BPI

Financial Markets

Daily Report 20-Mar-2023

- In the last session of the week, investors' concerns about liquidity shortage in the banking system continued to dominate the scenario and risk-aversion set the tone in financial markets.
- During the weekend, UBS advanced talks to buy Credit Suisse with help from the Swiss National Bank and the Swiss government. Also, six central banks, including the Fed and the ECB, increased the frequency of USD swap lines in order to boost dollar liquidity in the system.
- In this context, yields on sovereign bonds plunged, with the US Treasury and the German Bund fluctuating below 3.5% and 2.15%, respectively. Stock indices declined modestly in the US and Europe while advancing in Asia.
- This week the focus will be on the Federal Reserve meeting (Wednesday), where we expect a 25bp interest rate hike, and on the March flash PMI for the main advanced economies.

Interest Rates (%)	3/17	3/16	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**3.50**	3.50	0	50	100	350
€STR	**2.40**	2.40	0	0	51	298
Swap €STR (10Y)	**2.61**	2.75	-14	-21	-32	187
3 months (Euribor)	**2.75**	2.65	10	-23	62	324
12 months (Euribor)	**3.38**	3.36	2	-57	9	359
Germany - 2-Year Bond	**2.39**	2.61	-22	-71	-27	273
Germany - 10-Year Bond	**2.11**	2.29	-18	-40	-33	174
France - 10-Year Bond	**2.68**	2.83	-15	-33	-28	185
Spain - 10-Year Bond	**3.23**	3.38	-16	-32	-29	191
Portugal - 10-Year Bond	**3.03**	3.21	-18	-35	-40	185
Italy - 10-Year Bond	**4.05**	4.18	-13	-26	-46	216
Risk premium - Spain (10Y)	**112**	109	3	8	4	18
Risk premium - Portugal (10Y)	**93**	92	0	5	-7	12
Risk premium - Italy (10Y)	**194**	189	5	14	-13	42
US						
Fed - Upper Bound	**4.75**	4.75	0	0	25	425
Fed Funds Rate Future (Dec.-23)	**3.88**	4.22	-34	-107	-77	129
3 months (Libor)	**5.00**	4.96	4	-14	23	407
12 months (Libor)	**5.03**	4.83	20	-71	-45	324
2-Year Bond	**3.84**	4.16	-32	-75	-59	190
10-Year Bond	**3.43**	3.58	-15	-27	-44	128

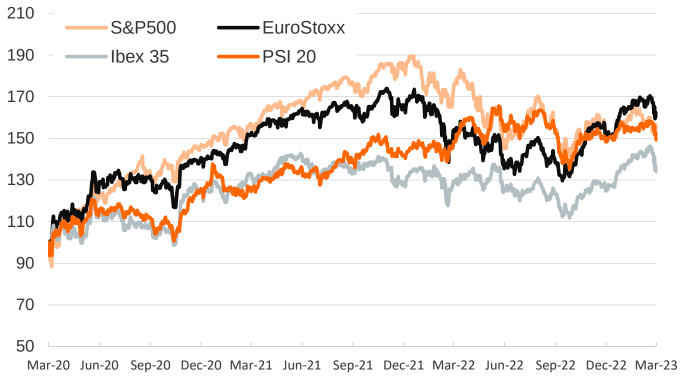
Stock Markets	3/17	3/16	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.51**	3.59	-2.1	-12.1	-4.0	10.1
Ibex 35	**8719**	8890	-1.9	-6.1	4.8	3.6
PSI 20	**5724**	5866	-2.4	-5.0	0.0	0.6
MIB	**25495**	25919	-1.6	-6.6	7.5	5.3
DAX	**14768**	14967	-1.3	-4.3	6.1	2.5
CAC 40	**6925**	7026	-1.4	-4.1	7.0	4.6
Eurostoxx50	**4065**	4117	-1.3	-3.9	7.2	4.2
FTSE 100	**7335**	7410	-1.0	-5.3	-1.6	-0.9
S&P 500	**3917**	3960	-1.1	1.4	2.0	-12.2
Nasdaq	**11631**	11717	-0.7	4.4	11.1	-16.3
Nikkei 225	**27334**	27011	1.2	-2.9	4.7	1.9
MSCI Emerging Index	**952**	941	1.1	-0.4	-0.5	-15.3
MSCI Emerging Asia	**518**	510	1.6	1.0	0.8	-13.9
MSCI Emerging Latin America	**2071**	2102	-1.5	-5.1	-2.7	-17.1
Shanghai	**3251**	3227	0.7	0.6	5.2	0.0
VIX Index	**25.51**	22.99	11.0	2.9	17.7	6.9

