BPI

Financial Markets

Daily Report 18-Jan-2023

- Risk appetite continued to set the tone on Tuesday, as investors shrug off data showing GDP stalled in China in Q4, mixed results from some US banks during the Q4 earnings season and hawkish messages from some ECB officials.
- In particular, in an article in the Financial Times, ECB Chief Economist, Philip Lane, said interest rates will have to move into “restrictive territory” to bring inflation back to target. By contrast, an article by Bloomberg reported that some ECB officials may be considering slowing the pace of rate hikes as soon as March.
- Earlier this morning, the Bank of Japan left unchanged its policy interest rates as well as the parameters of its yield curve control strategy, a move that triggered a depreciation in the Yen relative to peers.
- Elsewhere, sovereign bond yields fell amid reduced concerns among investors about the path of policy interest rates ahead. In addition, equity prices rose modestly across Europe but were mixed in the US, while oil prices ticked up.

Interest Rates (%)	1/17	1/16	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)	**2,38**	2,46	-8	-26	-55	217
3 months (Euribor)	**2,34**	2,33	0	5	20	289
12 months (Euribor)	**3,34**	3,33	1	0	5	381
Germany - 2-Year Bond	**2,46**	2,57	-11	-20	-20	303
Germany - 10-Year Bond	**2,09**	2,18	-8	-22	-35	211
France - 10-Year Bond	**2,54**	2,64	-10	-26	-42	217
Spain - 10-Year Bond	**3,07**	3,16	-10	-27	-45	240
Portugal - 10-Year Bond	**2,98**	3,08	-10	-28	-46	238
Italy - 10-Year Bond	**3,89**	4,01	-12	-33	-62	257
Risk premium - Spain (10Y)	**98**	99	-1	-5	-10	29
Risk premium - Portugal (10Y)	**89**	90	-2	-6	-11	27
Risk premium - Italy (10Y)	**180**	183	-4	-11	-28	46
US						
Fed - Upper Bound	**4,50**	4,50	0	0	0	425
Fed Funds Rate Future (Dec.-23)	**4,50**	4,56	-6	-4	-15	274
3 months (Libor)	**4,79**	4,79	0	-2	2	454
12 months (Libor)	**5,39**	5,39	0	-4	-9	460
2-Year Bond	**4,20**	4,23	-3	-5	-23	316
10-Year Bond	**3,55**	3,50	5	-7	-32	168

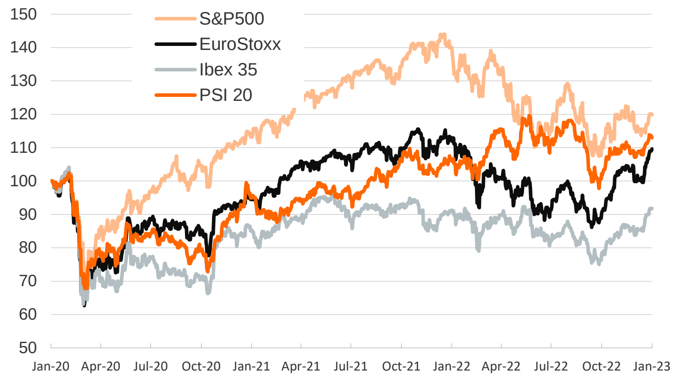
Stock Markets	1/17	1/16	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3,84**	3,85	-0,2	-1,2	5,0	35,8
Ibex 35	**8890**	8871	0,2	2,0	6,9	1,2
PSI 20	**5998**	6016	-0,3	0,8	4,8	6,8
MIB	**25981**	25901	0,3	2,4	9,6	-5,5
DAX	**15187**	15134	0,4	2,8	9,1	-3,7
CAC 40	**7077**	7043	0,5	3,0	9,3	-0,8
Eurostoxx50	**4174**	4157	0,4	2,9	10,0	-2,0
FTSE 100	**7851**	7860	-0,1	2,0	5,4	3,8
S&P 500	**3991**	3999	-0,2	1,8	3,9	-12,8
Nasdaq	**11095**	11079	0,1	3,3	6,0	-23,5
Nikkei 225	**26139**	25822	1,2	-0,1	0,2	-7,5
MSCI Emerging Index	**1027**	1031	-0,3	1,3	7,4	-17,3
MSCI Emerging Asia	**556**	558	-0,4	1,4	8,2	-17,0
MSCI Emerging Latin America	**2286**	2265	0,9	2,9	7,4	3,6
Shanghai	**3224**	3228	-0,1	1,7	4,4	-9,7
VIX Index	**19,36**	19,49	-0,7	-5,9	-10,7	-15,1

Currencies	1/17	1/16	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,079**	1,082	-0,3	0,5	0,8	-4,7
EUR/GBP	**0,88**	0,89	-1,1	-0,6	-0,8	5,4
EUR/CHF	**0,99**	1,00	-0,8	0,4	0,5	-4,3
USD/JPY	**128,12**	128,58	-0,4	-3,1	-2,3	11,8
USD/CNY	**6,77**	6,74	0,5	-0,1	-1,8	6,6

