- **Long-term JGB yields rise on renewed fiscal concerns** (link)
- **Rand firms as South African bonds rally on ratings upgrade** (link)
- **Bitcoin erases YTD gains amid accelerating redemptions and soft risk appetite** (link)
- **China's AI infrastructure stocks rally as investors seek cheaper exposure to AI** (link)
- **Popular option-selling strategies may increasingly shape intraday equity moves** (link)
- **Fiscal headlines, supply, and political developments weigh on UK gilts** (link)

Mature Markets | Emerging Markets | Market Tables

Markets Search for Optimism ahead of Data Flood and Tech Earnings

After treading water during a volatile week, risk assets are hoping to rebound this week amid a deluge of global data, including macro indicators (including the missing September US jobs report), central bank decisions, and tech earnings. The AI theme, which has been shaky due to valuation concerns and now increasing leverage and debt financing from companies like Oracle, will be tested again with Nvidia's earnings this Wednesday. Perceptions of a hawkish stance from the Fed's FOMC may also persist, with the market-implied probability for a December rate cut remaining below 50%, and the dollar strengthened. US equity futures were cautiously higher this morning, with S&P 500 e-mini contracts up 0.1%, while European and Asian bourses were mostly negative overnight, with the Nikkei and Hang Seng indices falling amid rising geopolitical tensions between Japan and China. Additionally, Japanese data indicated that the economy shrank in Q3, which may provide PM Takaichi with the impetus to pursue fiscal expansion. Elsewhere, some sovereigns received positive ratings actions, with Fitch upgrading Greece to BBB/stable and Moody's affirming Portugal's credit rating at A3/stable. S&P raised South Africa's rating by one notch to BB (with a positive outlook), leading to a rally in local government bonds and an appreciation of the rand.

Key Global Financial Indicators

Last updated: 11/17/25 7:39 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities			%				%
S&P 500		6734	-0.1	0	1	15	14
Eurostoxx 50		5652	-0.7	0	1	18	15
Nikkei 225		50324	-0.1	-1	6	30	26
MSCI EM		55	0.1	1	1	28	31
Yields and Spreads			bps				
US 10y Yield		4.12	-3.1	0	11	-32	-45
Germany 10y Yield		2.70	-1.7	4	12	35	34
EMBIG Sovereign Spread		265	1	-6	-30	-59	-60
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		46.3	0.0	1	1	5	8
Dollar index, (+) = $ appreciation		99.4	0.1	0	1	-7	-8
Brent Crude Oil ($/barrel)		64.2	-0.2	0	5	-10	-14
VIX Index (%, change in pp)		20.6	0.7	3	0	4	3

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

Mature Markets

The coming week features a heavy global data slate, starting with the potential release of delayed US indicators following the government re-opening, including the September jobs report (Thu). Markets will also focus on the October FOMC minutes, which may highlight growing caution about further easing. In Canada and the UK, October CPI prints are expected to show continued disinflation, while Japan's GDP and CPI releases may dictate expectations for a December BOJ hike. In Latin America, attention turns to Chile's presidential election on November 16 and GDP releases across the region. Elsewhere, China's loan prime rates are expected to remain unchanged, in addition to Indonesia and Hungary staying on hold, while South Africa and Egypt are expected to cut.
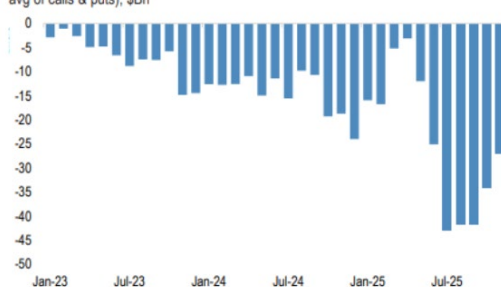
United States

US equities took a breather on Friday, closing the session virtually unchanged, with tech stocks posting marginal gains, after underperforming for much of the week in contrast to defensive sectors, like healthcare. Meanwhile, the correction in Bitcoin intensified as the cryptocurrency shed another 3.8% (see below). The US Treasury yield curve steepened, with traders continuing to reduce their odds of near-term Fed rate cuts.

