

# Market Comment | Stocks edged up while demand for safe-haven assets eased

Global Financial Markets Unit  
19 Apr 2017

- **Financial markets showed moderate optimism today**, after several days of investor cautiousness, as the price of safe-haven assets declined slightly, with gold, the CHF, the JPY and safer bonds all declining, while risk asset prices inched up, with equities increasing across the board, underpinned by corporate earnings results.
- After the **UK parliament vote in favour of early elections on 8 June** ([see](#)), the GBP remained steady at its highest level since October, dragging down the FTSE 100, the only European equity index that fell during today's session.
- In Europe, **peripheral risk premiums narrowed**, favoured by a slight decline in risk aversion, while inflation in the EZ in March was confirmed at 1.5% ([see](#)), allaying concerns of a potential spike in European inflation.
- Despite the fact that expectations for US reflationary policies cooled recently, the USD recovered some ground during today's session, although the DXY is still below 100 points. Meanwhile, EM currencies depreciated across the board due to a stronger dollar.
- **Oil prices declined** despite the OPEC secretary general's remarks ([see](#)), saying that all oil producers that take part in the supply cut are committed to bringing inventories down. He also said that March compliance rates were better than in February.

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Table 1

Debt markets (10Y % changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
US (2-yr)	1.18	2.2	-1.9	-1.1	-2	
US	2.22	5.1	2.0	-2.4	-22	
GER (2-yr)	0.50	6.1	3.9	-2	-3	
Germany	0.21	5.0	0.8	2.3	-7	
France	0.96	6.4	2.8	-1.6	15	
Spain	1.69	1.8	1.8	-1.6	18	
Italy	2.29	2.9	-1.0	-7	42	
Portugal	3.83	0.8	-3.5	-4.1	-35	
Greece	6.69	-9.9	2.6	-7.9	-20	
Japan (2-yr)	0.21	1.8	0.3	5	-2	
Japan	0.01	-1.8	6.4	-5	-5	
Emerging Markets	level	Daily	Weekly	Monthly	YTD	
Brazil	10.13	5.6	9.1	-1.1	-12.8	
Chile	3.91	0.0	0.2	-4.2	-4.2	
Colombia	6.43	-13.7	-19.1	-4.1	-6.6	
Mexico	7.45	2.0	6.5	-1.0	-4.9	
Peru	5.73	-6.3	-7.9	-2.4	-7.5	
Poland	3.38	1.3	-6.7	-3.5	-3.3	
Russia	8.09	0.0	0.6	2	-3.6	
Turkey	10.61	-5.0	-6.0	-3	-3.9	
India	6.86	-0.8	7.4	-4	4.7	
Indonesia	7.08	3.9	0.7	-6	-7.6	
Country Risk (bp, changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
<b>1-yr sovereign spread vs Germany</b>						
France	75	1.4	2.0	7	22	
Italy	208	-2.1	-1.8	1.6	4.9	
Portugal	362	-4.3	-4.4	-1.8	0	
Spain	148	-3.2	1.0	8	3.3	
<b>2-yr sovereign spread vs Germany</b>						
France	50	-4.2	-1.0	1.6	4.0	
Italy	77	-5.8	-6.2	-2	1.6	
Portugal	121	-6.3	-0.2	-2.3	-2.6	
Spain	58	-7.3	-8.4	-5	1.0	
Emerging Markets	level	Daily	Weekly	Monthly	YTD	
<b>5-yr sovereign CDS *</b>						
Brazil	224	2	3	14	-4.8	
Chile	79	1	4	9	-3	
Colombia	137	2	4	8	-2.7	
Mexico	130	1	2	1	-2.6	
Peru	106	2	4	10	-2	
Venezuela	3,385	-80	-245	-47	-5.2	
Poland	69	0	0	5	-7	
Russia	166	-1	-5	5	-1.0	
Turkey	229	-2	5	9	-4.4	
China	91	3	5	14	-2.5	
India	99	0	0	3	-2.8	
Indonesia	139	2	5	20	-1.7	
Risk indicators						
Volatility indicators (%)	level	Daily	Weekly	Monthly	YTD	
VIX	14	-5.7	-1.4	2.0	2	
VST OXX	24	-5.4	7	85	8	
EM EFT volatility index	20	-2.4	5	31	0	
Dollar Euro volatility	13	2.4	-2	7.2	2.1	
EM FX volatility index	9	-0.4	-1	3	-1.7	
Credit spread (BAA) (bps)	225	-5.1	-7	6	-2	
US bonds volatility index	73	2.7	-1	2.2	-5	
