



- **US nonfarm payrolls stronger than expected** ([link](#))
- **US household delinquencies rise to the highest level since 2017** ([link](#))
- **European equities struggle on mixed corporate earnings and fears of AI displacement** ([link](#))
- **The PBOC affirms commitment to a "moderately loose" stance in monetary policy report** ([link](#))
- **India's overnight funding rate falls below benchmark rate amid RBI "shadow easing"** ([link](#))
- **The Argentine peso rallies to its strongest level since mid-November** ([link](#))
- **The central Bank of Kenya cuts the policy rate in line with expectations** ([link](#))

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Treasury yields jump on stronger than expected US labor data

US Treasury yields jumped and the dollar strengthened immediately after the release of a stronger than expected nonfarm payrolls report. The Treasury yield curve bear flattened, with 2-year yields up 10 bps. US equity futures also gained and signaled an opening in the green later today. Prior to the release, European bourses trod water and the dollar had weakened to its lowest level this month. Concerns about AI-disruption weighed on selected European stocks. Wealth managers sold off on concerns about the disruptive impact of a new AI tool designed to create tax strategies. Weak guidance by Dassault Systèmes also ignited fears that the French software firm may be vulnerable to AI, sending the stock of the company -19% lower and contributing to the underperformance of the European software and services sector (-3.0%) this morning. In fixed income markets, euro area government bond yields and Southern sovereign spreads were little changed while credit spreads were slightly wider. In emerging markets, China's PBOC affirmed its commitment to a "moderately loose" policy to support growth while there were some central bank rate decisions. Central banks in Kenya (-25 bps) and Zambia (-75 bps) cut their policy rates, while the central bank of Egypt is expected to ease rates at its meeting tomorrow.

Key Global Financial Indicators

Last updated: 2/11/26 8:10 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		6942	-0.3	0	0	14	1
Eurostoxx 50		6040	-0.1	1	1	12	4
Nikkei 225		57651	2.3	5	11	48	15
MSCI EM		61	0.1	2	6	39	11
Yields and Spreads			bps				
US 10y Yield		4.13	-1.2	-14	-3	-40	-4
Germany 10y Yield		2.80	-0.5	-6	-6	37	-5
EMBIG Sovereign Spread		244	1	2	-8	-71	-9
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		47.8	0.0	1	2	9	3
Dollar index, (+) = \$ appreciation		96.7	-0.1	-1	-2	-10	-2
Brent Crude Oil (\$/barrel)		70.2	2.0	1	11	-9	15
VIX Index (% change in pp)		18.0	0.2	-1	4	2	3

Colors denote **tightening/easing** financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

