CaixaBank Research

Financial Markets

Daily Report 2-Nov-2023

- In yesterday's session, the FOMC decided to leave interest rates unchanged at the 5.25%-5.50% target range. Despite describing the economic outlook with similar words than in September and not ruling out an additional rate hike, markets lowered the probabilities of a further tightening in the monetary policy stance.
- In this context, sovereign bond yields declined sharply in the US (-20bp in the 10-year bond) and more modestly in the euro area, where peripheral spreads widened moderately. Stock indices benefited from the expectation of a lower-than-expected interest rate environment going forward and rose notably across the globe.
- Elsewhere, the US dollar weakened against most advanced economies' currencies with the exception of the euro, which fluctuated below $1.06.
- Today the focus will be on the October Manufacturing PMIs for the main advanced economies.

Interest Rates (%)	11/1	10/31	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**	3.88	2	0	201	324
Swap €STR (10Y)	**3.08**	3.13	-6	-16	14	34
3 months (Euribor)	**3.95**	3.97	-2	1	182	222
12 months (Euribor)	**4.04**	4.05	-1	-7	75	136
Germany - 2-Year Bond	**2.99**	3.02	-2	-13	33	105
Germany - 10-Year Bond	**2.76**	2.81	-4	-13	33	63
France - 10-Year Bond	**3.38**	3.43	-5	-14	42	71
Spain - 10-Year Bond	**3.84**	3.88	-4	-16	32	63
Portugal - 10-Year Bond	**3.49**	3.53	-4	-14	5	36
Italy - 10-Year Bond	**4.72**	4.72	0	-19	21	47
Risk premium - Spain (10Y)	**107**	108	0	-4	-1	-1
Risk premium - Portugal (10Y)	**72**	72	1	-2	-27	-27
Risk premium - Italy (10Y)	**196**	192	4	-6	-11	-17
US						
Fed - Upper Bound	**5.50**	5.50	0	0	100	225
Fed Funds Rate Future (Dec.-23)	**5.36**	5.37	-1	-1	71	-8997
3 months (SOFR)	**5.39**	5.38	1	0	80	125
12 months (SOFR)	**5.39**	5.37	2	-1	52	62
2-Year Bond	**4.94**	5.09	-15	-18	51	40
10-Year Bond	**4.73**	4.93	-20	-22	86	69

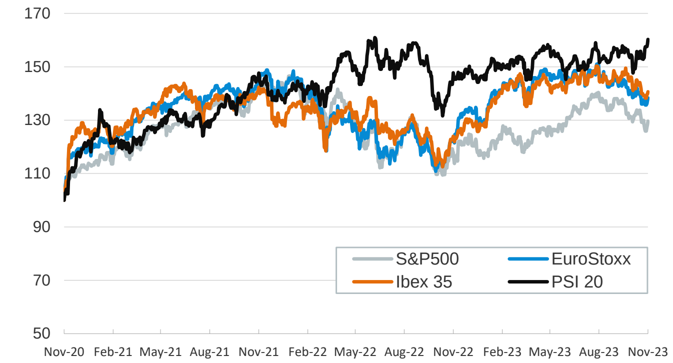
Stock Markets	11/1	10/31	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.80**	3.84	-1.0	4.5	3.3	12.7
Ibex 35	**9075**	9017	0.6	1.0	10.3	13.5
PSI 20	**6323**	6257	1.1	4.5	10.4	8.5
MIB	**27985**	27742	0.9	2.0	18.0	22.8
DAX	**14923**	14810	0.8	0.2	7.2	11.9
CAC 40	**6933**	6886	0.7	0.3	7.1	9.6
Eurostoxx50	**4092**	4061	0.8	0.5	7.9	12.1
S&P 500	**4238**	4194	1.1	1.2	10.4	9.9
Nasdaq	**13061**	12851	1.6	1.9	24.8	19.9
Nikkei 225	**31602**	30859	2.4	1.1	21.1	14.2
MSCI Emerging Index	**916**	915	0.1	-0.5	-4.2	5.6
MSCI Emerging Asia	**488**	489	-0.2	-1.1	-5.0	8.6
MSCI Emerging Latin America	**2230**	2187	2.0	2.0	4.8	-3.7
Shanghai	**3023**	3019	0.1	1.6	-2.1	1.8
VIX Index	**16.87**	18.14	-7.0	-16.4	-22.2	-34.6

Currencies	11/1	10/31	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.057**	1.058	0.0	0.0	-1.3	7.0
EUR/GBP	**0.87**	0.87	-0.1	-0.3	-1.8	1.1
EUR/CHF	**0.96**	0.96	-0.3	1.3	-3.0	-2.8
USD/JPY	**150.95**	151.68	-0.5	0.5	15.1	1.8
USD/CNY	**7.32**	7.32	0.0	0.0	6.1	0.5

