



- Credit spreads widening in US corporate bond market ([link](#))
- US corporate earnings in Q3 were exceptionally strong ([link](#))
- China's dollar bond issuance is 30x oversubscribed ([link](#))
- Brazil stays on hold at 15% despite inflation remaining above target ([link](#))
- BOE stays on hold at 4% in split 5–4 decision ([link](#))
- Congo returns to global bond market after almost two decades ([link](#))

[Mature Markets](#)

| [Emerging Markets](#)

| [Market Tables](#)

## Global markets are mixed as outlook remains uncertain

**Stocks in Europe were mostly lower today, while US equity index futures are flat.** Overnight, stocks in Asia did well, led by the technology sector. In the US, yesterday's US Treasury quarterly refunding announcement indicated that auction sizes could increase in the future, sending Treasury yields higher in the wake of stronger than expected economic data that could delay the next Fed rate cut. However, Treasuries staged a minor rebound in early trading today as stocks declined. The BOE stayed on hold at 4% in a contentious 5–4 split decision, with a rate cut likely next month. Governor Bailey appeared to endorse the market implied terminal rate of 3.5%. Gilts rallied in response. China's latest dollar bond issuance was snapped up by eager buyers. The central bank of Norway also stayed on hold at 4%, indicating that there will be no further rate cuts this year.

Key Global Financial Indicators

Last updated: 11/6/25 8:02 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
S&P 500		6796	0.4	-1	1	15	16
Eurostoxx 50		5658	-0.2	-1	1	18	16
Nikkei 225		50884	1.3	-1	6	29	28
MSCI EM		55	0.9	-2	1	23	32
<b>Yields and Spreads</b>			bps				
US 10y Yield		4.13	-2.5	4	-2	-30	-44
Germany 10y Yield		2.67	0.0	3	-5	27	31
EMBIG Sovereign Spread		264	-5	3	-16	-79	-61
<b>FX / Commodities / Volatility</b>			%				
EM FX vs. USD, (+) = appreciation		45.9	0.2	0	0	3	7
Dollar index, (+) = \$ appreciation		99.9	-0.3	0	2	-5	-8
Brent Crude Oil (\$/barrel)		64.0	0.7	-2	-2	-15	-14
VIX Index (% change in pp)		17.8	-0.2	1	1	2	0

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

## Mature Markets

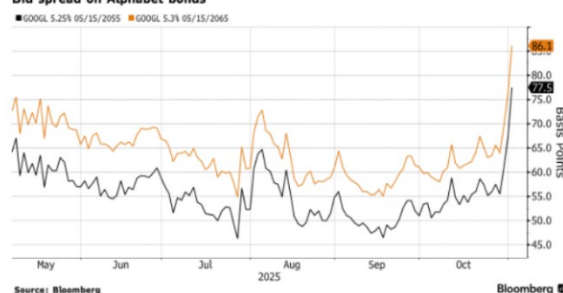
[back to top](#)

### United States

**Credit spreads in the US corporate bond market are finally beginning to widen after reaching their tightest level of the century back in September.** The Bloomberg Corporate Bond Index spread has moved from a record low of 72 bps on September 18 to 82 bps yesterday.

The Bloomberg High Yield index has widened by 20 bps over the past few week to 286 bps yesterday. Although conditions remain orderly and confidence remains high, there have been a series of news stories that are individually unimportant but whose impact has cascaded to finally make an impression on perhaps overly complacent investors. Recent fraud allegations at a number of smaller companies were followed by bad news on earnings from a number of companies in the communications sector such as AT&T and Time Warner. In addition, a surge of new issuance from US technology companies such as Google (Alphabet) has also contributed to wider spreads. Google recently sold \$17.5 bn of dollar bonds and €6.5 of euro bonds to fund AI investments. Spreads on its existing bonds have widened by 20 bps over the past week.

