Financial Markets

Daily Report 23-Feb-2024

- In yesterday's session, a mixed release of February's flash PMIs and a patient tone on inflation from the ECB, according to the last meeting minutes, were the main drivers in financial markets. Sovereign yields edged down in the euro area while increasing in the short end of the US treasury curve. Stock indices managed to advance across the board.
- PMIs showed that the US economy is growing at a solid pace (Composite 51.4, down from 52.0 in January but above the 50.8 averaged in Q4) with similar levels in the manufacturing and services indices (51.5 and 51.3, respectively). In the euro area, the Composite Index rose 1 point to 48.9 but remains in the contractionary territory.
- On monetary policy, the ECB last meeting minutes showed that Governing Council members celebrate the fall seen in inflation but remain cautious on cutting interest rates. The rapid wage growth and abundant domestic price pressures are an upside for the fragile return of inflation to 2%.

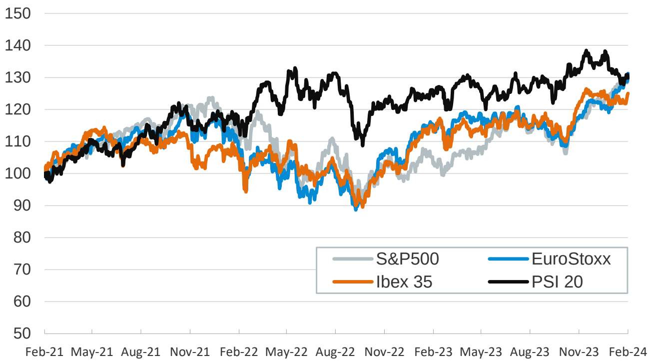
Interest Rates (%)	2/22	2/21	Daily Change (bp)	Weekly Change (bp)	YTD (bp)	YoY Change (bp)
Euro area						
ECB - Official Interest Rate (Refi)	**4.50**	4.50	0	0	0	150
€STR	**3.91**	3.91	0	0	3	151
Swap €STR (10Y)	**2.60**	2.61	-1	8	31	-27
3 months (Euribor)	**3.95**	3.95	0	3	4	126
12 months (Euribor)	**3.70**	3.70	0	4	18	7
Germany - 2-Year Bond	**2.91**	2.85	5	15	53	-2
Germany - 10-Year Bond	**2.44**	2.45	-1	8	50	-8
France - 10-Year Bond	**2.91**	2.93	-2	7	44	-8
Spain - 10-Year Bond	**3.35**	3.37	-2	7	44	-16
Portugal - 10-Year Bond	**3.19**	3.20	-1	7	64	-23
Italy - 10-Year Bond	**3.91**	3.95	-4	6	32	-55
Risk premium - Spain (10Y)	**91**	92	-1	-1	-5	-8
Risk premium - Portugal (10Y)	**75**	75	0	-1	14	-15
Risk premium - Italy (10Y)	**147**	150	-3	-2	-18	-47
US						
Fed - Upper Bound	**5.50**	5.50	0	0	0	75
Fed Funds Rate Future (Dec.-24)	**4.62**	4.55	7	16	78	93
3 months (SOFR)	**5.32**	5.32	0	0	-1	47
12 months (SOFR)	**5.03**	5.00	3	3	26	-23
2-Year Bond	**4.71**	4.67	4	14	46	2
10-Year Bond	**4.32**	4.32	0	9	44	40

Stock Markets	2/22	2/21	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	**4.09**	4.10	-0.3	3.1	9.7	4.4
Ibex 35	**10139**	10107	0.3	2.1	0.4	10.5
PSI 20	**6200**	6250	-0.8	1.2	-3.1	4.6
DAX	**17370**	17118	1.5	1.9	3.7	12.8
CAC 40	**7912**	7812	1.3	2.2	4.9	8.4
Eurostoxx50	**4855**	4775	1.7	2.4	7.4	14.4
S&P 500	**5087**	4982	2.1	1.1	6.7	27.5
Nasdaq	**16042**	15581	3.0	0.9	6.9	39.4
Nikkei 225	**39099**	38262	2.2	2.5	16.8	44.3
MSCI Emerging Index	**1029**	1021	0.9	2.2	0.6	4.8
MSCI Emerging Asia	**548**	541	1.2	2.5	0.9	3.2
MSCI Emerging Latin America	**2570**	2577	-0.3	1.2	-3.5	15.4
Shanghai	**2988**	2951	1.3	4.3	0.5	-9.2
VIX Index	**14.54**	15.34	-5.2	3.8	16.8	-34.8

