GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

TUESDAY, NOVEMBER 10, 2026
LEAD EDITOR: SANJAY HAZARIKA

- **US Treasuries sell off as CPI is higher than expected** (link)
- **China trade surplus exceeds one trillion dollars** (link)
- **Strong company earnings limit equity downside in US markets** (link)
- **AI corporate CDS underperformance has accelerated** (link)
- **Markets price higher inflation in Brazil** (link)
- **Stocks in Europe continue rally** (link)

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Global Markets Extend Rally on Hopes for Peace in the Middle East

Markets extended their rally on hopes for peace in the Middle East. The US administration indicated that it favored diplomacy and the price of Brent oil declined further towards $91/barrel. The US WTI oil benchmark price is now approaching $85. Very strong corporate earnings in both advanced economies and emerging markets have helped to rebuild investor confidence after last week's severe declines, and volatility for stocks, bonds, and currencies is back down to more normal levels. Asian technology stocks also continued their recovery as the latest earnings reports showed robust results. The optimistic tone prevailed despite hawkish comments from a Fed official that a 50 basis point rate hike may be on the table next month to tackle persistently high inflation. However, US equity index futures were mixed, with S&P 500 futures slightly higher but Nasdaq futures off by 0.4%. Anthropic is coming to market with a $90 billion initial public offering and private placement that values the company at $1.4 trillion.

Key Global Financial Indicators

Last updated: 11/10/26 8:01 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		7550	2.3	0	-3	11	10
Eurostoxx 50		6357	1.1	3	3	12	10
Nikkei 225		60460	2.9	-4	-12	19	20
MSCI EM		61	2.9	0	-9	10	12
Yields and Spreads					bps		
US 10y Yield		4.89	0.8	-7	-35	77	72
Germany 10y Yield		3.24	-2.6	-9	-24	57	38
EMBIG Sovereign Spread		202	-5	-4	14	15	24
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		45.3	-0.2	0	-1	-2	-3
Dollar index, (+) = $ appreciation		101.8	0.1	0	0	2	3
Brent Crude Oil ($/barrel)		90.1	-2.6	-13	-14	41	48
VIX Index (%, change in pp)		20.1	0.2	-1	5	3	5

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: 11/10/26 8:05 AM	Level Last 12m	Level Latest	Change from Market Close 1 Day	7 Days	30 Days	12 M	YTD
Oil and Gas				%			%
Brent Crude Oil ($/barrel)		90	-2.6	-13	-14	41	48
WTI Crude Oil ($/barrel)		85	-2.2	-12	-8	41	48
Natural Gas (Netherlands TTF)		82	2	-10	1	163	195
Breakeven Inflation		%		bps			
USD: 2Y		2.2	-1.9	-27	-38	-46	-12
USD: 5Y		2.3	-2.1	-15	-20	-21	-4
USD: 5Y5Y		2.4	-2	-3	-5	-9	-8
EUR: 2Y		2.5	-5.6	-29	-39	74	83
EUR: 5Y		2.2	-4	-17	-25	34	40
EUR: 5Y5Y		2.1	0	-4	-8	-1	0

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

Mature Markets

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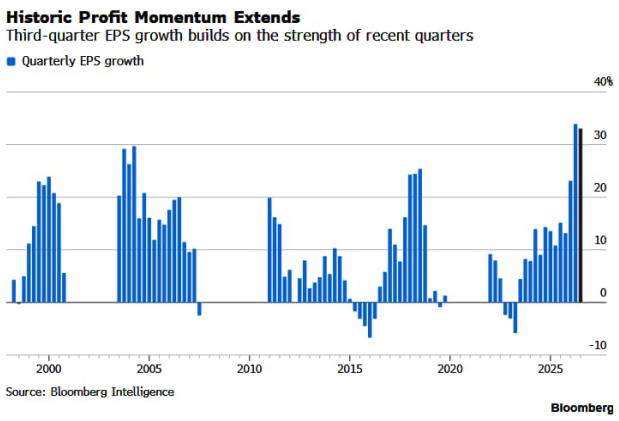
United States

The latest CPI report came in higher than expected. The Treasury market reacted negatively, with the benchmark 10-year Treasury yield jumping from 4.89% to 4.95% and the two-year making an even larger move from 4.60% to 4.69%. The odds on a December Fed rate hike rose to 98% from 80% yesterday.

