CaixaBank Research

Financial Markets

Daily Report 17-Oct-2023

- Investor sentiment improved amid diplomatic efforts to avoid the Israeli-Hamas conflict from spreading in the Middle East, with US Secretary of State Blinken arriving in Israel for talks and both President Biden and German chancellor Scholz planning a visit later this week.
- In this context, stock indices rallied in the US and rose modestly in the euro area. Asian stocks fell as investors await China's 3Q GDP data on Wednesday. Sovereign bond yields advanced most notably in the US and, in the euro area, periphery risk premia edged lower despite Italy's approval of a new fiscal plan which will drive up the deficit.
- In commodities, crude prices lost ground and fell below $90 per barrel, and gold, which had been ralliying as a safe asset, also saw losses. The US dollar weakened leaving the euro around $1.056. Beyond monitoring the developments in the Middle East, investors will be looking at 3Q earning reports to better gauge the state of the global economy.

Interest Rates (%)	10/16	10/13	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	325
Swap €STR (10Y)	**3.15**	3.10	5	0	22	12
3 months (Euribor)	**3.98**	3.99	-1	0	184	257
12 months (Euribor)	**4.17**	4.17	0	-2	88	150
Germany - 2-Year Bond	**3.16**	3.14	2	12	50	120
Germany - 10-Year Bond	**2.79**	2.74	5	1	35	44
France - 10-Year Bond	**3.40**	3.37	4	-1	44	47
Spain - 10-Year Bond	**3.90**	3.88	2	-2	39	39
Portugal - 10-Year Bond	**3.51**	3.50	1	-6	8	8
Italy - 10-Year Bond	**4.76**	4.77	-1	-7	25	-2
Risk premium - Spain (10Y)	**112**	114	-2	-3	4	-5
Risk premium - Portugal (10Y)	**73**	77	-4	-7	-27	-36
Risk premium - Italy (10Y)	**198**	203	-6	-9	-10	-46
US						
Fed - Upper Bound	**5.50**	5.50	0	0	100	225
Fed Funds Rate Future (Dec.-23)	**5.39**	5.39	0	0	75	-8995
3 months (SOFR)	**5.40**	5.40	0	-1	81	147
12 months (SOFR)	**5.39**	5.42	-3	-1	52	75
2-Year Bond	**5.10**	5.05	5	2	67	60
10-Year Bond	**4.71**	4.61	10	-9	84	69

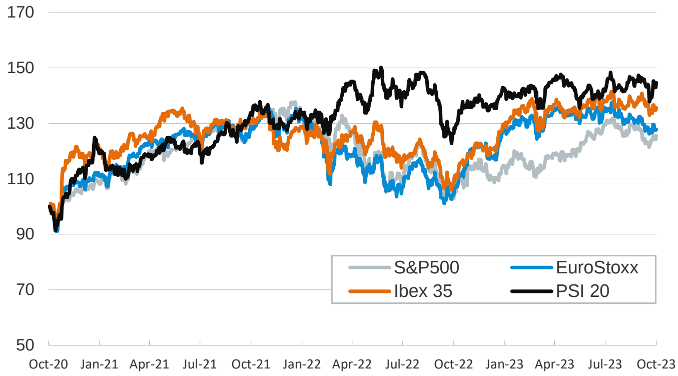
Stock Markets	10/16	10/13	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.79**	3.79	0.1	0.4	3.3	14.0
Ibex 35	**9287**	9233	0.6	1.5	12.9	25.8
PSI 20	**6117**	6043	1.2	2.9	6.8	14.5
MIB	**28392**	28237	0.5	2.6	19.8	35.6
DAX	**15238**	15187	0.3	0.7	9.4	22.5
CAC 40	**7022**	7004	0.3	0.0	8.5	18.4
Eurostoxx50	**4150**	4136	0.3	0.9	9.4	22.7
S&P 500	**4374**	4328	1.1	0.9	13.9	22.1
Nasdaq	**13568**	13407	1.2	0.6	29.6	31.5
Nikkei 225	**31659**	32316	-2.0	2.1	21.3	16.9
MSCI Emerging Index	**946**	951	-0.5	1.2	-1.1	9.6
MSCI Emerging Asia	**508**	512	-0.9	0.7	-1.2	11.7
MSCI Emerging Latin America	**2249**	2228	0.9	3.3	5.7	6.0
Shanghai	**3074**	3088	-0.5	-0.7	-0.5	0.1
VIX Index	**17.21**	19.32	-10.9	-2.8	-20.6	-46.3

Currencies	10/16	10/13	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.056**	1.051	0.5	-0.1	-1.4	8.6
EUR/GBP	**0.86**	0.87	-0.1	0.1	-2.4	-0.7
EUR/CHF	**0.95**	0.95	0.3	-0.8	-3.9	-2.7
USD/JPY	**149.51**	149.57	0.0	0.7	14.0	0.6
USD/CNY	**7.31**	7.31	0.1	0.3	6.0	1.6

