

Quiet start to the week with Brexit in the spotlight

- Calm in financial markets at the start of the week after the eventful last week in which the dovish stance of the ECB hit European markets, spreading abroad.** Moreover, last Friday's release of weaker-than-expected US job data reinforced the "patient" shift of the Fed. This week will be crucial for the Brexit issue while the US-China trade negotiations also remain high on the agenda.
- Sovereign yields remained broadly steady at subdued levels.** The US Treasury 10Y yield continued below 2.65% despite today's retail sales, which were above expectations, (see) and the release of the US fiscal year 2020 budget proposal (see), with mute impact in markets, ahead of US inflation data. In Europe, the release of weaker-than-expected German industrial production (see) did not have a significant impact on markets and the German 10Y Bund yield remained hovering around the 0.06% level. Peripheral risk premia did not showed major changes with the sole exception of the Italian risk premium which increased ahead of this week Moody's rating decision.
- Developed equity markets were up:** both US and European equity indices recovered from last week's mild losses, the latter amid the sharp outperforming of the banking sector (the worst performer during last week). Asian markets ended with some gains despite few advances in US and China negotiations.
- Regarding the FX, the USD and the EUR remained flat.** Meanwhile the GBP appreciated but volatility is expected to be present this eventful week: tomorrow the UK Parliament votes on May's revised Brexit deal, with high uncertainty on the upcoming developments.
- Last week's pressure over EM currencies eased somewhat today:** the ARS appreciated favoured by the last Friday's rise of interest rates (see). The RMB remained steady after this weekend's release of China's inflation, in line with expectations (see). On another front, the TRY depreciated slightly amid disappointing GDP growth data. Latam currencies also benefited from increasing oil prices, on the back of the potential extension of the cut in oil supply and Saudi Arabia's willingness to cut oil production further than requested (see).

| Update 18:00 CET 11 March 2019 | | | | | | |
|--|---------|-------|--------|---------|-----|--|
| Debt markets (10Y, %, changes in bp) | | | | | | |
| Developed Markets | level | Daily | Week | Month | YTD | |
| US (2-yr) | 2.48 | 1.8 | -6.1 | 0 | -1 | |
| US | 2.64 | 1.6 | -7.8 | -1 | -4 | |
