CaixaBank Research

Financial Markets

Daily Report 13-Oct-2023

- Investors' perception that central banks will still need to increase interest rates in this hiking cycle was the main driver in yesterday's session. The release of the last ECB meeting minutes and the somewhat higher-than-expected September CPI inflation data for the US fueled this expectation.
- In particular, headline inflation stood at 3.7% (3.6% expected by the consensus) and core inflation edged down, as expected, from 4.3% to 4.1%. Shelter inflation, the bigest item in the consumtion basket, was the main concern for investors, as it increased from 0.3% m/m to 0.6%.
- In this context, yields on sovereign bonds rose markedly on both sides of the Atlantic while stock indices posted losses across advanced economies. In FX markets, the US dollar strengthened against most peers and the euro fluctuated below $1.06. Today the focus will be on the October University of Michigan sentiment indicators for the US.

Interest Rates (%)	10/12	10/11	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4.50**	4.50	0	0	200	325
€STR	**3.90**	3.90	0	0	201	324
Swap €STR (10Y)	**3.15**	3.10	6	-7	22	12
3 months (Euribor)	**3.97**	3.95	1	-1	183	260
12 months (Euribor)	**4.16**	4.15	2	-5	87	150
Germany - 2-Year Bond	**3.16**	3.11	5	3	50	133
Germany - 10-Year Bond	**2.79**	2.72	7	-9	35	47
France - 10-Year Bond	**3.40**	3.32	8	-6	44	49
Spain - 10-Year Bond	**3.90**	3.82	8	-10	38	40
Portugal - 10-Year Bond	**3.52**	3.45	7	-13	9	11
Italy - 10-Year Bond	**4.76**	4.66	10	-13	25	3
Risk premium - Spain (10Y)	**111**	110	1	-1	3	-7
Risk premium - Portugal (10Y)	**74**	74	0	-4	-26	-36
Risk premium - Italy (10Y)	**197**	194	3	-4	-10	-44
US						
Fed - Upper Bound	**5.50**	5.50	0	0	100	225
Fed Funds Rate Future (Dec.-23)	**5.40**	5.39	2	0	76	-9022
3 months (SOFR)	**5.39**	5.39	0	-2	80	156
12 months (SOFR)	**5.37**	5.36	1	-6	50	91
2-Year Bond	**5.07**	4.98	9	5	64	78
10-Year Bond	**4.70**	4.56	14	-2	83	80

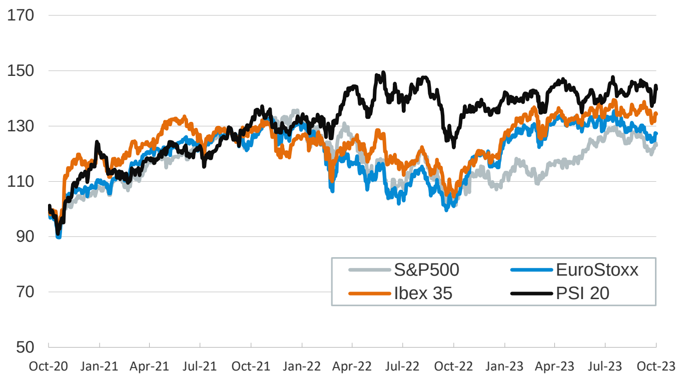
Stock Markets	10/12	10/11	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.83**	3.85	-0.5	2.5	4.2	14.4
Ibex 35	**9336**	9360	-0.3	1.9	13.5	28.6
PSI 20	**6087**	6143	-0.9	3.8	6.3	17.3
MIB	**28493**	28419	0.3	3.6	20.2	39.2
DAX	**15425**	15460	-0.2	2.4	10.8	26.7
CAC 40	**7105**	7131	-0.4	1.5	9.7	22.1
Eurostoxx50	**4198**	4201	-0.1	2.4	10.7	26.0
S&P 500	**4350**	4377	-0.6	2.1	13.3	21.6
Nasdaq	**13574**	13660	-0.6	2.7	29.7	30.3
Nikkei 225	**32495**	31937	1.7	4.6	24.5	23.1
MSCI Emerging Index	**963**	957	0.6	3.5	0.7	11.2
MSCI Emerging Asia	**519**	514	0.9	3.7	1.0	14.1
MSCI Emerging Latin America	**2252**	2264	-0.6	4.6	5.8	4.5
Shanghai	**3108**	3079	0.9	-0.1	0.6	2.7
VIX Index	**16.69**	16.09	3.7	-9.7	-23.0	-50.3

