

# Market Comment | Uneventful day leads to market tranquillity

Global Financial Markets Unit  
22 Jun 2017

- Another day of calm in financial markets in this uneventful week with sparse economic data and no important events. Developed markets did not register significant variations: currencies remained stable, stock prices registered a mild decline, while sovereign yields inched down across the board. Oil prices - the main cause of the latest spike in volatility - continued giving some breathing space to risk assets, although they continued hovering around their lowest levels of this year.
- **Oil prices gained some ground today**, despite reaching today 7-month low levels, on the back of rising US oil production, jeopardising the effects of OPEC oil output cuts (see). EM currencies slightly appreciated, including the ARS, which had registered a significant decline yesterday.
- **EU leaders gathered today in Brussels to discuss Brexit plans**. Theresa May, UK prime minister, stressed citizens' rights and counter-terror ahead of the EU summit (see). The GBP was little changed during the session. The EUR was also steady, despite positive Eurozone consumer confidence figures.
- **The US Republican Party will today release their proposed health care bill, expected to replace Obamacare** (see). A vote is expected in the Senate in early July. Investors will be focusing on this event to reassess Trump's ability to pass reforms.

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Table 1

Debt markets (10Y, %, changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
US (2-yr)	1.34	-0.8	-1.1	4	13	
US	2.15	0.9	0.9	-13	-28	
GER (2-yr)	0.63	0.4	2.5	2	15	
Germany	0.25	-1.5	-3.2	-16	-33	
France	0.60	-0.4	-2.6	-25	-21	
Spain	1.39	1.5	-3.1	-23	-13	
Italy	1.91	-0.1	-6.1	-22	4	
Portugal	2.96	3.5	9.4	-22	-122	
Greece	5.57	0.2	-30.5	-22	-131	
Japan (2-yr)	-0.10	-0.2	1.6	6	9	
Japan	0.06	0.5	0.9	-1	-1	
Emerging Markets	level	Daily	Weekly	Monthly	YTD	
Brazil	10.66	2.7	2.3	65	-75	
Chile	4.08	-0.3	1.6	-1	-25	
Colombia	6.49	-2.9	16.7	19	60	
Mexico	6.93	-4.9	2.2	-40	-71	
Peru	5.39	4.1	0.4	-16	-108	
Poland	3.21	1.5	8.4	-14	-50	
Russia	7.92	-3.1	5.4	23	-51	
