

# Market Comment | Macroeconomic data increase the volatility in financial markets

Global Financial Markets Unit  
10 Nov 2015

- **Mixed data in the US.** US wholesale inventories rose in September more than estimated (by 0.5% MoM; consensus: 0.1%). Meanwhile, the import price index dropped in October more than expected (by -0.5% MoM; consensus: -0.1%). On another front, NFIB small business optimism remained unchanged unexpectedly (at 96.1 points; consensus: 96.4).
- **The French industrial production growth moderated less than expected in September, while it increased in 3Q15 (0.4% QoQ) after falling in 2Q15 (-0.5% QoQ).** France's industrial production unexpectedly rose slightly in September (by 0.1% MoM; BBVAe: -0.6%, consensus: -0.4%). The industrial production increased in 3Q15 by 0.4% QoQ. Meanwhile, manufacturing production remained unchanged against expectations of decreasing (BBVAe: -0.6% MoM, consensus: -0.5% MoM). In Italy, industrial production increased less than estimated (by 0.2% MoM; BBVAe: 0.3%, consensus: 0.6%). The industrial production rose in the 3Q15 (by +0.4% QoQ; previous: +0.5% QoQ).
- **The lowest CPI in China since May.** China CPI in October rose less than expected (by 1.3% YoY; consensus; 1.5%; previous: 1.6%). Meanwhile, IPP dropped in line with estimates (by -5.9% YoY).
- **Macroeconomic data increased the volatility in financial markets.** The week started with an increase of global growth concerns. Yesterday's release of China's worse-than-expected trade figures and the publication of the OECD forecast, which downgraded its global growth prospects for 2015 and 2016 and anticipated a weak data of world trade, fueled these concerns and explained the bad performance of risk-assets at the beginning of the week. On another front, the euro periphery has been facing some uncertainties in the last few days. In Portugal, Mr. Passos Coelho's right-wing party is encountering problems in establishing a new government, this afternoon the Portuguese parliament have to vote on Mr Coelho's policy program, and Greece did not receive the expected tranche of EUR2bn yesterday - as scheduled on the agenda - following some differences with the creditors. Against this backdrop, on bond markets US treasury yields remained unchanged (10Y: -1bp). Meanwhile, European yields dropped today (GER 10Y: -3bp, FRA 10Y: -3bp, ITA 10Y: -5bp, SPA 10Y: -8bp, POR 10Y: -5bp, GRE 10Y: -7bp). The peripheral risk premia decreased, suggesting that the political noise has a mild impact on markets (ITA: -2bp, SPA: -5bp, POR: -2bp). On equity markets, US equity indices remained unchanged (S&P 500: -0.2% Dow: -0.2%). In the same vein, European equity markets also stayed steady (Euro Stoxx: 0%, IBEX-35: 0%, CAC: -0.2%, DAX: +0.1%). The oil price performance was conditioned by the International Energy Agency's warning about the global oil demand. The agency forecast an increase of less than 1% per year in oil demand between now and 2020, which would be insufficient to offset the increased supply that has driven crude prices to the very low current levels. Nonetheless, yesterday's drop in the oil price is being slightly offset today (Brent: +0.3%, WTI: +0.9%). Despite this slight recovery in oil prices, EM currencies linked to oil prices showed a mixed performance today against the USD (RUB: +0.3%, MXN: +0.1%, COP: -0.5%). Among the developed markets' currencies, the EUR depreciated against the major currencies while the market attempts to calibrate the

effect of the ECB's potential new measures (USD: +0.52%, GBP: +0.50%, JPY: +0.49%).

