

# Market Comment | Oil prices continued rising, supported by developments in Saudi Arabia

Global Financial Markets Unit  
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- **Financial markets remained little changed at the beginning of the week**, with sparse economic data ahead. The major **exception was the oil market, which remained at its highest level since 2015 amid political developments in Saudi Arabia.**
- Oil prices breached their highest levels since 2015, as **Saudi Arabia carried out a wide-ranging anti-corruption campaign**, as part of its leaders' moves to reshape the economy ([see](#)). Following this rise in oil prices, **EM currencies showed an appreciation**, also underpinned by a little-changed USD.
- **In the US, stocks inched up amid M&A activity** ([see](#)), while US Treasury yields remained little changed, despite the announcement that **William Dudley will retire next year as an FOMC member** ([see](#)). Investors will also be watching the progress on US tax reform. Meanwhile both European stock prices and sovereign bonds inched down.
- The **EUR depreciated slightly** despite positive economic indicators, as final PMI data for October (composite and services) were higher than expected. Meanwhile, the USD also remained broadly flat, amid Trump's meeting with Shinzo Abe. Trump complained about US-Japan trade, leading to some volatility in the JPY ([see](#)).

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Debt markets (10Y % changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	1.61	-0.2	3.9	13	40
US	2.32	-1.1	-4.2	-3	12
GER (2-yr)	-0.76	-1.0	-1.0	-7	1
Germany	0.34	-2.8	-3.1	-12	-2
France	0.73	-0.7	-3.2	-16	-24
Spain	1.47	-0.6	-2.7	-23	-1
Italy	1.79	-0.7	-6.3	-40	-11
Portugal	2.03	-4.1	-6.8	-37	-215
Greece	5.12	-2.6	-44.0	-49	-177
Japan (2-yr)	0.18	-1.8	-2.4	-4	1
Japan	0.02	-4.6	-2.2	-4	-4
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
Brazil	10.05	-10.6	19.8	15	-136
Chile	4.47	0.5	-1.5	-1	15
Colombia	6.74	0.0	15.5	26	-36
Mexico	7.21	-3.1	-9.3	19	-43
Peru	5.06	-2.9	-3.5	19	-141
Poland	3.45	-1.8	0.5	3	-27
Russia	7.67	0.0	6.0	3	-78
Turkey	11.83	-7.0	28.0	109	83
India	6.89	3.6	0.9	17	51
Indonesia	6.67	2.5	16.4	17	-118
Country risk (bp, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	39	0.1	-0.6	-4	-30
Italy	145	2.1	-3.2	-28	-17
Portugal	169	-1.3	-3.7	-25	-105
Spain	113	2.2	0.4	-11	3
2-yr sovereign spread vs Germany					
France	17	-0.2	0.4	-5	6
Italy	45	0.6	-2.2	-1	-16
Portugal	62	1.3	-0.5	-6	-85
Spain	40	1.6	-2.2	-4	-8
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
5-yr sovereign CDS*					
Brazil	173	3.8	1	-11	-99
Chile	51	1.0	0	-4	-31
Colombia	118	2.5	7	4	-46
Mexico	108	1.4	1	5	-48
Peru	73	1.9	0	-6	-35
Venezuela	10,452	4789.5	4562	4504	6547
Poland	50	0.1	2	1	25
Russia	134	4.0	6	1	-43
Turkey	198	8.6	11	22	-74
China	54	-0.2	5	-5	-63
India	71	0.0	0	-4	56
Indonesia	95	0.8	2	-5	-61
Risk indicators					
level	Daily	Weekly	Monthly	YTD	
Volatility indicators (%)					
VIX	10	4.4	9	4	2
VST OXX	12	1.1	9	-3	-5
EM EFT volatility Index	16	-0.5	-11	6	-20
Dollar/Euro volatility	6	-1.5	-13	-23	-47
EM FX volatility index	8	2.0	0	5	26
Credit spread (BAA) (bps)	193	1.1	1	-8	-34
US bonds volatility index	46	-6.0	-11	-18	-40
Banking by CDS (bps)*					
