GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

THURSDAY, NOVEMBER 19, 2026
LEAD EDITOR: SANJAY HAZARIKA

- **Q3 S&P 500 earnings underwhelm but market shows signs of strength amidst selloff** (link)
- **Investors turn bearish on global economy** (link)
- **Yen weaker as markets rethink BOJ policy on rates** (link)
- **AI stocks in China join global tech retreat** (link)
- **Stocks in Europe make modest gains with banks in the lead** (link)

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Cautious Optimism Prevails in Global Markets

Despite continued declines in Asia overnight, global markets appeared to be cautiously optimistic in early morning trading. Markets in Europe posted modest gains while US equity index futures pointed towards a strong open in the wake of Anthropic's record breaking initial public offering. The FOMC minutes indicated that more rate hikes were in the offing, but this was widely expected and the market impact was minimal. Short term interest rate markets indicate that three more Fed rate hikes are expected by June, with the first coming next month. Government bond yields in the US and euro gave back some of their recent safe haven gains as sentiment appeared to improve, pushing yields higher. The dollar lost some ground after several days of appreciation versus the other major currencies. Oil prices and gold were little changed, but renewed attacks in the Middle East reminded market participants that geopolitical risks continue to lurk in the background.

Key Global Financial Indicators

Last updated: 11/19/26 7:58 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		7324	-0.2	-4	-5	10	7
Eurostoxx 50		6177	0.4	-3	1	11	7
Nikkei 225		59444	0.7	-2	-7	19	18
MSCI EM		58	-0.7	-7	-9	7	6
Yields and Spreads					bps		
US 10y Yield		5.10	2.8	-3	-4	96	93
Germany 10y Yield		3.40	3.4	5	-6	69	55
EMBIG Sovereign Spread		212	2	20	18	25	34
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		44.4	0.1	-1	-3	-4	-5
Dollar index, (+) = $ appreciation		103.7	-0.2	1	2	3	5
Brent Crude Oil ($/barrel)		92.9	1.0	-3	-15	46	53
VIX Index (%, change in pp)		22.4	-2.2	4	4	-1	7

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

Key Global Inflation and Energy Indicators

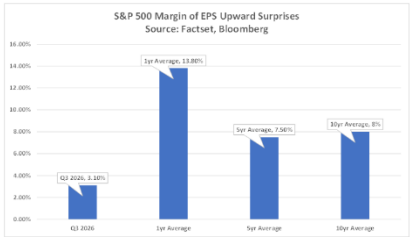
Last updated: 11/19/26 7:59 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Oil and Gas					%		%
Brent Crude Oil ($/barrel)		93	1.0	-3	-15	46	53
WTI Crude Oil ($/barrel)		84	1.0	-5	-19	42	46
Natural Gas (Netherlands TTF)		85	4	-7	-4	173	205
Breakeven Inflation		%			bps		
USD: 2Y		2.2	-0.2	-10	-43	-34	-10
USD: 5Y		2.3	1.8	-7	-22	-15	-3
USD: 5Y5Y		2.4	2	-2	-4	-8	-9
EUR: 2Y		2.6	1.3	-9	-46	78	89
EUR: 5Y		2.2	1	-7	-25	36	43
EUR: 5Y5Y		2.1	0	-1	-6	-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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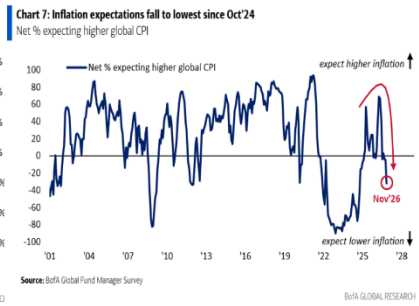
United States





Corporate results for the S&P 500 in Q3 2026 beat earnings forecasts by just 3.1%, the smallest margin since Q4 2022. The average for the index is being dragged down by the communications sector, the only sector with a net negative earnings surprise (-22.1%). Alphabet (Google) and Meta (Facebook) were among the companies reporting the largest negative earnings surprises. With the selloff in Nvidia, the technology sector as represented by the Nasdaq index is under severe pressure, with a peak to trough decline larger than the 10% level that marks a market correction. The VIX volatility index is also creeping up again after falling below 20 last week. The S&P 500 is holding up better than the Nasdaq, with investors rotating away from technology stocks into more defensive names, with market breadth broadening out. Market participants view this as a positive sign. The equal weight S&P 500 index is outpacing the capitalization weighted S&P 500 index by almost 700 bps, and the S&P 493 is beating the Magnificent Seven by the largest margin since 2023.





