BPI

Financial Markets

Daily Report 8-Mar-2024

- Central bank communication preparing the ground to start easing the monetary policy stance soon was the main driver in yesterday's session. In the euro area, the ECB kept interest rates unchanged and reinforced the data dependency approach, assuring that there is still some more progress to be done in domestic inflation.
- Nevertheless, the decrease in GDP and inflation forecasts for 2024 and 2025, together with the recognition that there has been good progress in bringing down inflation, reinforce our expectation that the ECB might cut rates in June.
- In the US, Jerome Powell testified before the Senate and insisted that the Fed needs more confidence that inflation is heading towards 2% before cutting rates, but said that "we are not far from it". In this context, yields edged down and equities rose across the board.
- Today the focus will be on the February employment report for the US and on the euro area final estimate for Q423 GDP.

Interest Rates (%)	3/7	3/6	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	**3.91**	3.91	0	2	3	151
Swap €STR (10Y)	**2.46**	2.48	-2	-10	17	-54
3 months (Euribor)	**3.93**	3.94	-1	-1	2	101
12 months (Euribor)	**3.75**	3.75	0	0	23	-16
Germany - 2-Year Bond	**2.83**	2.86	-2	-7	46	-48
Germany - 10-Year Bond	**2.31**	2.32	-2	-11	36	-39
France - 10-Year Bond	**2.75**	2.77	-2	-13	28	-43
Spain - 10-Year Bond	**3.12**	3.15	-3	-17	22	-60
Portugal - 10-Year Bond	**2.96**	2.99	-3	-16	41	-61
Italy - 10-Year Bond	**3.62**	3.64	-2	-22	3	-90
Risk premium - Spain (10Y)	**82**	83	-1	-6	-15	-22
Risk premium - Portugal (10Y)	**65**	67	-1	-6	5	-22
Risk premium - Italy (10Y)	**131**	132	-1	-12	-34	-52
US						
Fed - Upper Bound	**5.50**	5.50	0	0	0	75
Fed Funds Rate Future (Dec.-24)	**4.52**	4.56	-4	-9	69	30
3 months (SOFR)	**5.32**	5.32	0	-1	-1	36
12 months (SOFR)	**5.00**	5.01	-1	-7	23	-39
2-Year Bond	**4.50**	4.55	-5	-12	25	-51
10-Year Bond	**4.08**	4.10	-2	-17	20	12

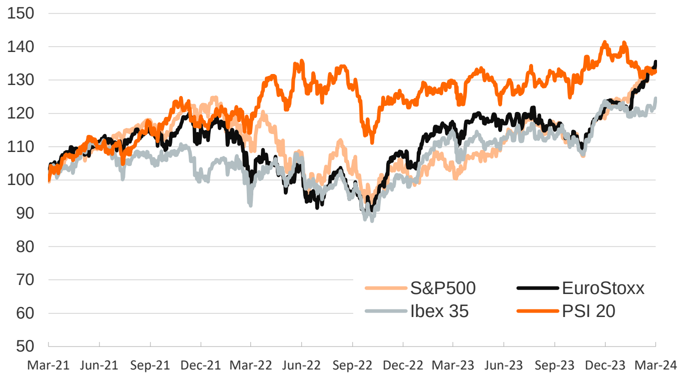
Stock Markets	3/7	3/6	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**4.38**	4.39	-0.2	5.0	17.6	8.0
Ibex 35	**10320**	10197	1.2	3.2	2.2	9.7
PSI 20	**6193**	6204	-0.2	0.6	-3.2	2.7
MIB	**33419**	33364	0.2	2.6	10.1	20.4
DAX	**17843**	17717	0.7	0.9	6.5	14.7
CAC 40	**8016**	7955	0.8	1.1	6.3	9.2
Eurostoxx50	**4974**	4915	1.2	2.0	10.0	16.2
S&P 500	**5157**	5105	1.0	1.2	8.1	29.4
Nasdaq	**16273**	16032	1.5	1.1	8.4	41.1
Nikkei 225	**39599**	40091	-1.2	1.1	18.3	39.9
MSCI Emerging Index	**1030**	1028	0.2	0.9	0.6	4.2
MSCI Emerging Asia	**550**	549	0.3	1.2	1.5	2.9
MSCI Emerging Latin America	**2523**	2530	-0.3	0.1	-5.2	15.0
Shanghai	**3027**	3040	-0.4	0.4	1.8	-7.8
VIX Index	**14.44**	14.50	-0.4	7.8	16.0	-26.3

