Trade talks and Central Banks kept the market's attention this week

- Financial markets showed slight movements in the week; however, the positive sentiment remains pending details on the ongoing trade negotiations between US and China. A memorandum of Understandings (MoUs) is expected, which could favor an extension of the deadline (March 1st). Later today, Trump and Liu He will meet, but a final deal must be agreed after Trump-Xi summit (no scheduled yet) (see). The release of the ECB and FOMC minutes were also in the limelight this week.

- The **FOMC minutes confirmed the Fed pause**. However, they left open the possibility for further hikes this year if the economy grows as expected and the inflation outlook is higher. Also, they hinted that the balance sheet reduction could end sooner and that the terminal level could be higher than expected. The impact on US markets was mild after the release. **The ECB minutes were less eventful** and with little impact on markets despite reflecting increasing concerns over the EZ slowdown (see).

- **Core yields ended the week broadly stable**: despite being a short week for US markets, the UST 10Y yield inched down despite better-than-expected PMI services (see). In Europe, mixed confidence indicators (IFO (see), ZEW, PMIs (see)) did not weigh on the 10Y Bund yield, which remained subdued (around 0.10%). The Italian risk premium increased during the week due to weak economic data and ahead of Fitch's rating review later today - no changes are expected.

- **Developed equity markets reflected gains**: US stocks showed little movements with volatility at low levels (VIX below 15%). Meanwhile, European and Asian equity indices increased sharply this week.

- The **USD depreciated** and the EUR remained hovering around 1.13 USD/EUR in the week. The JPY depreciated after the Bank of Japan's Kuroda hinted at a willingness to implement further easing measures if necessary (see). The GBP outperformed amid optimism on Brexit, ahead of next week's Parliamentary debate (see) .

- On emerging currencies, **the ARS and the BRL underperformed Latam currencies in the week**, the latter with the pensions plan reform on focus (see). The MXN appreciated despite concerns over the Pemex outlook (see) and the COP also appreciated ahead of today's Central Bank meeting (no changes expected). The TRY lost ground against the USD despite the S&P maintaining Turkey's credit rating last Friday (see), and after the reduction of the reserve ratio requirement to support the flow of credit (see). The increasing oil prices was not enough to boost other EM currencies.

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Debt markets (10Y, %, changes in bp)

Developed Markets	level	Daily	Week	Month	YTD
US (2-yr)	2.50	-2.7	-1.3	-8	1
US	2.65	-3.8	-0.9	-9	-3
GER (2-yr)	-0.57	-1.1	-1.1	2	4
Germany	0.10	-3.0	-0.4	-13	-21
France	0.52	-2.5	-1.9	-12	-19
Spain	1.18	-2.8	-6.5	-14	-30
Italy	2.85	2.1	5.5	10	11
Portugal	1.49	-2.6	-7.6	-37	-38
Greece	3.81	1.7	-1.3	-37	-59
Japan (2-yr)	-0.18	0.5	-0.7	-1	-3
Japan	-0.04	0.1	-1.6	-4	-4
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	8.96	-2.7	18.0	1	-27
Chile	4.12	-0.2	-0.8	-17	-13
Colombia	6.89	-0.6	0.3	-17	13
Mexico	8.23	-2.2	-8.4	-35	-41
Peru	5.17	0.9	0.6	-14	-19
Poland	2.77	-2.7	8.0	-7	-6
Russia	8.44	-1.0	1.7	2	-34
Turkey	14.77	-5.0	37.0	-44	-103
India	7.42	6.5	5.6	12	5
Indonesia	7.95	-0.9	-9.9	-15	-8

Country risk (bp, changes in bp)

