

Market Comment | Global markets waiting for today's Fed decision

Global Financial Markets Unit 17 Sep 2015

- Weak data in the US. US jobless claims dropped against estimates of remaining unchanged in the week ended 12 September (by 11K to 264K; consensus: 275K), whereas continuing claims for the week ended 5 September declined more than estimated (by 26K to 2,237K; consensus: 2,258K). Meanwhile, the current account balance deficit dropped in 2Q15 (by USD8.6bn to -USD109.7bn; consensus: -USD111.5bn). On another front, housing starts decreased in August more than expected (by 35K to 1,126K; consensus: 1,160K) while building permits rose more than forecast (by 40K to 1,170K; consensus: 1,159K). While the Philadelphia Fed manufacturing index fell to -6 in September, from 8.3 in the prior month, against expectations (consensus: 5.9).
- Equity markets stay flat across the board, awaiting the Fed's decision later today (S&P 500: 0%, Euro Stoxx: +0.3%, CAC: +0.3%, DAX: +0.2%). The only significant exception was the Ibex-35, which rebounded today (+1.5%), helped by medium-sized banks, which surged on the back of upward price revisions by some investment banks. Chinese markets closed with last-minute falls after yesterday's rebound (Shanghai: -2.18%, Shenzhen: -2.10%). On bond markets, US Treasury yields have flattened today (2Y: -2bp, 10Y: -1bp), awaiting some developments from the FOMC meeting. Most European yields also remained unchanged (FRA 10Y:-1bp, ITA 10Y: -1bp, SPA 10Y: -2bp, POR 10Y:-4bp), while the Greek yield dropped today (-19bp). Despite market doubts concerning today's Fed decision, the Spanish Tesoro managed quite a normal bond auction today, with good demand at slightly higher yields. On FX markets, the USD depreciated fractionally against other major currencies (EUR: +0.24%, GBP: +0.19%). Meanwhile EM currencies, especially more the vulnerable one, depreciated against the USD (BRL: -1.4%, ZAR: -0.7%, TRY: -0.4%, RUB: -0.6% COP: -0.3%) which, among other factors, was largely due to ongoing uncertainty about today's US interest rate decision.

