CaixaBank Research

Financial Markets

Daily Report 3-Nov-2023

- In yesterday's session financial markets continued to digest the last US Federal Reserve monetary policy decision, where interest rates were held unchanged at the 5.25%-5.50% target range and President Jerome Powell hinted that we might already be at the peak of the hiking cycle, although new rate hikes were not definitely ruled out.
- In a similar tone, yesterday the Bank of England decided to keep rates unchanged at 5.25% (6 members voted for this decision while 3 voted for hiking them by 25bp). In this context, sovereign bond yields continued to fall on both sides of the Atlantic and euro area peripheral spreads narrowed.
- In stock markets, volatility measured with the VIX index declined and equities registered solid gains across the board. Elsewhere, the US dollar weakened against most of its peers and the euro fluctuated above $1.06.
- Today the focus will be on the October US employment report and US ISM Services index.

Interest Rates (%)	11/2	11/1	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	250
Swap €STR (10Y)	**3.02**	3.08	-6	-17	8	29
3 months (Euribor)	**3.97**	3.95	2	2	184	225
12 months (Euribor)	**4.01**	4.04	-3	-12	72	134
Germany - 2-Year Bond	**3.01**	2.99	2	-7	35	103
Germany - 10-Year Bond	**2.72**	2.76	-5	-14	28	58
France - 10-Year Bond	**3.32**	3.38	-6	-17	36	65
Spain - 10-Year Bond	**3.77**	3.84	-7	-20	25	54
Portugal - 10-Year Bond	**3.40**	3.49	-9	-18	-3	26
Italy - 10-Year Bond	**4.63**	4.72	-10	-24	12	34
Risk premium - Spain (10Y)	**105**	107	-2	-6	-3	-4
Risk premium - Portugal (10Y)	**69**	72	-4	-3	-31	-32
Risk premium - Italy (10Y)	**191**	196	-5	-10	-16	-24
US						
Fed - Upper Bound	**5.50**	5.50	0	0	100	150
Fed Funds Rate Future (Dec.-23)	**5.36**	5.36	0	0	71	-8989
3 months (SOFR)	**5.39**	5.39	0	0	80	122
12 months (SOFR)	**5.36**	5.39	-3	-4	49	56
2-Year Bond	**4.99**	4.94	5	-5	56	37
10-Year Bond	**4.66**	4.73	-7	-18	79	56

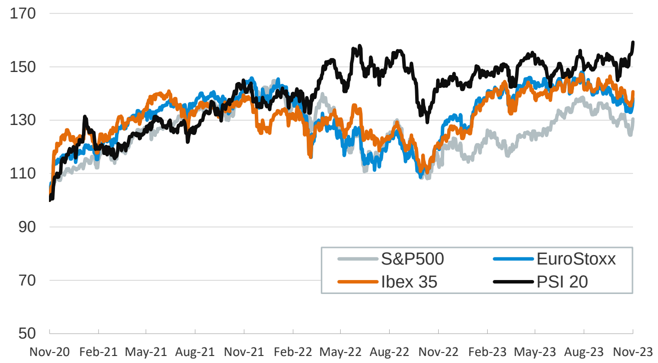
Stock Markets	11/2	11/1	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.78**	3.80	-0.3	1.7	3.1	12.2
Ibex 35	**9260**	9075	2.0	3.3	12.5	16.2
PSI 20	**6398**	6323	1.2	3.5	11.7	11.6
MIB	**28479**	27985	1.8	3.5	20.1	24.9
DAX	**15144**	14923	1.5	2.8	8.8	14.2
CAC 40	**7061**	6933	1.8	2.5	9.1	12.5
Eurostoxx50	**4170**	4092	1.9	3.0	9.9	15.1
S&P 500	**4318**	4238	1.9	4.4	12.5	14.8
Nasdaq	**13294**	13061	1.8	5.5	27.0	26.3
Nikkei 225	**31950**	31602	1.1	4.4	22.4	15.5
MSCI Emerging Index	**931**	916	1.6	2.2	-2.7	6.6
MSCI Emerging Asia	**496**	488	1.6	1.9	-3.5	9.5
MSCI Emerging Latin America	**2263**	2230	1.5	2.0	6.3	-1.8
Shanghai	**3009**	3023	-0.5	0.7	-2.6	0.2
VIX Index	**15.66**	16.87	-7.2	-24.3	-27.7	-39.4

