

Market Comment | US markets steady while Europe remained closed

Global Financial Markets Unit 28 Mar 2016

- Positive data in the US. US personal income rose in February by more than expected (by +0.2% MoM; consensus: 0.1%), while personal spending increased in line with estimates (by 0.1% MoM). Meanwhile, pending home sales rose, beating expectations (by 3.5% MoM; consensus: 1.2%). On another front, Dallas Fed manufacturing activity improved in March by more than estimated (by 18.2 points to -13.6; consensus: -25.8)
- US markets steady while Europe remained closed. With European markets closed for the holiday, US equity markets barely moved today, despite the strong upward revision in US 4Q15 GDP (see) (S&P: +0.1%). At first glance, it seems that two opposite forces are weighing on US equities. On the one hand, positive cyclical data, which bode well for US earnings. On the other hand, the Fed's increasingly hawkish tone, which is weighing on equity valuation. Despite the latter, markets' perception of the probability of a rate hike remains broadly unchanged from last Thursday. Furthermore, US yields inched down from Thursday's levels (US 2Y: -1 bps, 10Y: -3 bps). In FX markets, the US dollar had a mixed performance: it appreciated against the Japanese yen (-0.16%) encouraging gains in Japanese equities (Nikkei: +0.8%) while depreciating against the euro (+0.43%). The US dollar also depreciated against most EM currencies (BRL: +0.8% COP: +0.7% PEN: +1.1%). Oil prices have fluctuated and are currently falling (WTX: -1.2% Brent: -1.7%) news and rumours ahead of the April 17 meeting of oil producing countries may increase volatility in this market. All in all, as European markets remained closed, coupled with a first quarter ending on Thursday and significant data releases (US payrolls) later in the week, markets have registered low trade activity today.

