CaixaBank Research

Financial Markets

Daily Report 30-Oct-2023

- Volatility rose during the last session of the week amid heightened tensions in the Middle East, mixed corporate earnings, and expectations of the FOMC meeting later this week. Stocks fell across the globe, with US and European stock indices entering "correction" territory after falling 10% their most recent peak in July.
- Elsewhere, sovereign bond markets behaved more calmly, with yields retreating modestly on both sides of the Atlantic, mostly in the short end of the curves. The US dollar was mainly flat leaving the euro around $1.057, and the price of a barrel of Brent rose above $90 once again.
- This week, this focus will mainly be on the Federal Reserve meeting on Tuesday and Wednesday, where markets are expecting interest rates to remain unchanged. In the euro area, investors will be attentive to October inflation data released for some countries including Spain (Monday), Germany (Monday), and euro area aggregate (Tuesday).

Interest Rates (%)	10/27	10/26	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	250
€STR	**3,90**	3,90	0	0	201	325
Swap €STR (10Y)	**3,17**	3,18	-2	-9	23	60
3 months (Euribor)	**3,95**	3,95	0	-2	182	234
12 months (Euribor)	**4,10**	4,13	-2	-8	81	143
Germany - 2-Year Bond	**3,04**	3,08	-4	-9	38	126
Germany - 10-Year Bond	**2,83**	2,86	-3	-6	39	87
France - 10-Year Bond	**3,45**	3,49	-4	-6	49	99
Spain - 10-Year Bond	**3,93**	3,97	-4	-7	41	92
Portugal - 10-Year Bond	**3,56**	3,58	-2	-5	12	62
Italy - 10-Year Bond	**4,80**	4,87	-7	-12	29	80
Risk premium - Spain (10Y)	**110**	111	-1	-2	1	5
Risk premium - Portugal (10Y)	**73**	72	1	1	-27	-25
Risk premium - Italy (10Y)	**197**	201	-4	-6	-10	-7
US						
Fed - Upper Bound	**5,50**	5,50	0	0	100	225
Fed Funds Rate Future (Dec.-23)	**5,36**	5,36	0	0	71	-9025
3 months (SOFR)	**5,38**	5,39	-1	-2	79	129
12 months (SOFR)	**5,37**	5,40	-3	-7	50	67
2-Year Bond	**5,00**	5,04	-4	-7	57	73
10-Year Bond	**4,83**	4,84	-1	-8	96	91

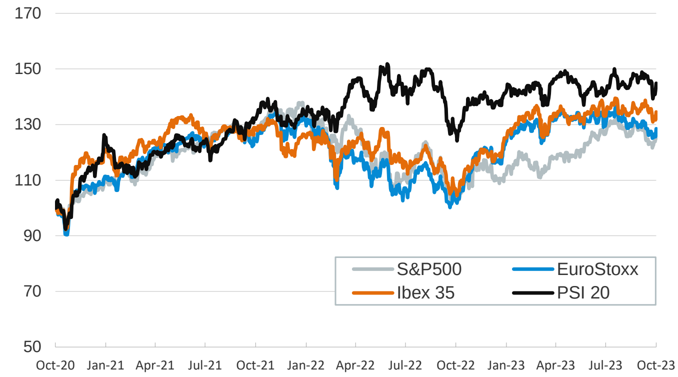
Stock Markets	10/27	10/26	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3,80**	3,72	2,3	0,1	3,6	7,4
Ibex 35	**8918**	8963	-0,5	-1,2	8,4	12,6
PSI 20	**6213**	6185	0,5	2,9	8,5	9,5
MIB	**27287**	27508	-0,8	-0,3	15,1	20,8
DAX	**14687**	14731	-0,3	-0,8	5,5	11,2
CAC 40	**6795**	6889	-1,4	-0,3	5,0	8,8
Eurostoxx50	**4014**	4049	-0,9	-0,3	5,8	11,4
S&P 500	**4117**	4137	-0,5	-2,5	7,2	8,1
Nasdaq	**12643**	12596	0,4	-2,6	20,8	17,1
Nikkei 225	**30992**	30602	1,3	-0,9	18,8	13,3
MSCI Emerging Index	**920**	911	1,0	-0,6	-3,8	7,0
MSCI Emerging Asia	**493**	487	1,2	-0,8	-4,1	10,6
MSCI Emerging Latin America	**2221**	2218	0,1	2,0	4,4	0,2
Shanghai	**3018**	2988	1,0	1,2	-2,3	1,2
VIX Index	**21,27**	20,68	2,9	-2,0	-1,8	-22,3

Currencies	10/27	10/26	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,057**	1,056	0,0	-0,3	-1,3	6,0
EUR/GBP	**0,87**	0,87	0,1	0,1	-1,6	1,2
EUR/CHF	**0,95**	0,95	0,4	0,9	-3,6	-3,4
USD/JPY	**149,66**	150,40	-0,5	-0,1	14,1	2,3
USD/CNY	**7,32**	7,32	0,0	0,0	6,1	1,2

Commodities	10/27	10/26	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**105,6**	104,6	1,0	-0,2	-6,4	-6,7
Brent (US$/barrel)	**90,5**	87,9	2,9	-1,8	5,3	-6,7
TTF Natural Gas-1M Future (€/MWh)	**50,5**	50,8	-0,5	-1,1	-33,8	-52,9
TTF Natural Gas-Dec.-23 Future (€/MWh)	**53,0**	53,3	-0,4	-4,4	-37,0	-62,2
Gold (US$/ounce)	**2006,4**	1984,7	1,1	1,3	10,0	20,6

