BPI

# Financial Markets

Daily Report 18-Jun-2024

- The week started on a mixed note for financial markets. Eurozone government bond yields rose across the board, with peripheral spreads narrowing in stark contrast to French spreads, which widened again. However, equity performance was more mixed across the region, with French indices rising on comments from Le Pen's party on their respect for institutions.
- In the US, Treasury yields also rose on comments from Fed officials suggesting only one rate cut by the end of 2024 and after a better-than-expected manufacturing survey. US equities also rose, with the S&P500 hitting new highs on the back of a strong performance from technology companies.
- On the currency front, the euro regained some ground and strengthened against its major rivals, particularly the dollar. In the commodities market, oil prices rose as investors became more optimistic about the outlook for global demand, while the price of the European natural gas benchmark, TTF, fell on the back of a high level of reserves.

| Interest Rates (%) | 6-17 | 6-14 | Daily Change (bp) | Weekly Change (bp) | YTD (bp) | YoY Change (bp) |
|---|---|---|---|---|---|---|
| **Euro area** | | | | | | |
| ECB - Official Interest Rate (Refi) | **4.25** | 4.25 | 0 | 0 | -25 | 25 |
| €STR | **3.66** | 3.66 | 0 | -25 | -22 | 52 |
| Swap €STR (10Y) | **2.59** | 2.56 | 3 | -18 | 30 | -26 |
| 3 months (Euribor) | **3.71** | 3.72 | 0 | -3 | -20 | 14 |
| 12 months (Euribor) | **3.63** | 3.67 | -4 | -10 | 12 | -39 |
| Germany - 2-Year Bond | **2.81** | 2.76 | 5 | -27 | 44 | -31 |
| Germany - 10-Year Bond | **2.41** | 2.36 | 5 | -26 | 47 | -6 |
| France - 10-Year Bond | **3.20** | 3.12 | 8 | -2 | 73 | 23 |
| Spain - 10-Year Bond | **3.31** | 3.29 | 2 | -13 | 41 | -8 |
| Portugal - 10-Year Bond | **3.17** | 3.16 | 1 | -14 | 62 | 6 |
| Italy - 10-Year Bond | **3.94** | 3.93 | 1 | -13 | 35 | -9 |
| Risk premium - Spain (10Y) | **90** | 93 | -4 | 12 | -6 | -2 |
| Risk premium - Portugal (10Y) | **76** | 80 | -4 | 11 | 15 | 12 |
| Risk premium - Italy (10Y) | **153** | 157 | -4 | 13 | -12 | -3 |
| **US** | | | | | | |
| Fed - Upper Bound | **5.50** | 5.50 | 0 | 0 | 0 | 25 |
| Fed Funds Rate Future (Dec.-24) | **4.99** | 4.94 | 5 | -6 | 115 | 200 |
| 3 months (SOFR) | **5.34** | 5.34 | 0 | 0 | 1 | 13 |
| 12 months (SOFR) | **5.03** | 5.05 | -2 | -11 | 26 | -20 |
| 2-Year Bond | **4.77** | 4.70 | 7 | -11 | 52 | 6 |
| 10-Year Bond | **4.28** | 4.22 | 6 | -19 | 40 | 52 |

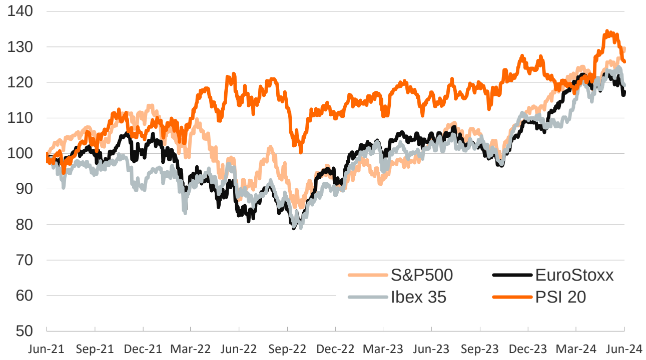
| Stock Markets | 6-17 | 6-14 | Daily Change (%) | Weekly Change (%) | YTD (%) | YoY Change (%) |
|---|---|---|---|---|---|---|
| CaixaBank | **4.86** | 4.88 | -0.3 | -7.8 | 30.4 | 29.6 |
| Ibex 35 | **10960** | 10992 | -0.3 | -3.5 | 8.5 | 15.4 |
| PSI 20 | **6520** | 6538 | -0.3 | -3.1 | 1.9 | 7.3 |
| MIB | **32908** | 32665 | 0.7 | -4.7 | 8.4 | 18.1 |
| DAX | **18068** | 18002 | 0.4 | -2.3 | 7.9 | 10.5 |
| CAC 40 | **7572** | 7503 | 0.9 | -4.1 | 0.4 | 2.5 |
| Eurostoxx50 | **4880** | 4839 | 0.9 | -2.7 | 7.9 | 11.0 |
| S&P 500 | **5473** | 5432 | 0.8 | 2.1 | 14.7 | 24.1 |
| Nasdaq | **17857** | 17689 | 1.0 | 3.9 | 19.0 | 30.4 |
| Nikkei 225 | **38102** | 38815 | -1.8 | -2.4 | 13.9 | 13.0 |
| MSCI Emerging Index | **1074** | 1077 | -0.2 | 0.4 | 4.9 | 4.3 |
| MSCI Emerging Asia | **592** | 594 | -0.3 | 0.7 | 9.1 | 6.9 |
| MSCI Emerging Latin America | **2149** | 2169 | -0.9 | -2.6 | -19.3 | -13.1 |
| Shanghai | **3016** | 3033 | -0.6 | -1.2 | 1.4 | -7.9 |
| VIX Index | **12.75** | 12.66 | 0.7 | 0.1 | 2.4 | -5.8 |

