BPI

Financial Markets

Daily Report 26-Apr-2024

- In yesterday's session, US Q1 GDP data release centered the stage in financial markets as it showed that, despite the moderation in headline GDP growth (+0.4% q/q from 0.8% in Q423), the US economy remains robust. The 0.6% increase in private consumption and the acceleration of investment (1.3%) were the brighter news in GDP.
- Also, financial markets eyed the increase in the GDP deflator (from 1.6% to 3.1%) and in core PCE (from 2.0% to 3.7%) and adjusted their expectations for the Fed's interest rate path ahead. In particular, the probability of having the first rate c ut in June decreased from 18% to 13%, and the probability of seeing 2 rate cuts in 2024 fell from 73% to 42%.
- In this context, yields on sovereign bonds rose on both sides of the Atlantic and equities declined across the board. Elsewhere, the US dollar weakened against most advanced economies' currencies and the euro fluctuated above $1.07. Today, the focus will be on March's PCE inflation data.

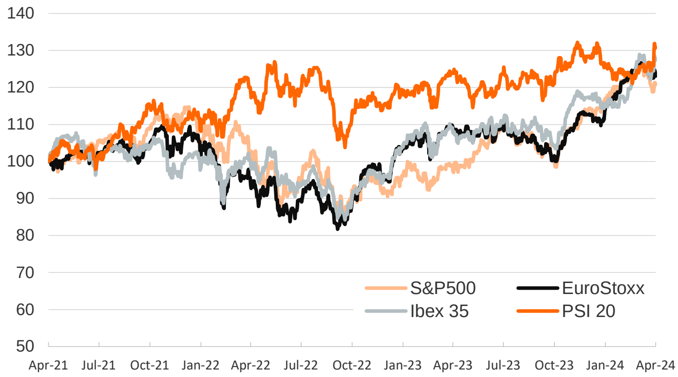
Interest Rates (%)	4/25	4/24	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4.50**	4.50	0	0	0	100
€STR	**3.91**	3.91	0	0	3	101
Swap €STR (10Y)	**2.76**	2.73	3	11	47	-6
3 months (Euribor)	**3.86**	3.88	-2	-3	-4	60
12 months (Euribor)	**3.73**	3.70	3	0	22	-17
Germany - 2-Year Bond	**3.01**	2.97	4	3	64	17
Germany - 10-Year Bond	**2.63**	2.59	4	13	69	25
France - 10-Year Bond	**3.13**	3.09	4	12	66	18
Spain - 10-Year Bond	**3.43**	3.38	5	12	53	0
Portugal - 10-Year Bond	**3.29**	3.25	4	11	73	7
Italy - 10-Year Bond	**4.03**	3.98	4	10	43	-24
Risk premium - Spain (10Y)	**80**	80	1	-2	-16	-24
Risk premium - Portugal (10Y)	**66**	66	0	-3	5	-17
Risk premium - Italy (10Y)	**140**	140	0	-3	-25	-49
US						
Fed - Upper Bound	**5.50**	5.50	0	0	0	50
Fed Funds Rate Future (Dec.-24)	**5.05**	4.98	6	4	121	206
3 months (SOFR)	**5.32**	5.32	0	0	-1	24
12 months (SOFR)	**5.20**	5.19	1	0	43	34
2-Year Bond	**5.00**	4.93	7	1	75	105
10-Year Bond	**4.70**	4.64	6	7	82	130

Stock Markets	4/25	4/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**5.02**	4.94	1.5	4.0	34.6	43.6
Ibex 35	**10984**	11028	-0.4	2.0	8.7	18.2
PSI 20	**6542**	6530	0.2	3.4	2.3	5.7
MIB	**33940**	34271	-1.0	0.2	11.8	24.5
DAX	**17917**	18089	-0.9	0.4	7.0	12.9
CAC 40	**8017**	8092	-0.9	-0.1	6.3	6.4
Eurostoxx50	**4939**	4990	-1.0	0.0	9.2	12.8
S&P 500	**5048**	5072	-0.5	0.7	5.8	24.0
Nasdaq	**15612**	15713	-0.6	0.1	4.0	32.3
Nikkei 225	**37628**	38460	-2.2	-1.2	12.4	31.5
MSCI Emerging Index	**1029**	1035	-0.6	1.0	0.5	6.5
MSCI Emerging Asia	**554**	558	-0.7	1.2	2.1	7.0
MSCI Emerging Latin America	**2421**	2421	0.0	1.5	-9.1	9.7
Shanghai	**3053**	3045	0.3	-0.7	2.6	-6.5
VIX Index	**15.37**	15.97	-3.8	-14.6	23.5	-18.1

