GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

WEDNESDAY, NOVEMBER 18, 2026
LEAD EDITOR: JOHANNES S. KRAMER

- **Nvidia's earnings beat and stronger outlook lift tech shares as broader gains fade** (link)
- **Equity hedging could amplify another US stock selloff as protection costs rise** (link)
- **UK gilts rally as services inflation undershoots, easing pressure for a rate hike** (link)
- **Weak demand at Japan's 20-year bond auction pushes long-term yields higher** (link)
- **Bank Indonesia delivers a surprise rate hike to support the struggling rupiah** (link)
- **Colombia's growth falls short as high borrowing costs weigh on domestic demand** (link)

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Nvidia Offers Relief as the Broader Recovery Falters

Nvidia's strong results lifted technology shares, but the rebound has yet to spread across markets. S&P 500 and Nasdaq 100 futures rose (+0.25% and +0.7%), while US small caps lagged. European stocks were broadly flat as gains in technology were offset by weaker energy and materials shares, with copper under pressure. The dollar strengthened, and the 2-year Treasury yield rose (+2 bps) as Waller pressed for faster tightening. Gilts outperformed as UK services inflation fell short of expectations, although energy costs kept the case for further tightening alive. Japan's weak long-bond auction and Indonesia's surprise rate increase highlighted separate policy pressures. Chinese chipmakers benefited from expectations of domestic substitution despite tighter access to US computing technology. South African assets weakened as gold fell and core inflation surprised to the upside. The recovery in risk appetite remains selective ahead of this afternoon's Fed minutes and US long-bond auction.

Key Global Financial Indicators

Last updated: 11/18/26 8:48 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities				%			%
S&P 500		7341	-1.0	-2	-4	11	7
Eurostoxx 50		6203	-0.1	-3	0	12	7
Nikkei 225		59024	0.3	-4	-9	22	17
MSCI EM		58	-1.1	-4	-7	8	7
Yields and Spreads				bps			
US 10y Yield		5.12	1.2	13	5	101	95
Germany 10y Yield		3.40	2.0	8	-3	69	54
EMBIG Sovereign Spread		210	7	13	16	22	32
FX / Commodities / Volatility				%			
EM FX vs. USD, (+) = appreciation		44.6	-0.5	-1	-2	-3	-4
Dollar index, (+) = $ appreciation		103.8	0.3	1	2	4	6
Brent Crude Oil ($/barrel)		93.0	-0.2	0	-15	43	53
VIX Index (%, change in pp)		24.6	-0.8	7	5	0	10

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

Key Global Inflation and Energy Indicators

Last updated: 11/18/26 8:48 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Oil and Gas					%		%
Brent Crude Oil ($/barrel)		93	-0.2	0	-15	43	53
WTI Crude Oil ($/barrel)		85	-0.7	-1	-16	41	49
Natural Gas (Netherlands TTF)		83	-3	-8	-5	163	200
Breakeven Inflation		%			bps		
USD: 2Y		2.2	0.4	0	-40	-33	-6
USD: 5Y		2.3	-0.4	1	-19	-13	-1
USD: 5Y5Y		2.4	1	1	-4	-8	-8
EUR: 2Y		2.6	-2.5	-1	-45	78	91
EUR: 5Y		2.2	-2	-1	-24	36	44
EUR: 5Y5Y		2.1	0	1	-5	-2	0

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

Mature Markets

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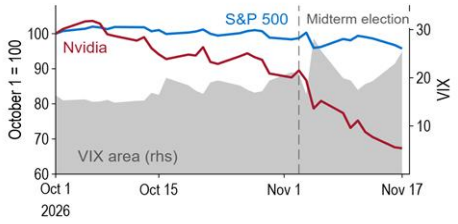
United States

US equity futures rose despite renewed pressure for faster Fed tightening. S&P 500 futures gained (+0.25%) and Nasdaq 100 futures rose (+0.7%) in premarket trading, while small caps lagged. The 2-year Treasury yield rose (+2 bps) to 4.83%, following an increase of +33 bps last week. Governor Waller, speaking on CNBC, argued for a 50 bps December hike unless a 25 bps move is accompanied by a clear signal of another 25 bps hike in January. By contrast, NY Fed president Williams stated yesterday that the situation did not call for dramatic action, illustrating disagreement over the pace of tightening ahead of the October meeting minutes due later today. October housing starts rebounded (+9.9% m/m), after a revised fall in September (-7.0%), while building permits fell (-7.4% m/m).

