BPI

Financial Markets

Daily Report 29-May-2023

- In the last session of the week, investors traded with an optimistic mood amid steady economic indicators and as the US debt ceiling deal seemed more likely. In fact, on Saturday President Joe Biden and House speaker McCarthy reached a deal to raise the ceiling that will now have to pass Congress.
- Still on the political side, Erdoğan won the second round of the Presidential elections in Turkey (52.2%).
- In this context, yields on sovereign bonds edged up in Europe and in the short end of the US Treasury curve. US longer maturities' yields edged lower. In stock markets, volatility declined and equities rose across the board. Elsewhere, the price of European natural gas fell below 25€/MWh, a level not seen since mid-2021.
- This week the focus will be on euro area May inflation figures (Spain on Tuesday, euro area aggregate on Thursday), the European Commission confidence indicators for May (Tue.) and the US labor market report (Fri.).

Interest Rates (%)	5/26	5/25	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**3.75**	3.75	0	0	125	375
€STR	**3.15**	3.15	0	0	126	373
Swap €STR (10Y)	**2.95**	2.95	1	9	2	152
3 months (Euribor)	**3.46**	3.46	1	5	133	383
12 months (Euribor)	**3.96**	3.94	1	8	66	360
Germany - 2-Year Bond	**2.94**	2.90	4	19	28	259
Germany - 10-Year Bond	**2.54**	2.52	2	11	10	158
France - 10-Year Bond	**3.11**	3.10	1	11	15	163
Spain - 10-Year Bond	**3.61**	3.59	1	13	9	156
Portugal - 10-Year Bond	**3.28**	3.28	0	6	-16	121
Italy - 10-Year Bond	**4.38**	4.39	-1	12	-13	149
Risk premium - Spain (10Y)	**107**	107	0	2	-1	-1
Risk premium - Portugal (10Y)	**74**	76	-2	-5	-26	-37
Risk premium - Italy (10Y)	**185**	187	-3	1	-23	-9
US						
Fed - Upper Bound	**5.25**	5.25	0	0	75	425
Fed Funds Rate Future (Dec.-23)	**5.07**	5.01	6	34	43	227
3 months (Libor)	**5.48**	5.46	2	9	71	388
12 months (Libor)	**5.66**	5.62	4	22	18	296
2-Year Bond	**4.56**	4.53	3	29	13	208
10-Year Bond	**3.80**	3.82	-2	13	-7	106

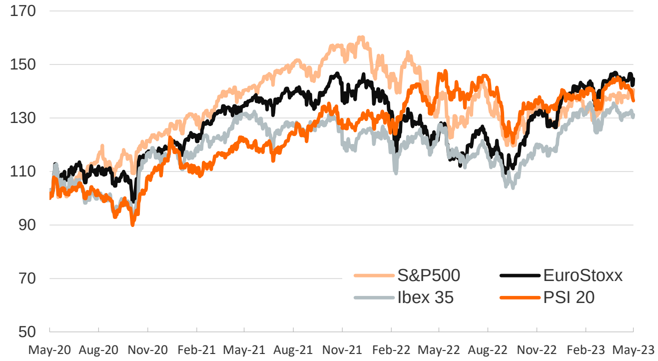
Stock Markets	5/26	5/25	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.56**	3.51	1.6	4.7	-2.6	5.9
Ibex 35	**9191**	9116	0.8	-0.7	10.5	2.9
PSI 20	**5866**	5889	-0.4	-2.9	2.4	-6.0
MIB	**26713**	26408	1.2	-2.9	12.7	8.4
DAX	**15984**	15794	1.2	-1.8	14.8	10.5
CAC 40	**7319**	7229	1.2	-2.3	13.1	12.3
Eurostoxx50	**4338**	4270	1.6	-1.3	14.3	13.9
S&P 500	**4205**	4151	1.3	0.3	9.5	1.1
Nasdaq	**12976**	12698	2.2	2.5	24.0	7.0
Nikkei 225	**30916**	30801	0.4	0.4	18.5	15.4
MSCI Emerging Index	**973**	964	0.9	-0.4	1.7	-6.7
MSCI Emerging Asia	**524**	519	1.0	-0.3	2.0	-5.7
MSCI Emerging Latin America	**2291**	2272	0.9	-0.4	7.6	-7.9
Shanghai	**3213**	3201	0.4	-2.2	4.0	2.6
VIX Index	**17.95**	19.14	-6.2	6.8	-17.2	-30.2