**Widening as Company Sells More to Fund AI Spending**  
Bid spread on Alphabet bonds



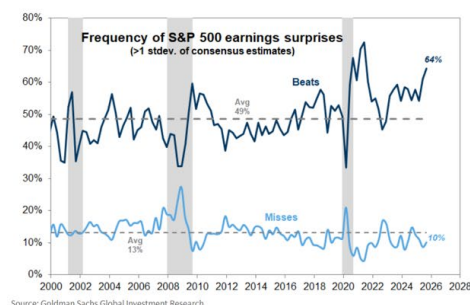
Source: Bloomberg

Bloomberg

Recent fraud allegations at a number of smaller companies were followed by bad news on earnings from a number of companies in the communications sector such as AT&T and Time Warner. In addition, a surge of new issuance from US technology companies such as Google (Alphabet) has also contributed to wider spreads. Google recently sold \$17.5 bn of dollar bonds and €6.5 of euro bonds to fund AI investments. Spreads on its existing bonds have widened by 20 bps over the past week.

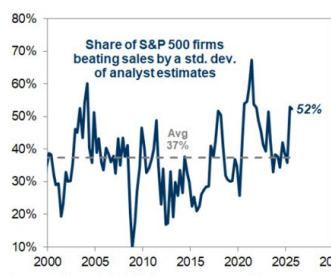
**US corporate earnings in Q3 have been exceptionally strong.** According to Goldman, “the frequency of earnings “beats” has been unprecedented outside of the Covid period.” Goldman analysts report that 64% of companies did better than expected by at least a standard deviation more than the estimates. Making the picture even brighter, the strong earnings were driven by both higher sales and bigger profits. As many as 52% of companies beat sales forecasts, compared to the long term average of 37%.

Exhibit 1: Frequency of earnings beats and misses



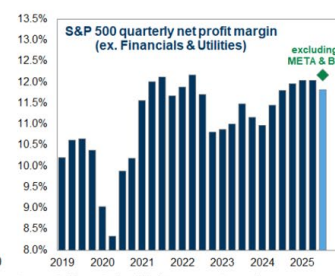
Source: Goldman Sachs Global Investment Research

Exhibit 2: Frequency of positive sales surprises



Source: Goldman Sachs Global Investment Research

Exhibit 3: Quarterly path of the S&P 500 net profit margin



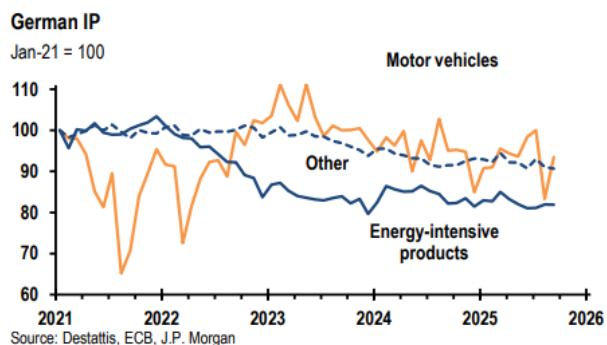
Source: Goldman Sachs Global Investment Research

**However, investors are no longer reacting as positively to news of better than expected corporate results, compared to the past.** On the day of their earnings report, companies that beat forecasts outperformed the S&P 500 by just 32 bps compared to the historical average of 98 bps. The analysts speculate that investors may be viewing Q3 2025 as an atypical quarter, as the economy, companies and consumers were reacting to the flood of news on tariffs and geopolitical developments. They point out that investors had similar reactions early in 2024 when interest rate volatility dominated investor attention, as well as 2021, when the focus was on the Covid reopening.

