BPI

Financial Markets

Daily Report 31-Jul-2025

- The Federal Reserve held the federal funds rate at 4,25%-4,50%, citing solid labor market conditions and above-target inflation. Financial markets made a hawkish reading of the Fed's accompanying statement and pushed back expectations of the next cut from September to October. The probability of a second cut in December dropped from 80% to 40%.
- The change in monetary policy expectations saw U.S. Treasury yields rise, especially at the shorter end of the curve. U.S. stocks ended mostly flat despite having opened with gains, and the dollar strengthened to its highest level since late May. The euro is now trading around $1.14, well below the $1.18 highs at the beginning of the month.
- Euro area financial markets had a muted session, with sovereign yields ending flat and stocks posting only mild gains.
- On the data front, euro area 2Q GDP growth slowed to 0.1% qoq, with strength in France and Spain compensating for weakness in Germany and Italy. U.S. 2Q GDP rebounded to 0.7% qoq (3.0% annualized), driven by a sharp drop in imports.

Interest Rates (%)	7/30	7/29	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Depo)	**2,00**	2,00	0	0	-100	-175
€STR	**1,92**	1,92	0	0	-98	-174
Swap €STR (10Y)	**2,49**	2,48	1	2	26	4
3 months (Euribor)	**2,02**	2,03	-1	8	-70	-161
12 months (Euribor)	**2,12**	2,12	0	8	-34	-129
Germany - 2-Year Bond	**1,95**	1,94	1	11	-13	-60
Germany - 10-Year Bond	**2,71**	2,71	0	7	34	37
France - 10-Year Bond	**3,36**	3,37	-1	6	16	31
Spain - 10-Year Bond	**3,29**	3,29	0	6	23	13
Portugal - 10-Year Bond	**3,13**	3,13	1	8	29	16
Italy - 10-Year Bond	**3,52**	3,52	0	6	0	-18
Risk premium - France (10Y)	**65**	66	0	-1	-18	-6
Risk premium - Spain (10Y)	**58**	58	0	-1	-11	-24
Risk premium - Portugal (10Y)	**43**	42	1	1	-5	-21
Risk premium - Italy (10Y)	**81**	81	0	-1	-34	-54
US						
Fed - Lower Bound*	**4,25**	4,25	0	0	0	-100
Fed Funds Rate Future (Dec.-25)	**4,01**	3,93	8	7	9	13
3 months (SOFR)	**4,31**	4,31	0	-1	0	-94
12 months (SOFR)	**4,00**	4,00	0	4	-18	-74
2-Year Bond	**3,94**	3,87	7	6	-30	-42
10-Year Bond	**4,37**	4,32	5	-1	-20	23

Stock Markets	7/30	7/29	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**8,25**	8,00	3,0	7,9	57,5	52,0
Ibex 35	**14381**	14348	0,2	2,2	24,0	28,4
PSI 20	**7662**	7688	-0,3	-0,7	20,1	15,4
MIB	**41638**	41234	1,0	2,3	21,8	22,8
DAX	**24262**	24217	0,2	0,1	21,9	31,8
CAC 40	**7862**	7857	0,1	0,1	6,5	5,2
Eurostoxx50	**5393**	5379	0,3	0,9	10,2	11,4
S&P 500	**6363**	6371	-0,1	0,1	8,2	17,0
Nasdaq	**21130**	21098	0,1	0,5	9,4	23,2
Nikkei 225	**40655**	40675	0,0	-1,3	1,9	5,5
MSCI Emerging Index	**1252**	1252	0,0	-1,0	16,5	16,9
MSCI Emerging Asia	**693**	694	0,0	-1,0	16,1	18,5
MSCI Emerging Latin America	**2238**	2239	0,0	-1,5	20,8	3,2
Shanghai	**3616**	3610	0,2	0,9	7,9	25,6
VIX Index	**15,48**	15,98	-3,1	0,7	-10,8	-12,5

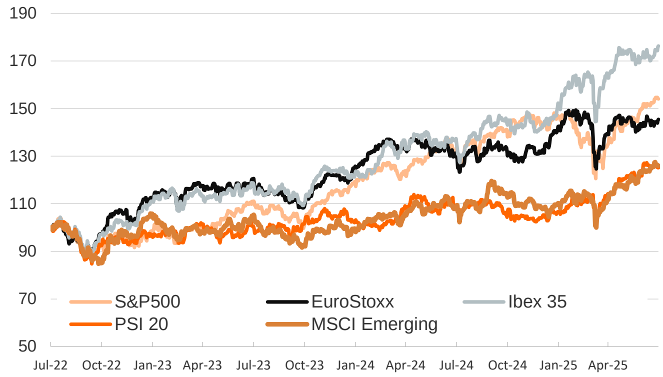
Currencies & Cryptocurrencies	7/30	7/29	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,141**	1,155	-1,2	-3,1	10,2	5,5
EUR/GBP	**0,86**	0,86	-0,4	-0,6	4,1	2,3
EUR/CHF	**0,93**	0,93	-0,1	-0,4	-1,1	-2,6
USD/JPY	**149,51**	148,46	0,7	2,0	-4,9	-2,1
USD/CNY	**7,20**	7,18	0,3	0,6	-1,4	-0,6
BTC/USD	**117143,62**	117479,31	-0,3	-0,7	25,0	77,0