Option-selling strategies have gained popularity this year and are cited as contributing to stalling intraday rallies. Popular strategies include zero-day-to-expiry trades, ETF overwrites (systematic covered-call programs that sell out-of-the-money calls on major equity ETFs), and bank quantitative investment strategies (systematically selling short-dated options to harvest volatility premia). The impact has become more visible as ultra-short-dated options (within five-days-to-expiry) now account for roughly 60% of S&P 500 index volume. A key driver has been the surge in retail use of the so-called "short iron condor" strategy, where a trader sells a call spread above the current market level and a put spread below it, earning premium if the index stays within a range. Dealers hedging the opposite side of these trades face the most pressure near upside strikes, where long-gamma exposure is concentrated, prompting incremental equity selling as the index approaches those levels. The effect has been most pronounced into the close, making it harder for the S&P 500 to extend gains during the session. Still, some analysts caution that these flows are only one of many factors influencing price actions and may have received more attention than warranted.
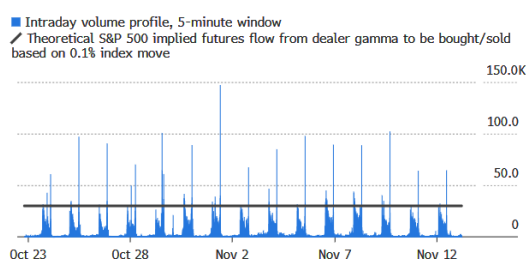

Figure 7: Gamma supply from 0DTE options
Monthly average order flow gamma imbalance (between market open and 3pm ET, avg of calls & puts), $Bn
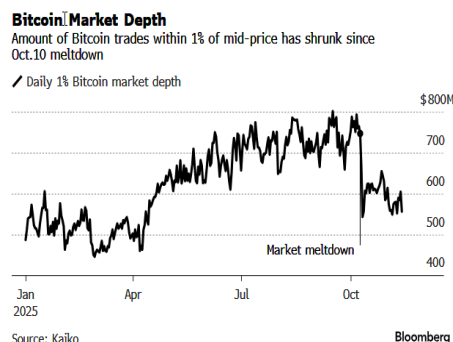Source: J.P. Morgan Equity Derivatives Strategy.

S&P 500 Dealer Option Gamma Can Scale Fast Into the Close
■ Intraday volume profile, 5-minute window
⟋ Theoretical S&P 500 implied futures flow from dealer gamma to be bought/sold based on 0.1% index move
Source: Bloomberg
Note: Hedge flow is based on the Oct. 24 peak dealer gamma estimate near the close
Bloomberg

Bitcoin erased its year-to-date gains as a wave of risk aversion triggered large redemptions and renewed pressure across crypto markets. The token fell below $95K on Friday after Bitcoin ETFs saw $870mn in outflows on Thursday, the second-largest daily withdrawal since inception and bringing its decline from the early-October peak to roughly 25%. The broader crypto market remains fragile following the $19bn in liquidations on October 10, with sentiment further weighed by the reassessment of the FOMC policy outlook. Total crypto market cap has fallen by about $1tn since the early-October crash, while open interest in crypto futures has struggled to recover. Liquidity has also thinned materially, with market depth still about 30% below early-October levels.

Exchange BTC Futures Open Interest (USD)

Bitcoin Market Depth
Amount of Bitcoin trades within 1% of mid-price has shrunk since Oct.10 meltdown

