BPI

Financial Markets

Daily Report 18-Sep-2023

- Financial markets ended the week digesting Thursday's ECB rate decision. If investors initially interpreted Lagarde's speech as implying a slightly dovish bias going forward, several ECB officials pushed back against such interpretations on Friday, pushing European sovereign bond yields up, peripheral spreads to widen, and a steepening of the curve.
- US Treasury yields also rose, albeit more modestly, as Friday's data showed a mixed picture for the US manufacturing sector amid falling consumer inflation expectations, which should help reduce on the Fed to raise rates at this week's FOMC meeting. Against this backdrop, stock indices were mixed in Europe and posted losses in the US.
- Elsewhere, the euro took a breather and appreciated against the US dollar, while Brent crude oil price rose slightly to new highs for the year. On the monetary front, the focus this week will be on the FOMC meeting on Wednesday and the BoE and BoJ meetings on Thursday and Friday, respectively.

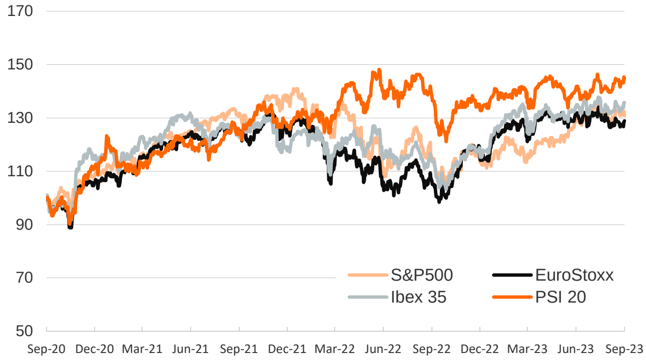
Interest Rates (%)	9/15	9/14	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**4,50**	4,50	0	25	200	325
€STR	**3,65**	3,65	0	0	176	299
Swap €STR (10Y)	**3,02**	2,95	7	5	9	77
3 months (Euribor)	**3,88**	3,87	1	8	175	285
12 months (Euribor)	**4,17**	4,16	1	8	88	195
Germany - 2-Year Bond	**3,22**	3,17	5	13	55	168
Germany - 10-Year Bond	**2,68**	2,59	8	6	24	91
France - 10-Year Bond	**3,22**	3,12	10	8	26	91
Spain - 10-Year Bond	**3,74**	3,64	10	10	23	82
Portugal - 10-Year Bond	**3,42**	3,33	9	8	-2	62
Italy - 10-Year Bond	**4,46**	4,34	12	11	-5	41
Risk premium - Spain (10Y)	**107**	105	2	3	-1	-9
Risk premium - Portugal (10Y)	**75**	74	1	1	-25	-29
Risk premium - Italy (10Y)	**178**	174	4	5	-29	-50
US						
Fed - Upper Bound	**5,50**	5,50	0	0	100	300
Fed Funds Rate Future (Dec.-23)	**5,43**	5,44	-1	-3	78	139
3 months (SOFR)	**5,40**	5,41	-1	-1	81	196
12 months (SOFR)	**5,42**	5,44	-2	0	55	130
2-Year Bond	**5,03**	5,01	2	4	60	117
10-Year Bond	**4,33**	4,29	4	7	46	88

Stock Markets	9/15	9/14	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3,54**	3,60	-1,5	-0,3	-3,1	-2,2
Ibex 35	**9550**	9549	0,0	2,0	14,8	18,1
PSI 20	**6204**	6227	-0,4	1,2	8,3	4,9
MIB	**28895**	28873	0,1	2,3	21,9	29,2
DAX	**15894**	15805	0,6	0,9	14,1	22,7
CAC 40	**7379**	7309	1,0	1,9	14,0	19,8
Eurostoxx50	**4295**	4280	0,4	1,4	13,2	21,3
S&P 500	**4450**	4505	-1,2	-0,2	15,9	14,1
Nasdaq	**13708**	13926	-1,6	-0,4	31,0	18,7
Nikkei 225	**33533**	33168	1,1	2,8	28,5	20,3
MSCI Emerging Index	**985**	982	0,3	1,1	3,0	2,8
MSCI Emerging Asia	**529**	526	0,4	1,1	2,8	2,8
MSCI Emerging Latin America	**2391**	2400	-0,4	3,9	12,3	11,7
Shanghai	**3118**	3127	-0,3	0,0	0,9	-2,6
VIX Index	**13,79**	12,82	7,6	-0,4	-36,4	-47,5