Turkey	10.14	-3.0	-14.0	-27	-86	
India	6.46	3.1	-2.3	-22	8	
Indonesia	6.83	-0.1	-1.1	-14	-101	
Country risk (bp, changes in bp)	level	Daily	Weekly	Monthly	YTD	
<b>10-yr sovereign spread vs Germany</b>						
France	35	1.1	0.3	-9	-19	
Italy	166	1.4	-2.9	-6	6	
Portugal	271	5.0	12.6	-5	-91	
Spain	114	3.0	0.1	-7	-2	
<b>2-yr sovereign spread vs Germany</b>						
France	15	-0.8	-2.4	-6	5	
Italy	43	-0.5	-3.6	1	-19	
Portugal	69	-2.4	-1.1	-27	-77	
Spain	35	0.8	2.7	-5	-13	
Emerging Markets	level	Daily	Weekly	Monthly	YTD	
<b>5-yr sovereign CDS *</b>						
Brazil	243	3.8	16	-2	-29	
Chile	70	0.8	4	-1	-12	
Colombia	140	2.7	20	13	-23	
Mexico	116	2.1	11	1	-40	
Peru	88	0.5	5	-7	-20	
Venezuela	4,515	-26.6	69	844	610	
Poland	62	0.5	0	-4	-13	
Russia	174	-0.1	17	24	-2	
Turkey	192	-1.8	14	-12	-80	
China	69	1.8	5	-10	-48	
India	91	1.1	1	-7	-36	
Indonesia	118	2.1	8	-6	-38	
Risk indicators	level	Daily	Weekly	Monthly	YTD	
<b>Volatility indicators (%)</b>						
VIX	11	1.6	-3	-1	-1	
VST OXX	14	-1.0	-6	1	-2	
EM EFT volatility Index	14	-0.4	-11	-14	-30	
Dollar/Euro volatility	6	-3.6	-3	-26	-45	
EM FX volatility index	8	0.4	1	-6	-30	
Credit spread (BAA) (bps)	216	0.9	-2	-8	-12	
US bonds volatility index	52	0.1	0	-7	-32	
<b>Defaulting 5-yr CDS (bps) *</b>						
US	56	1.0	0	-1	-16	
EZ	70	1.1	0	-9	-38	
UK	57	0.9	0	-5	-33	
Large Spanish	68	1.2	0	-13	-49	
Medium Spanish	112	0.9	-3	-39	-39	
<b>Corporate 5-yr CDS (bps) *</b>						
US Non-financial	145	1.0	0	-1	-16	
EZ Non-financial	80	1.1	0	-9	-38	
UK Non-financial	113	0.9	1	-3	-12	
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	0.00	0.0	0.1	0.3	
Libor 12m	1.74	0.00	0.0	0.0	0.0	
EZ TED spread 3m	50.4	-1.10	2.8	3.2	16.0	
Stock markets (%)	level	Daily	Weekly	Monthly	YTD	
<b>Main indices</b>						
S&P500	2,439	0.2	0.3	2	7	
Dow Jones	21,941	0.1	0.4	2	8	
Nikkei	20,111	-0.1	1.4	3	3	
FTSE 100	7,439	-0.1	0.3	-1	-3	
EuroStoxx 50	3,556	0.0	0.9	-1	7	
BSE	10,210	-0.3	0.1	-2	13	
DAX	12,794	0.2	0.8	1	10	
CAC	5,282	0.1	1.2	-1	8	
MIB	20,930	0.7	0.4	-2	7	
ASE Athens *	815	-1.0	1.9	4	24	
MSCI Latam *	74,385	-0.2	-1.4	-1	-2	
Bovespa (Boves)	61,185	0.7	-1.2	-2	-1	
Mexbol	48,932	-0.1	0.4	0	5	
MSCI EM Europe *	4,794	-0.2	0.1	-3	-5	
