BPI

Financial Markets

Daily Report 28-Nov-2023

- Investors started the week on a downbeat note, with sovereign bond yields falling across the board on both sides of the Atlantic, as expectations grew that major central banks may be done with interest rate hikes. In the Eurozone, however, Lagarde stressed that strong wage growth does not yet allow the ECB to declare victory over inflation.
- On the other hand, sovereign bond yields in Europe were pushed down by the supplementary budget presented by the German government to partially cover the €60bn of funds blocked by the Constitutional Court.
- In the FX market, the dollar fell for the fourth session in a row. Falling US home sales in October, even as prices fell, reinforced expectations that the Fed will not raise rates again, weighing on the USD and boosting Asian currencies.
- Major equity indices registered little losses and, in the commodities markets, the price of the European natural gas benchmark, the Dutch TTF, fell sharply on the back of warm weather and a healthy reserve levels.

Interest Rates (%)	11/27	11/24	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4,50**	4,50	0	0	200	250
€STR	**3,90**	3,90	0	0	201	250
Swap €STR (10Y)	**2,84**	2,92	-8	-3	-10	41
3 months (Euribor)	**3,95**	3,94	2	-1	182	203
12 months (Euribor)	**4,06**	4,06	0	4	77	120
Germany - 2-Year Bond	**3,00**	3,07	-7	-3	34	80
Germany - 10-Year Bond	**2,55**	2,64	-9	-6	11	57
France - 10-Year Bond	**3,11**	3,20	-9	-6	15	67
Spain - 10-Year Bond	**3,54**	3,63	-9	-6	2	58
Portugal - 10-Year Bond	**3,23**	3,31	-8	-3	-21	34
Italy - 10-Year Bond	**4,28**	4,39	-11	-6	-23	44
Risk premium - Spain (10Y)	**99**	99	0	0	-9	1
Risk premium - Portugal (10Y)	**68**	67	1	4	-32	-24
Risk premium - Italy (10Y)	**173**	175	-2	0	-34	-14
US						
Fed - Upper Bound	**5,50**	5,50	0	0	100	150
Fed Funds Rate Future (Dec.-24)	**4,55**	4,59	-4	2	91	88
3 months (SOFR)	**5,39**	5,39	0	2	80	98
12 months (SOFR)	**5,27**	5,26	1	4	40	34
2-Year Bond	**4,89**	4,95	-6	-2	46	44
10-Year Bond	**4,39**	4,47	-8	-3	52	71

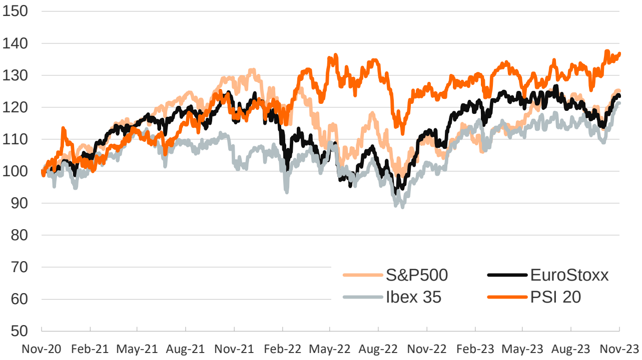
Stock Markets	11/27	11/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**4,16**	4,15	0,0	1,3	13,2	16,2
Ibex 35	**9936**	9939	0,0	1,0	20,7	18,1
PSI 20	**6367**	6335	0,5	0,7	11,2	8,3
MIB	**29342**	29432	-0,3	-0,7	23,8	18,7
DAX	**15966**	16029	-0,4	0,4	14,7	9,8
CAC 40	**7265**	7293	-0,4	0,3	12,2	8,2
Eurostoxx50	**4354**	4372	-0,4	0,3	14,8	9,9
S&P 500	**4550**	4559	-0,2	0,1	18,5	13,0
Nasdaq	**14241**	14251	-0,1	-0,3	36,1	26,9
Nikkei 225	**33448**	33626	-0,5	0,2	28,2	18,3
MSCI Emerging Index	**978**	980	-0,3	-0,8	2,2	3,9
MSCI Emerging Asia	**521**	522	-0,3	-0,7	1,4	4,1
MSCI Emerging Latin America	**2439**	2456	-0,7	-2,0	14,6	12,9
Shanghai	**3032**	3041	-0,3	-1,2	-1,9	-2,3
VIX Index	**12,69**	12,46	1,8	-5,4	-41,4	-38,1

