BPI

Financial Markets

Daily Report 23-Feb-2023

- Central bank communication continued to center the stage on Wednesday. The release of the minutes of the last Fed meeting showed that almost all FOMC members favored a 25bp rate hike, while just a few would have opted for keeping the 50bp pace. They noted that, despite remaining elevated, inflationary pressures had begun to moderate.
- In Europe, François Villeroy de Galhau sounded dovish by saying that financial markets could have overreacted, noting that the ECB might not need to raise rates in every meeting up to September and that the depo rate at 2.5% is already restrictive. Christine Lagarde said that for now wage increases are not consistent with a wage price spiral.
- In this context, yields on sovereign bonds edged modestly down and most stock indices declined, except for the US Nasdaq. The euro weakened against the US dollar and fluctuated below $1.07.
- Today the focus will be on the second estimation of the US Q4 GDP and the final January HICP data in the euro area.

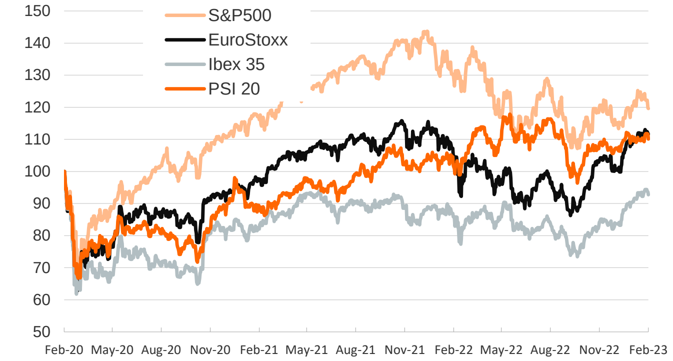
Interest Rates (%)	2/22	2/21	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**3.00**	3.00	0	0	50	300
€STR	**2.40**	2.40	0	-1	51	298
Swap €STR (10Y)	**2.87**	2.87	-1	8	-7	269
3 months (Euribor)	**2.68**	2.68	0	0	55	325
12 months (Euribor)	**3.63**	3.58	5	8	33	411
Germany - 2-Year Bond	**2.92**	2.95	-3	4	26	351
Germany - 10-Year Bond	**2.52**	2.53	-1	4	8	255
France - 10-Year Bond	**3.00**	3.01	-1	6	4	271
Spain - 10-Year Bond	**3.51**	3.52	-1	7	-1	286
Portugal - 10-Year Bond	**3.42**	3.42	-1	6	-2	284
Italy - 10-Year Bond	**4.46**	4.46	0	13	-5	317
Risk premium - Spain (10Y)	**99**	99	-1	2	-10	31
Risk premium - Portugal (10Y)	**90**	89	0	2	-10	28
Risk premium - Italy (10Y)	**194**	193	0	8	-14	62
US						
Fed - Upper Bound	**4.75**	4.75	0	0	25	450
Fed Funds Rate Future (Dec.-23)	**5.24**	5.23	0	13	59	363
3 months (Libor)	**4.93**	4.92	1	5	16	469
12 months (Libor)	**5.62**	5.64	-2	4	14	494
2-Year Bond	**4.69**	4.72	-3	6	26	380
10-Year Bond	**3.92**	3.95	-3	12	5	216

Stock Markets	2/22	2/21	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.92**	4.02	-2.5	-2.2	7.1	45.5
Ibex 35	**9173**	9252	-0.9	-1.3	10.3	5.3
PSI 20	**5930**	6014	-1.4	-0.4	3.6	6.5
MIB	**27102**	27409	-1.1	-1.6	14.3	-0.9
DAX	**15400**	15398	0.0	-0.7	10.6	-2.3
CAC 40	**7299**	7309	-0.1	0.0	12.8	2.6
Eurostoxx50	**4243**	4250	-0.2	-0.9	11.8	0.1
FTSE 100	**7931**	7978	-0.6	-0.8	6.4	6.5
S&P 500	**3991**	3997	-0.2	-3.8	3.9	-14.5
Nasdaq	**11507**	11492	0.1	-4.7	9.9	-23.0
Nikkei 225	**27104**	27473	-1.3	-1.4	3.9	-4.8
MSCI Emerging Index	**982**	995	-1.3	-2.3	2.7	-20.3
MSCI Emerging Asia	**530**	538	-1.4	-2.5	3.2	-20.4
MSCI Emerging Latin America	**2228**	2255	-1.2	-0.6	4.7	7.0
Shanghai	**3291**	3307	-0.5	0.3	6.5	-8.4
VIX Index	**22.29**	22.87	-2.5	22.3	2.9	14.9