### Euro Area

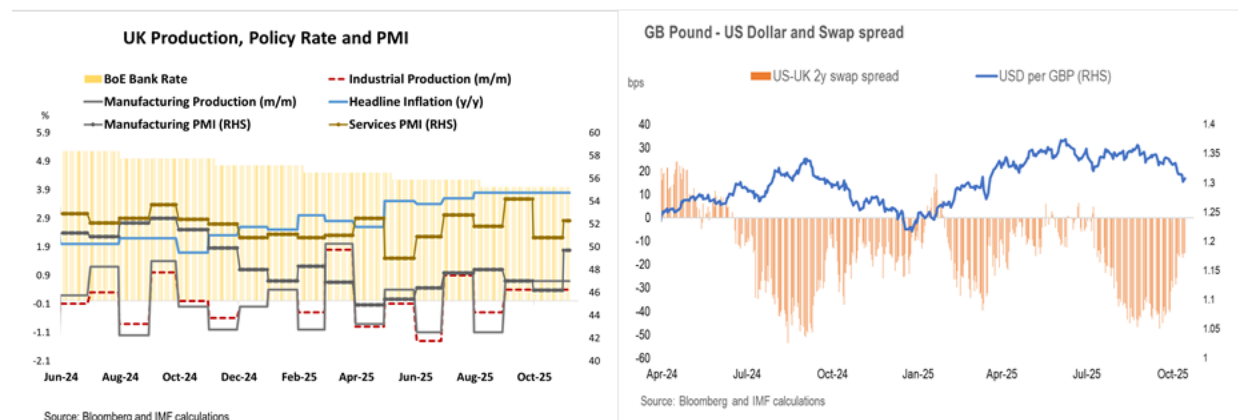
**Local stocks were lower in early trading.** UBS expects the ECB to keep its deposit rate at 2% through 2026 and sees the euro at 1.18 against the dollar by year-end 2025 as easing of Eurozone inflation to 1.8% into 2026 would keep real rates positive and attractive for bond investors despite increased fiscal supply. Deutsche Bank notes that the US–Europe growth differential narrowed, with past evidence showing that

periods of synchronized global upturns have tended to be bearish for the dollar and supportive for the euro, which it then expects to remain range-bound to modestly firmer through late 2025. JP Morgan adds that October data already show a 2% m/m decline in car output and sees Germany's industrial cycle remaining fragile and unlikely to support broader Eurozone growth before mid-2026.



## United Kingdom

The pound sterling regained ground (0.2%) against the dollar, trading at \$1.3073/£, after the Bank of England (BOE) kept its policy rate unchanged at 4%, as expected. Five members of the MPC voted to leave policy unchanged, with Governor Bailey swinging the decision as four members called for a 25bps cut to 3.75%. The BOE said September inflation of 3.8%y/y “is likely to be the peak,” as its updated forecasts show inflation falling to 3.1% at the start of next year and settling around the 2% target from the second quarter of 2027 onward. Unemployment is expected to peak at 5.1% in Q2, up from 4.9% in the August forecast. The BOE revised up its growth forecast for this year to 1.5% from the prior estimate of 1.25% and left its 2026 and 2027 outlooks unchanged. Money markets are pricing 60bps in rate cuts by September 2026. Gilt yields were marginally lower across tenors after the decision.

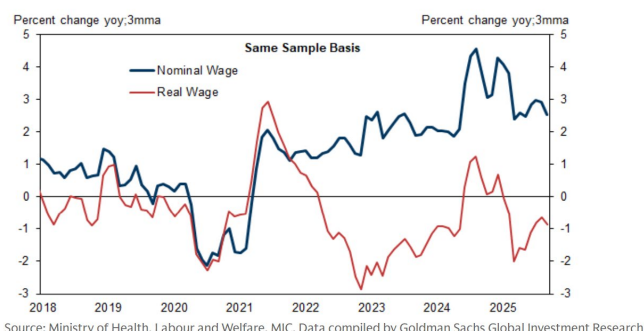


## Japan

The Bank of Japan is looking to next year's wage negotiations as a key factor for its next rate hike decision following mixed September wage data. Nominal wages rose +1.9% y/y, accelerating from August (+1.3%), while base wages for full-time workers on a "same sample" basis—the BOJ's preferred measure—slowed to +2.2% y/y (August: +2.4%). Rengo, the largest trade union, targets a 5% hike (including 3% rise in base salaries), while UA Zensen, the other large labor union, seeks 6%, with 4% in

base salaries. Separately, Nikkei Asia reports that Prime Minister Takaichi aims to finalize an economic stimulus package to address inflation by late November, with a supplementary budget potentially exceeding ¥10tn (\$64.9bn). AXA Investment expects funding mainly via short-term debt, avoiding large-scale bond issuance. Still, the long-term JGB yields edged higher (10y: +2.3bps to 1.68%; 30y: +1.1bps to 3.09%). Today, the stock market rebounded (Nikkei 225: +1.34%) on tech strength and upbeat earnings, while the yen appreciated (+0.3%) against the dollar.