Banking 5y CDS (bps) *	level	Daily	Weekly	Monthly	YTD	
US	63	0.6	2	5	-8	
EZ	116	-0.1	2	13	8	
UK	82	0.3	0	11	-9	
Large Spanish	108	1.1	3	0	-9	
Medium Spanish	164	-0.2	2	7	13	
Corporate 5y CDS (bps) *	level	Daily	Weekly	Monthly	YTD	
US Non-financial	154	0.6	2	5	-5	
EZ Non-financial	103	-0.1	2	13	8	
UK Non-financial	124	2	2	9	-1	
Interbank markets (% changes in bp)						
level	Daily	Weekly	Monthly	YTD		
EONIA Index	-0.36	0.00	0.0	0.0	0.0	
Euribor 3m	-0.33	0.00	0.0	0.0	0.0	
<b>Euribor 12m</b>	-0.12	0.00	0.0	0.0	0.0	
Libor 3m	1.16	0.00	0.0	0.0	0.2	
Libor 12m	1.76	-0.01	0.0	-0.1	0.1	
EZ TED spread 3m	46.9	-0.30	-0.8	-11.8	-19.5	
Stock markets (%)						
Index/Indices	level	Daily	Weekly	Monthly	YTD	
<b>S&amp;P500</b>	2,350	0.3	0.2	1	5	
Dow Jones	20,504	-0.1	-0.4	-2	3	
Nikkei	18,432	0.1	0.6	-6	-6	
FTSE 100	7,123	-0.3	3.1	-4	-1	
<b>EuroStoxx 50</b>	3,424	0.4	-1.3	0	3	
IBEX	10,374	1.1	0.1	2	10	
DAX	12,023	0.2	-1.3	0	4	
CAC	5,908	0.4	-1.8	0	2	
MIB	19,809	1.9	-1.0	-1	1	
ASE Athens	679	0.2	0.9	5	3	
<b>MSCI Latam *</b>	76,562	0.2	0.7	0	5	
Ibovespa (Brazil)	64,108	-0.1	0.3	-1	4	
Midcap	48,818	0.1	0.3	0	5	
<b>MSCI EM Europe *</b>	4,753	-0.5	-1.3	-3	-6	
Poland	2,275	1.7	2.7	0	14	
Micex (Russia)	1,920	0.0	-1.4	-6	-15	
Ne 100 (Turkey)	90,804	-0.6	-0.2	0	19	
<b>MSCI EM Asia *</b>	756	-0.4	0.1	1	9	
Shanghai Com (China)	3,171	-0.8	-3.2	-2	0	
Jakarta (Indonesia)	5,607	0.5	-0.4	1	6	
Banking Sector	level	Daily	Weekly	Monthly	YTD	
<b>US banks</b>						
JPM	114.4	-1.1	0.1	-6	-5	
Citi	85.6	0.5	0.2	-5	-2	
Chf	58.6	0.3	0.1	-2	-5	
BofA	23.0	-1.5	1.7	6	0	
MS	42.3	2.7	3.1	-5	-3	
GS	215.7	0.0	-4.5	-11	-11	
<b>EZ banks</b>						
BNP	101.4	3.3	0.2	-2	-4	
Crédit Agricole	58.4	1.9	1.2	2	-7	
Crédit Agricole	12.0	2.8	0.8	-2	-2	
Deutsche Bank	15.2	-2.2	0.4	-1	-7	
ING	14.2	4.1	2.3	0	2	
Intesa	2.5	4.1	0.3	0	-2	
SG	44.4	3.3	-0.5	-5	-8	
Unicredit	13.6	0.5	2.6	6	-3	
<b>UK banks</b>						
HSBC	82.9	1.4	-1.5	-6	-6	
RIS	621.3	-0.8	-5.2	-6	-7	
RIS	235.3	4.7	1.7	-2	0	
Barclays	208.8	0.7	-2.3	-9	-11	
Lloyds	63.7	2.4	1.9	-8	-2	
<b>Large Spanish banks</b>						
Santander	84.6	2.7	0.7	-1	8	
Santander	5.6	2.9	1.3	0	10	
<b>BBVA</b>	7.0	2.5	0.2	-2	7	
<b>Medium Spanish banks</b>	77.9	2.4	1.5	-2	7	
Cáscarbank	3.8	3.4	2.1	-1	1.7	
Populr	0.7	5.1	7.6	-27	-31	
Sabadell	1.6	3.1	2.3	-2	2.0	
Banque	7.9	0.4	0.1	4	5	
Banque	1.0	3.0	1.1	-3	1	
Currencies (% ind for currency depreciation)						
Developed	level	Daily	Weekly	Monthly	Year	
<b>EURUSD</b>	1.07	-0.3	0.3	0.4	2	
GBPUSD	1.28	-0.4	2.0	3.5	4	
USDJPY	109.08	-0.6	0.0	-3.1	-7	
DKK	99.79	0.3	-1.8	0.5	3	
Emerging	level	Daily	Weekly	Monthly	Year	
USDARS (Argentina)	15.36	-0.5	-1.2	1.8	4	
USD BRL (Brazil)	3.14	-1.1	-0.5	-2.2	2	
USD CLP (Chile)	649.91	-0.2	0.6	1.6	3	
USD COP (Colombia)	2864	-0.9	0.3	1.7	4	
USD MXN (Mexico)	18.87	-1.5	-1.7	0.7	12	
USD PEN (Peru)	3.25	0.0	0.0	-0.2	4	
USDCNY (China)	65.77	-1.1	-2.2	-1.1	7	
USD PLN (Poland)	3.98	-0.8	0.1	-0.2	5	
USD RUB (Russia)	56.52	-0.5	0.2	1.4	6	
USD TRY (Turkey)	3.67	0.3	0.7	1.6	3	
USD CNY (China)	6.89	-0.1	0.1	0.3	1	
USD INR (India)	64.58	0.1	0.1	1.2	5	
USD IDR (Indonesia)	13,319	-0.2	0.3	0.9	1	
ADXY	105.3	-0.1	0.2	0.1	2	
Commodities (%)						
Brent	level	Daily	Weekly	Monthly	Year	
WTI	54.3	-1.1	-2.8	-5	-4	
Copper	52	-1.1	-2.4	7	-3	
Copper	255	0.8	0.2	-4	0	
Gold	1229	-0.8	-0.6	4	10	
S&P Spot commodity *	397	-0.7	-0.9	4	0	
S&P Brent Spot *	472	-0.8	-1.4	7	-2	
S&P Metals Spot *	312	-2.4	-1.7	5	2	
S&P Agricultural *	293	-0.1	0.3	-1	-2	