| GER (2-yr) | -0.54 | -0.4 | -2.7 | 4 | 7 | |
| Germany | 0.07 | -0.1 | -9.0 | -5 | -23 | |
| France | 0.41 | 0.1 | -15.1 | -14 | -30 | |
| Spain | 1.15 | -0.2 | -1.8 | -9 | -32 | |
| Italy | 2.56 | 5.6 | -17.8 | -39 | -18 | |
| Portugal | 1.32 | -3.0 | -14.7 | -48 | -54 | |
| Greece | 3.73 | -5.3 | 5.1 | -27 | -67 | |
| Japan (2-yr) | -0.15 | -0.2 | -0.7 | 1 | -1 | |
| Japan | -0.03 | 0.0 | -3.7 | -3 | -4 | |
| Emerging Markets | level | Daily | Weekly | Monthly | YTD | |
| Brazil | 8.86 | -13.6 | -18.1 | -13 | -37 | |
| Chile | 4.09 | 0.0 | -10.8 | -13 | -17 | |
| Colombia | 6.82 | -3.4 | -9.0 | -8 | 7 | |
| Mexico | 8.06 | -4.0 | -11.4 | -28 | -58 | |
| Peru | 5.08 | -1.7 | -6.6 | -6 | -29 | |
| Poland | 2.89 | 1.2 | -6.7 | 15 | 6 | |
| Russia | 8.47 | -0.7 | 2.4 | 20 | -31 | |
| Turkey | 14.88 | 3.0 | 14.0 | 76 | -92 | |
| India | 7.35 | -1.3 | -2.5 | 3 | -2 | |
| Indonesia | 7.94 | -4.2 | 7.5 | 12 | -9 | |
| Country risk (bp, changes in bp) | | | | | | |
| Developed Markets | level | Daily | Weekly | Monthly | YTD | |
| 10-yr sovereign spread vs Germany | | | | | | |
| France | 34 | 0.2 | -6.1 | -4 | -7 | |
| Italy | 249 | 5.7 | -8.8 | -34 | 5 | |
| Portugal | 125 | -2.9 | -5.7 | -29 | -31 | |
| Spain | 109 | -0.1 | -3.3 | -15 | -13 | |
| 2-yr sovereign spread vs Germany | | | | | | |
| France | 7 | 0.2 | -0.9 | -6 | -9 | |
| Italy | 76 | 8.0 | -8.9 | -42 | -32 | |
| Portugal | 27 | 0.5 | 0.5 | -11 | 1 | |
| Spain | 23 | 0.8 | -2.1 | -10 | -14 | |
| Emerging Markets | level | Daily | Weekly | Monthly | YTD | |
| 5-yr sovereign CDS * | | | | | | |
| Brazil | 163 | -2.8 | 6 | -2 | -44 | |
| Chile | 47 | -0.1 | 2 | 0 | -16 | |
| Colombia | 114 | 0.0 | 4 | -3 | -45 | |
| Argentina | 765 | -13.8 | 56 | 160 | -42 | |
| Mexico | 128 | -2.2 | 2 | -4 | -27 | |
| Peru | 68 | -0.5 | -2 | -5 | -27 | |
| Poland | 65 | 0.0 | -1 | -1 | -3 | |
| Russia | 129 | 1.8 | 0 | -6 | -25 | |
| Turkey | 330 | 5.8 | 23 | 29 | -30 | |
| China | 52 | 3.2 | 3 | -2 | -16 | |
| India | 87 | 0.9 | -3 | -15 | -26 | |
| Indonesia | 104 | 5.4 | 4 | -7 | -33 | |
| Risk indicators | | | | | | |
| Volatility indicators | level | Daily | Weekly | Monthly | YTD | |
| VIX | 15 | -1.4 | 0 | -2 | -11 | |
| VSTOXX | 14 | -0.3 | 1 | -2 | -10 | |
| EMEFT volatility Index | 18 | -1.5 | -1 | -2 | -7 | |
| Dollar/euro volatility | 6 | 0.0 | 0 | 0 | -1 | |
| EMFX volatility index | 8 | 0.1 | 0 | -1 | -1 | |
| Credit spread (BAA) (change in bps) | 225 | -1.6 | 3 | -6 | -21 | |
| US bonds volatility index | 46 | 0.0 | -1 | -3 | -21 | |