Exhibit 2: Nominal and Real Wage (Same Sample Basis)



## Emerging Markets

[back to top](#)

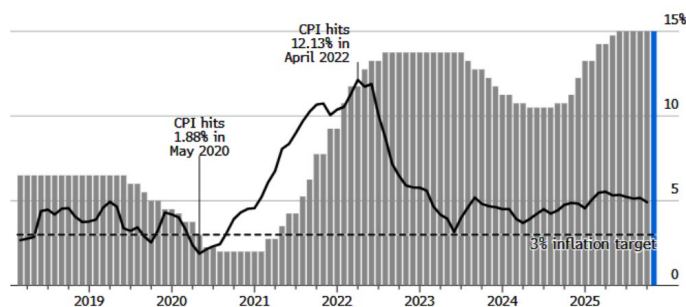
**EMEA equities were mostly trading higher while currencies were mixed in early morning trade.** In CEE, equities in Poland (+1.1%) were outperforming in early morning trade after the central bank cut the policy rate to 4.25% yesterday. CEE currencies were relatively rangebound against the euro. **EM Asian stock market rose (EM Asia: +1.2%) as dip buyers lifted tech shares after a two-day selloff, led by Hong Kong SAR (HSI: +2.1%).** EM Asian currencies had mixed performance against the dollar. Bank Negara Malaysia kept its overnight policy rate at 2.75%, as expected. Equity markets in Brazil and Mexico set new record highs. **Latam currencies were generally stronger against the dollar.**

### Brazil

**The COPOM held Brazil's Selic rate unchanged at 15%, in line with expectations, for the third straight meeting.** Inflation fell to 4.92% y/y in October from 5.17% in September but remains above the 3% target. In its monetary policy statement, the committee noted that indicators of domestic activity point to a "moderation in economic growth," while the labor market remains resilient. According to Bloomberg analysts, the central bank's efforts are being complicated by President Lula's continued expansion of social spending ahead of next year's general election. The COPOM emphasized its vigilant stance and left the option of further rate increases on the table.

**Brazil Keeps Key Rate at 15% for Third Straight Meeting**  
Central bank decision forecast by all analysts surveyed by Bloomberg

— CPI (YoY) — Key rate ■ Nov. 5 decision



Sources: Brazil's central bank, statistics agency, Bloomberg

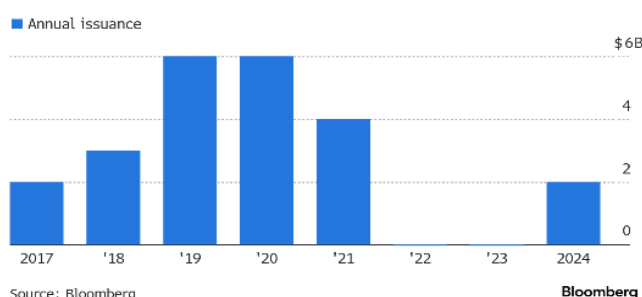
Note: Oct. '25 CPI est. via BCB Focus readout; 3% inflation target begins 2024

