

# Market Comment | Calm markets on Thanksgiving holiday

Global Financial Markets Unit

24 Nov 2016

- Today's **financial markets showed little variation**, either in bonds or equities. Moreover, **US markets were closed for Thanksgiving Day**. Sovereign yields went little changed across the board, after yesterday's increase. European equity markets inched up after yesterday's Wall Street highs.
- Nonetheless there was some notable news. November's **FOMC minutes** reinforced the notion that a majority of the committee feels confident enough with the progress in the labour market and improvements in actual and expected inflation to resume policy normalisation at its December meeting ([see](#)). Apart from this, economic data point to some acceleration in **Germany's economic growth** in the last quarter of the year. Germany's economic growth was confirmed at +0.2% QoQ in Q3, slowing relative to Q2 (0.4% QoQ) as net exports were negative (-0.3pt), while domestic demand was positive (+0.5pt), especially both private and public consumption. In line with today's IFO German business climate indicator (a stable and high reading of 110.4) and yesterday's strong flash composite PMI, we expect some acceleration for the final quarter of the year.
- In FX markets, **the USD and the EUR also remained stable**. The TRY depreciated today although the Central bank increased its interest rates, as the European Parliament voted to suspend Turkey's membership talks. Oil prices inched up on the back of the Iraqi prime minister's statement that the country is poised to cut its production, ahead of OPEC's official meeting next week. Against this backdrop, EM currencies depreciated once again.