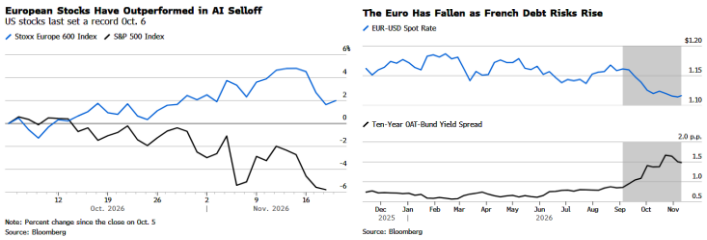
Investors have turned bearish on the global economy, according to the latest fund manager survey from the Bank of America. A net 14% percentage of investors predict a global slowdown in the next 12 months, which is the most negative reading since April when war tensions were much higher than they are today. The percentage predicting a rally in the S&P 500 next year has fallen to 10%, the most pessimistic reading since April 2025, in the midst of the tariff selloff. A net 32% of investors expect lower global inflation in the year ahead, perhaps due the decline in global oil prices. The survey also found that investors have a negative view of the capital expenditures being made in the technology sector and especially AI, with a net 38% expressing the view that companies are over

investing. In addition, 52% expect at least one hyperscaler to announce a reduction in capital expenditure in the next six months, up significantly from just 30% last month.

Euro area

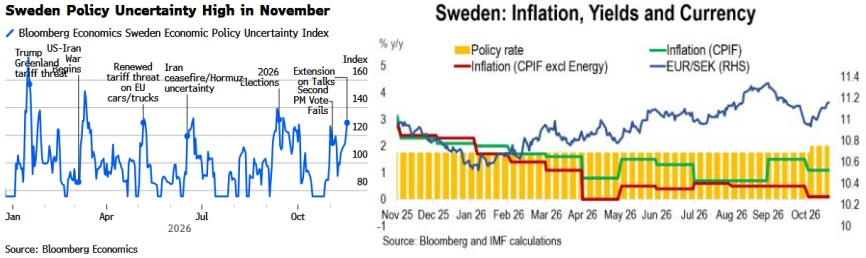
European stocks rallied this morning, snapping a three-day decline, as the **Anthropic IPO revived AI sentiment**. European banks outperformed, supported by news of progress in UniCredit's takeover of Commerzbank (Unicredit shares rose 2% today). The euro rose 0.3% against a broadly softer dollar today, to $1.1005/€. However, analysts remain cautious on the euro, with **Bloomberg** continuing to see France as the main source of risk for the currency. **Morgan Stanley** and **Commerzbank** expect the EUR/USD at 1.08 on average next year, while **Crédit Agricole** notes that, although short positions on the euro are near six-year highs, the break below 1.10 has not triggered a meaningful volatility spike.

Bund yields rose marginally in a mild bear-flattening move after hawkish ECB comments, stronger wage data, and rising gas prices. Euro-area labor costs accelerated to 3.5% y/y in Q3 from 3% in Q2, reinforcing concern about second-round inflation effects, while ECB Governing Council member Nagel said today that a December hike would send a clear anti-inflation signal. The Dutch front-month gas futures contract rose 2.2% today to €82.59/MWh as renewed US-Iran tensions threatened LNG flows through Hormuz. **Peripheral spreads were little changed**, with the 10y OAT-Bund broadly unchanged at around 150bps, despite solid demand at a €12bn OAT auction covering 4y to 8y maturities (bid-to-cover ratio for 2.5bn of 2034 bonds was at 3 vs 2.7 in previous auction).



