BPI

Financial Markets

Daily Report 12-May-2022

- In yesterday's session, investors' expectations on inflation and the path central banks could follow in the coming months remained the key drivers. The moderation of US inflation in April (headline -0.2pp to 8.3% and core -0.3pp to 6.2%) suggests that the peak may have already been in March.
- Nevertheless, the expectation of inflation remaining high during 2022 pushed investors to bet 50bp hikes by the Fed in the three upcoming meetings. In the euro area, ECB president Lagarde hinted that a first interest rate hike in July is possible.
- In this context, stock indices in the euro area continued to recover from the previous days' losses while shares in the US fell further. In fixed-income markets, yields on 10-year sovereign bonds decreased across the board.
- In commodity markets, the price of the barrel of Brent rose after Russian flows to Europe declined.

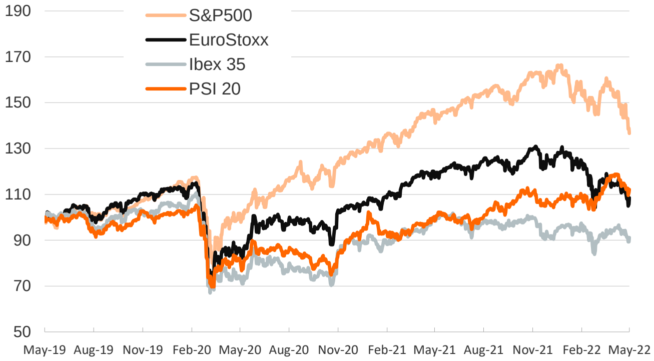
Interest Rates (%)	5/11	5/10	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**0.00**	0.00	0	0	0	0
€STR	**-0.58**	-0.58	0	0	1	-2
Swap €STR (10Y)	**1.43**	1.51	-7	0	134	142
3 months (Euribor)	**-0.41**	-0.42	0	1	16	13
12 months (Euribor)	**0.23**	0.24	-1	-1	73	71
Germany - 2-Year Bond	**0.14**	0.16	-2	-13	76	80
Germany - 10-Year Bond	**0.99**	1.00	-1	2	116	111
France - 10-Year Bond	**1.50**	1.53	-4	0	130	124
Spain - 10-Year Bond	**2.03**	2.10	-7	-4	146	147
Portugal - 10-Year Bond	**2.08**	2.15	-7	-2	161	150
Italy - 10-Year Bond	**2.89**	3.00	-10	-6	172	187
Risk premium - Spain (10Y)	**104**	110	-6	-5	30	36
Risk premium - Portugal (10Y)	**109**	115	-5	-4	45	39
Risk premium - Italy (10Y)	**191**	200	-9	-8	56	76
US						
Fed - Upper Bound	**1.00**	1.00	0	0	75	75
3 months (Libor)	**1.40**	1.40	0	-1	119	125
12 months (Libor)	**2.59**	2.59	0	-16	201	233
2-Year Bond	**2.64**	2.61	3	0	191	248
10-Year Bond	**2.92**	2.99	-7	-1	141	123

Stock Markets	5/11	5/10	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**2.96**	2.95	0.1	-3.3	22.4	5.9
Ibex 35	**8313**	8139	2.1	-2.2	-4.6	-7.7
PSI 20	**5790**	5721	1.2	-0.7	4.0	13.5
MIB	**23724**	23070	2.8	-0.7	-13.2	-3.0
DAX	**13829**	13535	2.2	-1.0	-12.9	-8.7
CAC 40	**6270**	6117	2.5	-2.0	-12.3	-0.2
Eurostoxx50	**3648**	3555	2.6	-2.1	-15.1	-7.6
FTSE 100	**7348**	7243	1.4	-1.9	-0.5	4.9
S&P 500	**3935**	4001	-1.6	-8.5	-17.4	-3.1
Nasdaq	**11364**	11738	-3.2	-12.3	-27.4	-12.8
Nikkei 225	**26214**	26167	0.2	-2.3	-9.0	-6.9
MSCI Emerging Index	**1011**	1007	0.4	-4.9	-17.9	-23.1
MSCI Emerging Asia	**539**	537	0.4	-5.1	-19.0	-24.8
MSCI Emerging Latin America	**2196**	2159	1.7	-5.1	3.1	-11.0
Shanghai	**3059**	3036	0.8	0.4	-16.0	-11.7
VIX Index	**32.56**	32.99	-1.3	28.1	89.1	18.0

