29	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	**3.90**	3.89	2	0	2	151
Swap €STR (10Y)	**2.55**	2.56	-1	3	26	-52
3 months (Euribor)	**3.94**	3.94	0	1	3	116
12 months (Euribor)	**3.74**	3.75	0	1	23	0
Germany - 2-Year Bond	**2.89**	2.90	-1	4	52	-31
Germany - 10-Year Bond	**2.41**	2.41	0	5	47	-30
France - 10-Year Bond	**2.90**	2.88	2	7	43	-28
Spain - 10-Year Bond	**3.31**	3.29	2	6	41	-36
Portugal - 10-Year Bond	**3.15**	3.12	2	5	59	-43
Italy - 10-Year Bond	**3.88**	3.84	4	9	29	-68
Risk premium - Spain (10Y)	**90**	88	2	1	-6	-6
Risk premium - Portugal (10Y)	**73**	71	2	0	12	-14
Risk premium - Italy (10Y)	**147**	143	4	3	-18	-38
US						
Fed - Upper Bound	**5.50**	5.50	0	0	0	75
Fed Funds Rate Future (Dec.-24)	**4.52**	4.61	-10	-9	68	39
3 months (SOFR)	**5.33**	5.33	0	0	0	42
12 months (SOFR)	**5.06**	5.07	-1	-1	29	-28
2-Year Bond	**4.53**	4.62	-9	-16	28	-35
10-Year Bond	**4.18**	4.25	-7	-7	30	19

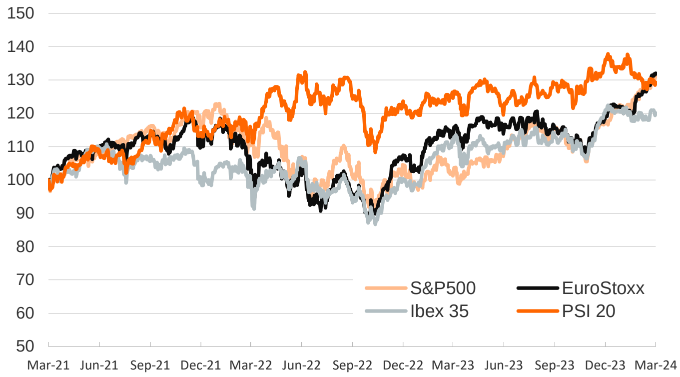
Stock Markets	3/1	2/29	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**4.25**	4.17	2.0	3.7	14.2	6.3
Ibex 35	**10065**	10001	0.6	-0.7	-0.4	8.0
PSI 20	**6200**	6158	0.7	-0.7	-3.1	3.9
MIB	**32934**	32581	1.1	0.7	8.5	20.6
DAX	**17735**	17678	0.3	1.8	5.9	15.9
CAC 40	**7934**	7927	0.1	-0.4	5.2	9.7
Eurostoxx50	**4895**	4878	0.4	0.5	8.3	16.1
S&P 500	**5137**	5096	0.8	0.9	7.7	30.0
Nasdaq	**16275**	16092	1.1	1.7	8.4	43.0
Nikkei 225	**39911**	39166	1.9	2.1	19.3	45.0
MSCI Emerging Index	**1025**	1021	0.4	-0.4	0.1	4.1
MSCI Emerging Asia	**546**	544	0.4	-0.4	0.6	2.7
MSCI Emerging Latin America	**2533**	2521	0.5	-0.1	-4.9	14.7
Shanghai	**3027**	3015	0.4	0.7	1.8	-8.6
VIX Index	**13.11**	13.40	-2.2	-4.7	5.3	-36.3

Currencies	3/1	2/29	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.084**	1.081	0.3	0.1	-1.8	1.6
EUR/GBP	**0.86**	0.86	0.1	0.3	-1.2	-3.4
EUR/CHF	**0.96**	0.96	0.2	0.4	3.1	-4.5
USD/JPY	**150.12**	149.98	0.1	-0.3	6.4	10.2
USD/CNY	**7.20**	7.19	0.1	0.0	1.4	4.8

