CaixaBank Research

Financial Markets

Daily Report 17-Jan-2024

- Central bank officials continued to push against the expectation of as many as six interest rates cuts in 2024. Yesterday, was Fed's Christopher Waller turn, who suggested moving not as quickly as in previous easing cycles.
- In this context, yields on sovereign bonds rose across the board, particularly so in the US which accumulated the increase seen on Monday in the euro area. The sharp increase in the Portuguese 10-year yield was due to a change in the Bloomberg reference, now using a bond maturing on October 2034 (previously on July 2032).
- Elsewhere, stock market volatility measured with the VIX Index rose, despite remaining at fairly low levels, and equities suffered generalized losses.
- According to this morning release, Q4 GDP in China rose by 1.0% q/q (1.5% in the previous quarter and 1.1% expected by the Bloomberg consensus), which is pushing the Shanghai stock index 2% down.

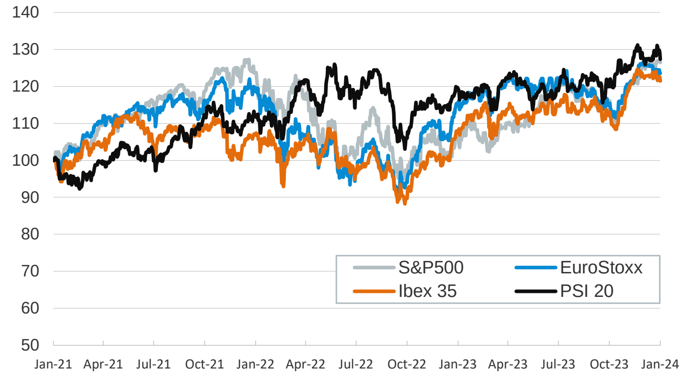
Interest Rates (%)	1/16	1/15	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4.50**	4.50	0	0	0	200
€STR	**3.91**	3.90	0	0	2	200
Swap €STR (10Y)	**2.47**	2.44	4	2	18	1
3 months (Euribor)	**3.89**	3.93	-3	-3	-1	156
12 months (Euribor)	**3.60**	3.57	3	0	8	26
Germany - 2-Year Bond	**2.60**	2.60	0	-1	23	3
Germany - 10-Year Bond	**2.26**	2.23	2	7	31	8
France - 10-Year Bond	**2.75**	2.73	2	3	28	11
Spain - 10-Year Bond	**3.18**	3.15	3	2	28	1
Portugal - 10-Year Bond	**3.07**	2.82	26	25	52	0
Italy - 10-Year Bond	**3.83**	3.80	2	-2	23	-18
Risk premium - Spain (10Y)	**92**	92	0	-5	-4	-7
Risk premium - Portugal (10Y)	**82**	59	23	18	21	-9
Risk premium - Italy (10Y)	**157**	157	0	-9	-8	-27
US						
Fed - Upper Bound	**5.50**	5.50	0	0	0	100
Fed Funds Rate Future (Dec.-24)	**3.86**	3.75	11	-20	2	91
3 months (SOFR)	**5.30**	5.32	-2	-2	-3	67
12 months (SOFR)	**4.65**	4.79	-14	-17	-12	-17
2-Year Bond	**4.22**	4.14	8	-14	-3	-1
10-Year Bond	**4.06**	3.94	12	5	18	56

Stock Markets	1/16	1/15	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.91**	3.93	-0.5	-0.5	4.9	1.5
Ibex 35	**9994**	10077	-0.8	-0.7	-1.1	12.7
PSI 20	**6415**	6503	-1.4	-0.7	0.3	6.6
DAX	**16572**	16622	-0.3	-0.7	-1.1	9.5
CAC 40	**7398**	7412	-0.2	-0.4	-1.9	5.0
Eurostoxx50	**4447**	4455	-0.2	-0.5	-1.7	7.0
S&P 500	**4766**	4784	-0.4	0.2	-0.1	19.2
Nasdaq	**14944**	14973	-0.2	0.6	-0.4	34.9
Nikkei 225	**35619**	35902	-0.8	5.5	6.4	37.9
MSCI Emerging Index	**980**	995	-1.6	-1.3	-4.3	-5.0
MSCI Emerging Asia	**517**	525	-1.5	-1.3	-4.7	-7.4
MSCI Emerging Latin America	**2534**	2592	-2.2	-1.6	-4.8	11.9
Shanghai	**2894**	2886	0.3	0.0	-2.7	-10.3
VIX Index	**13.84**	13.25	4.5	8.5	11.2	-29.0

