CaixaBank Research

Financial Markets

Daily Report 29-Jan-2024

- In the final session of the week, market sentiment was mixed on both sides of the Atlantic. In Europe, government bond yields remained fairly flat following Thursday's ECB meeting, after which investors see a first rate cut in April as more plausible. Major European stock market indices rallied on this expectation, posting a week of strong gains.
- In the US, government bond yields rose slightly, mainly due to concerns about the supply of government debt, as Friday's PCE data for December confirmed that inflation continues to cool, despite a marginal increase in the monthly data. US equity indices fell slightly on gloomy sales forecasts from some technology companies.
- In the FX markets, the USD weakened slightly on the inflation news. In commodities, oil prices rose as solid US growth and Chinese stimulus boosted demand expectations, while concerns over the Red Sea provided further support. This week, all eyes will be on the FOMC meeting on Wednesday; and Eurozone GDP on Tuesday and CPI on Friday.

Interest Rates (%)	1/26	1/25	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	**3,90**	3,91	0	0	2	200
Swap €STR (10Y)	**2,49**	2,49	0	-5	21	-2
3 months (Euribor)	**3,89**	3,93	-4	-7	-2	142
12 months (Euribor)	**3,60**	3,66	-6	-6	8	25
Germany - 2-Year Bond	**2,63**	2,62	2	-11	26	5
Germany - 10-Year Bond	**2,30**	2,29	1	-4	36	8
France - 10-Year Bond	**2,79**	2,78	1	-4	31	11
Spain - 10-Year Bond	**3,20**	3,20	0	-5	30	2
Portugal - 10-Year Bond	**3,11**	3,11	0	-6	56	2
Italy - 10-Year Bond	**3,82**	3,82	0	-6	23	-21
Risk premium - Spain (10Y)	**90**	91	-1	0	-6	-7
Risk premium - Portugal (10Y)	**81**	82	-1	-2	20	-7
Risk premium - Italy (10Y)	**152**	153	-1	-2	-13	-29
US						
Fed - Upper Bound	**5,50**	5,50	0	0	0	100
Fed Funds Rate Future (Dec.-24)	**4,10**	4,03	6	-2	26	103
3 months (SOFR)	**5,32**	5,32	0	0	-1	65
12 months (SOFR)	**4,80**	4,82	-2	0	3	-3
2-Year Bond	**4,35**	4,29	6	-3	10	17
10-Year Bond	**4,14**	4,12	2	2	26	65

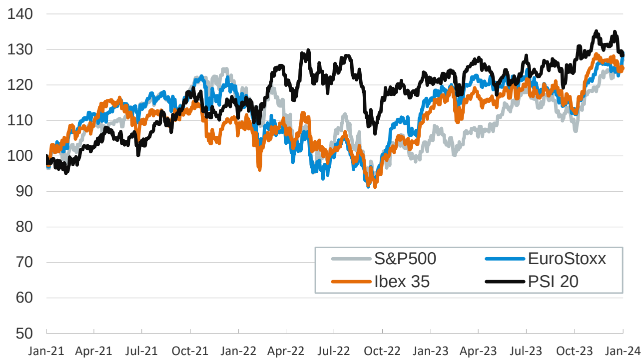
Stock Markets	1/26	1/25	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3,86**	3,84	0,4	0,6	3,5	-3,4
Ibex 35	**9937**	9917	0,2	0,8	-1,6	10,0
PSI 20	**6276**	6295	-0,3	-0,6	-1,9	5,3
DAX	**16961**	16907	0,3	2,5	1,3	12,1
CAC 40	**7634**	7464	2,3	3,6	1,2	7,6
Eurostoxx50	**4635**	4582	1,2	4,2	2,5	11,1
S&P 500	**4891**	4894	-0,1	1,1	2,5	20,5
Nasdaq	**15455**	15511	-0,4	0,9	3,0	34,2
Nikkei 225	**35751**	36236	-1,3	-0,6	6,8	30,7
MSCI Emerging Index	**985**	988	-0,3	1,5	-3,8	-6,4
MSCI Emerging Asia	**519**	522	-0,6	1,3	-4,4	-9,0
MSCI Emerging Latin America	**2553**	2527	1,0	1,5	-4,1	8,4
Shanghai	**2910**	2906	0,1	2,8	-2,2	-10,9
VIX Index	**13,26**	13,45	-1,4	-0,3	6,5	-29,2