Update 17:30 CET 24 November, 2016

Table 1

Debt markets (10Y % changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
US (2-yr)	1.12	0.0	7.7	27	8	
US	2.35	0.0	4.7	59	6	
GER (2-yr)	0.74	-3.3	-10.1	-9	-39	
Germany	0.26	-0.3	2.0	23	-37	
France	0.79	0.9	4.6	48	-20	
Spain	1.59	-0.8	-0.5	51	-18	
Italy	2.13	1.3	3.6	75	53	
Portugal	3.67	-1.2	-7.6	48	115	
Greece	6.93	1.1	-38.6	-149	-135	
Japan (2-yr)	0.16	-0.7	-0.6	9	-15	
Japan	0.03	2.1	9.7	-23	-23	
Emerging Markets	level	Daily	Weekly	Monthly	YTD	
Brazil	11.80	2.0	-16.8	76	-463	
Chile	4.63	1.5	1.8	43	-5	
Colombia	2.54	-16.9	2.4	25	-112	
Mexico	7.43	0.8	37.8	133	117	
Peru	6.44	1.6	-1.8	72	-103	
Poland	3.60	-5.5	-5.7	61	66	
Russia	8.63	-0.5	2.9	41	-72	
Turkey	10.94	-13.0	19.0	125	47	
India	6.19	-9.3	-23.3	-59	-157	
Indonesia	8.23	18.6	47.4	117	-51	
Country Risk (bp, changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
10-yr sovereign spread vs Germany						
France	53	1.2	6.6	26	17	
Italy	187	1.6	5.6	52	90	
Portugal	341	-0.9	5.6	25	192	
Spain	133	-0.5	1.5	28	19	
2-yr sovereign spread vs Germany						
France	14	0.9	8.8	11	11	
Italy	81	4.9	11.9	25	50	
Portugal	112	-1.5	1.7	20	67	
Spain	62	4.5	10.0	19	27	
Emerging Markets	level	Daily	Weekly	Monthly	YTD	
5-yr sovereign CDS*						
Brazil	300	7	0	45	-191	
Chile	94	1	-1	9	-33	
Colombia	198	4	3	36	-41	
Mexico	188	4	13	49	18	
Peru	124	3	9	29	-61	
Venezuela	4,263	235	282	956	-1781	
Poland	83	1	-8	9	11	
Russia	225	4	-4	4	-76	
Turkey	293	8	5	51	20	
China	118	0	-1	13	10	
India	144	0	1	7	-4	
Indonesia	174	1	-8	25	-53	
Risk indicators						
Volatility indicators (%)	level	Daily	Weekly	Monthly	YTD	
VIX	12	0.0	-7	-8	-6	
VST OXX	20	-0.8	0	10	-2	
EM EFT volatility index	22	0.0	-3	9	-6	
Dollars vs volatility	11	-2.8	4	49	1	
EM FX volatility index	11	2.5	3	18	-2	
Credit spread (BAA) (bps)	249	0.0	-4	-10	-74	
US bonds volatility index	79	-2.8	1	37	16	
Banking 5y CDS (bps)*	level	Daily	Weekly	Monthly	YTD	
US	73	1.0	5	-1	-2	
EZ	133	1.5	6	24	49	
UK	102	-1.6	4	2	25	
Large Spanish	143	1.2	4	27	6	
Medium Spanish	168	0.7	2	15	10	
Corporate 5y CDS (bps)*	level	Daily	Weekly	Monthly	YTD	
US Non-financial	188	1.0	5	-1	-2	
EZ Non-financial	109	1.5	6	24	49	
UK Non-financial	130	-0.5	7	-6	62	
Interbank markets (changes in bp)						
level	Daily	Weekly	Monthly	YTD		
EONIA Index	-0.35	0.00	0.0	0.0	-0.2	
Euribor 3m	-0.31	0.00	0.0	0.0	-0.2	
Euribor 12m	-0.08	0.00	0.0	0.0	-0.1	
Libor 3m	0.93	0.00	0.0	0.0	0.3	
Libor 12m	1.63	0.00	0.0	0.1	0.5	
EZTED spread 3m	48.0	0.30	1.0	6.4	7.2	
Stock markets (%)						
level	Daily	Weekly	Monthly	YTD		
Americas						
S&P500	2,220.5	0.0	0.8	3	5	