Sweden

Markets were firm in Sweden this morning despite the **prolonged government-formation deadlock**. The OMX Stockholm 30 index gained 0.7% mirroring European pers, while the krona strengthened 0.3% against the dollar to SEK10.137/$ and was little changed against the euro at SEK11.150/€. Analysts see political uncertainty as a medium-term risk to growth rather than an immediate market mover, with Bloomberg noting that the rise of its policy-uncertainty index (to almost 130), if sustained, could translate into an estimated loss of up to 0.5% of GDP over the next four quarters, lowering its 2027 growth forecast to 2.1% from 2.4%. The political drag has not changed the Riksbank's tightening bias, as Governor Thedéen told Parliament today that the economy is performing increasingly well and described November's 25bps hike to 2% as "easing off the accelerator", while signaling gradual normalization ahead. The Riksbank sees current low inflation as partly distorted by temporary fiscal measures and remains concerned that stronger demand and higher company costs could push inflation higher. Money markets price-in roughly a 65% chance of another 25bps hike by February 2027.



Japan

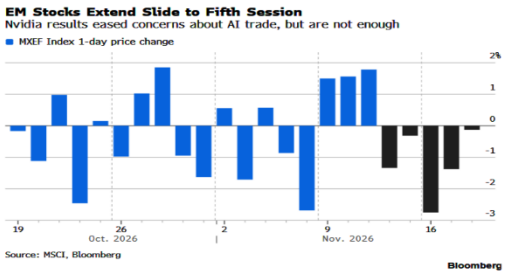


The yen weakened (-0.3%) against the dollar as markets reassessed the BOJ policy outlook. Options markets also showed waning near-term bullish demand for the yen, with one-week USD/JPY risk reversals traded at 121 bp in favor of puts, the narrowest premium since April. BOJ Governor Ueda said the recent weakness in consumption was temporary and within the BOJ's expectations, with rising wages and moderating inflation expected to support a gradual recovery in household spending. Analysts viewed that his remarks provided little guidance on the timing of the next rate hike, while OIS markets continued to price around an 85% probability of a December increase. Nonetheless, JGB yields dropped across the curve (10y: -3.1bp to 2.83%; 30y: -3.1bp to 3.99%), tracking US Treasuries. Resona Asset Management noted that lower global commodity and domestic rice prices could ease consumers' inflation perceptions and support bond demand. Equities were mixed ahead of Anthropic's trading debut, with the TOPIX little changed and the Nikkei 225 up 0.7%. Japan Exchange Group data showed that individual investors were net sellers of ¥532.5 bn ($3.3 bn) of cash equities and futures in the week ended Nov. 13, the largest net selling in three months, while domestic institutions were net buyers.

Emerging Markets back to top

EMEA currencies appreciated this morning. Türkiye priced a €1.25 billion eight-year green bond at a yield of 6.125%, down from initial guidance of around 6.375%. **EM Asian equities mostly fell (EM Asia: -1.6%), led by Taiwan POC (TWSE: -4.4%), amid renewed selling in chipmakers and weakness in commodity-related stocks.** EM Asian currencies broadly strengthened against the dollar, with the Korean won outperforming (+0.3%) as exporters reportedly converted dollar earnings. **Latin American markets were weaker.** Regional currencies depreciated. Most equities underperformed led by Colombia (-2.2%), Mexico (-1.8%), and Brazil (-1.3%).

Emerging Market Assets



Emerging market currencies and equities sold off after hawkish Fed minutes. The MSCI EM Currency index declined 0.11% on Wednesday, reversing earlier gains. The sell-off followed the release of minutes from the Federal Reserve's October FOMC meeting, which showed that almost all officials expected further rate hikes to be appropriate, with some considering a larger-than-25-bps hike in December. Among Latin American currencies, the Brazilian real led declines, depreciating 1.9%, followed by the Colombian peso (-1.6%) and Chilean peso (-1.5%). The currency weakness was accompanied by continued pressure on EM equities, with the MSCI EM Equity index declining 0.2% on Wednesday, extending its losing streak to a fifth consecutive session.

