

# Market Comment | Markets steady at the start of the second week of August

Global Financial Markets Unit  
07 Aug 2017

- **Financial markets started the second week of August in steady mode**, with low trading volumes and few variations, especially on stock markets, where share prices remained broadly steady and global stocks hit all-time highs [\(see\)](#). Despite this, investors remained cautious and FX volatility inched up, following unanimous UN on North Korea [\(see\)](#).
- **Sovereign bond yields inched down**, continuing their downward trend started in July, after Yellen's relatively cautious speech about the uncertainty of inflation, leading investors to reassess monetary policy normalization to a slower pace than previously expected. Moreover, **Friday's market reaction to strong US payroll data faded somewhat** [\(see\)](#). The **US dollar inched down**, while the euro recovered some ground, despite June's worse-than-expected industrial production in Germany. The Fed interest rate hike probabilities in 2017 remained below 40%.
- **Chinese stocks outperformed** and the CNY appreciated slightly against the USD, after the publication of **Chinese FX reserves, which rose for the sixth consecutive month**, as the weakness of the USD and tighter capital controls took effect [\(see\)](#).
- **Oil prices declined today as investors focused on a gathering between OPEC and non-OPEC members** in Abu Dhabi to discuss the recent low compliance ratio with the supply-cut agreement [\(see\)](#). Meanwhile, EM currencies depreciated slightly.