Developed Markets	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	42	0.5	-1.5	7	1
Italy	276	5.1	5.9	23	32
Portugal	139	0.4	-7.2	-24	-17
Spain	108	0.2	-6.1	-1	-9
2-yr sovereign spread vs Germany					
France	11	-0.2	0.2	0	-4
Italy	109	6.2	10.6	19	1
Portugal	33	0.1	0.6	-8	7
Spain	29	-0.4	-0.9	-6	-8
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	165	1.2	-1	-12	-42
Chile	48	0.2	0	-2	-15
Colombia	116	0.6	-3	-15	-43
Argentina	673	-3.9	46	11	-133
Mexico	135	1.0	0	2	-19
Peru	74	0.0	-1	-5	-21
Poland	65	0.0	0	-1	-3
Russia	138	-1.1	-11	4	-16
Turkey	320	2.7	8	-14	-60
China	52	0.0	-2	-10	-16
India	92	-0.6	-3	-15	-21
Indonesia	110	1.0	-2	-15	-28

Risk indicators

Volatility indicators	level	Daily	Weekly	Monthly	YTD
VIX	14	-0.3	-1	-5	-11
VSTOXX	14	-0.5	0	-3	-10
EM EFT volatility Index	17	0.0	-1	-4	-8
Dollar/euro volatility	6	-0.2	0	-1	-1
EM FX volatility index	9	0.0	0	0	-1
Credit spread (BAA) (change in bps)	220	1.6	-7	-18	-25
US bonds volatility index	47	2.0	1	-8	-20
Inflation expectations	level	Daily	Weekly	Monthly	YTD
US Inflation expectations (5Y5Y)	2.24	-	4	6	10
EZ Inflation expectations (5Y5Y)	1.43	-	-1	-10	-17
Banking 5y CDS	level	Daily	Weekly	Monthly	YTD
US	66	0.8	1	-8	-17
EZ	91	0.0	-9	-17	-29
UK	71	-0.4	-6	-12	-24
Large Spanish	60	-1.5	-9	-14	-27
Medium Spanish	107	0.9	-1	-6	-15
Corporate 5y CDS	level	Daily	Weekly	Monthly	YTD
US Non-financial	289	0.8	1	-8	-17
EZ Non-financial	79	0.0	-9	-17	-28
UK Non-financial	102	-0.1	-2	-10	-17

Interbank markets (%, changes in bp)

	level	Daily	Weekly	Monthly	YTD
EONIA Index	-0.37	0	0	0	-1
Euribor 3m	-0.31	0	0	0	0
Euribor 12m	-0.11	0	0	1	1
Libor 3m	2.66	0	-3	-12	-13
Libor 12m	2.87	0	-4	-16	-14

Stock markets (%)