US CPI Report 8.30 am November 10, 2026
Source: Bloomberg

Variable	Consensus Forecast	Actual Data Print
CPI month-on-month	0.3%	0.4%
Core CPI mom	0.2%	0.3%

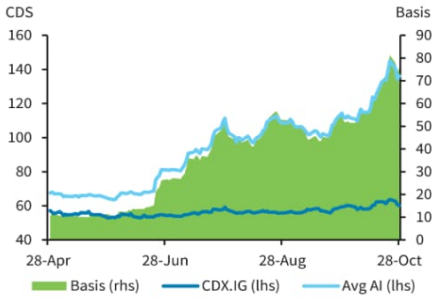
The impact of the selloff in US technology stocks has been tempered by extraordinarily strong corporate earnings. Bloomberg reports that Q3 earnings per share (EPS) for the S&P 500 have been significantly revised upwards to 33%, the best Q3 result since 1998 except for periods when the economy is recovering from a downturn. The average two quarter return was 11% compared to 33.8% in Q2 2026 and the 33% in Q3 mentioned above. US equity markets have also become much less expensive, with price earnings (P/E) ratios declining because earnings are rising much faster than equity prices, a trend that was accentuated by last week's selloff. Based on consensus forward earnings, the P/E of the S&P 500 is at its lowest level since 2023, before the AI rally began. Although there were reports of major hedge fund selling at the height of the recent volatility, retail flows have remained very robust, providing strong support for the market. The VIX volatility index has fallen from 28 on November 5 to just above 20.



The underperformance of AI-related credit default swaps (CDS) has accelerated, according to research by Barclays. The CDS spreads of the 10 AI-related companies included in the CDX Investment Grade (IG) CDS Index have widened significantly from the spreads of the non-AI companies in the index. The relative size of the AI-related companies has grown from 8% to 16% of the index, making their impact

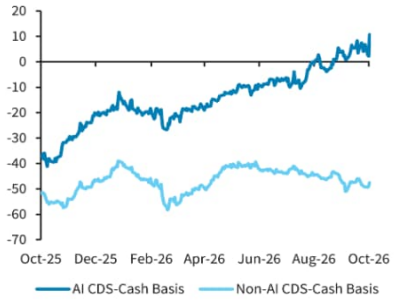
on the overall index more significant. Another warning sign from the CDS-cash bond basis, or the difference between the spread of the CDS over the Secured Overnight Funding Rate (SOFR) and the spread of the underlying bond issued by the company. The CDS-bond basis is usually negative for technical reasons even though they should be identical from a theoretical perspective. However, the CDS-bond basis for the AI-related companies has turned positive, which is a sign that market participants are getting more worried about the credit quality of these companies and aggressively buying protection in the CDS market, pushing the spread wider than the underlying bond.

Figure 3. The spread differential between the AI cohort and CDX.IG has widened from 10bp six months ago to 74bp currently



Source: Barclays Research

Figure 4. The AI cohort's CDS-cash basis is now positive, while the non-AI basis remains negative