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Table 1

Debt markets (10Y, % changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	1.35	0.0	0.2	-4	14
US	2.45	-0.2	-3.9	-11	18
GER (2-yr)	0.68	0.5	0.1	-11	9
Germany	0.46	-0.9	-8.4	-10	11
France	0.74	1.1	6.5	-18	7
Spain	1.46	-2.7	-4.4	-22	-6
Italy	1.99	-3.0	-10.2	-28	12
Portugal	2.85	-1.4	-2.9	-21	-132
Greece	5.45	-0.9	5.5	8	-143
Japan (2-yr)	0.10	0.4	1.0	-1	9
Japan	0.07	1.1	-3.2	1	1
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	9.86	-3.0	-12.6	-66	-155
Chile	4.33	2.0	3.4	11	0
Colombia	6.93	0.0	11.0	12	-17
Mexico	6.88	1.7	2.0	2	-36
Peru	5.26	-0.2	-9.5	-32	-121
Poland	3.37	1.2	0.4	-4	-35
Russia	7.74	0.5	-11.6	-21	-30
Turkey	10.39	0.0	5.0	-15	-61
India	6.46	1.7	-1.1	-8	8
Indonesia	6.90	-0.9	-4.9	-3	-84
Country risk (bp, changes in bp)	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	28	-0.2	1.9	-8	-18
Italy	153	-2.1	-1.8	-17	2
Portugal	239	-0.5	5.6	-11	-115
Spain	100	-1.8	4.0	-12	-8
2-yr sovereign spread vs Germany					
France	21	-0.9	-3.2	-5	10
Italy	46	-1.3	-1.8	0	-15
Portugal	74	-2.8	6.3	5	-93
Spain	37	-0.1	0.4	-7	-11
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	195	-1.6	16	-44	-77
Chile	63	0.4	-4	-4	-20
Colombia	125	1.3	-3	-15	-38
Mexico	100	0.6	-3	-16	-57
Peru	76	1.0	-7	-11	-32
Venezuela	5,604	166.9	63	1381	1699
Poland	58	0.0	1	-3	-17
Russia	155	0.0	-7	-19	-21
Turkey	172	-0.6	-9	-29	-101
China	64	1.2	0	-7	-53
India	85	-0.9	4	-6	-42
Indonesia	110	1.5	-2	-10	-46
Risk indicators	level	Daily	Weekly	Monthly	YTD
Volatility indicators (%)					
VIX	10	-0.1	-2	-20	-2
VSTOXX	13	1.8	-5	-14	-3
EM EFT volatility Index	15	3.9	5	-15	-25
Dollar/reserve volatility	8	5.6	7	20	-23
EM FX volatility Index	8	0.1	1	-5	-32
Credit spread (BAA) (bps)	204	0.7	-3	-5	-24
US bonds volatility index	47	-1.3	-2	-17	-38
Banking Sy CDS (bps) *	level	Daily	Weekly	Monthly	YTD
US	52	-0.5	-1	0	-30
EZ	52	1.1	0	-4	-56
UK	45	0.9	1	-2	-45
Large Spanish	50	1.8	0	-8	-67
Medium Spanish	88	-2.4	-4	-10	-63
Corporate Sy CDS (bps) *	level	Daily	Weekly	Monthly	YTD
US Non-financial	136	-0.5	-1	0	-20
EZ Non-financial	72	1.8	0	-4	-56
UK Non-financial	105	-1.2	-2	-9	-20
Interbank markets (% changes in bp)	level	Daily	Weekly	Monthly	YTD
EDNA Index	-0.36	0.00	0.0	0.0	0.0
Earlibor 3m	-0.33	0.00	0.0	0.0	0.0
Earlibor 12m	-0.15	0.00	0.0	0.0	-0.1
Libor 3m	1.31	0.00	0.0	0.0	0.3
Libor 12m	1.32	0.00	0.0	0.0	0.0
Stock markets (%)	level	Daily	Weekly	Monthly	YTD
EU indices					
