BPI

Financial Markets

Daily Report 4-Jul-2024

- Investors' risk appetite increased on Wednesday as the ADP jobs report for June surprised to the downside and the ISM services report came in below expectations at 48.8. Separately, the release of the latest FOMC minutes showed that Fed officials acknowledged a slight slowdown in the economy as well as easing price pressures.
- In this context, investor expectations for US interest rate cuts increased. In the US markets, Treasury yields fell and equity indices rose, once again boosted by mega-cap technology companies, which are expected to benefit the most from lower interest rates.
- In the eurozone, government bond yields also fell and peripheral spreads tightened as the June PMI showed a slowdown in growth, and rival parties showed some coordination to prevent the RN from gaining a majority in the second round of the French elections. Major equity indices also posted gains, while in the FX market the euro strengthened against its peers.

Interest Rates (%)	7/3	7/2	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4,25**	4,25	0	0	-25	25
€STR	**3,66**	3,66	0	0	-22	26
Swap €STR (10Y)	**2,68**	2,74	-6	3	39	-16
3 months (Euribor)	**3,71**	3,71	-1	-2	-20	11
12 months (Euribor)	**3,60**	3,59	1	2	8	-55
Germany - 2-Year Bond	**2,92**	2,91	1	9	54	-34
Germany - 10-Year Bond	**2,59**	2,60	-2	13	64	15
France - 10-Year Bond	**3,25**	3,32	-7	2	78	27
Spain - 10-Year Bond	**3,38**	3,44	-6	4	47	-6
Portugal - 10-Year Bond	**3,20**	3,27	-6	0	65	1
Italy - 10-Year Bond	**3,98**	4,05	-7	-1	39	-15
Risk premium - France (10Y)	**67**	71	-5	-11	14	13
Risk premium - Spain (10Y)	**79**	84	-5	-9	-17	-21
Risk premium - Portugal (10Y)	**62**	66	-4	-13	1	-13
Risk premium - Italy (10Y)	**140**	145	-5	-14	-25	-30
US						
Fed - Upper Bound	**5,50**	5,50	0	0	0	25
Fed Funds Rate Future (Dec.-24)	**4,96**	4,98	-2	-4	112	109
3 months (SOFR)	**5,31**	5,32	-1	-2	-2	4
12 months (SOFR)	**5,02**	5,05	-3	-2	25	-35
2-Year Bond	**4,71**	4,74	-3	-4	46	-23
10-Year Bond	**4,36**	4,43	-7	3	48	51

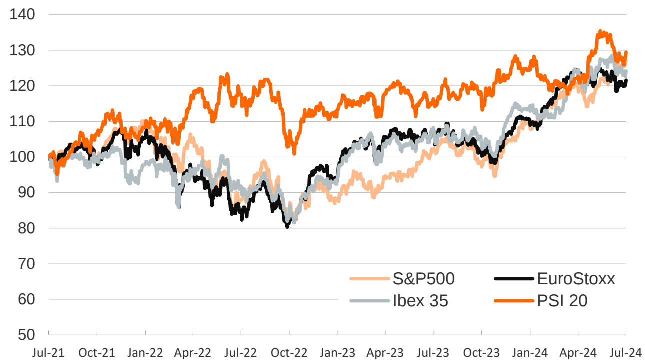
Stock Markets	7/3	7/2	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**5,01**	4,99	0,3	1,1	34,4	31,0
Ibex 35	**11057**	10913	1,3	0,2	9,5	14,6
PSI 20	**6665**	6590	1,1	1,8	4,2	11,3
MIB	**33845**	33481	1,1	0,9	11,5	19,0
DAX	**18375**	18164	1,2	1,2	9,7	14,3
CAC 40	**7632**	7538	1,2	0,3	1,2	3,3
Eurostoxx50	**4966**	4906	1,2	1,0	9,8	12,9
S&P 500	**5537**	5509	0,5	1,1	16,1	24,3
Nasdaq	**18188**	18029	0,9	2,2	21,2	31,6
Nikkei 225	**40581**	40075	1,3	2,3	21,3	20,2
MSCI Emerging Index	**1092**	1080	1,2	0,6	6,7	8,7
MSCI Emerging Asia	**600**	594	1,0	0,4	10,6	11,6
MSCI Emerging Latin America	**2208**	2159	2,3	1,2	-17,1	-11,3
Shanghai	**2982**	2997	-0,5	0,3	0,3	-8,1
VIX Index	**12,09**	12,03	0,5	-3,7	-2,9	-10,9