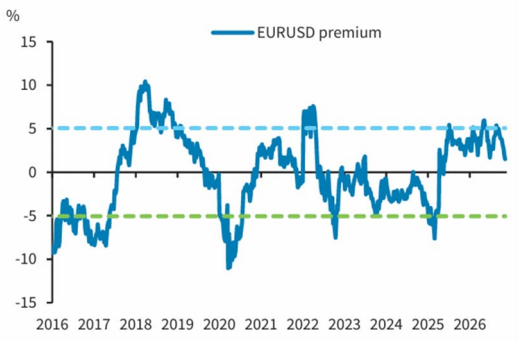
Source: Bloomberg, Barclays Research

Euro Area

European equities extended yesterday's gains as tech stocks rebounded and oil prices fell further. The STOXX Europe 600 rose 0.8%, while Brent fell on hopes for diplomatic progress between the US and Iran. Euro area sovereign yields were little changed overall, edging up at the short end and easing at the long end, while the euro held steady against the US dollar. The Norwegian krone weakened 0.5% amid lower oil prices and a softer-than-expected October inflation print (3.6% y/y versus 3.7% expected). ECB Chief Economist Philip Lane said the ECB should neither adjust the run-off of its bond holdings nor deploy its crisis tool to help France, arguing that recent market moves reflected uncertainty over the fiscal outlook that French authorities needed to address (Bloomberg). In Italy, Banco BPM shares rose 10.5% yesterday after Crédit Agricole proposed merging its Italian unit with Banco BPM in a deal that offered a 20% premium and a €1 billion special dividend to Banco BPM shareholders.

The euro gained 0.7% against the dollar on Monday as risk sentiment improved, but its appeal as "anti-dollar" has faded, according to Barclays. Strong US data helped the dollar hold up through last week's AI-linked equity sell-off. The sharp widening in French sovereign spreads in September and October has added to the pressure on the euro. While French-German spreads have tightened month-to-date, Barclays flags risks of a return to widening dynamics as France's hung parliament and approaching presidential election complicate fiscal consolidation. Barclays also sees limited scope for euro gains from an unwind of the dollar's premium, which has already narrowed to around 1%. The euro was stable versus the US dollar this morning.

FIGURE 2. **The EURUSD premium is now just over 1%**

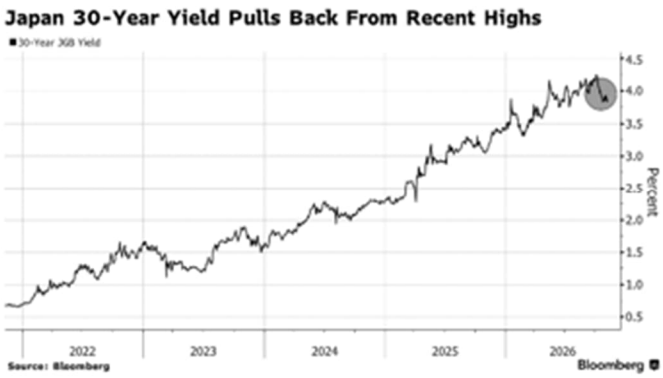


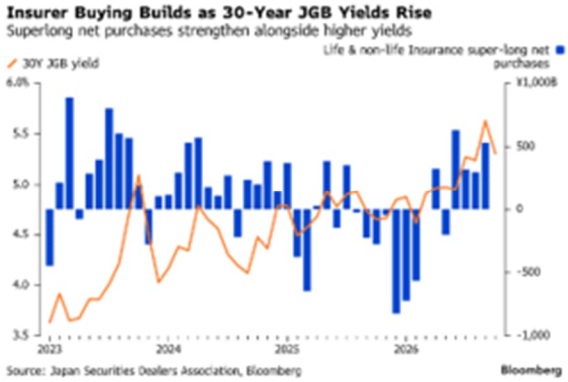
Note: Dashed light blue and green lines represent +/- 1SE.

Source: Bloomberg, Barclays Research

Japan

Japan's 30-year JGB auction drew soft demand as recent AI-driven market volatility and sharp yield-curve moves weighed on investor risk appetite. The bid-to-cover ratio fell to 3.36 from 3.88 previously, below its 12-month average of 3.6. Benchmark bond yields rose subsequently (10-yr +3bp to 2.69%; 30-yr +4bp to 3.86%). Still, Bloomberg analysts believe that strengthening purchases by domestic insurers should provide underlying support for super-long bonds, particularly as elevated hedging costs reduce the appeal of foreign debt. Today, Japanese equities extended their rebound (Nikkei 225: +2.9%), as the recovery in US technology shares and easing oil prices lifted sentiment. AI-related names led gains, including a 13.9% surge in SoftBank, although its surprise quarterly loss subsequently weighed on futures. The yen weakened (-0.1%) to 158.08/$ despite the Bank of Japan's hawkish minutes.