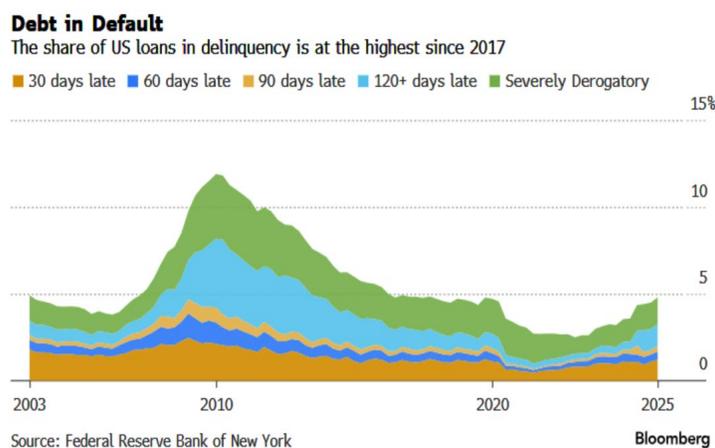
Mature Markets

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United States

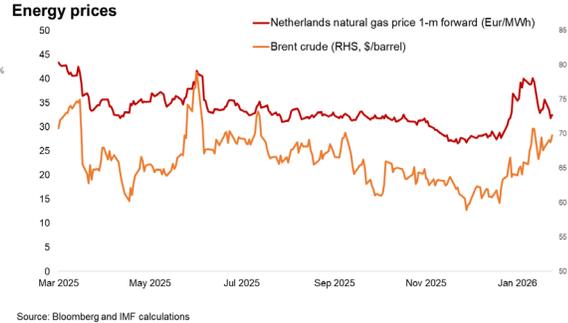
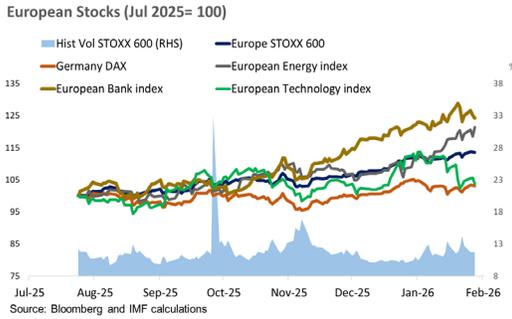
This morning, **US labor data was stronger than expected**. January nonfarm payrolls rose +130k m/m, stronger than expected (+65k). The unemployment rate was also lower at 4.3% (versus 4.4% expected). Some analysts, however, noted that the January jobs report may not accurately reflect labor market conditions due to methodological issues, including an updated “birth-death” model of business formations and new seasonal factors. Treasury yields jumped, the dollar strengthened and US equity futures gained immediately after the release.

Household delinquencies have surged to their highest level in nearly a decade. Delinquency rates across all outstanding US household debt—from mortgages to credit cards—rose to 4.8% in Q4-2025, the highest level since 2017. While the share of loans classified as “severely derogatory” remains broadly in line with pre-pandemic averages, the rise in delinquencies—particularly in mortgage payments—points to a more bifurcated economy. According to the New York Fed, delinquencies are concentrated in lower-income areas and regions experiencing declining home prices. In securitization markets, overall ABS spreads have remained largely stable so far this year.



Euro area

European equities continued to trade sideways this morning amid a mixed bag of corporate earnings and fears of AI displacement. The Stoxx 600 index was flat, retracing earlier losses (-0.3%), as the rebound of the energy sector (+1.5%) and gains in them consumer staple (+1%) and utilities (+0.8%) sectors were more than offset by losses from information technology (-1.6%) and financial (-1.1%) stocks. The software subsector suffered with Dassault Systèmes SE plunged -19% on a disappointing 2026 outlook and with other firms under pressure on growing concerns that artificial intelligence would disrupt the industry. Worries from AI business impacts also weighed on wealth managers, with the shares of UK firm St James’s Place Plc dropping (-10%) on concerns about a new AI tool designed to create tax strategies. Regional bourses traded in the red, with Italy continuing to underperform (FTSE MIB -1.1%) after today’s data **showed industrial production slowing in December** (-0.4% m/m), although by less than expected (est. -0.5%). **The energy sector gained on higher energy commodities prices** (Brent +2.1%, Dutch natural gas futures—the European benchmark- up +2% today), led by gains from Siemens Energy (+3.8%) as its orders for Q1-2026 jumped by over a third to €17.6 bn amid surging electricity demand from the industry but also data centers and AI applications.

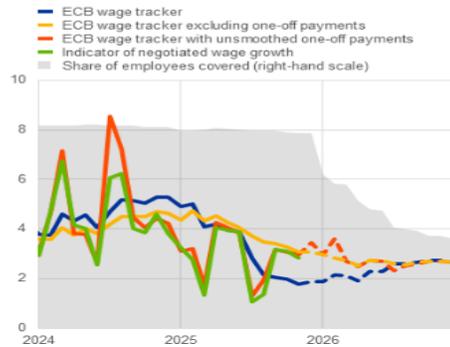


Deutsche Bank noted that German gas storage levels fell to 27% in the beginning of February from 66% in early December, over 20% below the same period in 2025 and below the 2018–2021 minimum, while colder weather lifted demand, with European gas prices roughly +20% above late-2025 levels. Deutsche Bank sees that, if higher wholesale prices persist, refilling storage during 2026 will become costlier and these costs will pass through to households and firms with a lag, as gas-fired plants often set wholesale electricity prices. On the other hand, the updated **ECB’s wage tracker published today predicts that salaries will rise by 2.7%/y/y in Q4 after advancing 2.6% in Q3 of this year**, implying a stronger growth than projected for the first six months of 2026. ECB President Christine Lagarde restated recently that the ECB is “very attentive” to salaries amid lingering uncertainties.

