BPI

Financial Markets

- Investors traded with an optimistic mood as the minutes of the FOMC last meeting showed a wide consensus among its members on the following steps on the interest rate path. Most participants think that further 50bp interest rate hikes in the coming two meetings (June and July) would be appropriate.
- Also, the assessment of the US economy (very strong, with an extremely tight labor market) encouraged traders to think inflation could moderate without causing a recession. In the euro area, some ECB members backed the plan, explained recently by president Lagarde, to end negative interest rates in Q3.
- In this context, volatility declined and stock indices rose across the board. Yields on sovereign bonds edged down in the euro area and remained stable in the US. In FX markets, the US dollar strengthened against most currencies and the euro fluctuated below $1.07.

Interest Rates (%)	5/25	5/24	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	**-0.59**	-0.59	0	0	0	-2
Swap €STR (10Y)	**1.41**	1.38	3	-4	132	148
3 months (Euribor)	**-0.35**	-0.36	1	2	22	19
12 months (Euribor)	**0.36**	0.36	-1	5	86	84
Germany - 2-Year Bond	**0.34**	0.38	-4	-5	96	101
Germany - 10-Year Bond	**0.95**	0.97	-2	-8	113	116
France - 10-Year Bond	**1.48**	1.50	-1	-4	129	133
Spain - 10-Year Bond	**2.06**	2.09	-3	-4	150	161
Portugal - 10-Year Bond	**2.10**	2.13	-3	-5	164	165
Italy - 10-Year Bond	**2.95**	2.97	-2	-1	178	203
Risk premium - Spain (10Y)	**111**	112	-1	4	37	45
Risk premium - Portugal (10Y)	**115**	116	-1	3	51	49
Risk premium - Italy (10Y)	**200**	201	-1	7	65	87
US						
Fed - Upper Bound	**1.00**	1.00	0	0	75	75
3 months (Libor)	**1.53**	1.53	0	5	132	140
12 months (Libor)	**2.69**	2.69	0	-5	211	244
2-Year Bond	**2.49**	2.48	1	-18	176	234
10-Year Bond	**2.75**	2.75	0	-13	124	117

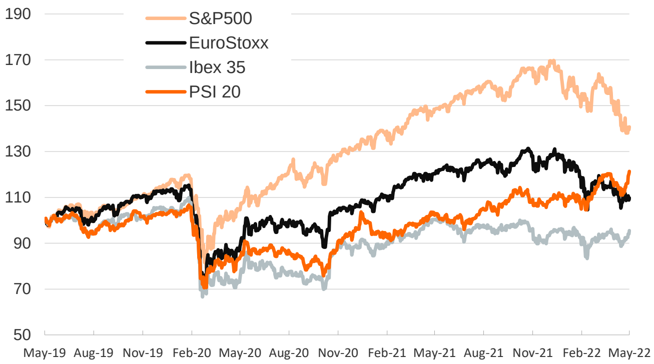
Stock Markets	5/25	5/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.37**	3.29	2.6	9.4	39.6	20.7
Ibex 35	**8760**	8631	1.5	3.3	0.5	-4.7
PSI 20	**6185**	6131	0.9	6.1	11.0	18.5
MIB	**24250**	23876	1.6	0.7	-11.3	-2.1
DAX	**14008**	13920	0.6	0.0	-11.8	-9.3
CAC 40	**6299**	6253	0.7	-0.9	-11.9	-1.5
Eurostoxx50	**3677**	3648	0.8	-0.4	-14.5	-8.8
FTSE 100	**7523**	7484	0.5	1.1	1.9	7.1
S&P 500	**3979**	3941	0.9	1.4	-16.5	-5.2
Nasdaq	**11435**	11264	1.5	0.1	-26.9	-16.8
Nikkei 225	**26678**	26748	-0.3	-0.9	-7.3	-6.9
MSCI Emerging Index	**1020**	1017	0.3	-1.3	-17.2	-24.6
MSCI Emerging Asia	**543**	542	0.2	-1.9	-18.5	-26.6
MSCI Emerging Latin America	**2407**	2396	0.5	5.0	13.0	-2.6
Shanghai	**3107**	3071	1.2	0.7	-14.6	-13.5
VIX Index	**28.37**	29.45	-3.7	-8.4	64.8	63.4

