BPI

Financial Markets

Daily Report 21-Feb-2024

- In yesterday's session investors traded cautiously as they await PMIs for advanced economies to be released on Thursday, the Fed's and ECB's minutes (out today and tomorrow, respectively) and key corporate earnings in the US.
- On the macro front, ECB data showed 4Q euro area wage growth slowed to 4.5% yoy from 4.7% in the previous quarter. The announcement had little impact on market expectations of future ECB interest rate cuts, which continue to price the first cut in the June meeting, assigning only a 45% probability of a cut in the April meeting.
- In this context, sovereign bond yields fell modestly on both sides of the Atlantic, while equities were mixed. Elsewhere, the PBoC, China's central bank, reduced the five-year loan rate by 25bp (from 4.2% to 3.95%) in a new effort from the government to support the hurting property sector. Chinese equities rallied on the news.
- In commodity markets Brent oil prices slid amid concerns of a slowdown in global demand but are still above $82/barrel.

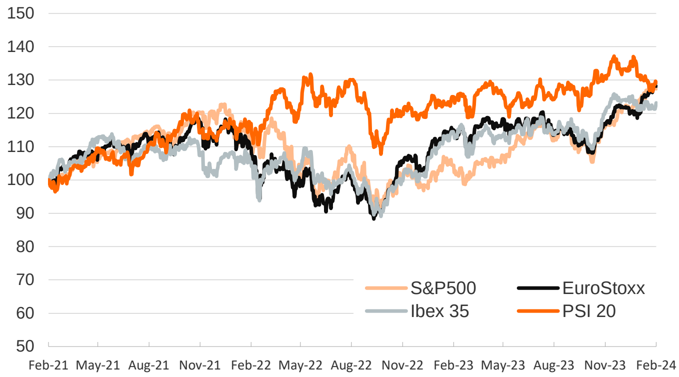
Interest Rates (%)	2/20	2/19	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4,50**	4,50	0	0	0	150
€STR	**3,91**	3,91	0	0	3	151
Swap €STR (10Y)	**2,55**	2,58	-3	-4	26	-24
3 months (Euribor)	**3,94**	3,93	1	4	3	129
12 months (Euribor)	**3,69**	3,67	2	3	17	11
Germany - 2-Year Bond	**2,77**	2,82	-4	1	40	-12
Germany - 10-Year Bond	**2,37**	2,41	-4	-2	43	-9
France - 10-Year Bond	**2,85**	2,88	-4	-4	38	-8
Spain - 10-Year Bond	**3,28**	3,32	-3	-6	38	-15
Portugal - 10-Year Bond	**3,12**	3,15	-3	-8	57	-22
Italy - 10-Year Bond	**3,86**	3,90	-4	-8	26	-47
Risk premium - Spain (10Y)	**91**	91	0	-4	-5	-6
Risk premium - Portugal (10Y)	**75**	74	1	-6	14	-13
Risk premium - Italy (10Y)	**148**	149	0	-6	-17	-38
US						
Fed - Upper Bound	**5,50**	5,50	0	0	0	75
Fed Funds Rate Future (Dec.-24)	**4,51**	4,53	-3	-4	67	152
3 months (SOFR)	**5,33**	5,31	2	2	0	52
12 months (SOFR)	**5,05**	4,98	7	15	28	-14
2-Year Bond	**4,61**	4,64	-3	-5	36	-1
10-Year Bond	**4,28**	4,28	0	-3	40	47

Stock Markets	2/20	2/19	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**4,10**	4,04	1,5	1,9	10,0	0,9
Ibex 35	**10038**	9945	0,9	1,1	-0,6	8,2
PSI 20	**6226**	6246	-0,3	1,5	-2,7	3,4
MIB	**31701**	31676	0,1	1,8	4,4	14,9
DAX	**17068**	17092	-0,1	1,1	1,9	10,3
CAC 40	**7795**	7769	0,3	2,2	3,3	6,3
Eurostoxx50	**4760**	4763	-0,1	1,5	5,3	11,5
S&P 500	**4976**	5006	-0,6	0,5	4,3	22,0
Nasdaq	**15631**	15776	-0,9	-0,2	4,1	32,6
Nikkei 225	**38364**	38470	-0,3	1,1	14,6	39,3
MSCI Emerging Index	**1019**	1016	0,3	2,2	-0,5	1,4
MSCI Emerging Asia	**540**	539	0,2	2,2	-0,5	-0,7
MSCI Emerging Latin America	**2580**	2565	0,6	2,2	-3,1	13,9
Shanghai	**2923**	2911	0,4	2,0	-1,8	-11,2
VIX Index	**15,42**	14,71	4,8	-2,7	23,9	-27,4

