

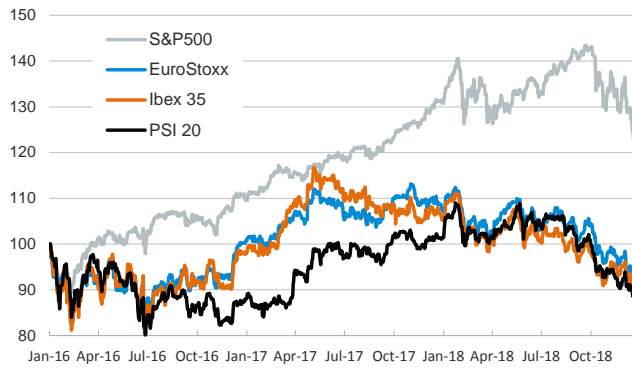
- ▶ Investors traded in a mixed mood in reaction to easing political tensions around Italy and tighter U.S. monetary policy. European stocks rose led by solid gains in peripheral countries and moderate advances in core economies. However, U.S. stocks reversed early-trading gains and dropped by close to 2% after the U.S. Fed's announced the fourth rate hike of the year.
- ▶ As expected, the U.S. Federal Reserve hiked rates by 25bp to the 2.25%-2.50% range. The Fed reiterated the expectation of further gradual rate hikes, although officials' projections were revised down from three to two rate increases in 2019.
- ▶ In the Eurozone, the European Commission and Italy reached a deal over the 2019 budget, bringing the projected deficit down from 2.4% to 2.04% and easing concerns over the implementation of an Excessive Deficit Procedure.
- ▶ In fixed-income markets, 10-year U.S. sovereign yields declined below 2.8%. In the euro area, Italy's spread dropped markedly while core and other peripheral rates remained roughly stable.
- ▶ In FX markets, the euro fluctuated close to \$1.14 while most EM currencies depreciated moderately against the U.S. dollar.
- ▶ In oil markets, the price of the barrel of Brent stabilized around \$57 after Tuesday's sharp drop. According to the U.S. Department of Energy's weekly release, U.S. crude oil inventories declined by 0.5 million barrels in the week ending on December 14.

Interest Rates (%)	12/19	12/18	Daily Change (basis points)	Weekly Change (basis points)	YTD (basis points)	YoY Change (basis points)
Eurozone						
ECB - Official Interest Rate (Refi)	0.00	0.00	0	0	0	0
Eonia	-0.37	-0.37	0	-1	-2	-1
Swap Eonia (10Y)	0.66	0.68	-2	-6	-4	-3
3 months (Euribor)	-0.31	-0.31	0	0	2	2
12 months (Euribor)	-0.12	-0.13	0	1	6	6
Germany - 2-Year Bond	-0.60	-0.61	0	-4	2	7
Germany - 10-Year Bond	0.24	0.24	-1	-4	-19	-17
France - 10-Year Bond	0.70	0.71	-1	-3	-8	-3
Spain - 10-Year Bond	1.38	1.38	0	-5	-19	-10
Portugal - 10-Year Bond	1.65	1.64	1	-7	-29	-14
Italy - 10-Year Bond	2.77	2.94	-17	-23	76	84
Risk premium - Spain (10Y)	114	113	1	-1	0	7
Risk premium - Portugal (10Y)	141	139	2	-3	-11	2
Risk premium - Italy (10Y)	253	269	-16	-19	95	101
US						
Fed - Upper Bound	2.50	2.25	25	25	100	100
3 months (Libor)	2.79	2.79	0	1	110	113
12 months (Libor)	3.06	3.06	0	-4	95	98
2-Year Bond	2.65	2.64	1	-12	77	79
10-Year Bond	2.75	2.82	-7	-16	34	25
Stock Markets						
	12/19	12/18	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
CaixaBank	3.36	3.32	1.1	-0.8	-13.7	-16.1
Ibex 35	8769	8701	0.8	-1.0	-12.7	-14.1
PSI 20	4744	4703	0.9	-2.0	-12.0	-12.3
MIB	18942	18645	1.6	0.0	-13.3	-14.3
DAX	10766	10741	0.2	-1.5	-16.7	-17.6
CAC 40	4777	4754	0.5	-2.7	-10.1	-10.7
Eurostoxx50	3051	3040	0.4	-1.8	-12.9	-14.1
FTSE 100	6766	6702	1.0	-1.7	-12.0	-10.1
S&P 500	2507	2546	-1.5	-5.4	-6.2	-6.4
Nasdaq	6637	6784	-2.2	-6.5	-3.9	-4.7
Nikkei 225	20988	21115	-0.6	-2.8	-7.8	-8.3
MSCI Emerging Index	968	963	0.5	-1.1	-16.5	-14.6
MSCI Emerging Asia	487	485	0.4	-1.2	-17.0	-15.3
MSCI Emerging Latin America	2527	2523	0.2	-1.6	-10.7	-8.8
Shanghai	2550	2577	-1.1	-2.0	-22.9	-22.4
VIX Index	25.58	25.58	0.0	19.2	131.7	163.2
Currencies						
	12/19	12/18	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
EUR/USD	1.138	1.136	0.1	0.1	-5.2	-4.2
EUR/GBP	0.90	0.90	0.4	0.2	1.6	1.6
EUR/CHF	1.13	1.13	0.3	0.2	-3.3	-3.4
USD/JPY	112.48	112.52	0.0	-0.7	-0.2	-0.8
USD/CNY	6.89	6.90	-0.1	0.2	5.9	4.8
USD/MXN	20.12	20.08	0.2	0.2	2.3	4.7
Commodities						
	12/19	12/18	Daily Change (%)	Weekly Change (%)	YTD (%)	YoY Change (%)
Global Commodities Index	80.0	79.7	0.3	-2.7	-9.3	-6.0
Brent (US\$/barrel)	57.2	56.3	1.7	-4.8	-14.4	-11.3
Gold (US\$/ounce)	1243.1	1249.4	-0.5	-0.2	-4.6	-1.8
Metal Index	189.7	187.6	1.1	-0.8	-17.6	-13.7
Agricultural Index	251.5	253.2	-0.6	-1.4	-1.3	-0.5

