CaixaBank Research

Financial Markets

Daily Report 31-Oct-2023

- In yesterday's session, euro area economic releases took center stage. Lower-than-expected October y/y inflation in Germany (3.0% vs 3.3% expected) and in Spain (3.5% vs 3.8% expected) pushed euro area sovereign yields down and the area's main stock indices up. 3Q German GDP growth came in at -0.1% vs -0.2% expected.
- In the US, treasury yields advanced ahead of the FOMC meeting this week, while stocks climbed led by some mega-cap tech companies. Elsewhere, the price of oil dropped 3% as Israel's ground incursion in Gaza has been less extensive than expected by markets, and the US dollar weakened allowing the euro to cross the $1.06 mark.
- Today, the focus will be on euro area Q3 GDP and October inflation. This morning we learned Chinese October PMIs missed expectations with the manufacturing index at 49.5 and the non-manufacturing at 50.6 (vs 50.2 and 52.6 expected). The composite index dropped from 52 in September to 50.7 in October.

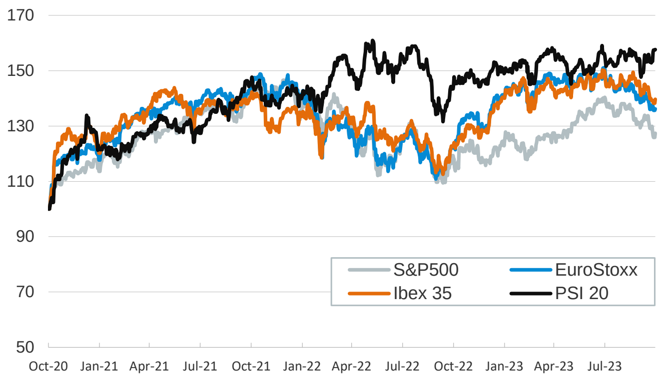
Interest Rates (%)	10/30	10/27	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4,50**	4,50	0	0	200	250
€STR	**3,90**	3,90	0	-1	201	324
Swap €STR (10Y)	**3,16**	3,17	-1	-7	22	46
3 months (Euribor)	**3,97**	3,95	2	1	184	233
12 months (Euribor)	**4,08**	4,10	-3	-7	79	151
Germany - 2-Year Bond	**3,01**	3,04	-2	-12	35	107
Germany - 10-Year Bond	**2,82**	2,83	-1	-5	38	72
France - 10-Year Bond	**3,43**	3,45	-2	-5	47	82
Spain - 10-Year Bond	**3,89**	3,93	-3	-7	38	74
Portugal - 10-Year Bond	**3,53**	3,56	-3	-6	9	44
Italy - 10-Year Bond	**4,73**	4,80	-7	-10	22	57
Risk premium - Spain (10Y)	**107**	110	-2	-2	-1	2
Risk premium - Portugal (10Y)	**70**	73	-2	0	-29	-28
Risk premium - Italy (10Y)	**191**	197	-6	-5	-16	-15
US						
Fed - Upper Bound	**5,50**	5,50	0	0	100	225
Fed Funds Rate Future (Dec.-23)	**5,37**	5,36	1	0	72	-9011
3 months (SOFR)	**5,38**	5,38	0	0	79	129
12 months (SOFR)	**5,36**	5,37	-1	-2	49	71
2-Year Bond	**5,05**	5,00	5	0	62	64
10-Year Bond	**4,89**	4,83	6	4	102	88

Stock Markets	10/30	10/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3,86**	3,80	1,6	3,2	5,2	17,4
Ibex 35	**9014**	8918	1,1	0,2	9,5	13,9
PSI 20	**6218**	6213	0,1	3,2	8,6	9,9
MIB	**27340**	27287	0,2	-0,8	15,3	21,4
DAX	**14717**	14687	0,2	-0,6	5,7	11,1
CAC 40	**6825**	6795	0,4	-0,4	5,4	8,8
Eurostoxx50	**4028**	4014	0,3	-0,3	6,2	11,5
S&P 500	**4167**	4117	1,2	-1,2	8,5	6,8
Nasdaq	**12789**	12643	1,2	-1,8	22,2	15,2
Nikkei 225	**30697**	30992	-1,0	-1,0	17,6	13,3
MSCI Emerging Index	**922**	920	0,2	0,5	-3,6	9,0
MSCI Emerging Asia	**495**	493	0,3	0,4	-3,8	13,1
MSCI Emerging Latin America	**2188**	2221	-1,5	0,4	2,8	-0,9
Shanghai	**3022**	3018	0,1	2,8	-2,2	3,6
VIX Index	**19,75**	21,27	-7,1	-3,0	-8,9	-23,3