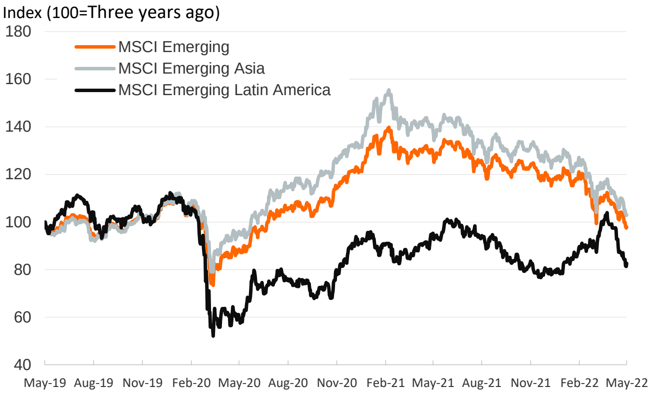
Currencies	5/11	5/10	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.051**	1.053	-0.2	-1.0	-7.5	-12.9
EUR/GBP	**0.86**	0.86	0.4	2.1	2.0	-0.1
EUR/CHF	**1.05**	1.05	-0.3	1.2	0.7	-4.8
USD/JPY	**129.97**	130.45	-0.4	0.7	12.9	18.5
USD/CNY	**6.72**	6.73	-0.2	1.7	5.8	4.1
USD/MXN	**20.31**	20.39	-0.4	1.4	-1.0	0.7

Commodities	5/11	5/10	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**127.4**	124.6	2.2	-3.1	28.5	35.7
Brent (US$/barrel)	**107.5**	102.5	4.9	-2.4	38.2	55.1
Dutch TTF Natural Gas (EUR/MWh)	**94.0**	98.8	-4.8	-9.4	33.6	255.8
Gold (US$/ounce)	**1852.4**	1838.3	0.8	-1.5	1.3	2.0

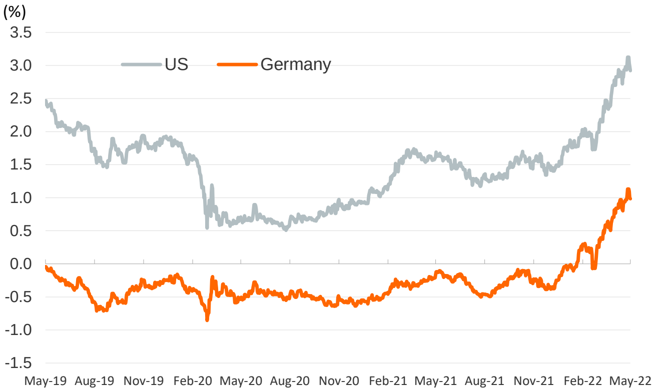
Main advanced stock markets
Index (100=Three years ago)



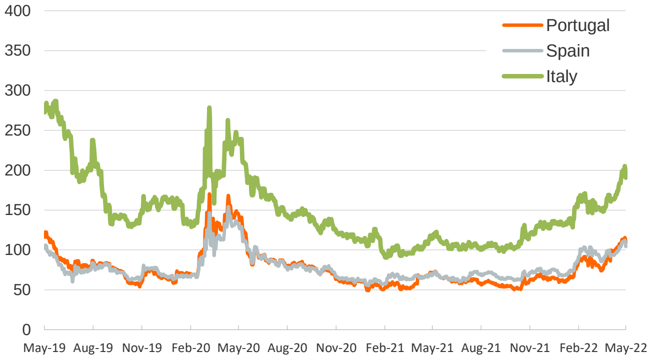
Emerging economies stock markets
Index (100=Three years ago)



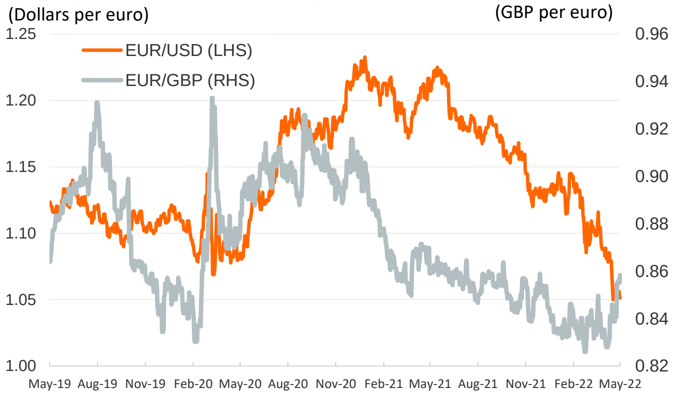
Yield on 10-year public debt: U.S. and Germany
(%)



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)