

Yesterday's rebound in the US equity markets faded today

- US stocks recovered yesterday and registered their biggest one-day rise since 2009**, regaining some of the ground lost in the pre-Christmas session's fall. The main US indices rose around 5% while volatility decreased to levels below 30% during the session. **Nonetheless, the rebound seems to be only temporarily as US indices are showing losses again and volatility returned above 30%.**
- The rebound in the US gave some relief to those markets which opened overnight, such as emerging markets and some Asian indices with the main exception of China's equity indices at its four year's lowest. However, **yesterday's US rally was not enough to avoid sharp losses in European equity indices today**, which fell abruptly in their first day of trading after Christmas and stand close to their lowest level in two years.
- Sovereign bond yields also reflected the increase of uncertainty in financial markets** and went down today once again, remaining very close to their lowest level this year in both the US and Europe. The release of worse-than-expected confidence data in the US ([see](#)), and the ECB's warning of the consequences of protectionism for global growth ([see](#)) also contributed to maintain core interest rates subdued. The worsening mood of financial markets only is so far having only a mild effect on peripheral risk as they still are digesting the recent agreement in Italian budget.
- The USD depreciated today while the EUR and the JPY appreciated.** The GBP remained stable as recent developments in financial markets pushed the Brexit issue to the background ([see](#)).
- Oil prices followed in the wake of US stock prices as they surged sharply yesterday, but they dropped as today's session went by**, mostly dragged down by oversupply concerns ([see](#)). Against this backdrop, yesterday's recovery of emerging assets lost some steam today.