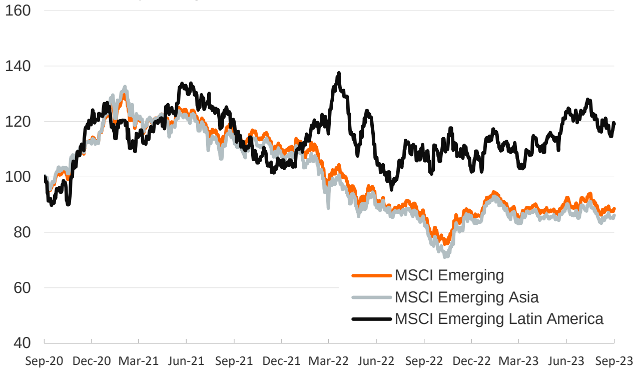
Currencies	9/15	9/14	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,066**	1,064	0,1	-0,4	-0,4	6,6
EUR/GBP	**0,86**	0,86	0,3	0,3	-2,8	-1,3
EUR/CHF	**0,96**	0,95	0,4	0,1	-3,3	-0,5
USD/JPY	**147,85**	147,47	0,3	0,0	12,8	3,0
USD/CNY	**7,28**	7,28	0,0	-0,9	5,5	4,0

Commodities	9/15	9/14	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**107,5**	107,7	-0,2	1,3	-4,7	-8,7
Brent (US$/barrel)	**93,9**	93,7	0,2	3,6	9,3	3,4
TTF Natural Gas-1M Future (€/MWh)	**36,5**	35,5	2,7	5,7	-52,2	-83,0
TTF Natural Gas-Dec.-23 Future (€/MWh)	**50,4**	50,0	0,8	1,5	-40,2	-73,9
Gold (US$/ounce)	**1923,9**	1910,8	0,7	0,3	5,5	15,5

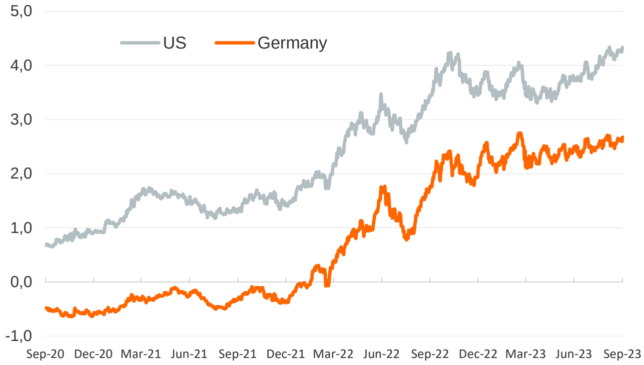
Main advanced stock markets
Index (100=Three years ago)



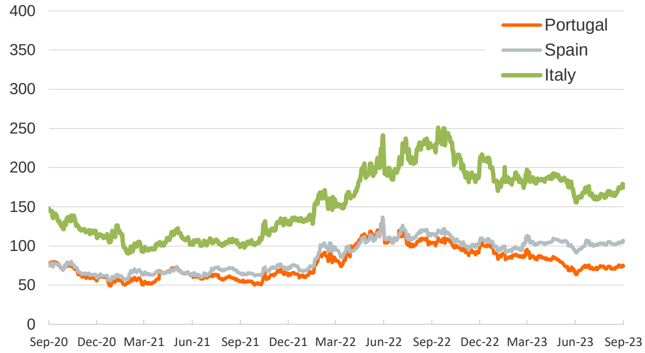
Emerging economies stock markets
Index (100=Three years ago)



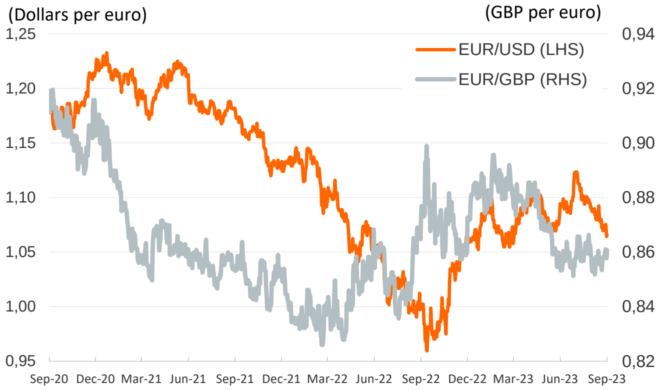
Yield on 10-year public debt: U.S. and Germany
(%)



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)