BPI

Financial Markets

Daily Report 9-Sep-2022

- Investors focused yesterday on the ECB Governing Council meeting, where interest rates were raised by 75bp, and US Federal Reserve hawkish comments. Both central banks showed determination to tackle elevated inflation and to bring it back to their 2% target.
- The ECB expects to continue raising interest rates over the next several meetings, front-loading the exit from the very accommodative monetary policy stance and trying to reach the interest rate consistent with the 2% objective as soon as possible. Lagarde said that quantitative tightening was not discussed at the meeting.
- In this context, yields on sovereign bonds rose in Europe, particularly so in the short end of the curve, and stock indices increased, with an overperformance of the financial sector in the euro area. In FX markets, the euro weakened modestly and traded for most part of the afternoon below the parity against the US dollar.

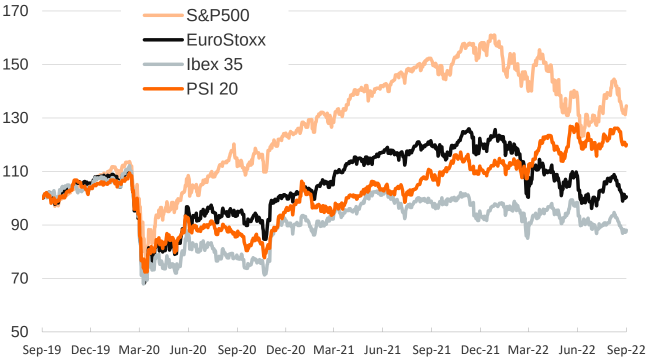
Interest Rates (%)	9/8	9/7	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**1.25**	0.50	75	75	125	125
€STR	**-0.09**	-0.08	-1	0	50	48
Swap €STR (10Y)	**2.25**	2.14	11	12	216	241
3 months (Euribor)	**0.84**	0.82	1	12	141	138
12 months (Euribor)	**1.90**	1.91	-1	5	240	239
Germany - 2-Year Bond	**1.33**	1.11	23	15	195	205
Germany - 10-Year Bond	**1.72**	1.58	14	16	189	208
France - 10-Year Bond	**2.26**	2.15	11	8	206	229
Spain - 10-Year Bond	**2.84**	2.74	10	8	228	254
Portugal - 10-Year Bond	**2.73**	2.63	10	8	227	253
Italy - 10-Year Bond	**3.96**	3.86	11	5	279	330
Risk premium - Spain (10Y)	**112**	116	-4	-8	38	46
Risk premium - Portugal (10Y)	**101**	105	-4	-8	37	45
Risk premium - Italy (10Y)	**225**	228	-3	-11	90	122
US						
Fed - Upper Bound	**2.50**	2.50	0	0	225	225
3 months (Libor)	**3.19**	3.19	0	5	298	308
12 months (Libor)	**4.19**	4.19	0	-2	361	397
2-Year Bond	**3.50**	3.43	7	0	277	329
10-Year Bond	**3.32**	3.26	6	7	181	202

Stock Markets	9/8	9/7	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.21**	3.02	6.3	8.5	33.1	22.6
Ibex 35	**7917**	7856	0.8	1.4	-9.1	-10.0
PSI 20	**5966**	5938	0.5	0.1	7.1	11.7
MIB	**21678**	21489	0.9	1.8	-20.7	-16.3
DAX	**12904**	12916	-0.1	2.2	-18.8	-17.4
CAC 40	**6126**	6106	0.3	1.5	-14.4	-8.4
Eurostoxx50	**3512**	3502	0.3	1.6	-18.3	-15.9
FTSE 100	**7262**	7238	0.3	1.6	-1.7	3.4
S&P 500	**4006**	3980	0.7	1.0	-15.9	-10.8
Nasdaq	**11862**	11792	0.6	0.7	-24.2	-22.2
Nikkei 225	**28065**	27430	2.3	1.5	-2.5	-6.5
MSCI Emerging Index	**957**	957	0.1	-1.9	-22.3	-26.4
MSCI Emerging Asia	**514**	514	0.1	-2.4	-22.9	-26.8
MSCI Emerging Latin America	**2146**	2131	0.7	1.0	0.7	-10.3
Shanghai	**3236**	3246	-0.3	1.6	-11.1	-12.4
VIX Index	**23.61**	24.64	-4.2	-7.6	37.1	25.6

