CaixaBank Research

Financial Markets

Daily Report 1-Feb-2024

- The FOMC kept US interest rates on hold, saying it needed more confidence that inflation was moving toward 2% on a sustainable basis before cutting rates. Powell later stated that the FOMC was unlikely to have such confidence by March.
- However, US Treasury yields fell across the board yesterday, pushed down by a slowdown in US labour costs. The Employment Cost Index rose 0.9% in Q4 (down from 1.1% in Q3) and the ADP report also showed slowing wage growth.
- In the eurozone, government bond yields had also fallen ahead of the FOMC meeting on the back of some positive surprises in French and German inflation data, as well as a lower-than-expected ADP report and Chicago PMI.
- In the FX market, the EUR weakened against its major counterparts, while the JPY strengthened against the USD on growing expectations of an end to negative interest rates from the BoJ. In commodities, the price of the European natural gas benchmark, the Dutch TTF, fell as tensions in the Red Sea redirected LNG flows to Europe.

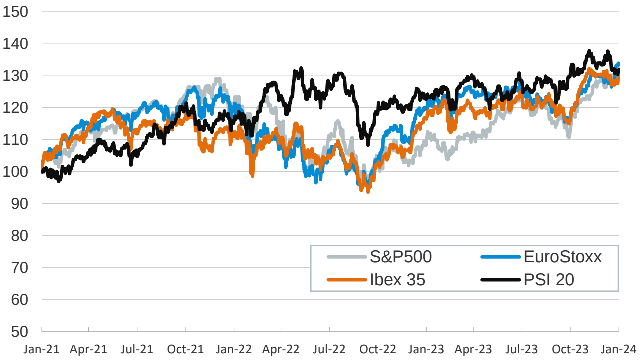
Interest Rates (%)	1/31	1/30	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4,50**	4,50	0	0	0	200
€STR	**3,89**	3,91	-1	-1	1	200
Swap €STR (10Y)	**2,37**	2,46	-9	-18	8	-24
3 months (Euribor)	**3,91**	3,90	1	-2	0	139
12 months (Euribor)	**3,57**	3,55	2	-10	6	16
Germany - 2-Year Bond	**2,43**	2,53	-10	-28	5	-22
Germany - 10-Year Bond	**2,17**	2,27	-10	-18	22	-12
France - 10-Year Bond	**2,66**	2,76	-9	-18	19	-9
Spain - 10-Year Bond	**3,09**	3,17	-8	-17	19	-19
Portugal - 10-Year Bond	**2,97**	3,06	-9	-21	42	-22
Italy - 10-Year Bond	**3,72**	3,79	-7	-17	13	-42
Risk premium - Spain (10Y)	**92**	90	2	1	-4	-7
Risk premium - Portugal (10Y)	**80**	79	1	-4	20	-10
Risk premium - Italy (10Y)	**156**	153	3	0	-9	-30
US						
Fed - Upper Bound	**5,50**	5,50	0	0	0	100
Fed Funds Rate Future (Dec.-24)	**3,96**	4,13	-17	-14	13	30
3 months (SOFR)	**5,32**	5,31	1	0	-1	63
12 months (SOFR)	**4,83**	4,79	4	-2	6	-4
2-Year Bond	**4,21**	4,33	-12	-17	-4	1
10-Year Bond	**3,91**	4,03	-12	-27	3	40

Stock Markets	1/31	1/30	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3,95**	3,97	-0,3	0,5	6,1	-2,8
Ibex 35	**10078**	10039	0,4	1,0	-0,2	11,6
PSI 20	**6323**	6293	0,5	-0,1	-1,2	7,4
DAX	**16904**	16972	-0,4	0,1	0,9	11,7
CAC 40	**7657**	7677	-0,3	2,7	1,5	8,1
Eurostoxx50	**4648**	4663	-0,3	1,8	2,8	11,6
S&P 500	**4846**	4925	-1,6	-0,5	1,6	18,9
Nasdaq	**15164**	15510	-2,2	-2,1	1,0	30,9
Nikkei 225	**36287**	36066	0,6	0,2	8,4	32,8
MSCI Emerging Index	**976**	981	-0,5	-0,7	-4,7	-5,4
MSCI Emerging Asia	**514**	517	-0,6	-0,8	-5,3	-7,9
MSCI Emerging Latin America	**2534**	2524	0,4	0,7	-4,8	8,5
Shanghai	**2789**	2831	-1,5	-1,1	-6,3	-14,3
VIX Index	**14,35**	13,31	7,8	9,2	15,3	-26,0