Bloomberg

## China

**The Ministry of Finance raised \$4bn yesterday as trade frictions with the US have eased, attracting very strong demand.** The order book reached \$118.15bn—nearly 30x oversubscribed—from 1,048 accounts. The issuance comprised \$2bn each in three- and five-year notes, priced with no premium vs. Treasuries for the shorter tenor and just 2bps for the longer. S&P Global Ratings assigned an A+ long-term foreign-currency issue rating to this offering. A surge of demand in the secondary market tightened spreads by about 40bps, traders said. Regarding investor allocations: 43% went to central banks, sovereign wealth funds, and insurers; 32% to real money and hedge funds, and 23% to banks. Regionally, Asia took over half, Europe about 25%, and the Middle East and North Africa 16%. Authorities aim to use the latest issuance to build a deeper yield curve as a pricing benchmark for Chinese corporates. Dollar-bond sales by Chinese firms are rebounding, totaling \$90bn so far and heading for a three-year high, according to Bloomberg data. Separately, Securities Times reports onshore-listed cross-border ETFs have more than doubled in value this year. As of Nov. 5, there are 185 such products with 898bn yuan (\$126bn) AUM, including 47 new ETFs this year. Today, the stock market gained (CSI300: +1.43%) and the yuan firmed (+0.1%) against the dollar on the strongest fixing this week at 7.0865 per dollar.

**China's Dollar Bond Sales in Recent Years**



## Congo

**The Republic of Congo made a return to international capital markets.** Yesterday, Bloomberg reported that the Republic of Congo sold \$670mn of seven-year bonds at a yield of 13.7%, marking a return to capital markets for the first time in almost two decades. According to Bloomberg data, the yield offered on the bond is the highest ever yield at issuance for a sovereign borrower. Proceeds from the bond sale are expected to be used to extend the average maturity of existing debt and ease near-term financing pressures. Yesterday, Bloomberg reported that Nigeria had started sales of around \$2.25bn in eurobonds across 10-, and 20Y maturities. This follows recent eurobond issuance from Kenya and Angola. Analysts at Standard Chartered note that a “global search for yield” amid expectations of further easing by the US Fed has seen the average spread on African bonds over US Treasuries tighten notably since April to around 369bp according to JP Morgan indices.

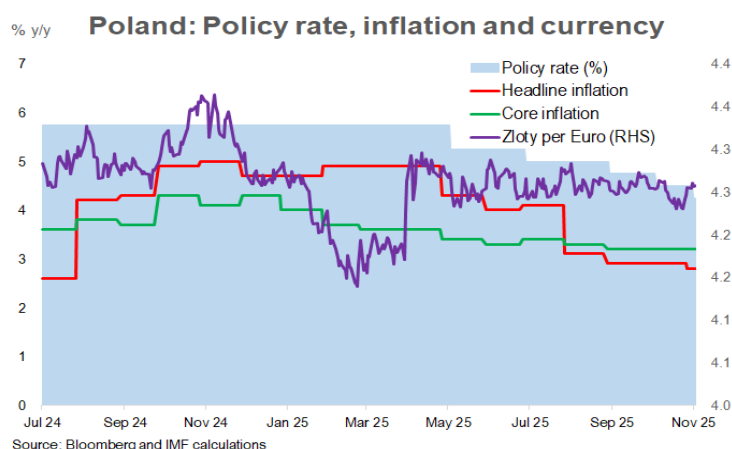
**Africa Risk Premium Contracts**  
Extra yield on African sovereign bonds near their lowest since 2018





## Poland

The National Bank of Poland cut the policy rate by 25 bps to 4.25%, in line with expectations. This is the fourth consecutive rate cut. JP Morgan analysts believe policy rates in Poland are approaching their estimate of the terminal rate of 4% and will be watching today's press conference for any guidance from Governor Glapiński as to the likely timing and depth of further cuts. The analysts note that with inflation easing, a December rate cut could be a possibility, although the Governor has previously said that a cut in the final month of the calendar year is atypical for the NBP. For now, JP Morgan expects a final cut in Q1 2026.