Commodities	1/17	1/16	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**112,0**	111,6	0,4	3,1	-0,7	7,6
Brent (US$/barrel)	**85,9**	84,5	1,7	7,3	0,0	-1,8
TTF Natural Gas-1M Future (€/MWh)	**60,1**	55,5	8,3	-14,3	-21,3	-23,3
TTF Natural Gas-Dec.-23 Future (€/MWh)	**70,4**	66,6	5,6	-11,9	-16,4	87,0
Gold (US$/ounce)	**1908,7**	1916,0	-0,4	1,7	4,6	5,2

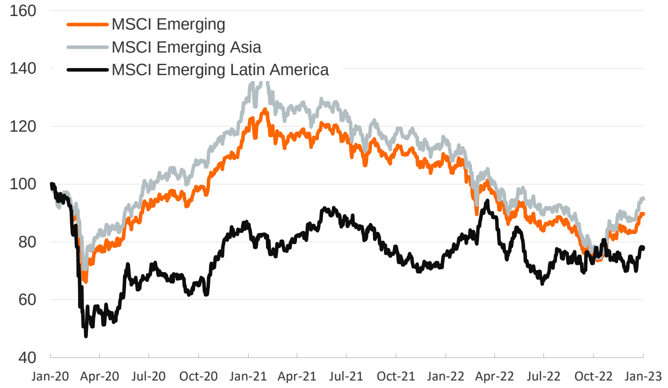
Main advanced stock markets

Index (100=Three years ago)



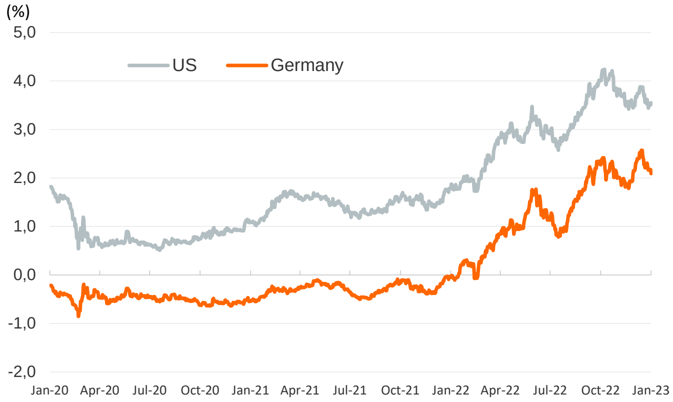
Emerging economies stock markets

Index (100=Three years ago)



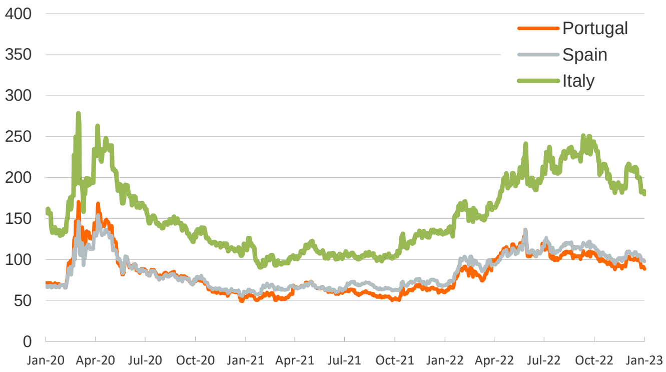
Yield on 10-year public debt: U.S. and Germany

(%)



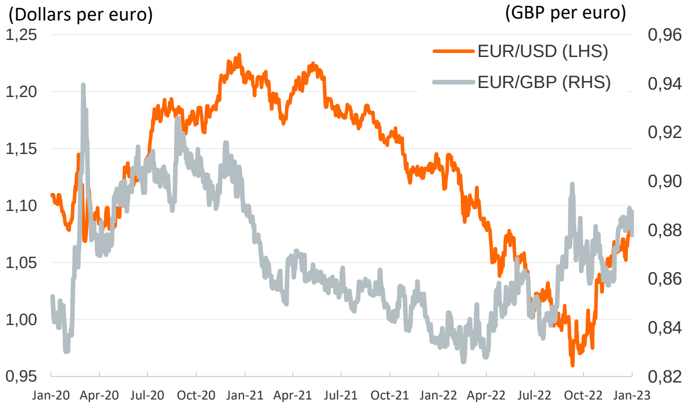
Risk Premium on 10-year debt: Italy, Spain and Portugal

(basis points)



Exchange rate: Advanced-economy currencies

(Dollars per euro)



Exchange rate: emerging economies index

(Index (100=Three years ago)

Brent oil price

(US$/barrel)

Dutch TTF Natural gas price

(€/MWh)