

## Financial markets little change ahead of tomorrow's FOMC minutes

- There have been slight movements in the financial markets, pending the publication of the FOMC minutes and further details over the ongoing US-China trade negotiations. Following last week's trade talks in Beijing, **further negotiations between the two major economies started today in the US**, while high-level meetings will take place once again at the end of the week ([see](#)). In a context where global trade disputes remained in the spotlight, today the WTO have reported that ongoing trade tensions could lead to an even weaker growth in global economy ([see](#)).
- **Equity markets showed mild movements.** In its first session of the week, US stocks opened slightly up favoured by strong earnings report ([see](#)), while European stocks declined with the banking sector under pressure once again amid the release of disappointing results from a major European bank ([see](#)).
- In the first trading day of the week, **the US Treasury 10Y yield inched down ahead of tomorrow's FOMC minutes.** In Europe, **the release of weak economic indicators for Italy dragged down the 10Y Bund yield** ([see](#)) while the slightly better-than-expected German confidence indicator had muted impact on markets ([see](#)). Peripheral risk premia was unchanged.
- In FX markets, the USD depreciated while **the EUR broke the 1.13 USD/EUR level in the early session after disappointing data** but as the session went on, it was able to recover. The JPY ended flat despite Bank of Japan's Kuroda signaling further policy easing to support its economy ([see](#)). Most EM currencies appreciated, with the sole exception of the ARS, while the rest of Latam currencies benefited from the stability in oil prices.

