

# Market Comment | Positive mood in markets waiting for US payrolls

Unidad de Mercados Financieros Globales  
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- **Financial markets showed a positive mood**, as risk asset prices rose across the board, mainly driven by better-than-expected economic indicators. Nonetheless, developed countries' sovereigns yields are hovering around their lowest level since November 2016.
- The **EUR remained little changed against the USD**. The release of the **EZ inflation figure** for August, which at 1.5% was higher than expected ([see](#)) due to energy prices, had little effect on markets, and core inflation remained unchanged. In the US, favourable incoming macroeconomic data fuelled the partial recovery of US assets from their recent underperformance.
- The release of **China's official manufacturing PMI** ([see](#)), which rose by more than expected, contributed to sustain the positive mood across the board, while the CNY remained at its highest level in more than a year due to the USD's weakness.
- **Stock prices rose in both the euro zone and the US**, led by the financial and energy sectors respectively. At the same time, **sovereign bond yields remained almost unchanged**, hovering around their lowest since late 2016.
- **Oil and gasoline prices surged** as Hurricane Harvey forced the closure of the key Colonial Pipeline, and the east coast of US closed 23% of the country's refining capacity in the wake of the storm ([see](#)). At the same time, the US Department of Energy released half a million barrels of crude oil from the US Strategic Petroleum Reserve ([see](#)). **Other commodities such as zinc, copper and iron ore also rose,**