Currencies	5/25	5/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.068**	1.074	-0.5	2.1	-6.1	-12.4
EUR/GBP	**0.85**	0.86	-0.9	0.2	0.9	-1.7
EUR/CHF	**1.03**	1.03	-0.4	-0.6	-1.0	-6.2
USD/JPY	**127.32**	126.83	0.4	-0.7	10.6	16.6
USD/CNY	**6.69**	6.65	0.6	-0.9	5.3	4.7
USD/MXN	**19.83**	19.84	-0.1	-1.0	-3.4	-0.3

Commodities	5/25	5/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**132.1**	131.9	0.1	1.9	33.2	44.2
Brent (US$/barrel)	**114.0**	113.6	0.4	4.5	46.6	65.6
Dutch TTF Natural Gas (EUR/MWh)	**88.1**	84.5	4.2	-6.8	25.2	233.3
Gold (US$/ounce)	**1853.5**	1866.5	-0.7	2.0	1.3	-2.3

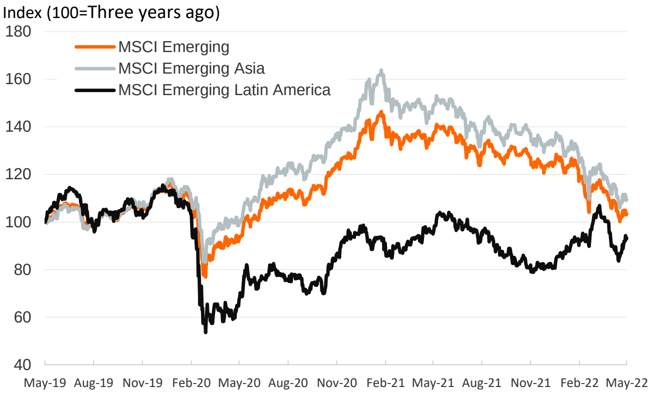
Main advanced stock markets

Index (100=Three years ago)



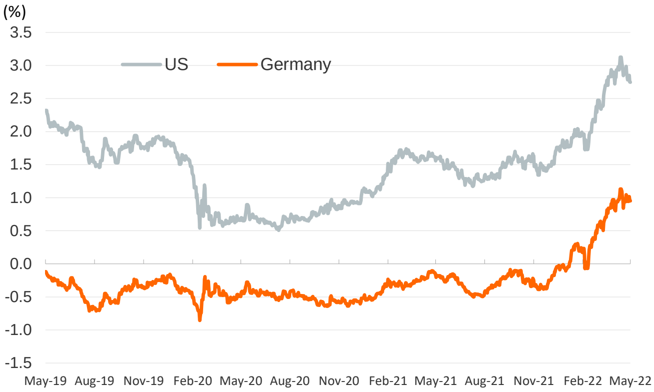
Emerging economies stock markets

Index (100=Three years ago)



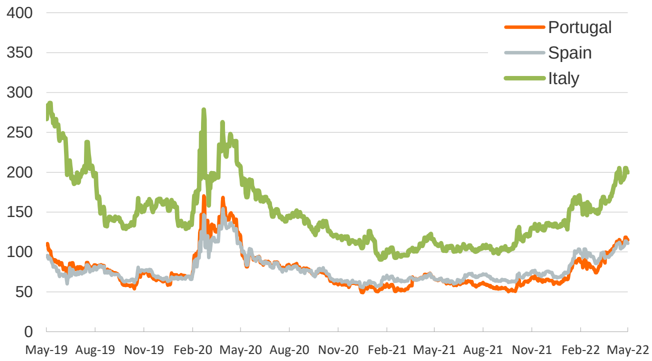
Yield on 10-year public debt: U.S. and Germany

(%)



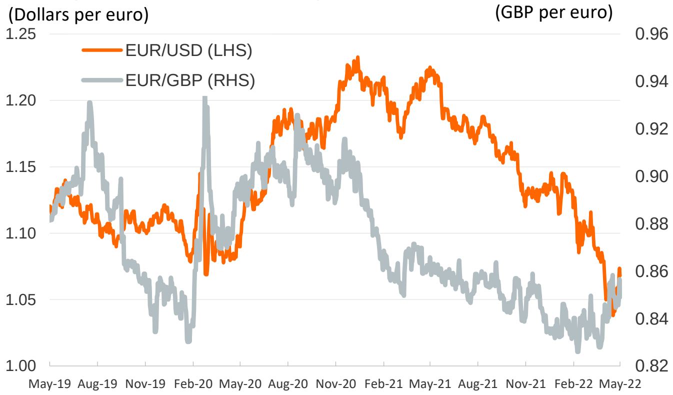
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)