Nvidia's earnings beat and higher growth outlook offered relief to the AI trade. Fiscal Q3 revenue reached $115.8 bn and adjusted earnings per share were $2.68, above the $109.1 bn and $2.48 consensus estimates among stockbrokers. Data-center revenue rose to $107.6 bn. UBS reports that management raised its FY2028 revenue-growth outlook to about 75% from 70%, while signaling more selective ecosystem investment. Shares rose (+4.8%) after hours yesterday and remained higher in the pre-market this morning.

Equity hedging could amplify another decline in US stocks. Before last night's Nvidia results, the S&P 500 had retreated (-6.1%) from its peak and the VIX had returned to 25.5 (upper left chart, through November 17 close). RBC linked part of the November 5 selloff to retail put buying as buying on dips has shown signs of fading. S&P 500 downside protection subsequently eased, then became more expensive again (lower left chart). That said, UBS analysts still refer to countertrend intraday customer option flows that have cushioned moves through last week. In terms of hedging flows, Nomura estimates $31.3 bn of combined option, leveraged-ETF and volatility-control following a further 2% equity decline (upper right chart). Nomura's VIX-related hedge-demand estimate is at the 4th percentile of its history, suggesting less fuel for another Volmageddon. In February 2018, this episode prompted VIX-futures buying from leveraged and inverse products that amplified the spike; prompting short-volatility ETP assets to fall to $0.5 bn from $3.7 bn in one week. Historically, these high-volatility, negative-gamma episodes have coincided with larger subsequent equity moves in both directions (lower right chart). The volatility landscape has since broadened: autocallable ETFs sell downside protection for income, while stability notes transfer banks' leveraged-ETF crash risk to funds. Barrier-related hedging adds to the potential pressures from dynamic volatility strategies, estimated at about $600 bn in the April 2026 GFSR. Their withdrawal during a selloff could amplify dealer hedge selling, leaving fewer protection sellers just as demand for hedges rises.

US equity prices and VIX



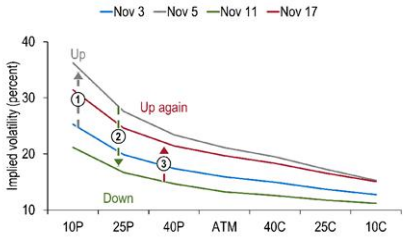
Sources: Bloomberg, OptionMetrics, IMF staff calculations.
Note: Daily close, VIX on right axis.

Equity hedges could amplify another selloff



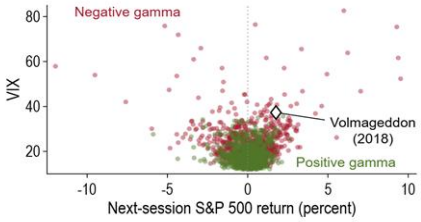
Source: Nomura, Cross-Asset report, November 17, 2026.
Note: Estimated option, leveraged-ETF and volatility-control flows after equity price changes.

S&P 500 implied volatility smiles



Sources: Bloomberg; OptionMetrics; IMF staff calculations.
Note: 30-day implied volatility. X-axis numbers denote absolute option delta in percent; P = Put, ATM = At-the-money, C = Call.