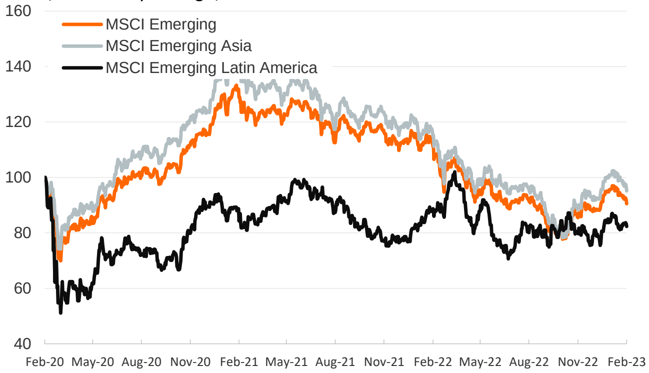
Currencies	2/22	2/21	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.061**	1.065	-0.4	-0.8	-0.9	-6.4
EUR/GBP	**0.88**	0.88	0.1	-0.9	-0.6	5.5
EUR/CHF	**0.99**	0.99	0.0	0.1	-0.2	-6.0
USD/JPY	**134.84**	135.01	-0.1	0.5	2.8	17.0
USD/CNY	**6.89**	6.88	0.2	0.6	-0.1	8.1

Commodities	2/22	2/21	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**106.1**	107.0	-0.9	-1.2	-5.9	5.2
Brent (US$/barrel)	**80.6**	83.1	-3.0	-5.6	-6.2	-0.3
TTF Natural Gas-1M Future (€/MWh)	**50.6**	48.5	4.2	-7.6	-33.7	-40.2
TTF Natural Gas-Dec.-23 Future (€/MWh)	**58.9**	57.9	1.8	-7.5	-30.0	54.0
Gold (US$/ounce)	**1825.4**	1835.1	-0.5	-0.6	0.1	1.3

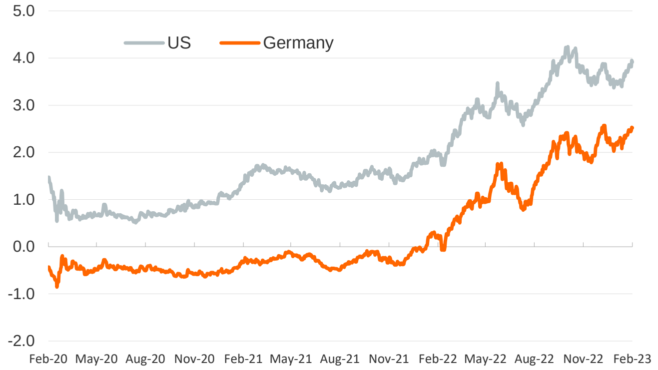
Main advanced stock markets
Index (100=Three years ago)



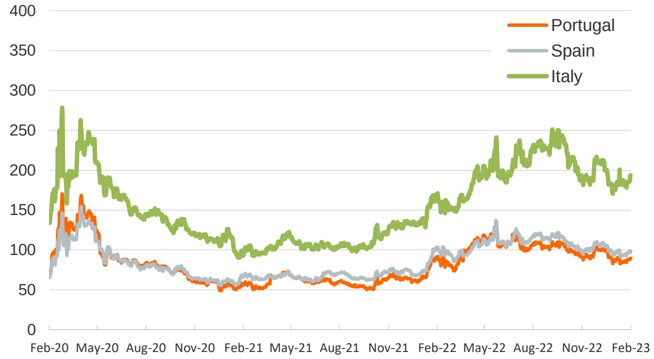
Emerging economies stock markets
Index (100=Three years ago)



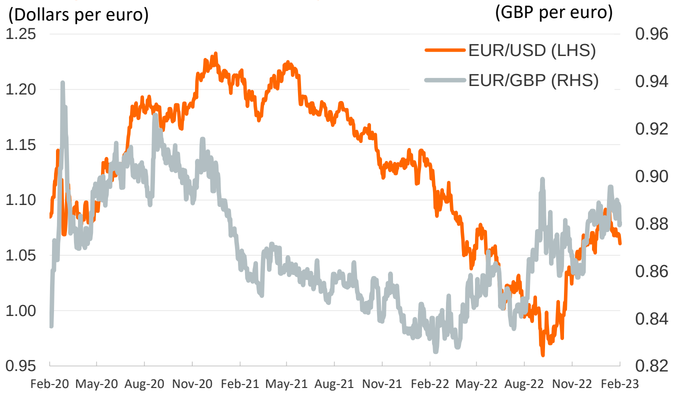
Yield on 10-year public debt: U.S. and Germany
(%)



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)