Financial Markets

Daily Report 4-Nov-2022

- Central banks continued to center the stage on Thursday. On the one hand, investors continued to digest the Fed meeting, where Chairman Powell signaled a "slower for higher" approach in interest rates hikes, and, on the other, the Bank of England's decision to increase rates by 75bp, albeit diminishing market expectations for the path ahead.
- In the euro area, ECB president Christine Lagarde warned that a "mild recession" is possible but that it would not be sufficient to stem soaring prices. Separately, Fabio Panetta argued that policy rates should continue to increase but highlighted the risks of overtightening.
- In this context, yields on sovereign bonds rose notably in both sides of the Atlantic and equities declined in most trading floors. In FX markets, the USD strengthened against most currencies and the euro fluctuated below $0.98.
- Today the focus will be on the US employment report for October.

Interest Rates (%)	11/3	11/2	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	**2.00**	2.00	0	0	200	200
€STR	**1.40**	1.40	0	75	199	197
Swap €STR (10Y)	**2.82**	2.72	9	25	273	306
3 months (Euribor)	**1.73**	1.73	1	13	230	228
12 months (Euribor)	**2.74**	2.67	6	6	324	324
Germany - 2-Year Bond	**2.09**	1.98	10	31	270	284
Germany - 10-Year Bond	**2.25**	2.14	10	28	242	271
France - 10-Year Bond	**2.77**	2.67	10	31	258	290
Spain - 10-Year Bond	**3.32**	3.23	9	31	275	308
Portugal - 10-Year Bond	**3.23**	3.14	9	29	276	311
Italy - 10-Year Bond	**4.41**	4.29	12	41	324	386
Risk premium - Spain (10Y)	**107**	109	-2	3	33	38
Risk premium - Portugal (10Y)	**98**	100	-2	1	34	40
Risk premium - Italy (10Y)	**217**	215	2	13	82	116
US						
Fed - Upper Bound	**4.00**	4.00	0	75	375	375
3 months (Libor)	**4.53**	4.51	2	12	432	440
12 months (Libor)	**5.65**	5.54	11	28	507	541
2-Year Bond	**4.71**	4.62	9	44	398	449
10-Year Bond	**4.15**	4.10	5	23	264	283

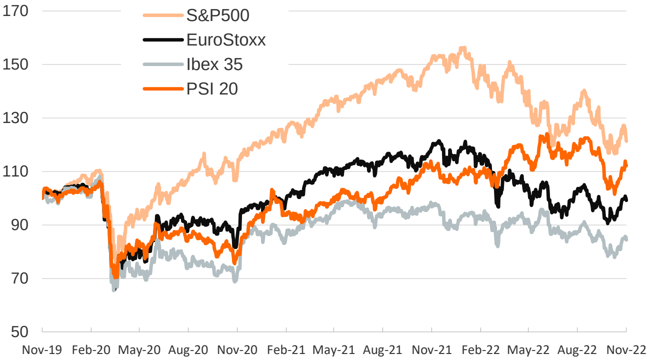
Stock Markets	11/3	11/2	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.37**	3.37	-0.1	-4.9	39.5	27.7
Ibex 35	**7869**	7969	-1.3	-0.7	-9.7	-11.2
PSI 20	**5739**	5734	0.1	1.1	3.0	11.4
MIB	**22706**	22803	-0.4	0.5	-17.0	-13.1
DAX	**13130**	13257	-1.0	-0.6	-17.3	-16.6
CAC 40	**6243**	6277	-0.5	0.0	-12.7	-8.4
Eurostoxx50	**3593**	3622	-0.8	-0.3	-16.4	-14.0
FTSE 100	**7189**	7144	0.6	1.6	-2.7	0.8
S&P 500	**3720**	3760	-1.1	-2.3	-22.0	-16.1
Nasdaq	**10343**	10525	-1.7	-4.2	-33.9	-30.4
Nikkei 225	**27663**	27663	0.0	1.2	-3.9	-0.6
MSCI Emerging Index	**861**	873	-1.4	0.2	-30.1	-33.5
MSCI Emerging Asia	**446**	453	-1.5	0.1	-33.0	-36.2
MSCI Emerging Latin America	**2306**	2304	0.1	4.0	8.3	-6.6
Shanghai	**2998**	3003	-0.2	0.5	-17.6	-14.2
VIX Index	**25.30**	25.86	-2.2	-7.6	46.9	51.3