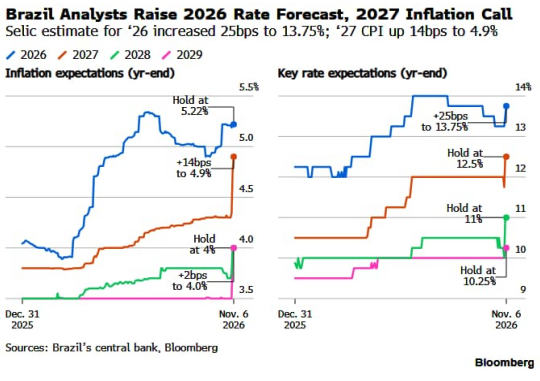
Emerging Markets

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EM EMEA equities rose modestly, while most regional currencies weakened against the US dollar. Stocks rebounded less than their advanced economy peers. In Hungary, October CPI inflation matched expectations at 2.0% y/y, though the 0.4% m/m increase was 0.1 percentage point above expectations. In South Africa, Q3 unemployment improved. **Asian currencies extended their recovery as oil prices fell further.** The Asian equity rally also continued, led by Korea (+4.4%) and Taiwan POC (+2.5%). **Latin American currencies mostly strengthened and equities rallied.** The Chilean peso (+0.8%), Peruvian sol (+0.5%), and Mexican peso (+0.5%) outperformed while the Colombian peso (-0.9%) lagged emerging market peers as oil prices fell. Equities in Colombia (+3.7%) and Brazil (+2.2%) led the region higher amid improved global risk sentiment.

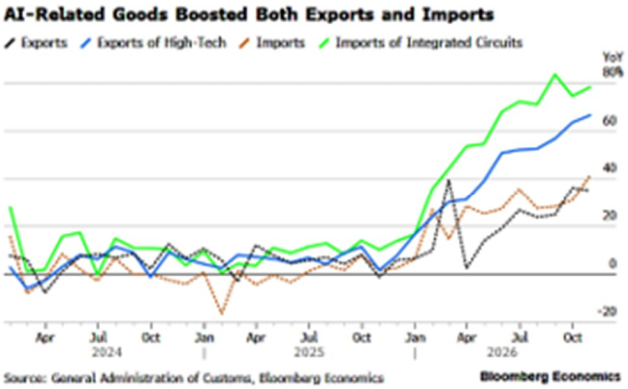
Brazil

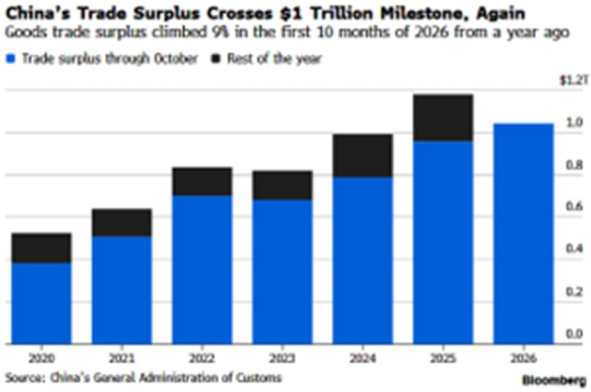
Brazilian economists raised their inflation and Selic forecasts for a second straight week, as inflation swaps and nominal yields have repriced sharply higher since President Lula's reelection. According to the central bank's weekly economist survey, year-end inflation expectations rose for 2027 (+14 bps to 4.9%) and 2029 (+2 bps to 4%), while the 2026 forecast was unchanged at 5.22%. Economists also lifted their 2026 year-end forecast for the Selic rate by 25 bps to 13.75%, removing the 25 bp cut previously expected at next month's meeting. The central bank paused its easing cycle last week in its first meeting after the election results, holding rates steady following five consecutive cuts. Since the election, 1-year to 10-year inflation swaps have risen 92-123 bps, diverging from regional peers, and nominal yields are up 129-228 bps, implying higher real rates as well as higher expected inflation.



