Financial Markets

Daily Report 6-Jun-2024

- In yesterday's session, markets digested mixed economic data from the US. The ADP monthly employment report showed hiring at private companies grew at the slowest pace since the beginning of the year, a sign the labor market might be cooling. Instead, the sharp rise in the ISM services index from 49.4 to 53.8 pointed to a rebound in the sector.
- In this context, yields on sovereign bonds fell across the board for the third day in a row. Euro area equities were mostly higher, except in Portugal where the energy sector weighed on the market's performance. The main US indices reached new all-time highs, powered ahead by the technology sector, leading the S&P 500 to hit its 25th record this year.
- Elsewhere, as expected, the Bank of Canada lowered interest rates by 25 bp to 4.75% marking the beginning of its loosening cycle. Today, the ECB is expected to follow suit and annouce a 25 bp rate. Markets will especially be looking out for any clues the central bank will provide regarding its next steps.

Interest Rates (%)	6/5	6/4	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	77
Swap €STR (10Y)	**2,62**	2,64	-2	-17	33	-17
3 months (Euribor)	**3,75**	3,77	-2	-4	-16	26
12 months (Euribor)	**3,69**	3,72	-2	-3	18	-19
Germany - 2-Year Bond	**2,98**	2,99	-1	-12	61	9
Germany - 10-Year Bond	**2,51**	2,53	-2	-18	57	13
France - 10-Year Bond	**2,99**	3,01	-3	-18	51	7
Spain - 10-Year Bond	**3,24**	3,28	-3	-20	34	-13
Portugal - 10-Year Bond	**3,11**	3,14	-3	-19	56	5
Italy - 10-Year Bond	**3,82**	3,87	-5	-19	23	-31
Risk premium - Spain (10Y)	**73**	74	-1	-2	-23	-27
Risk premium - Portugal (10Y)	**60**	61	-1	-1	-1	-9
Risk premium - Italy (10Y)	**131**	133	-3	-2	-34	-44
US						
Fed - Upper Bound	**5,50**	5,50	0	0	0	25
Fed Funds Rate Future (Dec.-24)	**4,95**	4,98	-2	-14	112	141
3 months (SOFR)	**5,34**	5,34	0	-1	1	9
12 months (SOFR)	**5,11**	5,15	-4	-10	34	2
2-Year Bond	**4,72**	4,77	-5	-25	47	25
10-Year Bond	**4,28**	4,33	-5	-33	40	60

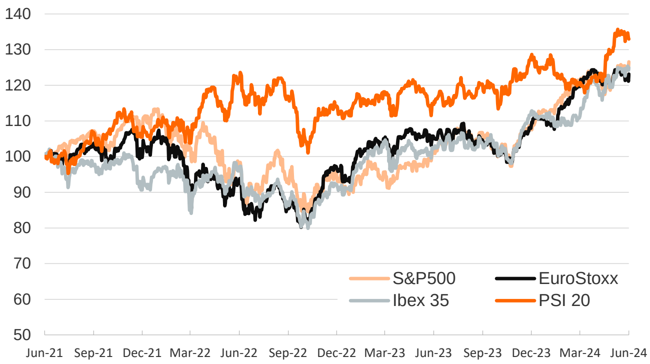
Stock Markets	6/5	6/4	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**5,02**	5,03	-0,2	-2,3	34,6	38,9
Ibex 35	**11353**	11286	0,6	1,9	12,4	22,2
PSI 20	**6831**	6844	-0,2	0,5	6,8	16,0
MIB	**34508**	34276	0,7	1,0	13,7	28,5
DAX	**18576**	18406	0,9	0,6	10,9	16,4
CAC 40	**8007**	7938	0,9	0,9	6,1	11,2
Eurostoxx50	**5036**	4953	1,7	1,5	11,4	17,3
S&P 500	**5354**	5291	1,2	1,7	12,2	25,3
Nasdaq	**17188**	16857	2,0	1,6	14,5	29,9
Nikkei 225	**38490**	38837	-0,9	-0,2	15,0	19,5
MSCI Emerging Index	**1063**	1052	1,0	-0,9	3,8	7,7
MSCI Emerging Asia	**581**	574	1,3	-0,5	7,1	9,6
MSCI Emerging Latin America	**2291**	2274	0,7	-3,1	-13,9	-2,1
Shanghai	**3065**	3091	-0,8	-1,5	3,0	-5,2
VIX Index	**12,63**	13,16	-4,0	-11,6	1,4	-14,3