Commodities	10/16	10/13	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**104.7**	105.3	-0.6	0.9	-7.2	-7.9
Brent (US$/barrel)	**89.7**	90.9	-1.4	1.7	4.4	-2.2
TTF Natural Gas-1M Future (€/MWh)	**48.5**	54.0	-10.2	10.3	-36.5	-65.9
TTF Natural Gas-Dec.-23 Future (€/MWh)	**52.3**	56.3	-7.2	10.0	-37.9	-66.5
Gold (US$/ounce)	**1920.2**	1932.8	-0.7	3.2	5.3	16.8

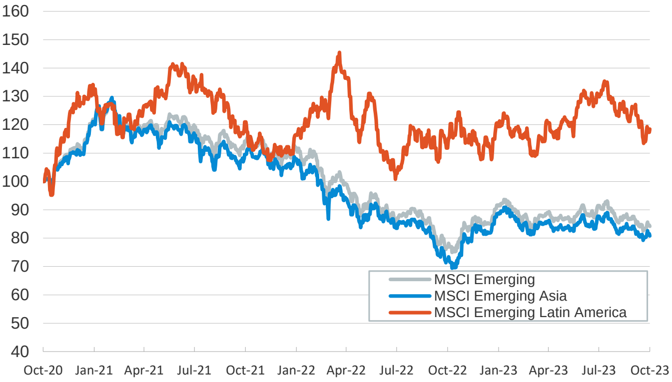
Main advanced stock markets

Index (100=Three years ago)



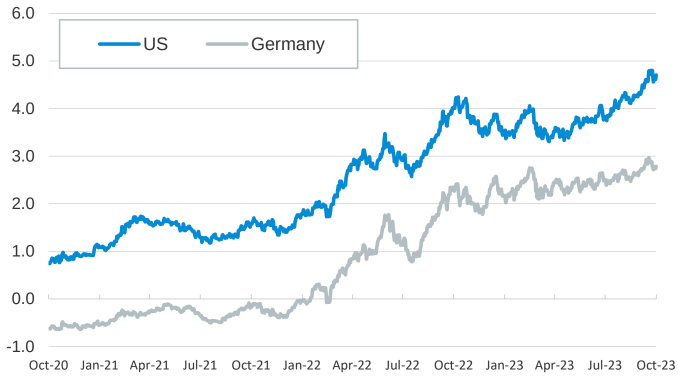
Emerging economies stock markets

Index (100=Three years ago)



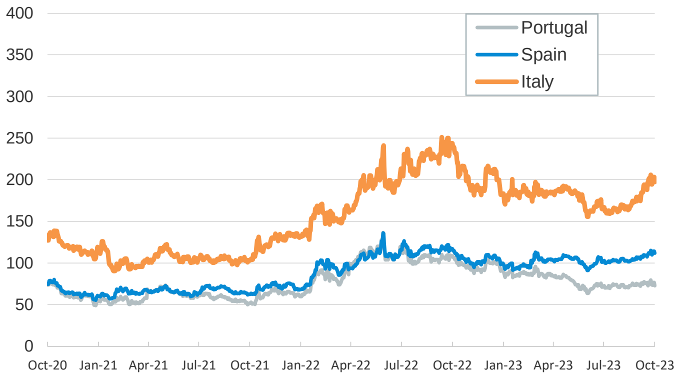
Yield on 10-year public debt: U.S. and Germany

(%)



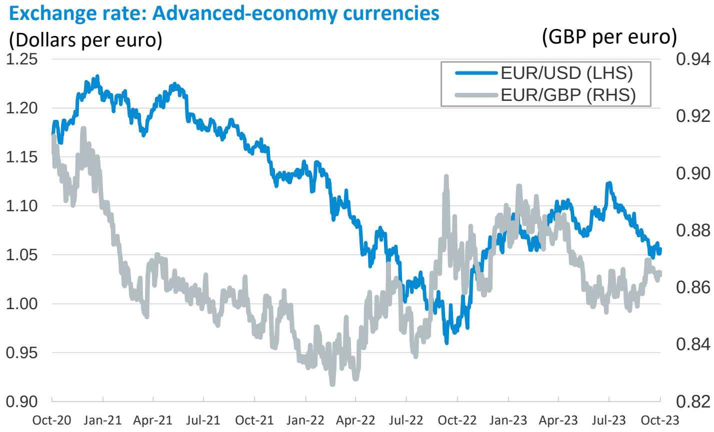
Risk Premium on 10-year debt: Italy, Spain, and Portugal

(basis points)



Exchange rate: Advanced-economy currencies

(Dollars per euro)



Exchange rate: Emerging economies Index

Index (100=Three years ago)

Brent oil price

(US$/barrel)

Dutch TTF Natural gas price

(€/MWh)