China

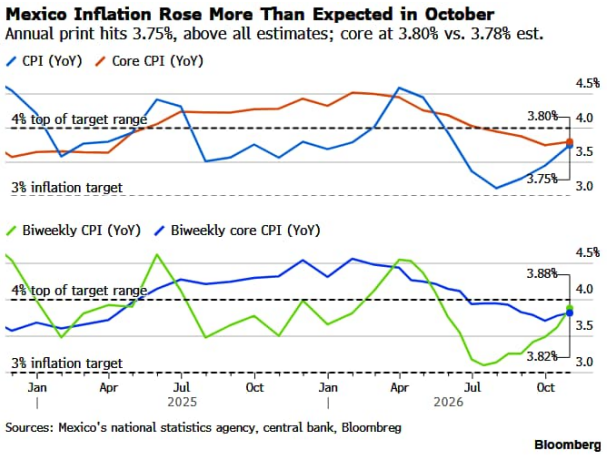
China's export engine remained remarkably strong in October, underscoring external demand's growing importance to an otherwise uneven recovery. Exports rose +35.2% y/y (consensus: 36.3%), led by a 66.6% surge in high-tech shipments, while imports jumped 41.6%, well above expectations (consensus: 33.9%), partly reflecting stronger crude-oil purchases and technology inputs. The monthly trade surplus narrowed to $105.3 bn, its smallest since May, but the year-to-date surplus surpassed $1 tn and remained nearly 9% above last year. Export strength was broad but increasingly tech-driven, with chips and computer parts contributing heavily to this year's gains, leaving growth more exposed to any slowdown in global AI investment. Both onshore CNY and offshore CNH strengthened around 0.05%, in line with a slightly stronger fixing at 6.7167/$. Government bond yields rebounded (10-yr +1bp to 1.58%; 30-yr +1bp to 2.02%), while the overnight repo rate rose 1 bp to 1.32%, as markets moved past the initial easing response to the PBOC's switch to an overnight policy-rate benchmark.





Mexico

Mexican inflation surprised to the upside in October, after Banxico's unexpected 25 bps cut, with 1-year to 5-year inflation swaps rising 2.5–5 bps. Headline inflation rose to 3.75% y/y from 3.45% (3.65% expected), above every estimate in a Bloomberg survey, while core inflation rose to 3.8% y/y from 3.75% (3.78% expected). According to Bloomberg, the split decision to cut the policy rate to 6.25% (hold at 6.5% expected), the first reduction since May, drew scrutiny over whether policymakers were easing too quickly with inflation above the 3% target. Banxico's forward guidance signaled an extended hold from here. Headline inflation remains within the 2–4% target range, though near the upper bound.

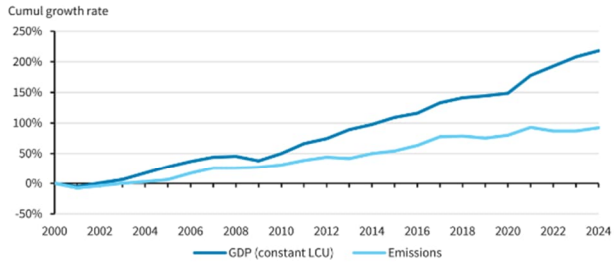


Türkiye

Türkiye is promoting electrification to reduce its exposure to imported fuel shocks. At yesterday's COP31 opening in Antalya, COP31 President Murat Kurum reiterated the presidency's target of raising electricity's share of global final energy consumption to 35% by 2035. At home, Türkiye aims to expand domestic renewable power and electrify transport, buildings, and industry to reduce its exposure to imported fuel prices. Imports meet about 70% of its primary energy demand, and Barclays estimates that the disruption in the Strait of Hormuz will add $12.4 billion to Türkiye's energy import bill in 2026, putting pressure on the current account and inflation. Barclays sees grid investment and battery storage as the clearest near-term investment opportunities, with transmission capacity the main constraint on further

renewable deployment. Barclays estimates that higher energy prices will widen Türkiye's net energy deficit from 2.8% of GDP in March 2026 to 3.5% by March 2027, increasing external financing needs and leaving FX reserves more exposed if capital inflows fall short.