Update 17.00 CET 17 September, 2015
Table1

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Debt markets (changes in bp) Developed Markets (82 cyr 6.79 (2.19 ii) 8) (15) (85 cyr 16.1 (5) (2.16 ii) (15 cyr 16.1 (6) (2) (1) (15 cyr 16.1 (6) (2) (1) (16 cyr 16.1 (6) (2) (1) GER 2-yr -8,2 (2) (2) (5) (-10) GER 5-yr -9,1 (2) (6) (7) (9) GER 10-yr -9,78 (8) (8) (14) (24) Designian (10 yr 1,09 (8) (8) (16) (26) France (10 yr 1,16 (-1) (8) (16) (26) Greco (16 yr 1,16 (-1) (8) (16) (24) Greco (16 yr 2,87 (-16) (-20) (-87) (-17) Irriand (10 yr 1,38 (9) (7) (11) Hayl (10 yr 1,16 (16) (2) Metheriands (10 yr 0,96 (9) (7) (11) (26) Portugal (14 yr 2,86 (4) (10) (19) (1) Spain (10 yr 2,11 (-2) (1) (11) (56) Spain (byr 2,11 (2) (11) (51) (59) Energing Markets Energing Markets Energing Markets Chile 10-yr 4,7 (3) (13) (15) (71) Colembia 10-yr 4,7 (3) (15) (12) Messoo 15-yr 6,14 (2) (1) (17) Peru 16-yr 7,56 (2) (4) (56) (211) Poland 10, yr 3, 01 (-3) (4) (25) (50) Bussia Gyr 11, 47 (3) (-27) (16) (-273) Bussia 10, yr 11, 21 (3) (-26) (15) (-16) Turkey 150 yr 11, 21 (3) (-26) (15) (-16) India 10, yr 7, 76 (5) (-2) (6) (-13) Indonesia 10, yr 3, 33 (-20) (10) (65) (151) Industrial 19-yt 23 (20) (10) 891 (51) Country risk (changes in bp) Country risk (changes in bp) The recognition are as a consequence of the country of t 5-yr CDS Poland72 (-1) (-2) (2) (2) 5-yr CDS Rossia 335 (-14) (-31) (-44) (-141) 5-yr CDS Torkey 252 (-15) (-18) (0) (00) 5-yr CDS China 112 (-2) (-3) (10) (26) 5-yr CDS India 176 (-2) (-7) (-5) (5) 5-yr CDS Indonesia 223 (-6) (-13) (18) (67) Credit ris k 16 is in County Colonger in proceedings except for 8.4.4 spreads, by) 17 Invalidation (Colonger in proceedings except for 8.4.4 spreads, by) 17 Invalidation (Colonger in Proceedings of the Colonger in Colonger Large Spanish banks CDS 119 (-5) (5) (11) (41) Medium Spanish banks CDS 159 (-5) (2) (2) (45) Greek banks CDS 2459 (2) (6) (30) (1566) Russian banks CDS 471 (4) (-26) (-8) (-116) Corporate risk (changes in bps) US Non-financial CDS 0 (0) (0) (225) (-157) EMU Non-financial CDS 0 (0) (0) (-114) (-197) UK Non-financial CDS 0 (0) (0) (-120) (-112) Interbank markets (changes in bp LEM OIS spread Im 10 (0) (0) (0) (0) LEM OIS spread Izm 30 (0) (-1) (0) (-9) LEM TED spread Im 34 (0) (3.5) (6) (10) US OIS spread 3m 11 (0) (-1) (-1) (-3) US OIS spread 12m 43 (0) (-2) (2) (10) US TE 0 spread 3m 30 (2) (-2) (4) (8) EONA Index -0,14 (0) (0,4) (-1) (-20) Euritor 3m -0,04 (0) (-0,1) (-1) (-12) Euritor 12m -0,16 (0) (0) (0) (-17) Liber 3m 0,34 (0) (0) (1) (8) Liber 12m 0,87 (0) (1) (2) (24) 300.K. Missilides (Missilides Appendix pressure) Sabries (1905.5 (0) (2.2) (4.8) (-1) Sabries (1905.5 (1.4) (4.7) (-1) Sabries (1905.5 (1.4) (4.7) (-1) EuroSizo (1905.5 (1.4) (4.7) (-1) EuroSizo (1905.5 (1.4) (4.7) (-1) EuroSizo (1905.5 (1.4) (4.7) (-1) CALCAGO (1905.5 (1.4) (4.7) (-1) MS 22007.7 (-1) (1.9) (4.6) (1.9) ASS. Alberts (1902.3 (1.9) (2.5) (2.8) (-10) Early stocks US banks 9(3, (4,2) (1,9) (7,6) (5) JPM 43,9 (4,5) (1,9) (4,4) (2) CB 52,2 (4,5) (2,4) (4,1) (2) BoA 8(3,16) (1,9) (7,7) (4) MS 34(4,1) (2,1) (4,5) (11) GS 185,6 (9) (1,5) (4,2) (3) Large Spanish banks 88,9 (1.4) (2.5) (-10,6) (-11) Santander 5,2 (1,5) (2,5) (-11,4) (-25) BB VA. 8,1 (1) (2,5) (-10,1) (3) Somaser 5.27, 59 (23) (-11, 6/2) 6904. 6.1 (1) (2.57, 6/1) (6) Medium Sperish bown 5.12, 677, 659 (-5.2) (-6) Consider 3.0 (6/6) (-11, 6/6) (-14) Socodel 1.67, 6/2) (-14) Socodel 1.67, 6/2) (-14) Socodel 1.67, 6/2) (-14, 6/2) Social 1.67, 6/2) (-14, 6/2) (-14, 6/2) Social 1.67, 6/2) (-14, 6/2) (-14, 6/2) (-14, 6/2) (-14, 6/2) (-14, 6/2) (-14, 6/2) (-14, 6/2) (-1 Emerging Markets Main equity indices MSCI Laten 63975 (1,36) (2,8) (0,5) (4,2) Borespa (Brazil) 43333 (4,4) (1,9) (-5,3) Mexicol 43437 (6,4) (1,3) (-1) (0,7) section 43437 (6,4) (1,3) (-1) (0,7) MSCIEM Europe 4494 (9,91) (1,6) (-0,4) (1,4) Potand 2199 (0,5) (0,6) (1,4) (-5) Mooce (Reside) 1729 (-1,1) (6,8) (2,3) (23,5) Ise 100 (Turkey) 74961 (1,1) (4,4) (-1,3) (-12,5) MSCI EM Asia 681 (1,6) (6,5) (-3,3) (-8,2) Shanghai Composite (China) 3086 (-2,1) (-3,5) (-17,7) (-4,6) Jakarta Composite (Indonesia) 4376 (1,1) (0,5) (-2,9) (-16) Jaman Carponio (Editoria CE) (1.10 (E.) (2.5) (4.6) This is access The control of the control o

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*CDS, EMBI & MSCI indices with one day delay

**Credit spread (BAA) with two days delay

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