Currencies	3/17	3/16	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.067**	1.061	0.6	0.3	-0.3	-3.4
EUR/GBP	**0.88**	0.88	-0.1	-0.9	-1.1	4.4
EUR/CHF	**0.99**	0.99	0.2	0.8	-0.2	-4.1
USD/JPY	**131.85**	133.74	-1.4	-2.4	0.6	10.6
USD/CNY	**6.89**	6.90	-0.2	-0.4	-0.2	8.3

Commodities	3/17	3/16	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**102.6**	102.8	-0.2	-1.9	-9.1	-16.8
Brent (US$/barrel)	**73.0**	74.7	-2.3	-11.9	-15.1	#¡VALOR!
TTF Natural Gas-1M Future (€/MWh)	**42.9**	44.3	-3.3	-18.9	-43.8	#¡VALOR!
TTF Natural Gas-Dec.-23 Future (€/MWh)	**52.4**	53.5	-2.1	-14.2	-37.8	-4.6
Gold (US$/ounce)	**1989.3**	1919.5	3.6	6.5	9.1	3.5

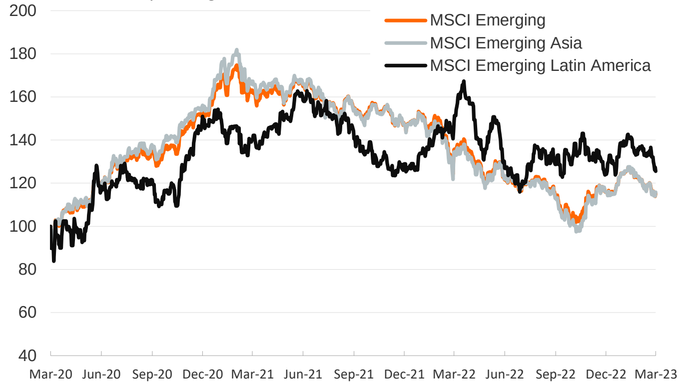
Main advanced stock markets

Index (100=Three years ago)



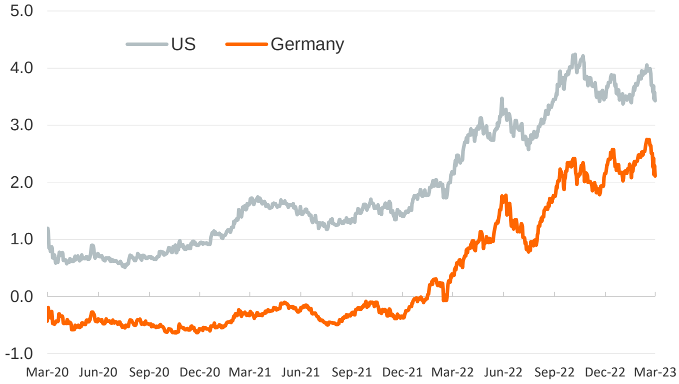
Emerging economies stock markets

Index (100=Three years ago)



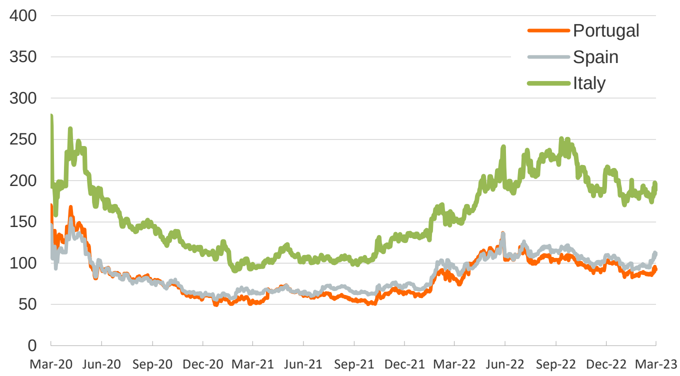
Yield on 10-year public debt: U.S. and Germany

(%)



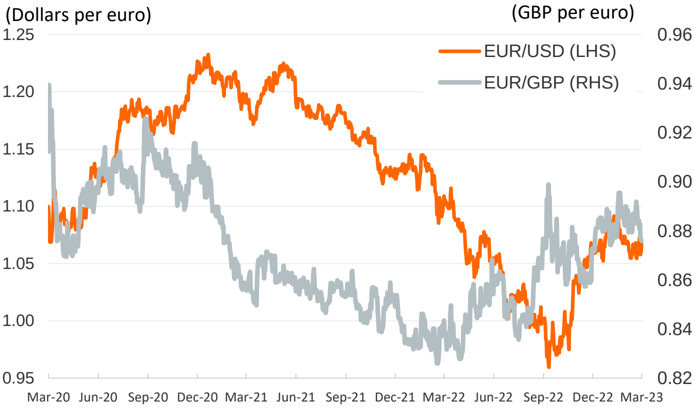
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)