

Market Comment

All eyes on today's Trump speech at the Economic Club of New York

- Markets were cautious awaiting new trade developments as the U.S.-China tariffs rollback is yet to be confirmed. Investors will watch closely **U.S. President Trump's speech** at the New York Economic Club closely today, in which his trade policy may be addressed. Separately, the U.S. may again delay the imposition of **tariffs on European automobiles** for another six months, looking for European car makers to invest in the U.S.
- Today's macroeconomic data were positive in Germany. The **ZEW survey** signaled that investor sentiment in Germany has rebounded sharply in November (-2.1, consensus -13, previous -22.8). The strong rise in expectations were underpinned by rising hopes of a better trade backdrop and a Brexit deal. However, investors' assessments of the economy's current conditions edged up less than expected (-24.7, consensus -22.3, previous -25.3).
- Spain's left-wing parties** signed a coalition with 155 seats, although the support of smaller parties is still needed to achieve 176 seats to form a government.
- Sovereign bond yields were broadly steady** in the U.S. and Europe (10Y US -1.4bps, 10Y Ger -0.4bps). Peripheral bonds were mixed: **Italy's risk premium narrowed**, after yesterday's rebound, on the back of the decline in Italian banks' non performing loans to €85.9bn in September from €87.6bn. In regards to monetary policy, market expectations of a 10 bps ECB rate cut continue to wane after German Chancellor Angela Merkel said the ECB's current monetary policy won't be able to be extended indefinitely amid economic slowdown.
- G10 currencies showed minor changes**. The USD outperformed all its G10 peers (DXY index +0.1%), while the euro depreciated slightly despite the possibility that the U.S. may delay tariffs on European cars. Regarding emerging markets, **the Chilean peso fell sharply** to a record low (USDCLP -3.0% to 784) led by the uncertainty over the change in the Constitution.
- Stock markets inched up** ahead of today's Trump speech on trade and economic policy.

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DEBT MARKETS (10Y, %, CHANGE IN BPS)

Developed Markets	level	Daily	Week	Month	YTD
US (2-yr)	1,66	-1,0	4,0	7	-82
US	1,93	-1,4	6,9	20	-76
GER (2-yr)	-0,62	-0,9	1,5	10	-1
Germany	-0,25	-0,4	6,0	19	-49
France	0,05	0,0	6,3	18	-66
Spain	0,45	1,5	11,7	21	-97
Italy	1,21	-4,9	18,4	27	-153
Portugal	0,36	0,9	11,5	16	-136
Greece	1,40	3,6	19,6	-4	-300
Japan (2-yr)	-0,16	3,0	7,4	13	-2
Japan	-0,02	4,3	10,2	16	-2
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	6,73	6,6	28,5	4	-251
Chile	2,82	5,1	-11,4	33	-143
Colombia	6,20	0,0	10,3	17	-56
Mexico	6,89	1,8	6,3	13	-175
Peru	3,81	-0,2	6,0	31	-156
Poland	2,15	-2,4	13,9	15	-67
Russia	6,63	1,4	11,9	-19	-215
Turkey	12,20	-4,0	-10,0	-193	-360
India	6,57	0,0	4,9	6	-80
Indonesia	7,04	1,7	8,4	-21	-99

COUNTRY RISK (BP, CHANGE IN BPS)

Developed Markets	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	30	0,4	0,3	-2	-17
Italy	146	-4,5	12,4	8	-104
Portugal	61	1,3	5,5	-3	-87
Spain	69	1,9	5,7	2	-48
2-yr sovereign spread vs Germany					
France	5	0,2	-0,9	-3	-11
Italy	52	-2,0	6,8	4	-56
Portugal	13	0,4	4,2	-1	-13
Spain	24	0,8	2,6	-1	-13
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	119	0,9	4	-18	-88
Chile	43	0,7	4	7	-20
Colombia	76	0,4	0	-16	-83
Argentina	7698	0,0	1284	3053	6892
Mexico	86	0,5	0	-28	-69
Peru	50	0,3	1	-10	-45
Poland	66	0,5	-1	-2	-2
Russia	72	0,4	-2	-16	-82
Turkey	312	-1,2	-14	-84	-47
China	37	0,8	-1	-10	-30
India	70	-0,3	-3	-5	-44
Indonesia	74	1,5	-1	-18	-64

RISK INDICATORS

Volatility indicators (change in pp)	level	Daily	Weekly	Monthly	YTD
VIX	13	-0,2	-1	-3	-13
VSTOXX	64	0,0	3	-15	-2
EM EFT volatility Index	2	0,0	0	0	-1
Dollar/euro volatility	5	0,4	0	-1	-2
EM FX volatility index	19	1,2	1	1	-6
Credit spread (BAA) (change in bps)	212	1,4	-3	-13	-33
US bonds volatility index	7	0,1	0	-1	-2
Inflation expectations (% change in pp)	level	Daily	Weekly	Monthly	YTD
US Inflation expectations (5Y5Y)	2,06	-	-2	12	-7
EZ Inflation expectations (5Y5Y)	1,27	-	1	8	-34
Banking 5y CDS (bps) *	level	Daily	Weekly	Monthly	YTD
US	46	0,0	-1	-14	-36
EZ	63	0,2	1	-8	-66
UK	56	1,7	0	-20	-54
Large Spanish	38	0,3	0	-6	-49
Medium Spanish	90	4,8	0	-6	-22
Corporate 5y CDS (bps) *	level	Daily	Weekly	Monthly	YTD
US Non-financial	282	-0,4	56	61	68
EZ Non-financial	69	0,2	-2	-10	-28
UK Non-financial	101	0,6	-1	-8	-18

