BPI

Financial Markets

Daily report 28-Jul-2020

- Financial markets started the week with a mixed session. In Europe, investors traded with a risk-off mood while in the US riskier assets benefited from progress in the negotiations for a new fiscal stimulus package and hopes for a COVID-19 vaccine.
- In this context, stock indices declined in the euro area and rose in the US. In fixed-income markets yields on euro area core countries edged lower while peripheral spreads widened. In FX markets, the US dollar continued to weaken ahead of the Federal Reserve's meeting and the euro fluctuated above $1.17.
- In commodity markets, the barrel of Brent was barely unchanged around $43 while the price of an ounce of gold rose by more than 2% and reached a new record high above $1,940 amid growing tensions between Beijing and Washington.

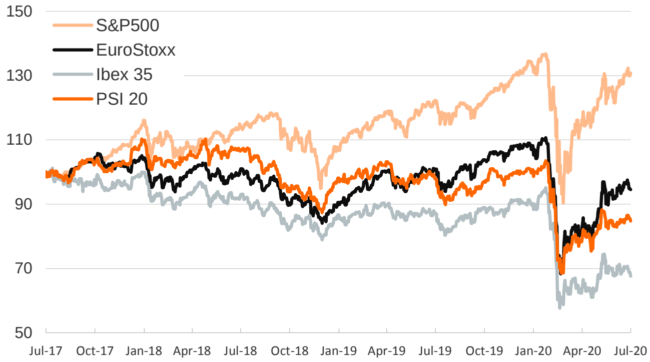
Interest Rates (%)	7/27	7/24	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**0.00**	0.00	0	0	0	0
Eonia	**-0.47**	-0.47	0	0	-2	-10
Swap Eonia (10Y)	**-0.34**	-0.32	-2	-1	-37	-21
3 months (Euribor)	**-0.46**	-0.45	-1	-1	-7	-9
12 months (Euribor)	**-0.29**	-0.29	0	-1	-4	3
Germany - 2-Year Bond	**-0.67**	-0.65	-2	0	-7	8
Germany - 10-Year Bond	**-0.49**	-0.45	-4	-3	-31	-12
France - 10-Year Bond	**-0.19**	-0.15	-4	-2	-31	-7
Spain - 10-Year Bond	**0.34**	0.35	-1	-2	-13	-3
Portugal - 10-Year Bond	**0.35**	0.36	-1	-2	-9	-9
Italy - 10-Year Bond	**0.99**	1.00	-1	-12	-42	-58
Risk premium - Spain (10Y)	**83**	80	3	1	18	8
Risk premium - Portugal (10Y)	**84**	80	4	1	21	3
Risk premium - Italy (10Y)	**148**	144	3	-9	-12	-46
US						
Fed - Upper Bound	**0.25**	0.25	0	0	-150	-225
3 months (Libor)	**0.25**	0.25	0	-1	-166	-202
12 months (Libor)	**0.46**	0.46	0	-1	-154	-174
2-Year Bond	**0.15**	0.15	0	0	-142	-170
10-Year Bond	**0.62**	0.59	3	1	-130	-145

Stock Markets	7/27	7/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**2.02**	2.11	-4.1	-4.1	-27.8	-11.0
Ibex 35	**7171**	7295	-1.7	-4.1	-24.9	-22.3
PSI 20	**4452**	4492	-0.9	-1.8	-14.6	-13.4
MIB	**20020**	20075	-0.3	-2.9	-14.8	-8.3
DAX	**12839**	12838	0.0	-1.6	-3.1	3.4
CAC 40	**4940**	4956	-0.3	-3.0	-17.4	-12.0
Eurostoxx50	**3303**	3311	-0.2	-2.5	-11.8	-6.3
FTSE 100	**6105**	6124	-0.3	-2.5	-19.1	-19.1
S&P 500	**3239**	3216	0.7	-0.4	0.3	7.1
Nasdaq	**10536**	10363	1.7	-2.1	17.4	26.5
Nikkei 225	**22716**	22752	-0.2	0.0	-4.0	4.9
MSCI Emerging Index	**1073**	1060	1.2	0.8	-3.7	2.3
MSCI Emerging Asia	**583**	577	1.0	0.2	2.9	11.3
MSCI Emerging Latin America	**2118**	2060	2.8	4.9	-27.4	-25.9
Shanghai	**3205**	3197	0.3	-3.3	5.1	8.9
VIX Index	**24.74**	25.84	-4.3	1.1	79.5	103.5

