

- ▶ Thursday was dominated by a hawkish-hold FOMC, ongoing AI-capex concerns, and a sharp re-escalation of the US-Iran war.
- ▶ The latter pushed energy prices higher, lifting eurozone inflation expectations, particularly at the short end. Expectations for ECB rates moved higher, with markets pricing a 90% probability of a September hike. Eurozone sovereign bond yields rose, with peripheral spreads widening, ahead of today's euro area GDP releases.
- ▶ The Fed left rates unchanged, but three of the 12 FOMC members already voted for a hike. Warsh reinforced the tightening bias, albeit without identifying a clear trigger. The probability of a September hike fell to 60%, from around 100% on Wednesday. The Treasury curve steepened as short-end yields fell and long-end yields rose.
- ▶ In this context, the USD weakened against its peers, especially the euro. Equities fell sharply across the globe, led by AI-related stocks. European equities also closed lower, though energy stocks outperformed.

Interest Rates (%)	7/29	7/28	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Depo)	2,25	2,25	0	0	25	25
€STR	2,19	2,18	0	0	26	26
Swap €STR (10Y)	2,94	2,91	4	-3	26	46
3 months (Euribor)	2,46	2,45	1	0	43	43
12 months (Euribor)	2,94	2,94	0	3	70	83
Germany - 2-Year Bond	2,82	2,75	7	-3	69	87
Germany - 10-Year Bond	3,16	3,10	6	-1	31	45
France - 10-Year Bond	3,96	3,88	8	-1	40	60
Spain - 10-Year Bond	3,62	3,55	7	-1	33	33
Portugal - 10-Year Bond	3,52	3,45	7	-1	37	39
Italy - 10-Year Bond	3,99	3,90	9	0	44	47
Risk premium - France (10Y)	80	78	2	0	9	14
Risk premium - Spain (10Y)	46	45	1	0	3	-12
Risk premium - Portugal (10Y)	36	34	2	0	6	-6
Risk premium - Italy (10Y)	83	80	3	1	14	2

US

Fed - Lower Bound*	3,50	3,50	0	0	0	-75
Fed Funds Rate Future (Dec.-26)	3,92	4,01	-9	-10	86	76
3 months (SOFR)	3,84	3,84	0	6	19	-47
12 months (SOFR)	4,15	4,15	0	8	73	15
2-Year Bond	4,27	4,29	-2	-3	80	40
10-Year Bond	4,68	4,61	7	3	51	36

Stock Markets	7/29	7/28	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	12,26	13,20	-7,1	-6,3	17,3	53,1
Ibex 35	19413	19727	-1,6	-0,8	12,2	35,3
PSI 20	9049	9135	-0,9	-2,5	9,5	17,7
MIB	51443	51698	-0,5	-2,6	14,5	24,8
DAX	25460	25464	0,0	1,2	4,0	5,1
CAC 40	8408	8459	-0,6	-0,4	3,2	7,0
Eurostoxx50	6249	6290	-0,6	-1,1	7,9	16,2
S&P 500	7316	7429	-1,5	-2,4	6,9	14,8
Nasdaq	24443	24877	-1,7	-4,9	5,2	15,9
Nikkei 225	61434	62365	-1,5	-7,1	22,0	51,0
MSCI Emerging Index	1560	1583	-1,4	-5,7	11,1	24,5
MSCI Emerging Asia	874	888	-1,6	-6,6	12,8	26,0
MSCI Emerging Latin America	2999	3052	-1,7	-2,9	10,7	34,0
Shanghai	3828	3813	0,4	-1,0	-3,5	6,1
VIX Index	20,66	18,21	13,5	24,2	38,2	29,3

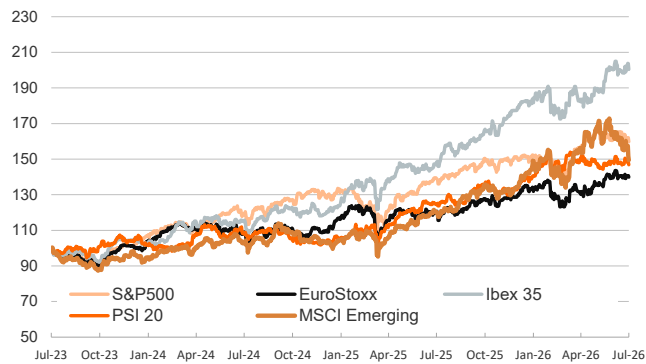
Currencies & Cryptocurrencies	7/29	7/28	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	1,147	1,139	0,7	0,5	-2,4	-0,7
EUR/GBP	0,86	0,86	0,1	0,5	-1,6	-0,8
EUR/CHF	0,93	0,93	0,0	0,4	0,2	0,2
USD/JPY	163,41	163,85	-0,3	0,2	4,3	10,1
USD/CNY	6,76	6,77	-0,1	-0,1	-3,2	-5,8
BTC/USD	63444,74	63839,19	-0,6	-3,7	-27,6	-46,0