Commodities	7/30	7/29	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**103,2**	103,8	-0,6	-0,9	4,5	8,2
Brent (US$/barrel)	**73,2**	72,5	1,0	6,9	-1,9	-6,9
TTF Natural Gas-1M Future (€/MWh)	**34,5**	34,1	1,3	5,7	-29,4	0,5
TTF Natural Gas-Dec.-25 Future (€/MWh)	**36,9**	36,5	1,2	6,0	-17,5	-7,1
Gold (US$/ounce)	**3275,2**	3326,6	-1,5	-3,3	24,8	35,9

* To ensure the best comparability between USD and EUR policy rates, we are now displaying the lower bound of the Federal Funds Target Rate and the ECB'S Deposit Facility Rate, respectively

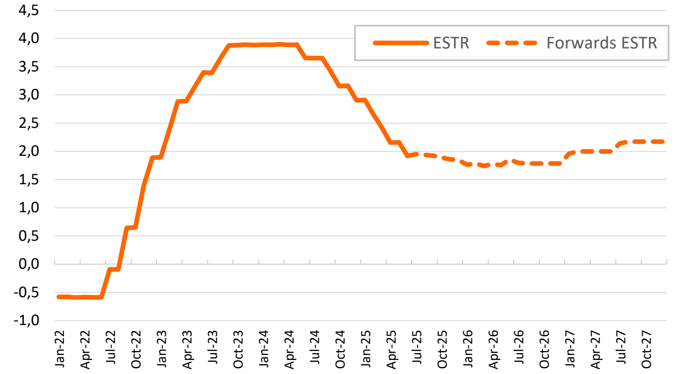
Main advanced stock markets

Index (100=Three years ago)



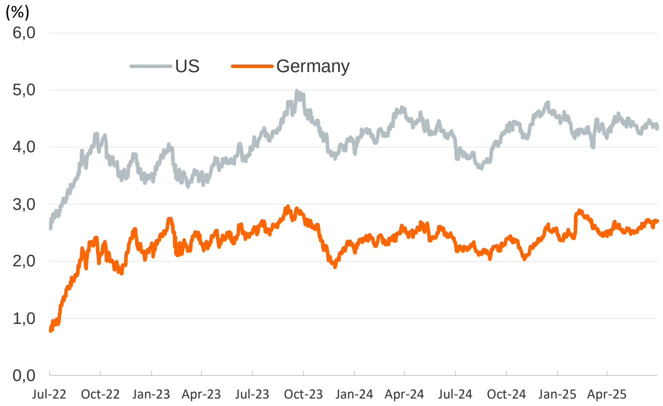
€STR: historical data and forwards

(%)



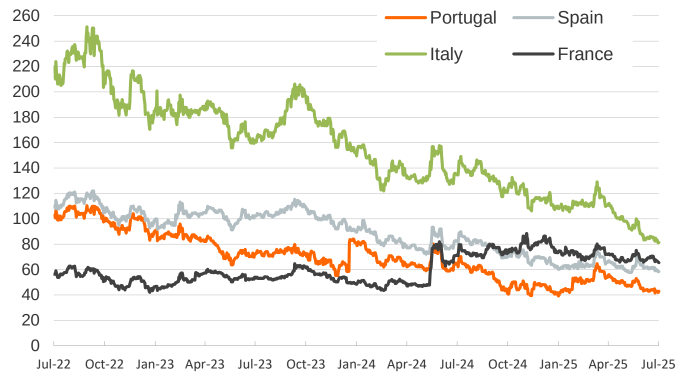
Yield on 10-year public debt: U.S. and Germany

(%)



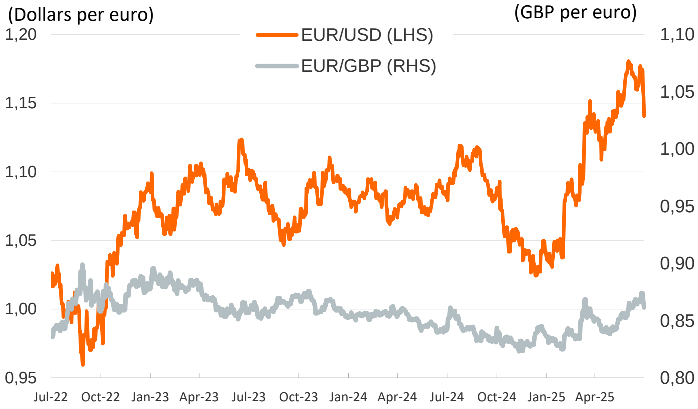
Risk Premium on 10-year debt: France, Italy, Spain and Portugal

(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)