Daily 1% Bitcoin market depth

Market meltdown

Source: Kaiko   Bloomberg
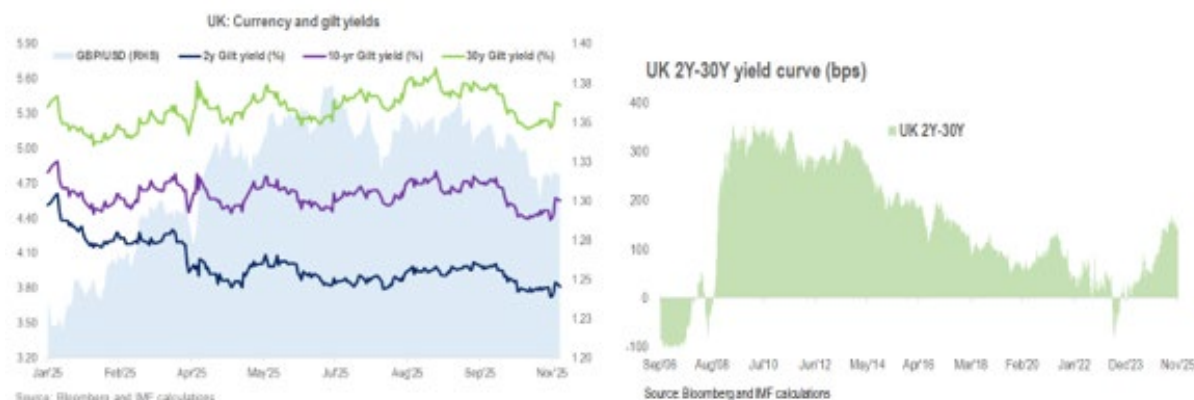
Europe

Equities were trading lower ahead of key US data due later this week. The Stoxx 600 was (-0.4%) lower in early morning trading, with declines led by stocks in the consumer discretionary and financial sector. Regional bourses were also lower, with the euro weaker against the dollar at 1.1602. European government bond yields were lower across the curve with the 10yr OAT-Bund spread broadly steady at 74bps and the 10yr BTP-Bund spread a touch tighter at 74bps. Elsewhere on Friday after market hours, Fitch upgraded Greece to BBB/stable from BBB-/positive while Moody's affirmed Portugal's credit rating at A3/stable.

European banks report a solid set of Q3 earnings. According to analysts at Barclays, European banks have had a strong Q3 earning season with 76% of the banks in their sample beating profit-before-tax estimates. Despite some recent high-profile corporate failures, Barclays notes that there was limited impact on European banks' asset quality, aside from some idiosyncratic issues at BNP and Deutsche Pfandbriefbank. That said, the analysts note that several banks have faced litigation challenges which could result in higher provisions going forward, depending on the timeline and outcome of the legal

European banks' & European equity price performance
(Dec'24 =100)

Source: Bloomberg and IMF estimates

proceedings. So far, capital ratios for the sector remain healthy, with many banks increasingly using Significant Risk Transfers (SRTs). This trend is expected to continue in 2026, given proposed changes to the regulatory framework for securitizations in Europe. Relatedly, IMF staff have noted that while SRTs offer benefits, the rapid growth of the tool and certain complexities can also increase vulnerabilities without robust reporting and supervisory monitoring (see Recycling Risk: Synthetic Risk Transfers). Year-to-date, the Stoxx 600 European banks index is up around 53%, while the broader Stoxx Europe 600 index is up around 13%.
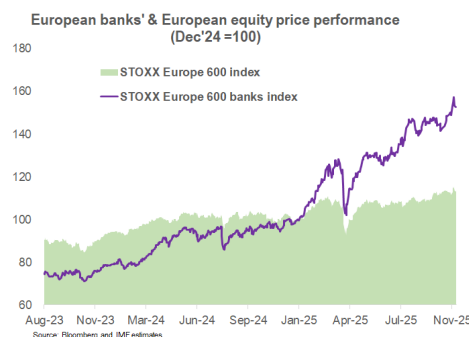
United Kingdom

Fiscal headlines, domestic political developments, and supply expected to weigh on gilts. Analysts at Citi believe that Friday's sharp sell-off in gilts reflects a "stickier" fiscal risk premium in gilts ahead of the upcoming budget, in addition to elevated domestic political uncertainty that they expect may persist over the coming six months. While Citi expects the supply backdrop for gilts to remain relatively benign, portfolio managers at BlackRock believe that elevated gilt supply may prove challenging, particularly in longer-dated maturities, which is the focus of the Bank of England's (BoE) active QT program. Market participants note that this week's inflation data will be important in either validating or challenging expectations of a December BoE rate cut. Money markets are assigning around an 80% probability of a rate cut next month, up from around 30% at the start of this month. This morning, the gilt curve bull-steepened with 2yr yields around 4bps lower and 30yr yields around 3bps. The pound was little changed at 1.3167 against the dollar, while UK equities were fractionally lower in early morning trade.