US equity returns and dealer-gamma regimes



Sources: Bloomberg; OptionMetrics; IMF staff calculations.
Note: Gamma and VIX at t; next-session S&P 500 return, 2020–26. Diamond: February 5, 2018, highest VIX close during Volmageddon week. Gamma method: April 2026 GFSR, Ch. 1 pp. 17–19, Fig. 1.13, panel 4 (p. 18).

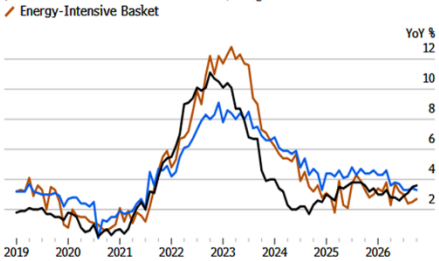
Euro area

European technology gains failed to lift the broader market as commodities and banks weakened. The Stoxx 600 was little changed in early trading: technology rose (+2.4%) after Nvidia's results, while energy and materials fell (-1.0% and -1.1%). Copper dropped (-4.1%) to about $12,700 a ton, its lowest in nearly seven months, amid concerns over Chinese and AI-related demand, according to Bloomberg. Banks also lagged following a reported Deutsche Bank document leak; Crédit Agricole viewed the episode principally as a reputational and regulatory setback. The euro weakened (-0.2%) to $1.0968, with one-week options showing a larger premium for euro puts. Bunds subsequently gave back some of yesterday's rally, with the 10-year yield rising (+2 bps) to 3.40%. French and Italian spreads were slightly narrower in early trading. Crédit Agricole sees firmer EU growth supporting further OAT tightening but regards BTP resilience as excessive. The ECB's warning that more price-sensitive sovereign-bond holdings could amplify repricing shocks adds a qualification to Europe's diversification appeal.

United Kingdom

Gilts rallied after services inflation came in below expectations. October headline CPI rose to 3.6% y/y, matching consensus but undershooting the Bank of England's 3.7% forecast. Energy inflation reached 19.4%, while core inflation held at 2.8% and services inflation remained at 3.7%, below the 3.8% consensus and the Bank's 3.9% forecast. Producer input prices accelerated to 10.8% y/y, keeping pipeline pressures in view. The 10-year gilt yield fell (-4 bps) to 5.33%. Markets still assigned a 75% probability to a December hike but priced 86 bps of tightening through November 2027, versus 90 bps yesterday. UBS and Bank of America favor February. Bloomberg Economics' energy-intensive basket and UBS's underlying-services measure show limited broadening of price pressures (left and right charts). Higher household energy bills remain the principal risk. Sterling weakened (-0.3%) to $1.3171.

Spillovers From Energy Shock Remain Contained



Note: Energy-intensive basket includes goods and services.
Source: Bloomberg Economics, ONS.

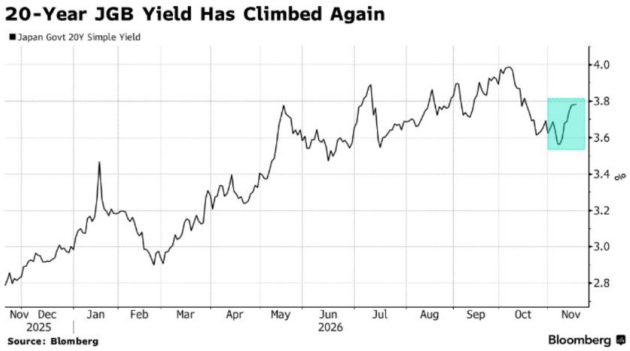
Underlying services inflation



Source: Haver and UBS calculations

Japan

Weak demand at Japan's 20-year auction pushed long-term yields higher. The bid-to-cover ratio fell to 3.64 from 5.84, below its 12-month average of 3.92, while the auction tail widened to 0.29 from 0.07 (chart). The 20-year and 30-year yields rose (+1.5 bps to 3.78% and +1.8 bps to 4.05%). BNP Paribas cited global rate volatility and uncertainty over FY2027 issuance ahead of December's budget. Separately, October's trade deficit narrowed to ¥476.5 bn ($3 bn), as exports rose 20.5% y/y and imports increased 21.6%, partly reflecting energy costs. The Nikkei gained (+0.3%) while the Topix fell (-0.4%); the yen was slightly stronger near ¥159.3/$ in early trading.