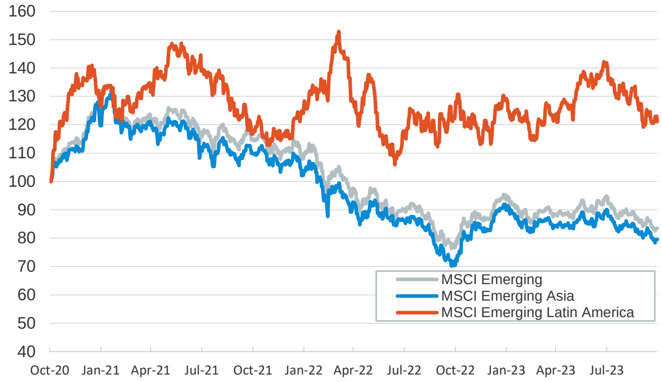
Currencies	10/30	10/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,062**	1,057	0,5	-0,5	-0,8	6,5
EUR/GBP	**0,87**	0,87	0,1	0,1	-1,5	1,7
EUR/CHF	**0,96**	0,95	0,4	0,7	-3,2	-3,5
USD/JPY	**149,10**	149,66	-0,4	-0,4	13,7	1,0
USD/CNY	**7,31**	7,32	-0,1	0,0	6,0	0,8

Commodities	10/30	10/27	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**104,5**	105,6	-1,1	-0,4	-7,4	-6,5
Brent (US$/barrel)	**87,5**	90,5	-3,3	-2,6	1,8	-8,7
TTF Natural Gas-1M Future (€/MWh)	**50,5**	50,5	0,0	-1,4	-33,8	-55,0
TTF Natural Gas-Dec.-23 Future (€/MWh)	**53,0**	53,0	0,0	-4,7	-37,0	-62,8
Gold (US$/ounce)	**1996,1**	2006,4	-0,5	1,2	9,4	21,4

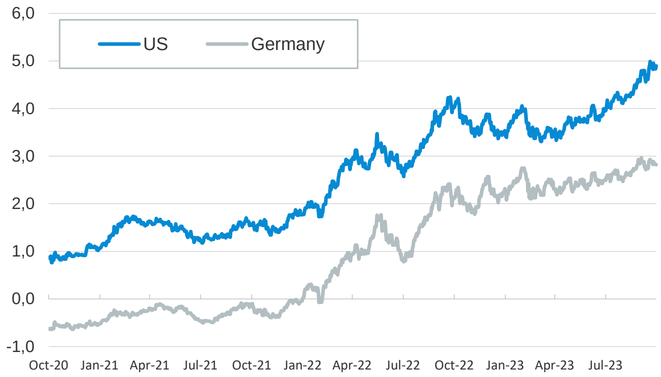
Main advanced stock markets
Index (100=Three years ago)



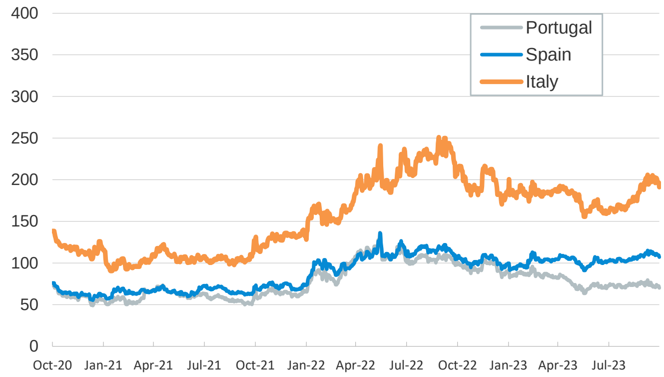
Emerging economies stock markets
Index (100=Three years ago)



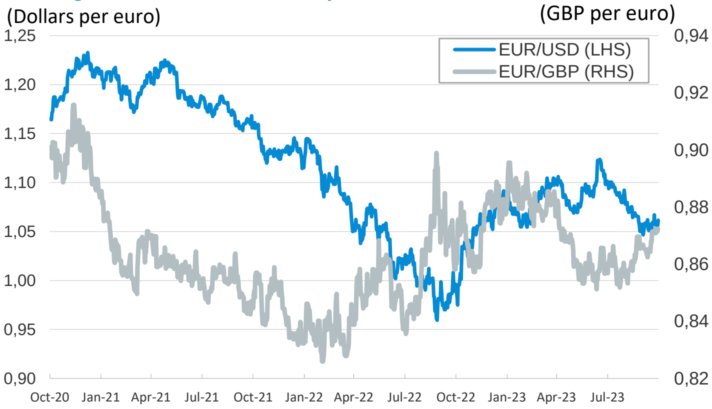
Yield on 10-year public debt: U.S. and Germany
(%)



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)