Dow Jones	19,083	0.0	0.9	5	10	
Nikkei	18,333	0.9	2.6	6	-4	
FTSE 100	6,836	0.1	0.5	-3	-9	
EuroStoxx 50	3,039	0.2	-0.1	-2	-7	
IBEX	8,653	0.3	-0.8	-5	-9	
DAX	10,690	0.3	0.0	-1	0	
CAC	4,539	0.2	0.3	0	-2	
MIB	16,491	-0.3	-0.4	-4	-23	
ASE Athens	624	-1.4	3.8	6	-1	
MSCI Latam*	73,677	0.2	1.3	4	23	
Ibovespa (Brazil)	61,771	-0.3	3.3	-3	42	
MoBd	45,297	0.3	0.8	-6	5	
MSCI EM Europe*	4,653	0.5	3.1	3	10	
Poland	1,807	0.6	3.7	1	-3	
Micex (Russia)	2,103	0.8	2.9	6	19	
Ne 100 (Turkey)	74,193	-1.1	-1.3	-7	3	
MSCI EM Asia*	694	-0.3	1.4	5	5	
Shanghai Com (China)	3,242	0.0	1.0	4	-8	
Jakarta (Indonesia)	5,108	-1.9	-1.5	-6	11	
European Sector	level	Daily	Weekly	Monthly	YTD	
US banks						
JPM	78.9	0.0	1.1	15	19	
Citi	56.7	0.0	2.2	14	10	
BaK	20.6	0.0	2.4	23	22	
MS	41.0	0.0	2.7	23	29	
GS	212.3	0.0	1.3	21	18	
EZ banks						
BNP	89.4	-0.6	-0.5	5	17	
Crédit Agricole	55.2	-0.8	1.1	4	6	
Crédit Agricole	10.9	-0.5	0.6	10	0	
Deutsche Bank	14.8	-0.4	-1.2	13	-34	
ING	12.8	-0.3	-0.9	7	3	
Intesa	2.0	-0.7	-2.7	-6	-34	
SG	40.0	-0.5	-0.6	12	-6	
Unicredit	2.0	-0.8	-0.6	-13	-61	
UK banks						
HSBC	80.9	-0.1	0.1	8	-8	
RIS	639.8	-0.4	1.2	2	19	
Barclays	202.8	-1.1	2.5	5	-33	
Barclays	215.1	0.8	1.1	17	-2	
Lloyds	59.6	0.0	0.6	8	-18	
Large Spanish banks						
Santander	67.8	-0.6	-2.4	6	-10	
Santander	4.3	-0.9	-1.2	-3	-6	
BBVA	5.8	-0.4	-3.4	-8	-14	
Medium Spanish banks						
Cáscasbank	64.0	-0.3	-2.9	0	-22	
Cáscasbank	2.8	-0.2	-2.9	3	-13	
Populr	0.8	-3.4	-1.4	-24	-69	
Sabadell	1.2	0.1	-6.5	-3	-26	
Bankinter	7.0	-0.3	-1.4	1	-7	
BanKia	0.9	0.4	2.3	7	-20	
Currencies (% ind for currency depreciation)						
level	Daily	Weekly	Monthly	YTD		
Eurozone						
EURUSD	1.06	0.2	0.5	25	-3	
GBPUSD	1.25	0.1	0.3	2.1	-16	
USD JPY	113.26	-0.7	-2.9	8.7	-6	
DXF	101.58	-0.1	0.7	-2.9	-3	
Emerging						
USDARS (Argentina)	15.54	0.0	-0.4	-2.0	-20	
USDBRL (Brazil)	3.40	-0.2	0.7	9.1	14	
USDCLP (Chile)	679.24	0.1	0.6	4.0	4	
USDCOP (Colombia)	3170	0.1	-0.4	8.0	0	
USDMXN (Mexico)	20.71	-0.3	-1.4	-11.8	-20	
USDPEN (Peru)	3.42	0.2	-0.4	-2.0	0	
LACI	61.09	-0.2	-0.5	-7.7	-2	
USDPLN (Poland)	4.18	0.4	-0.2	-5.5	-7	
USD RUB (Russia)	64.43	-0.3	0.7	-3.7	11	
USDTRY (Turkey)	3.44	-1.4	2.2	12.1	18	
USD CNY (China)	6.92	0.0	-0.6	-2.1	-7	
USD INR (India)	68.75	-0.3	-1.4	-2.9	-4	
USD IDR (Indonesia)	13,558	-0.5	-1.4	-4.3	-2	
ADXY	103.5	0.1	0.4	-2.5	-3	
Commodities (%)						
level	Daily	Weekly	Monthly	YTD		
Brent						
WTI	48.0	0.0	5.6	4	30	
Copper	266	1.9	6.8	25	25	
Gold	1,195	-0.2	-2.6	-7	12	
S&P Spot commodity*	371	0.1	3.7	-1	19	
S&P Brent Spot*	426	-0.2	5.0	-3	33	
S&P Metals Spot*	317	1.8	4.6	14	25	
S&P Agricultural*	301	-0.4	1.0	0	6	