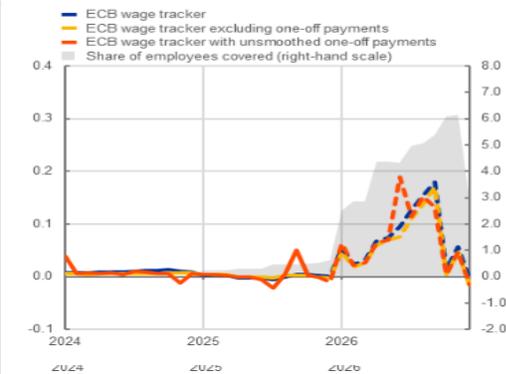
ECB wage tracker

Indicators between January 2024 and December 2026

(left-hand scale: yearly growth rates, percentages; right-hand scale: percentage share of employees)



Revisions to previous data release (percentage points)



The **euro edged marginally stronger (+0.1%)** and **euro area government bond yields were little changed** (10-year bund yield at 2.80%, 2-year yield at 2.06%), with the long-end also firm after Germany auctioned €1.2 bn of 2056 bonds at a yield of 3.47% (vs. 3.49% in a previous sale of the same bonds on January 21) and with a bid-to-cover ratio of 1.6 (vs 2.4 in January). Southern spreads were broadly unchanged (10y OAT-bund and BTP-bunds spreads firm at about 60bps).

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In **Asia**, equities gained. Meanwhile, most currencies strengthened to the weaker dollar. In **EMEA**, equities were mixed, with Turkish equities outperforming (+0.7%) and equities in Czechia trading lower (-0.7%). CEE currencies were relatively rangebound to the euro while South African rand was trading firmer (+0.5%) to a broadly weaker US dollar. Separately, Bloomberg reports that National Bank of **Hungary** is cutting banks’ required reserve ratio by 2 percentage points to 6% as of March. Elsewhere, the **Bank of Zambia** cut its policy rate by 75 bps to 13.5%. In **Latam**, equities and currencies were mixed yesterday. Equity

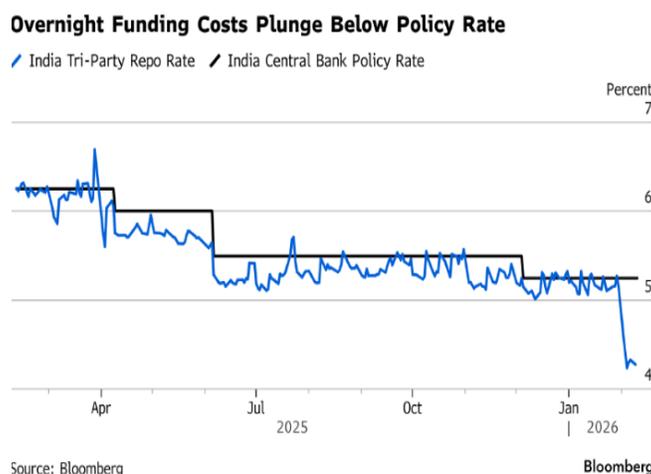
markets advanced in Argentina (+2.8%) and Colombia (+0.9%), while Chile (-2.1%) underperformed. On the currency side, the Argentine peso (+1.2%) strengthened to its highest level since mid-November, supported by central bank dollar purchases, while most other regional currencies weakened.

China

The PBOC affirmed its commitment to a “moderately loose” policy to support growth. In its just-released Q4-2025 monetary policy report, the PBOC affirmed efforts to aid a “reasonable” price recovery and outlined key measures, including using tools such as interest rate and RRR cuts to ensure ample liquidity, and aligning credit growth with economic growth and price targets. Key areas of focus included raising domestic demand, supporting technology developments and boosting innovation. Meanwhile, **expectations for policy support have lifted the demand for bonds.** The yield on the 10-year CGB has fallen by 10 bps since mid-January to 1.796%, its lowest level since last November. The yields on other tenors, including the 2-year and 5-year notes also fell over the same period (-8 bps and -10 bps, respectively). Market observers noted that the PBOC’s accommodative stance has fueled market expectations for further monetary easing. Moreover, volatility in equities and commodities has increased the relative attractiveness of bonds. The RMB was little changed on the day, despite broad-based dollar weakness, holding steady at around the RMB 6.90/\$ level.

