

Market Comment

US yields and USD declined after Powell's comments

- Financial markets in cautious mode, with investors waiting for today's release of FOMC minutes after yesterday's comments by Powell, which had a significant impact on US markets. The release of estimates of the impact of Brexit by the Bank of England and other institutions also focused the market's attention in a day that saw plenty of economic indicators.
- US sovereign yields remained hovering around their lowest levels in more than one year after Powell's comments were read as dovish by financial markets ahead of December's FOMC, in which a 25 bps hike in interest rates is expected. Today's release of lower-than-expected prices data for the US (see) reinforced this trend. In this context, US equity indices increased around 2%, while today US stock markets bounced back only slightly after recent decrease in yields.
- Meanwhile, in Europe the sovereign 10Y Bund yield also went below the 0.35% level. The release of betterthan-expected confidence indicators (see) was offset by the release of disappointing German inflation figures (see). European shares were high following yesterday's positive movement in the US.
- GBP fell sharply today after May failed to rule out a no-deal Brexit, increasing worries among investors (see). Moreover, yesterday's release of a Bank of England financial stability report assessing the potential impact on the UK economy of a range of Brexit scenarios, did not help to increase confidence.

■ UK assets remained under pressure following the latest news on Brexit negotiations. In this context, the

currencies benefited from the recover	educing its growth ry in crude oil price	s after reports	of a possible c	ut in Russia's o	I supply (s
Jpdate 17:50 CET 29 November 2018	Debt markets (10)	Y, %, changes in b	op)		
Developed Markets US (2-yr)	level 2.80	Daily -0.6	Week -1.1	Month -5	YTD 88
SER (2-yr)	3.02 -0.60	-3.5 -1.2	-3.8 -2.1	-10 3	56 1
ermany rance	0.32 0.70	-2.8 -3.3	-4.9 -5.4	-5 -5	-20 -13
pain aly	1.51 3.19	-3.7 -6.5	-13.1 -26.3	-6 -28	-17 110
ortugal reece	1.83 4.28	-4.0 -6.6	-11.8 -32.3	-5 2	-18 17
apan (2-yr) apan	-0.14 0.08	-0.9 -1.8	-0.2 -1.8	-2 -4	-1 3
merging Markets razil	10.03	Daily -5.7	Weekly 4.4	Monthly -9	YTD -22
chile colombia	4.40 7.09	-0.3 -0.6	-2.0 9.2	-17 -12	-12 65
Mexico Peru	9.09 5.32	-10.9 -0.4	5.7 -4.2	37 -28	151 45
roland Russia	3.13 8.82	-5.1 -13.5	-11.3 -0.4	-5 13	-19 119
Turkey ndia	15.85 7.61	-19.0 -3.5	-59.0 -10.3	-129 -22	449 22
ndonesia	7.90 Country risk (b	-4.5 p, changes in bp)	-5.0	-73	160
eveloped Markets 0-yr sovereign spread vs Germany	level	Daily	Weekly	Monthly	YTD
rance aly	38 287	-0.5 -3.7	-0.5 -21.4	0 -24	7 130
ortugal spain	151 119	-1.2 -0.9	-6.9 -8.2	0 -1	2 3
-yr sovereign spread vs Germany rance	14	-0.2	1.4	-6	-2
aly ortugal	144 39	-4.4 0.7	-15.5 -0.4	-32 -11	107 -11
pain merging Markets	43 level	0.7 Daily	-1.4 Weekly	0 Monthly	16 YTD
-yr sovereign CDS * Brazil	209	-10.4	-2	1	49
Chile Colombia	58 141	-4.5 -7.2	0	6 13	8 36
Argentina Mexico	650 151	-10.4 -9.4	38 -6	26 12	412 44
Peru Poland	89 68	-3.4 0.3	2 -1	7 1	17 19
Russia Furkey	171 401	-3.5 -5.3	16 14	26	53 237
China ndia	70 112	-3.4 -0.1	-2 0	-2 -1	20 43
ndonesia		-5.0 dicators	-4	-12	61
olatilty indicators	level 20	Daily 1.1	-1	Monthly -4	10
STOXX MEFT volatility Index	19 28	0.0 1.8	-1 1	-4 -1	5 12
ollar/euro volatility MFX volatility index	7 10	-0.2 -0.1	-1 0	0	0 2
redit spread (BAA) (change in bps) S bonds volatility index	226 51	3.5 -0.5	9 -7	23 -11	48 2
Inflation expectations S Inflation expectations (5Y5Y)	2.31	Daily -	Weekly 4	Monthly 2	YTD -1
Z Inflation expectations (5Y5Y) sanking 5y CDS	1.62 level	- Daily	-4 Weekly	-5 Monthly	-12 YTD
IS Z	63 120	-3.7 1.0	-5 4	1 14	20 81
JK arge Spanish	88 85	-0.7 -0.4	-2 -1	18 5	47 49
Medium Spanish Corporate 5y CDS	105 level	-0.5 Daily	1 Weekly	0 Monthly	30 YTD
JS Non-financial EZ Non-financial	183 86	-3.7 1.0	-5 4	1 14	20 81
JK Non-financial	112 Interbank markets	-	* *	5	19
ONIA Index	-0.37	Daily 0	Weekly	Monthly 0	YTD 1
Euribor 3m	-0.32 -0.15	0	0	0	1 4
ibor 3m ibor 12m	2.71 3.13	0	3 2	18 7	101 103
lain indices	level	Daily	Weekly	Monthly	YTD