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Debt markets (10Y, %, changes in bp)					
Developed Markets	level	Daily	Week	Month	YTD
US (2-yr)	2.50	-1.9	-1.0	-12	1
<b>US</b>	2.64	-2.3	-4.8	-14	-4
GER (2-yr)	-0.56	0.3	0.2	2	5
<b>Germany</b>	0.11	-0.4	-2.6	-16	-20
France	0.53	-1.2	-3.2	-13	-18
Spain	1.21	-1.7	-2.9	-14	-26
Italy	2.78	1.5	-6.3	5	4
Portugal	1.51	-0.8	-13.2	-36	-36
Greece	3.78	-0.2	-16.3	-41	-62
Japan (2-yr)	-0.18	-0.5	-1.5	-1	-4
<b>Japan</b>	-0.03	-0.6	-1.5	-4	-3
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	8.80	-11.0	-15.8	-28	-43
Chile	4.13	-0.2	2.4	-18	-12
Colombia	6.89	-0.4	-3.5	-15	14
Mexico	8.27	-4.2	-13.4	-37	-37
Peru	5.16	-0.9	-4.0	-13	-21
Poland	2.68	-2.2	-5.6	-18	-15
Russia	8.47	4.5	15.9	8	-31
Turkey	14.60	20.0	41.0	-86	-120
India	7.37	0.0	1.2	6	0
Indonesia	7.99	-1.0	6.5	-10	-3
Country risk (bp, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
<b>10-yr sovereign spread vs Germany</b>					
France	43	-0.8	-0.6	9	2
Italy	268	1.9	-3.7	21	24
Portugal	140	-0.4	-10.6	-21	-16
Spain	110	-1.3	-0.3	2	-7
<b>2-yr sovereign spread vs Germany</b>					
France	11	0.0	-0.9	-1	-4
Italy	97	2.6	-12.6	7	-11
Portugal	33	-0.5	-2.3	-10	7
Spain	30	-0.5	-0.8	-4	-6
Emerging Markets	level	Daily	Weekly	Monthly	YTD
<b>5-yr sovereign CDS *</b>					
Brazil	161	0.0	-13	-17	-46
Chile	48	0.2	-2	-2	-15
Colombia	118	-0.4	-5	-12	-41
Argentina	644	0.0	4	-16	-162
Mexico	135	-0.4	-7	3	-20
Peru	74	-0.2	-2	-7	-21
Poland	65	0.0	0	-1	-3
Russia	143	-0.8	4	5	-11
Turkey	313	2.5	-6	-36	-47
China	54	0.6	-3	-7	-14
India	97	-0.2	-5	-11	-17
Indonesia	111	0.7	-5	-14	-26
Risk indicators					
Volatility indicators	level	Daily	Weekly	Monthly	YTD
VIX	15	0.2	0	-3	-10
VSTOXX	15	0.1	0	0	-9
EM EFT volatility Index	18	0.2	0	-1	-7
Dollar/euro volatility	6	-0.1	0	0	-1
EM FX volatility index	9	0.0	0	0	-1
Credit spread (BAA) (change in bps)	230	2.3	1	-9	-16
US bonds volatility index	46	0.0	-3	-8	-21
Inflation expectations	level	Daily	Weekly	Monthly	YTD
US Inflation expectations (5Y5Y)	2.18	-	-1	-4	5
EZ Inflation expectations (5Y5Y)	1.45	-	-1	-11	-16
Banking 5y CDS	level	Daily	Weekly	Monthly	YTD
US	64	-0.3	-4	-11	-18
EZ	95	-3.2	-8	-13	-24
UK	74	-1.8	-6	-6	-20
Large Spanish	66	-2.4	-4	-8	-21
Medium Spanish	107	-2.2	-2	-9	-6
Corporate 5y CDS	level	Daily	Weekly	Monthly	YTD
US Non-financial	237	-0.3	-4	-11	-18
EZ Non-financial	80	-3.2	-8	-13	-24
UK Non-financial	104	-0.5	-3	-8	-15
Interbank markets (% , changes in bp)					
	level	Daily	Weekly	Monthly	YTD
EONIA Index	-0.37	0	0	0	-2
Euribor 3m	-0.31	0	0	0	0
<b>Euribor 12m</b>	-0.11	0	0	1	1
Libor 3m	2.64	-4	-4	-13	-15
Libor 12m	2.91	0	-2	-10	-11
Stock markets (%)					
Main indices	level	Daily	Weekly	Monthly	YTD
<b>S&amp;P500</b>	2,777	0.1	1.2	4.0	11
Dow Jones	25,901	0.1	1.9	4.8	11
Nikkei	21,303	0.1	2.1	3.1	6
FTSE 100	7,179	-0.6	0.6	3.0	7
<b>EuroStoxx 50</b>	3,239	-0.2	1.5	3.3	8
IBEX	9,133	-0.2	1.7	0.7	7
DAX	11,309	0.1	1.6	0.9	7
CAC	5,161	-0.2	2.1	5.8	9
MIB	20,228	-0.5	2.1	2.6	10
ASE Athens	667	-0.1	1.8	8.0	9
<b>MSCI Latam *</b>	93,000	-0.8	1.1	0.3	8
Ibovespa (Brazil)	98,074	1.6	2.0	2.1	12
Mexbol (Mexico)	43,109	0.3	0.0	-2.6	4
Merval (Argentina)	36,716	-1.7	-2.6	4.6	21
<b>MSCI EM Europe *</b>	5,594	-0.5	-1.2	1.1	6
Poland	2,322	-0.1	-2.0	-2.3	2
Micex 10 (Russia)	4,381	-0.7	-3.4	-2.3	5
Ise 100 (Turkey)	101,742	0.0	-1.9	3.3	11
<b>MSCI EM Asia *</b>	843	0.8	0.2	3.9	8
Shanghai Com (China)	2,756	0.0	3.1	6.1	10
Jakarta (Indonesia)	6,495	1.7	0.0	1.1	5
Banking sector	level	Daily	Weekly	Monthly	YTD
<b>US banks</b>	131.1	-0.8	1.4	-1.4	13
JPM	104.2	-1.3	1.6	-0.3	7
Citi	63.9	-0.5	2.0	1.3	23
BoA	28.9	-0.6	0.8	-1.3	17
MS	41.8	-0.5	1.5	-4.4	5
GS	196.9	-0.8	1.2	-2.8	18
<b>EZ banks</b>	74.0	-0.5	3.4	-0.4	7
BNP	42.2	-0.4	3.0	-0.5	7
Crédit Agricole	10.5	0.1	6.7	1.3	11
Deutsche Bank	7.6	-2.1	0.8	-5.1	9
ING	11.1	-0.2	1.6	5.9	18
Intesa	2.1	-0.5	2.5	0.8	6
SG	25.0	-0.5	2.2	-12.5	-10
Unicredit	11.4	-1.4	7.0	7.0	15
<b>UK banks</b>	78.0	-0.9	0.7	-0.7	7
HSBC	337.1	-4.0	-2.5	-2.3	-2
RBS	255.8	1.5	6.5	4.2	18
Barclays	159.0	0.6	0.6	-4.1	6
Lloyds	58.4	0.1	0.7	0.6	13
<b>Large Spanish banks</b>	62.7	-0.8	0.8	-3.2	7
Santander	4.1	-0.9	2.0	-6.2	3
<b>BBVA</b>	5.2	-0.7	-0.2	-0.2	12
<b>Medium Spanish banks</b>	56.3	0.3	3.5	-4.9	-2
Caixabank	3.1	-0.2	3.1	-7.7	-4
Sabadell	0.9	0.7	8.1	-10.7	-5
Bankinter	6.9	0.2	2.8	-2.6	-1
Bankia	2.6	1.1	2.3	-0.4	1
Currencies (% , red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	YTD
<b>EURUSD</b>	1.133	0.2	0.0	-0.3	-1
GBPUSD	1.30	0.9	1.1	1.3	2
USDJPY	110.64	0.0	-0.1	-0.8	-1
DXY	96.61	-0.3	-0.1	0.3	0
Emerging	level	Daily	Weekly	Monthly	YTD
USDARS (Argentina)	39.33	-1.4	-3.4	-4.5	-4
USDBRL (Brazil)	3.72	0.5	-0.1	1.0	4
USDCLP (Chile)	656.90	0.6	0.6	1.9	6
USDCOP (Colombia)	3118	0.3	0.3	0.2	4
USDMXN (Mexico)	19.20	0.2	0.3	-0.5	2
USDPEN (Peru)	3.32	0.1	0.4	0.1	2
LACI	55.83	0.2	-0.1	1.0	3
USDPLN (Poland)	5.82	0.1	0.0	0.3	-2
USDRUB (Russia)	65.90	0.5	-0.1	0.4	5
USDTRY (Turkey)	5.29	0.2	-0.7	0.7	0
USDCNY (China)	6.76	0.1	0.2	0.3	2
USDINR (India)	71.36	0.0	-0.9	-0.2	-2
USDIDR (Indonesia)	14103	0.0	-0.2	0.5	2
ADXY	106.13	0.1	-0.1	0.5	1
Commodities (%)					
	level	Daily	Weekly	Monthly	YTD
<b>Brent</b>	66.1	-0.5	6.0	5	23
WTx	56	0.5	5.2	4	23
Copper	287	2.4	3.5	5	9
Gold	1338	0.8	2.0	4	4
S&P Spot commodity *	423	0.0	3.2	2	13
S&P Brent Spot *	564	0.0	6.1	6	23
S&P Metals Spot *	331	0.0	0.9	1	4
S&P Agricultural *	289	0.0	-0.6	-1	2

Source: Bloomberg, Datastream and Haver

\* With one day delay