UK: Currency and gilt yields

Source: Bloomberg and IMF calculations

UK 2Y-30Y yield curve (bps)

Source Bloomberg and IMF calculations

Japan

Long-term sovereign bond yields rose (30y: +4.5bps to 3.26%; 40y: +5.2bps to 3.6%) amid renewed fiscal concerns. Local media reported that the government is considering an extra budget of about ¥14tn ($91bn) for the current financial year, potentially exceeding last year's ¥13.9tn. Goldman Sachs warns that a larger-than-expected stimulus could raise fiscal risk premiums, pressuring long-dated bonds and the yen. SMBC Nikko notes that if the supplementary budget surpasses ¥14tn, the yield curve may

Thirty-Year JGB Yield Is Approaching All-Time High Again
■ Japan Govt 30Y Simple Yield

Source: Bloomberg   **Bloomberg**

steepen further. For economic data, Q3 real GDP contracted to -1.8% q/q on an annualized basis, narrower than the -2.4% consensus, marking the first decline in six quarters. However, economists expect the downturn to be brief, driven by weaker housing construction under stricter environmental rules and softer exports due to frontloading and US tariffs. Still, the contraction strengthens Prime Minister Takaichi's case for aggressive stimulus and may delay BOJ policy normalization. Today, equities edged lower (Nikkei 225: -0.1%) as geopolitical tensions with China hit retail and travel stocks, given that Chinese tourists account for ~27% of inbound consumption. The yen weakened (0.1%) against the dollar also on geopolitical risks, in addition to increased expectations for slower BOJ hikes.

Emerging Markets   **back to top**

EMEA equities and currencies were mixed this morning. In CEE, equities underperformed in Czechia (-0.8%) and Poland (-0.5%), while currencies were relatively rangebound against the euro with the Hungarian forint edging marginally higher (+0.1%). The rand continued to edge higher (0.2%) against the dollar this morning, with domestic government bonds rallying after S&P raised its sovereign rating of South Africa by one notch to BB during the weekend. The Turkish lira continued to edge lower (-0.1%) against the dollar this morning, with the currency down by about 19.7% YTD against the greenback. **EM Asian equities were mixed while currencies mostly weakened,** with losses in China (CSI 300: -0.65%) and Hong Kong SAR (HSI: -0.71%), while the Philippines (PSEi: +3.5%) and Korea (Kospi: +1.9%) advanced. The Korean won (-0.5%) and Malaysian ringgit (-0.5%) led currency losses, while the Tai baht ultimately close flat after Thailand's Q3 GDP slowed to +1.2% y/y from +2.8% in Q2, fueling expectations of a Dec 17 rate cut. **Latin American assets performed mixed last Friday.** Stocks gained in Brazil (+0.4%) and Colombia (+1.0%), while Chile's equity market declined by 1.1%. Currencies appreciated in Chile (+0.5%) and Peru (+0.3%) against the US dollar.

Emerging Market Bond and Equity Flows

EM bond funds turned into inflows last week (+$553mn, from -$506mn), mainly driven by increased non-ETFs inflows (+$405mn, from -$408mn). Bond ETFs also turned into inflows (+$149mn, from -$98mn). Hard currency fund inflows rose strongly (+$412mn, from -$873mn), while local currency fund inflows decreased (+$141mn, from +$367mn). EM equity funds inflows decreased (+$2.3bn, from +$3.3bn). Equity ETFs inflows decrease (+$3.4bn, from +$5.1bn), and non-ETFs outflows decreased (-$1.0bn, from -$1.8bn). Across regional equity funds, there were inflows in Asia ex-Japan (+$154mn), Latam (+$335mn), and EMEA (+$34mn). The year-to-date flows currently stand at +$17.3bn and +$13.7bn for bonds and equities, respectively.

