

Little change on financial markets ahead of Fed meeting

- There was little movement in the financial markets awaiting the outcome of tomorrow's FOMC meeting.** Meanwhile, in terms of trade, the offer from China to buy more US agricultural products ([see](#)) brought some optimism on the markets. Also, the EU will seek China's agreement on deadlines to open up China's economy at an expected summit on April 9th.
- In Europe, Brexit developments remain in the spotlight.** Yesterday's comments from the Speaker of the UK's House of Commons, John Bercow, in which he demanded substantial changes to May's Brexit plan before holding a third vote, increased the uncertainty on this issue. Now, May will seek the approval from the EU for a Brexit extension, but as the length is unknown, **the volatility of the GBP is expected to remain** ([see](#)).
- Sovereign yields remained generally flat in both the US and the Eurozone.** The UST 10Y was hovering 2.60% ahead of tomorrow's FOMC policy decision, while the German 10Y inched up slightly due to the release of confidence data (ZEW) in Germany, which was above expectations ([see](#)). The European peripheral risk premia remained subdued.
- Developed equity markets continued increasing:** US and European indices were up, once again, while the equity implied volatility VIX remained below 14%. Asian equity indices suffered little change, with Chinese stocks trimming slightly early gains.
- On FX markets, there were no major changes in the USD and the EUR.** Meanwhile the GBP appreciated slightly despite the uncertainty surrounding the UK's departure from the EU. Most EM currencies benefited from a steady USD, with the main exception of the ARS which trimmed its recently-gained ground.
- Crude oil prices fell slightly today but remained at their highest level** in the year (Brent almost reaching \$68 per barrel). OPEC's April meeting could be cancelled as it is likely to defer the decision on extending the oil supply cuts at least until June ([see](#)).

