BPI

Financial Markets

Daily Report 5-Apr-2024

- In yesterday's session, new data supported investors' expectations that interest rate cuts could begin this summer, which sent euro area and US sovereign bond yields down. Specifically, weekly unemployment benefit claims rose in the US, and the minutes from the ECB's March meeting confirmed officials are confident inflation is moving in the right direction.
- At the same time, Powell spoke yesterday and emphasized there is no need to rush to cut rates until there is enough confidence inflation is sustainably reaching the 2% target. Equity markets interpreted the message as hawkish and the main US indices ended the session lower. In the euro area on the contrary, the main indices posted small gains.
- In commodities, the barrel of Brent crossed the $90 mark as geopolitical tensions escalate in the Middle East.
- Today all eyes will be on the US March labor market report, which will give further clues about the next steps the Fed might take. In the euro area, retail sales data for February will also be published.

Interest Rates (%)	4/4	4/3	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	100
€STR	**3.91**	3.91	0	1	3	101
Swap €STR (10Y)	**2.48**	2.51	-2	5	20	-21
3 months (Euribor)	**3.89**	3.86	3	0	-2	84
12 months (Euribor)	**3.66**	3.65	1	-1	15	2
Germany - 2-Year Bond	**2.86**	2.85	1	2	49	26
Germany - 10-Year Bond	**2.36**	2.40	-3	6	42	11
France - 10-Year Bond	**2.86**	2.91	-4	6	39	11
Spain - 10-Year Bond	**3.19**	3.26	-7	3	29	-9
Portugal - 10-Year Bond	**3.04**	3.09	-6	3	48	-7
Italy - 10-Year Bond	**3.74**	3.85	-11	7	15	-37
Risk premium - Spain (10Y)	**83**	86	-3	-4	-13	-20
Risk premium - Portugal (10Y)	**68**	70	-2	-3	7	-18
Risk premium - Italy (10Y)	**138**	146	-8	0	-27	-48
US						
Fed - Upper Bound	**5.50**	5.50	0	0	0	50
Fed Funds Rate Future (Dec.-24)	**4.68**	4.73	-4	-1	85	186
3 months (SOFR)	**5.30**	5.31	-1	0	-3	36
12 months (SOFR)	**5.06**	5.07	-1	6	29	32
2-Year Bond	**4.65**	4.67	-2	3	40	82
10-Year Bond	**4.31**	4.35	-4	11	43	97

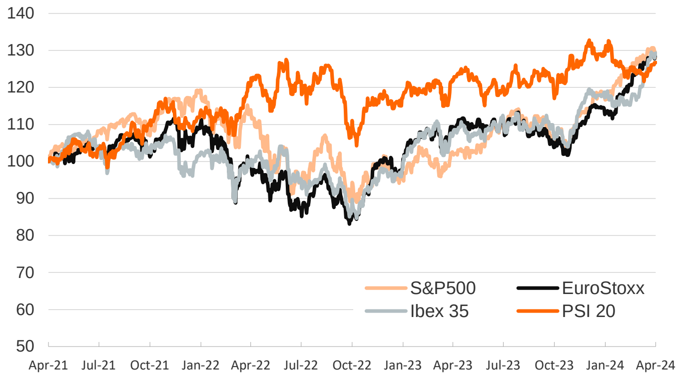
Stock Markets	4/4	4/3	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**4.68**	4.59	2.0	4.2	25.7	30.1
Ibex 35	**11091**	11032	0.5	0.1	9.8	20.8
PSI 20	**6310**	6304	0.1	0.5	-1.4	4.1
MIB	**34455**	34481	-0.1	-0.9	13.5	27.5
DAX	**18403**	18368	0.2	-0.5	9.9	17.9
CAC 40	**8152**	8153	0.0	-0.7	8.1	11.0
Eurostoxx50	**5071**	5069	0.0	-0.2	12.1	17.5
S&P 500	**5147**	5211	-1.2	-2.0	7.9	25.5
Nasdaq	**16049**	16277	-1.4	-2.0	6.9	32.3
Nikkei 225	**39773**	39452	0.8	-1.0	18.9	40.6
MSCI Emerging Index	**1049**	1043	0.5	0.8	2.4	6.2
MSCI Emerging Asia	**561**	559	0.3	0.7	3.4	5.2
MSCI Emerging Latin America	**2542**	2514	1.1	0.3	-4.5	16.2
Shanghai	**3069**	3069	0.0	1.9	3.2	-7.3
VIX Index	**16.35**	14.33	14.1	25.7	31.3	-13.9