Update 17.00 CET 10 November, 2015  
Table1





**[Current level and changes at daily, weekly, monthly and annual frequencies]**

**Index markets (changes in bpt)**

US Dow 16,87 (2) (16) (21) (20)  
US S&P 17,1 (2) (12) (3) (6)  
US 10yr 2,3 (1) (1) (2) (24) (16)

Asia Nikkei 3,2 (2) (2) (8) (6) (1)

CEE Cx 2,4 (1) (1) (1) (1) (2)  
OE S Exr -2,0 (2) (1) (1) (1) (8)  
OE F Exr 0,5 (1) (0) (0) (2) (0)

Belgium 10yr 5,9 (1) (1) (1) (1) (1)  
France 10yr 5,96 (1) (1) (1) (1) (1)  
Germany 10yr 5,1 (1) (1) (1) (1) (1)

India 10yr 7,1 (1) (1) (1) (1) (1)  
Japan 10yr 2,7 (1) (1) (1) (1) (1)  
Portugal 10yr 7,3 (1) (1) (1) (1) (1)

Russia 10yr 15,4 (2) (1) (1) (1) (2)  
China 10yr 8,1 (1) (1) (1) (1) (1)  
Columbia 10yr 8,1 (1) (1) (1) (1) (1)

Poland 10yr 7,5 (1) (1) (1) (1) (1)  
Russia 10yr 8,4 (1) (1) (1) (1) (1)  
Russia 10yr 8,4 (1) (1) (1) (1) (1)

Indonesia 10yr 8,8 (1) (1) (1) (1) (1)  
Mexico 10yr 9,3 (1) (1) (1) (1) (1)  
Fin 10yr 7,2 (1) (1) (1) (1) (1)

Spain 10yr 5,2 (1) (1) (1) (1) (1)  
Russia 10yr 8,4 (1) (1) (1) (1) (1)  
Russia 10yr 8,4 (1) (1) (1) (1) (1)

Turkey 10yr 9,7 (1) (1) (1) (1) (1)  
India 10yr 7,5 (1) (1) (1) (1) (1)  
Indonesia 10yr 8,8 (1) (1) (1) (1) (1)

**C country risk (changes in bpt)**

10yr sovereign spreads (against Germany)

Belgium 30 (1) (1) (1) (1)  
France 32 (1) (1) (1) (1)  
Germany 20 (1) (1) (1) (1)

Italy 10 (1) (1) (1) (1)  
Japan 10 (1) (1) (1) (1)  
Netherlands 10 (1) (1) (1) (1)

Portugal 21 (1) (1) (1) (1)  
Spain 124 (1) (1) (1) (1)

5yr sovereign spreads (against Germany)

Belgium 19 (1) (1) (1) (1)  
France 19 (1) (1) (1) (1)  
Germany 19 (1) (1) (1) (1)

Italy 11 (1) (1) (1) (1)  
Japan 11 (1) (1) (1) (1)  
Netherlands 11 (1) (1) (1) (1)

Portugal 10 (1) (1) (1) (1)  
Spain 79 (1) (1) (1) (1)

3yr sovereign spreads (against Germany)

Belgium 8 (1) (1) (1) (1)  
France 7 (1) (1) (1) (1)  
Germany 7 (1) (1) (1) (1)

Italy 6 (1) (1) (1) (1)  
Japan 6 (1) (1) (1) (1)  
Netherlands 6 (1) (1) (1) (1)

Portugal 6 (1) (1) (1) (1)  
Spain 39 (1) (1) (1) (1)

5yr sovereign CDS

5yr CDS Belgium 26 (1) (1) (1) (1)  
5yr CDS France 26 (1) (1) (1) (1)  
5yr CDS Germany 15 (1) (1) (1) (1)

5yr CDS Greece 100 (1) (1) (1) (1)  
5yr CDS Ireland 41 (1) (1) (1) (1)  
5yr CDS Italy 11 (1) (1) (1) (1)

5yr CDS Japan 10 (1) (1) (1) (1)  
5yr CDS Netherlands 10 (1) (1) (1) (1)  
5yr CDS Portugal 10 (1) (1) (1) (1)

5yr CDS Spain 90 (1) (1) (1) (1)  
5yr CDS UK 10 (1) (1) (1) (1)  
5yr CDS US 21 (1) (1) (1) (1)

5yr sovereign CDS

5yr CDS Brazil 110 (1) (1) (1) (1)  
5yr CDS China 124 (1) (1) (1) (1)  
5yr CDS Columbia 81 (1) (1) (1) (1)

