

Market Comment

Uneventful State of the Union address but advance in **US-China talks**

- Financial markets continued to show minor movements as yesterday's State of the Union address in the US did not bring any insight into the border with Mexico, the main issue to avoid a new shutdown with a clear deadline: February 15th. On another front, the US-China trade relations seems to be evolving positively as he said that a deal is possible, but China have to include structural changes (see). In this regard, the release of the US trade balance for November showed a narrow deficit, mainly due to a decrease in imports, among others from China (see). According to US Treasury Secretary, the US and China talks will continue (see) next week, while the US-North Korea meeting was confirmed for late February (see).
- In this context, there were little movements across developed equity markets as both US and European stocks were relatively unchanged in the middle of the earnings seasons reports. Meanwhile, the US equity implied volatility (VIX) seemed to consolidate its recent levels, hovering
- JR
- СУ ne

Jpdate 17:53 CET 06 February 2019					
Developed Markets	Debt markets (10)	/, %, changes in t	op) Week	Month	YTD
JS (2-yr)	2.52 2.69	-0.6 -1.1	0.8 1.0	-2 -1	3
GER (2-yr) Germany	-0.55 0.16	1.1 -0.7	1.1 -2.5	3 -12	6 -14
France	0.58	-0.4	-2.0	-15	-13
Spain aly	1.26 2.84	-0.1 4.8	0.1 24.3	-25 -6	-22 10
Portugal Greece	1.66 3.90	-0.3 0.5	-0.7 -2.4	-30 -48	-20 -50
apan (2-yr) apan	-0.16 -0.01	0.5 -0.4	-0.1 -1.8	1 0	-2 -2
Emerging Markets Brazil		Daily 6.9	-16.5	Monthly -30	YTD -36
Chile	4.20	1.3	-2.5	0	-5
Colombia Mexico	6.86 8.36	-2.5 -0.6	-15.8 -10.0	-18	-28
Peru Poland	5.14 2.75	-0.3 -0.5	-17.4 -3.3	-21 -6	-23 -8
Russia Turkey	8.24 14.02	3.1 19.0	-14.4 -37.0	-55 -189	-54 -178
ndia ndonesia	7.36 7.75	-2.0 -12.0	3.6 -41.0	-28 -14	-1 -28
	Country risk (bր	p, changes in bp)			
eveloped Markets 0-yr sovereign spread vs Germany	level	Daily	Weekly	Monthly	YTD
rance aly	41 268	0.3 5.5	0.5 26.8	-3 6	1 24
ortugal pain	150 109	0.4 0.6	1.8 2.6	-18 -13	-6 -8
-yr sovereign spread vs Germany rance	12	0.2	0.7	-3	-3
aly	104	2.7	20.7	-6	-5 -5 9
Portugal Spain	35 31	-1.0 -0.3	-3.4 -2.0	-1 -8	-6
merging Markets -yr sovereign CDS *	level	Daily	Weekly	Monthly	YTD
Brazil Chile	161 46	-3.1 -0.7	-10 -4	-29 -12	-47 -17
Colombia Argentina	115 589	-3.8 -16.3	-15 -58	-29 -152	-43 -217
Mexico Peru	129 72	-4.1 -2.5	-4 -6	-13 -13	-25 -23
Poland	65	0.0	0	-3	-3
Russia Turkey	133 296	-3.8 -10.6	1 -29	-18 -64	-21 -64
China ndia	53 103	-1.2 0.0	-5 -4	-13 -10	-14 -11
ndonesia	110 Risk ind	-2.1 dicators	-9	-26	-28
olatilty indicators	level 15	Daily	Weekly -3	Monthly -6	YTD -10
STOXX	14	-0.5 0.0	-2	-7	-10
M EFT volatility Index Oollar/euro volatility	19 6	0.1 0.0	-2 -1	-5 -1	-6 -2
M FX volatility index Credit spread (BAA) (change in bps)	9 229	-0.1 1.1	0 -10	-1 -13	-1 -16