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Japan (2-yr)	-0.16	-0.7	-0.5	9	-15
Japan	0.03	-2.1	0.7	-23	-23
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	11.88	2.0	-16.8	76	-453
Chile	4.63	3.5	1.8	43	5
Colombia	7.54	-16.9	2.4	25	-112
Mexico	2.43	0.9	37.8	133	117
Peru	6.44	1.6	-1.8	72	-103
Poland	3.60	-5.5	-5.7	61	66
Russia	8.83	-0.5	2.9	41	-72
Turkey	10.94	-13.0	19.0	125	47
India	6.19	-9.3	-23.3	-59	-157
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Country risk (bp changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	53	1.2	6.6	26	17
Italy	187	1.6	5.6	52	90
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2-yr sovereign spread vs Germany					
France	14	0.9	8.8	11	11
Italy	81	-4.9	11.9	25	50
Portugal	112	-1.5	1.7	20	67
Spain	62	-4.5	10.0	19	27
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	300	7	0	45	-191
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Venezuela	4,243	235	282	956	-1781
Poland	83	1	-8	9	11
Russia	225	4	4	4	-76
Turkey	293	8	5	51	28
China	118	0	-1	13	10
India	144	0	1	7	-4
Indonesia	174	1	-8	25	-53
Risk indicators					
Volatility indicators (%)	level	Daily	Weekly	Monthly	YTD
VIX	12	0.0	-7	-8	-6
VSTOXX	20	-0.8	0	10	-2
EM EFT volatility index	22	0.0	-3	9	6
Dollar/euro volatility	11	-3.8	4	49	11
EM FX volatility index	11	2.5	3	18	-2
Credit spread (BAA) (bps)	249	0.0	-4	-10	-74
US bonds volatility index	79	-2.8	1	32	16
Banking S&P CDS (bps) *	level	Daily	Weekly	Monthly	YTD
US	73	1.0	5	-1	-2
EU	133	1.5	6	24	48
UK	102	1.6	4	2	25
Large Spanish	143	1.2	4	27	6
Medium Spanish	168	0.7	2	15	10
Commodity S&P CDS (bps) *	level	Daily	Weekly	Monthly	YTD
US Non-financial	188	1.0	5	-1	-2
EU Non-financial	109	1.5	6	24	49
UK Non-financial	130	-0.5	-7	6	-62
Interbank markets (% changes in bp)					
level	Daily	Weekly	Monthly	YTD	
EONIA Index	-0.35	0.00	0.0	0.0	-0.2
Euribor 3m	-0.31	0.00	0.0	0.0	-0.2
Euribor 12m	-0.08	0.00	0.0	0.0	-0.1
Libor 3m	0.93	0.00	0.0	0.0	0.3
Libor 12m	1.63	0.00	0.0	0.1	0.5
EZ TED spread 3m	48.0	0.30	1.0	-6.4	7.2
Stock markets (%)					
Main indices	level	Daily	Weekly	Monthly	YTD
S&P500	2,205	0.0	0.8	3	8
Dow Jones	19,083	0.0	0.8	5	10
Nikkei	18,333	0.9	2.6	6	-4
FTSE 100	6,826	0.1	0.5	-3	9
Eurostoxx 50	3,039	0.2	0.1	-2	-7
IBEX	8,653	0.3	0.8	-5	-9
DAX	10,690	0.3	0.0	-1	0
CAC	4,539	0.2	0.3	0	-2
MBI	16,491	-0.3	0.4	-4	-23
ASE Athens	624	-1.4	3.8	6	-1
MSCI Latam *	73,057	0.2	1.3	-4	23
Bovespa (Brazil)	61,771	-0.3	3.3	-3	-42
Moodi	45,297	0.3	0.8	-6	5
MSCI EM Europe *	4,653	0.5	3.1	3	10
Poland	1,807	0.6	3.7	1	-3
Mircz (Russia)	2,103	0.8	7.9	6	19
Ise 100 (Turkey)	74,193	-1.1	-1.3	-7	3
MSCI EM Asia *	694	0.3	1.4	-5	5
Shanghai Com (China)	3,242	0.0	1.0	4	-8
Jakarta (Indonesia)	5,108	-1.9	-1.5	-6	11
Banking sector	level	Daily	Weekly	Monthly	YTD
US banks	108.7	0.0	2.1	20	16
JPM	78.9	0.0	1.1	15	19
Citi	56.7	0.0	2.2	14	10
BoA	20.6	0.0	2.4	23	22
MS	41.0	0.0	2.7	23	29
GS	212.3	0.0	1.3	21	18
EZ banks	89.4	-0.6	-0.5	5	-17
BNP	55.2	-0.8	1.1	4	6
Credit Agricole	10.9	-0.5	0.6	10	0
Deutsche Bank	14.8	-0.4	1.2	13	-34
ING	12.8	-0.3	-0.9	7	3
Intesa	2.0	-0.7	2.7	-6	-34
SG	40.0	-0.5	0.6	12	6
Unicredit	2.0	-0.8	-0.6	-13	-61
UK banks	80.9	-0.1	0.1	8	-8
HSBC	638.8	-0.4	1.2	2	19
RBS	202.8	-1.1	-2.5	-5	-33
Barclays	215.1	0.8	1.1	17	-2
Lloyds	59.6	0.0	-0.6	8	-18
Large Spanish banks	67.8	-0.6	2.4	6	10
Santander	4.3	-0.9	-1.2	-3	-6
BBVA	5.8	-0.4	-3.4	-8	-14
Medium Spanish banks	64.0	-0.3	-2.9	0	-22
Cajabank	2.8	-0.2	-2.9	-3	-13
Popular	0.8	-3.4	-1.4	-24	-69
Sabadell	1.2	0.1	-6.3	-3	-26
Banquepar	7.0	-0.3	-1.4	1	7
Bankia	0.9	0.4	-2.3	7	-20
Currencies (% red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	YTD
EURUSD	1.06	0.2	0.5	2.9	-3
GBPUSD	1.25	0.1	0.3	2.1	-16
USDJPY	113.26	-0.7	-2.9	8.7	-6
DKX	101.58	-0.1	0.7	-2.9	-3
Emerging	level	Daily	Weekly	Monthly	YTD
USDARS (Argentina)	15.54	0.0	-0.4	-2.0	-20
USDBRL (Brazil)	3.40	-0.2	0.7	-9.1	14
USDCUP (Cuba)	679.24	0.1	-0.6	-4.0	4
USDCOP (Colombia)	317.0	0.1	0.4	-0.0	0
USDMXN (Mexico)	20.71	-0.3	-1.4	-11.8	-20
USDPEN (Peru)	3.42	0.2	-0.4	-2.0	0
LACI	61.09	-0.2	0.5	-7.7	-2
USDPLN (Poland)	4.18	0.4	-0.2	-5.5	-7
USD RUB (Russia)	64.43	-0.3	0.7	-3.7	11
USDTRY (Turkey)	3.44	-1.4	-2.2	-12.1	-18
USDCNY (China)	6.82	0.0	0.6	2.1	7
USDINR (India)	68.75	-0.3	-1.4	-2.9	-4
USDIDR (Indonesia)	13,558	-0.5	-1.4	-4.3	2
ADXY	103.5	0.1	0.4	-2.5	-3
Commodities (%)					
level	Daily	Weekly	Monthly	YTD	
Brent	49.0	0.0	5.3	-4	31
WTX	48.0	0.0	3.6	-4	30
Copper	266	1.9	6.8	25	25
Gold	1,185	-0.2	-2.6	-7	12
S&P Spot commodity *	371	0.1	3.7	-1	19
S&P Brent Spot *	426	-0.2	3.0	-3	33
S&P Metals Spot *	317	1.8	4.6	14	25
S&P Agricultural *	301	-0.4	1.0	0	6

Source: Bloomberg, Datastream and Haver

\* With one day delay

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