S&P500	2,477	0.0	0.5	3	9
Dow Jones	22,092	0.0	0.9	4	11
Nikkei	20,056	0.5	0.7	0	2
FTSE 100	7,526	0.2	2.1	3	5
EuroStoxx 50	3,502	-0.2	1.5	1	6
DAX	10,665	0.1	1.5	2	13
CAC	12,245	-0.4	1.0	-1	6
MIB	5,203	0.0	2.1	1	6
ASE Athens	21,989	0.2	2.3	4	12
MSCI Latam *	878	-0.2	1.9	-2	26
Bovespa (Brazil)	79,980	-0.1	1.1	-4	9
Mexbol	67,349	0.7	2.2	8	9
MOEX	51,458	0.3	0.9	3	10
MSCI EM Europe *	5,039	0.1	1.4	3	10
Pabest	2,388	0.3	0.6	4	19
Micex (Russia)	1,970	0.8	2.6	2	-13
Ise 100 (Turkey)	109,781	1.1	2.1	9	44
MSCI EM Asia *	857	0.4	0.4	-4	23
Shanghai Com (China)	3,279	0.5	0.2	2	4
Jakarta (Indonesia)	5,749	-0.5	-1.4	-1	9
Banking sector	level	Daily	Weekly	Monthly	YTD
US banks					
JPM	127.6	0.2	2.4	2	6
Citi	93.9	0.2	2.2	1	8
CB	68.9	-0.1	0.6	2	12
BofA	25.0	-0.3	3.4	1	9
MS	48.3	0.4	2.9	5	11
GS	231.4	0.7	2.7	2	-5
EZ banks					
BNP	118.3	0.7	2.3	2	12
BBVA	68.4	0.3	4.2	5	9
Crédit Agricole	15.3	1.9	2.7	4	24
Deutsche Bank	15.5	-0.9	2.7	-7	-5
ING	15.7	0.1	0.7	1	13
Intesa	2.9	0.0	0.3	2	15
SG	50.4	1.1	1.5	1	4
Unicredit	18.3	-2.1	9.7	4	30
UK banks					
RBS	91.5	-0.2	2.5	2	4
HSBC	766.1	-0.4	1.2	5	14
NBS	262.2	0.4	5.5	1	12
Barclays	209.9	-0.2	3.4	0	-11
Lloyds	66.5	-0.5	1.3	0	3
Large Spanish banks					
Santander	92.4	0.3	1.9	2	18
Caixa	5.8	0.2	0.9	-1	15
BBVA	7.9	0.4	2.8	2	21
Medium Spanish banks					
Cababank	84.2	0.3	1.8	2	15
Sabadell	4.5	0.6	1.5	3	37
Bankinter	1.9	-0.1	0.9	4	39
Bankia	8.4	0.9	2.1	3	12
Bankia	4.4	-0.3	2.7	-4	7
Currencies (% red for currency depreciation)	level	Daily	Weekly	Monthly	Year
Developed					
EURUSD	1.18	0.2	-0.4	3.2	12
GBPUSD	1.30	-0.1	-1.5	0.4	6
USDJPY	110.75	-0.1	-0.4	-2.2	-6
DKK	93.47	-0.1	0.6	2.4	9
Emerging					
USDARS (Argentina)	17.72	-0.3	0.5	-3.7	-10
USD BRL (Brazil)	5.13	0.2	0.0	5.2	3
USD CUP (Cuba)	650.11	0.0	0.2	2.3	3
USD COP (Colombia)	2983	0.1	0.1	3.6	0
USD MXN (Mexico)	17.98	-0.5	-1.0	1.5	16
USDPEN (Peru)	3.25	0.0	-0.1	0.3	4
LACI	65.77	0.4	-0.4	1.9	7
USD PLN (Poland)	3.60	0.1	-0.3	2.9	14
USD RPL (Russia)	60.06	-0.2	-0.5	0.1	1
USD TRY (Turkey)	3.53	-0.1	0.3	2.5	1
USD CNY (China)	6.72	0.1	0.1	1.2	3
USD INR (India)	63.81	-0.4	0.6	1.5	6
USD IDR (Indonesia)	13,321	0.0	0.0	0.5	1
ADXY	107.1	0.0	-0.1	1.2	4
Commodities (%)	level	Daily	Weekly	Monthly	Year
Brent					
WTI	51.4	-1.8	-2.4	7	9
Copper	49	-2.1	-3.2	7	-9
Gold	291	1.0	0.9	10	14
S&P 500	1259	0.0	0.8	3	8
S&P Spot commodity *	385	0.3	0.9	4	-3
S&P Brent Spot *	446	0.8	0.6	9	-7
S&P Metals Spot *	340	0.0	0.1	4	11
S&P Agricultural *	287	0.1	-2.7	6	-4