Note (*): one more day for Asian stock markets

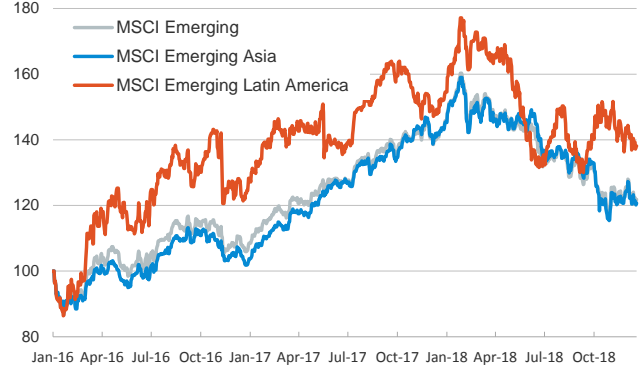
Main advanced stock markets

Index (100=January 2016)



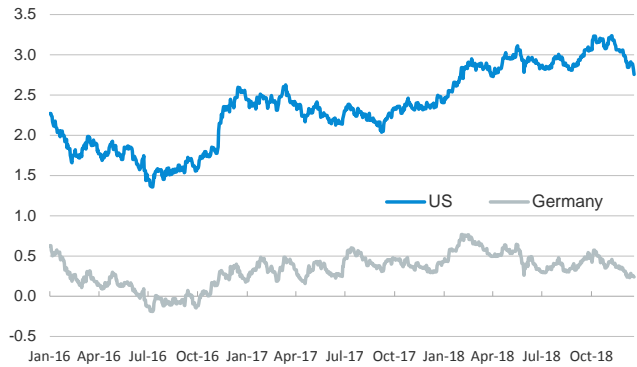
Emerging economies stock markets

Index (100=January 2016)



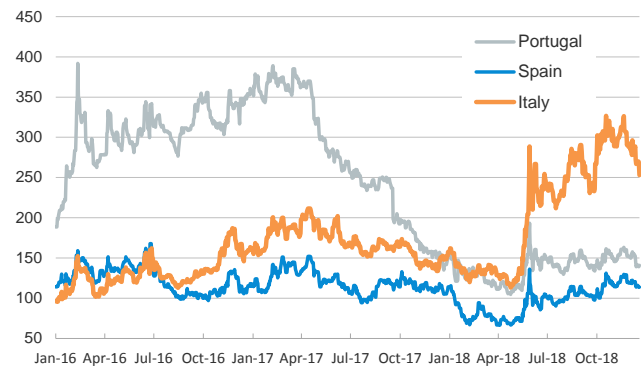
Yield on 10-year public debt: U.S. and Germany

(%)



Risk Premium on 10-year debt: Italy, Spain, and Portugal

(basis points)



Exchange rate: EUR/USD

(Dollars per euro)



Exchange rate: Emerging economies Index

Index (100=January 2016)



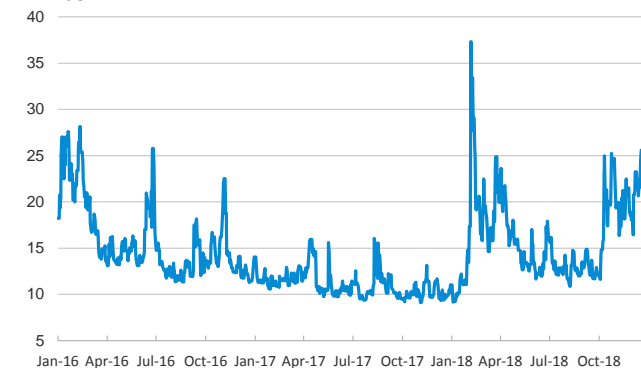
Brent oil price

(US\$/barrel)



Implied volatility on US stock markets

VIX Index



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