Currencies	11/2	11/1	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.062**	1.057	0.5	0.6	-0.8	8.2
EUR/GBP	**0.87**	0.87	0.1	-0.1	-1.7	1.0
EUR/CHF	**0.96**	0.96	0.3	1.4	-2.8	-2.3
USD/JPY	**150.45**	150.95	-0.3	0.0	14.7	1.7
USD/CNY	**7.31**	7.32	0.0	0.0	6.0	0.3

Commodities	11/2	11/1	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**105.0**	104.2	0.9	0.4	-6.9	-8.7
Brent (US$/barrel)	**86.9**	84.6	2.6	-1.2	1.1	-9.7
TTF Natural Gas-1M Future (€/MWh)	**48.6**	47.8	1.7	-4.4	-36.4	-61.4
TTF Natural Gas-Dec.-23 Future (€/MWh)	**48.6**	47.8	1.7	-8.8	-42.3	-63.1
Gold (US$/ounce)	**1985.8**	1982.5	0.2	0.1	8.9	21.4

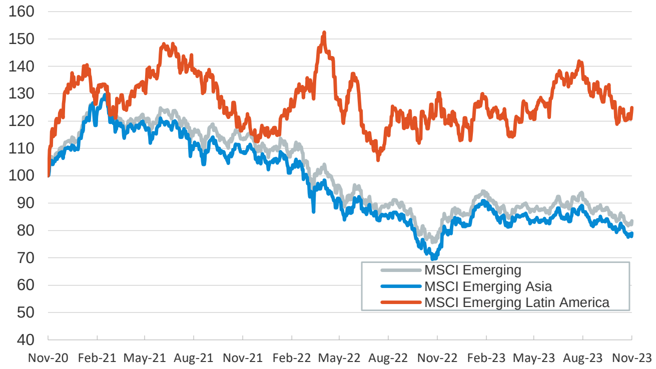
Main advanced stock markets

Index (100=Three years ago)



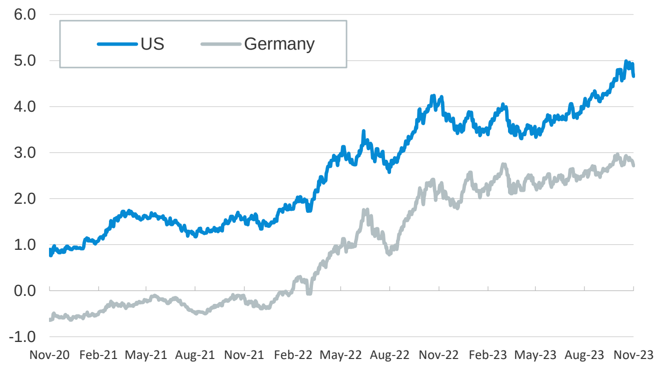
Emerging economies stock markets

Index (100=Three years ago)



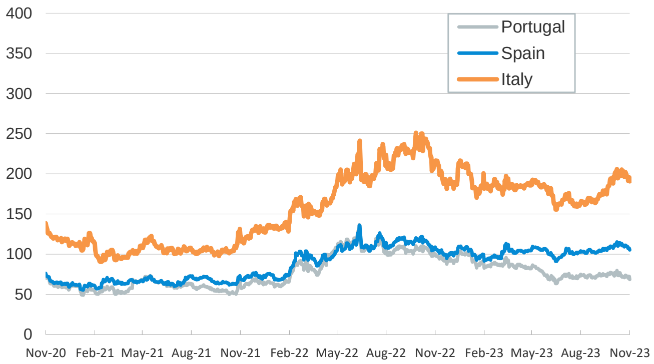
Yield on 10-year public debt: U.S. and Germany

(%)



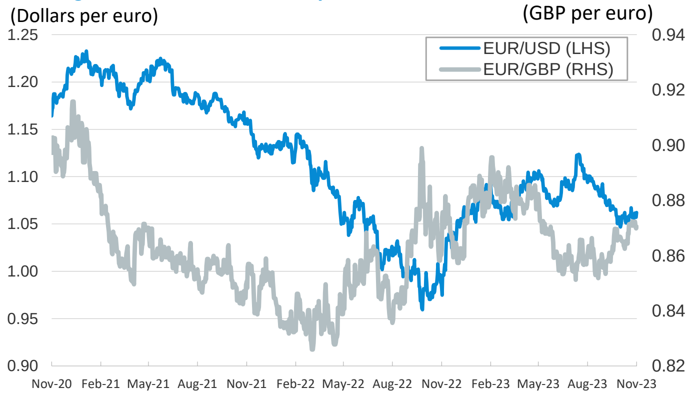
Risk Premium on 10-year debt: Italy, Spain, and Portugal

(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)