JS bonds volatility index Inflation expectations	49 level	-0.3 Daily	0 Weekly	-12 Monthly	-18 YTD
JS Inflation expectations (5Y5Y)	2.23	-	3	9	10
Z Inflation expectations (5Y5Y) Banking 5y CDS	1.50 level	- Daily	1 Weekly	-4 Monthly	-10 YTD
JS EZ	63 101	-0.2 -3.5	-7 -1	-25 -21	-20 -18
JK arge Spanish	78 69	-2.2 -2.6	0 -1	-19 -22	-17 -19
Medium Spanish Corporate 5y CDS	108 level	-1.3 Daily	-4 Weekly	-2 Monthly	-4 YTD
JS Non-financial EZ Non-financial	179 80	-0.2 -3.5	-7 -1	-25 -21	-20 -18
JK Non-financial	105	-2.1	-4	-16	-14
	Interbank markets level	b (%, changes in the Daily	weekly	Monthly	YTD
EONIA Index Euribor 3m	-0.36 -0.31	0	1 0	0	-1 0
Euribor 12m ibor 3m	-0.11 2.74	0	0 -1	1 -7	1 -6
ibor 12m	2.99 Stock ma	1	-4	2	-3
Tain indices	level	Daily	Weekly	Monthly	YTD
8&P500 Dow Jones	2,731 25,393	-0.2 -0.1	1.9 1.5	7.1 7.9	9
likkei TSE 100	20,874 7,173	0.1 -0.1	1.5 3.3	4.2 5.3	4 7
uroStoxx 50 BEX	3,212 9,098	-0.1 0.1	1.6 0.3	5.9 3.7	7 7
DAX CAC	11,325 5,079	-0.4 -0.1	1.3	5.4 7.6	7
1IB	19,974	0.7	1.0	5.4	7 9 7
SE Athens ISCI Latam *	654 95,084	0.3	2.9	5.4 6.3	10
ovespa (Brazil) lexbol (Mexico)	96,531 44,381	-1.8 0.1	-0.5 1.7	5.3 3.6	10 7
lerval (Argentina) ISCI EM Europe *	37,093 5,742	-1.0 0.7	2.9 1.3	12.4 6.8	22 9
oland licex 10 (Russia)	2,414 4,541	0.2 -0.4	2.4 0.7	3.6 6.6	6
e 100 (Turkey)	102,584 845	0.1	-1.5 2.1	14.0 9.4	12
	2,618	0.0	1.7	3.4	5
ISCI EM Asia * hanghai Com (China)	6,548	1.0 Daily	1.7 Weekly	4.4 Monthly	6 YTD
ISCI EM Asia * hanghai Com (China) akarta (Indonesia) anking sector	level	-0.4	-1.4 -0.7	8.0 2.8	13 6
Shanghai Com (China) akarta (Indonesia) sanking sector S banks		-0.2		14.6 11.9	22 16
ISCI EM Asia * hanghai Com (China) akarta (Indonesia) anking sector S banks PM	130.7	-0.2 -0.2 -0.6	-0.8 -1.6	11.0	
ISCI EM Asia * hanghai Com (China) akarta (Indonesia) anking sector IS banks PM citi oA	130.7 103.6 63.7 28.6 42.2	-0.2 -0.6 -0.7	-1.6 -1.5	1.1	6 18
hanghai Com (China) akarta (Indonesia) anking sector S banks PM itti oA IS S S Z banks	130.7 103.6 63.7 28.6 42.2 196.6 73.7	-0.2 -0.6 -0.7 -0.7 2.9	-1.6 -1.5 -2.9 -0.6	1.1 11.7 2.6	18 7
Asci EM Asia * hanghai Com (China) akarta (Indonesia) anking sector S banks PM itti oA IS IS IS Z banks NP rédit Agricole	130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9	-0.2 -0.6 -0.7 -0.7 2.9 1.8 2.1	-1.6 -1.5 -2.9 -0.6 -1.1	1.1 11.7 2.6 2.9 4.3	18 7 6 8
Asci EM Asia * hanghai Com (China) akarta (Indonesia) anking sector S banks PM iti oA IS S Z banks NP rédit Agricole eutsche Bank	130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9	-0.2 -0.6 -0.7 -0.7 2.9 1.8	-1.6 -1.5 -2.9 -0.6 -1.1	1.1 11.7 2.6 2.9	18 7 6
hanghai Com (China) akarta (Indonesia) anking sector S banks PM itti oA IS S Z banks NP rédit Agricole eutsche Bank IG ttesa	level 130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0	-0.2 -0.6 -0.7 -0.7 2.9 1.8 2.1 1.2 6.1 2.4	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0	1.1 11.7 2.6 2.9 4.3 4.5 12.1	18 7 6 8 13 18 5