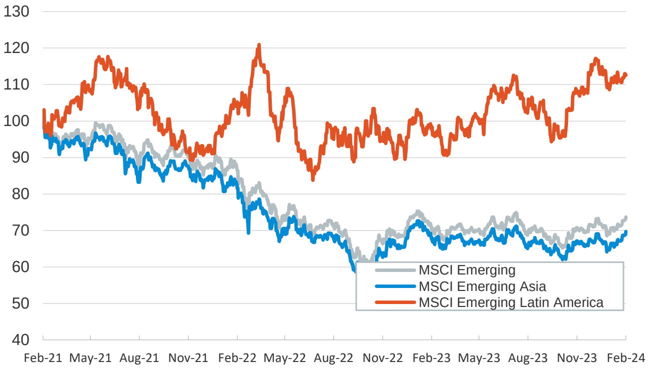
Currencies	2/22	2/21	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	**1.082**	1.082	0.0	0.5	-2.0	2.1
EUR/GBP	**0.85**	0.86	-0.1	0.0	-1.4	-2.9
EUR/CHF	**0.95**	0.95	0.1	0.5	2.6	-3.6
USD/JPY	**150.53**	150.30	0.2	0.4	6.7	11.6
USD/CNY	**7.19**	7.19	0.0	0.0	1.3	4.4

Commodities	2/22	2/21	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	**96.4**	96.6	-0.1	0.8	-2.3	-9.2
Brent (US$/barrel)	**83.7**	83.0	0.8	1.0	8.6	3.8
TTF Natural Gas-1M Future (€/MWh)	**23.2**	24.0	-3.3	-7.1	-28.3	-54.1
TTF Natural Gas-Dec.-24 Future (€/MWh)	**29.1**	29.8	-2.2	-2.5	-23.9	-49.6
Gold (US$/ounce)	**2024.4**	2026.0	-0.1	1.0	-1.9	10.9

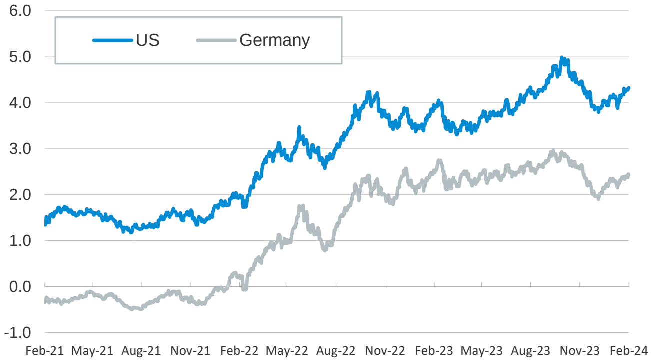
Main advanced stock markets
Index (100=Three years ago)



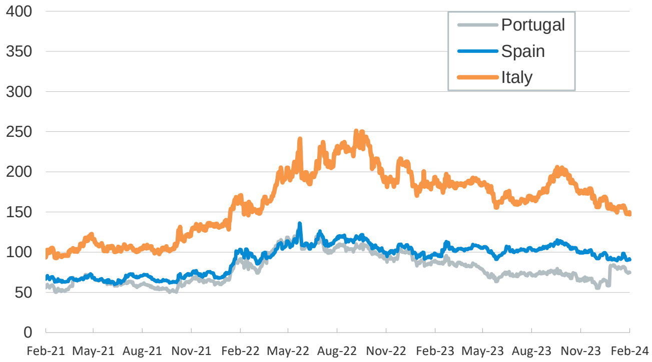
Emerging economies stock markets
Index (100=Three years ago)



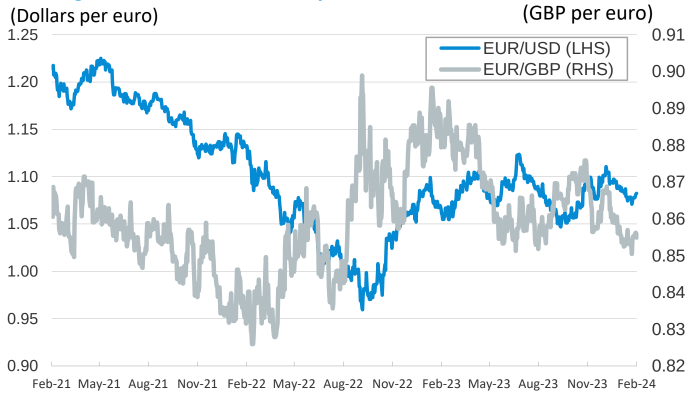
Yield on 10-year public debt: U.S. and Germany
(%)



Risk Premium on 10-year debt: Italy, Spain, and Portugal
(basis points)

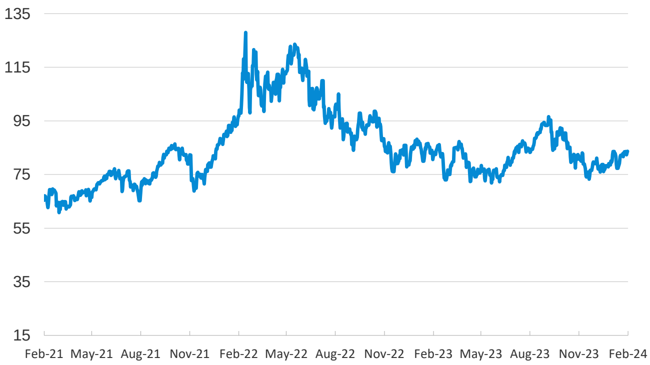


Exchange rate: Advanced-economy currencies
(Dollars per euro) (GBP per euro)



Exchange rate: Emerging economies Index
Index (100=Three years ago)

Brent oil price
(US$/barrel)



Dutch TTF Natural gas price
(€/MWh)