Financial Markets

Daily Report 20-Jul-2022

- Investors' sentiment continued to improve yesterday following reports that Russia is willing to restart natural gas exports tomorrow, after the maintenance break. On monetary policy, a report suggesting that the ECB might consider a 50bp hike on Thursday pushed interest rates higher in the euro area.
- In this context, sovereign bond yields rose in both sides of the Atlantic, particularly so the short end of the curve and euro area peripheral spreads narrowed modestly. In stock markets, equities rose across the board with the financial sector leading the advance in Europe.
- Elsewhere, European gas prices declined moderately while the price of the barrel of Brent rose above $107. The US dollar weakened against most currencies and the euro fluctuated above $1.02.
- Today the focus will be in Italy, as Mario Draghi is expected to decide whether to resign or to face a confidence vote.

Interest Rates (%)	7/19	7/18	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
€STR	**-0.58**	-0.58	0	0	1	-2
Swap €STR (10Y)	**1.78**	1.71	7	10	169	200
3 months (Euribor)	**0.04**	0.05	-1	10	61	59
12 months (Euribor)	**1.05**	1.02	4	13	155	154
Germany - 2-Year Bond	**0.64**	0.52	12	28	126	135
Germany - 10-Year Bond	**1.28**	1.22	6	15	145	169
France - 10-Year Bond	**1.85**	1.81	3	12	165	190
Spain - 10-Year Bond	**2.48**	2.44	4	25	192	222
Portugal - 10-Year Bond	**2.39**	2.36	3	16	193	216
Italy - 10-Year Bond	**3.32**	3.28	4	21	215	264
Risk premium - Spain (10Y)	**120**	123	-2	11	46	53
Risk premium - Portugal (10Y)	**112**	115	-3	1	47	47
Risk premium - Italy (10Y)	**204**	206	-2	7	70	95
US						
Fed - Upper Bound	**1.75**	1.75	0	0	150	150
3 months (Libor)	**2.71**	2.71	0	23	250	257
12 months (Libor)	**3.86**	3.86	0	17	328	362
2-Year Bond	**3.24**	3.17	7	19	251	304
10-Year Bond	**3.02**	2.99	3	5	151	180

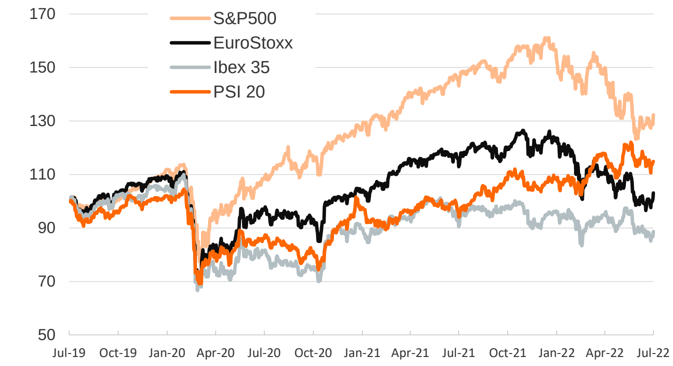
Stock Markets	7/19	7/18	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**2.93**	2.73	7.2	8.3	21.2	22.2
Ibex 35	**8125**	7963	2.0	1.4	-6.8	-2.8
PSI 20	**5977**	5968	0.1	0.9	7.3	22.0
MIB	**21696**	21169	2.5	1.0	-20.7	-10.0
DAX	**13308**	12960	2.7	3.1	-16.2	-12.5
CAC 40	**6201**	6092	1.8	2.6	-13.3	-2.3
Eurostoxx50	**3587**	3512	2.2	2.9	-16.5	-9.3
FTSE 100	**7296**	7223	1.0	1.2	-1.2	6.0
S&P 500	**3937**	3831	2.8	3.1	-17.4	-8.9
Nasdaq	**11713**	11360	3.1	4.0	-25.1	-19.2
Nikkei 225	**26962**	26788	0.6	2.4	-6.4	-1.6
MSCI Emerging Index	**980**	980	-0.1	1.3	-20.5	-25.3
MSCI Emerging Asia	**533**	535	-0.4	1.2	-20.0	-25.4
MSCI Emerging Latin America	**1996**	1976	1.0	1.6	-6.3	-20.1
Shanghai	**3279**	3278	0.0	-0.1	-9.9	-7.3
VIX Index	**24.50**	25.30	-3.2	-10.2	42.3	24.2

