BPI

Financial Markets

Daily Report 17-Jan-2023

- Financial markets started the week trading with no clear direction, swinging between modest gains and losses across equity markets in Europe and Asia, during a session characterized by low volumes due to a national holiday in the US.
- In the eurozone, ECB Governing Council member Olli Rehn said that a strategy to frontload interest rate hikes to stem inflation would avoid taking even more drastic actions on a later stage, a risk he referred to as a "Volcker shock".
- In commodity markets, natural gas prices in Europe dropped to the lowest level since September 2021, with media reports noting that stockpiles may be nearing full capacity in China. Elsewhere, sovereign bond yields ticked up across Europe while the EUR continued to fluctuate around recent levels.
- This morning, data showed Q4 real GDP rose by 2.9% y/y in China, above expectations. Today, the Bank of Japan also starts its first policy meeting of the year, with policy announcements due to be released tomorrow.

Interest Rates (%)	1/16	1/13	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**2,50**	2,50	0	0	0	250
€STR	**1,90**	1,90	0	0	1	248
Swap €STR (10Y)	**2,46**	2,48	-1	-14	-47	226
3 months (Euribor)	**2,33**	2,33	1	6	20	289
12 months (Euribor)	**3,33**	3,32	2	0	4	380
Germany - 2-Year Bond	**2,57**	2,59	-3	-5	-10	313
Germany - 10-Year Bond	**2,18**	2,17	1	-5	-26	220
France - 10-Year Bond	**2,64**	2,63	1	-9	-32	228
Spain - 10-Year Bond	**3,16**	3,17	0	-11	-36	251
Portugal - 10-Year Bond	**3,08**	3,08	0	-12	-36	250
Italy - 10-Year Bond	**4,01**	4,00	1	-17	-50	272
Risk premium - Spain (10Y)	**99**	100	-1	-6	-9	31
Risk premium - Portugal (10Y)	**90**	91	-1	-7	-10	30
Risk premium - Italy (10Y)	**183**	183	0	-12	-24	52
US						
Fed - Upper Bound	**4,50**	4,50	0	0	0	425
Fed Funds Rate Future (Dec.-23)	**4,56**	4,56	0	5	-9	288
3 months (Libor)	**4,79**	4,79	0	1	2	454
12 months (Libor)	**5,36**	5,36	0	-10	-12	459
2-Year Bond	**4,23**	4,23	0	2	-20	326
10-Year Bond	**3,50**	3,50	0	-3	-37	172

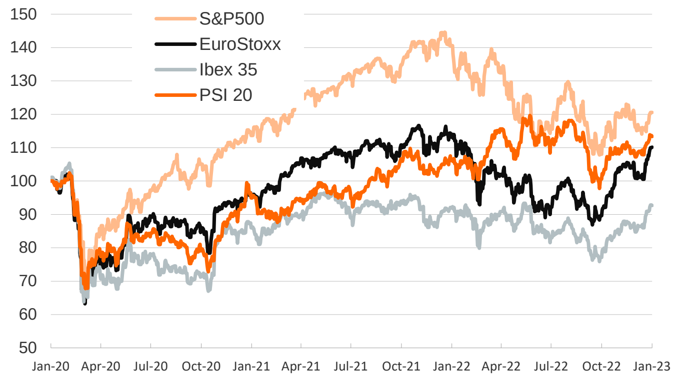
Stock Markets	1/16	1/13	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3,85**	3,91	-1,5	0,4	5,2	32,3
Ibex 35	**8871**	8882	-0,1	2,0	6,6	0,4
PSI 20	**6016**	6032	-0,3	1,5	5,1	6,8
MIB	**25901**	25783	0,5	2,0	9,3	-6,5
DAX	**15134**	15087	0,3	2,3	8,7	-5,0
CAC 40	**7043**	7024	0,3	2,0	8,8	-2,2
Eurostoxx50	**4157**	4151	0,1	2,2	9,6	-3,4
FTSE 100	**7860**	7844	0,2	1,7	5,5	3,3
S&P 500	**3999**	3999	0,0	2,7	4,2	-14,2
Nasdaq	**11079**	11079	0,0	4,2	5,9	-25,6
Nikkei 225	**25822**	26120	-1,1	-0,6	-1,0	-8,9
MSCI Emerging Index	**1031**	1030	0,1	1,7	7,8	-17,8
MSCI Emerging Asia	**558**	557	0,3	1,7	8,6	-17,4
MSCI Emerging Latin America	**2265**	2290	-1,1	3,9	6,4	2,3
Shanghai	**3228**	3195	1,0	1,6	4,5	-8,9
VIX Index	**19,49**	18,35	6,2	-11,3	-10,1	1,6

