BPI

Financial Markets

Daily Report 7-Dec-2023

- Sovereign bond yields extended their declines following soft economic data which supported market expectations of interest rate cuts next year. US private non-farm payrolls increased 103,000 last month (vs 130k expected), and German factory orders unexpectedly fell 3.7% m/m in October following an upwardly revised 0.7% rise in September.
- In this context, US 10Y treasury yields hit new three-month lows and the 10Y German yield fell to levels not seen since May of this year. Stock markets were mixed, rising in the euro area and edging lower in the US. Asian stocks slightly recovered during the day but are still lower in the week following Moody's negative outlook review of Chinese debt.
- In commodities markets, oil prices fell to their lowest level since July as rising gasoline inventories in the US increased worries about slowing global demand. European natural gas prices continue to trade below €40 Mw/H. The dollar strengthened while the euro weakened to levels below $1.08.

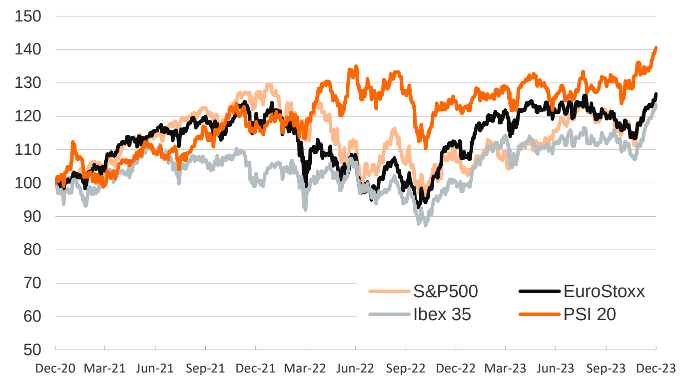
Interest Rates (%)	12/6	12/5	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4,50**	4,50	0	0	200	250
€STR	**3,91**	3,91	0	0	202	250
Swap €STR (10Y)	**2,49**	2,52	-3	-25	-45	21
3 months (Euribor)	**3,95**	3,96	-1	-2	182	196
12 months (Euribor)	**3,73**	3,79	-6	-26	44	86
Germany - 2-Year Bond	**2,62**	2,61	1	-22	-4	56
Germany - 10-Year Bond	**2,20**	2,25	-5	-23	-24	40
France - 10-Year Bond	**2,74**	2,80	-6	-26	-22	49
Spain - 10-Year Bond	**3,20**	3,25	-6	-24	-32	39
Portugal - 10-Year Bond	**2,85**	2,91	-6	-22	-58	14
Italy - 10-Year Bond	**3,93**	3,99	-5	-24	-58	29
Risk premium - Spain (10Y)	**100**	101	-1	-1	-9	-1
Risk premium - Portugal (10Y)	**65**	67	-1	1	-34	-26
Risk premium - Italy (10Y)	**173**	174	-1	-1	-34	-11
US						
Fed - Upper Bound	**5,50**	5,50	0	0	100	150
Fed Funds Rate Future (Dec.-24)	**4,19**	4,12	6	-6	55	100
3 months (SOFR)	**5,38**	5,38	0	0	79	92
12 months (SOFR)	**5,03**	5,05	-2	-18	16	15
2-Year Bond	**4,59**	4,58	1	-6	16	22
10-Year Bond	**4,10**	4,16	-6	-16	23	57

Stock Markets	12/6	12/5	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**4,10**	4,17	-1,7	-2,4	11,5	21,0
Ibex 35	**10258**	10238	0,2	1,9	24,7	23,1
PSI 20	**6610**	6576	0,5	2,6	15,4	12,9
MIB	**30326**	30083	0,8	2,1	27,9	25,0
DAX	**16656**	16533	0,7	3,0	19,6	16,1
CAC 40	**7436**	7387	0,7	2,3	14,9	11,2
Eurostoxx50	**4483**	4453	0,7	2,6	18,2	13,8
S&P 500	**4549**	4567	-0,4	0,0	18,5	15,4
Nasdaq	**14147**	14230	-0,6	-0,8	35,2	28,4
Nikkei 225	**33446**	32776	2,0	0,4	28,2	19,9
MSCI Emerging Index	**975**	972	0,3	-0,8	1,9	0,2
MSCI Emerging Asia	**519**	517	0,3	-1,0	0,9	-1,0
MSCI Emerging Latin America	**2463**	2452	0,5	0,1	15,7	12,7
Shanghai	**2969**	2972	-0,1	-1,7	-3,9	-7,6
VIX Index	**12,97**	12,85	0,9	-0,1	-40,1	-41,5