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Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
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Russia	7.74	0.5	-11.6	-21	-70
Turkey	10.39	0.0	5.0	-15	-61
India	6.46	1.7	-1.1	-8	8
Indonesia	6.90	-0.9	-4.9	-3	-94
Country risk (bp, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
<b>10-yr sovereign spread vs Germany</b>					
France	28	-0.2	1.9	-8	-18
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France	21	-0.9	-3.2	-5	10
Italy	46	-1.3	-1.8	0	-15
Portugal	74	-2.8	-6.3	5	-73
Spain	37	-0.1	0.4	-7	-11
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
<b>5-yr sovereign CDS *</b>					
Brazil	195	-1.6	-16	-44	-77
Chile	63	0.4	-4	-4	-20
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Banking by CDS (bps) *					
level	Daily	Weekly	Monthly	YTD	
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EZ	52	1.1	0	-4	-56
UK	45	0.9	1	-2	-45
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UK Non-financial	105	1.2	-2	-9	-20
Interbank markets (% , changes in bp)					
level	Daily	Weekly	Monthly	YTD	
EONIA Index	-0.36	0.00	0.0	0.0	0.0
Eurbor 3m	-0.33	0.00	0.0	0.0	0.0
Eurbor 12m	-0.15	0.00	0.0	0.0	-0.1
Libor 3m	1.31	0.00	0.0	0.0	0.3
Libor 12m	1.72	0.00	0.0	0.0	0.0
Stock markets (%)					
level	Daily	Weekly	Monthly	YTD	
<b>Main indices</b>					
S&P500	2,477	0.0	0.3	3	9
Dow Jones	22,092	0.0	0.9	4	11
Nikkei	20,056	0.5	0.7	0	2
FTSE 100	7,526	0.2	2.1	3	5
EuroStoxx 50	3,502	-0.2	1.5	1	6
IBEX	10,665	0.1	1.5	2	13
DAX	12,245	-0.4	1.0	-1	6
CAC	5,203	0.0	2.1	1	6
MBI	21,989	0.2	2.2	4	12
ASE Athens	828	-0.2	1.9	-2	26
MSCI Latam *	79,988	0.1	1.1	4	9
Ibovespa (Brazil)	67,349	0.7	2.2	8	9
MIB30	51,458	0.3	0.9	3	10
MSCI EM Europe *	5,039	0.1	1.4	3	0
Poland	2,388	0.3	0.6	4	19
Mixc (Russia)	1,970	0.0	2.6	2	-13
Ise 100 (Turkey)	109,781	1.1	2.1	9	44
MSCI EM Asia *	857	0.4	0.4	4	23
Shanghai Com (China)	3,279	0.5	0.2	2	4
Jakarta (Indonesia)	5,749	-0.5	-1.4	-1	9
Banking sector					
level	Daily	Weekly	Monthly	YTD	
<b>US banks</b>					
JPM	127.6	0.2	2.4	2	6
CB	93.9	0.2	2.2	1	8
BoA	68.9	-0.1	0.6	2	12
MS	25.0	-0.1	3.4	1	9
GS	48.3	0.4	2.9	5	11
WFC	231.4	0.7	2.7	2	-5
<b>EZ banks</b>					
BNP	119.3	0.7	2.3	2	12
Credit Agricole	68.4	0.3	4.2	5	9
Commerzbank	15.3	1.9	2.7	4	24
Deutsche Bank	15.5	-0.9	2.7	-7	-5
ING	15.7	0.1	0.7	1	13
Intesa	2.9	0.0	0.3	2	15
SG	50.4	1.1	1.5	1	4
Unicredit	18.3	2.1	9.7	4	20
<b>UK banks</b>					
HSBC	91.5	-0.2	2.5	2	4
RBS	766.1	-0.4	1.2	5	14
Barclays	262.2	0.4	5.5	1	12
Lloyds	209.9	-0.2	3.4	0	-11
Large Spanish banks	66.5	-0.5	1.3	0	3
Santander	92.4	0.3	1.9	2	18
BBVA	5.8	0.2	0.9	-1	15
Medium Spanish banks	7.9	0.4	2.8	5	21
Cabobank	84.2	0.3	1.8	2	15
Sabadell	4.5	0.6	1.5	3	37
Bankinter	1.9	-0.1	0.8	4	39
Bankia	8.4	0.9	2.1	3	12
Banco	4.4	-0.3	2.7	-4	7
Currencies (% , red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	Year
<b>EURUSD</b>					
EURUSD	1.18	0.2	-0.4	3.2	12
GBPUSD	1.30	-0.1	-1.5	0.4	6
USDJPY	110.75	-0.1	-0.4	-2.2	-6
USDY	93.47	-0.1	0.5	2.4	9
Emerging					
level	Daily	Weekly	Monthly	Year	
USDARS (Argentina)	17.72	-0.3	-0.5	-3.7	-10
USDBRL (Brazil)	3.13	0.2	0.0	5.2	3
USDCP (Chile)	650.31	0.0	0.2	2.3	3
USDCOP (Colombia)	298.3	0.1	0.1	3.6	0
USDMXN (Mexico)	17.98	-0.5	-1.0	1.5	16
USDPEN (Peru)	3.25	0.0	0.1	0.3	4
LACI	65.77	0.4	-0.4	1.9	7
USDPLN (Poland)	3.60	0.1	-0.3	2.9	14
USD RUB (Russia)	60.06	-0.2	-0.5	0.1	1
USDTRY (Turkey)	3.53	-0.1	-0.3	2.5	1
USDCNY (China)	6.72	0.1	0.1	1.2	3
USDINR (India)	63.81	-0.4	0.6	1.5	6
USDIDR (Indonesia)	13,321	0.0	0.0	0.5	1
ADXY	102.1	0.0	-0.1	1.2	4
Commodities (%)					
level	Daily	Weekly	Monthly	Year	
<b>Brent</b>					
WTI	51.4	-1.9	-2.4	-7	-9
Copper	49	-2.1	-3.2	7	9
Gold	291	1.0	0.9	10	14
S&P Spot commodity *	1259	0.0	-0.8	3	8
S&P Spot metal *	385	0.3	-0.9	4	-3
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Source: Bloomberg, Datastream and Haver

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\* With one day delay

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