

Market Comment | Little changed markets bring a mild decrease in volatility

Global Financial Markets Unit
21 Jun 2017

- Little variation in financial assets during the session, with no significant increases in equity volatility, as the main drivers of the latest mild spike in volatility improved: oil prices were almost unchanged and the technological sector gained some steam in the US.
- **Oil prices inched down despite reports of a larger-than-expected decrease in US oil crude inventories**, following yesterday's sharp drop. Nonetheless, gains were limited as concerns of oil supply glut continued among investors.
- **Developed countries' yields remained unchanged** across the board, while their equity indices inched down, with the exception of Italy, supported by the banking sector: **Italian banks rallied after Intesa Sanpaolo confirmed its intention of buying assets from struggling Italian lenders** ([see](#)).
- The EUR/USD rate was stable during the session, while the main movement came from the **GBP, which appreciated after the BoE's Andy Haldane declared himself in favour of tighter monetary policy** ([see](#)). EM currencies remained little changed, with the exception of the ARS, which depreciated significantly after MSCI's decision not to upgrade Argentina to emerging market status ([see](#)).
- MSCI's revision process also covered the **inclusion of Chinese mainland stocks** in its global benchmark equity index ([see](#)), but market reaction was muted as they represent a very small proportion of the index and there is a long procedure to implement.