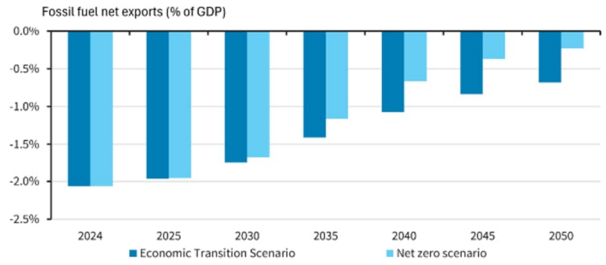
Figure 2. Türkiye's emissions have gradually decoupled from economic growth



GHG emissions exclude LULUCF

Source: World Bank, Barclays Research

Figure 5. Türkiye's energy transition is critical to current account balancing and energy security objectives



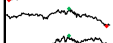
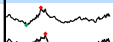
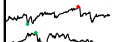
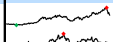
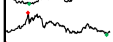
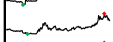
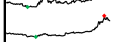
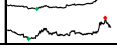
Fossil fuel imports based on observed 2024 trade data from relevant custom codes for coal, lignite, crude, petroleum oil products, natural and petroleum gas. Future imports scaled forward based on market demand for products under different scenarios. This projection assumes relative trade patterns remain static.

Source: BloombergNEF, Sinoimex, Global Change Analysis Model (GCAM), Barclays Research

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Global Financial Indicators

Last updated: 11/10/26 8:05 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		
United States		7,542	2.3	-0.4	-3.4	10.4	10
Europe		6,357	1.1	3.5	3.0	12.2	10
Japan		60,460	2.9	-4.2	-12.4	18.9	20
China		4,059	0.1	1.3	-6.0	-12.7	-12
Asia Ex Japan		105	3.0	-0.6	-8.8	10.9	13
Emerging Markets		61	2.9	-0.1	-8.6	9.9	12
Interest Rates					basis points		
US 10y Yield		4.9	1	-7	-35	77	72
Germany 10y Yield		3.2	-3	-9	-24	57	38
Japan 10y Yield		2.7	3	-9	-32	99	63
UK 10y Yield		5.1	-3	-16	-34	64	62
Credit Spreads					basis points		
US Investment Grade		124	-3	-3	6	0	11
US High Yield		348	-7	-16	4	-1	7
Exchange Rates					%		
USD/Majors		101.8	0.1	-0.1	-0.4	2.2	3
EUR/USD		1.12	-0.1	0.2	0.5	-3.0	-5
USD/JPY		158.2	0.2	-0.3	-0.3	2.6	1
EM/USD		45.3	-0.2	0.3	-0.6	-1.6	-3
Commodities					%		
Brent Crude Oil ($/barrel)		90.1	-2.6	-13.0	-11.0	41.9	50
Industrials Metals (index)		170.6	-0.7	-0.6	-2.6	10.9	4
Agriculture (index)		55.7	-0.3	-2.0	-9.6	-1.6	4
Gold ($/ounce)		4078.0	-1.5	3.8	-2.3	-0.9	-6
Bitcoin ($/coin)		74241.7	-0.9	-2.0	-10.5	-29.7	-15
Implied Volatility					%		
VIX Index (%, change in pp)		20.1	0.2	-0.7	5.3	2.5	5.2
Global FX Volatility		6.4	0.0	-0.3	-0.4	-0.5	-0.5
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		83	-2	-10	-11	20	24
Italy		102	-2	-11	-7	27	32
France		146	-1	-16	9	69	75
Spain		56	0	-5	-6	5	12