Currencies	1/26	1/25	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,085**	1,085	0,1	-0,4	-1,7	-0,4
EUR/GBP	**0,85**	0,85	0,1	-0,4	-1,4	-2,7
EUR/CHF	**0,94**	0,94	-0,3	-0,9	1,0	-6,4
USD/JPY	**148,15**	147,66	0,3	0,0	5,0	13,8
USD/CNY	**7,18**	7,17	0,0	-0,2	1,1	5,8

Commodities	1/26	1/25	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**98,8**	98,7	0,1	2,0	0,1	-12,1
Brent (US$/barrel)	**83,6**	82,4	1,4	6,4	8,5	-4,5
TTF Natural Gas-1M Future (€/MWh)	**28,1**	27,8	1,1	-1,2	-13,2	-48,8
TTF Natural Gas-Dec.-24 Future (€/MWh)	**35,1**	35,1	-0,1	-0,2	-8,4	-47,7
Gold (US$/ounce)	**2018,5**	2020,8	-0,1	-0,5	-2,2	4,6

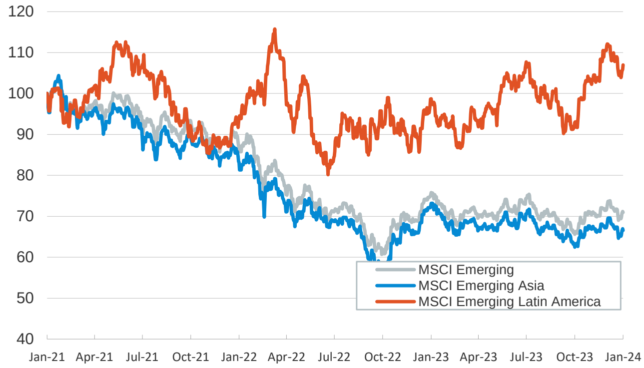
Main advanced stock markets

Index (100=Three years ago)



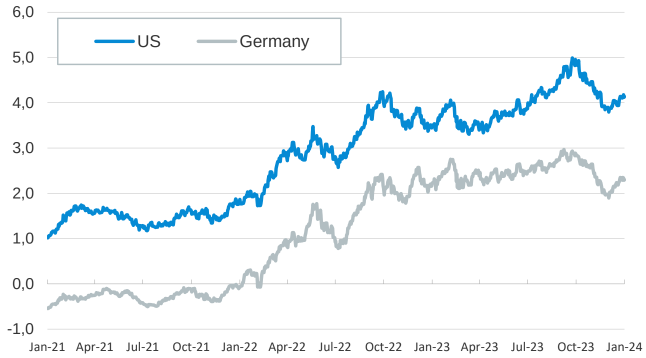
Emerging economies stock markets

Index (100=Three years ago)



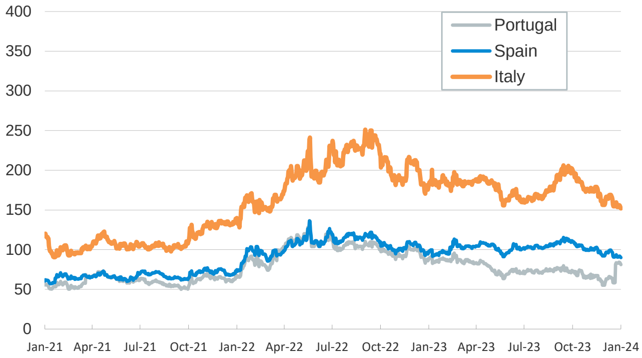
Yield on 10-year public debt: U.S. and Germany

(%)



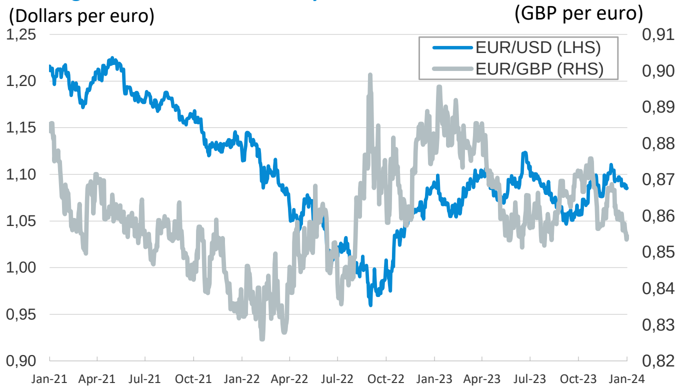
Risk Premium on 10-year debt: Italy, Spain, and Portugal

(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)