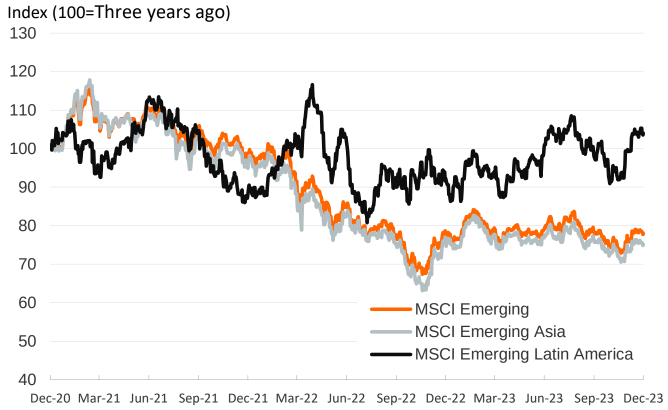
Currencies	12/6	12/5	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,076**	1,080	-0,3	-1,9	0,6	2,8
EUR/GBP	**0,86**	0,86	0,0	-0,8	-3,2	-0,6
EUR/CHF	**0,94**	0,94	-0,3	-1,8	-4,8	-4,5
USD/JPY	**147,31**	147,15	0,1	0,0	12,3	7,5
USD/CNY	**7,16**	7,15	0,2	0,5	3,8	2,4

Commodities	12/6	12/5	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**97,5**	99,6	-2,0	-4,7	-13,5	-11,3
Brent (US$/barrel)	**74,3**	77,2	-3,8	-10,6	-13,5	-6,4
TTF Natural Gas-1M Future (€/MWh)	**39,3**	38,1	3,1	-2,6	-48,5	-71,6
TTF Natural Gas-Dec.-24 Future (€/MWh)	**44,8**	43,7	2,5	-2,9	-46,5	-67,8
Gold (US$/ounce)	**2025,6**	2019,4	0,3	-0,9	11,0	14,4

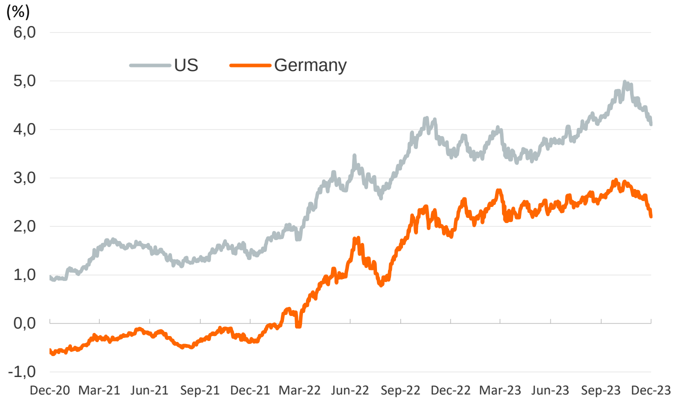
Main advanced stock markets
Index (100=Three years ago)



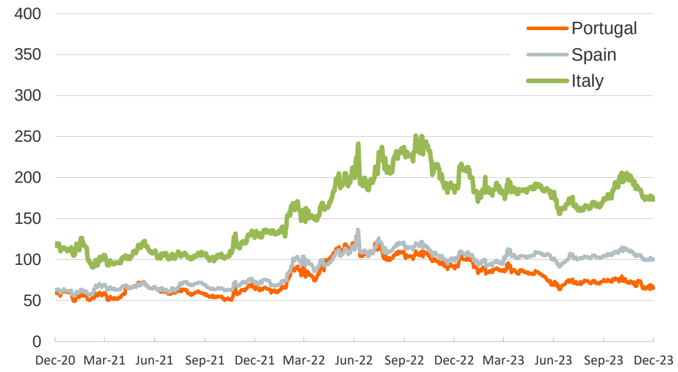
Emerging economies stock markets
Index (100=Three years ago)



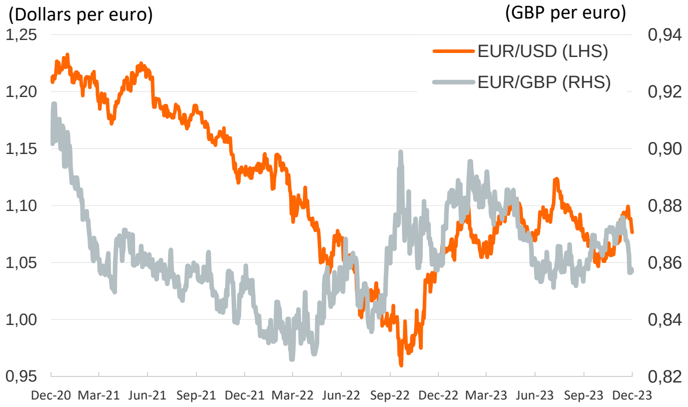
Yield on 10-year public debt: U.S. and Germany
(%)



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)