level	Daily	Weekly	Monthly	YTD	
US	49	-0.2	-1	-1	24
EZ	46	0.2	-4	-9	-62
UK	43	0.7	-3	-4	-47
Large Spanish	45	-0.1	-6	-15	-72
Medium Spanish	78	-0.1	-6	-11	-73
Corporate by CDS (bps)*					
level	Daily	Weekly	Monthly	YTD	
US Non-financial	86	-0.2	-1	-1	-24
EZ Non-financial	58	0.2	-1	-9	-62
UK Non-financial	74	-0.2	-27	-32	-51
Interbank markets (% changes in bp)					
level	Daily	Weekly	Monthly	YTD	
EONIA Index	-0.35	0.00	0.0	0.0	0.0
Euribor 3m	-0.33	0.00	0.0	0.0	0.0
Euribor 12m	-0.19	0.00	0.0	0.0	-0.1
Libor 3m	1.39	0.00	0.0	0.0	0.4
Libor 12m	1.86	0.00	0.0	0.1	0.2
Stock markets (%)					
level	Daily	Weekly	Monthly	YTD	
Main indices					
S&P500	2,590	0.1	0.7	1	14
Dow Jones	23,947	0.0	0.8	3	18
Nikkei	22,548	0.0	2.4	9	15
FTSE 100	7,562	0.0	1.0	1	5
Eurostoxx 50	3,682	-0.2	0.5	2	11
IBEX	10,317	-0.4	-1.2	1	9
DAX	13,469	-0.1	1.8	4	16
CAC	5,507	-0.2	0.2	2	12
MIB	23,003	0.0	1.1	2	17
ASE Athens	762	-0.2	2.5	2	16
MSCI Latam*	83,895	0.1	-2.1	-3	15
Ibovespa (Brazil)	74,183	0.4	-0.8	-3	20
Mobx (Russia)	48,511	0.0	0.7	4	4
MSCI EM Europe*	5,250	-0.4	1.0	2	4
Poland	2,515	0.8	-0.1	2	26
India (Nifty)	2,081	0.0	0.8	0	8
Ise 100 (Turkey)	114,166	2.6	5.3	9	50
MSCI EM Asia*	921	0.2	1.8	4	32
Shanghai Com (China)	3,388	0.5	-0.1	1	7
Jakarta (Indonesia)	6,051	0.3	1.3	2	15
Banking sector					
level	Daily	Weekly	Monthly	YTD	
US banks	135.9	-0.7	-0.2	1	13
JPM	100.7	-0.7	-0.7	4	16
CB	73.4	0.9	0.6	-3	19
BoA	27.6	-0.7	0.1	6	20
MS	49.9	-0.2	-1.1	1	14
GS	242.3	-0.9	0.6	-2	0
EZ banks	111.8	-1.1	-3.6	-5	6
BNP	65.0	-1.2	-5.7	-5	3
Crédit Agricole	14.6	-1.0	-3.7	-6	19
Deutsche Bank	14.5	0.0	4.0	-1	-11
ING	15.7	-0.2	-1.2	0	13
Intesa	2.8	-0.3	-2.4	-3	12
SG	44.0	-3.7	-9.1	-11	-9
Unicredit	16.3	-0.5	2.5	-7	16
UK banks	88.7	-0.3	0.9	-2	1
HSBC	732.9	0.7	0.6	-3	9
RBS	277.4	-0.4	-2.4	1	18
Barclays	182.0	0.7	-0.8	-4	-23
Lloyds	67.8	0.6	-0.4	1	5
Large Spanish banks	87.2	-1.1	-2.6	-2	12
Santander	5.6	-1.2	3.2	-2	12
BBVA	7.3	-0.9	-2.0	-2	12
Medium Spanish banks	75.7	-0.6	-2.6	-1	4
CaixaBank	4.0	-0.2	0.8	-3	21
Sabadell	1.7	-1.1	0.6	-1	21
Bankinter	7.8	-0.4	-4.9	-1	3
Banque	4.0	-0.8	-3.4	1	3
Currencies (% ref for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	Year
EURUSD	1.16	0.1	0.4	-0.9	11
GBPUSD	1.31	0.5	-0.5	0.2	7
USDJPY	119.90	0.1	-0.6	1.0	-3
DX	94.85	-0.1	0.3	-0.9	8
Emerging					
level	Daily	Weekly	Monthly	Year	
USDARS (Argentina)	17.64	0.0	0.3	-1.4	-10
USD BRL (Brazil)	3.28	1.1	0.1	-4.0	-2
USD CUP (Cuba)	633.20	0.2	0.9	-0.7	6
USD COP (Colombia)	3041	-0.1	0.6	-3.9	-2
USD MXN (Mexico)	19.08	0.6	0.8	-3.2	11
USD PEN (Peru)	3.24	0.2	0.4	0.7	4
LACT	63.66	0.5	0.5	-2.7	3
USD PLN (Poland)	3.66	0.0	-0.2	0.6	12
USD RUB (Russia)	58.57	0.8	-1.0	-1.5	3
USD TRY (Turkey)	3.83	1.5	-1.2	-6.8	-7
USD CNY (China)	6.63	0.1	0.2	0.3	4
USD INR (India)	64.88	-0.2	0.3	0.7	5
USD IDR (Indonesia)	13,524	-0.2	0.4	-0.4	-1
ADXY	102.8	0.2	0.3	0.6	4
Commodities (%)					
level	Daily	Weekly	Monthly	Year	
Brent	64.0	-3.2	5.1	12	13
WTX	57	-3.0	5.8	13	8
Copper	315	1.1	1.4	4	23
Gold	1280	0.8	0.3	1	10
S&P Spot commodity*	421	1.2	1.6	5	6
S&P Brent Spot*	528	2.4	2.4	9	10
S&P Metals Spot*	379	-0.1	1.1	2	24
S&P Agricultural*	278	-0.5	-0.3	-1	-7

Source: Bloomberg, Datastream and Haver

\* With one day delay

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Table 1