| Currencies | 6-17 | 6-14 | Daily Change (%) | Weekly Change (%) | YTD (%) | YoY Change (%) |
|---|---|---|---|---|---|---|
| EUR/USD | **1.073** | 1.070 | 0.3 | -0.3 | -2.8 | -1.9 |
| EUR/GBP | **0.84** | 0.84 | 0.1 | -0.1 | -2.5 | -1.0 |
| EUR/CHF | **0.95** | 0.95 | 0.2 | -1.1 | 2.8 | -2.4 |
| USD/JPY | **157.74** | 157.40 | 0.2 | 0.4 | 11.8 | 11.2 |
| USD/CNY | **7.26** | 7.26 | 0.0 | 0.1 | 2.2 | 1.8 |

| Commodities | 6-17 | 6-14 | Daily Change (%) | Weekly Change (%) | YTD (%) | YoY Change (%) |
|---|---|---|---|---|---|---|
| Global Commodities Index | **101.9** | 102.4 | -0.5 | -0.5 | 3.3 | -3.1 |
| Brent (US$/barrel) | **84.3** | 82.6 | 2.0 | 3.2 | 9.4 | 10.0 |
| TTF Natural Gas-1M Future (€/MWh) | **34.2** | 35.4 | -3.3 | -0.1 | 5.7 | -2.3 |
| TTF Natural Gas-Dec.-24 Future (€/MWh) | **35.2** | 35.7 | -1.5 | -0.6 | -8.1 | -28.9 |
| Gold (US$/ounce) | **2319.1** | 2333.0 | -0.6 | 0.4 | 12.4 | 18.4 |

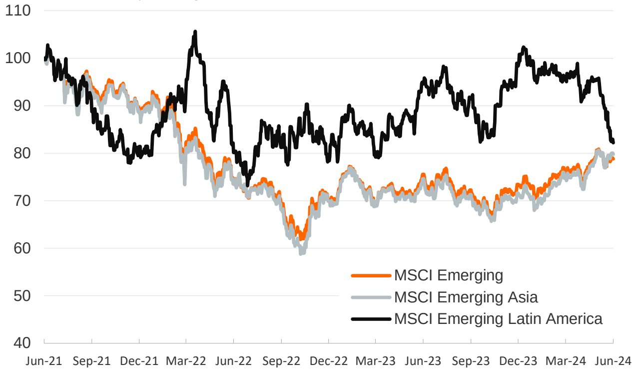
## Main advanced stock markets

Index (100=Three years ago)



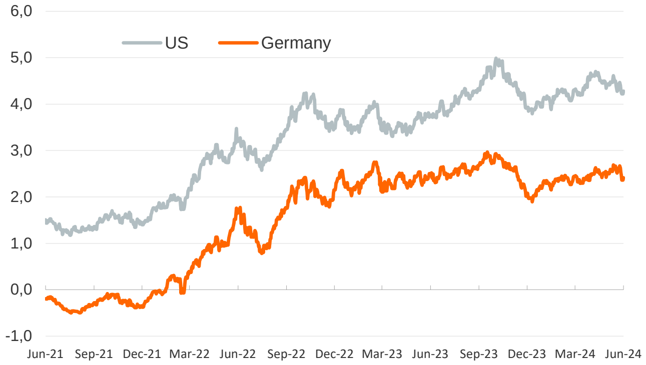

## Emerging economies stock markets

Index (100=Three years ago)



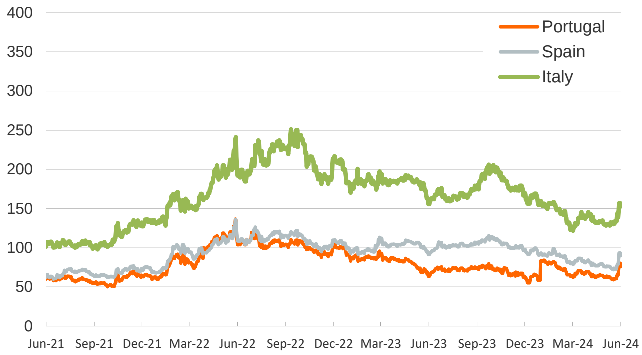

## Yield on 10-year public debt: U.S. and Germany

(%)



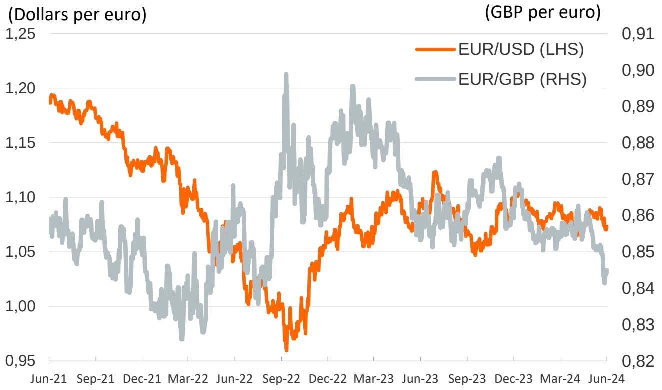

## Risk Premium on 10-year debt: Italy, Spain and Portugal

(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)