Emerging Markets

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This morning, EMEA equities and currencies weakened, with South Africa under particular pressure. South African stocks fell (-3.2%) and the rand weakened (-1.7%) against the dollar, extending earlier losses. Falling gold prices weighed on local assets, according to Bloomberg. October core inflation reached 4.2% y/y, above expectations; headline inflation rose to 5.2%, matching consensus. Most regional currencies also weakened ahead of tomorrow's South African policy decision.

This morning, Asian chipmakers recovered selectively after Nvidia's results, while several broader markets remained under pressure. Korea's Kospi gained (+2.0%) and the won strengthened (+0.2%) against the dollar, while Hong Kong SAR's Hang Seng fell (-0.9%) in early trading and India's Sensex fell (-0.6%). The Malaysian ringgit weakened (-0.5%), despite stronger-than-expected Q3 growth. Indonesia's surprise hike helped the rupiah edge higher even as local equities fell.

Yesterday, Latin American currencies strengthened while most regional equity markets declined. The Chilean peso rose (+0.7%), followed by the Colombian peso (+0.5%) and Brazilian real (+0.2%); stocks fell in Colombia (-2.2%) and Mexico (-1.2%), while Brazil gained (+0.3%). This morning, the stronger dollar reversed the currency support: the Chilean peso weakened (-1.0%), the Mexican peso (-0.9%) and the Brazilian real (-0.7%).

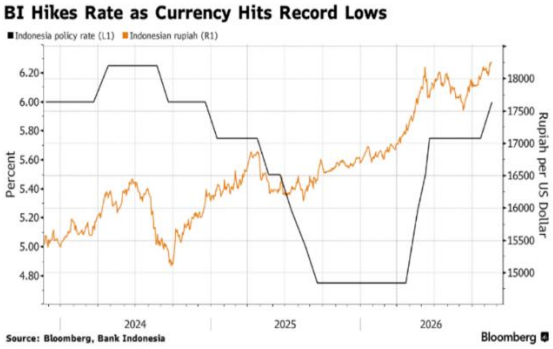
EM equities

EM equities surrendered the previous week's rebound before Nvidia's results offered selective relief. The MSCI EM index fell (-1.4%) on Tuesday, its fourth consecutive decline, bringing cumulative losses to 5.7% and reversing last week's rally. Korea and Taiwan Province of China led the weakness ahead of Nvidia's results. The MSCI EM Currency Index edged higher (+0.07%), ending a three-day losing streak. Today's technology rebound has been uneven, while the stronger dollar has again weighed on EM currencies.

Indonesia

Bank Indonesia unexpectedly raised rates to support the rupiah. The central bank increased its policy rate by 25 bps to 6%, its first hike since June, to support the currency and keep inflation within its 1.5%–3.5% target range. It also raised discounts on domestic non-deliverable-forward hedging premiums to attract foreign inflows and plans cross-currency repo operations by March 2027. Governor Destry Damayanti said the bank would continue using monetary instruments to stabilize the rupiah and attract capital. Economists see scope for further tightening given resilient growth, with Q3 GDP expanding 5.47% y/y. The rupiah edged higher (+0.1%) against the dollar, but equities reversed early gains and closed lower

(JCI: -1.1%; chart). The modest currency response cautions against treating the surprise hike as having resolved the external pressure.



