CaixaBank Research

Financial Markets

Daily Report 5-Feb-2024

- In the last session of the week, investors traded with a risk-on mood as their economic optimism outweighed concerns of a tighter monetary policy stance by the US Federal Reserve. The release of January employment report in the US showed that its labor market remains tight, with 353k more payrolls and the unemployment rate still at 3.7%.
- This better-than-expected economic release reduced the implied probabilities of an interest rate cut by the Fed in its March and May meetings from 37% and 100% to 18% and 75%, respectively. Hence, sovereign yields rose markedly on both sides of the Atlantic, with the 10-year Treasury trading above 4%.
- Elsewhere, stock indices edged up, the US dollar strengthened against most of its peers and the price of the barrel of Brent declined and traded below $80 per barrel.
- This week the focus will be on January's final PMIs and on the US services ISM.

Interest Rates (%)	2/2	2/1	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4.50**	4.50	0	0	0	150
€STR	**3.91**	3.91	0	0	2	200
Swap €STR (10Y)	**2.44**	2.37	7	-5	15	3
3 months (Euribor)	**3.90**	3.88	2	1	-1	136
12 months (Euribor)	**3.54**	3.51	3	-6	2	9
Germany - 2-Year Bond	**2.57**	2.46	11	-6	19	7
Germany - 10-Year Bond	**2.24**	2.15	9	-6	30	16
France - 10-Year Bond	**2.74**	2.66	9	-4	27	23
Spain - 10-Year Bond	**3.17**	3.09	8	-3	26	17
Portugal - 10-Year Bond	**3.05**	2.97	8	-6	50	14
Italy - 10-Year Bond	**3.81**	3.72	9	-1	22	-9
Risk premium - Spain (10Y)	**93**	94	-1	2	-3	1
Risk premium - Portugal (10Y)	**81**	82	-1	-1	20	-2
Risk premium - Italy (10Y)	**157**	157	0	5	-8	-25
US						
Fed - Upper Bound	**5.50**	5.50	0	0	0	75
Fed Funds Rate Future (Dec.-24)	**4.18**	3.96	23	9	35	100
3 months (SOFR)	**5.29**	5.27	2	-3	-4	59
12 months (SOFR)	**4.69**	4.70	-1	-11	-8	-15
2-Year Bond	**4.36**	4.20	16	1	11	26
10-Year Bond	**4.02**	3.88	14	-12	14	63

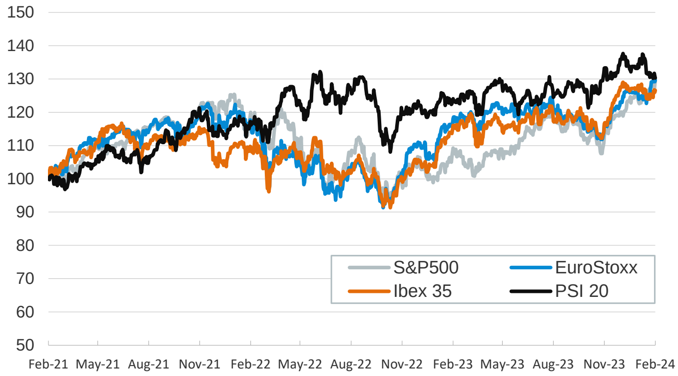
Stock Markets	2/2	2/1	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**3.91**	3.92	-0.2	1.5	5.0	-1.7
Ibex 35	**10063**	10014	0.5	1.3	-0.4	9.0
PSI 20	**6257**	6285	-0.4	-0.3	-2.2	5.0
DAX	**16918**	16859	0.4	-0.3	1.0	9.1
CAC 40	**7592**	7589	0.0	-0.5	0.7	5.9
Eurostoxx50	**4655**	4639	0.3	0.4	2.9	9.7
S&P 500	**4959**	4906	1.1	1.4	4.0	18.6
Nasdaq	**15629**	15362	1.7	1.1	4.1	28.1
Nikkei 225	**36158**	36011	0.4	1.1	8.0	32.0
MSCI Emerging Index	**988**	982	0.6	0.3	-3.5	-5.5
MSCI Emerging Asia	**522**	517	1.0	0.6	-3.7	-8.0
MSCI Emerging Latin America	**2534**	2565	-1.2	-0.7	-4.8	9.4
Shanghai	**2730**	2771	-1.5	-6.2	-8.2	-16.9
VIX Index	**13.85**	13.88	-0.2	4.4	11.2	-26.1

Currencies	2/2	2/1	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.079**	1.087	-0.8	-0.6	-2.3	-1.1
EUR/GBP	**0.85**	0.85	0.1	0.0	-1.5	-4.3
EUR/CHF	**0.94**	0.93	0.3	-0.3	0.7	-6.1
USD/JPY	**148.38**	146.43	1.3	0.2	5.2	15.3
USD/CNY	**7.19**	7.18	0.2	0.2	1.3	6.9

Commodities	2/2	2/1	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**96.7**	97.6	-0.9	-2.1	-2.0	-11.6
Brent (US$/barrel)	**77.3**	78.7	-1.7	-7.4	0.4	-5.9
TTF Natural Gas-1M Future (€/MWh)	**29.3**	29.0	1.1	4.4	-9.4	-48.6
TTF Natural Gas-Dec.-24 Future (€/MWh)	**34.9**	34.9	0.0	-0.5	-8.9	-47.9
Gold (US$/ounce)	**2039.8**	2055.0	-0.7	1.1	-1.1	6.6

