Financial Markets

Daily Report 29-Jun-2022

- In yesterday's session, financial markets closed with mixed results as several drivers affected sentiment differently. While the easing of Chinese lockdowns measures boosted risk appetite, the worse-than-expected reading of US consumer confidence (98.7, down from 106.4) erased initial signs of recovery in risky assets.
- Speaking in the ECB Forum in Sintra, Christine Lagarde said that the ECB will raise interest rates "as far as necessary" to bring back inflation to 2% in the medium term. The ECB President explained that the new anti-fragmentation tool will be efficient, proportional and will feature some conditionality.
- In the euro area, sovereign yields rose while peripheral spreads narrowed and stock indices rose modestly. By contrast, US Treasury yields edged down and equity indices declined. Today the focus will be on the EU Commission confidence indicators for June and the flash HICP inflation in Germany and Spain (from 8.5% y/y to 10.0% y/y in June).

Interest Rates (%)	6/28	6/27	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	-1
Swap €STR (10Y)	**2.15**	2.06	8	-9	205	217
3 months (Euribor)	**-0.21**	-0.22	1	-5	36	33
12 months (Euribor)	**1.02**	0.95	7	-9	152	150
Germany - 2-Year Bond	**0.96**	0.91	5	-20	158	161
Germany - 10-Year Bond	**1.63**	1.55	8	-14	181	180
France - 10-Year Bond	**2.17**	2.08	10	-16	198	200
Spain - 10-Year Bond	**2.73**	2.66	7	-13	216	227
Portugal - 10-Year Bond	**2.70**	2.63	7	-11	224	227
Italy - 10-Year Bond	**3.55**	3.51	4	-14	238	267
Risk premium - Spain (10Y)	**110**	111	-1	2	36	47
Risk premium - Portugal (10Y)	**108**	109	-1	3	43	47
Risk premium - Italy (10Y)	**192**	196	-4	1	58	87
US						
Fed - Upper Bound	**1.75**	1.75	0	0	150	150
3 months (Libor)	**2.23**	2.23	0	8	202	209
12 months (Libor)	**3.57**	3.57	0	-6	299	332
2-Year Bond	**3.11**	3.12	-1	-9	238	286
10-Year Bond	**3.17**	3.20	-3	-10	166	170

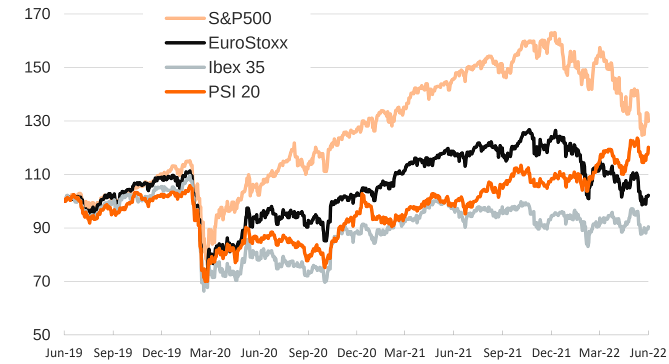
Stock Markets	6/28	6/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.45**	3.41	1.0	-3.9	42.8	32.2
Ibex 35	**8318**	8243	0.9	1.0	-4.5	-6.7
PSI 20	**6173**	6055	1.9	3.7	10.8	21.4
MIB	**22101**	21929	0.8	0.1	-19.2	-12.8
DAX	**13232**	13186	0.3	-0.5	-16.7	-15.7
CAC 40	**6086**	6047	0.6	2.0	-14.9	-7.3
Eurostoxx50	**3549**	3539	0.3	1.6	-17.4	-13.6
FTSE 100	**7323**	7258	0.9	2.4	-0.8	3.3
S&P 500	**3822**	3900	-2.0	1.5	-19.8	-11.0
Nasdaq	**11182**	11525	-3.0	1.0	-28.5	-23.0
Nikkei 225	**27049**	26871	0.7	3.1	-6.1	-6.1
MSCI Emerging Index	**1030**	1028	0.2	1.3	-16.4	-25.2
MSCI Emerging Asia	**562**	561	0.2	1.7	-15.6	-25.2
MSCI Emerging Latin America	**2096**	2094	0.1	-0.3	-1.6	-21.1
Shanghai	**3409**	3379	0.9	3.1	-6.3	-4.6
VIX Index	**28.36**	26.95	5.2	-6.1	64.7	77.0