Currencies	10/12	10/11	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.053**	1.062	-0.9	-0.2	-1.7	8.5
EUR/GBP	**0.86**	0.86	0.3	-0.1	-2.3	-1.1
EUR/CHF	**0.96**	0.96	-0.2	-0.6	-3.4	-1.2
USD/JPY	**149.81**	149.17	0.4	0.9	14.3	2.0
USD/CNY	**7.31**	7.30	0.1	0.1	5.9	1.8

Commodities	10/12	10/11	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**103.4**	103.0	0.3	1.7	-8.4	-9.8
Brent (US$/barrel)	**86.0**	85.8	0.2	2.3	0.1	-7.0
TTF Natural Gas-1M Future (€/MWh)	**53.0**	46.1	15.1	46.4	-30.5	-66.9
TTF Natural Gas-Dec.-23 Future (€/MWh)	**55.0**	49.1	12.2	32.5	-34.6	-67.0
Gold (US$/ounce)	**1868.9**	1874.4	-0.3	2.7	2.5	11.7

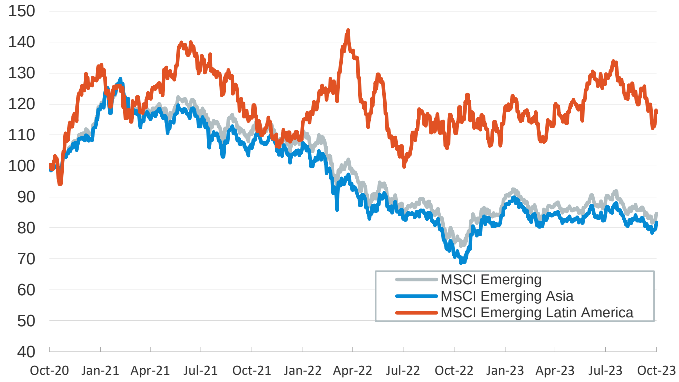
Main advanced stock markets

Index (100=Three years ago)



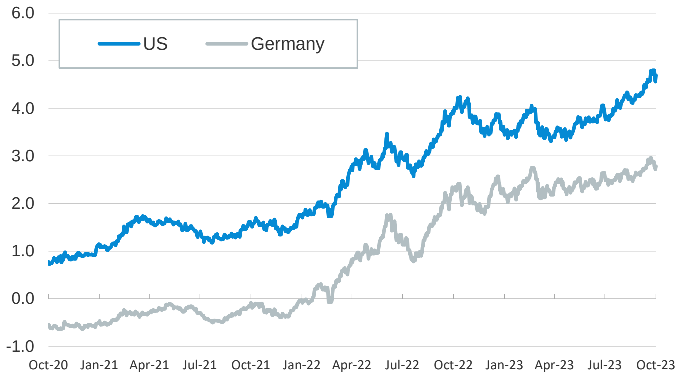
Emerging economies stock markets

Index (100=Three years ago)



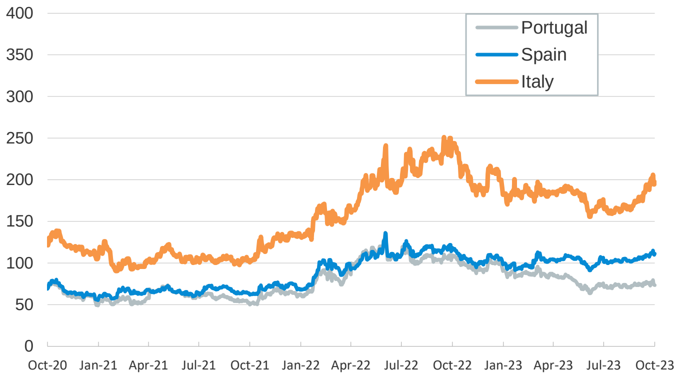
Yield on 10-year public debt: U.S. and Germany

(%)



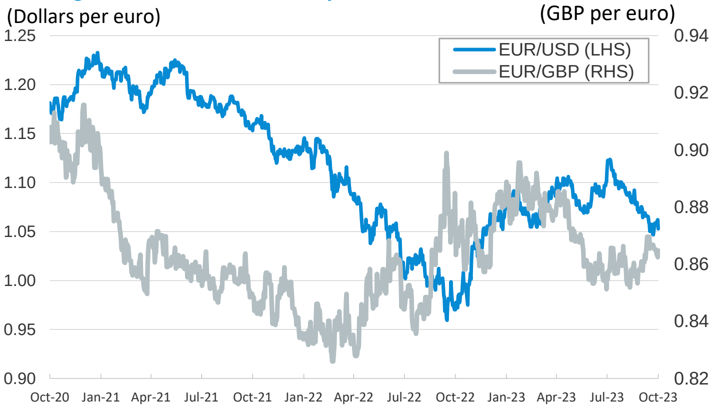
Risk Premium on 10-year debt: Italy, Spain, and Portugal

(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)