INTERBANK MARKETS (% , CHANGE IN BPS)

	level	Daily	Weekly	Monthly	YTD
ESTR Index	-0,54	0	0	1	n.a.
Euribor 3m	-0,40	0	1	2	-9
Euribor 12m	-0,26	1	2	5	-14
Libor 3m	-0,46	0	0	1	-10
Libor 12m	1,90	0	-1	-9	-89

STOCK MARKETS (%)

Main indices	level	Daily	Weekly	Monthly	YTD
S&P500	3100	0,4	0,8	4,4	24
Dow Jones	27737	0,2	0,9	3,4	19
Nikkei	23520	0,8	1,2	7,9	18
FTSE 100	7376	0,7	-0,2	1,8	10
EuroStoxx 50	3717	0,5	1,1	4,1	24
IBEX	9320	-0,7	-0,9	0,5	9
DAX	13297	0,7	1,1	6,3	26
CAC	5928	0,6	1,4	4,6	25
MIB	23811	1,4	1,9	7,4	30
ASE Athens	866	1,2	-0,8	1,2	41
MSCI Latam *	96369	0,4	-0,5	3,8	12
Ibovespa (Brazil)	106783	-1,5	-1,8	2,8	21
Mexbol (Mexico)	43471	-0,3	-0,3	0,6	4
Merval (Argentina)	32852	-2,4	-10,9	3,3	8
MSCI EM Europe *	6271	-0,4	0,4	8,4	19
Poland	2249	-0,3	-1,0	4,1	-1
Mcex 10 (Russia)	5153	-0,3	0,9	9,1	23
Ise 100 (Turkey)	103972	0,8	3,4	5,0	14
MSCI EM Asia *	867	-1,3	-0,8	5,3	11
Shanghai Com (China)	2915	0,2	-2,6	-2,0	17
Jakarta (Indonesia)	6181	0,0	0,0	2,6	0
Banking sector	level	Daily	Weekly	Monthly	YTD
US banks					
JPM	154,8	0,2	1,0	12,1	34
Citi	130,2	0,2	0,9	12,1	33
Citi	75,8	0,3	1,3	8,1	46
BoA	33,3	0,3	1,4	15,1	35
MS	49,1	0,0	0,7	17,1	24
GS	220,2	0,5	0,7	7,6	32
EZ banks					
BNP	83,1	1,3	4,1	11,5	21
Crédit Agricole	50,9	0,8	3,7	11,3	29
Deutsche Bank	12,7	2,6	5,6	13,5	35
ING	7,0	1,5	0,5	2,5	0
Intesa	10,8	0,7	2,5	10,0	15
Intesa	2,4	1,2	1,9	9,1	23
SG	28,9	0,3	7,0	14,3	4
Unicredito	12,8	2,2	6,8	17,0	29
UK banks					
HSBC	75,7	0,8	1,1	1,2	4
HSBC	589,1	0,4	-1,5	-3,0	-9
RBS	223,0	0,6	3,0	2,2	3
Barclays	172,1	0,3	1,7	7,2	14
Lloyds	59,6	1,8	2,6	0,8	15
Large Spanish banks					
Santander	58,3	-0,7	-1,3	1,2	0
Santander	3,7	-1,1	-2,2	-2,5	-7
BBVA	4,9	-0,3	-0,5	4,5	6
Medium Spanish banks					
Caixabank	50,1	-2,4	-3,1	4,4	-13
Caixabank	2,7	-3,7	-4,3	4,7	-16
Sabadell	1,0	-2,0	-1,5	7,0	2
Bankinter	6,4	-1,3	-2,3	5,8	-9
Bankia	1,7	-4,3	-6,0	-1,8	-32

CURRENCIES (% , RED FOR CURRENCY DEPRECIATION)

Developed	level	Daily	Weekly	Monthly	YTD
EURUSD	1,102	-0,1	-0,5	-0,2	-4
GBPUSD	1,285	0,0	-0,2	1,5	1
USDJPY	109,100	0,0	0,1	-0,7	1
DXY	98,332	0,1	0,4	0,0	2
Emerging	level	Daily	Weekly	Monthly	YTD
USDARS (Argentina)	59,71	0,2	-0,1	-2,8	-37
USDBRL (Brazil)	4,17	-0,6	-4,3	-1,5	-7
USDCPL (Chile)	783,82	-3,0	-4,5	-9,4	-11
USDCOP (Colombia)	3394	-1,7	-2,46	1,07	-4
USDMXN (Mexico)	19,22	-0,5	-0,1	0,5	2
USDPEN (Peru)	3,38	-0,5	-1,2	-0,7	0
LACI	50,12	-0,9	-2,2	-1,4	-8
USDPLN (Poland)	3,88	-0,2	-0,8	0,5	-4
USD RUB (Russia)	64,18	-0,4	-1,1	0,0	8
USDTRY (Turkey)	5,77	0,0	-0,4	1,9	-8
USDCNY (China)	7,01	0,0	0,0	1,2	-2
USDINR (India)	71,47	0,0	-1,1	-0,6	-2
USDIDR (Indonesia)	14054	0,1	-0,6	0,6	2
ADXY	104,19	-0,1	-0,3	0,7	-1

COMMODITIES (%)

	level	Daily	Weekly	Monthly	YTD
Brent	62,3	0,1	-1,1	3	16
WTx	57	0,4	-0,3	4	26
Copper	265	-0,4	-1,8	1	1
Gold	1454	-0,1	-2,0	-2	13
S&P Spot commodity *	417	-0,6	-1,3	2	11
S&P Brent Spot *	525	-0,8	-2,1	3	15
S&P Metals Spot *	324	-1,4	-2,0	0	2
S&P Agricultural *	284	-0,7	-0,7	-1	0

Source: Bloomberg, Datastream and Haver

* With one day delay