China

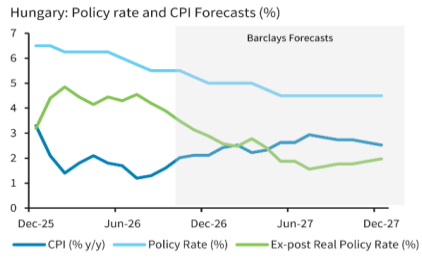


Chinese chipmakers gained as tighter US restrictions reinforced expectations of domestic substitution. The CSI 300 rose (+0.2%). President Xi's APEC remarks also pledged lower tariffs, wider market access and a more stable environment for foreign investors. The yuan was little changed despite a stronger PBOC fixing of 6.7118/$, its strongest since July 2022. Strategists viewed the fixing as tolerance for further appreciation, although the recent increase in the FX reserve requirement indicates a preference for a gradual move. The yuan has gained more than 4% against the dollar this year (chart). UBS forecasts appreciation to 6.25/$ by end-2027, among the most bullish market calls, citing easing capital-outflow pressures and self-reinforcing expectations. That forecast is a longer-term house view; the immediate equity gains do not establish that tighter computing access benefits all Chinese AI firms.

Hungary

Hungary's fiscal plans could create room for further rate cuts after yesterday's hold. The central bank kept its policy rate at 5.5%, as expected, and will assess scope for easing in December's Inflation Report. It welcomed the market response to the fiscal plan and the government's commitment to euro adoption, conditions it had previously linked to further easing. Goldman Sachs argues that subdued inflation and a better-than-expected 2027 deficit target should allow cuts in the coming months. Barclays is more cautious: its October forecast had rates reaching 4.5% by end-2027, but it sees risks of less easing because of food-price pressures, the removal of retail margin caps and fading disinflation from forint strength (chart).

Figure 1. We expect 100bp of cuts by end-2027, though risks are skewed towards less easing



Source: Haver Analytics, Barclays

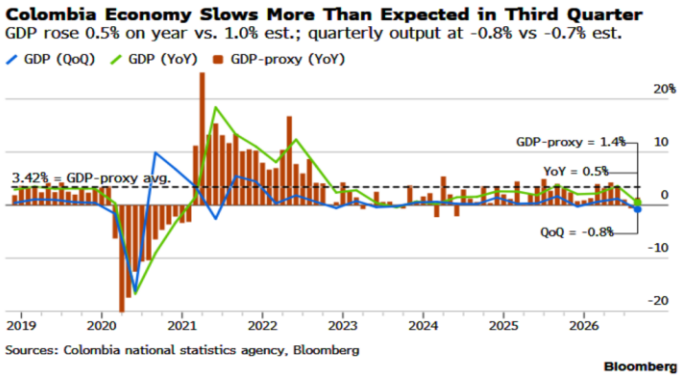
Figure 2. The HUF's outperformance helped keep inflation low



Source: Haver Analytics, Barclays

Colombia

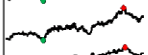
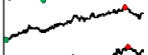
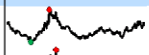
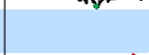
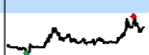
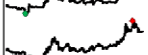
Colombia's growth slowed more than expected as high borrowing costs weighed on demand. Q3 GDP expanded 0.5% y/y, below the 1.0% median forecast, and contracted 0.8% q/q (chart). Mining and utilities grew, while agriculture and manufacturing contracted. Elevated borrowing costs and strained public finances weighed on demand, with August's earthquake adding temporary disruption. The central bank has raised its policy rate by 3 ppt this year to 12.25%, limiting scope for near-term easing. The weaker data add to the fiscal-financing tension behind yesterday's GMM coverage of increased external issuance. Equities fell (-2.2%) yesterday.