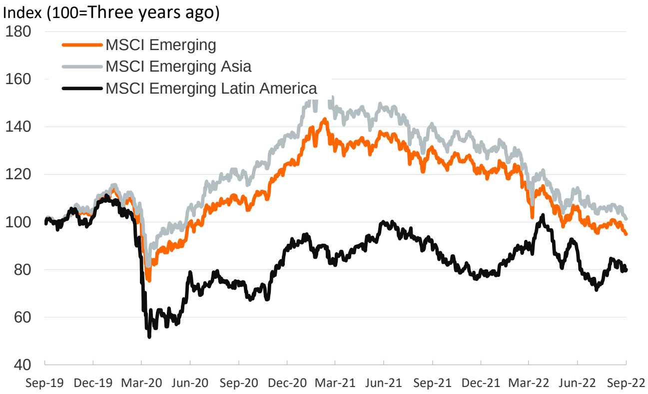
Currencies	9/8	9/7	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.000**	1.001	-0.1	0.5	-12.1	-15.5
EUR/GBP	**0.87**	0.87	0.2	0.9	3.3	1.7
EUR/CHF	**0.97**	0.98	-0.7	-0.6	-6.5	-10.5
USD/JPY	**144.11**	143.74	0.3	2.8	25.2	31.3
USD/CNY	**6.96**	6.97	-0.1	0.7	9.5	7.8
USD/MXN	**19.97**	19.98	-0.1	-1.1	-2.7	0.1

Commodities	9/8	9/7	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**116.2**	115.7	0.4	-2.8	17.1	20.3
Brent (US$/barrel)	**89.2**	88.0	1.3	-3.5	14.6	24.8
Dutch TTF Natural Gas (EUR/MWh)	**220.5**	213.9	3.1	-9.2	213.5	289.8
Gold (US$/ounce)	**1708.5**	1718.4	-0.6	0.6	-6.6	-4.8

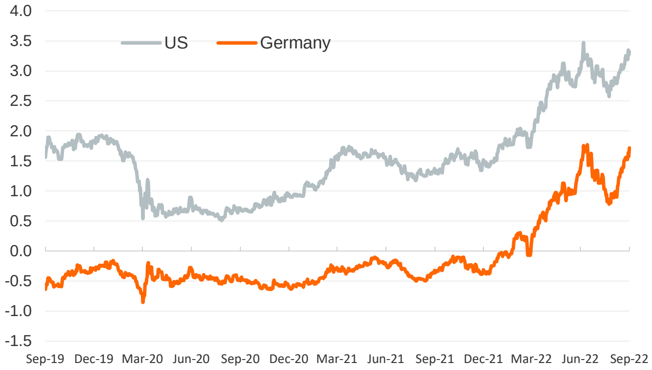
Main advanced stock markets
Index (100=Three years ago)



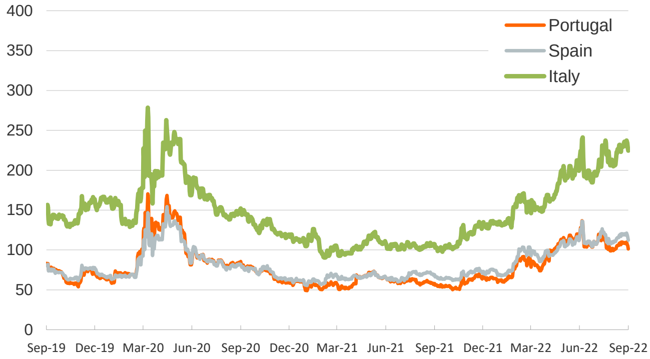
Emerging economies stock markets
Index (100=Three years ago)



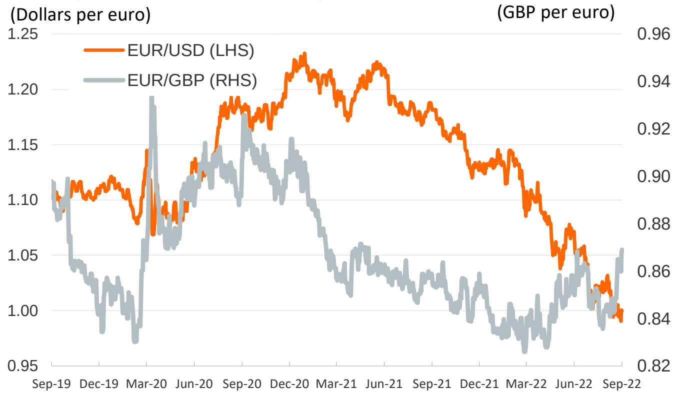
Yield on 10-year public debt: U.S. and Germany
(%)



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)