China

AI infrastructure stocks rallied in October as investors sought cheaper exposure to the AI theme versus high-valuation pure-play AI names. Bloomberg reported that the CSI 300 Energy Index rose +10% in October and is set to outperform the CSI 300 for a second month, with seven of the top 10 gainers tied to AI infrastructure. Despite the rally, the Energy Index trades at a 12-month forward P/E of ~13, well below the IT sub-gauge's 34 ratio. BofA projects that by 2030, about one-third of AI spending

China's AI Infrastructure Stocks Stage Sharp Rally
Normalized As Of 12/31/2024 ■ CSI Solar Co Ltd - Last Price ■ TBEA Co Ltd - Last Price ■ Sungrow Power Supply Co Ltd - Last Price
Source: Bloomberg
Bloomberg

will target infrastructure, including metals, power, and cooling systems. UBS doubled its forecast for power demand growth to 8% by 2028–2030, driven by data centers, benefiting power equipment makers. Metals used to build data centers and other AI facilities—such as servers and energy systems—are gaining traction, with copper demand from data centers projected to grow 20% annually through 2030. Citi expects rising energy storage demand, benefiting renewables and EV battery makers. Today, the PBOC injected net ¥163.1bn via reverse repos and conducted ¥800bn of six-month outright reverse repos, exceeding this month's ¥300bn maturities, yet repo rates rose (O/N: +10bps to 1.5%; 7-day: +5bps to 1.52%). The yuan weakened (-0.1%) slightly against the dollar despite a stronger RMB fixing at 7.0816 per dollar vs 7.0825 Friday.

Figure 1: Weekly cross-asset flows

USD billion

Asset	8w flows (8w ago → current)	This wk	YTD
EM Bonds and Equities		2.9	30.9
EM Bonds		0.6	17.3
Hard Ccy		0.4	4.6
Local Ccy^		0.1	12.6
o.w. EM ex-China		0.2	10.7
o.w. China		0.0	-1.6
EM Equities		2.3	13.7
US HG		3.7	222.8
US HY		-0.3	20.5
Global Equities		13.4	92.8
EM Bond and Equity ETFs		3.5	72.9
EM Bond ETFs		0.1	4.4
EM Equity ETFs		3.4	68.5
Non-resident EM flows*		-3.4	-23.5

Figure 2: EM bond and equity fund flows

USD billion

*High-frequency non-resident EM portfolio flow data where available. ^Local ccy split is retail only.

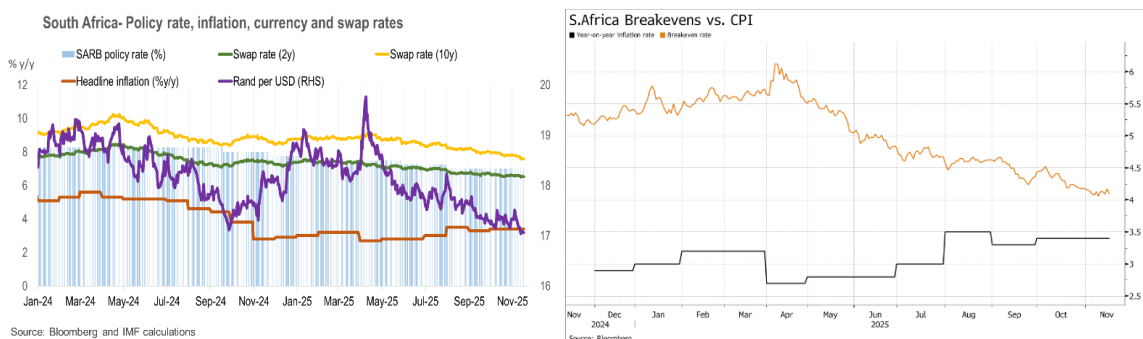Source for all charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg Finance L.P.
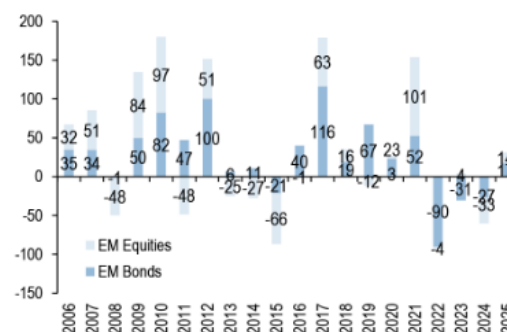
Mexico

Assets in Mexico's pension funds have tripled in the past decade to 7.5 trillion pesos as of June 2025, due to reforms that increased worker participation and boosted mandatory contributions. It is expected that the total workers' savings in pension funds will increase to 12 trillion pesos by 2030. Until

now, the funds have kept less than 10% of their portfolios in alternative assets and were focused mostly on government debt and equities. However, with new rules allowing up to 30% in alternatives, funds now plan to raise their allocations to private equity, private credit, and real estate, with local authorities reportedly encouraging financing of infrastructure projects as well. Global investment firms are paying close attention to these shifts.