hanghai Com (China) akarta (Indonesia) anking sector S banks PM itti oA IS S Z banks NP rédit Agricole eutsche Bank IG ttesa G nicredito	130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0 26.5 10.3	-0.2 -0.6 -0.7 -0.7 2.9 1.8 2.1 1.2 6.1 2.4 1.7 4.4	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0 -6.0	1.1 11.7 2.6 2.9 4.3 4.5 12.1 0.4 -6.7	18 7 6 8 13 18 5 -5
Asci EM Asia * hanghai Com (China) akarta (Indonesia) anking sector S banks PM biti ooA S S Z banks NP brédit Agricole seutsche Bank NG ottesa G interedito UK banks SBC	130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0 26.5 10.3 78.4 650.6	-0.2 -0.6 -0.7 -0.7 2.9 1.8 2.1 1.2 6.1 2.4 1.7 4.4 0.3 -0.4	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0 -6.0 -1.7 0.4 -0.2	1.1 11.7 2.6 2.9 4.3 4.5 12.1 0.4 -6.7 -1.4 5.7	18 7 6 8 13 18 5 -5 4 8
Asci EM Asia * hanghai Com (China) akarta (Indonesia) anking sector S banks PM diti oA ds SS Z banks NP drédit Agricole deutsche Bank NG ditesa G dinicredito K banks SSBC BS	130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0 26.5 10.3 78.4	-0.2 -0.6 -0.7 -0.7 2.9 1.8 2.1 1.2 6.1 2.4 1.7 4.4 0.3	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0 -6.0 -1.7 0.4	1.1 11.7 2.6 2.9 4.3 4.5 12.1 0.4 -6.7 -1.4	18 7 6 8 13 18 5 -5 4
ISCI EM Asia * Ishanghai Com (China) Ishanta (Indonesia) Ishanking sector IS banks PM Istit IstoA IS	130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0 26.5 10.3 78.4 650.6 249.8 161.6 58.3	-0.2 -0.6 -0.7 -0.7 2.9 1.8 2.1 1.2 6.1 2.4 1.7 4.4 0.3 -0.4 1.1 0.7 0.4	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0 -6.0 -1.7 0.4 -0.2 2.7 -0.2 -0.1	1.1 11.7 2.6 2.9 4.3 4.5 12.1 0.4 -6.7 -1.4 5.7 1.3 11.5 4.0 9.2	18 7 6 8 13 18 5 -5 4 8 1
Sci EM Asia * Shanghai Com (China) sakarta (Indonesia) Sanking sector IS banks PM Siti SoA SS SIZ banks SINP Crédit Agricole Seutsche Bank NG Sitesa SG SIR banks SISS SIR banks SI	130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0 26.5 10.3 78.4 650.6 249.8 161.6 58.3 63.3 4.1	-0.2 -0.6 -0.7 -0.7 2.9 1.8 2.1 1.2 6.1 2.4 1.7 4.4 0.3 -0.4 1.1 0.7 0.4 0.4 0.5	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0 -6.0 -1.7 0.4 -0.2 2.7 -0.2 -0.1 -1.0 -1.8	1.1 11.7 2.6 2.9 4.3 4.5 12.1 0.4 -6.7 -1.4 5.7 1.3 11.5 4.0 9.2 3.5 -1.4	18 7 6 8 13 18 5 -5 4 8 1 15 7 12 8 4
ASCI EM Asia * Shanghai Com (China) akarta (Indonesia) Banking sector IS banks PM Siti SoA AS SS Z banks SNP Crédit Agricole Deutsche Bank NG Atesa G Inicredito IK banks ISBC RBS Barclays Bloyds Barge Spanish banks	130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0 26.5 10.3 78.4 650.6 249.8 161.6 58.3 63.3 4.1 5.2	-0.2 -0.6 -0.7 -0.7 2.9 1.8 2.1 1.2 6.1 2.4 1.7 4.4 0.3 -0.4 1.1 0.7 0.4 0.5 0.3 1.5	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0 -6.0 -1.7 0.4 -0.2 2.7 -0.2 -0.1 -1.0 -1.8 -0.3 -7.0	1.1 11.7 2.6 2.9 4.3 4.5 12.1 0.4 -6.7 -1.4 5.7 1.3 11.5 4.0 9.2 3.5 -1.4 8.4 -8.1	18 7 6 8 13 18 5 -5 4 8 1 15 7 12 8 4 13 -5