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| Debt markets (10Y, %, changes in bp) | | | | | | |
|--|--------|-------|--------|---------|------|--|
| Developed Markets | level | Daily | Week | Month | YTD | |
| US (2-yr) | 2.57 | -4.9 | -10.4 | -27 | 65 | |
| US | 2.75 | -5.6 | -5.4 | -30 | 29 | |
| GER (2-yr) | -0.63 | -2.5 | -2.9 | -5 | -2 | |
| Germany | 0.23 | -2.1 | 0.1 | -12 | -29 | |
| France | 0.69 | -0.4 | 1.6 | -4 | -13 | |
| Spain | 1.39 | -1.6 | 1.1 | -17 | -29 | |
| Italy | 2.75 | -8.5 | 0.8 | -54 | 65 | |
| Portugal | 1.68 | -0.5 | 2.7 | -20 | -33 | |
| Greece | 4.39 | -0.4 | 9.8 | 0 | 28 | |
| Japan (2-yr) | -0.12 | 0.3 | 2.1 | 2 | 1 | |
| Japan | 0.03 | 0.4 | -0.1 | -7 | -2 | |
| Emerging Markets | level | Daily | Weekly | Monthly | YTD | |
| Brazil | 9.24 | -11.7 | -19.2 | -87 | -102 | |
| Chile | 4.25 | -1.1 | -4.8 | -14 | -26 | |
| Colombia | 6.76 | -0.1 | -0.1 | -30 | 32 | |
| Mexico | 8.76 | -2.2 | 12.3 | -48 | 118 | |
| Peru | 5.36 | 1.0 | -6.1 | 1 | 48 | |
| Poland | 2.83 | 0.3 | -5.7 | -35 | -49 | |
| Russia | 8.82 | -4.8 | 0.7 | -16 | 118 | |
| Turkey | 15.97 | -6.0 | -5.0 | -7 | 461 | |
| India | 7.28 | 1.4 | 0.2 | -46 | -11 | |
| Indonesia | 8.01 | -0.9 | 2.7 | 13 | 171 | |
| Country risk (bp, changes in bp) | | | | | | |
| Developed Markets | level | Daily | Weekly | Monthly | YTD | |
| 10-yr sovereign spread vs Germany | | | | | | |
| France | 46 | 1.7 | 1.5 | 8 | 16 | |
| Italy | 252 | -6.4 | 0.7 | -42 | 94 | |
| Portugal | 145 | 1.6 | 2.6 | -8 | -3 | |
| Spain | 116 | 0.5 | 1.0 | -5 | 1 | |
| 2-yr sovereign spread vs Germany | | | | | | |
| France | 17 | 1.3 | 1.4 | 3 | 1 | |
| Italy | 113 | -2.2 | 10.6 | -31 | 77 | |
| Portugal | 27 | 1.0 | 2.9 | -11 | -23 | |
| Spain | 38 | 1.2 | 0.9 | -3 | 11 | |
| Emerging Markets | level | Daily | Weekly | Monthly | YTD | |
| 5-yr sovereign CDS * | | | | | | |
| Brazil | 213 | -0.4 | 11 | -7 | 53 | |
| Chile | 65 | -0.3 | 7 | 4 | 16 | |
| Colombia | 161 | 2.7 | 24 | 12 | 56 | |
| Argentina | 809 | 1.8 | 43 | 172 | 571 | |
| Mexico | 160 | 2.6 | 18 | -3 | 53 | |
| Peru | 96 | -0.3 | 7 | 5 | 25 | |
| Poland | 68 | -0.1 | 0 | 1 | 19 | |
| Russia | 152 | 0.0 | 8 | -17 | 34 | |
| Turkey | 362 | 0.4 | 3 | -31 | 197 | |
| China | 70 | 0.0 | 5 | -3 | 20 | |
| India | 114 | 0.0 | 2 | 1 | 45 | |
| Indonesia | 142 | 0.4 | 9 | -5 | 57 | |
| Risk indicators | | | | | | |
| Volatility indicators | level | Daily | Weekly | Monthly | YTD | |
| VIX | 32 | 1.5 | 3 | 13 | 22 | |
| VSTOXX | 26 | 5.3 | 5 | 7 | 12 | |
| EM EFT volatility Index | 27 | 0.7 | 1 | 1 | 10 | |
| Dollar/euro volatility | 7 | -0.1 | 1 | 0 | 0 | |
| EM FX volatility index | 10 | 0.0 | 0 | -1 | 2 | |
| Credit spread (BAA) (change in bps) | 239 | 5.6 | 12 | 18 | 61 | |
| US bonds volatility index | 64 | -2.2 | 5 | 13 | 15 | |
| Inflation expectations | level | Daily | Weekly | Monthly | YTD | |
| US Inflation expectations (5Y5Y) | 2.17 | - | -2 | -13 | -15 | |
| EZ Inflation expectations (5Y5Y) | 1.57 | - | -2 | -5 | -17 | |
| Banking 5y CDS | level | Daily | Weekly | Monthly | YTD | |
| US | 83 | 1.1 | 8 | 18 | 41 | |
| EZ | 119 | 0.1 | 9 | 4 | 80 | |
| UK | 95 | 0.1 | 5 | 10 | 54 | |
| Large Spanish | 87 | 0.2 | 8 | 4 | 51 | |
| Medium Spanish | 111 | 0.9 | 5 | 5 | 37 | |
| Corporate 5y CDS | level | Daily | Weekly | Monthly | YTD | |
| US Non-financial | 214 | 1.1 | 8 | 18 | 41 | |
| EZ Non-financial | 97 | 0.1 | 9 | 4 | 80 | |
| UK Non-financial | 118 | -0.2 | 3 | 8 | 26 | |
| Interbank markets (% changes in bp) | | | | | | |
| | level | Daily | Weekly | Monthly | YTD | |
| EONIA Index | -0.37 | 0 | -1 | -1 | 0 | |
| Euribor 3m | -0.31 | 0 | 0 | 1 | 2 | |
| Euribor 12m | -0.12 | 0 | 0 | 3 | 7 | |
| Libor 3m | 2.81 | 0 | 2 | 11 | 112 | |
| Libor 12m | 3.05 | 0 | 0 | -8 | 94 | |
| Stock markets (%) | | | | | | |
| Main indices | level | Daily | Weekly | Monthly | YTD | |
| S&P500 | 2,441 | -1.1 | -1.1 | -9.0 | -9 | |
| Dow Jones | 22,538 | -1.5 | -1.4 | -8.9 | -9 | |