Commodities	3/1	2/29	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**97.2**	96.7	0.5	1.9	-1.4	-9.4
Brent (US$/barrel)	**83.6**	83.6	-0.1	2.4	8.5	-0.9
TTF Natural Gas-1M Future (€/MWh)	**25.8**	24.9	3.8	12.5	-20.2	-45.2
TTF Natural Gas-Dec.-24 Future (€/MWh)	**29.4**	28.7	2.4	3.1	-23.1	-43.1
Gold (US$/ounce)	**2082.9**	2044.3	1.9	2.3	1.0	13.4

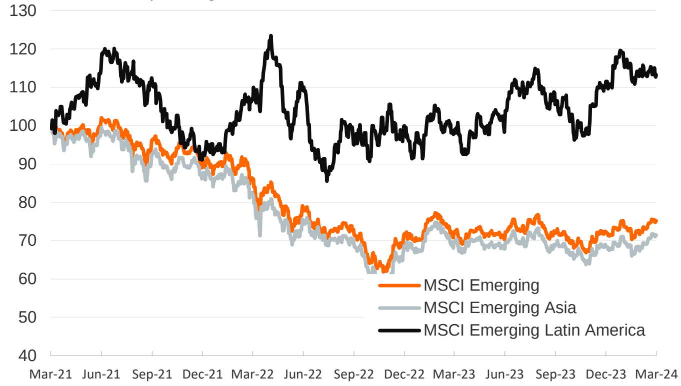
Main advanced stock markets

Index (100=Three years ago)



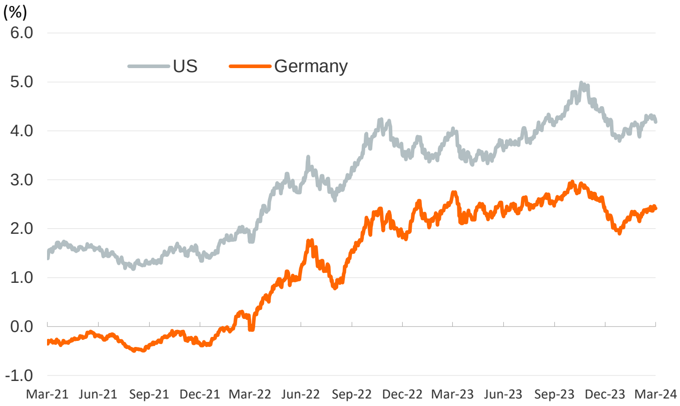
Emerging economies stock markets

Index (100=Three years ago)



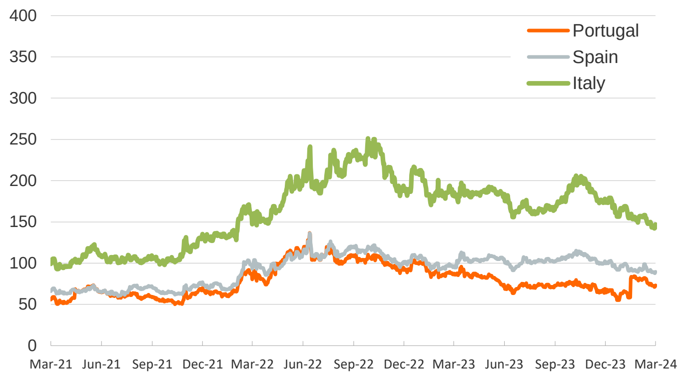
Yield on 10-year public debt: U.S. and Germany

(%)



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

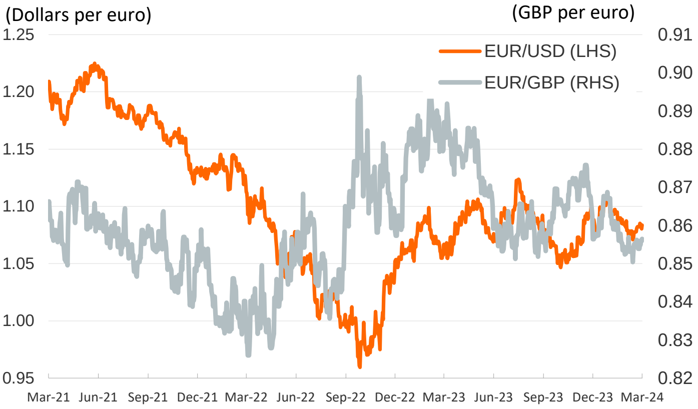
(basis points)



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)