Currencies	6/28	6/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.052**	1.058	-0.6	-0.1	-7.5	-11.6
EUR/GBP	**0.86**	0.86	0.1	0.6	2.6	0.4
EUR/CHF	**1.01**	1.01	-0.5	-1.0	-2.9	-8.1
USD/JPY	**136.14**	135.46	0.5	-0.3	18.3	23.2
USD/CNY	**6.71**	6.69	0.2	0.3	5.5	3.8
USD/MXN	**20.13**	19.92	1.0	0.0	-1.9	1.6

Commodities	6/28	6/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**122.7**	121.8	0.7	-2.9	23.7	31.7
Brent (US$/barrel)	**118.0**	115.1	2.5	2.9	51.7	57.8
Dutch TTF Natural Gas (EUR/MWh)	**129.2**	129.5	-0.2	2.9	83.6	285.8
Gold (US$/ounce)	**1820.0**	1822.9	-0.2	-0.7	-0.5	3.3

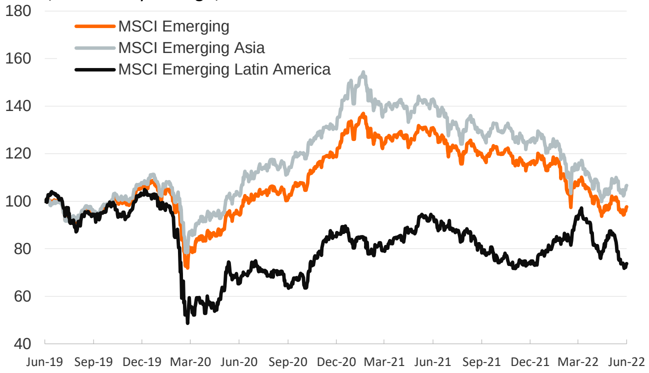
Main advanced stock markets

Index (100=Three years ago)



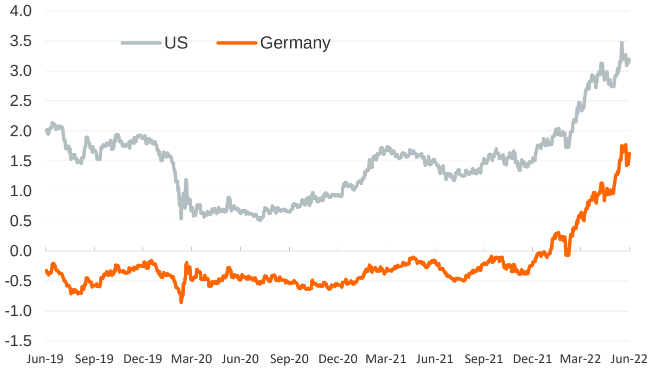
Emerging economies stock markets

Index (100=Three years ago)



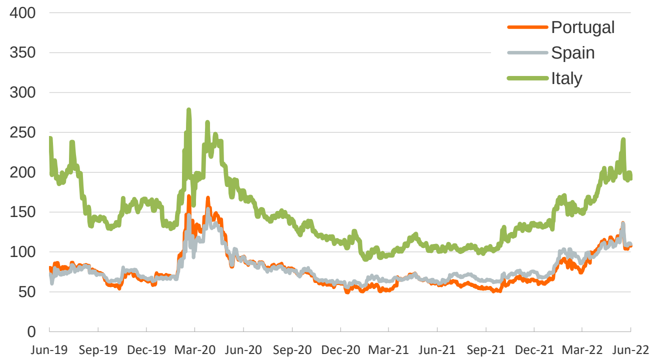
Yield on 10-year public debt: U.S. and Germany

(%)



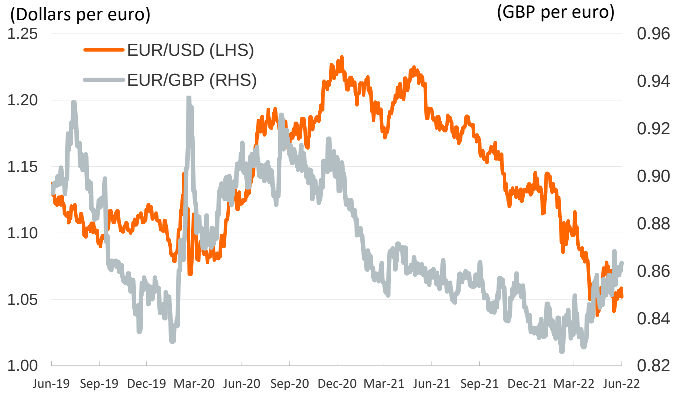
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)