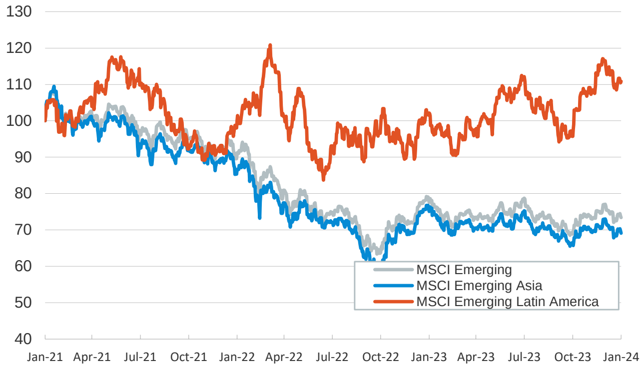
Currencies	1/31	1/30	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1,082**	1,085	-0,2	-0,6	-2,0	-0,4
EUR/GBP	**0,85**	0,85	-0,2	-0,3	-1,7	-3,3
EUR/CHF	**0,93**	0,93	-0,3	-0,8	0,3	-6,4
USD/JPY	**146,92**	147,61	-0,5	-0,4	4,2	12,9
USD/CNY	**7,17**	7,18	-0,1	0,2	1,0	6,1

Commodities	1/31	1/30	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**98,6**	98,9	-0,3	0,1	-0,1	-11,8
Brent (US$/barrel)	**81,7**	82,9	-1,4	2,1	6,1	-3,3
TTF Natural Gas-1M Future (€/MWh)	**30,2**	29,4	2,9	4,5	-6,5	-47,3
TTF Natural Gas-Dec.-24 Future (€/MWh)	**35,4**	35,6	-0,6	-1,6	-7,5	-47,4
Gold (US$/ounce)	**2039,5**	2037,0	0,1	1,3	-1,1	5,8

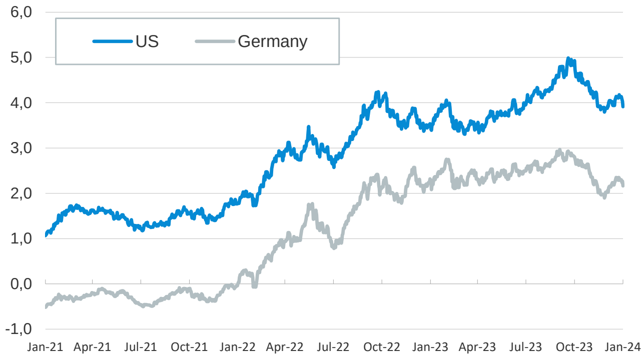
Main advanced stock markets
Index (100=Three years ago)



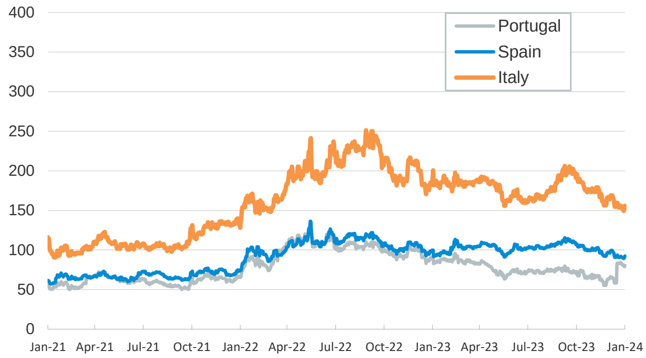
Emerging economies stock markets
Index (100=Three years ago)



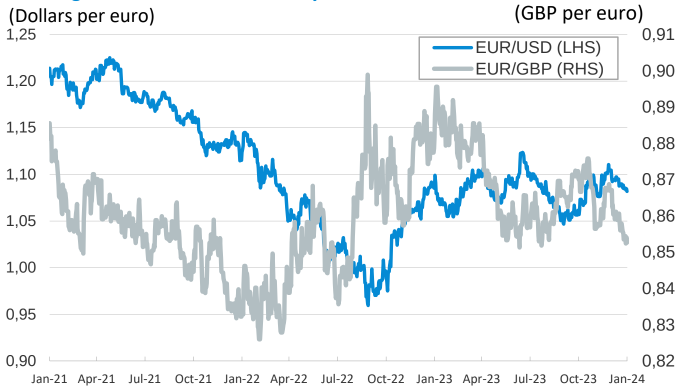
Yield on 10-year public debt: U.S. and Germany
(%)



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)