Update 17.30 CET 28 March, 2015 Table1



Gurrent level and changes at daily, a Debt markets (dhanges in bp) Treational thineses US 3pt 9.86 (4) (4) (13 (4) US 5 pt 1.95 (4) (4) (4) (13 (4) US 10-yr 1.87 (4) (4) (4) Japan 10-yr 4.06 (1) (1) (2) (35) GER 2-yr -0,48 (0) (0) (5) (-14) GER 5-yr -0,31 (0) (-1) (5) (-26) GER 10-yr 0,18 (0) (-8) (4) (-45) India 19-yr 7,5 (-1) (0) (-38) (-26) Indonesia 10-yr 7,84 (6) (12) (-45) (-91) has sign 2,514 (Scholler). Country Mark (Scholler) and (Scholler) Spain 60 (0) (2) (23) (3) 2 yr sovereign spareads (spaint) Germany) begium 6 (0) (0) (2) (2) Fratice 6 (0) (0, 1) (4) (1) slay 5 (0) (4) (2) (1) Social 51 (0) (1) (1) (1) Social 51 (0) (1) (1) (1) Social 51 (0) (1) (1) (1) (1) 5-yr CDS China 128 (8) (22) (-7) (28) 5-yr CDS India 166 (1) (10) (-9) (18) 5-yr CDS Indonesia 206 (1) (29) (-31) (-21) Syr CD: Molessea 200 (1) (20) (±1) 1 k × 1 (−10 d min). The control min is the control min in the control Large Spanish banks CDS 131 (8) (21) (43) (6) Medium Spanish banks CDS 197 (7) (9) (30) (39) Greek banks CDS 1709 (2) (-27) (43) (57) Russian banks CDS 395 (1) (15) (-26) (13) Interbank markets (changes in bp) UEM OIS spread 3m 10 (0) (0) (4) (0) UEM OIS spread 12m 30 (0) (0) (4) (4) UEM OIS spread 3m 30 (0) (0) (4) (4) UEM TED spread 3m 30 (0) (2,7) (7) (9) 3500,8 management composition of the composition of AND APPEAR OF THE APPEAR OF T Large Spanish banks 68,8 (0) (-5,1) (11,4) Sontander 4 (0) (-5,8) (13,2) (-12) BB VA. 6 (0) (-4,8) (10) (-11) B8VA 6 (8) (4,8) (10) (-11) Medium Spanish banks 73 (9) (-3,7) (13,1) (-11) Columbrik 2.7 (9) (-3,8) (8,7) (-17) Popular 2.4 (9) (-7) (16) (-22) Sobodel 1.7 (9) (-2,2) (18,3) (1) Bankitzer 6,3 (9) (2,4) (8,3) (4) Bankitz 6,3 (9) (3,9) (19) (-18) Greek banks 3,3 (0) (4,5) (55,4) (35) Alpha Banks, 3,3 (0) (4,5) (5,6) (-25) Pissus Banks, 2 (0) (15,0) (5,4) (-33) Mational Central Banks, 2 (0) (4,6) (37) (-34) Eurobank Erpailaso, 5 (0) (6,9) (63,3) (-25) Mexicol 45664 (3) (3,4) (5,1) (6,3) MSCI EM Europe 4476 (40,02) (-2,3) (5,6) (5,4) Poland 1936 (6) (-6,3) (5,3) (4,1) Moox (Russia) 1949 (-6,9) (-2,5) (5,5) Be 100 (Turkey) 81345 (6) (-2,5) (3,2) (13,4) MSCI EM Asia 654 (-0.22) (-0.7) (6.2) (-0.9) Shanghai Composite (China) 2958 (-0.73) (-2) (7.9) (-16,4) Jakarta Composite (indonesia) 4774 (-1,1) (-2,3) (2,5) (4) Bank stocks Tarkish banks 82 (-0.4) (-0.3) (6.8) (10.9) Albank T.A.S. 8 (-0.9) (-0.5) (7.3) (10.7) Gamel 8 (0.3) (1.5) (6.4) (12.1) Tarkiye is Sankasi 5 (-0.6) (-6.5) (-6.5) (-0.3) Russian banks 152 (-1,2) (-3,7) (3) (0,5) Sberbank 108 (-1) (-3,6) (3,8) (6,7) VTB Bank 0,1 (-1,6) (-3,8) (1,4) (-0,1) Currencies (in percentage, positive for dollar depreciation) Developed Markets EURUSD 1,122 (0,43) (4,23) (1,8) (3,2) OBPUSD 1,43 (0,83) (4,83) (2,1) (3,3) USDJPY 113,26 (4,16) (1,17) (4,2) (6,8) DXY 95,96 (0,4) (4,6) (1,5) (2,8) Emerging Markets USGARS (Aggestras) 14, 42 (0,6) (6,4) (8,3) (-11,5) USGARS (Aggestras) 16, 42 (0,6) (7,8) (7,9) USGORI (Aggestras) 366 (7,6) (7,6) (7,7) (9,9) USGCOP (Colono) 366,7 (6,7) (7,7) (9,7) (7,9) (3,9) USGCOP (Colono) 366,7 (6,7) (7,7) (7,7) (3,5) USGARS (Mostoo) 17, 49, (3,1) (4,4) (1,5) (1,5) USGARS (Mostoo) 17, 49, (4,4) (1,5) (1,5) (1,5) (1,5) USGARS (Mostoo) 17, 49, (4,4) (1,5) (1,5) (1,5) (1,5) USGARS (Mostoo) 17, 49, (4,4) (1,5) (1,5) (1,5) (1,5) (1,5) (1,5) USGARS (Mostoo) 17, 49, (4,4) (1,5) USDPLN (Poland) 3,79 (9,6) (9,1) (4,2) (3,5) USDRUB (Russia) 66,59 (4,6) (-1,1) (8,9) (5,4) USDRY (Turkey) 2,87 (9,2) (-4,3) (2) (1,6) USDCNY (China) 6,51 (8,1) (-0,4) (8,4) (-0,2) USDNR (India) 56,57 (6,1) (-0,1) (3,1) (-0,6) USDDR (Indonesia) 13343 (-0,7) (-1,5) (0,5) (3,2) ADXY 107,62 (0,3) (-0,2) (-2,1) (1)



*CDS, EMBI & MSCI indices with one day delay
**Credit spread (BAA) with two days delay
***S&P GSCI with one day delay

We will be back on Monday

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