BPI

Financial Markets

Daily Report 21-Sep-2023

- The Fed delivered a hawkish pause yesterday, leaving interest rates unchanged but acknowledging a strong US economy. The dot-plot projects a tighter policy through 2024 and 2025, consistent with rates higher for longer. US stock indices fell and US Treasury yields rose on the news, with the yield curve flattening, while the USD appreciated.
- Ahead of the FOMC and Powell's speech, the European market saw sovereign bond yields fall and major stock indices rise, boosted by encouraging disinflation signals on the continent from a sharp fall in the German PPI and a strong downward surprise in UK CPI. With regards to the latter, the BoE is due to announce its policy decision today.
- In the commodities market, crude oil fell on the back of the Fed's hawkish stance going forward, which masked supply concerns despite a draw in US inventories. The European natural gas benchmark TTF, for its part, fell on the longer-dates future references, on the news that supply risks in Norway and Australia may be easing.

Interest Rates (%)	9/20	9/19	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	**3.90**	3.65	25	25	201	324
Swap €STR (10Y)	**3.05**	3.08	-3	4	11	66
3 months (Euribor)	**3.93**	3.93	0	9	180	283
12 months (Euribor)	**4.22**	4.22	1	11	93	188
Germany - 2-Year Bond	**3.26**	3.29	-3	9	60	155
Germany - 10-Year Bond	**2.70**	2.74	-4	5	26	78
France - 10-Year Bond	**3.23**	3.28	-4	4	27	76
Spain - 10-Year Bond	**3.75**	3.80	-5	3	23	68
Portugal - 10-Year Bond	**3.43**	3.47	-4	2	-1	47
Italy - 10-Year Bond	**4.45**	4.51	-7	0	-6	26
Risk premium - Spain (10Y)	**105**	106	-1	-2	-3	-10
Risk premium - Portugal (10Y)	**72**	73	-1	-3	-27	-31
Risk premium - Italy (10Y)	**175**	178	-3	-5	-33	-51
US						
Fed - Upper Bound	**5.50**	5.50	0	0	100	300
Fed Funds Rate Future (Dec.-23)	**5.43**	5.43	0	-2	79	132
3 months (SOFR)	**5.40**	5.40	0	-1	81	191
12 months (SOFR)	**5.46**	5.45	1	3	59	125
2-Year Bond	**5.18**	5.09	9	21	75	121
10-Year Bond	**4.41**	4.36	5	16	54	85

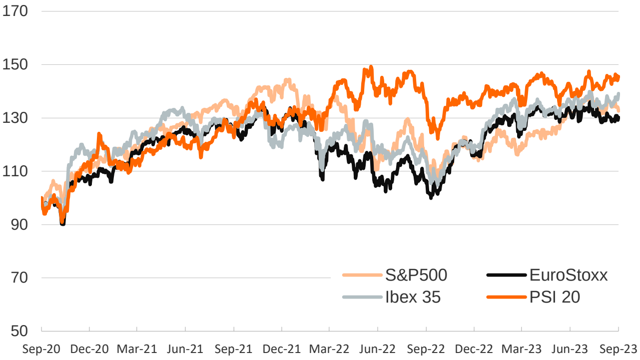
Stock Markets	9/20	9/19	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.61**	3.58	1.0	2.0	-1.2	1.2
Ibex 35	**9646**	9527	1.2	2.4	16.0	22.5
PSI 20	**6188**	6155	0.5	0.9	8.1	7.2
MIB	**29229**	28758	1.6	2.6	23.3	34.2
DAX	**15782**	15664	0.7	0.8	13.3	24.6
CAC 40	**7331**	7282	0.7	1.5	13.2	22.6
Eurostoxx50	**4276**	4243	0.8	1.2	12.7	23.3
S&P 500	**4402**	4444	-0.9	-1.5	14.7	14.2
Nasdaq	**13469**	13678	-1.5	-2.5	28.7	17.9
Nikkei 225	**33024**	33243	-0.7	1.0	26.6	19.3
MSCI Emerging Index	**971**	975	-0.4	-0.4	1.5	2.6
MSCI Emerging Asia	**518**	522	-0.7	-0.7	0.9	2.4
MSCI Emerging Latin America	**2413**	2396	0.7	1.9	13.4	10.0
Shanghai	**3109**	3125	-0.5	-0.5	0.6	-0.4
VIX Index	**15.14**	14.11	7.3	12.3	-30.1	-44.3