India

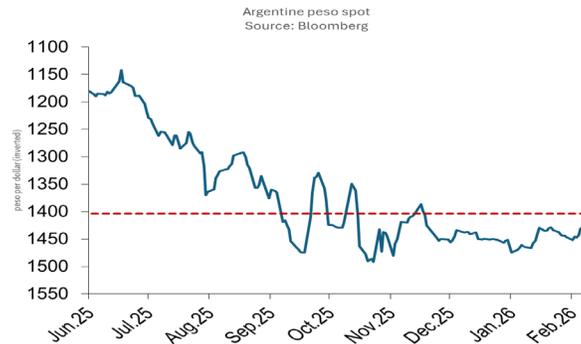
India’s overnight rate fell well below the benchmark policy rate amid “shadow easing” from the RBI. Overnight funding is trading about 100 bps below the RBI’s policy rate, reflecting the largest banking sector liquidity in 6 months. Such a wide gap was last seen in late 2021 as the authorities wrestled with growth challenges from Covid. The RBI began its latest round of cash injections, totaling an estimated \$23.6 bn in January, including INR 1 trn (\$10.9 bn) of bond purchases in two tranches on February 5 and February 12. The absence of short-term liquidity-draining operations has prompted analysts to underscore the RBI’s challenges in ensuring a full pass-through of rate cuts, including 125 bps from last year. ICICI Securities noted that keeping ample liquidity in the banking system, a form of “shadow easing” could help RBI sustain growth while signaling a pause in its easing cycle. Longer-term financing costs have remained high despite rate cuts. The 10-year government bond yield fell modestly to 6.71% but is trading near levels not seen since the RBI began cutting rates last February. The rupee is unchanged on the day.



Argentina

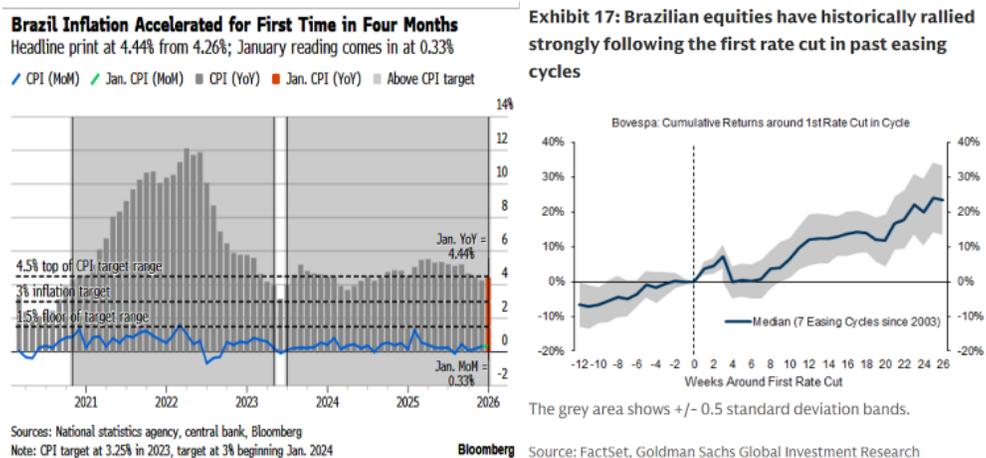
The Argentine peso rallied to its strongest level since mid-November amid continued FX intervention. The peso (+1.2%) appreciated for a fourth consecutive day, outperforming other EM currencies yesterday. Bloomberg analysts attributed the gains to improved investor sentiment as the central bank continues to build reserves. Analysts pointed to several communications from the central bank’s

account, revealing purchases of \$176 mn on Monday and \$126 mn last Wednesday, lifting international reserves to \$45.2 bn. The peso is among the top performing emerging market currencies, +3.4% stronger year-to-date.



Brazil

Accelerating inflation in Brazil is reinforcing the central bank governor’s cautious stance. Inflation increased for the first time in four months to 4.44% y/y in January (left chart), slightly higher than the 4.43% expected (and 4.26% previously). The print comes just a day after central bank Governor Galipolo revealed policymakers will “calibrate interest rate cuts cautiously” amid a resilient economy, tight labor market, and inflation expectations remaining above the 3% target. Nonetheless, market participants are expecting the central bank to cut the key Selic rate at the next meeting in March but are split between a 25 bps and 50 bps reduction. Bloomberg analysts expect the central bank to cut by 50 bps, highlighting inflation consolidating within the target band and the strength in the currency. Meanwhile, Goldman Sachs analysts noted that Brazilian equities have historically performed well in past cutting cycles (right chart), although they warned that gains this time may be limited by heightened volatility heading into the general election in October.