5yr CDS France 12 (1) (1) (1) (1)  
5yr CDS Greece 100 (1) (1) (1) (1)  
5yr CDS India 100 (1) (1) (1) (1)

5yr CDS Korea 100 (1) (1) (1) (1)  
5yr CDS Mexico 100 (1) (1) (1) (1)  
5yr CDS Russia 210 (1) (1) (1) (1)

5yr CDS Taiwan 200 (1) (1) (1) (1)  
5yr CDS Turkey 200 (1) (1) (1) (1)

5yr CDS UK 10 (1) (1) (1) (1)  
5yr CDS US 21 (1) (1) (1) (1)

5yr CDS China 100 (1) (1) (1) (1)  
5yr CDS India 100 (1) (1) (1) (1)  
5yr CDS Korea 100 (1) (1) (1) (1)

5yr CDS Mexico 100 (1) (1) (1) (1)  
5yr CDS Russia 210 (1) (1) (1) (1)  
5yr CDS Taiwan 200 (1) (1) (1) (1)

5yr CDS Turkey 200 (1) (1) (1) (1)  
5yr CDS UK 10 (1) (1) (1) (1)  
5yr CDS US 21 (1) (1) (1) (1)

**C credit risk (changes in percentage points for BAA spread, bp)**

VIX 16,6 (1) (1) (1) (1) (1)  
VIXOZ 22,8 (1) (1) (1) (1) (1)  
Eti EFT credit risk 2 (1) (1) (1) (1)

Difference volatility 11 (1) (1) (1) (1)  
Eti FX volatility 11 (1) (1) (1) (1)  
Credit spread Brazil 11 (1) (1) (1) (1)

US bank credit yield 7,2 (1) (1) (1) (1)  
US bank credit yield 7,2 (1) (1) (1) (1)

**Bank rate (changes in bpt)**

US bank CDS 75 (1) (1) (1) (1)  
EU bank CDS 79 (1) (1) (1) (1)  
UK bank CDS 74 (1) (1) (1) (1)

Large Spanish bank CDS 124 (1) (1) (1) (1)  
Medium Spanish bank CDS 152 (1) (1) (1) (1)

Spain bank CDS 100 (1) (1) (1) (1)  
Russian bank CDS 368 (1) (1) (1) (1)

**Commodity risk (changes in bpt)**

US Non-Renewal CDS 9 (1) (1) (1) (1)  
EU Non-Renewal CDS 9 (1) (1) (1) (1)  
UK Non-Renewal CDS 9 (1) (1) (1) (1)

**Interbank markets (changes in bpt)**

EUR CDS spread 3m 13 (1) (1) (1) (1)  
EUR CDS spread 6m 13 (1) (1) (1) (1)  
EUR CDS spread 12m 13 (1) (1) (1) (1)

US CDS spread 3m 13 (1) (1) (1) (1)  
US CDS spread 6m 13 (1) (1) (1) (1)  
US CDS spread 12m 13 (1) (1) (1) (1)

Spain Tel Spread 3m 11 (1) (1) (1) (1)  
EONIA Index 4,5 (1) (1) (1) (1)  
London 4,5 (1) (1) (1) (1)

EURibor 12m 5,9 (1) (1) (1) (1)  
Libor 3m 5,3 (1) (1) (1) (1)  
Libor 12m 5,3 (1) (1) (1) (1)

**Stock markets (Changes in percentage)**

Asian equity indices

Japan 100 12,5 (2) (1) (1) (1)  
China 100 12,5 (2) (1) (1) (1)  
India 100 12,5 (2) (1) (1) (1)

FTSE 100 12,5 (2) (1) (1) (1)  
Euro Stoxx 50 12,5 (2) (1) (1) (1)  
MSCI EAFE 12,5 (2) (1) (1) (1)

US S&P 500 12,5 (2) (1) (1) (1)  
NASDAQ 12,5 (2) (1) (1) (1)  
NYSE 12,5 (2) (1) (1) (1)

UK All Share 12,5 (2) (1) (1) (1)  
MSCI EAFE 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)  
MSCI Europe 12,5 (2) (1) (1) (1)

\*CDS, EMBI & MSCI indices with one day delay

\*\*Credit spread (BAA) with two days delay

#### DISCLAIMER

This document and the information, opinions, estimates and recommendations expressed herein, have been prepared by Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter called "BBVA") to provide its customers with general information regarding the date of issue of the report and are subject to changes without prior notice. BBVA is not liable for giving notice of such changes or for updating the contents hereof.