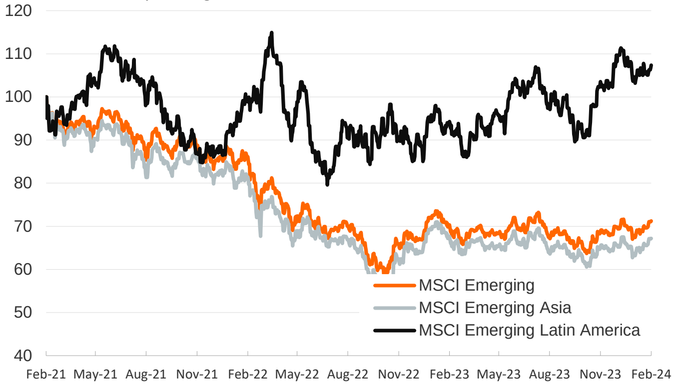
Currencies	2/20	2/19	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,081**	1,078	0,3	0,9	-2,1	1,1
EUR/GBP	**0,86**	0,86	0,1	0,7	-1,2	-3,5
EUR/CHF	**0,95**	0,95	0,2	0,3	2,6	-3,4
USD/JPY	**150,01**	150,13	-0,1	-0,5	6,4	11,7
USD/CNY	**7,19**	7,20	-0,1	0,0	1,3	4,9

Commodities	2/20	2/19	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**95,8**	96,3	-0,4	-0,5	-2,9	-10,0
Brent (US$/barrel)	**82,3**	83,6	-1,5	-0,5	6,9	-2,1
TTF Natural Gas-1M Future (€/MWh)	**24,2**	23,7	2,0	-5,0	-25,3	-51,5
TTF Natural Gas-Dec.-24 Future (€/MWh)	**30,0**	29,2	2,9	-1,6	-21,6	-48,3
Gold (US$/ounce)	**2024,4**	2017,2	0,4	1,6	-1,9	9,9

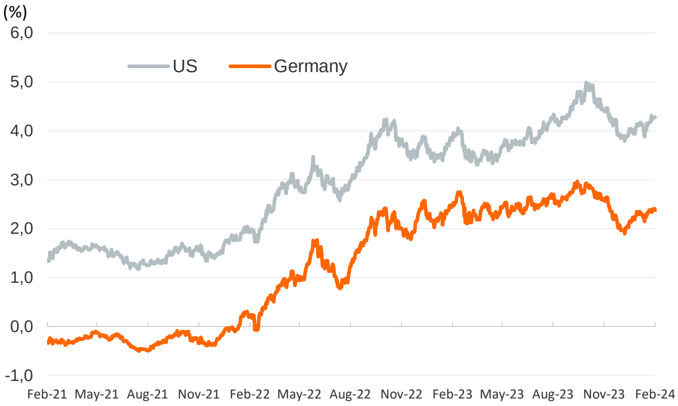
Main advanced stock markets
Index (100=Three years ago)



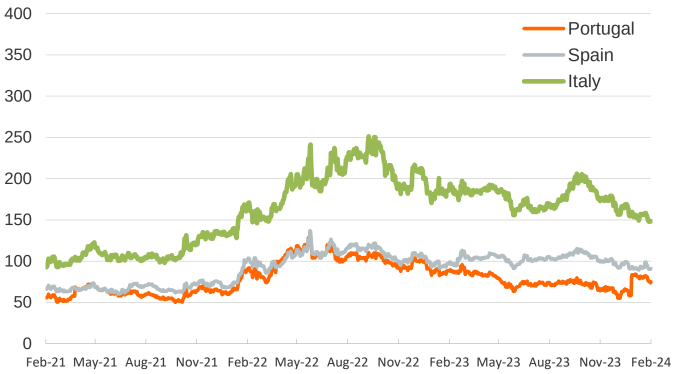
Emerging economies stock markets
Index (100=Three years ago)



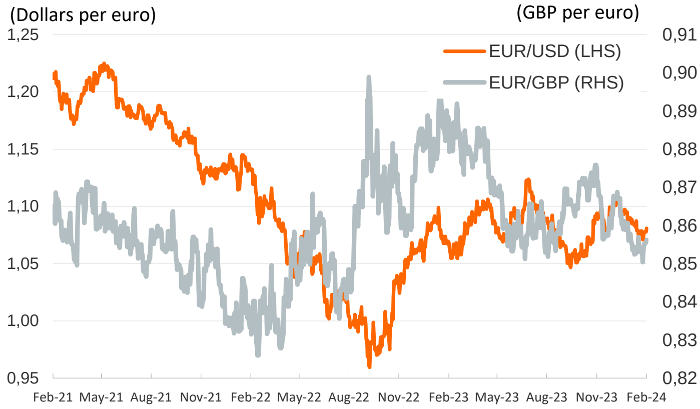
Yield on 10-year public debt: U.S. and Germany
(%)



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)