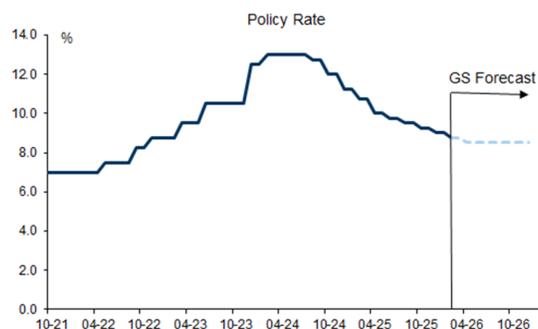


Kenya

Central Bank of Kenya cut the policy rate in line with expectations. Yesterday, the Central Bank of Kenya (CBK) cut its benchmark rate by 25bp to 8.75%, in line with consensus expectations. The CBK also narrowed the interest rate corridor around the policy rate to +/-50bp from +/-75bp. In the near term, policymakers expect inflation to remain below the Bank’s 5% midpoint of the target range citing a stable currency, energy prices and low food price inflation. Analysts at Goldman Sachs expect the CBK will deliver a further -25bp rate cut due to slowing growth and below-target inflation and expect a terminal rate of 8.5%

although they judge risks to be skewed towards further policy easing in the near term. Separately, the country's Treasury Secretary commented that Kenya is considering "additional liability management operations to address expensive syndicated commercial loans". Recently, Kenya converted dollar-denominated debt into Chinese yuan as part of a liability management operation.

Exhibit 4: We forecast the CBK to continue its cutting cycle, to a terminal rate of 8.5%

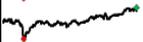
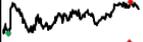
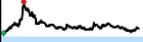
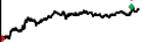
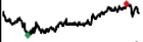
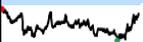
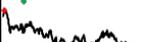
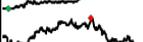
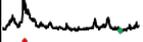


Source: Haver Analytics, Goldman Sachs Global Investment Research

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Global Financial Indicators

2/11/26 8:09 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		6,942	-0.3	0.3	-0.4	14.4	1
Europe		6,040	-0.1	1.2	0.7	12.0	4
Japan		57,651	2.3	5.4	11.0	48.0	15
China		4,714	-0.2	0.3	-1.6	20.3	2
Asia Ex Japan		103	0.3	1.9	5.2	39.2	10
Emerging Markets		61	0.1	1.7	6.1	39.2	11
Interest Rates			basis points				
US 10y Yield		4.1	-1	-14	-3	-40	-4
Germany 10y Yield		2.8	-1	-6	-6	37	-5
Japan 10y Yield		2.2	0	-1	15	93	18
UK 10y Yield		4.5	-1	-6	12	-2	1
Credit Spreads			basis points				
US Investment Grade		110	1	5	2	-7	2
US High Yield		333	2	14	12	32	-3
Exchange Rates			%				
USD/Majors		96.7	-0.1	-0.9	-2.4	-10.4	-2
EUR/USD		1.19	0.1	0.8	2.0	14.9	1
USD/JPY		153.6	-0.5	-2.1	-2.9	0.7	-2
EM/USD		47.8	0.0	0.5	2.3	8.9	3
Commodities			%				
Brent Crude Oil (\$/barrel)		70.2	2.0	1.0	11.8	-2.8	16
Industrials Metals (index)		173.1	1.7	2.9	2.0	17.5	6
Agriculture (index)		53.1	-0.2	-0.1	-2.1	-12.4	-1
Gold (\$/ounce)		5067.3	0.8	2.1	10.2	74.9	17
Bitcoin (\$/coin)		67045.2	-2.3	-4.6	-26.0	-30.4	-24
Implied Volatility			%				
VIX Index (% change in pp)		18.0	0.2	-0.6	3.5	2.0	3.1
Global FX Volatility		7.6	0.0	0.1	1.0	-0.9	0.7
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		61	1	1	11	-27	2
Italy		61	1	0	-2	-49	-9
France		60	0	1	-6	-18	-11
Spain		37	0	0	-1	-26	-6

Colors denote **tightening/easing** financial conditions for observations greater than ± 1.5 standard deviations. Data source: Bloomberg.