Debt markets (10Y % changes in bp)					
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US (2-yr)	1.18	2.2	-1.9	-11	-3
US	2.22	5.1	2.0	-24	-22
GER (2-yr)	-0.80	6.1	3.9	-2	-3
Germany	0.21	5.0	0.8	-23	-7
France	0.86	6.4	2.8	-16	15
Spain	1.69	1.8	1.8	-16	18
Italy	2.29	2.9	-1.0	-7	42
Portugal	3.83	0.8	3.5	-41	35
Greece	6.69	-9.9	2.6	-79	-20
Japan (2-yr)	-0.21	1.0	0.3	5	-2
Japan	0.01	-1.8	6.4	5	5
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
Brazil	10.13	5.6	9.1	-11	-128
Chile	3.91	0.0	0.2	-42	-42
Colombia	6.43	-13.7	-19.1	-41	-66
Mexico	7.15	2.0	-6.5	-10	-49
Peru	5.73	-6.3	7.9	-24	-35
Poland	3.38	1.3	-6.7	-35	-33
Russia	8.09	0.0	-9.6	2	-36
Turkey	10.61	-5.0	-6.0	-3	-39
India	6.86	-0.8	7.4	-4	47
Indonesia	7.03	1.8	0.7	-6	-76
Country risk (bp changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
<b>10-yr sovereign spread vs Germany</b>					
France	75	1.4	2.0	7	22
Italy	208	-2.1	-1.9	16	49
Portugal	362	-4.3	-4.4	-18	0
Spain	148	-3.2	1.0	8	33
<b>2-yr sovereign spread vs Germany</b>					
France	50	-4.2	-1.0	16	40
Italy	77	-5.8	-6.2	-2	16
Portugal	121	-6.3	-0.2	-23	-26
Spain	58	-7.3	8.4	-5	10
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
<b>5-yr sovereign CDS *</b>					
Brazil	224	2	3	14	-48
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Colombia	137	2	4	8	-27
Mexico	130	1	2	1	-26
Peru	106	2	4	10	-2
Venezuela	3,385	-90	-245	-47	-521
Poland	69	0	0	5	-7
Russia	166	-1	5	5	-10
Turkey	229	-2	5	9	-44
China	91	3	5	14	-25
India	99	0	0	3	-28
Indonesia	139	7	5	20	-17
Risk indicators					
Volatility indicators (%)					
level	Daily	Weekly	Monthly	YTD	
VIX	14	-5.7	-14	20	2
VSTOXX	24	-5.4	7	85	8
EM EFT volatility index	20	-2.4	5	31	0
Dollar/euro volatility	13	-2.4	-2	72	21
EM FX volatility index	9	-0.4	-1	3	-17
Credit spread (BAA) (bps)	225	-5.1	-7	6	-2
US bonds volatility index	73	-2.7	-1	22	5
Banking S&P CDS (bps) *					
level	Daily	Weekly	Monthly	YTD	
US	63	0.6	2	5	-8
EZ	116	-0.1	2	13	8
UK	82	0.3	0	11	9
Large Spanish	108	1.1	3	0	-9
Medium Spanish	164	-0.2	2	7	13
Deposits by CDS (bps) *					
level	Daily	Weekly	Monthly	YTD	
US Non-financial	154	0.6	2	5	-8
EZ Non-financial	103	-0.1	2	13	8
UK Non-financial	124	1.2	2	9	-1
Interbank markets (% changes in bp)					