| Inflation expectations | level | Daily | Weekly | Monthly | YTD | |
| US Inflation expectations (5Y5Y) | 2.26 | - | -3 | 4 | 13 | |
| EZ Inflation expectations (5Y5Y) | 1.47 | - | -4 | -1 | -13 | |
| Banking 5y CDS | level | Daily | Weekly | Monthly | YTD | |
| US | 66 | 2.3 | 5 | 3 | -16 | |
| EZ | 86 | 0.4 | 1 | -15 | -34 | |
| UK | 67 | 2.3 | 3 | -10 | -28 | |
| Large Spanish | 63 | 1.2 | 4 | -5 | -25 | |
| Medium Spanish | 103 | -1.3 | -2 | -5 | -9 | |
| Corporate 5y CDS | level | Daily | Weekly | Monthly | YTD | |
| US Non-financial | 161 | 2.3 | 5 | 3 | -16 | |
| EZ Non-financial | 80 | 0.4 | 1 | -15 | -34 | |
| UK Non-financial | 103 | 2.3 | 5 | -1 | -16 | |
| Interbank markets (% changes in bp) | | | | | | |
| | level | Daily | Weekly | Monthly | YTD | |
| EONIA Index | -0.37 | 0 | 0 | -1 | -1 | |
| Euribor 3m | -0.31 | 0 | 0 | 0 | 0 | |
| Euribor 12m | -0.11 | 0 | 0 | 0 | 1 | |
| Libor 3m | 2.60 | 0 | 0 | -14 | -20 | |
| Libor 12m | 2.86 | -1 | -2 | -10 | -15 | |
| Stock markets (%) | | | | | | |
| Main indices | level | Daily | Weekly | Monthly | YTD | |
| S&P500 | 2,775 | 1.2 | -0.6 | 2.6 | 11 | |
| Dow Jones | 25,531 | 0.3 | -1.1 | 1.4 | 9 | |
| Nikkei | 21,125 | 0.5 | -3.2 | 1.8 | 6 | |
| FTSE 100 | 7,131 | 0.4 | -0.1 | 0.5 | 6 | |
| EuroStoxx 50 | 3,304 | 0.6 | -0.4 | 4.9 | 10 | |
| IBEX | 9,172 | 0.5 | -0.9 | 2.6 | 7 | |
| DAX | 11,543 | 0.7 | -0.4 | 4.7 | 9 | |
| CAC | 5,266 | 0.7 | -0.4 | 5.6 | 11 | |
| MIIB | 20,638 | 0.8 | -0.4 | 6.0 | 13 | |
| ASE Athens | 697 | 0.0 | -1.1 | 8.0 | 14 | |
| MSCI Latam * | 91,123 | 0.6 | 0.0 | -1.5 | 6 | |
| Ibovespa (Brazil) | 97,553 | 2.3 | 3.1 | 3.3 | 11 | |
| Mexbol (Mexico) | 41,715 | 0.3 | -1.7 | -4.4 | 0 | |
| Merval (Argentina) | 33,834 | 2.5 | 0.0 | -5.8 | 12 | |
| MSCI EM Europe * | 5,576 | -0.2 | -0.6 | -2.7 | 5 | |
| Poland | 2,300 | 0.1 | -1.2 | -3.0 | 1 | |
| Micex 10 (Russia) | 4,397 | -0.5 | -0.2 | -1.9 | 5 | |
| Ise 100 (Turkey) | 100,850 | -0.7 | -3.2 | -1.9 | 10 | |
| MSCI EM Asia * | 845 | -1.6 | -1.9 | -0.2 | 8 | |
| Shanghai Com (China) | 3,027 | 1.9 | 0.0 | 15.6 | 21 | |
| Jakarta (Indonesia) | 6,366 | -1.4 | -2.1 | -2.8 | 3 | |
| Banking sector | level | Daily | Weekly | Monthly | YTD | |
| US banks | 130.7 | 1.0 | -0.4 | 1.5 | 13 | |
| JPM | 104.2 | 1.2 | 0.0 | 1.8 | 7 | |
| Citi | 62.6 | 0.8 | -1.9 | -0.4 | 20 | |
| BoA | 28.9 | 1.0 | -0.3 | 2.5 | 17 | |
| MS | 42.0 | 1.4 | -0.1 | 1.1 | 6 | |
| GS | 196.8 | 0.8 | -0.4 | 1.9 | 18 | |
| EZ banks | 75.8 | 2.7 | -3.5 | 6.5 | 10 | |
