BPI

Financial Markets

Daily Report 29-May-2024

- Investors traded cautiously ahead of key inflation data released later this week. Meanwhile, this month's Conference Board consumer index in the US rose amid optimism about the labor market. The ECB's consumer expectations survey showed 1-year and 5-year inflation expectations edged down 0.1 pp each to 2.9% and 2.4%, respectively.
- Slightly hawkish comments from an ECB official (Holzmann) who only sees two interest rate cuts in 2024, and from the Fed's Kashkari, who remarked that interest rate hikes are not off the table, sent sovereign bond yields higher on both sides of the Atlantic, more so on the long end of the curves.
- Equities were mixed, paring losses in the euro area except for the financial sector, and mainly flat in the US except for the technology sector. Brent prices rose above $84/barrel ahead of OPEC's next June meeting where current production cuts are expected to be extended.

Interest Rates (%)	5/28	5/27	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4,50**	4,50	0	0	0	75
€STR	**3,91**	3,91	0	0	3	76
Swap €STR (10Y)	**2,69**	2,65	4	8	41	-26
3 months (Euribor)	**3,79**	3,80	-1	-4	-12	32
12 months (Euribor)	**3,72**	3,74	-2	4	21	-23
Germany - 2-Year Bond	**3,06**	3,04	2	9	69	12
Germany - 10-Year Bond	**2,59**	2,55	4	9	65	5
France - 10-Year Bond	**3,07**	3,01	5	9	59	-4
Spain - 10-Year Bond	**3,35**	3,30	5	8	45	-26
Portugal - 10-Year Bond	**3,21**	3,16	4	7	66	-7
Italy - 10-Year Bond	**3,90**	3,83	7	10	30	-49
Risk premium - Spain (10Y)	**76**	75	0	-1	-20	-31
Risk premium - Portugal (10Y)	**62**	62	0	-2	1	-12
Risk premium - Italy (10Y)	**130**	128	2	1	-35	-54
US						
Fed - Upper Bound	**5,50**	5,50	0	0	0	25
Fed Funds Rate Future (Dec.-24)	**5,10**	5,08	2	11	126	211
3 months (SOFR)	**5,35**	5,34	1	2	2	9
12 months (SOFR)	**5,21**	5,20	1	5	44	11
2-Year Bond	**4,98**	4,95	3	15	73	42
10-Year Bond	**4,55**	4,47	8	14	67	75

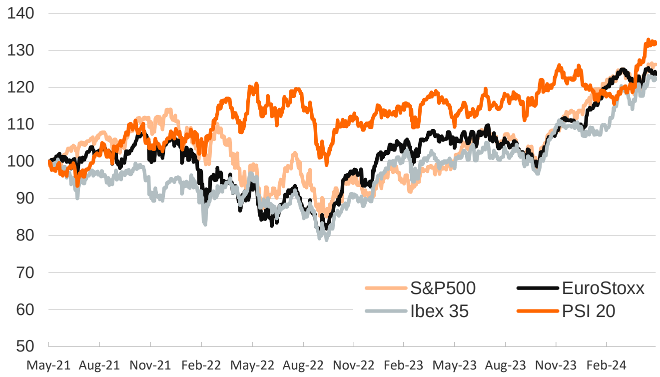
Stock Markets	5/28	5/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**5,18**	5,11	1,4	2,6	39,1	45,4
Ibex 35	**11276**	11326	-0,4	-0,5	11,6	22,7
PSI 20	**6910**	6938	-0,4	0,1	8,0	17,8
MIB	**34660**	34762	-0,3	0,2	14,2	29,7
DAX	**18678**	18775	-0,5	-0,3	11,5	16,9
CAC 40	**8058**	8132	-0,9	-1,0	6,8	10,1
Eurostoxx50	**5030**	5059	-0,6	-0,3	11,3	16,0
S&P 500	**5306**	5305	0,0	-0,3	11,2	26,2
Nasdaq	**17020**	16921	0,6	1,1	13,4	31,2
Nikkei 225	**38855**	38900	-0,1	-0,2	16,1	25,7
MSCI Emerging Index	**1088**	1090	-0,2	-0,5	6,3	11,8
MSCI Emerging Asia	**594**	595	-0,1	0,3	9,4	13,3
MSCI Emerging Latin America	**2401**	2409	-0,3	-3,3	-9,8	4,8
Shanghai	**3110**	3124	-0,5	-1,5	4,5	-3,2
VIX Index	**12,92**	12,36	4,5	8,9	3,8	-28,0