level	Daily	Weekly	Monthly	YTD	
EONIA Index	-0.36	0.00	0.0	0.0	0.0
Euribor 3m	-0.33	0.00	0.0	0.0	0.0
Euribor 12m	-0.12	0.00	0.0	0.0	0.0
Libor 3m	1.16	0.00	0.0	0.0	0.2
Libor 12m	1.76	-0.01	0.0	-0.1	0.1
EZ TED spread 3m	46.9	-0.30	-0.8	-11.8	-19.5
Stock markets (%)					
level	Daily	Weekly	Monthly	YTD	
<b>Main indices</b>					
S&P500	2,350	0.3	0.2	-1	-3
Dow Jones	20,504	-0.1	0.4	-2	3
Nikkei	18,432	0.1	-0.6	-6	-6
FTSE 100	7,123	-0.3	-3.1	-4	-1
Euro Stoxx 50	3,424	0.4	1.3	0	-3
IBEX	10,374	1.1	0.1	2	10
DAX	12,023	0.2	-1.1	0	4
CAC	5,008	0.4	-1.8	0	2
MBI	19,809	1.9	-1.0	-1	1
ASE Athens	679	0.2	-0.9	5	3
MSCI Latam *	76,562	-0.2	0.7	0	5
Bovespa (Brazil)	64,108	-0.1	0.3	-1	-4
Moodi	48,818	0.1	-0.3	0	5
MSCI EM Europe *	4,753	-0.5	-1.3	-3	-6
Poland	2,275	1.7	2.7	0	14
Mixc (Russia)	1,930	0.0	-1.4	-6	-15
Ise 100 (Turkey)	90,804	-0.6	-0.2	0	19
MSCI EM Asia *	756	-0.4	-0.3	-1	9
Shanghai Com (China)	3,171	-0.8	-3.2	-2	0
Jakarta (Indonesia)	5,607	0.5	-0.4	1	6
Banking sector					
level	Daily	Weekly	Monthly	YTD	
US banks	114.4	1.1	0.1	-6	-5
JPM	85.6	0.5	0.2	-5	-2
Citi	58.6	0.3	0.1	-2	-5
BoA	23.0	1.5	1.7	-6	0
MS	42.3	2.7	3.1	-5	-3
GS	215.7	0.0	-4.5	-11	-11
EZ banks	101.4	3.3	0.2	-2	-4
BNP	58.4	1.9	1.2	-2	-7
Credit Agricole	12.0	2.8	-0.8	-2	-2
Deutsche Bank	15.2	2.2	0.4	-1	-7
ING	14.2	4.1	2.3	0	2
Intesa	2.5	4.1	0.3	0	-2
SG	44.4	3.3	0.5	5	8
Unicredit	13.6	5.5	2.6	-6	-3
UK banks	82.9	1.4	-1.5	-6	-6
HSBC	621.3	-0.8	-5.2	-6	-7
RBS	235.3	4.7	1.7	-2	0
Barclays	208.8	0.7	-2.3	-9	-11
Lloyds	63.7	2.4	1.9	-8	-2
<b>Large Spanish banks</b>					
Santander	84.6	2.7	0.7	-1	8
Santander	5.6	2.9	1.3	0	10
BBVA	7.0	2.5	0.2	-2	7
Mediam Spanish banks	77.9	2.4	1.5	-2	7
Cajabank	3.8	3.4	2.1	-1	17
Popular	0.7	5.1	7.6	-27	-31
Sabadell	1.6	3.1	2.3	-2	20
Banquepar	7.9	0.4	0.1	4	5
Bankia	1.0	3.0	1.1	-3	1
Commodities (%)					
level	Daily	Weekly	Monthly	Year	
<b>Brent</b>					
Wti	54.3	-1.1	-2.8	5	-4
Copper	3.2	-1.1	-2.4	7	-3
Copper	255	0.8	0.2	-4	0
Gold	1279	-0.8	0.6	4	10
S&P Spot commodity *	397	-0.7	-0.9	4	0
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S&P Agricultural *	293	-0.1	-0.3	-1	-2

Source: Bloomberg, Datastream and Haver

\* With one day delay

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