Currencies	11/3	11/2	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**0.975**	0.982	-0.7	-2.2	-14.3	-16.9
EUR/GBP	**0.87**	0.86	1.4	1.4	3.9	3.1
EUR/CHF	**0.99**	0.99	0.3	0.1	-4.8	-8.5
USD/JPY	**148.26**	147.90	0.2	1.3	28.8	34.4
USD/CNY	**7.30**	7.29	0.2	1.0	14.9	12.6
USD/MXN	**19.65**	19.67	-0.1	-0.9	-4.3	-2.1

Commodities	11/3	11/2	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**113.6**	115.1	-1.3	0.3	14.6	22.0
Brent (US$/barrel)	**94.7**	96.2	-1.5	-2.4	21.7	37.1
Dutch TTF Natural Gas (EUR/MWh)	**125.4**	125.9	-0.3	16.8	78.3	193.2
Gold (US$/ounce)	**1629.5**	1635.2	-0.4	-2.0	-10.9	-5.8

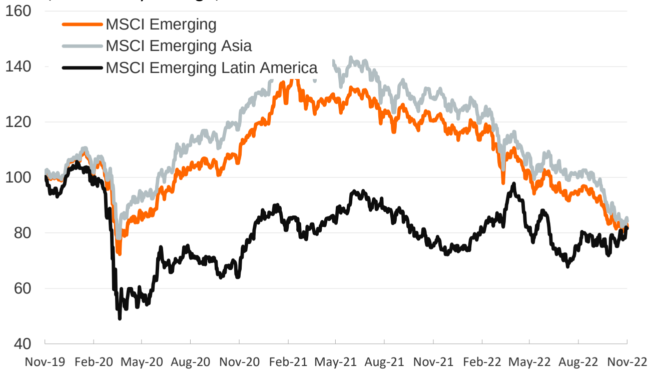
Main advanced stock markets

Index (100=Three years ago)



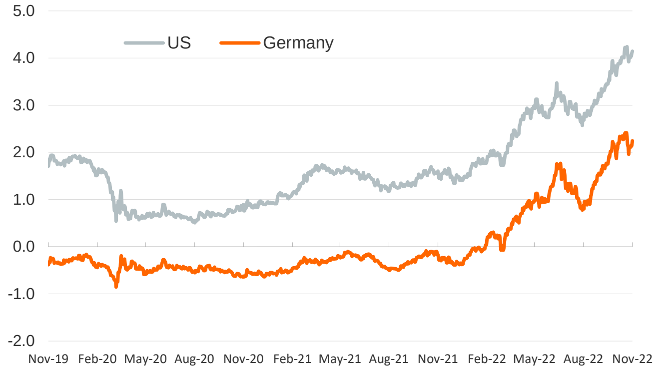
Emerging economies stock markets

Index (100=Three years ago)



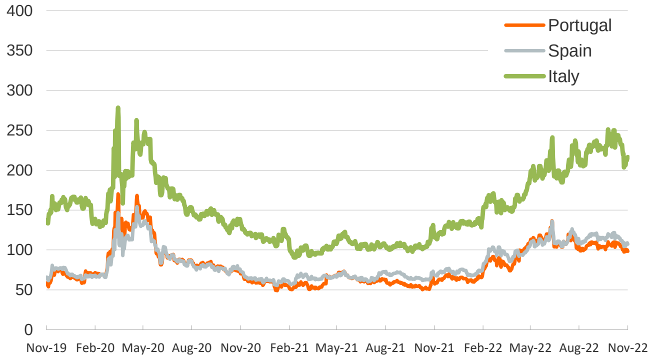
Yield on 10-year public debt: U.S. and Germany

(%)



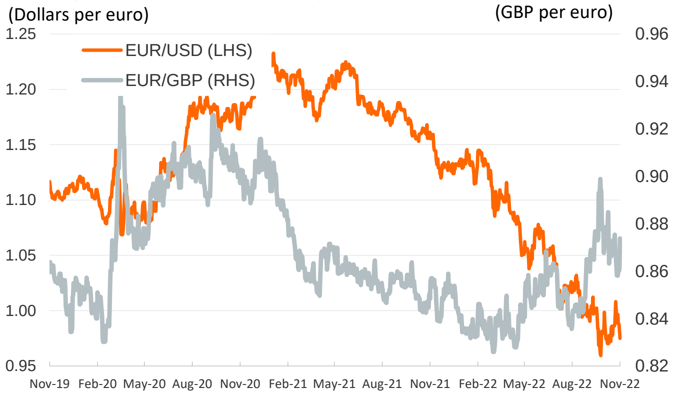
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)