Update 18 CET 21 June, 2017
Table 1

Debt markets (10Y, %, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	1.35	0.8	2.1	7	14
US	2.16	0.7	3.8	9	28
GER (2-yr)	0.63	1.8	5.8	4	14
Germany	0.27	0.3	3.8	-13	-1
France	0.60	0.0	2.0	-24	-21
Spain	1.37	-1.5	-1.2	-25	-14
Italy	1.91	-0.2	-3.2	-23	4
Portugal	2.92	4.7	7.5	-23	-125
Greece	5.57	-0.4	-23.1	8	-132
Japan (2-yr)	-0.10	1.4	1.1	6	9
Japan	0.06	-0.8	0.9	0	0
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	10.63	0.9	0.5	-113	-79
Chile	4.09	0.0	0.9	8	-24
Colombia	6.54	1.6	26.5	24	-55
Mexico	6.94	2.3	5.4	-38	-70
Peru	5.37	0.8	-5.5	-22	-110
Poland	3.20	2.3	6.9	-16	-52
Russia	7.96	-4.7	20.0	31	-48
Turkey	10.17	-5.0	-6.0	-25	-83
India	6.43	-2.3	-4.6	-24	5
Indonesia	6.83	3.7	-6.3	-16	-101
Country risk (bp, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	34	-0.3	-1.9	-11	-20
Italy	164	-0.5	-7.1	-10	5
Portugal	266	4.4	3.6	-10	-96
Spain	111	-1.8	-5.1	-12	-5
2-yr sovereign spread vs Germany					
France	16	-1.3	-3.6	-10	6
Italy	43	-1.8	1.2	-1	-18
Portugal	72	4.6	-4.2	-27	-75
Spain	34	-1.3	-5.8	-8	-14
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	239	5.5	7	-3	-32
Chile	70	1.0	2	-2	-13
Colombia	137	6.9	15	11	-26
Mexico	114	2.2	6	0	-42
Peru	87	2.2	3	-9	-21
Venezuela	4,542	16.0	60	892	637
Poland	62	0.3	-1	-4	-14
Russia	174	10.1	16	22	-2
Turkey	194	5.9	9	-15	-78
China	67	1.0	0	-11	-50
India	90	1.0	-1	-8	-37
Indonesia	116	1.2	3	-6	-40
Risk indicators					
Volatility indicators (%)	level	Daily	Weekly	Monthly	YTD
VIX	11	1.7	0	-2	1
VST OXX	14	1.1	2	4	-2
EM EFT volatility Index	14	-2.5	-13	-16	-30
Dollar/Euro volatility	6	0.1	0	-23	-43
EM FX volatility index	8	-3.3	3	-7	-30
Credit spread (BAA) (bps)	216	-0.7	-6	-7	-11
US bonds volatility index	52	0.0	-1	-7	-32
Defaulting 5Y CDS (bps) *	level	Daily	Weekly	Monthly	YTD
US	55	-0.7	-1	-2	-17
EZ	69	0.0	-2	-12	-39
UK	56	-0.1	-2	-7	-34
Large Spanish	66	0.1	0	-15	-51
Medium Spanish	111	-1.5	-4	-37	-40
Corporate 5Y CDS (bps) *	level	Daily	Weekly	Monthly	YTD
US Non-financial	143	-0.7	-1	-2	-17
EZ Non-financial	80	0.0	-2	-12	-39
UK Non-financial	112	-0.4	-2	-5	-13
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	-0.16	0.00	0.0	0.0	-0.1
Libor 3m	1.29	0.01	0.0	0.1	0.3
Libor 12m	1.74	0.01	0.0	0.0	0.0
EZ TED spread 3m	51.5	-1.60	1.0	2.0	-14.9
Stock markets (%)					
Main indices	level	Daily	Weekly	Monthly	YTD
S&P500	2,438	0.1	0.0	2	7
Dow Jones	21,943	-0.1	0.3	-3	8
Nikkei	20,139	-0.5	1.3	2	3
FTSE 100	7,448	-0.3	0.4	-1	-4
EuroStoxx 50	3,554	-0.2	0.2	-1	7
BSE	10,741	-0.1	0.3	0	14
DAX	12,774	-0.3	-0.2	1	10
CAC	5,274	-0.4	0.6	-1	8
MIB	21,072	1.3	0.5	-1	7
ASE Athens *	823	-0.4	2.8	4	25
MSCI Latam *	74,531	-1.2	-0.9	-2	2
Bovespa (B3SP)	60,993	0.4	1.5	-1	-1
Merval	49,066	0.1	-0.5	0	5
MSCI EM Europe *	4,803	-0.2	-0.2	-3	-5
Poland	2,319	0.7	1.0	-1	16
Mircex (Russia)	1,851	-0.4	0.2	-5	-18
Ise 100 (Turkey)	99,390	0.1	-0.2	3	31
MSCI EM Asia *	822	0.2	0.9	3	18
Shanghai Com (China)	2,156	0.5	0.8	3	0
Jakarta (Indonesia)	5,819	1.3	1.9	0	10
Banking sector	level	Daily	Weekly	Monthly	YTD
US banks	120.3	-0.3	-0.8	5	0
JPM	87.3	0.2	0.3	3	0
Citi	64.2	0.5	-0.8	5	5
BofA	23.3	-0.8	-1.9	1	2
MS	45.3	-0.5	0.8	9	4
GS	224.4	-0.3	0.9	4	8
EZ banks	109.0	0.3	0.3	-4	3
BNP	62.1	-0.7	-0.4	-5	-1
Credit Agricole	13.9	-0.1	0.2	-3	-13
Deutsche Bank	15.2	-0.1	-0.5	-11	-7
ING	15.1	-0.2	0.3	0	6
Intesa	2.6	2.4	0.7	-3	2
SG	46.5	0.8	0.3	-6	-4
Unicredit	16.2	3.6	1.9	-4	15
UK banks	86.6	-0.4	-0.6	-3	-1
HSSC	687.4	-0.1	1.0	3	3
RBS	246.8	-0.6	-1.2	-6	5
Barclays	200.2	-1.3	-1.6	-6	-15
Lloyds	67.2	0.2	-1.1	-6	4
Large Spanish banks	88.5	-0.1	-0.4	1	13
Santander	5.9	-0.1	-1.3	2	14
BBVA	7.2	0.0	0.4	0	13
Medium Spanish banks	78.8	0.3	0.9	-4	8
Cakabank	4.1	0.2	3.1	-1	26
Sabell	1.8	0.8	1.6	-3	28
Bankinter	8.1	-0.1	0.0	-1	8
Banika	4.1	0.7	0.7	-1	-1
Currencies (% red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	Year
EURUSD	1.11	0.1	-0.7	-0.8	5
GBPUSD	1.27	0.3	-0.7	-2.6	3
USDJPY	111.54	-0.1	-1.8	0.2	-5
DXY	97.71	0.0	0.8	-0.8	5
Emerging	level	Daily	Weekly	Monthly	Year
USDARS (Argentina)	16.33	-1.1	-2.8	-0.9	-2
USD BRL (Brazil)	3.33	-0.1	-1.7	2.0	-3
USD CLP (Chile)	664.77	0.1	0.7	0.5	1
USD COP (Colombia)	3050	-0.5	-3.9	-5.0	-3
USD MXN (Mexico)	18.16	0.2	-1.3	2.7	15
USD PEN (Peru)	3.27	0.1	0.0	0.2	3
LACI	64.44	-0.2	-1.7	-0.4	5
USD PLN (Poland)	3.82	0.0	-2.0	-2.2	8
USD RUB (Russia)	59.93	-0.6	-4.4	-5.8	1
USDTRY (Turkey)	3.53	0.5	-1.1	0.9	1
USD CNY (China)	6.83	0.0	-0.6	0.8	2
USD INR (India)	64.52	0.0	-0.4	0.0	5
USD IDR (Indonesia)	12,210	-0.2	-0.3	-0.1	1
ADXY	105.9	0.0	-0.7	-0.1	2
Commodities (%)					
level	Daily	Weekly	Monthly	Year	
Brent	45.6	-1.0	-3.1	-15	-19
WTI	43	-0.2	-3.5	-15	-19
Copper	260	1.6	1.0	0	2
Gold	1244	0.1	-1.3	-1	7
S&P Spot commodity *	357	-1.2	-1.4	-9	-10
S&P Brent Spot *	394	-1.9	-2.2	-15	-18
S&P Metals Spot *	313	-0.6	0.1	-2	-3
S&P Agricultural *	290	0.4	0.4	-1	-3