Currencies	11/27	11/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,095**	1,094	0,1	0,1	2,3	5,4
EUR/GBP	**0,87**	0,87	0,0	-0,9	-2,0	0,9
EUR/CHF	**0,96**	0,97	-0,1	-0,4	-2,6	-1,9
USD/JPY	**148,69**	149,44	-0,5	0,2	13,4	6,8
USD/CNY	**7,15**	7,15	0,1	-0,2	3,7	-0,2

Commodities	11/27	11/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**101,0**	101,4	-0,4	-1,7	-10,5	-12,1
Brent (US$/barrel)	**80,0**	80,6	-0,7	-2,8	-6,9	-4,4
TTF Natural Gas-1M Future (€/MWh)	**44,0**	46,7	-5,7	-4,0	-42,4	-64,6
TTF Natural Gas-Dec.-24 Future (€/MWh)	**49,1**	51,0	-3,7	-3,5	-41,4	-63,2
Gold (US$/ounce)	**2014,1**	2000,8	0,7	1,8	10,4	14,8

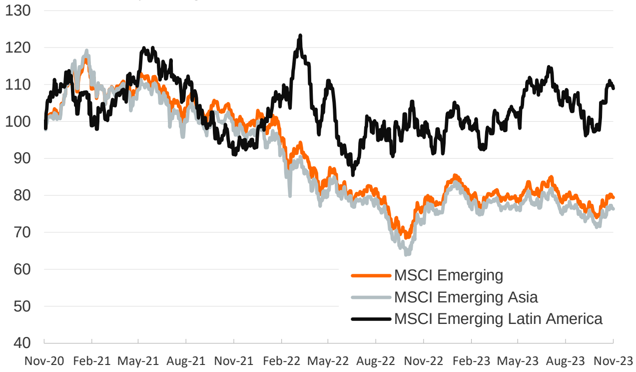
Main advanced stock markets

Index (100=Three years ago)



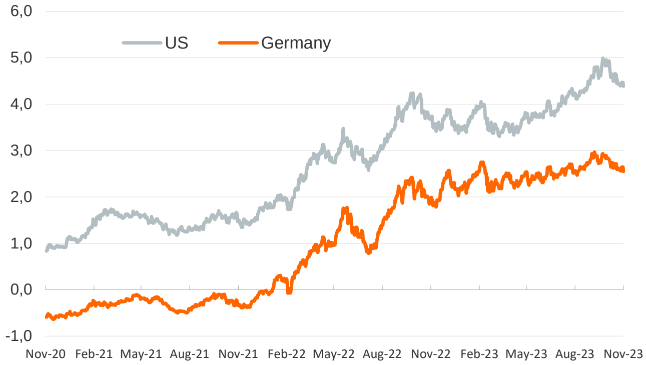
Emerging economies stock markets

Index (100=Three years ago)



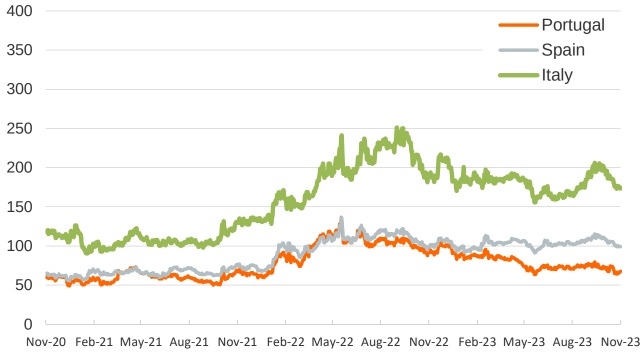
Yield on 10-year public debt: U.S. and Germany

(%)



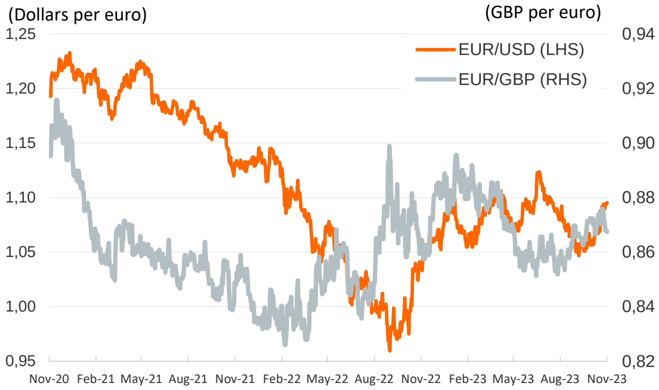
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)