| Nikkei | 20,078 | 3.9 | -1.5 | -8.5 | -12 | |
| FTSE 100 | 6,586 | -1.5 | -1.9 | -6.1 | -14 | |
| EuroStoxx 50 | 2,935 | -1.3 | -2.2 | -7.3 | -16 | |
| IBEX | 8,355 | -1.5 | -2.8 | -8.0 | -17 | |
| DAX | 10,378 | -2.4 | -2.2 | -8.2 | -19 | |
| CAC | 4,597 | -0.6 | -2.0 | -7.7 | -13 | |
| MB | 18,063 | -1.8 | -2.8 | -5.7 | -17 | |
| ASE Athens | 598 | -1.8 | -2.6 | -1.1 | -27 | |
| MSCI Latam * | 84,631 | -0.4 | -0.7 | 0.0 | -1 | |
| Ibovespa (Brazil) | 85,725 | 0.7 | 0.5 | -2.5 | 10 | |
| Mexbol (Mexico) | 41,350 | -0.5 | -0.8 | 3.9 | -17 | |
| Merval (Argentina) | 29,297 | 2.9 | 0.2 | -5.3 | -6 | |
| MSCI EM Europe * | 5,230 | 0.4 | -2.3 | 0.2 | -3 | |
| Poland | 2,251 | -0.4 | -2.4 | 1.3 | -9 | |
| Micex 10 (Russia) | 4,128 | 0.3 | -1.8 | -2.1 | 0 | |
| Ise 100 (Turkey) | 90,975 | 0.0 | -1.0 | -2.7 | -23 | |
| MSCI EM Asia * | 776 | 0.1 | -1.7 | -3.3 | -16 | |
| Shanghai Com (China) | 2,483 | -0.6 | -2.1 | -3.6 | -26 | |
| Jakarta (Indonesia) | 6,191 | 0.4 | 0.2 | 2.8 | -3 | |
| Banking sector | level | Daily | Weekly | Monthly | YTD | |
| US banks | 113.1 | -0.5 | -1.3 | -14.5 | -24 | |
| JPM | 95.4 | -0.5 | -1.0 | -13.0 | -12 | |
| Citi | 51.1 | -0.7 | -2.3 | -19.5 | -31 | |
| BoA | 24.0 | -0.4 | -0.4 | -13.4 | -20 | |
| MS | 39.1 | -0.5 | 0.5 | -11.2 | -25 | |
| GS | 161.9 | -0.6 | -3.9 | -16.4 | -37 | |
| EZ banks | 67.3 | -1.3 | -2.7 | -15.1 | -38 | |
| BNP | 38.5 | -0.7 | -2.2 | -14.6 | -38 | |
| Crédit Agricole | 9.2 | -1.3 | -3.2 | -17.3 | -34 | |
| Deutsche Bank | 6.8 | -4.1 | -3.5 | -22.0 | -58 | |
| ING | 9.2 | -1.3 | -1.7 | -15.5 | -40 | |
| Intesa | 1.9 | -0.3 | -2.0 | -6.5 | -31 | |
| SG | 27.2 | -1.3 | -2.5 | -17.5 | -37 | |
| Unicredito | 9.6 | -2.2 | -5.9 | -16.0 | -39 | |
| UK banks | 70.8 | -0.9 | -1.4 | -8.7 | -23 | |
| HSBC | 639.6 | -1.1 | -1.6 | -4.9 | -16 | |
| RBS | 206.3 | 0.1 | -0.7 | -6.9 | -26 | |
| Barclays | 146.1 | -0.2 | -1.2 | -13.2 | -28 | |
| Lloyds | 50.0 | -1.8 | -1.9 | -11.3 | -26 | |
| Large Spanish banks | 56.7 | -1.0 | -3.1 | -8.3 | -33 | |
| Santander | 3.8 | -1.2 | -3.3 | -8.4 | -29 | |
| BBVA | 4.5 | -0.9 | -2.9 | -8.1 | -36 | |
| Medium Spanish banks | 55.5 | -1.2 | -5.3 | -13.0 | -28 | |
| Caixabank | 3.1 | -0.9 | -6.5 | -16.1 | -23 | |
| Sabadell | 1.0 | -1.1 | -5.0 | -14.5 | -43 | |
| Bankinter | 6.8 | -1.9 | -4.9 | -10.1 | -15 | |
| Bankia | 2.5 | -0.6 | -5.7 | -14.6 | -38 | |
| Currencies (% red for currency depreciation) | | | | | | |
| Developed | level | Daily | Weekly | Monthly | YTD | |
| EURUSD | 1.142 | 0.6 | -0.2 | 1.2 | -5 | |
| GBPUSD | 1.26 | 0.1 | -0.1 | -0.8 | -7 | |
| USDJPY | 110.70 | 0.6 | 0.5 | 2.8 | 1 | |
| DXY | 96.59 | -0.5 | 0.3 | -0.8 | 5 | |
| Emerging | level | Daily | Weekly | Monthly | YTD | |
| USDARS (Argentina) | 38.57 | 0.0 | -1.4 | -0.1 | -52 | |
| USDBRL (Brazil) | 3.93 | 0.0 | -2.1 | -1.3 | -17 | |
| USDCLP (Chile) | 695.85 | -0.3 | -0.7 | -2.9 | -13 | |
| USDCOP (Colombia) | 3277 | 0.2 | -0.3 | -0.4 | -11 | |
| USDMXN (Mexico) | 19.78 | 0.6 | 0.5 | 3.5 | -1 | |
| USDPEN (Peru) | 3.38 | -0.1 | -0.8 | 0.1 | -4 | |
| LACI | 53.78 | 0.1 | -0.8 | 0.3 | -15 | |
| USDPLN (Poland) | 3.76 | 0.4 | -0.4 | 1.1 | -8 | |
| USDRUB (Russia) | 69.52 | -1.1 | -1.7 | -3.5 | -17 | |
| USDTRY (Turkey) | 5.29 | -0.3 | -0.6 | -0.4 | -29 | |
| USDCNY (China) | 6.87 | 0.3 | 0.3 | 1.2 | -5 | |
| USDINR (India) | 70.36 | -0.4 | -0.9 | 0.6 | -10 | |
| USDIDR (Indonesia) | 14561 | 0.1 | -0.6 | -0.3 | -7 | |
| ADXY | 104.83 | 0.0 | 0.0 | 0.7 | -5 | |
| Commodities (%) | | | | | | |
| | level | Daily | Weekly | Monthly | YTD | |
| Brent | 53.5 | -1.8 | -1.6 | -11 | -20 | |
| WTx | 45 | -1.8 | -1.1 | -12 | -25 | |
| Copper | 268 | -1.0 | -0.8 | -1 | -18 | |
| Gold | 1272 | 0.4 | 1.0 | 5 | -3 | |
| S&P Spot commodity * | 380 | 3.5 | -0.4 | -6 | -14 | |
| S&P Brent Spot * | 466 | 7.9 | 0.2 | -9 | -18 | |
| S&P Metals Spot * | 322 | 0.0 | -0.9 | -1 | -18 | |
| S&P Agricultural * | 285 | -0.7 | -1.4 | 0 | 0 | |

Source: Bloomberg, Datastream and Haver

* With one day delay