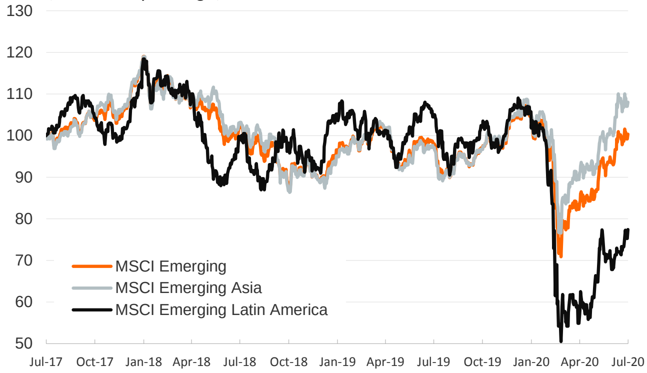
Currencies	7/27	7/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.175**	1.166	0.8	2.7	4.8	5.6
EUR/GBP	**0.91**	0.91	0.1	0.9	7.8	1.5
EUR/CHF	**1.08**	1.07	0.7	0.6	-0.4	-2.2
USD/JPY	**105.37**	106.14	-0.7	-1.8	-3.0	-3.0
USD/CNY	**7.00**	7.02	-0.3	0.2	0.5	1.7
USD/MXN	**21.92**	22.28	-1.6	-2.5	15.8	15.1

Commodities	7/27	7/24	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**68.5**	68.2	0.5	3.3	-15.3	-13.0
Brent (US$/barrel)	**43.4**	43.3	0.2	0.3	-34.2	-31.6
Gold (US$/ounce)	**1942.2**	1902.0	2.1	6.8	28.0	36.9
Metal Index	**191.7**	191.0	0.4	1.2	-1.0	-0.4
Agricultural Index	**241.2**	240.3	0.4	1.1	-9.8	-3.0

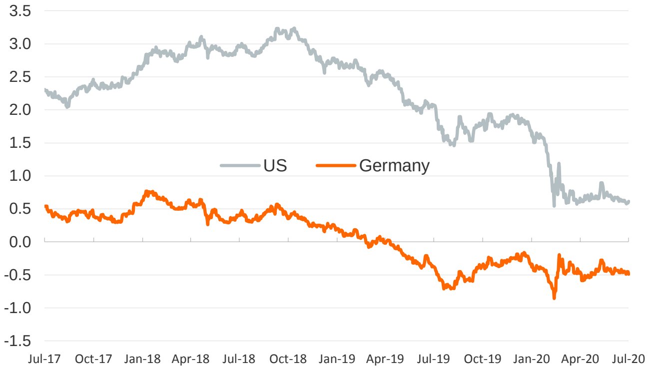
Main advanced stock markets
Index (100=Three years ago)



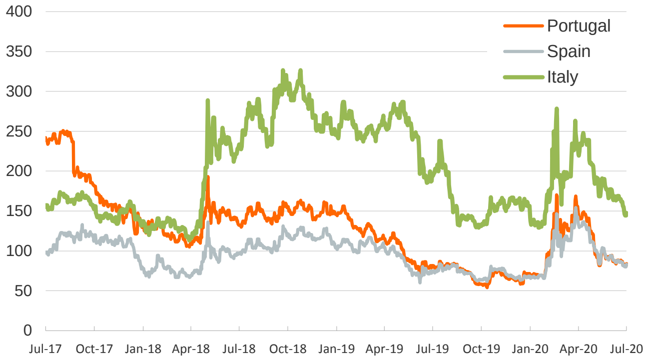
Emerging economies stock markets
Index (100=Three years ago)



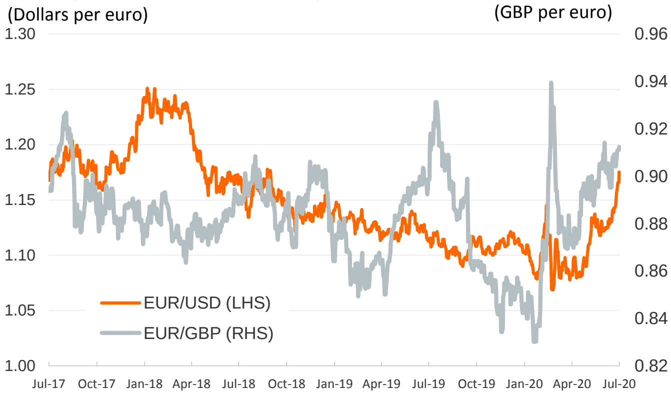
Yield on 10-year public debt: U.S. and Germany
(%)



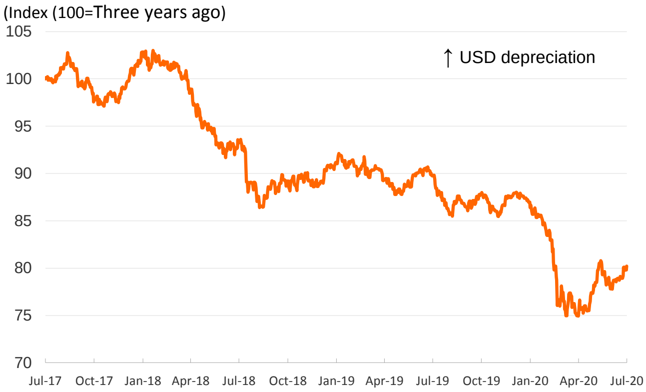
Risk Premium on 10-year debt: Italy, Spain and Portugal
(basis points)



Exchange rate: Advanced-economy currencies
(Dollars per euro)



Exchange rate: emerging economies index
(Index (100=Three years ago)



Brent oil price
(US$/barrel)

Implied volatility on US stock markets
VIX Index