

Oil prices remained steady ahead of tomorrow's OPEC meeting

- Financial markets remained cautious after yesterday's sell-off in the US, with low trading volume as US markets remained closed** due to a commemorative event to mark the death of former president George H.W. Bush. The latest comments from China announcing its optimism on reaching a trade deal with the US were not enough to offset the negative mood (see), along with early doubts on US economic growth. Moreover, **crude oil prices remained steady with investors waiting for the outcome of tomorrow's OPEC meeting** as potential cuts in oil supply could be implemented (see).
- European equity markets dropped as well as Asian stock markets** following yesterday's sharp sell-off in US stocks (drop of around 3%), despite the release of better-than-expected Caixin PMI services figures in China (see).
- The German 10Y Bund yield inched down in early trading and broke the 0.25% threshold**, however it recovered some ground as the session went by to end almost unchanged. The release of confidence data in the euro zone (better than expected) (see) and in Germany (in line with expectations), did not affect markets. Peripheral risk premia narrowed, led by Italy after PM Conte showed willingness to adjust the 2019 budget deficit target (see).
- The US dollar was flat** and the GBP appreciated slightly despite uncertainties among investors ahead of next week's UK parliamentary vote on the Brexit deal. The Canadian dollar depreciated today amid fears of an economic slowdown, (see) while the Central Bank of Canada left its interest rate unchanged, as expected.
- Meanwhile, EM currencies were mixed: the ARS continued to underperform other Latam currencies, while the **Turkish lira recovered some ground against the USD**. The Indian rupee was steady after the Central Bank of India held its interest rate at 6.5%, as expected (see).

