BPI

Financial Markets

Daily Report 29-Nov-2022

- Risk aversion continued to dominate in yesterday's session, with the key themes remaining the COVID situation in China and hawkish comments by central bank officials. In the euro area, both Christine Lagarde and Joachim Nagel said that inflation will remain elevated and might not have peaked yet, justifying a tighter monetary policy stance.
- In the US, several FOMC members pointed at higher interest rates in the coming months. In particular, James Bullard signaled that financial markets might be underestimating the terminal rate (currently below 5.0%) and Lael Brainard said risks around inflation are still tilted to the upside.
- In this context, yields on sovereign bonds rose in the euro area while remaining broadly flat in the US. Stock indices fell across the globe while the USD appreciated against its peers. Commodity prices hovered around recent levels.
- This morning we knew that November Spanish inflation declined from 7.3% to 6.8%, pushing yields further down.

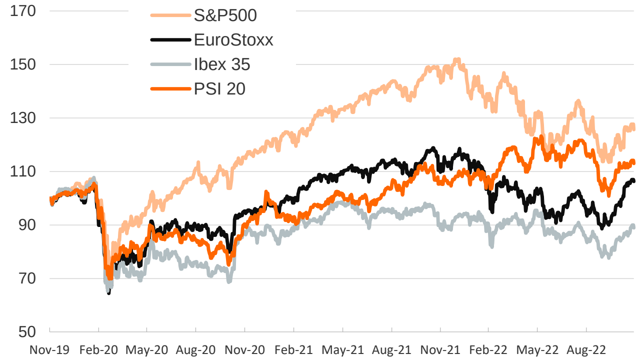
Interest Rates (%)	11/28	11/25	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**2.00**	2.00	0	0	200	200
€STR	**1.40**	1.40	0	0	199	198
Swap €STR (10Y)	**2.45**	2.43	2	-6	235	247
3 months (Euribor)	**1.95**	1.92	3	14	253	252
12 months (Euribor)	**2.89**	2.86	3	6	339	340
Germany - 2-Year Bond	**2.19**	2.20	0	9	281	294
Germany - 10-Year Bond	**1.99**	1.97	2	0	217	231
France - 10-Year Bond	**2.46**	2.43	3	0	227	242
Spain - 10-Year Bond	**2.99**	2.96	4	0	243	257
Portugal - 10-Year Bond	**2.92**	2.89	3	0	246	257
Italy - 10-Year Bond	**3.90**	3.85	6	-3	273	293
Risk premium - Spain (10Y)	**100**	98	2	0	26	26
Risk premium - Portugal (10Y)	**93**	92	1	0	29	26
Risk premium - Italy (10Y)	**191**	187	4	-3	56	62
US						
Fed - Upper Bound	**4.00**	4.00	0	0	375	375
Fed Funds Rate Future (Dec.-23)	**4.69**	4.69	1	-4	333	344
3 months (Libor)	**4.73**	4.73	0	4	452	456
12 months (Libor)	**5.60**	5.60	0	3	502	518
2-Year Bond	**4.44**	4.45	-1	-11	371	396
10-Year Bond	**3.68**	3.68	0	-15	217	218

Stock Markets	11/28	11/25	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.54**	3.58	-1.1	4.6	46.5	54.6
Ibex 35	**8323**	8417	-1.1	1.6	-4.5	-1.6
PSI 20	**5819**	5878	-1.0	0.9	4.5	6.5
MIB	**24441**	24719	-1.1	0.3	-10.6	-6.1
DAX	**14383**	14541	-1.1	0.0	-9.5	-5.9
CAC 40	**6665**	6712	-0.7	0.5	-6.8	-1.6
Eurostoxx50	**3936**	3962	-0.7	0.7	-8.4	-4.2
FTSE 100	**7474**	7487	-0.2	1.3	1.2	5.1
S&P 500	**3964**	4026	-1.5	0.4	-16.8	-14.9
Nasdaq	**11050**	11226	-1.6	0.2	-29.4	-30.0
Nikkei 225	**28163**	28283	-0.4	0.8	-2.2	-0.4
MSCI Emerging Index	**931**	941	-1.1	0.0	-24.5	-23.6
MSCI Emerging Asia	**495**	501	-1.1	0.0	-25.7	-25.3
MSCI Emerging Latin America	**2144**	2160	-0.7	-1.7	0.6	4.8
Shanghai	**3079**	3102	-0.7	-0.2	-15.4	-13.6
VIX Index	**22.21**	20.50	8.3	-0.7	29.0	-3.3