Commodities	7/29	7/28	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	132,2	130,4	1,4	-2,1	20,6	27,4
Brent (US\$/barrel)	90,7	84,1	7,9	-3,5	49,1	25,1
TTF Natural Gas-1M Future (€/MWh)	60,4	57,7	4,6	-3,4	114,6	77,2
TTF Natural Gas-Dec.-26 Future (€/MWh)	59,1	56,2	5,1	-3,1	113,0	71,3
Gold (US\$/ounce)	4067,6	4029,6	0,9	-1,5	-5,8	22,3

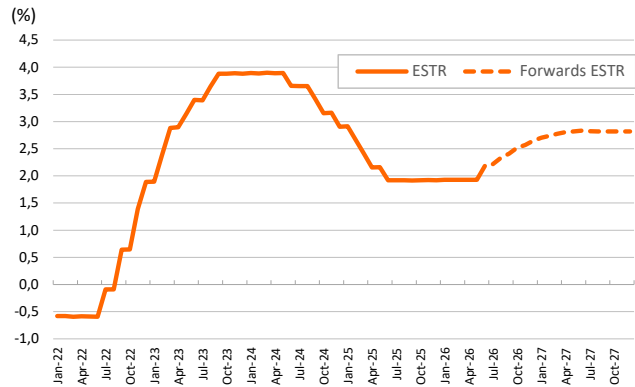
* To ensure the best comparability between USD and EUR policy rates, we are now displaying the lower bound of the Federal Funds Target Rate and the ECB's Deposit Facility Rate, respectively

Main advanced stock markets

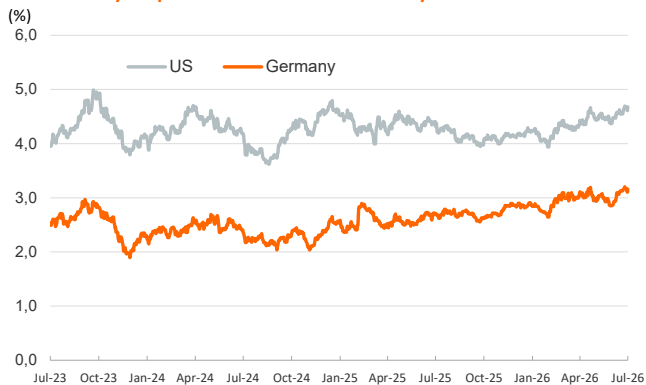
Index (100=Three years ago)



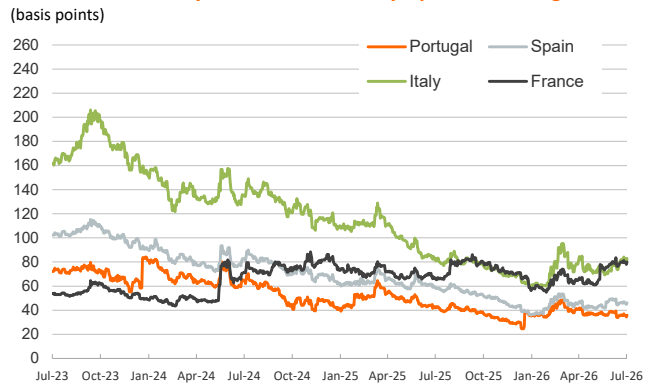
€STR: historical data and forwards



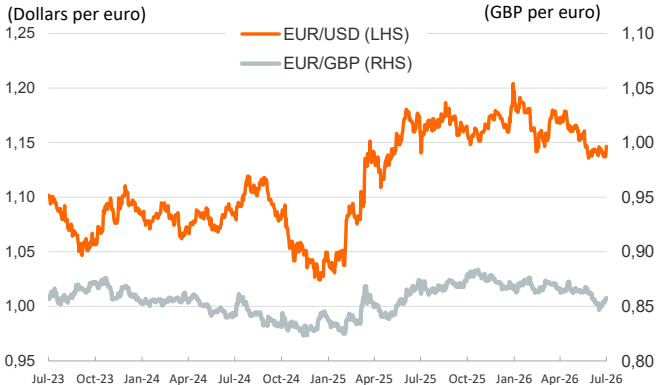
Yield on 10-year public debt: U.S. and Germany



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



Exchange rate: Advanced-economy currencies



Exchange rate: emerging economies index



Brent oil price



Dutch TTF Natural gas price



Notice regarding publication of the Banco BPI "Daily Report".

Daily Report – Financial Markets is a publication of Banco BPI prepared by its Research and Economic Analysis Department that contains information and opinions that come from sources considered reliable, but Banco BPI does not guarantee the accuracy of the same and is not responsible for errors or omissions contained therein. This document has a purely informative purpose, for which reason Banco BPI is not responsible in any case for the use made of it. Opinions and estimates are specific to the area and may be subject to change without notice.