Main indices	level	Daily	Weekly	Monthly	YTD
S&P500	2,786	0.4	0.4	5.6	11
Dow Jones	25,977	0.5	0.4	5.7	11
Nikkei	21,426	-0.2	2.5	4.0	7
FTSE 100	7,194	0.4	-0.6	5.1	7
EuroStoxx 50	3,272	0.2	0.9	5.1	9
IBEX	9,202	0.1	0.9	0.8	8
DAX	11,468	0.4	1.5	3.6	9
CAC	5,216	0.4	1.2	7.8	10
MIB	20,284	0.4	0.4	4.6	11
ASE Athens	677	-0.1	3.3	7.2	10
MSCI Latam *	93,891	0.6	0.1	1.5	9
Ibovespa (Brazil)	97,398	0.5	-0.1	0.9	11
Mexbol (Mexico)	43,771	0.4	1.8	0.2	5
Merval (Argentina)	36,416	1.6	-2.8	4.6	20
MSCI EM Europe *	5,613	-0.6	1.2	0.5	6
Poland	2,360	0.9	0.9	-1.9	4
Micex 10 (Russia)	4,409	0.5	-0.4	-2.6	5
Ise 100 (Turkey)	103,159	0.6	0.4	3.0	13
MSCI EM Asia	855	0.4	0.8	4.8	9
Shanghai Com (China)	2,804	1.9	4.5	8.6	12
Jakarta (Indonesia)	6,501	-0.2	1.3	0.5	5
Banking sector	level	Daily	Weekly	Monthly	YTD
US banks	131.7	-0.3	-0.3	1.2	14
JPM	105.5	0.0	-0.1	2.7	8
Citi	64.3	0.0	0.1	3.5	24
BoA	29.1	-0.8	-0.2	0.5	18
MS	41.9	-0.2	-0.3	-0.7	6
GS	195.8	-0.3	-1.4	-0.8	17
EZ banks	74.3	1.0	1.2	1.3	8
BNP	42.1	1.1	-0.1	1.2	7
Crédit Agricole	10.6	0.9	3.9	4.8	12
Deutsche Bank	7.7	0.3	-0.5	-3.7	10
ING	11.1	1.7	0.8	6.6	18
Intesa	2.0	0.2	-0.1	0.3	5
SG	25.4	1.6	3.4	-7.9	-9
Unicredito	11.2	0.5	-0.5	5.6	13
UK banks	78.0	-0.2	-0.8	1.3	7
HSBC	624.9	0.3	-0.4	-2.2	-3
RBS	257.3	0.8	4.0	7.6	19
Barclays	157.5	-2.0	-1.3	-3.3	5
Lloyds	60.3	-0.1	3.1	5.2	16
Large Spanish banks	63.5	0.1	1.0	-2.2	9
Santander	4.1	0.0	1.2	-4.8	4
BBVA	5.2	0.2	0.8	0.2	13
Medium Spanish banks	55.9	-0.5	-0.1	-6.1	-3
Caixabank	3.0	-0.2	-0.2	-11.0	-5
Sabadell	0.9	-0.8	-0.5	-10.2	-5
Bankinter	6.9	-0.3	0.0	-3.7	-2
Bankia	2.6	-1.2	0.2	-0.9	0

Currencies (%, red for currency depreciation)

Developed	level	Daily	Weekly	Monthly	YTD
EURUSD	1.134	0.0	0.4	-0.4	-1
GBPUSD	1.30	-0.1	1.1	-0.3	2
USDJPY	110.67	0.0	-0.2	-1.0	-1
DXY	96.56	0.0	-0.4	0.5	0
Emerging	level	Daily	Weekly	Monthly	YTD
USDARS (Argentina)	39.27	0.6	-1.7	-4.4	-4
USDBRL (Brazil)	3.75	0.5	-1.2	0.4	-4
USDCLP (Chile)	651.32	0.4	1.9	3.3	7
USDCOP (Colombia)	3109	0.5	0.8	1.3	5
USDMXN (Mexico)	19.18	0.6	0.4	-0.8	2
USDPEN (Peru)	3.31	0.3	0.6	1.0	2
LACI	55.80	0.5	-0.1	-0.1	3
USDPLN (Poland)	3.82	0.0	0.4	-1.3	-2
USDRUB (Russia)	65.43	0.3	1.4	1.0	6
USDTRY (Turkey)	5.33	-0.2	-0.9	-0.9	-1
USDCNY (China)	6.71	0.1	0.9	1.2	2
USDINR (India)	71.14	0.1	0.1	0.3	-2
USDIDR (Indonesia)	14058	0.1	0.7	0.9	2
ADXY	106.49	0.1	0.4	0.8	1

Commodities (%)

	level	Daily	Weekly	Monthly	YTD
Brent	67.6	0.7	2.0	11	26
WTIs	58	1.3	3.8	10	27
Copper	294	1.3	4.9	9	12
Gold	1330	0.5	0.6	4	4
S&P Spot commodity *	428	0.3	1.1	6	14
S&P Brent Spot *	572	0.1	1.5	10	25
S&P Metals Spot *	340	0.5	2.6	4	6
S&P Agricultural *	288	0.8	-0.5	-1	1

Source: Bloomberg, Datastream and Haver
* With one day delay