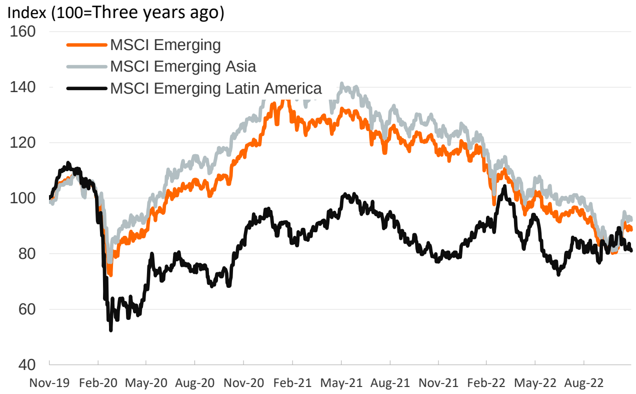
Currencies	11/28	11/25	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.034**	1.040	-0.5	1.0	-9.1	-8.4
EUR/GBP	**0.86**	0.86	0.5	-0.2	2.8	1.9
EUR/CHF	**0.98**	0.98	-0.2	-0.1	-5.4	-5.8
USD/JPY	**138.95**	139.19	-0.2	-2.2	20.7	22.4
USD/CNY	**7.21**	7.17	0.6	0.6	13.4	12.8

Commodities	11/28	11/25	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**114.4**	114.9	-0.5	-0.8	15.4	15.9
Brent (US$/barrel)	**83.2**	83.6	-0.5	-4.9	7.0	13.3
TTF Natural Gas-1M Future (€/MWh)	**123.3**	124.4	-0.9	6.2	75.3	32.4
TTF Natural Gas-Dec.-23 Future (€/MWh)	**131.6**	133.4	-1.4	3.9	280.1	313.3
Gold (US$/ounce)	**1741.4**	1754.9	-0.8	0.2	-4.8	-2.4

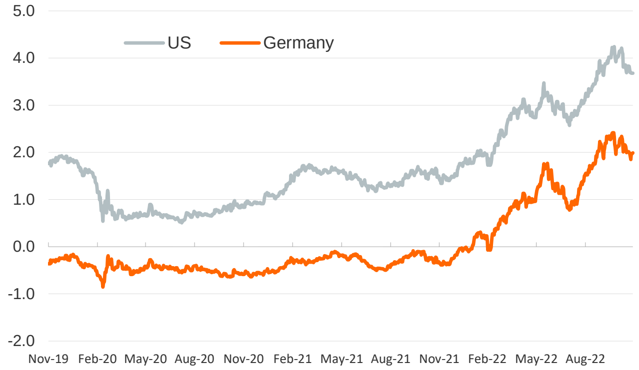
Main advanced stock markets
Index (100=Three years ago)



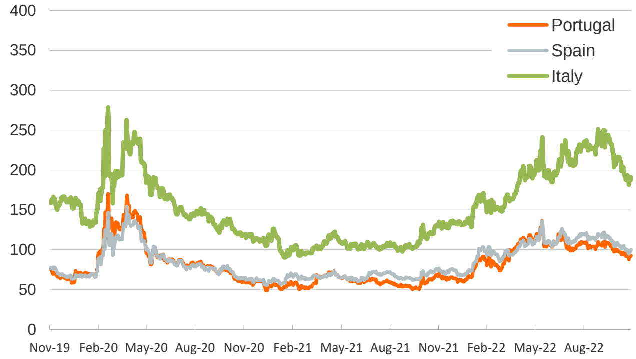
Emerging economies stock markets
Index (100=Three years ago)



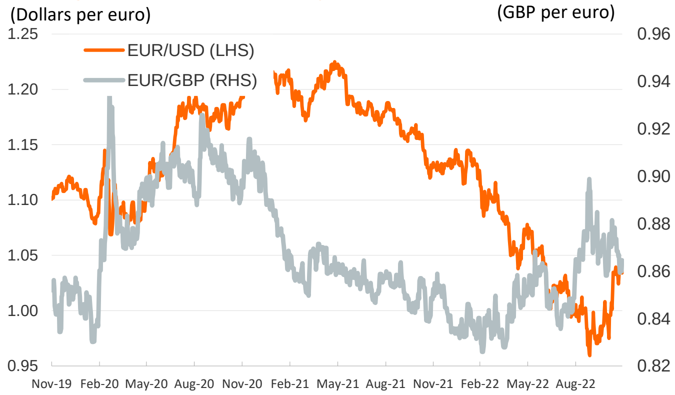
Yield on 10-year public debt: U.S. and Germany
(%)



Risk Premium on 10-year debt: Italy, Spain and Portugal
(basis points)



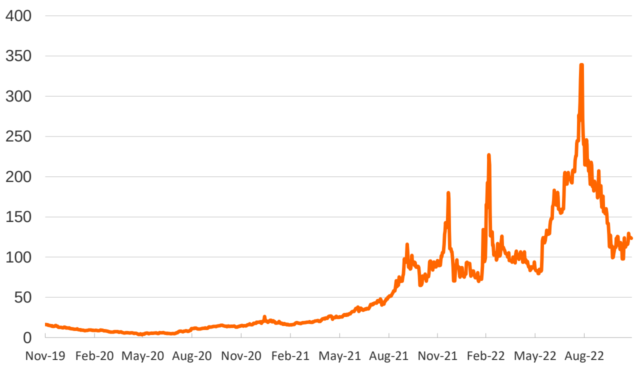
Exchange rate: Advanced-economy currencies
(Dollars per euro) (GBP per euro)



Exchange rate: emerging economies index
(Index (100=Three years ago)

Brent oil price
(US$/barrel)

Dutch TTF Natural gas price
(€/MWh)



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