hanghai Com (China) akarta (Indonesia) anking sector S banks PM itti oA IS 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	130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0 26.5 10.3 78.4 650.6 249.8 161.6 58.3 63.3 4.1	-0.2 -0.6 -0.7 -0.7 2.9 1.8 2.1 1.2 6.1 2.4 1.7 4.4 0.3 -0.4 1.1 0.7 0.4 0.5 0.3	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0 -6.0 -1.7 0.4 -0.2 2.7 -0.2 -0.1 -1.0 -1.8 -0.3	1.1 11.7 2.6 2.9 4.3 4.5 12.1 0.4 -6.7 -1.4 5.7 1.3 11.5 4.0 9.2 3.5 -1.4 8.4	18 7 6 8 13 18 5 -5 4 8 1 15 7 12 8 4
ISCI EM Asia * hanghai Com (China) akarta (Indonesia) anking sector S banks PM iti oA IS S Z banks NP rédit Agricole eutsche Bank IG ttesa G nicredito K banks SBC BS arclays oyds arge Spanish banks antander BVA Iedium Spanish banks aixabank abadell ankinter	130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0 26.5 10.3 78.4 650.6 249.8 161.6 58.3 63.3 4.1 5.2 54.5 2.9 0.9 6.7	-0.2 -0.6 -0.7 -0.7 -0.7 -0.9 1.8 2.1 1.2 6.1 2.4 1.7 4.4 0.3 -0.4 1.1 0.7 0.4 0.4 0.5 0.3 1.5 0.1 2.9 1.4	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0 -6.0 -1.7 0.4 -0.2 2.7 -0.2 -0.1 -1.0 -1.8 -0.3 -7.0 -12.4 -13.5 -3.6	1.1 11.7 2.6 2.9 4.3 4.5 12.1 0.4 -6.7 -1.4 5.7 1.3 11.5 4.0 9.2 3.5 -1.4 8.4 -8.1 -10.0 -15.1 -6.0	18 7 6 8 13 18 5 -5 4 8 1 15 7 12 8 4 13 -5 -7 -11 -4
hanghai Com (China) akarta (Indonesia) anking sector S banks PM iiti oA S S Z banks NP rédit Agricole eutsche Bank IG tesa G nicredito K banks SBC BS arclays oyds arge Spanish banks antander BVA edium Spanish banks aixabank abadell ankinter ankia	level 130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0 26.5 10.3 78.4 650.6 249.8 161.6 58.3 63.3 4.1 5.2 54.5 2.9 0.9 6.7 2.6 Currencies (%, red for	-0.2 -0.6 -0.7 -0.7 -0.9 1.8 2.1 1.2 6.1 2.4 1.7 4.4 0.3 -0.4 1.1 0.7 0.4 0.5 0.3 1.5 0.1 2.9 1.4 2.2 currency deprec	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0 -6.0 -1.7 0.4 -0.2 2.7 -0.2 -0.1 -1.0 -1.8 -0.3 -7.0 -12.4 -13.5 -3.6 -0.5 iation)	1.1 11.7 2.6 2.9 4.3 4.5 12.1 0.4 -6.7 -1.4 5.7 1.3 11.5 4.0 9.2 3.5 -1.4 8.4 -8.1 -10.0 -15.1 -6.0 -4.2	18 7 6 8 13 18 5 -5 4 8 1 15 7 12 8 4 13 -5 -7 -11 -4 0
ISCI EM Asia * hanghai Com (China) akarta (Indonesia) anking sector S banks PM citi coA IS SS Z banks NP crédit Agricole eutsche Bank NG ttesa G inicredito K banks ISBC BS arclays loyds arge Spanish banks antander IBVA Iedium Spanish banks alaxabank abadell ankinter ankia	level 130.7 103.6 63.7 28.6 42.2 196.6 73.7 41.9 10.2 7.9 11.1 2.0 26.5 10.3 78.4 650.6 249.8 161.6 58.3 63.3 4.1 5.2 54.5 2.9 0.9 6.7 2.6	-0.2 -0.6 -0.7 -0.7 -0.7 -0.9 1.8 2.1 1.2 6.1 2.4 1.7 4.4 0.3 -0.4 1.1 0.7 0.4 0.4 0.5 0.3 1.5 0.1 2.9 1.4 2.2	-1.6 -1.5 -2.9 -0.6 -1.1 0.1 -2.1 4.8 -1.0 -6.0 -1.7 0.4 -0.2 2.7 -0.2 -0.1 -1.0 -1.8 -0.3 -7.0 -12.4 -13.5 -3.6 -0.5	1.1 11.7 2.6 2.9 4.3 4.5 12.1 0.4 -6.7 -1.4 5.7 1.3 11.5 4.0 9.2 3.5 -1.4 8.4 -8.1 -10.0 -15.1 -6.0	18 7 6 8 13 18 5 -5 4 8 1 15 7 12 8 4 13 -5 -7 -11 -4