Update 18:05 CET 19 March 2019

Debt markets (10Y, %, changes in bp)					
Developed Markets	level	Daily	Week	Month	YTD
US (2-yr)	2,46	0,6	0,8	-6	-3
US	2,61	0,2	0,4	-6	-8
GER (2-yr)	-0,53	0,2	1,6	3	8
Germany	0,10	1,4	4,2	0	-15
France	0,47	1,2	-0,7	-7	-24
Spain	1,17	1,3	0,2	-17	-35
Italy	2,49	4,0	-4,6	-31	-25
Portugal	1,30	4,0	-3,4	-40	-56
Greece	3,75	1,1	-12,8	-7	-64
Japan (2-yr)	-0,16	-0,8	-1,3	1	-2
Japan	-0,04	-0,5	-1,2	-2	-4
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	8,75	-5,1	-5,7	-4	-49
Chile	4,06	-0,4	-3,7	-7	-19
Colombia	6,71	-1,6	-8,5	-18	-4
Mexico	8,01	-2,7	-0,9	-31	-63
Peru	4,99	1,4	-5,4	-18	-38
Poland	2,91	2,1	2,9	23	9
Russia	8,32	-2,2	-12,6	-10	-46
Turkey	15,60	7,0	52,0	120	-20
India	7,38	6,3	2,4	2	1
Indonesia	7,72	-0,4	-14,8	-32	-30
Country risk (bp, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	37	-0,2	-4,9	-1	-4
Italy	240	2,6	-8,8	-30	-10
Portugal	121	2,6	-7,6	-26	-36
Spain	108	-0,1	-4,0	-17	-14
2-yr sovereign spread vs Germany					
France	7	-0,3	-0,5	-4	-9
Italy	71	3,9	-6,0	-28	-38
Portugal	27	0,5	-3,0	-5	1
Spain	21	-1,1	-4,6	-10	-16
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	152	-2,7	-2	-13	-55
Chile	43	-1,7	-2	-5	-20
Colombia	105	-1,5	-3	-14	-53
Argentina	718	4,5	-16	91	-88
Mexico	121	-2,1	-1	-14	-34
Peru	63	-1,2	-3	-12	-32
Poland	65	0,0	0	-1	-3
Russia	126	-0,8	1	-23	-28
Turkey	307	-4,5	-19	-5	-53
China	45	-1,4	-4	-9	-23
India	79	-1,7	-5	-16	-34
Indonesia	95	-2,6	-4	-16	-42
Risk indicators					
Volatility indicators	level	Daily	Weekly	Monthly	YTD
VIX	13	0,1	-1	-2	-12
VSTOXX	13	-0,2	-1	-1	-11
EM EFT volatility Index	16	-0,2	-2	-2	-9
Dollar/euro volatility	5	0,0	-1	-1	-2
EM FX volatility index	8	-0,1	0	-1	-2
Credit spread (BAA) (change in bps)	226	-0,2	1	-1	-19
US bonds volatility index	45	-1,1	0	-1	-22
Inflation expectations	level	Daily	Weekly	Monthly	YTD
US Inflation expectations (5Y5Y)	2,30	-	6	11	16
EZ Inflation expectations (5Y5Y)	1,48	-	1	4	-13
Banking 5y CDS	level	Daily	Weekly	Monthly	YTD
US	60	-1,1	-3	-4	-22
EZ	76	-2,1	-7	-24	-44
UK	64	0,9	-1	-13	-30
Large Spanish	55	-1,0	-5	-14	-32
Medium Spanish	103	0,4	-1	-6	-9
Corporate 5y CDS	level	Daily	Weekly	Monthly	YTD
US Non-financial	152	-1,1	-3	-4	-22
EZ Non-financial	73	-2,1	-7	-24	-44
UK Non-financial	98	-0,5	-4	-6	-21
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	0	1
Libor 3m	2,63	1	2	-6	-16
Libor 12m	2,82	-2	-5	-10	-20
Stock markets (%)					
Main indices	level	Daily	Weekly	Monthly	YTD
S&P500	2.840	0,2	1,7	2,3	13
Dow Jones	26.000	0,3	1,7	0,4	11
Nikkei	21.567	-0,1	0,3	3,2	8
FTSE 100	7.324	0,3	2,4	1,2	9
EuroStoxx 50	3.409	0,6	3,2	5,2	14
IBEX	9.492	0,9	3,6	4,0	11
DAX	11.788	1,1	2,3	4,3	12
CAC	5.426	0,2	3,0	5,3	15
MIB	21.430	0,9	3,9	6,0	17
ASE Athens	714	-1,5	1,5	9,1	16
MSCI Latam *	94.652	0,6	1,7	0,9	10
Ibovespa (Brazil)	100.231	0,2	2,5	2,8	14
Mexbol (Mexico)	42.514	0,7	1,9	-1,1	2
Merval (Argentina)	35.415	1,4	5,3	-5,5	17
MSCI EM Europe *	5.664	0,6	1,8	2,1	7
Poland	2.352	0,3	1,8	0,6	3
Micex 10 (Russia)	4.458	0,3	1,1	0,7	6
Ise 100 (Turkey)	104.862	0,3	3,1	2,1	15
MSCI EM Asia *	873	0,9	2,4	3,0	12
Shanghai Com (China)	3.091	-0,2	1,0	15,2	24
Jakarta (Indonesia)	6.480	0,3	1,8	0,9	5
Banking sector	level	Daily	Weekly	Monthly	YTD
US banks	136,0	0,4	4,0	2,9	18
JPM	107,6	0,4	3,5	2,0	10
Citi	66,1	0,3	5,3	2,9	27
BoA	29,9	0,2	3,2	2,6	21
MS	44,3	0,6	5,4	5,5	12
GS	203,2	0,4	3,4	2,4	22
EZ banks	78,8	0,0	4,5	7,5	14
BNP	45,1	0,0	4,8	7,1	14
Crédit Agricole	11,3	-0,1	4,0	10,9	20
Deutsche Bank	8,0	-1,4	2,1	3,9	15
ING	11,0	0,0	2,8	-0,7	17
Intesa	2,2	0,1	4,7	9,2	15
SG	28,0	0,0	6,4	14,0	1
Unicredito	12,2	1,2	7,0	8,9	24
UK banks	81,6	0,3	2,8	3,8	12
HSBC	623,6	-0,5	-0,5	-6,4	-4
RBS	270,4	0,5	4,5	9,3	25
Barclays	168,6	1,4	3,5	5,7	12
Lloyds	65,4	0,1	5,0	12,0	26
Large Spanish banks	67,5	1,2	7,0	7,4	16
Santander	4,5	1,3	8,3	9,4	13
BBVA	5,5	1,2	5,9	5,6	18
Medium Spanish banks	56,8	0,2	4,0	1,5	-1
Caixabank	3,0	-0,1	3,4	0,5	-4
Sabadell	1,0	0,4	5,8	4,1	-1
Bankinter	7,2	0,3	4,5	3,5	2
Bankia	2,5	0,1	2,9	-3,2	-4
Currencies (% red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	YTD
EURUSD	1,135	0,1	0,5	0,5	-1
GBPUSD	1,33	0,2	1,5	3,0	4
USDJPY	111,34	0,1	0,0	-0,8	-1
DXY	96,40	-0,1	-0,5	-0,5	0
Emerging	level	Daily	Weekly	Monthly	YTD
USDARS (Argentina)	40,46	-1,1	2,6	-4,6	-7
USDBRL (Brazil)	3,77	0,5	1,0	-1,9	3
USDCPL (Chile)	665,70	0,0	0,1	-0,3	4
USDCOP (Colombia)	3095	0,1	1,7	1,2	5
USDMXN (Mexico)	19,01	0,2	1,8	1,3	3
USDPEN (Peru)	3,30	0,2	-0,1	0,8	2
LACI	55,52	0,2	1,2	-0,6	2
USDPLN (Poland)	3,78	0,2	0,8	1,5	-1
USDRUB (Russia)	64,38	0,0	1,9	3,0	8
USDTRY (Turkey)	5,48	-0,2	-0,4	-3,5	-3
USDCNY (China)	6,71	0,0	-0,1	0,9	2
USDINR (India)	68,96	-0,6	1,1	3,3	1
USDIDR (Indonesia)	14233	0,0	0,2	-0,6	1
ADXY	106,47	0,0	0,1	0,4	1
Commodities (%)					
	level	Daily	Weekly	Monthly	YTD
Brent	67,3	-0,3	1,0	2	25
WTx	59	-0,6	3,3	6	29
Copper	291	0,4	-0,5	4	11
Gold	1307	0,2	0,4	-1	2
S&P Spot commodity *	435	0,5	2,0	3	16
S&P Brent Spot *	573	0,5	1,1	2	25
S&P Metals Spot *	343	0,3	0,1	4	7
S&P Agricultural *	278	-0,3	1,2	-4	-2

Source: Bloomberg, Datastream and Haver

* With one day delay