Currencies	9/20	9/19	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.066**	1.068	-0.2	-0.6	-0.4	6.9
EUR/GBP	**0.86**	0.86	0.2	0.5	-2.5	-1.4
EUR/CHF	**0.96**	0.96	-0.1	-0.1	-3.2	-0.3
USD/JPY	**148.34**	147.86	0.3	0.6	13.1	3.2
USD/CNY	**7.29**	7.30	-0.2	0.2	5.6	3.8

Commodities	9/20	9/19	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**107.2**	107.5	-0.2	0.3	-4.9	-8.6
Brent (US$/barrel)	**93.5**	94.3	-0.9	1.8	8.9	3.2
TTF Natural Gas-1M Future (€/MWh)	**37.3**	36.8	1.4	1.3	-51.1	-80.8
TTF Natural Gas-Dec.-23 Future (€/MWh)	**48.0**	49.1	-2.4	-6.1	-43.0	-72.7
Gold (US$/ounce)	**1930.3**	1931.4	-0.1	1.2	5.8	15.9

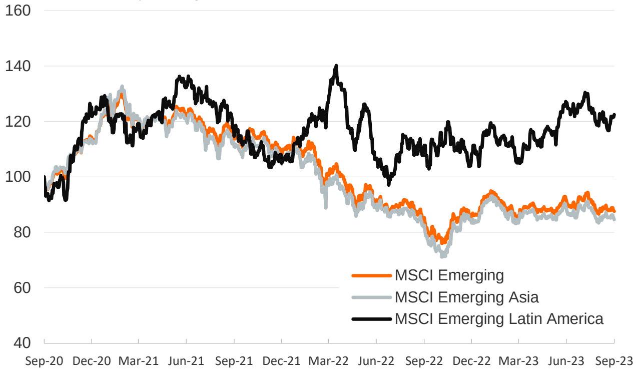
Main advanced stock markets

Index (100=Three years ago)



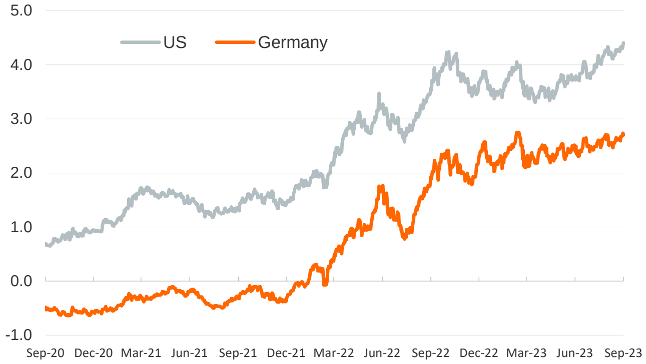
Emerging economies stock markets

Index (100=Three years ago)



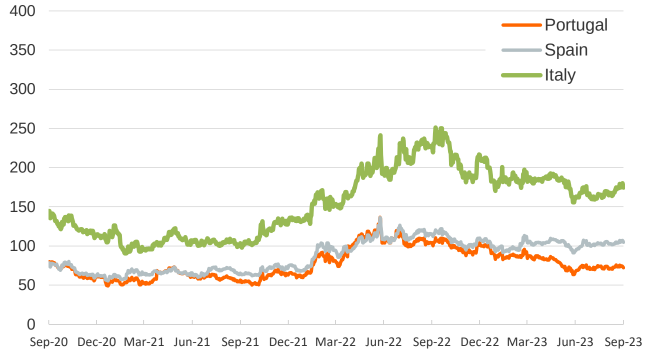
Yield on 10-year public debt: U.S. and Germany

(%)



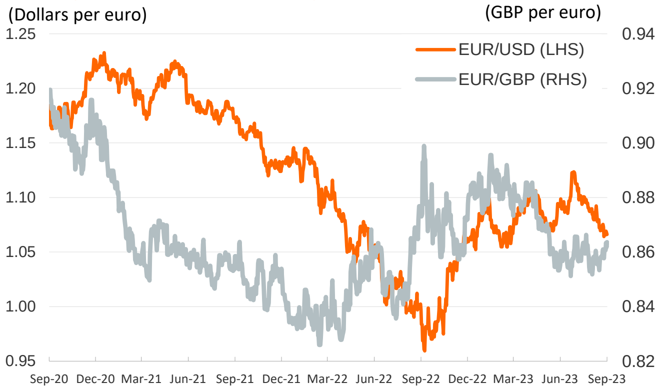
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)