Currencies	6/5	6/4	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,087**	1,088	-0,1	0,6	-1,5	1,5
EUR/GBP	**0,85**	0,85	-0,2	-0,1	-1,9	-1,3
EUR/CHF	**0,97**	0,97	0,3	-1,5	4,5	0,0
USD/JPY	**156,11**	154,88	0,8	-1,0	10,7	11,8
USD/CNY	**7,25**	7,24	0,1	0,0	2,1	2,0

Commodities	6/5	6/4	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**101,9**	101,3	0,6	-3,4	3,3	1,8
Brent (US$/barrel)	**78,4**	77,5	1,1	-6,2	1,8	2,2
TTF Natural Gas-1M Future (€/MWh)	**33,4**	33,8	-1,3	-1,5	3,1	17,1
TTF Natural Gas-Dec.-24 Future (€/MWh)	**34,5**	35,2	-1,9	-5,5	-9,9	-21,2
Gold (US$/ounce)	**2355,3**	2327,0	1,2	0,7	14,2	20,1

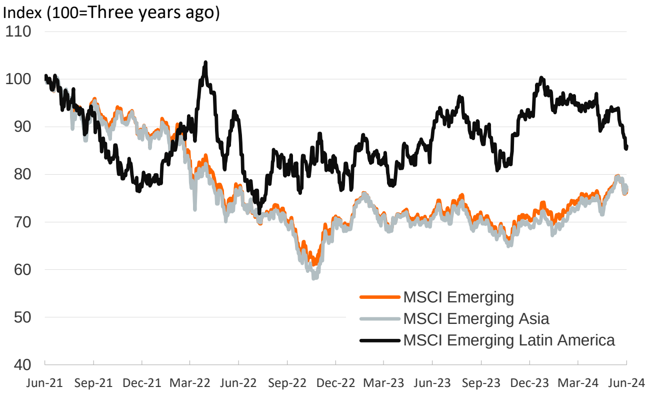
Main advanced stock markets

Index (100=Three years ago)



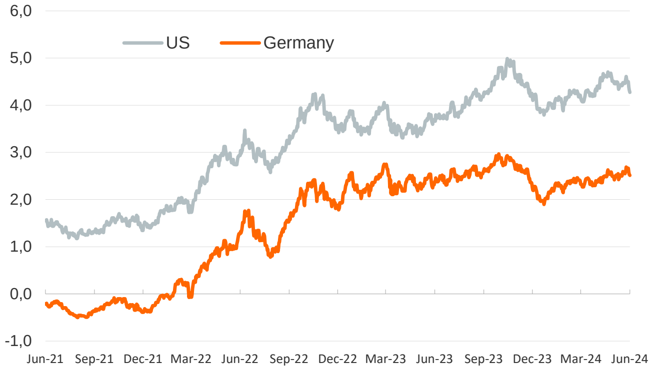
Emerging economies stock markets

Index (100=Three years ago)



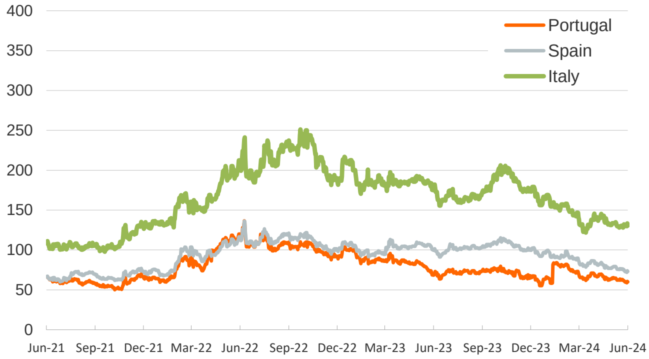
Yield on 10-year public debt: U.S. and Germany

(%)



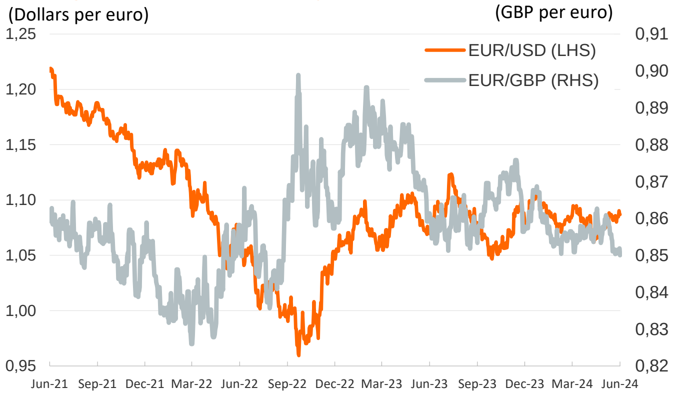
Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)