Currencies	5/28	5/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,086**	1,086	0,0	0,0	-1,6	1,2
EUR/GBP	**0,85**	0,85	0,0	-0,4	-1,9	-2,1
EUR/CHF	**0,99**	0,99	-0,1	0,2	6,6	2,0
USD/JPY	**157,17**	156,88	0,2	0,6	11,4	11,8
USD/CNY	**7,24**	7,24	0,0	0,1	2,0	2,6

Commodities	5/28	5/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**106,6**	105,0	1,5	-0,3	8,1	6,6
Brent (US$/barrel)	**84,2**	83,1	1,3	1,6	9,3	9,4
TTF Natural Gas-1M Future (€/MWh)	**33,5**	35,2	-4,8	1,6	3,7	36,8
TTF Natural Gas-Dec.-24 Future (€/MWh)	**36,3**	37,6	-3,3	0,1	-5,1	-14,8
Gold (US$/ounce)	**2361,3**	2351,0	0,4	-2,5	14,5	21,3

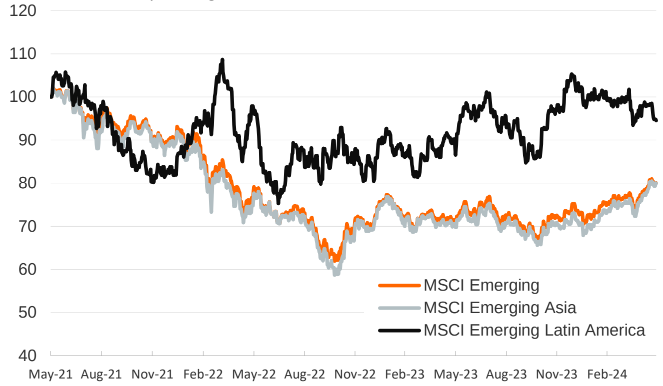
Main advanced stock markets

Index (100=Three years ago)



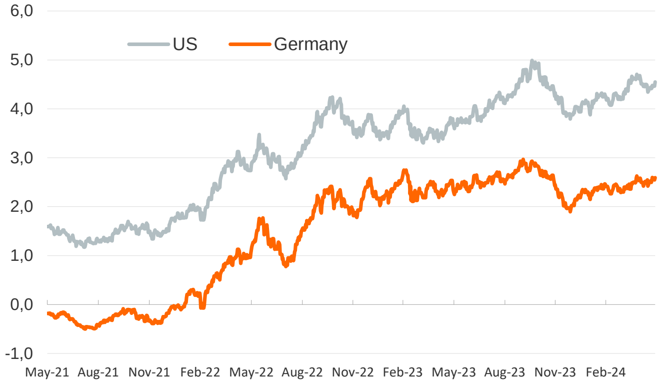
Emerging economies stock markets

Index (100=Three years ago)



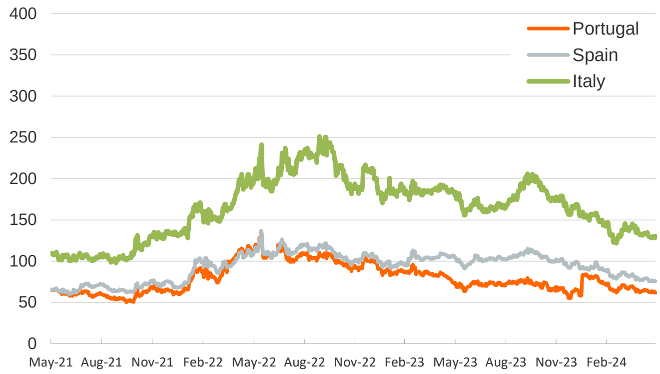
Yield on 10-year public debt: U.S. and Germany

(%)



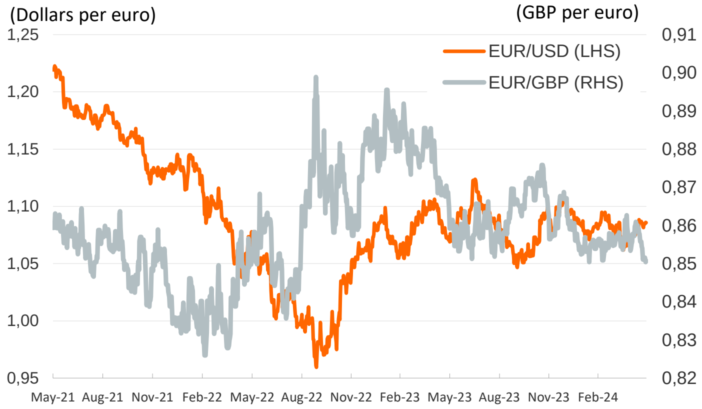
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)