Currencies	7/3	7/2	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,079**	1,075	0,4	1,0	-2,3	-1,2
EUR/GBP	**0,85**	0,85	-0,1	0,1	-2,3	-1,5
EUR/CHF	**0,97**	0,97	0,1	1,5	4,7	-0,6
USD/JPY	**161,69**	161,44	0,2	0,5	14,6	11,8
USD/CNY	**7,27**	7,27	0,0	0,0	2,4	0,3

Commodities	7/3	7/2	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**102,2**	101,2	0,9	1,1	3,6	0,9
Brent (US$/barrel)	**87,3**	86,2	1,3	2,5	13,4	17,0
TTF Natural Gas-1M Future (€/MWh)	**32,7**	33,7	-3,0	-3,3	1,1	-3,6
TTF Natural Gas-Dec.-24 Future (€/MWh)	**36,6**	37,0	-1,1	2,1	-4,4	-25,7
Gold (US$/ounce)	**2356,2**	2329,5	1,1	2,5	14,2	22,6

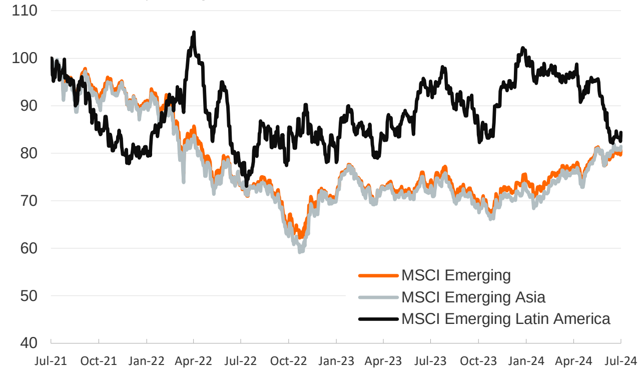
Main advanced stock markets

Index (100=Three years ago)



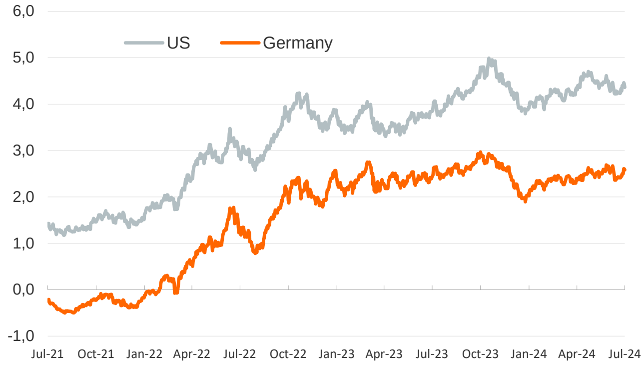
Emerging economies stock markets

Index (100=Three years ago)



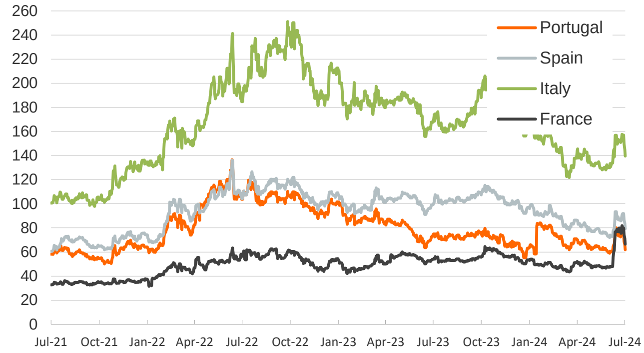
Yield on 10-year public debt: U.S. and Germany

(%)



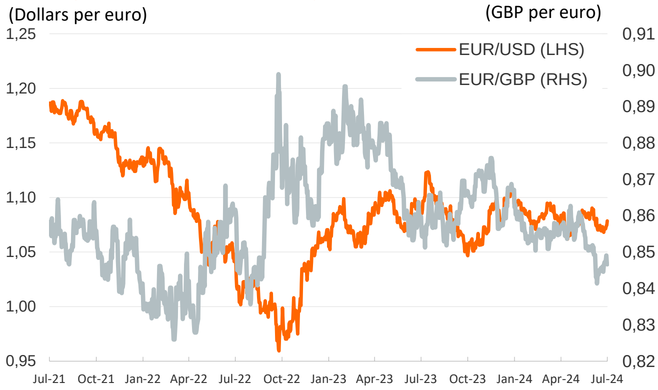
Risk Premium on 10-year debt: France, Italy, Spain and Portugal

(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)