Commodities	11/1	10/31	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**104.2**	104.6	-0.4	-0.9	-7.7	-8.2
Brent (US$/barrel)	**84.6**	87.4	-3.2	-6.1	-1.5	-10.6
TTF Natural Gas-1M Future (€/MWh)	**47.8**	48.0	-0.5	-4.3	-37.4	-58.9
TTF Natural Gas-Dec.-23 Future (€/MWh)	**47.8**	48.0	-0.5	-9.0	-43.3	-61.6
Gold (US$/ounce)	**1982.5**	1983.9	-0.1	0.1	8.7	20.3

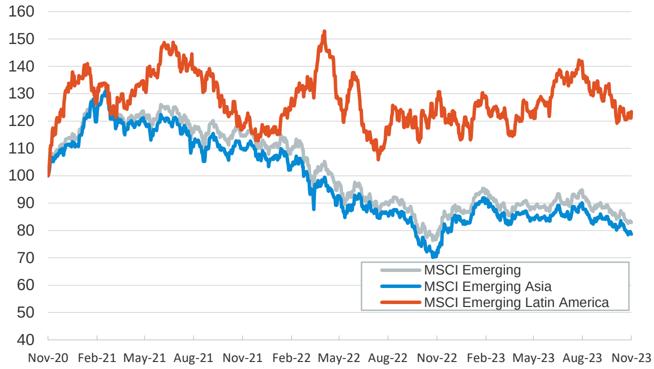
Main advanced stock markets

Index (100=Three years ago)



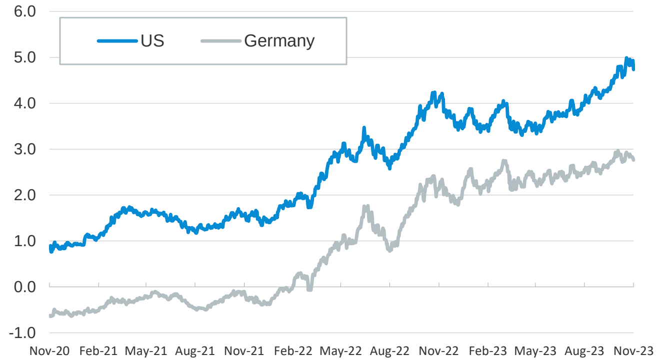
Emerging economies stock markets

Index (100=Three years ago)



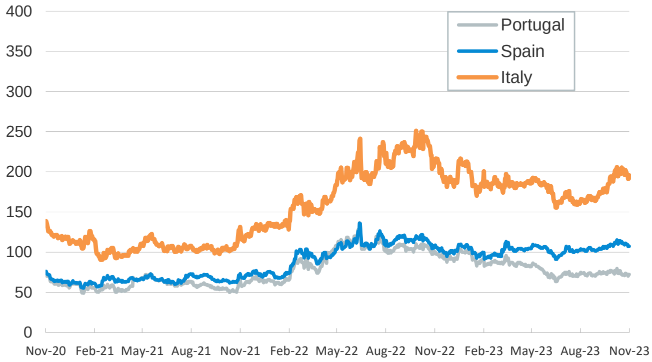
Yield on 10-year public debt: U.S. and Germany

(%)



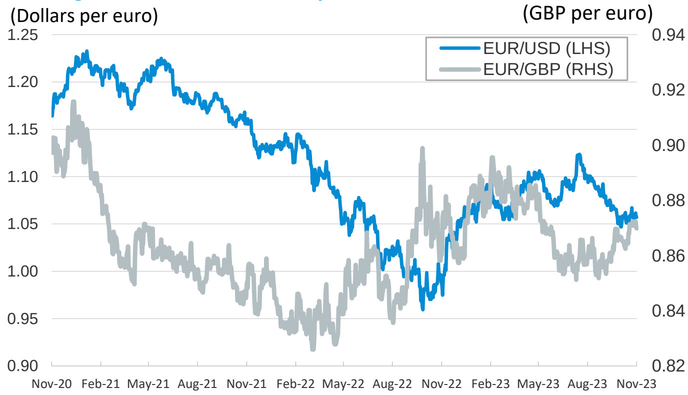
Risk Premium on 10-year debt: Italy, Spain, and Portugal

(basis points)



Exchange rate: Advanced-economy currencies

(Dollars per euro) (GBP per euro)

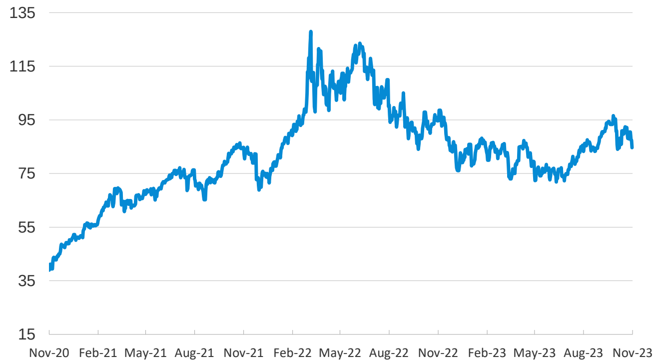


Exchange rate: Emerging economies Index

Index (100=Three years ago)

Brent oil price

(US$/barrel)



Dutch TTF Natural gas price

(€/MWh)