Currencies	4/4	4/3	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.084**	1.084	0.0	0.4	-1.8	-1.1
EUR/GBP	**0.86**	0.86	0.1	0.3	-1.1	-2.2
EUR/CHF	**0.98**	0.98	-0.2	0.4	5.2	-1.6
USD/JPY	**151.34**	151.70	-0.2	0.0	7.3	14.9
USD/CNY	**7.23**	7.23	0.0	0.1	1.9	5.1

Commodities	4/4	4/3	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**102.3**	101.9	0.3	2.8	3.7	-4.0
Brent (US$/barrel)	**90.7**	89.4	1.5	3.6	17.7	6.7
TTF Natural Gas-1M Future (€/MWh)	**26.2**	25.6	2.5	-4.1	-19.0	-43.7
TTF Natural Gas-Dec.-24 Future (€/MWh)	**29.7**	29.3	1.6	-1.8	-22.3	-47.5
Gold (US$/ounce)	**2290.9**	2300.0	-0.4	2.7	11.1	13.4

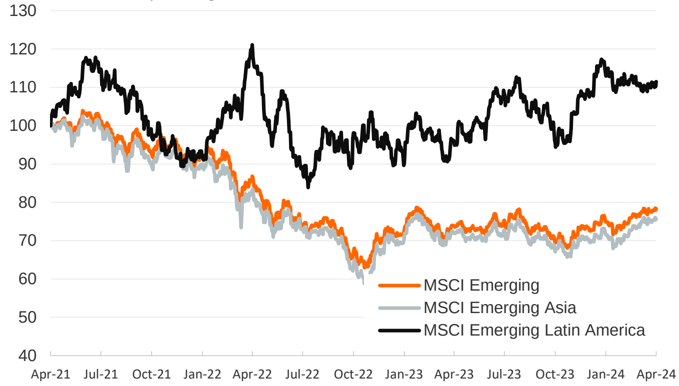
Main advanced stock markets

Index (100=Three years ago)



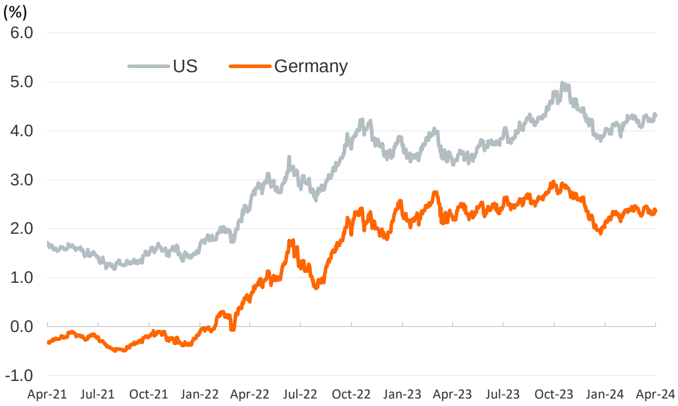
Emerging economies stock markets

Index (100=Three years ago)



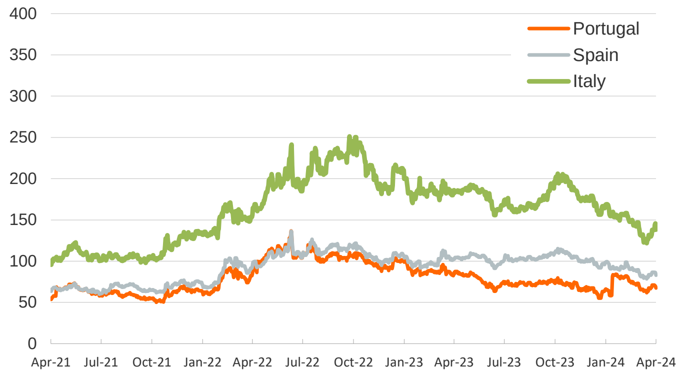
Yield on 10-year public debt: U.S. and Germany

(%)



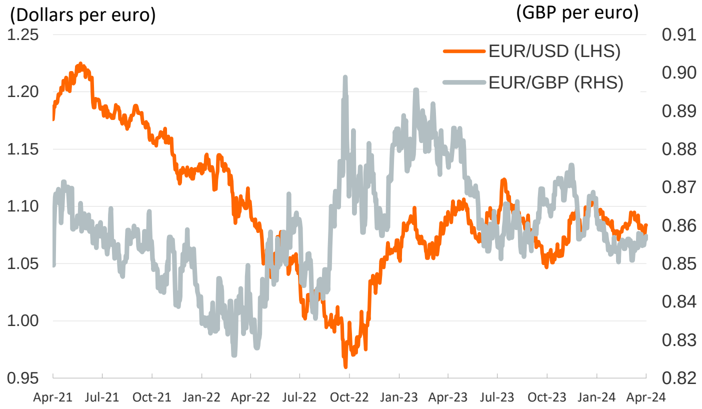
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)