EMEA Outlook

EMEA's resilience to tariff and energy shocks provides a supportive backdrop, while domestic political and fiscal developments are expected to drive divergent market performance in 2027, Barclays writes in its regional outlook. Real exports rose more than 12% between Q1 2025 and Q2 2026, while average inflation excluding Türkiye and Egypt increased by just 0.3 percentage points. Against this resilient backdrop, country-specific factors are expected to shape market prospects. Hungary's high carry and euro-adoption plans should support the forint and sovereign credit. Poland's fiscal risks, election uncertainty, and more dovish central bank outlook could weigh on the zloty and longer-dated bonds. South

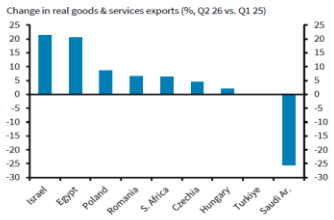
Africa's improving fiscal fundamentals support sovereign credit, although political risks and dollar strength leave the rand vulnerable. Barclays upgraded Egypt's sovereign credit to overweight on resilient fundamentals.

FIGURE 1. **EEMEA exports have gone from strength to strength despite additional tariffs...**



Source: Haver Analytics, Barclays Research

FIGURE 2. **... only Saudi Arabia has seen real exports decline as the US-Iran conflict weighs heavily**



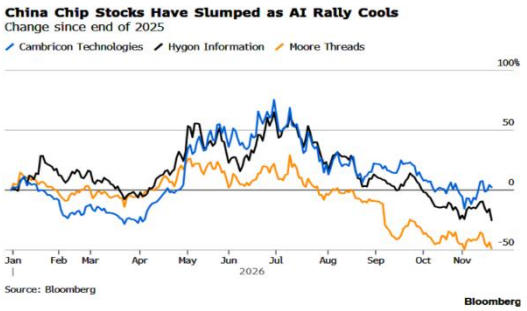
Source: Haver Analytics, Barclays Research

Developments in Africa

Senegal's parliament voted down the first part of the 2027 budget, complicating passage of fiscal measures underpinning a proposed $2.2 billion IMF program; Finance Minister Diba warned that delayed IMF funding could tighten financing conditions and liquidity, threatening the government's ability to meet obligations including salaries (Bloomberg). In Kenya, the Treasury said it plans to launch its previously announced over-the-counter market for government securities during the fiscal year beginning July 1, 2027, followed by a market-making pilot for selected benchmark bonds. Yesterday, Egypt and IMF staff reached a staff-level agreement that could unlock about $2.3 billion, subject to Executive Board approval. Ghana unexpectedly cut its policy rate by 300 bps to 11%.

China

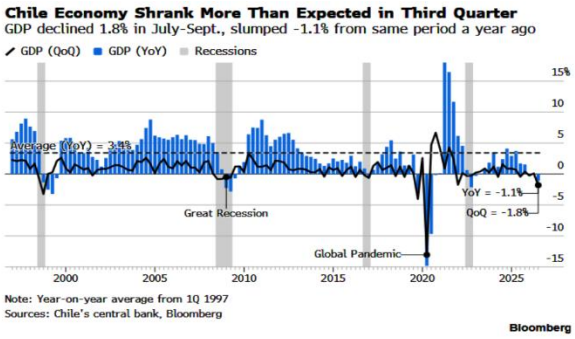
Chinese AI-related stocks fell amid renewed concerns over chip access and the rising cost of AI investment, with offshore equities declining (HSCEI: -1.9%) while the onshore market pared earlier losses to close broadly flat (CSI 300: +0.03%). GPU makers sold off sharply following unverified market speculation that Samsung foundry was tightening scrutiny of Chinese advanced-chip orders after new US restrictions. Domestic foundries moved in the opposite direction as investors expected tighter overseas access to redirect demand toward local production. Meanwhile, Tencent fell (-6.6%) in the offshore market after heavy AI investment drove Q3 free cash flow to negative RMB69.1 bn ($10.4 bn) and pushed the company into a modest net debt position, adding to concerns over the cost of financing AI investment amid constrained access to advanced chips. Analysts expect elevated AI spending to continue weighing on Tencent's cash flow and margins in the near term, although some think more efficient models and greater use of domestic chips could partly mitigate the impact of tighter access to Nvidia chips. Today, government bond yields declined, with market commentary pointing to easing fund-redemption pressure and lower interbank funding rates as supporting renewed purchases by non-bank institutions. China also began marketing up to $2 bn of three-year dollar sovereign bonds, with initial price guidance around 25 bp over comparable US Treasuries. The yuan was little changed against the dollar.