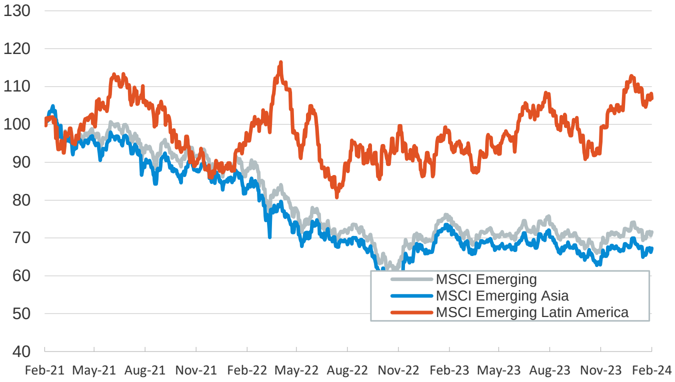
Main advanced stock markets

Index (100=Three years ago)



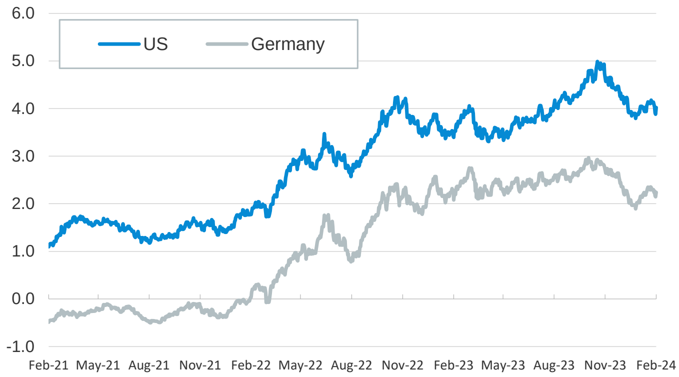
Emerging economies stock markets

Index (100=Three years ago)



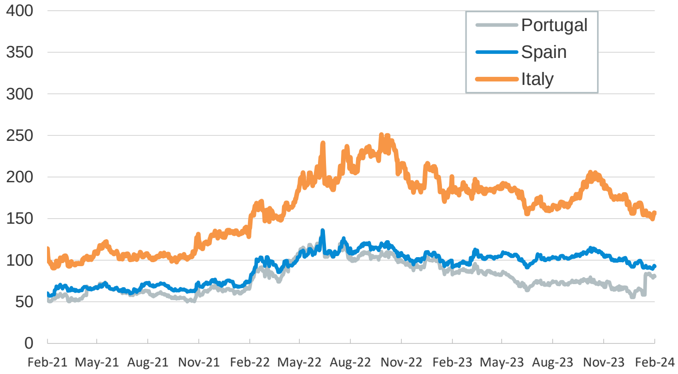
Yield on 10-year public debt: U.S. and Germany

(%)



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

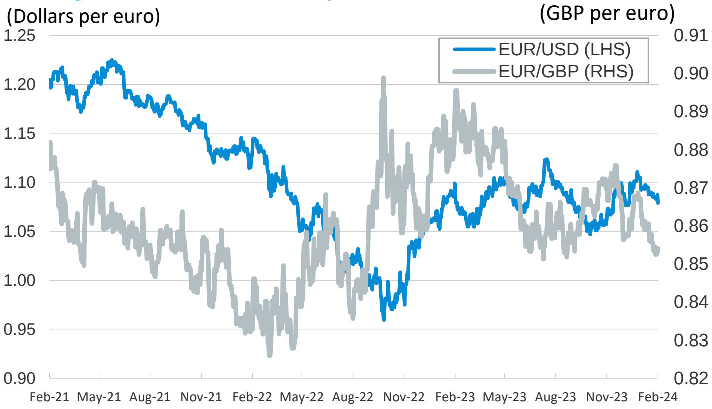
(basis points)



Exchange rate: Advanced-economy currencies

(Dollars per euro)

(GBP per euro)

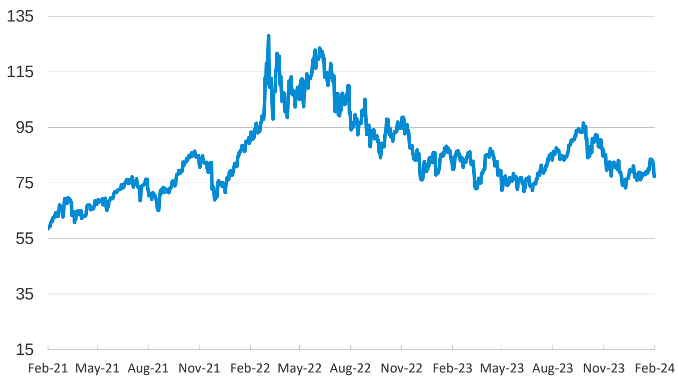


Exchange rate: Emerging economies Index

Index (100=Three years ago)

Brent oil price

(US$/barrel)



Dutch TTF Natural gas price

(€/MWh)