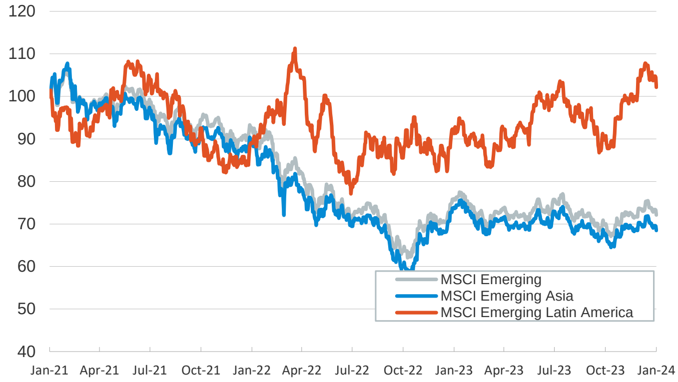
Currencies	1/16	1/15	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.088**	1.095	-0.7	-0.5	-1.5	0.5
EUR/GBP	**0.86**	0.86	0.0	0.1	-0.7	-3.0
EUR/CHF	**0.94**	0.94	0.0	0.6	0.9	-6.5
USD/JPY	**147.19**	145.73	1.0	1.9	4.4	14.5
USD/CNY	**7.19**	7.17	0.2	0.3	1.2	6.7

Commodities	1/16	1/15	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**97.4**	98.0	-0.5	-0.9	-1.2	-12.7
Brent (US$/barrel)	**78.3**	78.2	0.2	0.9	1.6	-7.3
TTF Natural Gas-1M Future (€/MWh)	**29.7**	29.9	-0.9	-3.2	-8.3	-46.5
TTF Natural Gas-Dec.-24 Future (€/MWh)	**35.5**	35.7	-0.6	-2.8	-7.3	-47.1
Gold (US$/ounce)	**2028.4**	2056.6	-1.4	-0.1	-1.7	5.9

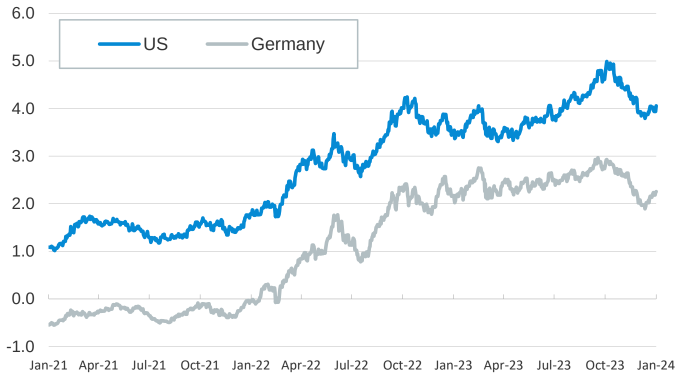
Main advanced stock markets
Index (100=Three years ago)



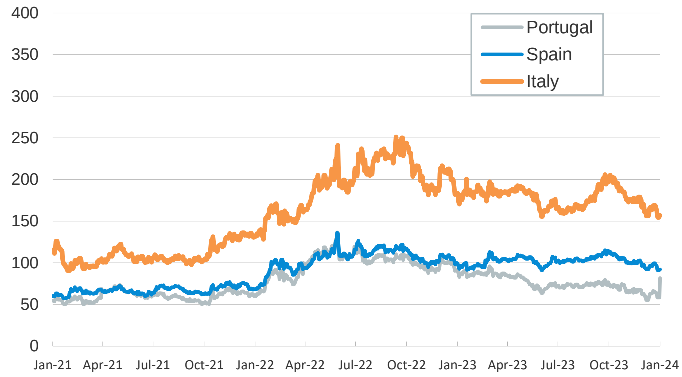
Emerging economies stock markets
Index (100=Three years ago)



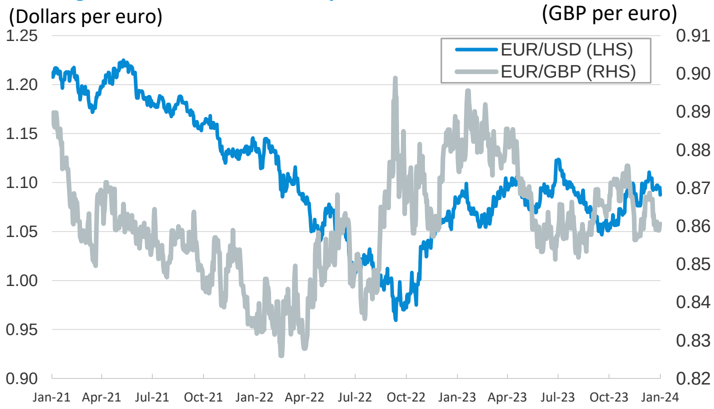
Yield on 10-year public debt: U.S. and Germany
(%)



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)