BPI

Financial Markets

Daily Report 29-Sep-2022

- Financial markets recorded yet another session with high volatility, with the key drivers remaining the direction of monetary policy, the escalation in tensions with Russia and the strength of the USD.
- ECB president Christine Lagarde said policy rates will be raised at the next "several meetings" to reach the neutral level, while other members of the Council (Austria, Finland, and Slovakia) called for a 75 bp rate hike in October.
- The Bank of England announced that it will carry out temporary purchases of long-dated government bonds to ease selling pressure in the bond market, while postponing the start of QT to the end of October.
- Sovereign bond yields edged down across the board after the announcement while stocks recorded a modest rebound. Natural gas prices in Europe rose notably, amid the escalation in tensions with Russia after leaks were reported in the Nord Stream pipelines. Today the key focus will be in the flash HICP inflation in Germany and Spain.

Interest Rates (%)	9/28	9/27	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**1,25**	1,25	0	0	125	125
€STR	**0,66**	0,66	0	0	125	123
Swap €STR (10Y)	**2,80**	2,87	-7	40	270	281
3 months (Euribor)	**1,19**	1,23	-3	8	177	174
12 months (Euribor)	**2,62**	2,63	0	21	312	311
Germany - 2-Year Bond	**1,86**	1,98	-13	10	248	254
Germany - 10-Year Bond	**2,12**	2,23	-11	23	230	233
France - 10-Year Bond	**2,72**	2,83	-12	27	252	258
Spain - 10-Year Bond	**3,30**	3,44	-14	27	274	286
Portugal - 10-Year Bond	**3,19**	3,33	-14	27	273	285
Italy - 10-Year Bond	**4,52**	4,74	-23	39	335	369
Risk premium - Spain (10Y)	**118**	120	-2	4	44	53
Risk premium - Portugal (10Y)	**107**	110	-3	4	43	52
Risk premium - Italy (10Y)	**240**	251	-12	17	105	136
US						
Fed - Upper Bound	**3,25**	3,25	0	0	300	300
3 months (Libor)	**3,64**	3,64	0	4	343	351
12 months (Libor)	**4,85**	4,85	0	17	427	461
2-Year Bond	**4,13**	4,28	-15	8	340	384
10-Year Bond	**3,73**	3,95	-22	20	222	221

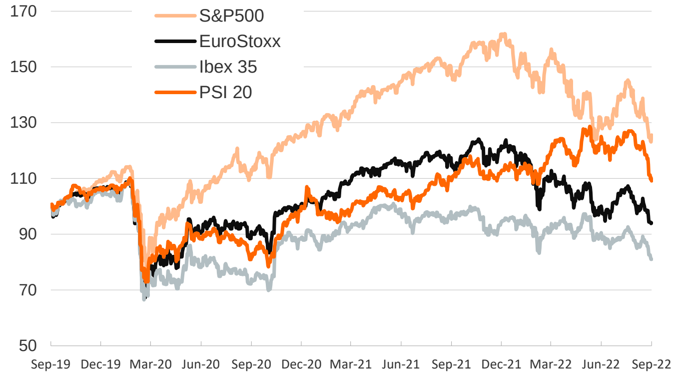
Stock Markets	9/28	9/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3,35**	3,37	-0,7	-4,8	38,8	23,8
Ibex 35	**7442**	7446	0,0	-5,5	-14,6	-16,2
PSI 20	**5385**	5444	-1,1	-6,9	-3,3	-0,6
MIB	**20853**	20961	-0,5	-5,4	-23,7	-19,0
DAX	**12183**	12140	0,4	-4,6	-23,3	-20,7
CAC 40	**5765**	5754	0,2	-4,4	-19,4	-12,1
Eurostoxx50	**3335**	3329	0,2	-4,5	-22,4	-18,3
FTSE 100	**7005**	6985	0,3	-3,2	-5,1	-1,4
S&P 500	**3719**	3647	2,0	-1,9	-22,0	-14,7
Nasdaq	**11052**	10830	2,1	-1,5	-29,4	-23,8
Nikkei 225	**26174**	26572	-1,5	-4,2	-9,1	-11,4
MSCI Emerging Index	**876**	892	-1,8	-6,0	-28,9	-30,0
MSCI Emerging Asia	**466**	477	-2,3	-6,4	-30,1	-30,9
MSCI Emerging Latin America	**2049**	2045	0,2	-6,0	-3,8	-8,3
Shanghai	**3045**	3094	-1,6	-2,3	-16,3	-13,9
VIX Index	**30,18**	32,60	-7,4	7,8	75,3	33,8