Currencies	5/26	5/25	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.072**	1.073	0.0	-0.8	0.2	-0.1
EUR/GBP	**0.87**	0.87	-0.2	0.1	-1.9	2.2
EUR/CHF	**0.97**	0.97	-0.1	-0.1	-1.9	-5.5
USD/JPY	**140.60**	140.06	0.4	1.9	7.2	10.6
USD/CNY	**7.06**	7.08	-0.2	0.7	2.4	5.4

Commodities	5/26	5/25	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**100.1**	99.3	0.8	-1.0	-11.3	-25.2
Brent (US$/barrel)	**77.0**	76.3	0.9	1.8	-10.4	-29.8
TTF Natural Gas-1M Future (€/MWh)	**24.5**	25.5	-3.7	-18.7	-67.9	-71.1
TTF Natural Gas-Dec.-23 Future (€/MWh)	**44.5**	47.1	-5.6	-13.0	-47.2	-38.6
Gold (US$/ounce)	**1946.5**	1941.4	0.3	-1.6	6.7	5.0

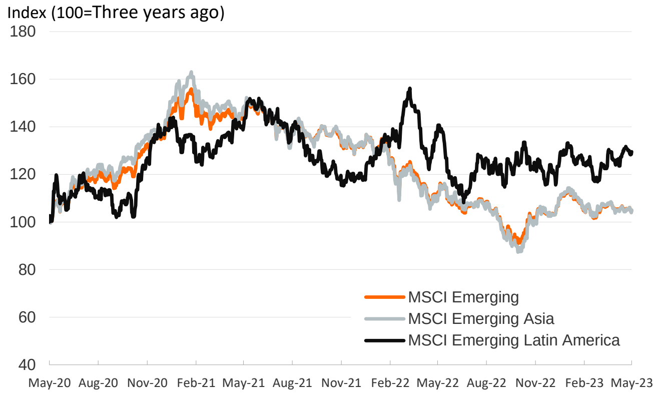
Main advanced stock markets

Index (100=Three years ago)



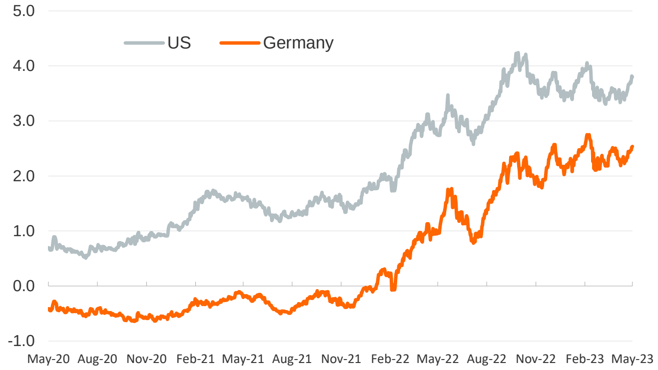
Emerging economies stock markets

Index (100=Three years ago)



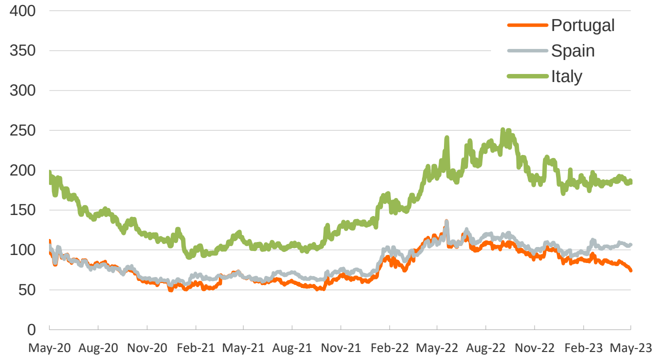
Yield on 10-year public debt: U.S. and Germany

(%)



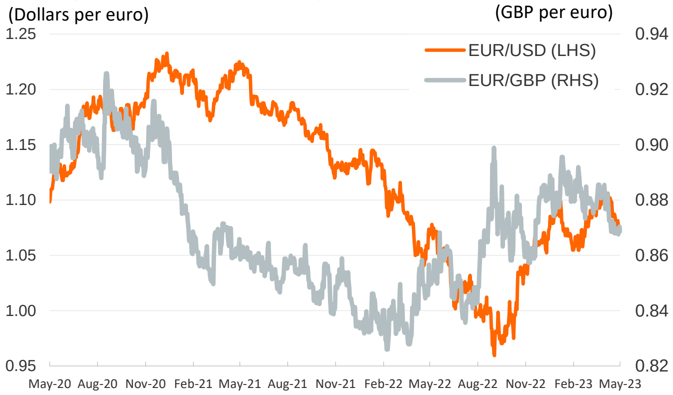
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)