Chile

Chile's economy contracted more than expected in the third quarter, posting its sharpest quarterly decline since 2020. Chile's Q3 GDP declined 1.8% q/q, exceeding the 1.4% contraction forecast by Bloomberg economists, while output fell 1.1% y/y. The quarterly contraction was driven largely by a 12.9% q/q decline in mining activity, as severe weather disrupted operations and copper production fell to its lowest

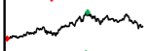
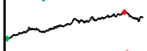
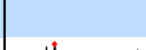
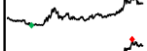
level in more than two decades. Non-mining activity also edged down 0.2% q/q. Labor-market conditions remained weak, with the unemployment rate rising to 9.8% in September, its highest level in more than five years. Stocks in Chile fell back along with regional peers.



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Global Financial Indicators

Last updated: 11/19/26 8:00 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
United States		7,324	-0.2	-3.9	-4.8	10.3	7
Europe		6,177	0.4	-3.5	0.5	11.4	7
Japan		59,444	0.7	-2.3	-7.2	19.3	18
China		3,985	0.0	-1.5	-4.0	-12.7	-14
Asia Ex Japan		100	-0.1	-6.9	-8.3	8.9	7
Emerging Markets		58	-0.7	-6.7	-8.6	7.5	6
Interest Rates					basis points		
US 10y Yield		5.1	3	-3	-4	96	93
Germany 10y Yield		3.4	3	5	-6	69	55
Japan 10y Yield		2.8	-3	3	-7	107	78
UK 10y Yield		5.3	3	2	-11	72	84
Credit Spreads					basis points		
US Investment Grade		126	0	2	6	0	13
US High Yield		369	3	19	6	-1	28
Exchange Rates					%		
USD/Majors		103.7	-0.2	0.5	1.7	3.5	5
EUR/USD		1.10	0.2	-0.5	-1.9	-4.7	-6
USD/JPY		159.9	0.4	0.0	0.9	1.7	2
EM/USD		44.4	0.1	-1.0	-2.9	-3.6	-5
Commodities					%		
Brent Crude Oil ($/barrel)		92.9	1.0	-3.1	-12.4	49.7	54
Industrials Metals (index)		158.9	0.1	-6.3	-8.0	5.7	-3
Agriculture (index)		55.8	0.4	-1.0	-8.2	-0.9	4
Gold ($/ounce)		3719.0	-0.2	-4.1	-10.2	-8.8	-14
Bitcoin ($/coin)		63829.0	2.5	-0.9	-22.1	-29.5	-27
Implied Volatility					%		
VIX Index (%, change in pp)		22.4	-2.2	3.7	3.9	-1.3	7.4
Global FX Volatility		6.6	0.0	0.1	-0.3	-0.6	-0.3
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		90	-3	2	-5	29	32
Italy		105	-1	0	-6	31	35
France		150	1	0	2	75	80
Spain		57	-1	0	-5	7	14