Update 18:00 CET 05 December 2018

Debt markets (10Y, %, changes in bp)					
Developed Markets	level	Daily	Week	Month	YTD
US (2-yr)	2.79	0.0	-1.4	-11	88
US	2.91	0.0	-14.5	-29	45
GER (2-yr)	-0.61	0.8	-2.0	0	1
Germany	0.28	1.3	-7.3	-15	-25
France	0.68	1.4	-4.8	-11	-14
Spain	1.46	-2.6	-8.4	-11	-21
Italy	3.06	-9.5	-19.5	-26	97
Portugal	1.80	-1.6	-7.6	-9	-21
Greece	4.16	-8.2	-18.5	-13	5
Japan (2-yr)	-0.14	-1.0	-0.7	-1	-1
Japan	0.07	-0.8	-3.4	-6	2
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	10.17	11.3	8.1	5	-8
Chile	4.41	-1.2	0.6	-11	-11
Colombia	6.94	-2.0	-15.1	-25	50
Mexico	9.15	1.2	-4.1	52	158
Peru	5.43	-3.2	10.3	-12	56
Poland	3.07	1.3	-11.3	-13	-25
Russia	8.83	6.9	-13.2	16	119
Turkey	16.20	0.0	16.0	49	484
India	7.44	-13.2	-20.2	-37	5
Indonesia	7.91	7.9	-3.7	-43	161
Country risk (bp, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	41	0.1	2.5	4	10
Italy	279	-10.8	-12.2	-11	121
Portugal	152	-2.9	-0.3	6	3
Spain	118	-3.9	-1.1	4	3
2-yr sovereign spread vs Germany					
France	15	0.3	0.4	-4	-1
Italy	119	-8.3	-29.3	-31	82
Portugal	38	3.9	-0.9	-9	-12
Spain	42	-1.9	0.4	-4	15
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	209	3.9	-10	13	49
Chile	57	2.1	-5	6	8
Colombia	137	2.9	-11	15	32
Argentina	678	31.9	17	106	439
Mexico	149	6.4	-11	11	42
Peru	93	2.1	1	13	21
Poland	68	0.0	1	0	19
Russia	159	1.0	-15	15	41
Turkey	388	8.3	-19	16	223
China	67	3.1	-7	0	17
India	113	-0.1	1	2	44
Indonesia	141	5.5	-10	-9	56
Risk indicators					
Volatility indicators	level	Daily	Weekly	Monthly	YTD
VIX	21	0.0	2	1	11
VSTOXX	19	1.9	0	1	6
EMEFT volatility Index	25	0.0	-1	-2	9
Dollar/euro volatility	7	0.0	0	0	0
EM FX volatility index	10	0.2	0	0	2
Credit spread (BAA) (change in bps)	233	0.0	11	31	55
US bonds volatility index	54	3.6	3	-6	5
Inflation expectations	level	Daily	Weekly	Monthly	YTD
US Inflation expectations (5Y5Y)	2.32	-	1	0	0
EZ Inflation expectations (5Y5Y)	1.62	-	1	-7	-12
Banking 5y CDS	level	Daily	Weekly	Monthly	YTD
US	69	5.6	2	13	26
EZ	123	2.1	3	23	83
UK	92	3.1	4	26	51
Large Spanish	82	1.1	-4	9	46
Medium Spanish	108	-0.8	2	4	33
Corporate 5y CDS	level	Daily	Weekly	Monthly	YTD
US Non-financial	184	5.6	2	13	26
EZ Non-financial	89	2.1	3	23	83
UK Non-financial	115	1.9	4	11	22
Interbank markets (% , changes in bp)					
	level	Daily	Weekly	Monthly	YTD
EONIA Index	-0.37	0	0	-1	0
Euribor 3m	-0.32	0	0	0	1
Euribor 12m	-0.14	0	1	1	5
Libor 3m	2.74	-1	3	15	104
Libor 12m	3.13	-1	0	3	103
Stock markets (%)					
Main indices	level	Daily	Weekly	Monthly	YTD
S&P500	2,700	0.0	-1.6	-1.4	0
Dow Jones	25,027	0.0	-1.3	-1.7	1
Nikkei	21,919	-0.5	-1.2	0.1	-4
FTSE 100	6,922	-1.4	-1.2	-2.6	-9
EuroStoxx 50	3,150	-1.2	-0.6	-2.1	-10
IBEX	9,014	-0.5	-1.0	0.0	-11
DAX	11,200	-1.2	-0.9	-2.6	-13
CAC	4,944	-1.4	-0.8	-3.1	-7
MIB	19,329	-0.1	1.1	0.2	-12
ASE Athens	657	0.0	8.9	6.2	-20
MSCI Latam *	87,705	-0.9	1.8	-1.8	2
Ibovespa (Brazil)	88,686	0.1	-0.6	-1.0	14
Mexbol (Mexico)	41,894	0.1	2.2	-10.5	-16
Merval (Argentina)	31,754	-0.6	2.0	1.0	2
MSCI EM Europe *	5,509	0.3	4.7	3.5	2
Poland	2,355	0.4	4.0	5.4	-4
Micex 10 (Russia)	4,362	0.3	2.1	2.5	6
Ise 100 (Turkey)	93,970	0.1	-0.1	-2.1	-20
MSCI EM Asia *	827	-0.4	2.7	1.5	-10
Shanghai Com (China)	2,650	-0.6	1.8	-0.6	-21
Jakarta (Indonesia)	6,133	0.2	2.0	3.8	-4
Banking sector	level	Daily	Weekly	Monthly	YTD
US banks	128.7	0.0	-4.9	-7.0	-13
JPM	107.2	0.0	-3.3	-1.7	-1
Citi	62.3	0.0	-5.1	-7.5	-16
BoA	27.0	0.0	-5.1	-3.8	-10
MS	43.1	0.0	-4.8	-5.9	-17
GS	184.3	0.0	-7.1	-19.4	-28
EZ banks	77.5	-0.5	-2.3	-4.3	-29
BNP	43.4	-1.0	-3.0	-6.6	-30
Crédit Agricole	10.7	-1.0	-2.4	-7.1	-23
Deutsche Bank	8.1	-0.1	-6.3	-12.2	-50
ING	10.6	-0.7	-2.8	-5.7	-31
Intesa	2.1	0.8	1.3	5.3	-24
SG	31.8	-1.2	-3.4	-4.3	-26
Unicredito	11.6	1.2	-0.2	0.4	-26
UK banks	76.0	-0.2	-1.5	-3.8	-18
HSBC	659.9	-2.3	-1.4	3.0	-14
RBS	222.0	2.4	0.9	-8.6	-20
Barclays	158.5	-0.4	-5.0	-9.4	-22
Lloyds	56.2	1.4	-0.2	-4.0	-17
Large Spanish banks	61.0	-1.0	-2.1	-4.7	-28
Santander	4.1	-0.7	-2.0	-2.8	-24
BBVA	4.9	-1.3	-2.3	-6.6	-31
Medium Spanish banks	61.7	-0.5	-2.5	-3.4	-20
Caixabank	3.5	-1.5	-2.8	-3.4	-13
Sabadell	1.1	0.4	-2.5	-8.4	-35
Bankinter	7.3	0.0	-2.3	-1.5	-8
Bankia	2.8	-0.6	-2.8	-2.4	-30
Currencies (% , red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	YTD
EURUSD	1.135	0.1	-0.1	-0.5	-6
GBPUSD	1.27	0.2	-0.6	-2.2	-6
USDJPY	113.12	-0.3	0.5	0.1	-1
DXY	97.03	0.1	0.2	0.8	6
Emerging	level	Daily	Weekly	Monthly	YTD
USDARS (Argentina)	37.90	-1.4	1.5	-6.0	-51
USDBRL (Brazil)	4	-0.4	-0.3	-3.5	-16
USDCLP (Chile)	672.85	-0.8	0.4	1.0	-10
USDCOP (Colombia)	3160	0.5	3.4	0.7	-7
USDMXN (Mexico)	20.57	-0.3	-1.3	-3.3	-5
USDPEN (Peru)	3	0.1	-0.2	-0.4	-4
LACI	53.81	-0.4	-0.4	-2.7	-15
USDPLN (Poland)	4	0.0	-0.1	0.0	-9
USDTRY (Turkey)	66.71	0.3	0.6	-1.0	-14
USDTRY (Russia)	5	1.2	-2.0	-3.0	-29
USDCNY (China)	6.86	-0.3	1.4	1.0	-5
USDINR (India)	70	0.1	0.2	3.8	-10
USDIDR (Indonesia)	14403	-0.8	0.9	4.0	-6
ADXY	105	-0.1	0.7	0.9	-5
Commodities (%)					
	level	Daily	Weekly	Monthly	YTD
Brent	62.3	0.3	6.0	-15	-6
WTX	53	0.3	6.2	-15	-12
Copper	276	0.3	-1.4	0	-15
Gold	1238	-0.1	1.4	1	-6
S&P Spot commodity *	417	0.6	3.1	-8	-6
S&P Metals Spot *	528	0.6	5.1	-15	-7
S&P Metals Spot *	335	-0.6	1.8	0	-15
S&P Agricultural *	294	0.2	1.8	1	3

Source: Bloomberg, Datastream and Haver

* With one day delay