&P500 low Jones	2,733 25,280	-0.4 -0.3	3.1	1.9 1.6	1 2
ikkei TSE 100	22,263 7,057	0.4	2.8	3.8	-2 -8
uroStoxx 50 BEX	3,179 9,106	0.4	1.7	1.0 3.4	-9 -10
AX AC	11,317 5,015	0.2	1.6	0.3	-12 -5
IIB SE Athens	19,186 618	0.4 2.5	3.1	1.0 -2.9	-12 -24
ISCI Latam * ovespa (Brazil)	87,592 89,654	1.6 0.5	1.0	2.6	2 15
lexbol (Mexico) lerval (Argentina)	41,603 31,533	1.5 1.3	0.8 4.2	-4.4 7.2	-17 1
ISCI EM Europe *	5,343 2,303	1.5 1.7	0.8 3.0	3.4 8.5	-1 -6
icex 10 (Russia) e 100 (Turkey)	4,310 95,126	0.9	1.4 2.7	4.3 5.7	-19
ISCI EM Asia * hanghai Com (China)	813 2,567	1.0 -1.3	2.0 -2.9	6.4 0.0	-12 -23
akarta (Indonesia) anking sector	6,107 level	1.6 Daily	2.7 Weekly	6.1 Monthly	-4 YTD
S banks PM	133.5 110.0	-1.3 -0.8	2.3 2.2	0.1 3.1	-10 2
iti	65.0 28.1	-1.0 -1.3	3.3 2.9	0.7 4.8	-13 -6
	44.6	-1.6	2.0	0.2 -11.6	-15
S S	193.9	-2.2	0.7		-24
IS IS Z banks NP	193.9 78.9 45.0	-0.5 0.5	2.8 1.5	0.9 -2.5	-28 -28
S S Z banks NP rédit Agricole eutsche Bank	193.9 78.9 45.0 11.1 8.3	-0.5 0.5 0.6 -3.5	2.8 1.5 3.7 0.7	-2.5 -0.7 -3.1	-28 -28 -21 -48
S S Z banks NP rédit Agricole eutsche Bank IG tesa	193.9 78.9 45.0 11.1 8.3 10.8 2.0	-0.5 0.5 0.6 -3.5 -1.1	2.8 1.5 3.7 0.7 1.3 5.3	-2.5 -0.7 -3.1 4.7 2.1	-28 -28 -21 -48 -29 -26
S S S Z banks NP rédit Agricole eutsche Bank IG tesa G nicredito	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5	-0.5 0.5 0.6 -3.5 -1.1 -0.9 -0.2 -1.0	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5	-28 -28 -21 -48 -29 -26 -24 -27
S S S Z banks NP rédit Agricole eutsche Bank IG tesa G nicredito K banks	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5	-0.5 0.5 0.6 -3.5 -1.1 -0.9 -0.2 -1.0 0.5 0.3	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5	-28 -28 -21 -48 -29 -26 -24 -27 -16
S S S Z banks NP rédit Agricole eutsche Bank IG tesa G nicredito K banks SBC BS arclays	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9	-0.5 0.5 0.6 -3.5 -1.1 -0.9 -0.2 -1.0 0.5 0.3 1.0 0.7	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17
S Z banks NP rédit Agricole eutsche Bank IG ttesa G nicredito K banks SBC BS arclays loyds arge Spanish banks	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4 62.6	-0.5 0.5 0.6 -3.5 -1.1 -0.9 -0.2 -1.0 0.5 0.3 1.0 0.7 0.1 0.3	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4 0.8 2.7	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7 1.7	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17 -26
S S Z banks NP rédit Agricole eutsche Bank IG tesa G nicredito K banks SBC BS arclays oyds arge Spanish banks antander	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4	-0.5 0.5 0.6 -3.5 -1.1 -0.9 -0.2 -1.0 0.5 0.3 1.0 0.7 0.1	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17
AS A	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4 62.6 4.2	-0.5 0.5 0.6 -3.5 -1.1 -0.9 -0.2 -1.0 0.5 0.3 1.0 0.7 0.1 0.3 0.0	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4 0.8 2.7 3.4	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7 1.7 2.9	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17 -26 -23
S S Z banks NP rédit Agricole eutsche Bank IG tesa G nicredito K banks SBC BS arclays oyds arge Spanish banks antander BVA ledium Spanish banks aixabank abadell	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4 62.6 4.2 5.0 63.5	-0.5 0.5 0.6 -3.5 -1.1 -0.9 -0.2 -1.0 0.5 0.3 1.0 0.7 0.1 0.3 0.0 0.5 0.3	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4 0.8 2.7 3.4 2.0 0.5	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7 1.7 2.9 0.7 2.6	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17 -26 -23 -29 -17
S S Z banks NP rédit Agricole eutsche Bank IG tesa G nicredito K banks SBC BS arclays oyds arge Spanish banks antander BVA ledium Spanish banks aixabank abadell ankinter ankia	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4 62.6 4.2 5.0 63.5 3.6 1.1	-0.5 0.5 0.6 -3.5 -1.1 -0.9 -0.2 -1.0 0.5 0.3 1.0 0.7 0.1 0.3 0.0 0.5 0.3 1.4 0.1 -0.6 0.5	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4 0.8 2.7 3.4 2.0 0.5 -0.8 0.9 0.5 2.3	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7 1.7 2.9 0.7 2.6 2.1 -1.2	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17 -26 -23 -29 -17 -9 -33