**influenced by positive economic data from China** ([see](#)).

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Table 1

Debt markets (10Y, % changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	1.32	-0.4	-0.8	-2	11
US	2.12	-0.7	-7.0	-13	32
GER (2-yr)	0.73	0.5	1.2	-3	5
Germany	0.36	0.0	-1.7	-13	1
France	0.66	-1.1	-2.8	9	15
Spain	1.56	-2.2	-4.0	2	-2
Italy	2.04	-3.8	-7.2	2	-7
Portugal	2.83	-3.1	-3.8	11	-135
Greece	5.53	-0.5	-1.6	10	-135
Japan (2-yr)	-0.16	1.4	2.4	-5	3
Japan	0.01	-1.8	-6.9	6	6
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	9.88	-19.9	19.3	-13	-153
Chile	4.36	0.3	2.5	8	4
Colombia	6.73	1.6	0.1	9	36
Mexico	6.84	0.8	1.2	-2	80
Peru	5.16	0.0	-8.2	-19	-131
Poland	3.30	-1.0	0.3	-6	-42
Russia	7.76	-11.1	-10.8	-15	-69
Turkey	10.35	2.0	-4.0	5	65
India	6.53	-1.0	-1.1	9	15
Indonesia	6.20	-3.4	-17.1	-23	-115
Country risk (bp, changes in bp)	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	30	-1.1	-1.1	4	-16
Italy	168	-3.8	-5.5	15	16
Portugal	247	-3.1	-2.1	12	-107
Spain	120	-2.2	-2.3	13	8
2-yr sovereign spread vs Germany					
France	21	-0.1	-2.9	-1	10
Italy	55	-2.4	-4.0	6	-7
Portugal	73	-1.8	-6.6	-9	-74
Spain	38	-0.4	-1.9	1	-11
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	195	-3.2	-1	-12	-77
Chile	59	-1.4	-3	6	24
Colombia	125	-3.0	-4	0	-39
Mexico	102	-4.1	-4	0	-55
Peru	75	-1.8	-2	5	-33
Venezuela	6.704	-218.7	104	942	2798
Poland	55	-0.7	-2	-3	-20
Russia	143	-4.0	-3	-10	-24
Turkey	165	-5.2	-7	-16	-107
China	58	-2.6	-7	-7	-59
India	82	-0.2	-1	2	-45
Indonesia	102	-3.2	-6	0	-54
Risk indicators	level	Daily	Weekly	Monthly	YTD
Volatility indicators (%)					
VIX	11	-5.2	-13	5	-1
VSTOXX	16	-5.1	0	16	-1
EM EFT volatility Index	17	-1.7	1	17	-17
Dollar/Euro volatility	8	-0.2	5	7	-21
EM FX volatility index	8	1.2	6	1	-32
Credit spread (BAA) (bps)	217	0.7	5	9	-11
US bonds volatility index	52	0.3	-2	3	-33
Banking 5y CDS (bps) *					
US	57	-1.2	-1	0	-15
EZ	59	-1.5	-2	7	-49
UK	50	-1.1	0	5	-41
Large Spanish	56	-5.3	-4	6	-61
Medium Spanish	93	-0.4	1	0	-59
Corporate 5y CDS (bps) *					
US Non-financial	141	-1.2	-1	4	-15
EZ Non-financial	76	-1.5	-2	7	-49
UK Non-financial	108	-0.5	-1	0	-17
Interbank markets (% changes in bp)	level	Daily	Weekly	Monthly	YTD
LOMA Index	-0.36	0.00	0.0	0.0	0.0
Euribor 3m	-0.33	0.00	0.0	0.0	0.0
Euribor 12m	-0.16	0.00	0.0	0.0	-0.1
Libor 3m	1.32	0.00	0.0	0.0	0.3
Libor 12m	1.71	0.00	0.0	0.0	0.0
Stock markets (%)	level	Daily	Weekly	Monthly	YTD
Index					
S&P500	2467	0.4	11	9	9
Dow Jones	21,932	0.2	0.7	0	10
Nikkei	19,646	0.7	1.5	-2	0
FTSE 100	7,438	1.0	0.4	0	3
EuroStoxx 50	3,427	0.7	-0.5	-1	3
IBEX	10,306	0.6	-0.5	-3	9
DAX	12,075	0.6	-0.9	-1	4
CAC	5,892	0.7	0.4	1	4
MIIB	21,687	0.9	-0.2	0	10
ASE Athens	825	0.2	1.2	1	26
MSCI Latam *	82,670	-0.5	0.2	4	13
Ibovespa (Brazil)	70,531	-0.5	-0.8	6	15
Mobol	51,151	0.1	0.6	0	10
MSCI EM Europe *	5,189	0.8	2.4	4	3
Piaced	2,516	-0.3	2.4	5	26
Micex (Russia)	2,020	0.6	2.4	4	-11
lse 100 (Turkey)	110,010	-0.4	0.8	4	44
MSCI EM Asia *	869	0.9	0.6	1	25
Shanghai Com (China)	3,361	-0.1	2.7	2	6
Jakarta (Indonesia)	5,864	-0.4	-0.8	0	11
Banking sector	level	Daily	Weekly	Monthly	YTD
US banks					
JPM	123.0	0.1	0.0	-2	3
Citi	91.3	0.0	-0.3	-2	5
Chf	67.9	0.1	0.4	-2	11
BaK	23.9	0.3	0.4	-2	4
MS	45.6	-0.2	-0.9	-3	4
GS	223.5	0.5	0.2	-2	-8
EZ banks	111.8	1.3	-0.8	-4	6
BNP	64.1	1.4	0.5	-4	2
Crédit Agricole	14.8	2.2	-1.6	0	21
Deutsche Bank	13.5	0.2	-2.4	-12	-17
ING	14.9	1.1	-0.5	-6	7
Intesa	2.8	1.1	0.3	-2	12
SG	47.1	1.3	0.0	-6	-2
Unicredit	17.1	0.8	-2.3	2	22
UK banks					
RBS	87.5	0.5	-0.6	3	0
HSBC	751.9	0.4	1.3	-2	12
NBS	251.8	1.3	-1.6	0	7
Barclays	191.3	0.3	-1.7	-7	-19
Lloyds	63.9	0.5	-1.3	-1	-1
Large Spanish banks	87.1	1.3	-0.2	-5	12
Santander	5.5	1.2	0.0	-6	8
BBVA	7.4	1.4	0.4	4	15
Medium Spanish banks	80.4	1.3	-0.7	-3	10
Cabobank	4.4	1.4	-0.8	-2	33
Sabadell	1.8	1.5	-0.9	-3	24
Bankinter	8.0	0.8	-0.4	-3	6
Bankia	4.1	1.6	-0.8	-6	0
Currencies (% red for currency depreciation)	level	Daily	Weekly	Monthly	Year
Developed					
EURUSD	1.19	0.1	0.8	0.8	13
GBPUSD	1.29	-0.3	0.6	-2.4	5
USDJPY	109.96	0.3	-0.4	-0.4	-8
DKK	92.90	0.0	0.4	0.2	10
Emerging					
USDARS (Argentina)	17.35	0.2	-0.9	1.3	8
USD BRL (Brazil)	3.15	0.4	0.1	0.6	2
USDCLP (Chile)	627.88	0.4	1.7	3.9	7
USD COP (Colombia)	2947	0.2	0.5	0.7	1
USD MXN (Mexico)	17.81	-0.5	-0.5	0.4	17
USD PEN (Peru)	3.24	0.8	0.6	0.1	4
LACI	66.31	0.0	0.0	0.6	8
USD PLN (Poland)	3.57	0.2	1.1	0.9	14
USD RUB (Russia)	58.10	0.7	1.8	3.7	4
USD TRY (Turkey)	3.45	-0.1	0.8	-2.1	3
USD CNY (China)	6.59	0.1	1.1	1.9	5
USD INR (India)	63.91	-0.1	0.2	0.3	6
USD IDR (Indonesia)	13,342	0.0	0.0	0.1	1
ADXY	107.9	0.0	0.5	0.8	4
Commodities (%)	level	Daily	Weekly	Monthly	Year
Brent					
Brent	52.1	2.4	0.1	-8	-8
WTI	47	2.5	-0.7	-4	-12
Copper	308	0.5	1.5	7	21
Gold	1318	0.7	2.5	4.4	13
S&P Spot commodity *	376	-0.4	-0.8	-2	-5
S&P Brent Spot *	432	-1.8	-1.8	-2	-10
S&P Metals Spot **	365	-0.4	0.1	0	20
S&P Agricultural **	275	-0.2	-1.3	5	9

Source: Bloomberg, Datastream and Haver  
\* With one day delay

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