Currencies	1/16	1/13	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,082**	1,083	-0,1	0,9	1,1	-5,1
EUR/GBP	**0,89**	0,89	0,2	0,8	0,2	6,2
EUR/CHF	**1,00**	1,00	-0,2	1,4	1,3	-3,9
USD/JPY	**128,58**	127,87	0,6	-2,5	-1,9	12,2
USD/CNY	**6,74**	6,70	0,6	-0,5	-2,3	6,1

Commodities	1/16	1/13	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**111,6**	111,6	0,0	2,1	-1,1	7,8
Brent (US$/barrel)	**84,5**	85,3	-1,0	6,0	-1,7	-2,3
TTF Natural Gas-1M Future (€/MWh)	**55,5**	64,8	-14,4	-25,4	-27,3	-28,0
TTF Natural Gas-Dec.-23 Future (€/MWh)	**66,6**	73,9	-9,9	-20,1	-20,9	77,8
Gold (US$/ounce)	**1916,0**	1920,2	-0,2	2,4	5,0	5,3

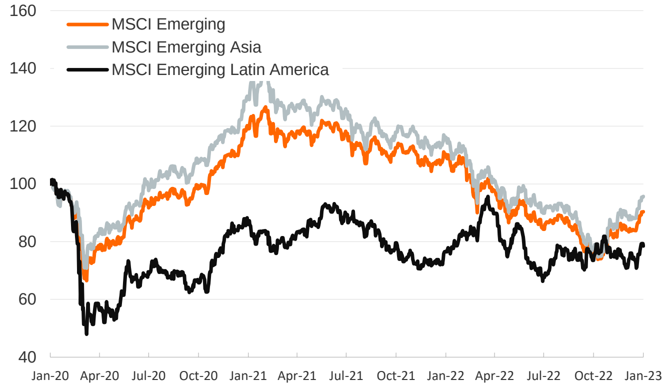
Main advanced stock markets

Index (100=Three years ago)



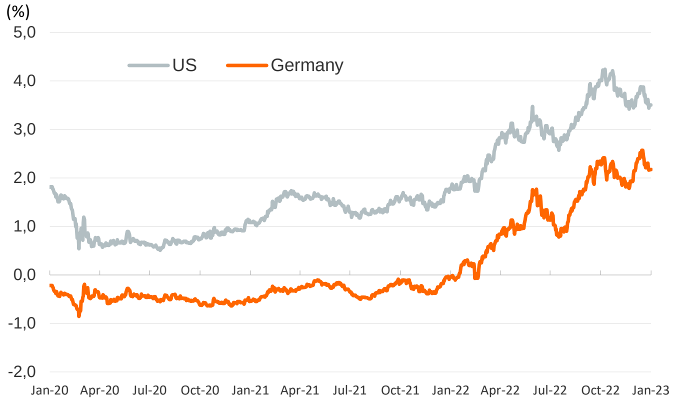
Emerging economies stock markets

Index (100=Three years ago)



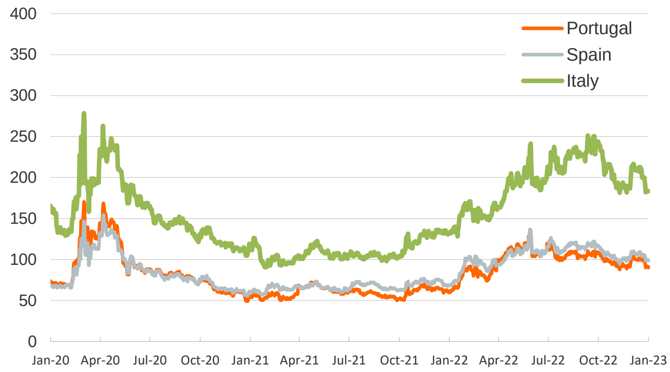
Yield on 10-year public debt: U.S. and Germany

(%)



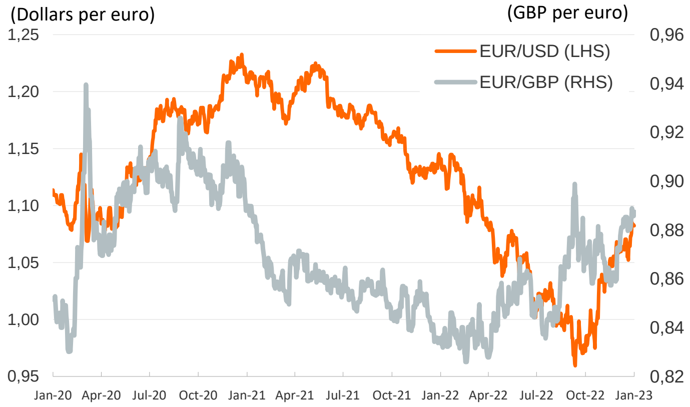
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)