South Africa

The rand continued to edge higher (0.2%) against the dollar this morning, to trade at around ZAR17.05/$ (+9.4% on the greenback YTD), with South African equities flat today but still up by 33% YTD. South Africa's bond pricing improved after its Medium-Term Budget strengthened the policy framework and surprised markets with reforms, aiming to reduce the deficit to 3.6% of GDP in 2026 from 4.5% in 2025. Domestic government bonds rallied, with the 10yr yield now 200bps lower than in March, and edging 6bps lower today after S&P raised its sovereign rating of South Africa by one notch to BB (with positive outlook) during the weekend; Moody's rating (Ba2) is scheduled to be reviewed next month, while Fitch's rating (BB-) is expected to follow in 1Q 2026. JP Morgan highlights a 20% cut in the weekly issuance pace, enabled by expenditure discipline, revenue overruns, and a large transfer from the Gold and Foreign Exchange Contingency Reserve Account on the back of gold and FX valuation gains. JP Morgan expects the rand to stabilize at a level of around 17 against the dollar throughout 2026, reflecting improved policy credibility. They expect a 25bps rate cut from the central bank this week, taking the benchmark rate to 6.75%.

South Africa- Policy rate, inflation, currency and swap rates

Source: Bloomberg and IMF calculations

S.Africa Breakevens vs. CPI

Source: Bloomberg

Global Financial Indicators

11/17/25 7:39 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities				%			%
United States		6,734	-0.1	0.1	1.1	14.7	14
Europe		5,652	-0.7	-0.2	0.8	17.9	15
Japan		50,324	-0.1	-1.2	5.8	30.2	26
China		4,598	-0.7	-2.1	1.9	15.9	17
Asia Ex Japan		94	0.0	0.6	1.1	27.9	30
Emerging Markets		55	0.1	0.8	1.4	28.0	31
Interest Rates				basis points			
US 10y Yield		4.1	-3	0	11	-32	-45
Germany 10y Yield		2.7	-2	4	12	35	34
Japan 10y Yield		1.7	3	3	11	66	64
UK 10y Yield		4.5	-4	8	1	7	-3
Credit Spreads				basis points			
US Investment Grade		119	1	0	2	0	-1
US High Yield		353	0	0	-6	48	24
Exchange Rates				%			
USD/Majors		99.4	0.1	-0.2	0.9	-6.9	-8
EUR/USD		1.16	-0.2	0.4	-0.5	9.5	12
USD/JPY		154.8	0.2	0.4	2.8	0.1	-2
EM/USD		46.3	0.0	0.6	0.8	4.9	8
Commodities				%			
Brent Crude Oil ($/barrel)		64.2	-0.2	0.3	5.1	-7.2	-10
Industrials Metals (index)		151.5	-0.6	-1.5	1.3	5.7	8
Agriculture (index)		56.5	0.6	0.0	4.1	0.5	-1
Gold ($/ounce)		4082.7	0.0	-0.8	-4.0	56.3	56
Bitcoin ($/coin)		95305.8	2.0	-6.5	-11.0	6.9	2
Implied Volatility				%			
VIX Index (%, change in pp)		20.6	0.7	3.0	-0.2	4.4	3.2
Global FX Volatility		7.2	0.1	0.4	-0.2	-1.4	-2.0
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		62	-2	-1	-3	-22	-24
Italy		73	-2	-1	-6	-46	-42
France		74	0	-3	-4	1	-9
Spain		50	-1	-1	-3	-21	-20

