

Market Comment | Higher stocks amid positive earnings reports

Global Financial Markets Unit
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- **Stock prices rose across the board amid optimism on earnings reports** in the US and lower attention to other sources of risk, such as global trade worries and uncertainties in the Middle East ([see](#)). Share prices rose especially in the US, but also showed increases in Europe. Equity volatility also declined.
- The **USD appreciated during the session**, following the Fed minutes ([see](#)) which suggested a potential acceleration in the pace of monetary policy normalization. ECB minutes were also released, showing a divergence on inflation outlook ([see](#)).
- On the other hand, **sovereign bond yields inched up**, especially in the US, after the publication of Fed minutes and more positive earnings reports.
- **Oil prices reached 3-year highs amid healthier demand and oil supply cuts** [___\(see\)](#). Emerging currencies showed an appreciation, especially the Russian rouble and Turkish lira, after the recent significant depreciation.

Table 1

Debt markets (10Y % changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
US (2-yr)	2.34	2.9	3.3	8	42	
US	2.82	3.9	4.1	12	26	
GER (2-yr)	-0.58	-0.7	0.4	0	3	
Germany	0.51	1.1	-1.4	-11	4	
France	0.75	0.8	-0.9	-12	8	
Spain	1.25	-2.0	1.8	-23	-44	
Italy	1.81	0.8	1.7	-27	-37	
Portugal	1.70	0.0	2.8	-10	-31	
Greece	4.03	-6.8	2.3	-11	-8	
Japan (2-yr)	-0.15	-0.2	-2.2	-1	-2	
Japan	0.04	-0.9	-1.6	-1	-1	
Emerging Markets						
level	Daily	Weekly	Monthly	YTD		
Brazil	9.74	-3.3	-0.2	26	-51	
Chile	4.41	1.1	5.0	-12	-11	
Colombia	6.38	0.3	-9.9	-37	-6	
Mexico	7.32	-3.0	4.6	-23	-26	
Peru	4.73	1.1	19.0	13	-14	
Poland	3.01	2.4	-11.1	-34	-30	
Russia	7.47	-11.8	33.5	28	-17	
Turkey	12.62	-23.0	10.0	40	126	
India	7.47	-6.8	34.7	-18	9	
Indonesia	6.53	1.8	-0.2	-18	30	
Country risk (bp changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
10-yr sovereign spread vs Germany						
France	24	-0.3	0.5	-1	-5	
Italy	130	-0.3	3.1	-16	-35	
Portugal	119	-1.1	4.2	1	-28	
Spain	74	-3.1	3.2	-12	-34	
2-yr sovereign spread vs Germany						
France	9	-1.0	-1.1	-2	-7	
Italy	29	0.8	0.8	-5	-8	
Portugal	38	2.6	2.2	-27	-30	
Spain	24	-1.0	1.5	-7	-3	
Emerging Markets						
level	Daily	Weekly	Monthly	YTD		
5-yr sovereign CDS *						
Brazil	165	-2.1	-1	21	4	
Chile	45	-1.7	4	2	-4	
Colombia	99	-1.4	-4	3	-6	
Mexico	101	-1.6	-3	-2	-6	
Peru	73	-1.3	-5	3	1	
Poland	48	-0.2	1	3	0	
Russia	151	0.6	30	47	33	
Turkey	211	3.5	18	43	46	
China	61	0.2	-2	7	11	
India	75	-0.1	1	8	6	
Indonesia	101	2.4	0	14	16	
Risk indicators						
Volatility indicators (change in pp)						
level	Daily	Weekly	Monthly	YTD		
VIX	19	-1.6	0	-2	0	
VSTOXX	16	-1.3	-1	-1	2	
EM EFT volatility Index	23	-0.9	-3	1	6	
Dollar euro volatility	6	0.1	0	0	0	
EM FX volatility index	8	0.0	0	1	1	
Credit spread (BAA) (change in bps)	177	-3.8	-7	-3	-1	
US bonds volatility index	50	-0.9	-3	-5	1	
Inflation expectations (%)						
level	Daily	Weekly	Monthly	YTD		
US Inflation expectations (5YSY)	2.39	-	-5	1	7	
EZ Inflation expectations (5YSY)	1.67	-	-1	-0	7	
Emerging 5Y CDS (bps) *						