| BNP | 43.3 | 2.3 | -3.6 | 6.2 | 10 | |
| Crédit Agricole | 10.9 | 2.7 | -2.0 | 10.4 | 15 | |
| Deutsche Bank | 8.1 | 5.0 | -0.9 | 9.0 | 16 | |
| ING | 10.7 | 2.7 | -7.8 | -1.2 | 14 | |
| Intesa | 2.1 | 0.9 | -1.3 | 7.7 | 10 | |
| SG | 26.4 | 4.2 | -3.2 | 6.7 | -5 | |
| Unicredito | 11.5 | 2.6 | -3.3 | 13.3 | 16 | |
| UK banks | 78.9 | 0.3 | -1.3 | 3.1 | 8 | |
| HSBC | 624.5 | 0.1 | 1.1 | -2.7 | -3 | |
| RBS | 257.1 | 0.0 | -3.5 | 7.1 | 19 | |
| Barclays | 161.0 | 1.4 | -1.7 | 2.9 | 7 | |
| Lloyds | 61.8 | -0.1 | -2.0 | 8.0 | 9 | |
| Large Spanish banks | 63.2 | 1.4 | -2.5 | 3.0 | 8 | |
| Santander | 4.1 | 1.4 | -2.5 | 3.6 | 4 | |
| BBVA | 5.2 | 1.3 | -2.5 | 2.4 | 12 | |
| Medium Spanish banks | 54.7 | 0.5 | -5.8 | 2.9 | -5 | |
| Caixabank | 2.9 | 0.8 | -5.6 | 1.6 | -7 | |
| Sabadell | 0.9 | 2.0 | -7.2 | 8.4 | -7 | |
| Bankinter | 6.9 | 0.0 | -3.6 | 4.2 | -2 | |
| Bankia | 2.4 | 0.0 | -9.9 | -2.3 | -5 | |
| Currencies (% red for currency depreciation) | | | | | | |
| Developed | level | Daily | Weekly | Monthly | YTD | |
| EURUSD | 1.123 | 0.0 | -0.9 | -0.9 | -2 | |
| GBPUSD | 1.31 | 0.9 | -0.4 | 1.3 | 3 | |
| USDJPY | 111.24 | -0.1 | 0.5 | -1.3 | -1 | |
| DX | 97.35 | 0.0 | 0.7 | 0.9 | 1 | |
| Emerging | level | Daily | Weekly | Monthly | YTD | |
| USDARS (Argentina) | 40.95 | 0.6 | -2.7 | -7.6 | -8 | |
| USDBRL (Brazil) | 3.84 | 0.6 | -1.7 | -3.3 | 1 | |
| USDCLP (Chile) | 670.62 | 0.1 | -1.8 | -2.3 | 3 | |
| USDCOP (Colombia) | 3180 | -0.2 | -2.7 | -2.0 | 2 | |
| USDMXN (Mexico) | 19.43 | 0.3 | -0.7 | -1.8 | 1 | |
| USDPEN (Peru) | 3.31 | 0.1 | 0.0 | 0.5 | 2 | |
| LACI | 54.57 | 0.3 | -1.5 | -2.7 | 0 | |
| USDPLN (Poland) | 3.83 | -0.1 | -1.0 | -0.8 | -2 | |
| USDRUB (Russia) | 66.02 | 0.5 | -0.4 | -0.1 | 5 | |
| USDTRY (Turkey) | 5.45 | -0.2 | -1.3 | -3.3 | -3 | |
| USDCNY (China) | 6.73 | -0.1 | -0.3 | 0.3 | 2 | |
| USDINR (India) | 69.89 | 0.4 | 1.5 | 2.2 | 0 | |
| USDIDR (Indonesia) | 14291 | 0.2 | -1.1 | -2.2 | 1 | |
| ADXY | 106.16 | 0.0 | -0.2 | 0.0 | 1 | |
| Commodities (%) | | | | | | |
| | level | Daily | Weekly | Monthly | YTD | |
| Brent | 66.3 | 0.8 | 0.9 | 8 | 23 | |
| WTx | 57 | 0.9 | -0.1 | 7 | 25 | |
| Copper | 290 | 0.2 | -0.4 | 3 | 10 | |
| Gold | 1292 | -0.5 | 0.4 | -1 | 1 | |
| S&P Spot commodity * | 422 | -0.4 | -0.3 | 4 | 13 | |
| S&P Brent Spot * | 559 | -0.9 | 0.1 | 7 | 22 | |
| S&P Metals Spot * | 339 | -0.2 | -0.5 | 0 | 6 | |
| S&P Agricultural * | 272 | 0.0 | -2.1 | -6 | -4 | |

Source: Bloomberg, Datastream and Haver

* With one day delay