S S Z banks NP rédit Agricole eutsche Bank IG ttesa G nicredito K banks SBC BS arclays loyds arge Spanish banks antander BVA Iedium Spanish banks aixabank abadell ankinter ankia	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4 62.6 4.2 5.0 63.5 3.6 1.1 7.4 2.9	-0.5 0.5 0.6 -3.5 -1.1 -0.9 -0.2 -1.0 0.5 0.3 1.0 0.7 0.1 0.3 0.0 0.5 0.3 1.4 0.1 -0.6 0.5	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4 0.8 2.7 3.4 2.0 0.5 -0.8 0.9 0.5 2.3	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7 1.7 2.9 0.7 2.6 2.1 -1.2 3.1	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17 -26 -23 -29 -17 -9 -33 -7
S S Z banks NP rédit Agricole eutsche Bank IG tesa G nicredito K banks SBC BS arclays oyds arge Spanish banks antander BVA ledium Spanish banks aixabank abadell ankinter ankia eveloped URUSD BPUSD	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4 62.6 4.2 5.0 63.5 3.6 1.1 7.4 2.9 Currencies (%, red for level	-0.5 0.5 0.6 -3.5 -1.1 -0.9 -0.2 -1.0 0.5 0.3 1.0 0.7 0.1 0.3 0.0 0.5 0.3 1.4 0.1 -0.6 0.5 r currency depreci	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4 0.8 2.7 3.4 2.0 0.5 -0.8 0.9 0.5 2.3 iation) Weekly	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7 1.7 2.9 0.7 2.6 2.1 -1.2 3.1 6.9	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17 -26 -23 -29 -17 -9 -33 -7 -28
Z banks NP rédit Agricole eutsche Bank NG ttesa G nicredito K banks SBC BS arclays loyds arge Spanish banks antander BVA ledium Spanish banks aixabank abadell ankinter ankia eveloped URUSD BPUSD SDJPY XY	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4 62.6 4.2 5.0 63.5 3.6 1.1 7.4 2.9 Currencies (%, red for level 1.139 1.28	-0.5	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4 0.8 2.7 3.4 2.0 0.5 -0.8 0.9 0.5 2.3 iation) Weekly -0.1 -0.7	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7 1.7 2.9 0.7 2.6 2.1 -1.2 3.1 6.9 Monthly 0.4 0.7	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17 -26 -23 -29 -17 -9 -33 -7 -28 YTD -6 -6
Z banks NP crédit Agricole leutsche Bank NG letesa G inicredito IK banks SBC BS arclays loyds arge Spanish banks antander IBVA Iledium Spanish banks atixabank abadell ankinter ankia Ileveloped URUSD BSDJPY IXY merging SDARS (Argentina)	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4 62.6 4.2 5.0 63.5 3.6 1.1 7.4 2.9 Currencies (%, red for level 1.139 1.28 113.41 96.85 level 37.75	-0.5	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4 0.8 2.7 3.4 2.0 0.5 -0.8 0.9 0.5 2.3 iation) Weekly -0.1 -0.7 -0.4 0.1 Weekly -3.5	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7 1.7 2.9 0.7 2.6 2.1 -1.2 3.1 6.9 Monthly 0.4 0.7 -0.2 -0.2 Monthly -2.7	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17 -26 -23 -29 -17 -9 -33 -7 -28 YTD -6 -6 -1 5 YTD -51
S S S Z banks NP rédit Agricole eutsche Bank G tesa G nicredito K banks SBC BS arclays oyds arge Spanish banks antander BVA edium Spanish banks aixabank abadell ankinter ankia eveloped URUSD BPUSD SDJPY XY merging SDARS (Argentina) SDBRL (Brazil) SDCLP (Chile)	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4 62.6 4.2 5.0 63.5 3.6 1.1 7.4 2.9 Currencies (%, red for level 1.139 1.28 113.41 96.85 level 37.75 4 669.50	-0.5	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4 0.8 2.7 3.4 2.0 0.5 -0.8 0.9 0.5 2.3 iation) Weekly -0.1 -0.7 -0.4 0.1 Weekly -3.5 -1.2 -0.1	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7 1.7 2.9 0.7 2.6 2.1 -1.2 3.1 6.9 Monthly 0.4 0.7 -0.2 -0.2 Monthly -2.7 -4.0 3.6	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17 -26 -23 -29 -17 -9 -33 -7 -28 YTD -6 -6 -1 -5 YTD -51 -15 -9
SoA AS AS AS AS AS AS AS AS AS	193.9 78.9 45.0 11.1 8.3 10.8 2.0 32.9 11.5 77.5 671.7 222.2 167.9 56.4 62.6 4.2 5.0 63.5 3.6 1.1 7.4 2.9 Currencies (%, red for level 1.139 1.28 113.41 96.85 level 37.75 4	-0.5	2.8 1.5 3.7 0.7 1.3 5.3 1.2 8.5 1.8 3.3 0.5 1.4 0.8 2.7 3.4 2.0 0.5 -0.8 0.9 0.5 2.3 iation) Weekly -0.1 -0.7 -0.4 0.1 Weekly -3.5 -1.2	-2.5 -0.7 -3.1 4.7 2.1 2.3 1.5 0.5 5.5 -4.6 -1.2 -0.7 1.7 2.9 0.7 2.6 2.1 -1.2 3.1 6.9 Monthly 0.4 0.7 -0.2 -0.2 Monthly -2.7 -4.0	-28 -28 -21 -48 -29 -26 -24 -27 -16 -12 -20 -17 -17 -26 -23 -29 -17 -9 -33 -7 -28 YTD -6 -6 -1 -5 YTD -51 -15