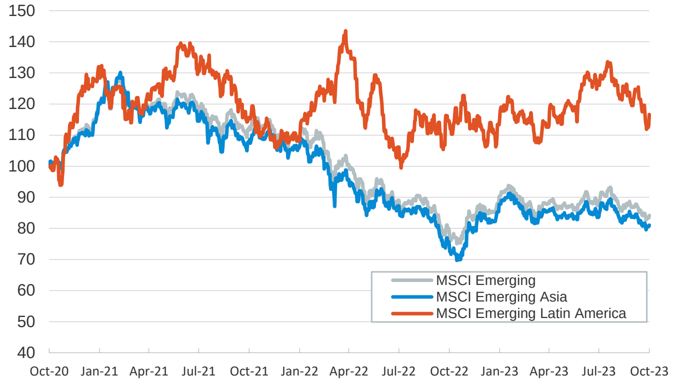
Main advanced stock markets

Index (100=Three years ago)



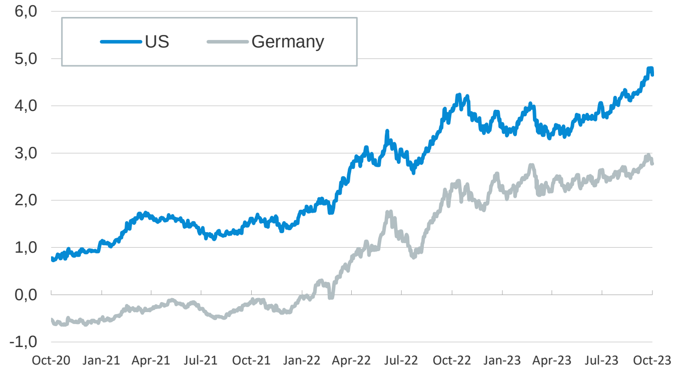
Emerging economies stock markets

Index (100=Three years ago)



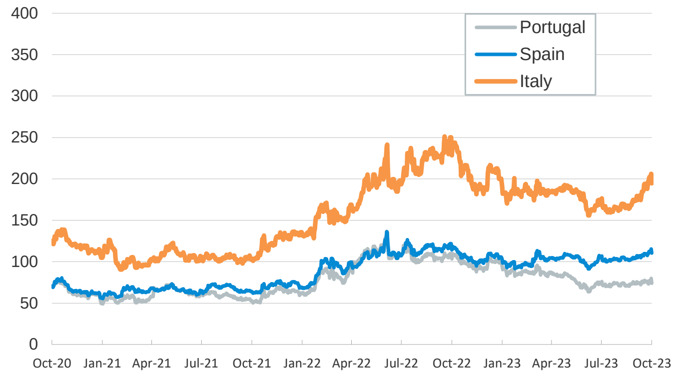
Yield on 10-year public debt: U.S. and Germany

(%)



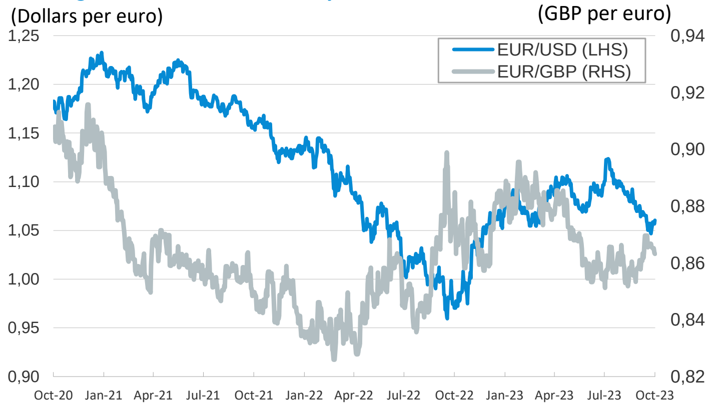
Risk Premium on 10-year debt: Italy, Spain, and Portugal

(basis points)



Exchange rate: Advanced-economy currencies

(Dollars per euro) (GBP per euro)



Exchange rate: Emerging economies Index

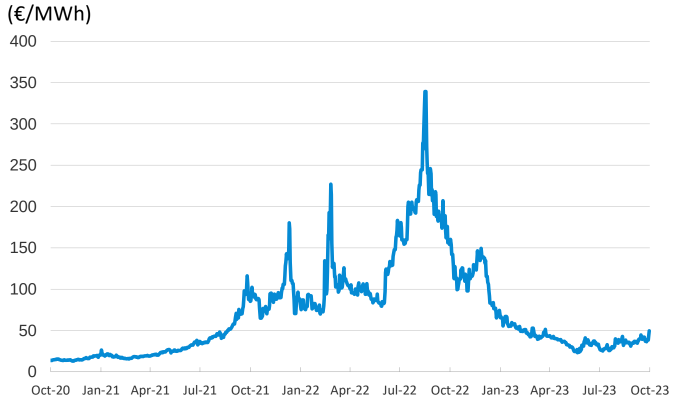
Index (100=Three years ago)

Brent oil price

(US$/barrel)

Dutch TTF Natural gas price

(€/MWh)



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