This monitor is prepared under the guidance of Jason Wu (Assistant Director) and Sheheryar Malik (Deputy Division Chief). Fabio Cortes (Senior Economist), Timothy Chu (Financial Sector Expert-New York Representative), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Senior Financial Sector Expert), Johannes S. Kramer (Senior Financial Sector Expert), Benjamin Mosk (Senior Financial Sector Expert), Sonal Patel (Senior Financial Sector Expert-London Representative), Patrick Schneider (Financial Sector Expert), and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are Sumedha Bhalla (Research Analyst), Sally Chen (IMF Resident Representative in Hong Kong), Yingyuan Chen (Financial Sector Expert), Andrew Ferrante (Research Analyst), Deepali Gautam (Senior Research Officer), Harrison Kraus (Research Officer), Mindaugas Leika (Senior Financial Sector Expert), Xiang-Li Lim (Financial Sector Expert), Corrado Macchiarelli (Economist), Kleopatra Nikolaou (Senior Financial Sector Expert), Silvia L. Ramirez (Senior Financial Sector Expert), Francesco de Rossi (Senior Financial Sector Expert-London Representative), Lawrence Tang (Senior Economist), Juan Vera-Fernandez (Research Analyst), Dmitry Yakovlev (Senior Research Officer), Akihiko Yokoyama (Senior Financial Sector Expert), and Jing Zhao (Economic Analyst). Jeremie Benzaken (Administrative Coordinator), Olivia Marr (Administrative Coordinator), and Srujana Tyler (Administrative Coordinator) are responsible for the word processing and production of this monitor.

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Global Financial Indicators

Last updated: 11/18/26 8:48 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
United States		7,362	-1.0	-3.4	-3.9	11.3	8
Europe		6,203	-0.1	-3.0	0.0	12.1	7
Japan		59,024	0.3	-3.6	-9.1	21.6	17
China		3,984	0.2	-2.3	-4.6	-13.2	-14
Asia Ex Japan		100	-1.5	-4.3	-7.4	8.6	8
Emerging Markets		58	-1.1	-3.8	-7.3	7.8	7
Interest Rates					basis points		
US 10y Yield		5.1	1	13	5	101	95
Germany 10y Yield		3.4	2	8	-3	69	54
Japan 10y Yield		2.9	0	7	-5	113	81
UK 10y Yield		5.3	-4	11	-4	78	85
Credit Spreads					basis points		
US Investment Grade		125	0	2	6	0	13
US High Yield		363	-3	12	0	-7	22
Exchange Rates					%		
USD/Majors		103.8	0.3	0.9	2.0	4.3	6
EUR/USD		1.10	-0.3	-1.1	-2.2	-5.3	-7
USD/JPY		159.4	0.0	-0.2	0.6	2.5	2
EM/USD		44.6	-0.5	-1.2	-2.4	-3.4	-4
Commodities					%		
Brent Crude Oil ($/barrel)		93.0	-0.2	0.2	-13.0	46.8	54
Industrials Metals (index)		160.9	-3.1	-6.2	-6.5	7.7	-2
Agriculture (index)		56.3	-0.7	-0.8	-7.8	-1.8	5
Gold ($/ounce)		3764.7	-2.2	-5.6	-9.1	-7.4	-13
Bitcoin ($/coin)		63991.3	-0.5	-6.3	-20.9	-30.8	-27
Implied Volatility					%		
VIX Index (%, change in pp)		24.6	-0.8	7.1	4.6	-0.1	9.7
Global FX Volatility		6.6	0.0	0.0	-0.3	-0.6	-0.4
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		91	0	7	1	28	32
Italy		106	1	3	0	31	36
France		150	-1	3	12	74	79
Spain		57	0	1	-3	7	14