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

Emerging Market Financial Indicators

11/10/2026 8:07 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	0.0	0.4	6.7	4.8		1.7	0	-4	-7	-18	-26
Korea*		1339	0.2	0.4	-0.4	8.7	7.9		3.9	0	-16	-47	82	66
Indonesia		18062	0.1	0.5	-0.8	-7.8	-7.7		7.5	-1	-13	42	151	151
India		94	0.0	1.0	3.0	-5.6	-4.3		8.1	0	-15	-17	126	106
Philippines		63	0.6	0.8	-0.3	-6.3	-6.3		6.2	0	-8	2	160	154
Thailand		33	-0.1	0.9	0.4	-3.4	-5.9		2.1	0	-8	-25	27	40
Malaysia		4.06	0.1	0.5	0.7	2.6	0.1		3.8	0	-7	-10	#VALUE!	33
Argentina		1545	0.0	-0.6	-1.7	-6.1	-6.1		0.0	0	0	0	-3102	-3237
Brazil		5.55	-0.6	-1.0	-10.2	-4.5	-1.0		14.9	-9	-38	240	114	129
Chile		969	0.2	1.3	0.9	-3.1	-7.1		5.8	-3	-8	-11	50	55
Colombia		3272	0.0	-0.8	-2.3	14.8	15.4		12.9	-2	-20	-6	124	0
Mexico		18.56	-0.1	1.5	-1.6	-0.9	-3.0		9.0	0	-12	-10	16	4
Peru		3.4	0.5	1.6	1.1	-1.2	-1.3		6.5	1	-21	-4	42	69
Uruguay		40	0.0	-0.5	-0.7	-1.7	-3.3		7.9	-1	5	13	12	38
Hungary		324	-0.3	0.7	1.0	2.6	1.1		5.4	-5	-16	-28	-121	-118
Poland		3.91	-0.1	0.8	0.5	-6.4	-8.3		5.5	-1	-19	-21	79	98
Romania		4.8	-0.1	0.2	0.3	-7.7	-9.1		6.8	-2	-8	-27	-2	12
Russia		82.8	-0.4	-1.4	1.4	-1.8	-4.9							
South Africa		16.4	-0.1	1.3	0.9	4.6	1.0		8.6	-4	-23	-56	-68	-4
Türkiye		50.23	-0.1	-0.5	-1.9	-15.9	-14.5		34.6	-5	9	36	216	503
US (DXY; 5y UST)		102	0.1	-0.1	-0.4	2.2	3.5		4.71	4	-5	-30	100	99

	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		4,059	0.1	1.3	-6.0	-12.7	-12.3		5	0	3	-2	-2
Korea*		5,239	4.4	-7.3	-20.9	27.6	24.3		23	-1	-1	0	1
Indonesia		5,126	1.0	4.5	-15.9	-38.7	-40.7		125	9	25	48	50
India		81,107	0.0	5.4	11.9	-3.3	-4.8		100	0	8	23	24
Philippines		5,716	0.7	1.6	0.3	1.5	-5.6		107	7	15	45	45
Thailand		1,496	1.6	0.4	-5.2	15.1	18.8						
Malaysia		1,604	-0.8	-1.0	-0.3	-1.9	-4.5		67	1	7	7	10
Argentina		84,216	0.0	-7.0	-14.6	-14.4	-16.5		877	49	285	271	311
Brazil		172,236	2.2	4.1	-17.6	10.9	6.9		195	0	37	-2	-4
Chile		5,322	0.5	2.3	-4.0	5.9	-1.9		100	-1	6	1	10
Colombia		2,576	3.7	1.9	1.8	24.3	24.6		229	-4	12	-18	-49
Mexico		71,856	0.6	3.0	8.8	13.9	11.7		221	-5	14	1	2
Peru		3,198	3.3	0.0	-11.8	35.0	23.8		119	0	7	-5	-10
Hungary		145,766	-0.2	-0.2	2.9	35.2	31.3		105	-6	2	-20	-27
Poland		157,769	0.3	1.2	-0.1	40.0	34.6		108	0	9	22	20
Romania		34,457	1.0	-1.0	3.2	51.2	41.0		194	-9	16	7	24
South Africa		115,241	0.2	5.2	6.2	4.0	-0.5		199	-3	-8	-35	-16
Türkiye		11,712	0.0	6.2	-4.5	8.6	4.0		256	-7	18	14	37
EM total		61	0.0	-0.1	-8.6	9.9	11.6		202	-4	14	15	24

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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