*This monitor is prepared under the guidance of Jason Wu (Assistant Director), Charles Cohen (Advisor), Caio Ferreira (Deputy Division Chief) 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 Sally Chen (IMF Resident Representative in Hong Kong), Yingyuan Chen (Financial Sector Expert), Andrew Ferrante (Research Analyst), Deepali Gautam (Senior Research Officer), Zixuan Huang (Economist – EP), Harrison Kraus (Research Analyst), Yiran Li (Senior Research Analyst), Xiang-Li Lim (Financial Sector Expert), Corrado Macchiarelli (Economist), Kleopatra Nikolaou (Senior Financial Sector Expert), Silvia Ramirez (Senior Financial Sector Expert), Francesco de Rossi (Senior Financial Sector Expert-London Representative), Lawrence Tang (Senior Economist), Dmitry Yakovlev (Senior Research Officer), Akihiko Yokoyama (Senior Financial Sector Expert), and Jing Zhao (Economic Analyst). Jeremie Benzaken (Administrative Coordinator), Javier Chang (Senior Administrative Coordinator), and Srujana Tyler (Administrative Coordinator) are responsible for the word processing and production of this monitor.*

**Disclaimer:** This is an internal document produced by the Global Markets Analysis Division (GA) of the Monetary and Capital Markets Department. It reflects GA staff's interpretation and analysis of market views and developments. Market views presented may or may not reflect a consensus of market participants. GA staff do not independently verify the accuracy of all data and events presented in this document.

## Global Financial Indicators

11/6/25 8:05 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
United States		6,806	0.4	-0.2	1.0	14.8	16
Europe		5,658	-0.2	-0.7	0.5	17.9	16
Japan		50,884	1.3	-0.8	6.1	29.2	28
China		4,693	1.4	-0.4	1.1	13.2	19
Asia Ex Japan		95	0.8	-1.7	1.0	23.5	31
Emerging Markets		55	0.9	-1.6	1.2	23.1	32
<b>Interest Rates</b>			basis points				
US 10y Yield		4.1	-3	4	-2	-30	-44
Germany 10y Yield		2.7	0	3	-5	27	31
Japan 10y Yield		1.7	2	3	-1	71	58
UK 10y Yield		4.4	-2	2	-29	-12	-12
<b>Credit Spreads</b>			basis points				
US Investment Grade		116	-1	5	2	-10	-4
US High Yield		346	2	11	20	34	18
<b>Exchange Rates</b>			%				
USD/Majors		99.9	-0.3	0.3	1.8	-5.0	-8
EUR/USD		1.15	0.4	-0.3	-1.5	7.5	11
USD/JPY		153.6	-0.3	-0.4	2.2	-0.7	-2
EM/USD		45.9	0.2	-0.1	-0.1	2.6	7
<b>Commodities</b>			%				
Brent Crude Oil (\$/barrel)		64.0	0.7	-0.6	-1.7	-11.5	-11
Industrials Metals (index)		152.7	0.7	-0.5	1.3	4.3	9
Agriculture (index)		56.5	-0.8	1.6	4.0	0.5	-1
Gold (\$/ounce)		4006.4	0.7	-0.5	1.1	50.7	53
Bitcoin (\$/coin)		102642.5	-1.0	-7.0	-18.1	35.1	10
<b>Implied Volatility</b>			%				
VIX Index (% change in pp)		17.8	-0.2	0.9	1.4	1.5	0.4
Global FX Volatility		7.0	0.0	0.1	-0.1	-1.6	-2.2
<b>EA Sovereign Spreads</b>			10-Year spread vs. Germany (bps)				
Greece		63	0	0	-4	-28	-22
Italy		75	0	0	-7	-57	-40
France		79	0	1	-6	2	-4
Spain		51	0	0	-3	-24	-18