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

Emerging Market Financial Indicators

11/18/2026 8:48 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		6.67	0.0	0.1	0.2	6.6	4.8		1.7	-2	2	-1	-15	-23
Korea*		1333	0.2	0.3	0.0	9.7	8.0		4.0	0	11	-17	82	75
Indonesia		18235	0.1	-0.5	-1.1	-8.2	-8.5		7.6	4	15	27	162	160
India		93	0.0	0.3	1.6	-5.2	-3.8		8.4	4	11	1	143	132
Philippines		64	-0.1	-0.7	-1.0	-7.4	-7.7		6.2	0	-2	5	159	156
Thailand		34	-0.4	-0.9	-1.1	-4.4	-7.2		2.1	-2	4	-21	29	40
Malaysia		4.11	-0.5	-1.0	-0.8	1.2	-1.3		3.8	-1	-3	-1	38	33
Argentina		1553	-0.1	-0.5	-1.9	-10.0	-6.5			0	0	0	-3078	-3237
Brazil		5.82	-0.7	-4.4	-13.5	-8.5	-5.9		15.1	-12	18	214	152	152
Chile		1003	-1.0	-1.8	-2.2	-7.0	-10.2		6.0	4	10	5	80	67
Colombia		3319	-0.5	-1.3	-4.8	12.2	13.8		12.8	3	-4	-14	78	-6
Mexico		18.58	-0.9	0.1	-0.8	-1.2	-3.1		9.2	1	9	5	37	22
Peru		3.4	0.1	-0.1	0.7	-1.5	-1.5		7.0	1	40	36	91	118
Uruguay		41	-0.3	-0.4	-1.4	-2.1	-4.2		7.9	1	-2	13	10	38
Hungary		336	-0.8	-2.0	-3.7	-1.3	-2.6		5.4	-7	5	0	-131	-112
Poland		4.02	-0.5	-1.1	-3.1	-9.0	-10.8		5.7	1	16	-4	94	114
Romania		4.9	-0.2	-1.1	-2.5	-9.9	-11.1		6.9	2	13	4	9	25
Russia		82.3	-0.3	0.9	0.9	-1.5	-4.3							
South Africa		17.2	-1.7	-3.6	-4.6	-0.2	-3.8		8.9	5	26	-10	-5	31
Türkiye		50.44	0.0	-0.4	-1.8	-16.1	-14.8		35.1	13	52	61	227	549
US (DXY; 5y UST)		104	0.3	0.9	2.0	4.3	5.6		4.93	1	11	6	125	120

	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		3,984	0.2	-2.3	-4.6	-13.2	-14.0		3	-1	1	-6	-4
Korea*		5,067	2.0	-5.7	-12.1	29.0	20.2		23	0	-1	0	1
Indonesia		5,248	-1.1	2.6	5.0	-37.6	-39.3		126	10	14	47	51
India		82,032	-0.6	0.2	11.1	-3.7	-3.7		96	-1	-1	17	20
Philippines		5,512	0.2	-3.2	-4.9	-5.2	-8.9		109	9	13	45	47
Thailand		1,472	-0.2	-2.0	-6.3	15.7	16.9						
Malaysia		1,567	-0.5	-1.8	-1.8	-3.5	-6.7		66	0	2	4	9
Argentina		82,235	2.0	-1.6	-17.8	-16.3	-18.5		857	1	209	238	291
Brazil		169,817	0.3	-1.3	-17.3	8.5	5.4		205	14	39	3	6
Chile		5,231	-0.5	-1.2	-5.0	2.6	-3.5		105	7	9	11	15
Colombia		2,399	-2.2	-5.1	-6.5	15.8	16.0		238	16	18	-5	-40
Mexico		70,389	-1.1	-2.0	2.1	13.6	9.5		230	9	12	6	11
Peru		2,974	-0.3	-6.6	-15.8	33.0	15.1		127	10	10	4	-2
Hungary		143,436	-1.1	-2.2	-1.4	35.2	29.2		111	12	11	-22	-21
Poland		158,862	-0.4	0.1	-0.8	46.5	35.5		116	12	17	32	28
Romania		34,425	-0.6	0.4	-0.8	46.8	40.9		209	20	28	19	39
South Africa		107,034	-3.2	-5.7	-3.5	-3.0	-7.6		217	21	15	-4	2
Türkiye		11,572	-0.8	-0.8	-1.3	7.9	2.8		258	12	10	21	39
EM total		58	1.0	-3.8	-7.3	7.8	6.5		210	13	16	22	32

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

*Not an EM Under IMF Classification.

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