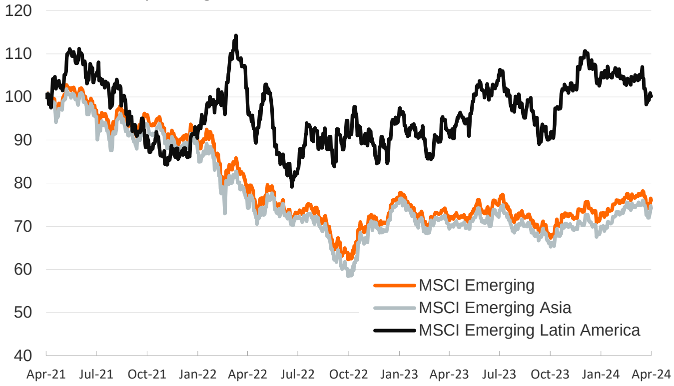
Currencies	4/25	4/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.073**	1.070	0.3	0.8	-2.8	-2.2
EUR/GBP	**0.86**	0.86	-0.1	0.2	-1.1	-3.0
EUR/CHF	**0.98**	0.98	0.0	0.8	5.4	0.0
USD/JPY	**155.65**	155.35	0.2	0.7	10.4	16.4
USD/CNY	**7.24**	7.25	-0.1	0.0	2.0	4.4

Commodities	4/25	4/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**103.0**	102.7	0.3	0.9	4.4	-1.5
Brent (US$/barrel)	**89.0**	88.0	1.1	2.2	15.5	10.2
TTF Natural Gas-1M Future (€/MWh)	**29.8**	29.0	2.6	-7.9	-8.0	-25.3
TTF Natural Gas-Dec.-24 Future (€/MWh)	**32.8**	32.1	2.0	-5.4	-14.3	-38.1
Gold (US$/ounce)	**2332.5**	2316.2	0.7	-2.0	13.1	16.8

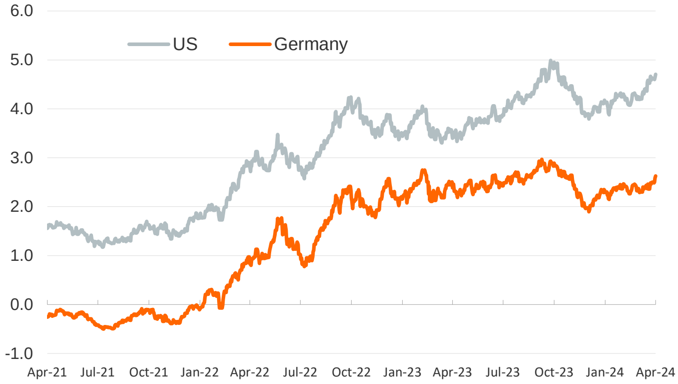
Main advanced stock markets
Index (100=Three years ago)



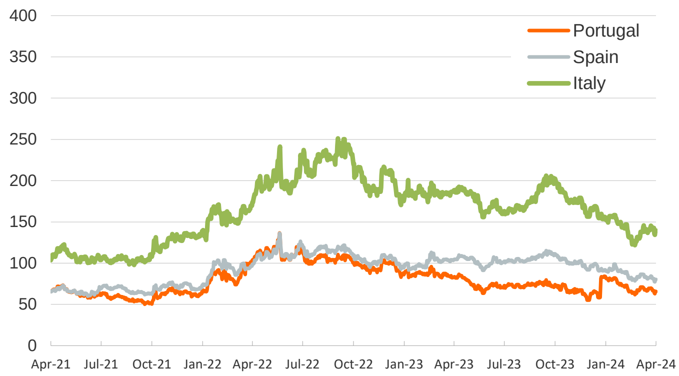
Emerging economies stock markets
Index (100=Three years ago)



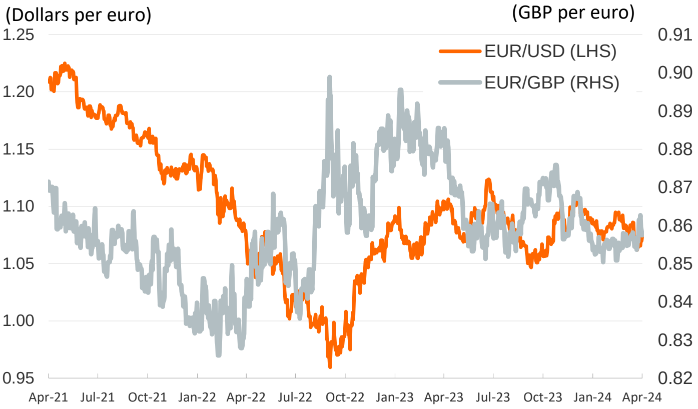
Yield on 10-year public debt: U.S. and Germany
(%)



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)