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Euribor 3m	0.33	0.00	0.0	0.0	0.0
Euribor 12m	0.16	0.00	0.0	0.0	-0.1
Libor 3m	1.29	0.01	0.0	0.1	0.3
Libor 12m	1.74	0.01	0.0	0.0	0.0
EZ TED spread 3m	51.5	-1.60	-1.0	-2.0	-14.9
Stock markets (%)					
level	Daily	Weekly	Monthly	YTD	
Main indices					
S&P500	2,438	0.1	0.0	2	7
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Nikkei	20,129	-0.5	1.3	2	3
FTSE 100	7,448	-0.3	0.4	-1	4
EuroStoxx 50	3,554	-0.2	0.2	-1	7
IBEX	10,741	-0.1	-0.3	0	14
DAX	12,774	-0.3	-0.2	1	10
CAC	5,274	-0.4	0.6	-1	8
MBI	21,072	1.3	0.5	-1	7
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Mexbol	49,066	0.1	-0.5	0	5
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Isr 100 (Turkey)	99,390	0.1	-0.2	3	31
MSCI EM Asia *	822	0.2	0.9	3	18
Shanghai Com (China)	3,156	0.5	0.8	3	0
Jakarta (Indonesia)	5,819	1.3	1.9	0	10
Emerging sector					
level	Daily	Weekly	Monthly	YTD	
US banks					
JPM	87.3	-0.2	0.3	3	0
Citi	64.2	0.5	-0.8	5	5
BofA	23.3	-0.8	-1.9	1	2
MS	45.3	-0.5	0.8	9	4
GS	224.4	-0.3	0.9	4	-8
EZ banks	109.0	0.3	0.3	-4	3
BNP	62.1	-0.7	0.4	-5	-1
Crédit Agricole	13.9	-0.1	0.2	-3	13
Deutsche Bank	15.2	-0.1	0.5	-11	7
ING	15.1	-0.2	0.3	0	8
Intesa	2.6	2.4	0.7	-3	2
SG	46.5	-0.8	0.3	-6	-4
Unicredit	16.2	3.6	1.9	-4	15
UK banks	86.6	-0.4	0.6	-3	1
HSBC	687.4	-0.1	1.0	3	3
RBS	246.8	-0.6	-1.2	-6	5
Barclays	200.2	-1.3	-1.6	-6	-15
Lloyds	67.2	0.2	-1.1	-6	4
Large Spanish banks	88.5	-0.1	0.4	1	13
Santander	5.9	-0.1	-1.2	2	14
BBVA	7.3	0.0	0.4	0	13
Medium Spanish banks	78.8	0.3	0.9	-4	8
CajaBank	4.1	0.2	3.1	-1	26
Sabobal	1.9	0.8	1.6	-3	28
Bankinter	8.1	0.1	0.0	-1	8
Bankia	4.1	0.7	-0.7	-1	-1
Currencies (% red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	Year
EURUSD					
EURUSD	1.11	0.1	-0.7	-0.6	6
GBPUSD	1.27	0.3	-0.7	-2.6	3
USD JPY	111.54	-0.1	-1.8	0.2	-5
DKK	97.71	0.0	0.8	-8.8	5
Emerging					
level	Daily	Weekly	Monthly	Year	
USD ARS (Argentina)	16.33	-1.1	-2.8	-0.9	-2
USD BRL (Brazil)	3.33	-0.1	1.7	2.0	3
USD CLP (Chile)	664.77	-0.1	-0.7	0.8	1
USD COP (Colombia)	3050	-0.5	-3.9	-5.0	-3
USD MXN (Mexico)	18.16	0.2	-1.3	2.7	15
USD PEN (Peru)	3.27	0.1	0.0	0.2	3
LACI	64.44	-0.2	-1.7	-0.4	5
USD PLN (Poland)	3.82	0.0	-2.0	-2.2	8
USD RUB (Russia)	59.93	-0.6	-4.4	-5.8	1
USD TRY (Turkey)	3.53	0.5	-1.1	0.9	1
USD CNY (China)	6.83	0.0	0.6	0.8	2
USD INR (India)	64.52	0.0	-0.4	0.0	5
USD IDR (Indonesia)	13,318	-0.2	0.3	-0.1	1
ADXY	105.9	0.0	-0.7	-0.1	2
Commodities (%)					
level	Daily	Weekly	Monthly	Year	
Brent					
WTX	43	-0.2	3.5	-15	-19
Copper	260	1.6	1.0	0	2
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Source: Bloomberg, Datastream and Haver

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* With one day delay

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