IVIO	42.2	-0.7	-1.5	1.1	O
GS	196.6	-0.7	-2.9	11.7	18
EZ banks	73.7	2.9	-0.6	2.6	7
BNP	41.9	1.8	-1.1	2.9	6
Crédit Agricole	10.2	2.1	0.1	4.3	8
Deutsche Bank	7.9	1.2	-2.1	4.5	13
ING	11.1	6.1	4.8	12.1	18
Intesa	2.0	2.4	-1.0	0.4	5
SG	26.5	1.7	-6.0	-6.7	-5
Unicredito	10.3	4.4	-1.7	-1.4	4
UK banks	78.4	0.3	0.4	5.7	8
HSBC	650.6	-0.4	-0.2	1.3	1
RBS	249.8	1.1	2.7	11.5	15
Barclays	161.6	0.7	-0.2	4.0	7
Lloyds	58.3	0.4	-0.1	9.2	12
Large Spanish banks	63.3	0.4	-1.0	3.5	8
Santander	4.1	0.5	-1.8	-1.4	4
BBVA	5.2	0.3	-0.3	8.4	13
Medium Spanish banks	54.5	1.5	-7.0	-8.1	-5
Caixabank	2.9	0.1	-12.4	-10.0	-7
Sabadell	0.9	2.9	-13.5	-15.1	-11
Bankinter	6.7	1.4	-3.6	-6.0	-4
Bankia	2.6	2.2	-0.5	-4.2	0
	Currencies (%, red for				
Developed	level	Daily	Weekly	Monthly	YTD
EURUSD	1.138	-0.3	-0.9	-0.8	-1
GBPUSD	1.30	0.1	-1.2	1.4	2
USDJPY	109.76	0.2	-0.7	-0.9	0
DXY	96.25	0.2	1.0	0.6	0
Emerging	level	Daily	Weekly	Monthly	YTD
USDARS (Argentina)	37.53	-0.9	-0.1	-0.6	0
USDBRL (Brazil)	3.70	-0.9	-0.5	0.9	5
USDCLP (Chile)	654.57	-0.4	2.0	3.9	6
USDCOP (Colombia)	3106	0.0	1.8	2.3	5
USDMXN (Mexico)	19.11	-0.4	0.1	1.3	3
USDPEN (Peru)	3.33	0.0	0.8	0.8	1
LACI	56.32	-0.5	0.1	1.4	4
USDPLN (Poland)	3.78	-0.5	-1.1	-0.8	-1
USDRUB (Russia)	65.78	-0.3	-0.6	1.4	5
USDTRY (Turkey)	5.22	-0.3	0.2	3.2	1
USDCNY (China)	6.74	0.0	-0.4	1.6	2
USDINR (India)	71.56	0.0	-0.6	-2.6	-3
USDIDR (Indonesia)	13920	0.3	1.5	1.2	3
ADXY					
	106.25	-0.1	-0.4	0.5	1
	106.25 Commod	-0.1 lities (%)	-0.4	0.5	1
	106.25 Commod level		-0.4 Weekly	0.5 Monthly	1 YTD

62.8

54

284

1312

410

527

339

292

1.3

1.1

8.0

-0.3

-0.6

-0.8

0.0

0.2

1.8

0.1

2.4

-0.6

0.0

0.7

1.5

0.7

9

12

7

2

5

8

6

0

17

19

8

2

10

15

6

3

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

Brent

WTx

Gold

Copper

S&P Spot commodity *

S&P Brent Spot *