Currencies	9/28	9/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**0,974**	0,959	1,5	-1,0	-14,4	-16,1
EUR/GBP	**0,89**	0,89	0,0	2,4	6,2	3,5
EUR/CHF	**0,95**	0,95	-0,2	-0,1	-8,4	-12,3
USD/JPY	**144,16**	144,80	-0,4	0,1	25,3	28,8
USD/CNY	**7,20**	7,18	0,3	2,1	13,3	11,3
USD/MXN	**20,13**	20,38	-1,3	0,5	-2,0	-1,9

Commodities	9/28	9/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**112,8**	110,5	2,1	-3,6	13,7	13,2
Brent (US$/barrel)	**89,3**	86,3	3,5	-0,6	14,8	13,6
Dutch TTF Natural Gas (EUR/MWh)	**207,2**	186,1	11,3	9,2	194,5	139,2
Gold (US$/ounce)	**1660,0**	1628,9	1,9	-0,8	-9,3	-3,8

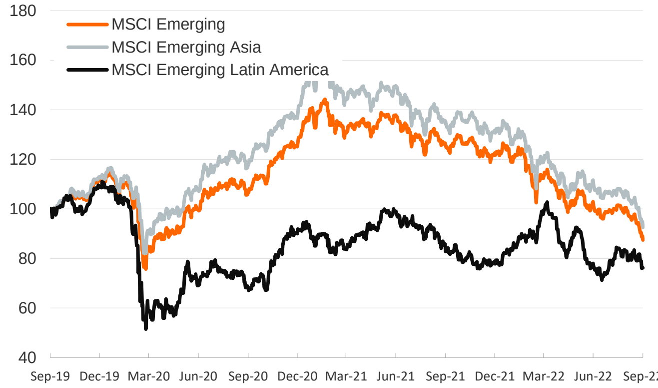
Main advanced stock markets

Index (100=Three years ago)



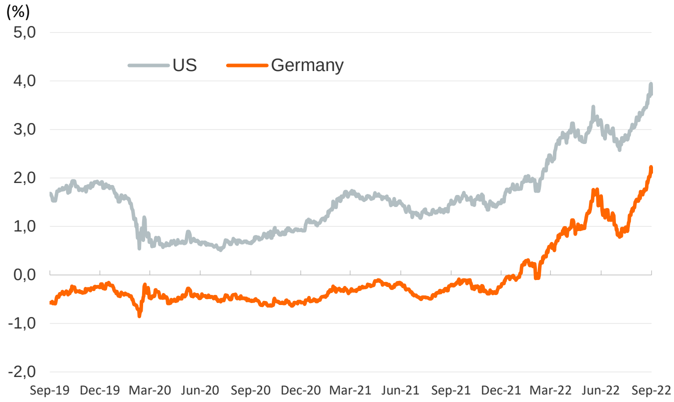
Emerging economies stock markets

Index (100=Three years ago)



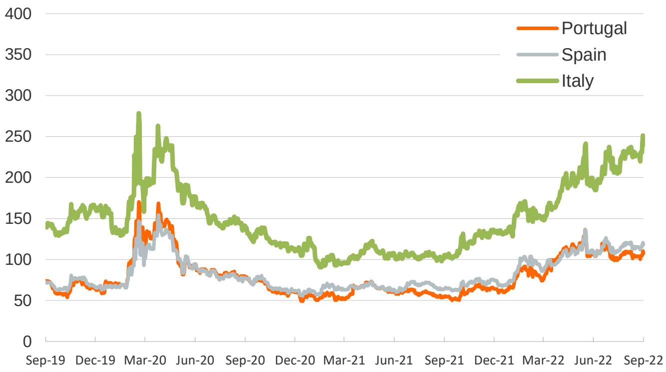
Yield on 10-year public debt: U.S. and Germany

(%)



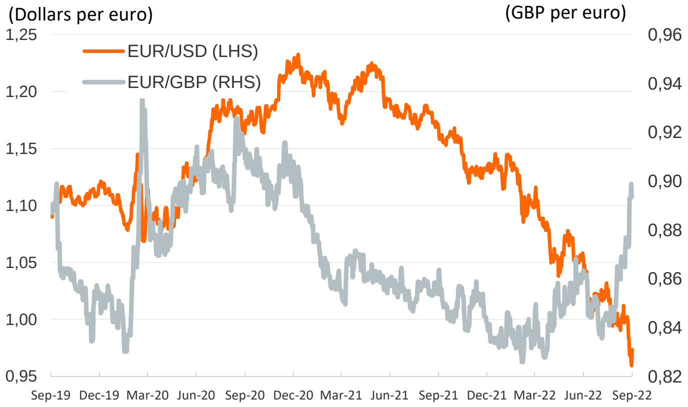
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)