level	Daily	Weekly	Monthly	YTD		
US	56	-0.2	-2	-7	14	
EZ	57	0.4	-4	13	18	
UK	49	-0.6	3	8	8	
Large Spanish	48	0.0	-5	9	12	
Medium Spanish	69	0.1	-5	1	-6	
Corporate 5Y CDS (bps) *						
level	Daily	Weekly	Monthly	YTD		
US Non-financial	161	-0.2	-2	7	14	
EZ Non-financial	69	0.4	-4	13	18	
UK Non-financial	105	-0.1	-3	7	12	
Interbank markets (% changes in bp)						
level	Daily	Weekly	Monthly	YTD		
EONIA Index	-0.37	0	0	0	1	
Euribor 3m	-0.33	0	0	0	0	
Euribor 12m	-0.19	0	0	0	-1	
Libor 3m	2.34	0	2	23	65	
Libor 12m	2.71	1	3	15	60	
Stock markets (%)						
Market indices						
level	Daily	Weekly	Monthly	YTD		
S&P500	2,660	1.0	0.2	-4	-1	
Dow Jones	24,487	1.2	-0.1	-2	-1	
Nikkei	21,660	-0.1	0.1	-1	-5	
FTSE 100	7,251	-0.1	0.7	-2	-5	
EuroStoxx 50	3,444	0.7	0.4	1	-1	
IBEX	9,751	0.2	0.1	1	-3	
DAX	12,418	1.0	0.9	2	-4	
CAC	5,309	0.6	0.6	1	0	
MIB	23,291	1.2	1.4	3	7	
ASE Athens	806	0.8	0.6	-3	-2	
MSCI Latam *	91,740	0.7	1.4	-1	7	
Ibovespa (Brazil)	85,096	-0.2	-0.1	-1	9	
Mexbol	48,652	0.2	1.5	0	-3	
MSCI EM Europe *	5,331	0.0	-2.5	-7	-1	
Poland	2,395	1.5	2.8	-2	6	
Micos 10 (Russia)	4,287	1.8	-3.9	-6	4	
Ise 100 (Turkey)	110,235	0.9	-4.1	-7	-6	
MSCI EM Asia *	937	0.0	2.9	-3	2	
Shanghai Com (China)	3,180	-0.9	1.6	-4	-5	
Jakarta (Indonesia)	6,311	-0.2	2.5	-3	-1	
Banking sector						
level	Daily	Weekly	Monthly	YTD		
US banks						
JPM	143.7	2.2	0.4	-5	1	
Citi	113.2	2.3	1.1	-3	5	
BoA	71.5	2.3	1.8	-5	-4	
MS	30.5	2.1	0.7	-6	2	
GS	53.8	2.0	1.9	-7	3	
Wells Fargo	258.7	2.3	1.1	-4	1	
EZ banks						
BNP	106.8	1.2	0.3	-2	-2	
Credit Agricole	61.3	0.6	0.3	-2	-1	
Deutsche Bank	13.4	1.2	0.2	-2	-4	
ING	11.7	1.6	0.1	-9	-27	
Intesa	14.1	1.8	1.6	-1	-8	
Sg	3.0	0.9	1.3	0	11	
Unicredit	44.2	0.7	-0.9	-3	2	
UK banks						
HSBC	17.2	2.2	-0.8	2	10	
RBS	89.2	0.7	1.5	1	-3	
Lloyds	680.1	0.7	0.9	-3	-11	
Barclays	264.3	0.4	0.6	2	-5	
Large Spanish banks						
Santander	215.4	0.3	1.5	3	6	
Banco Sabadell	68.0	1.5	2.8	2	0	
Medium Spanish banks						
Cajabank	79.3	0.3	-1.7	-3	-6	
Banco Popular	5.4	0.7	-0.7	-2	-2	
BBVA	6.3	-0.1	2.6	-5	-10	
Currencies (% red for currency depreciation)						
Developed	level	Daily	Weekly	Monthly	YTD	
EURUSD						
GBPUSD	1.23	-0.4	0.6	-0.6	2	
USDJPY	1.42	0.4	1.6	1.9	5	
USDJPY	107.35	-0.5	0.0	-0.7	4	
DKK	89.86	0.3	0.7	0.2	2	
Emerging						
level	Daily	Weekly	Monthly	YTD		
USDARS (Argentina)	20.16	0.0	0.2	0.2	-10	
USDBRL (Brazil)	3.39	-0.4	-1.3	-3.9	-4	
USDCLP (Chile)	597.60	0.0	1.0	0.8	1	
USDCOP (Colombia)	271.3	0.2	2.8	4.9	7	
USDMXN (Mexico)	18.16	0.4	0.3	2.4	7	
USDPEN (Peru)	3.23	0.1	-0.1	1.0	0	
LACI	64.11	0.0	0.4	0.0	1	
USDPLN (Poland)	3.39	-0.3	0.9	0.2	2	
USD RUB (Russia)	61.90	0.8	-7.3	-8.5	-8	
USDTRY (Turkey)	4.09	1.0	-1.0	-5.7	-9	
USDCNY (China)	6.29	0.4	0.2	0.5	3	
USDINR (India)	65.26	0.1	-0.5	-0.6	-3	
USDIDR (Indonesia)	13,778	-0.1	-0.1	-0.2	-2	
ADXY	111.15	-0.2	-0.1	0.2	1	
Commodities (%)						
level	Daily	Weekly	Monthly	YTD		
Brent	71.5	-0.8	4.6	11	7	
WTX	66	-0.6	4.5	9	10	
Copper	305	-1.9	-0.5	-2	-6	
Gold	1337	-1.2	0.8	1	2	
S&P Spot commodity *	469	1.2	4.1	6	5	
S&P Brent Spot *	609	1.3	4.8	11	8	
S&P Metals Spot *	387	0.9	5.3	2	-2	
S&P Agricultural *	306	0.0	2.7	1	8	

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