Currencies	3/7	3/6	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.095**	1.090	0.4	1.3	-0.8	3.8
EUR/GBP	**0.85**	0.86	-0.2	-0.1	-1.4	-4.2
EUR/CHF	**0.96**	0.96	0.0	0.5	3.5	-3.3
USD/JPY	**148.05**	149.38	-0.9	-1.3	5.0	7.9
USD/CNY	**7.19**	7.20	-0.1	0.1	1.3	3.2

Commodities	3/7	3/6	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**98.3**	97.9	0.4	1.6	-0.4	-7.1
Brent (US$/barrel)	**83.0**	83.0	0.0	-0.8	7.7	-0.4
TTF Natural Gas-1M Future (€/MWh)	**26.0**	26.6	-2.2	4.5	-19.7	-40.1
TTF Natural Gas-Dec.-24 Future (€/MWh)	**29.5**	29.9	-1.5	2.7	-22.9	-39.0
Gold (US$/ounce)	**2160.0**	2148.2	0.5	5.7	4.7	19.1

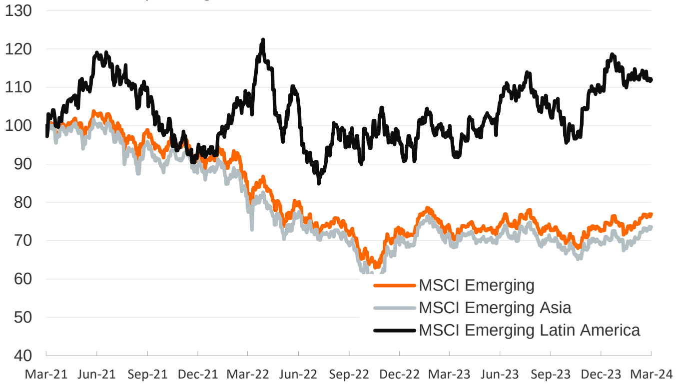
Main advanced stock markets

Index (100=Three years ago)



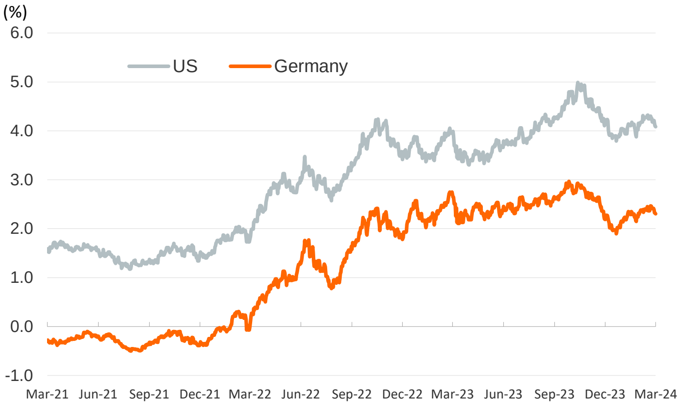
Emerging economies stock markets

Index (100=Three years ago)



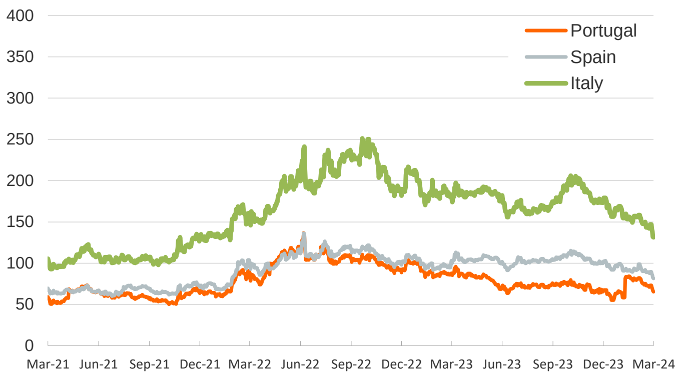
Yield on 10-year public debt: U.S. and Germany

(%)



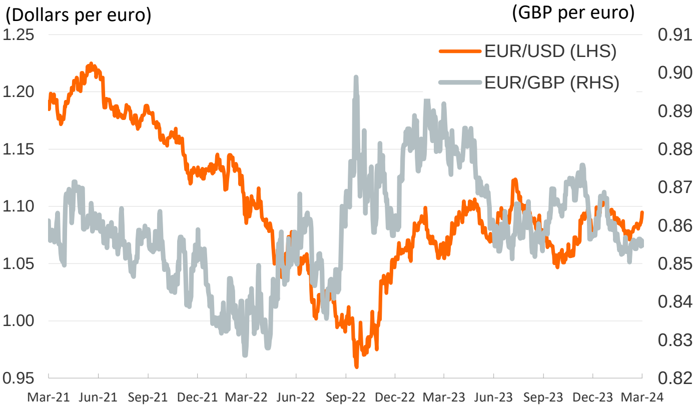
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)