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

## Emerging Market Financial Indicators

Last updated: 11/6/2025 8:06 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
	vs. USD		(+) = EM appreciation					% p.a.						
China		7.12	0.1	-0.1	0.0	0.8	2.5		1.8	0	-2	-8	-21	14
Indonesia		16701	0.1	-0.4	-0.7	-5.2	-3.4		6.0	0	11	-13	-75	-98
India		89	0.0	0.1	0.2	-4.9	-3.4		6.8	1	-3	2	-47	-52
Philippines		59	-0.2	-0.2	-1.1	-0.5	-1.7		4.6	-1	-4	-12	-32	-23
Thailand		32	0.4	0.1	0.3	6.2	6.2		1.8	-2	6	30	-65	-49
Malaysia		4.18	0.2	0.3	0.8	5.3	6.9		3.5	-5	-5	-2	-47	-36
Argentina		1451	0.6	-0.9	-1.4	-31.6	-28.9		32.0	130	-171	-2371	-107	287
Brazil		5.34	0.3	0.8	-0.5	6.4	15.6		13.7	-4	-3	-24	72	-222
Chile		939	0.6	0.4	2.5	2.3	6.2		5.4	0	3	-5	3	-30
Colombia		3833	0.1	0.8	0.6	15.1	14.9		11.7	6	7	31	63	-15
Mexico		18.57	0.2	-0.2	-1.3	8.2	12.2		8.8	3	7	5	-124	-154
Peru		3.4	0.4	0.6	2.7	11.9	11.5		6.1	-1	1	-7	-71	-57
Uruguay		40	0.0	0.2	0.3	4.6	9.8		7.8	0	-1	-13	-156	-182
Hungary		335	0.5	0.3	-0.9	14.1	18.7		6.6	0	10	2	-12	16
Poland		3.69	0.4	-0.4	-1.5	10.1	12.1		4.7	1	-5	-19	-65	-85
Romania		4.4	0.4	-0.2	-1.4	5.2	9.0		6.8	-5	-10	-46	11	-45
Russia		81.2	0.2	-1.8	2.3	19.8	39.8		9.2	-5	-5	-35	-145	-126
South Africa		17.3	0.4	-0.3	-1.0	1.6	8.6		32.4	10	22	12	70	266
Türkiye		42.12	-0.1	-0.4	-1.0	-18.8	-16.1		3.73	-3	1	0	-54	-65
US (DXY; 5y UST)		100	-0.3	0.3	1.8	-5.0	-8.0		3.73	-3	1	0	-54	-65

	Equity Markets						Bond Spreads on USD Debt (EMBIG)							
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	7 Days	30 Days	12 M		
								basis points						
China		4,693	1.4	-0.4	1.1	13.2	19.3		89	-1	-3	-14	-7	
Indonesia		8,337	0.2	1.9	2.1	15.1	17.8		83	0	-6	-9	-8	
India		83,311	-0.2	-2.0	1.7	4.7	6.6		90	2	3	4	4	
Philippines		5,836	0.3	-2.1	-4.1	-16.8	-10.6		71	3	4	-8	-8	
Thailand		1,313	1.4	-0.1	0.6	-10.6	-6.2							
Malaysia		1,619	-0.2	0.3	-0.7	-0.3	-1.4		60	3	3	-5	-10	
Argentina		3,048,197	-1.1	8.8	69.9	51.2	20.3		632	-41	-453	-299	-5	
Brazil		153,294	1.7	3.0	6.7	17.6	27.4		194	-2	2	-24	-53	
Chile		9,464	1.2	1.5	7.1	43.8	41.0		96	4	-1	-17	-17	
Colombia		2,036	0.9	2.1	9.3	49.2	47.6		250	-2	-9	-95	-76	
Mexico		63,379	1.6	0.0	4.9	22.5	28.0		213	4	8	-89	-99	
Peru		2,318	1.9	-3.2	-3.7	23.8	36.8		101	5	6	-42	-40	
Hungary		107,385	-0.1	0.4	7.5	41.5	35.4		125	6	-3	-36	-30	
Poland		113,074	1.4	0.3	5.5	40.5	42.1		84	2	-7	-32	-28	
Romania		22,788	0.4	1.3	5.8	31.9	36.3		189	4	-11	-20	-46	
South Africa		109,583	0.7	-0.1	-0.3	28.4	30.3		234	6	-21	-51	-59	
Türkiye		11,088	1.1	2.3	3.3	25.1	12.8		250	2	-11	-18	-9	
EM total		55	0.4	-1.6	1.2	23.1	31.8		276	4	-11	-111	-88	

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

[back to top](#)