Poland	2,308	-0.5	0.5	0	15	
Nikkei (Russia)	1,860	0.5	2.1	-5	-18	
Ise 100 (Turkey)	100,072	0.7	1.4	2	31	
MSCI EM Asia *	821	-0.1	0.7	2	18	
Shanghai Com (China)	2,147	0.2	0.5	3	0	
Jakarta (Indonesia)	5,830	0.7	0.6	1	10	
<b>Banking sector</b>						
<b>US banks</b>						
JPM	118.8	-0.5	-1.0	2	-1	
Citi	87.2	0.1	0.7	2	0	
Chf	63.7	-0.2	-0.6	3	4	
BofA	23.1	-0.3	-2.1	-1	0	
MS	44.6	-0.6	-0.2	5	2	
GS	220.5	-0.9	-1.2	0	-9	
<b>EZ banks</b>						
BNP	108.6	-0.4	0.1	-6	3	
Credit Agricole	81.9	-0.3	0.1	-6	-1	
Deutsche Bank	13.9	-0.4	-0.1	-5	13	
ING	15.0	-1.0	-0.5	-12	-8	
Intesa	15.0	-0.8	-0.9	-1	6	
SG	2.6	0.7	1.9	-3	3	
Unicredit	46.4	-0.2	-0.2	-7	-4	
UK banks	15.9	-2.0	0.4	-6	13	
HSC	85.9	-0.7	-1.7	-4	-2	
RBS	683.8	-0.5	0.4	3	2	
RBS	246.8	0.0	-1.9	-7	5	
Barclays	196.0	-2.1	-3.5	-9	-17	
Lloyds	67.0	-0.3	-1.5	-7	3	
<b>Large Spanish banks</b>						
Santander	88.4	-0.1	-0.1	-1	13	
BBVA	5.9	0.1	-0.5	0	14	
Mediana Spanish banks	7.3	-0.4	0.2	-2	13	
Cakabank	78.3	-0.7	0.0	-6	7	
Sabell	4.1	-0.6	1.3	-4	26	
Bankinter	1.7	-0.7	1.2	-6	27	
Banca	8.0	-1.1	-1.3	-3	6	
Banca	4.0	-0.2	-1.0	-4	-1	
Currencies (% red for currency depreciation)	level	Daily	Weekly	Monthly	Year	
<b>Developed</b>						
EUR/USD	1.12	-0.2	0.1	-0.3	5	
GBP/USD	1.27	-0.1	-0.8	-2.3	3	
USD/JPY	111.33	0.0	-0.4	-0.4	-5	
DKK	97.60	0.0	0.2	-0.3	5	
<b>Emerging</b>						
USD/ARS (Argentina)	16.17	0.3	-1.2	-0.5	-1	
USD/BRL (Brazil)	3.33	0.2	-1.7	-1.8	-3	
USD/CLP (Chile)	663.63	0.3	0.3	1.6	1	
USD/COP (Colombia)	3028	1.0	-2.6	-4.1	-2	
USD/MXN (Mexico)	18.12	0.7	-0.4	2.8	16	
USD/PEN (Peru)	3.27	0.1	0.3	0.4	3	
LACI	64.57	0.4	-1.0	0.5	5	
USD/PLN (Poland)	3.80	0.3	0.0	-1.0	9	
USD/RUB (Russia)	59.91	0.6	-3.6	-6.4	1	
USD/TRY (Turkey)	3.51	0.6	0.6	1.8	2	
USD/CNY (China)	6.83	-0.1	-0.4	0.7	1	
USD/INR (India)	64.60	-0.1	-0.1	0.5	5	
USD/IDR (Indonesia)	12,224	0.0	-0.3	-0.2	1	
ADXY	105.9	0.0	-0.3	0.2	2	
Commodities (%)	level	Daily	Weekly	Monthly	Year	
<b>Brent</b>						
WTI	43	1.4	-3.0	-16	-19	
Copper	260	0.0	1.5	0	2	
Gold	125.1	0.4	-0.2	0	0	
S&P Spot commodity *	353	-1.2	-2.5	-10	-11	
S&P Brent Spot *	383	-2.6	-4.5	-17	-20	
S&P Metals Spot *	316	1.0	1.6	-1	-4	
S&P Agricultural *	286	-1.4	-1.6	-1	5	