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

Emerging Market Financial Indicators

11/19/2026 8:01 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	6.7	4.8		1.7	0	1	-1	-15	-23
Korea*		1328	0.2	0.6	0.3	10.5	8.8		4.0	0	3	-17	85	75
Indonesia		18254	-0.1	-0.1	-1.1	-8.5	-8.6		7.7	2	13	28	164	162
India		93	0.2	0.8	1.7	-5.0	-3.7		8.5	6	10	7	147	138
Philippines		64	0.1	0.0	-0.9	-7.5	-7.4		6.2	0	-1	5	159	156
Thailand		34	0.2	0.0	-0.9	-4.2	-7.1		2.1	0	0	-21	34	40
Malaysia		4.11	0.1	-0.8	-0.7	0.9	-1.3		3.8	-2	-4	-3	39	31
Argentina		1559	-0.4	-0.9	-2.3	-10.3	-6.9		0.0	0	0	0	-3160	-3237
Brazil		5.89	0.0	-4.2	-14.5	-9.4	-6.6		15.2	13	31	227	168	166
Chile		1007	-0.1	-1.2	-2.7	-7.5	-10.6		6.0	2	13	7	82	70
Colombia		3360	-0.1	-1.5	-6.0	10.6	12.4		12.8	4	6	-10	78	-2
Mexico		18.89	-0.2	-1.5	-2.5	-2.9	-4.7		9.2	1	7	5	40	23
Peru		3.4	-0.6	-0.7	0.1	-1.8	-2.1		7.0	######	7	26	97	120
Uruguay		41	0.0	-0.1	-1.3	-2.1	-3.7		7.9	1	-1	13	9	39
Hungary		336	0.0	-1.6	-3.7	-1.5	-2.5		5.4	2	2	2	-129	-109
Poland		4.02	0.1	-0.8	-2.9	-8.7	-10.6		5.7	-3	13	-7	91	110
Romania		4.9	0.2	-0.6	-2.3	-9.3	-10.9		6.9	1	12	5	9	26
Russia		81.9	0.5	0.7	1.3	-1.8	-3.9							
South Africa		17.2	0.3	-2.6	-4.6	-0.2	-3.8		9.0	9	25	-1	-2	41
Türkiye		50.47	0.0	-0.3	-1.8	-16.1	-14.9		35.1	2	42	63	242	552
US (DXY; 5y UST)		104	-0.2	0.5	1.7	3.5	5.5		4.92	3	-5	-2	121	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		3,985	0.0	-1.5	-4.0	-12.7	-13.9		5	2	6	-4	-2
Korea*		5,138	1.4	-3.8	-7.5	28.3	21.9		23	0	-2	-1	1
Indonesia		5,194	-1.0	-1.1	-1.6	-38.3	-39.9		130	18	20	51	55
India		83,022	1.2	1.4	12.4	-3.0	-2.6		98	5	3	20	22
Philippines		5,478	-0.6	-3.2	-5.7	-7.6	-9.5		111	17	19	47	49
Thailand		1,473	0.0	-1.8	-5.3	14.9	16.9						
Malaysia		1,566	0.0	-1.2	-2.1	-3.3	-6.8		67	4	5	5	10
Argentina		82,452	0.3	-0.2	-16.0	-14.2	-18.2		850	19	175	242	284
Brazil		167,538	-1.3	-2.2	-18.3	7.8	4.0		208	18	42	7	9
Chile		5,192	-1.1	-2.6	-5.7	1.1	-4.3		108	14	13	13	18
Colombia		2,347	-2.2	-5.6	-6.9	13.9	13.5		240	20	19	-4	-38
Mexico		69,154	-1.8	-3.8	0.2	11.4	7.5		233	15	14	9	14
Peru		2,853	-4.1	-10.3	-19.2	25.2	10.4		128	14	13	6	-1
Hungary		143,079	0.3	-2.2	-0.5	33.5	28.9		113	21	13	-19	-19
Poland		159,203	0.3	-1.4	0.3	44.4	35.8		118	18	19	34	30
Romania		34,493	0.6	0.1	-1.8	48.7	41.1		208	24	21	20	38
South Africa		106,240	-0.3	-5.9	-2.5	-5.2	-8.3		221	28	19	-1	6
Türkiye		11,426	-0.4	-3.3	0.0	4.8	1.5		259	16	11	24	40
EM total		58	0.7	-6.7	-8.6	7.5	5.8		212	20	18	25	34

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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