Currencies	7/19	7/18	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.023**	1.014	0.8	1.9	-10.1	-13.2
EUR/GBP	**0.85**	0.85	0.5	1.0	1.3	-1.4
EUR/CHF	**0.99**	0.99	-0.1	0.5	-4.5	-8.7
USD/JPY	**138.19**	138.14	0.0	1.0	20.1	25.8
USD/CNY	**6.74**	6.74	0.0	0.3	6.1	4.0
USD/MXN	**20.52**	20.47	0.3	-1.6	0.0	1.8

Commodities	7/19	7/18	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**116.0**	117.1	-0.9	3.6	17.0	24.4
Brent (US$/barrel)	**107.4**	106.3	1.0	7.9	38.0	54.8
Dutch TTF Natural Gas (EUR/MWh)	**154.5**	157.3	-1.8	-10.5	119.6	339.2
Gold (US$/ounce)	**1711.7**	1709.2	0.1	-0.8	-6.4	-5.5

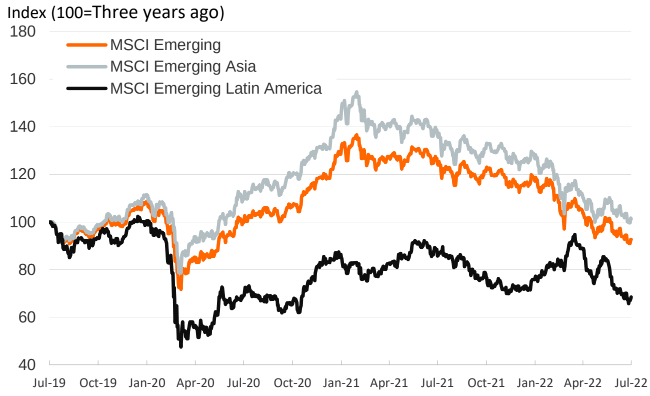
Main advanced stock markets

Index (100=Three years ago)



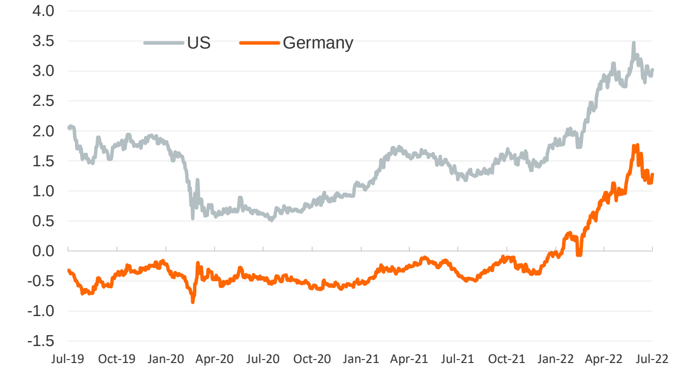
Emerging economies stock markets

Index (100=Three years ago)



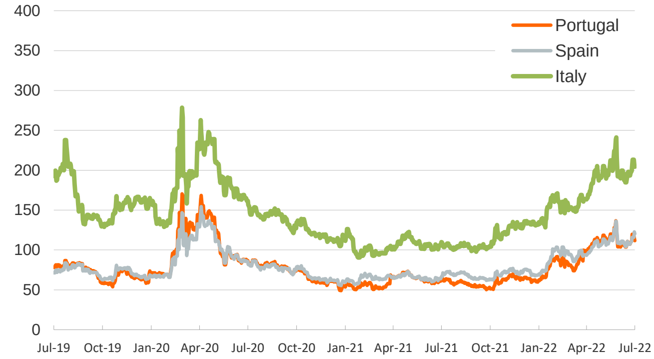
Yield on 10-year public debt: U.S. and Germany

(%)



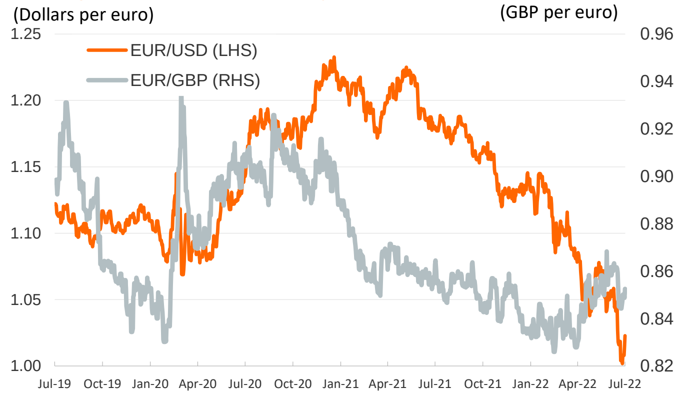
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)