DXY	96.85	0.1	0.1	-0.2	5
Emerging	level	Daily	Weekly	Monthly	YTD
USDARS (Argentina)	37.75	1.9	-3.5	-2.7	-51
USDBRL (Brazil)	4	0.1	-1.2	-4.0	-15
USDCLP (Chile)	669.50	0.9	-0.1	3.6	-9
USDCOP (Colombia)	3239	0.9	-1.6	-1.0	-9
USDMXN (Mexico)	20.24	0.3	0.3	-0.9	-3
USDPEN (Peru)	3	-0.2	-0.2	-0.5	-4
LACI	54.13	0.2	-0.8	-1.4	-15
USDPLN (Poland)	4	0.2	0.1	1.3	-8
USDRUB (Russia)	66.28	1.2	-0.9	-1.2	-13
USDTRY (Turkey)	5	1.2	2.8	6.2	-27
USDCNY (China)	6.94	0.2	-0.2	0.4	-6
USDINR (India)	70	1.1	1.2	5.5	-9
USDIDR (Indonesia)	14383	1.0	1.4	5.8	-6
ADXY	105	0.2	0.3	1.2	-5
	Commo	dities (%)			
	level	Daily	Weekly	Monthly	YTD
Brent	59.7	1.5	-4.7	-21	-10
WTx	52	2.6	-5.5	-22	-14
Copper	278	-0.7	-0.6	4	-15
Gold	1227	0.4	-0.1	0	-7
S&P Spot commodity *	404	-0.4	-4.2	-12	-9
S&P Brent Spot *	503	-2.2	-7.4	-22	-11
S&P Metals Spot *	329	0.8	-1.5	-1	-17

1.5

0.5

S&P Agricultural * Source: Bloomberg, Datastream and Haver * With one day delay