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Turkey	10.14	-3.0	14.0	-27	-66
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Turkey	192	-1.8	14	-12	-80
China	69	1.8	5	-10	-48
India	91	1.1	1	-7	-36
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level	Daily	Weekly	Monthly	YTD	
<b>Volatility indicators (v)</b>					
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Interbank markets (% changes in bp)					
level	Daily	Weekly	Monthly	YTD	
EONIA Index	0.26	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	0.00	0.0	0.1	0.3
Libor 12m	1.74	0.00	0.0	0.0	0.0
EZ TED spread 3m	50.4	-1.10	-2.8	-3.2	-16.0
Stock markets (%)					
level	Daily	Weekly	Monthly	YTD	
<b>Main indices</b>					
S&P500	2,439	0.2	0.3	2	7
Dow Jones	21,441	0.1	0.4	2	8
Nikkei	20,111	-0.1	1.4	3	3
FTSE 100	7,439	-0.1	0.3	-1	3
EuroStoxx 50	3,556	0.0	0.9	-1	7
IBEX	10,710	-0.3	0.1	-2	13
DAX	12,794	0.2	0.8	-1	10
CAC	5,282	0.1	1.2	-1	8
MIIB	20,930	-0.7	0.4	-2	7
ASE Athens	815	-1.0	1.9	4	24
MSCI Latam *	74,385	-0.2	-1.4	-1	2
Ibovespa (Brazil)	61,185	0.7	-1.2	-2	-1
Mexbol	48,532	-0.1	0.4	0	5
MSCI EM Europe *	4,794	-0.2	0.1	-3	5
Poland	2,308	-0.5	0.5	0	15
Miox (Russia)	1,860	0.5	2.3	-5	-18
Isr 100 (Turkey)	100,072	0.7	1.4	2	31
MSCI EM Asia *	821	-0.1	0.7	2	18
Shanghai Com (China)	3,147	-0.3	0.5	3	0
Jakarta (Indonesia)	5,830	0.7	0.6	1	10
Emerging sector					
level	Daily	Weekly	Monthly	YTD	
<b>US banks</b>					
JPM	87.2	0.1	0.7	2	0
Citi	63.7	-0.2	0.6	3	4
BofA	23.1	-0.3	2.1	-1	0
MS	44.6	-0.6	-0.2	5	2
GS	220.5	-0.9	-1.2	0	-9
<b>EZ banks</b>					
BNP	106.6	-0.4	0.1	-6	3
Crédit Agricole	61.8	-0.3	0.1	-6	-1
Crédit Agricole	13.9	-0.4	-0.1	-5	13
Deutsche Bank	15.0	-1.0	0.5	-12	8
ING	15.0	-0.8	0.9	-1	8
Intesa	2.6	0.7	1.9	-3	3
SG	46.4	-0.2	-0.2	-7	-4
Unicredit	15.9	-2.0	0.4	-6	13
<b>UK banks</b>					
HSBC	85.9	0.7	-1.7	-4	-2
HSBC	683.8	-0.5	-0.4	3	2
RBS	246.8	0.0	-1.9	-7	5
Barclays	196.0	-2.1	-3.5	-9	-17
Lloyds	67.0	-0.3	-1.5	-7	3
<b>Large Spanish banks</b>					
Santander	88.4	-0.1	0.1	-1	13
Santander	5.9	0.1	-0.5	0	14
BBVA	7.3	-0.4	0.2	-2	13
<b>Medium Spanish banks</b>					
CajaBank	78.3	-0.7	0.0	-6	7
CajaBank	4.1	-0.6	1.3	-4	26
Sabobal	1.7	-0.7	1.2	-6	27
Bankinter	8.0	-1.1	-1.3	-3	6
Bankia	4.0	-0.2	-1.0	-4	-1
Currencies (% red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	Year
EURUSD	1.12	-0.2	0.1	0.3	6
GBPUSD	1.27	-0.1	0.8	-2.3	3
USD JPY	111.33	0.0	-0.4	-0.4	-5
DKK	97.60	0.0	0.2	-0.3	5
Emerging					
level	Daily	Weekly	Monthly	Year	
USDARS (Argentina)	16.17	0.3	-1.2	-0.5	-1
USD BRL (Brazil)	3.33	0.2	-1.7	-1.8	-3
USD CLP (Chile)	663.63	0.3	0.3	1.5	1
USD COP (Colombia)	3028	1.0	2.6	4.1	-2
USD MXN (Mexico)	18.12	0.7	-0.4	2.8	16
USD PEN (Peru)	3.27	0.1	0.3	0.4	3
LACI	643.7	0.4	1.0	0.5	5
USD PLN (Poland)	3.80	0.3	0.0	-1.0	9
USD RUB (Russia)	59.91	0.6	-3.6	-6.4	1
USD TRY (Turkey)	3.51	0.5	0.0	1.8	2
USD CNY (China)	6.83	-0.1	0.4	0.7	1
USD INR (India)	64.60	-0.1	-0.1	0.5	5
USD IDR (Indonesia)	13,324	0.0	0.3	-0.2	1
ADXY	105.9	0.0	-0.3	0.2	7
Commodities (%)					
level	Daily	Weekly	Monthly	Year	
<b>Brent</b>					
WTX	45.6	1.7	-2.8	-16	-19
Copper	260	0.0	1.5	0	2
Gold	1251	0.4	0.2	0	8
S&P Spot commodity *	353	-1.2	-2.5	-10	-11
S&P Brent Spot *	383	-2.6	-4.5	-17	-20
S&P Metals Spot *	316	1.0	1.6	-1	4
S&P Agricultural *	286	-1.4	-1.6	-1	-5

Source: Bloomberg, Datastream and Haver

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\* With one day delay

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