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

Emerging Market Financial Indicators

Last updated: 11/17/2025 7:40 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation						% p.a.					
China		7.11	-0.1	0.2	0.3	1.8	2.7		1.9	0	0	-5	-16	16
Indonesia		16729	-0.1	-0.4	-0.9	-5.3	-3.7		6.0	0	-2	0	-88	-101
India		89	0.1	0.1	-0.8	-4.8	-3.4		7.0	1	8	18	-34	-38
Philippines		59	0.2	0.0	-1.3	-0.4	-1.8		4.7	4	4	-4	-31	-21
Thailand		32	-0.1	-0.2	0.7	7.3	5.1		1.9	1	0	24	-62	-47
Malaysia		4.15	-0.4	0.2	1.8	7.9	7.8		3.5	4	#####	1	-40	-34
Argentina		1403	0.3	1.1	-3.3	-28.8	-26.5		31.2	-88	17	-2066	263	204
Brazil		5.31	-0.2	-0.1	2.0	8.4	16.4		13.5	0	-21	-43	16	-243
Chile		917	1.1	2.3	4.4	6.1	8.4		5.2	-3	-11	-16	-25	-45
Colombia		3755	-0.2	0.8	4.5	19.5	17.3		12.0	13	39	56	139	21
Mexico		18.32	-0.1	0.4	0.3	10.3	13.7		8.8	0	-3	18	-116	-151
Peru		3.4	0.3	0.3	1.8	12.9	11.2		6.1	0	2	-6	-62	-56
Uruguay		40	-0.1	0.0	0.9	7.9	10.5		7.8	-1	1	0	-157	-186
Hungary		331	0.0	0.3	1.0	15.9	20.1		6.7	0	11	18	19	26
Poland		3.64	-0.1	0.7	0.0	11.8	13.5		4.8	1	1	-6	-64	-83
Romania		4.4	-0.2	0.4	-0.4	7.2	9.6		6.9	0	4	-38	1	-41
Russia		81.3	-0.5	0.1	-0.1	22.9	39.7							
South Africa		17.1	0.1	0.5	1.8	5.2	10.4		9.0	5	-23	-55	-152	-147
Türkiye		42.33	-0.1	-0.2	-1.0	-18.4	-16.5		33.0	11	48	8	219	325
US (DXY; 5y UST)		99	0.1	-0.2	0.9	-6.9	-8.4		3.70	-3	-1	11	-60	-68

	Equity Markets							Bond Spreads on USD Debt (EMBIG)					
	Level		Change (in %)					Level		Change (in basis points)			
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	7 Days	30 Days	12 M	YTD
									basis points				
China		4,598	-0.7	-2.1	1.9	15.9	16.9		95	3	1	-1	-1
Indonesia		8,417	0.6	0.3	6.3	17.5	18.9		85	-3	-15	0	-6
India		84,951	0.5	1.7	1.2	9.5	8.7		91	1	1	15	5
Philippines		5,779	3.5	1.3	-5.1	-13.4	-11.5		70	-5	-11	-5	-9
Thailand		1,280	0.9	-2.0	0.4	-11.3	-8.6						
Malaysia		1,627	0.1	0.0	1.3	2.2	-0.9		60	-1	-2	0	-10
Argentina		2,992,809	3.8	4.5	50.4	44.8	18.1		622	-23	-410	-152	-15
Brazil		157,739	0.4	2.4	10.0	23.4	31.1		199	-4	-12	-10	-48
Chile		9,603	-1.1	-0.6	5.2	47.1	43.1		98	-4	-9	-11	-15
Colombia		2,071	1.0	-0.5	7.6	52.0	50.1		245	-7	-32	-73	-81
Mexico		62,329	-0.3	-1.7	0.9	23.5	25.9		215	-5	-9	-76	-97
Peru		2,300	0.0	-1.7	-1.3	25.3	35.7		94	-10	-13	-39	-47
Hungary		107,381	0.1	-0.4	4.3	38.1	35.4		139	6	-1	-3	-16
Poland		110,895	-0.7	-0.1	2.9	39.8	39.4		84	-4	-13	-16	-28
Romania		23,446	0.0	2.9	7.7	32.9	40.2		192	-3	-21	-6	-43
South Africa		112,089	0.1	1.1	1.2	33.6	33.3		224	-18	-44	-52	-69
Türkiye		10,770	1.9	-0.2	5.5	14.7	9.6		250	-7	-28	4	-9
EM total		55	-1.1	0.8	1.4	28.0	31.4		280	-5	-23	-83	-84

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