Emerging Market Financial Indicators

2/11/2026 8:08 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)							
	Level		Change (in %)					YTD	Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	Last 12m		Latest	1 Day	7 Days	30 Days	12 M	YTD	
	vs. USD		(+)= EM appreciation						% p.a.						
China		6.91	0.0	0.5	0.9	5.7	1.1		1.9	0	-3	-9	20	-7	
Indonesia		16786	0.1	-0.1	0.4	-2.4	-0.6		6.3	0	9	22	-55	23	
India		91	-0.1	-0.3	-0.6	-4.3	-0.9		7.3	-2	-2	17	8	22	
Philippines		58	0.4	1.2	1.7	-0.2	1.1		4.9	9	2	14	-24	17	
Thailand		31	0.5	2.1	0.5	9.6	1.3		2.0	0	-3	12	-36	25	
Malaysia		3.91	0.3	0.5	3.8	14.2	3.7		3.6	1	0	4	-25	5	
Argentina		1404	1.2	3.0	4.5	-24.8	3.4		34.7	-16	95	119	772	237	
Brazil		5.19	0.2	1.2	3.6	11.2	6.0		13.2	3	6	-24	-203	-36	
Chile		855	0.2	0.8	3.5	12.4	5.3		5.2	1	0	-2	-65	-12	
Colombia		3670	0.1	-0.7	1.2	12.8	2.9		12.9	8	25	24	135	0	
Mexico		17.21	-0.1	0.7	4.2	19.4	4.6		8.6	-4	-13	-23	-115	-35	
Peru		3.4	0.0	0.1	0.1	10.5	0.1		5.8	0	-1	-12	-67	1	
Uruguay		38	-0.2	0.3	0.8	12.8	1.7		7.2	0	-5	-16	-249	-28	
Hungary		319	-0.3	0.9	4.1	22.0	2.7		6.3	-1	3	-10	-2	-23	
Poland		3.54	0.2	0.9	1.9	13.7	1.3		4.4	-4	-3	-14	-117	-20	
Romania		4.3	0.1	0.9	2.0	12.3	1.3		6.3	0	-14	-27	-104	-41	
Russia		77.3	0.2	-1.2	1.5	24.9	1.9								
South Africa		15.9	0.4	1.1	3.1	16.3	4.2		8.3	-5	-9	-44	-237	-32	
Türkiye		43.64	0.0	-0.3	-1.2	-17.4	-1.6		30.2	35	71	38	178	62	
US (DXY; 5y UST)		97	-0.1	-0.9	-2.4	-10.4	-1.6		3.69	-1	-14	-6	-68	-3	

	Equity Markets							Bond Spreads on USD Debt (EMBIG)							
	Level		Change (in %)					YTD	Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	Last 12m		Latest	7 Days	30 Days	12 M	YTD		
	basis points														
China		4,714	-0.2	0.3	-1.6	20.3	1.8		103	4	27	8	28		
Indonesia		8,291	2.0	1.8	-6.7	24.8	-4.1		103	9	11	10	17		
India		84,234	0.0	0.5	0.4	10.6	-1.2		87	5	12	-9	-3		
Philippines		6,499	0.4	2.0	1.2	7.5	7.4		86	8	7	-1	11		
Thailand		1,412	0.1	4.8	13.6	9.9	12.1								
Malaysia		1,756	0.5	0.8	3.6	9.6	4.5		59	2	-2	-12	0		
Argentina		3,060,606	2.8	0.7	-0.9	34.6	0.3		514	4	-57	-168	-55		
Brazil		185,929	-0.2	0.1	13.8	47.0	15.4		201	9	-3	-22	-2		
Chile		11,009	-2.1	-3.6	0.7	51.3	5.0		94	4	-1	-27	3		
Colombia		2,418	0.9	1.6	9.2	57.5	16.9		260	-5	-20	-63	-17		
Mexico		71,272	-0.3	2.2	7.9	33.3	10.8		210	1	-11	-95	-7		
Peru		3,399	-2.5	-4.8	17.2	95.8	31.6		110	4	-4	-33	1		
Hungary		129,010	-1.0	-3.2	10.7	47.1	16.2		130	-1	-14	-23	-9		
Poland		126,611	0.6	-0.8	4.2	39.1	8.0		88	-3	-6	-20	-3		
Romania		27,590	0.6	0.8	7.2	60.2	12.9		159	-1	-27	-79	-16		
South Africa		122,034	0.9	1.0	3.3	39.4	5.4		229	3	-1	-78	11		
Türkiye		13,815	0.1	-0.6	13.2	39.8	22.7		242	-1	-5	-16	8		
EM total		61	0.7	1.7	6.1	39.2	10.8		263	0	-1	-95	-8		

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

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