This document and its contents do not constitute an offer, invitation or solicitation to purchase or subscribe to any securities or other instruments, or to undertake or divest investments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

Investors who have access to this document should be aware that the securities, instruments or investments to which it refers may not be appropriate for them due to their specific investment goals, financial positions or risk profiles, as these have not been taken into account to prepare this report. Therefore, investors should make their own investment decisions considering the said circumstances and obtaining such specialized advice as may be necessary. The contents of this document are based upon information available to the public that has been obtained from sources considered to be reliable. However, such information has not been independently verified by BBVA and therefore no warranty, either express or implicit, is given regarding its accuracy, integrity or correctness. BBVA accepts no liability of any type for any direct or indirect losses arising from the use of the document or its contents. Investors should note that the past performance of securities or instruments or the historical results of investments do not guarantee future performance.

The market prices of securities or instruments or the results of investments could fluctuate against the interests of investors. Investors should be aware that they could even face a loss of their investment. Transactions in futures, options and securities or high-yield securities can involve high risks and are not appropriate for every investor. Indeed, in the case of some investments, the potential losses may exceed the amount of investment and, in such circumstances; investors may be required to pay more money to support those losses. Thus, before undertaking any transaction with these instruments, investors should be aware of their operation, as well as the rights, liabilities and risks implied by the same and the underlying stocks. Investors should also be aware that secondary markets for the said instruments may be limited or even not exist.

BBVA or any of its affiliates, as well as their respective executives and employees, may have a position in any of the securities or instruments referred to, directly or indirectly, in this document, or in any other related thereto; they may trade for their own account or for third-party account in those securities, provide consulting or other services to the issuer of the aforementioned securities or instruments or to companies related thereto or to their shareholders, executives or employees, or may have interests or perform transactions in those securities or instruments or related investments before or after the publication of this report, to the extent permitted by the applicable law.

BBVA or any of its affiliates' salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to its clients that reflect opinions that are contrary to the opinions expressed herein. Furthermore, BBVA or any of its affiliates' proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. No part of this document may be (i) copied, photocopied or duplicated by any other form or means (ii) redistributed or (iii) quoted, without the prior written consent of BBVA. No part of this report may be copied, conveyed, distributed or furnished to any person or entity in any country (or persons or entities in the same) in which its distribution is prohibited by law. Failure to comply with these restrictions may breach the laws of the relevant jurisdiction.

In the United Kingdom, this document is directed only at persons who (i) have professional experience in matters relating to investments falling within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (as amended, the "financial promotion order"), (ii) are persons falling within article 49(2) (a) to (d) ("high net worth companies, unincorporated associations, etc.") Of the financial promotion order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the financial services and markets act 2000) may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The remuneration system concerning the analyst/s author/s of this report is based on multiple criteria, including the revenues obtained by BBVA and, indirectly, the results of BBVA Group in the fiscal year, which, in turn, include the results generated by the investment banking business; nevertheless, they do not receive any remuneration based on revenues from any specific transaction in investment banking.

BBVA is not a member of the FINRA and is not subject to the rules of disclosure affecting such members.

"BBVA is subject to the BBVA Group Code of Conduct for Security Market Operations which, among other regulations, includes rules to prevent and avoid conflicts of interests with the ratings given, including information barriers. The BBVA Group Code of Conduct for

Security Market Operations is available for reference at the following web site: [www.bbva.com / Corporate Governance](http://www.bbva.com / Corporate Governance)".

BBVA is a bank supervised by the Bank of Spain and by Spain's Stock Exchange Commission (CNMV), registered with the Bank of Spain with number 0182.