

Market Comment | Oil slump dragged risky assets down across the board

Global Financial Markets Unit
02 Feb 2016

- **Oil slump dragged risky assets across the board.** Despite the lack of economic releases, disappointing corporate quarterly results weighed on financial markets, which are still assimilating yesterday's negative macroeconomic prints from both China and the US --on top of last week's BoJ's decision to join the "negative territory" zone. Markets have revised their expectations about the pace of the Fed's interest rate normalization: the probability assigned by markets to a March rate hike fell to only 18%. In bond markets, safe-haven yields dropped sharply, led by US treasuries (US 10Y: -6bp to 1.89% and GER 10Y: -4bp to 0.31%). Meanwhile, European peripheral yields increased (ITA 10Y: +3bp SPA 10Y: +3bp POR 10Y: +6bp). As a result, peripheral risk-premia rose today (ITA: +7bp SPA: +7bp POR: +10bp). Once again, commodity prices are reacting -abruptly- to the news: oil prices are dropping sharply and they are approaching hurriedly the 30 USD/b threshold. Other commodities are also falling on the back of renewed worries about the global outlook. This implies a challenging environment for emerging markets, which are being under intense pressure. European equity markets beat yesterday falls (Eurostoxx: -2.4%, DAX: -2.0% IBEX: -3.0% CAC: -2.5%) dragged mainly by Energy sector, due to rating agencies' negative view -Shell was downgraded by S&P- and by BP's negative 4Q earnings, that recorded the biggest loss in decades. In the same vein US equity indices dropped (S&P: -1.2% Dow: -1.3%). On the Asian markets, the Nikkei fell (-0.64%) after a late rebound, while Chinese indexes rose (Shanghai: +2.26% Shenzhen: +3.42%) helped by PBoC's renewed injection of liquidity into the financial system. Along with the risk-off mood, on FX markets, the USD showed a mixed performance against other major currencies, with the EUR and JPY appreciated against the USD (EUR: +0.15% JPY: +0.52%) and those most linked to oil prices depreciated (AUD: -0.82% NOK: -0.35% CAD: -0.66%). EM currencies depreciated sharply against the US dollar (RUB: -2.1% BRL: -0.8% COP: -1.8% CLP: -0.2% MXN: -1.4%) hampered by falling commodity prices, especially on the oil markets (Brent: -3.4% WTx: -3.7% Copper: -0.5%).

Update 17.30 CET 02 February, 2015

Table1

Current level and changes at daily, weekly, monthly and annual frequencies

Debt markets (changes in bp)

Government bonds

US 2yr 0.76 (4) (2) (26) (29)
 US 5yr 1.24 (5) (1) (44) (44)
 US 10yr 1.86 (4) (1) (39) (39)
 Japan 10yr 0.21 (0) (1) (18) (18)

GER 2yr -0.41 (1) (2) (-15) (-15)
 GER 5yr -0.31 (2) (0) (-26) (-26)
 GER 10yr 0.31 (4) (1) (35) (35)

Belgium 10yr 0.78 (2) (1) (41) (41)
 France 10yr 0.62 (3) (1) (34) (34)
 Greece 5yr 0.81 (2) (1) (31) (31)
 Hawaii 5yr 0.81 (2) (1) (31) (31)
 Italy 10yr 1.5 (2) (1) (42) (42)
 Netherlands 10yr 0.45 (2) (2) (26) (26)
 Portugal 10yr 2.28 (8) (1) (48) (48)
 Spain 10yr 1.01 (2) (1) (41) (41)

Emerging Markets

Brazil 10yr 6.59 (15) (4) (42) (42)
 China 5yr 4.79 (10) (4) (34) (34)
 Columbia 5yr 0.49 (1) (4) (4) (4)
 Korea 10yr 0.25 (1) (1) (24) (24)
 Peru 10yr 5.08 (10) (5) (35) (35)

Poland 10yr 1.37 (2) (1) (33) (33)
 Russia 5yr 14.49 (10) (6) (62) (62)
 Russia 10yr 13.27 (8) (2) (65) (65)
 Turkey 10yr 10.62 (2) (1) (75) (75)

India 10yr 5.88 (8) (1) (42) (42)
 Indonesia 10yr 6.11 (2) (1) (37) (37) (44) (44)

C country risk (changes in bp)

10yr sovereign spreads (against Germany)

Belgium 46 (1) (2) (12) (12)
 France 31 (1) (2) (12) (12)
 Greece 31 (1) (2) (14) (14)
 Ireland 40 (2) (1) (13) (13)
 Italy 116 (2) (2) (27) (27)
 Netherlands 11 (1) (1) (4) (4)
 Portugal 208 (10) (1) (75) (75)
 Spain 135 (7) (1) (14) (14)

5yr sovereign spreads (against Germany)

Belgium 12 (0) (1) (6) (6)
 France 18 (0) (1) (6) (6)
 Greece 10 (0) (1) (26) (26)
 Italy 21 (0) (1) (7) (7)
 Ireland 76 (2) (1) (21) (21)
 Netherlands 4 (0) (1) (2) (2) (4) (4)
 Portugal 187 (10) (4) (65) (65)
 Spain 79 (3) (1) (6) (6)

3yr sovereign spreads (against Germany)

Belgium 8 (0) (0) (1) (1)
 France 9 (1) (1) (1) (1)
 Greece 4 (0) (1) (1) (1)
 Italy 48 (1) (1) (1) (1)
 Netherlands 3 (0) (1) (1) (1)
 Portugal 89 (2) (1) (4) (4)
 Spain 46 (1) (0) (1) (1) (1)

5yr sovereign CDS

EUR CDS Belgium 38 (0) (1) (6) (6)
 EUR CDS France 26 (0) (1) (6) (6)
 EUR CDS Germany 26 (0) (1) (1) (1)
 EUR CDS Greece 80 (2) (1) (16) (16) (22) (22)
 EUR CDS Ireland 46 (2) (1) (6) (6)
 EUR CDS Italy 120 (1) (1) (19) (19)
 EUR CDS Netherlands 19 (2) (1) (1) (1)
 EUR CDS Portugal 208 (10) (1) (75) (75)
 EUR CDS Spain 84 (2) (1) (1) (1)
 EUR CDS UK 28 (0) (1) (1) (1)
 EUR CDS US 22 (0) (1) (1) (1)

10yr sovereign CDS

EUR CDS Belgium 40 (2) (1) (2) (2)
 EUR CDS China 132 (1) (1) (1) (1)
 EUR CDS Columbia 281 (1) (1) (1) (1)
 EUR CDS Greece 196 (1) (1) (2) (2)
 EUR CDS France 288 (1) (1) (1) (1)
 EUR CDS Netherlands 10 (2) (1) (2) (2)
 EUR CDS Venezuela 10 (2) (1) (2) (2) (4) (4)

5yr CDS Russia (in rub) (in rub)

EUR CDS Russia 31 (0) (1) (27) (27)
 EUR CDS Turkey 208 (10) (1) (75) (75)

5yr CDS China (in CNY) (in CNY)

EUR CDS China 132 (1) (1) (1) (1)
 EUR CDS India 112 (1) (1) (2) (2)
 EUR CDS Indonesia 27 (1) (1) (1) (1)

Risk indicators (changes in percentage except for EAA spreads, 0p)

VIX 21.29 (8) (6) (4) (18) (8) (8)
 VIX 3m 11.21 (7) (1) (1) (1)
 EIA EFT volatility index 31 (2) (1) (2) (2) (4) (4)
 Detrended volatility 5.5 (2) (1) (2) (2) (4) (4)
 EIA Fx volatility index 12 (2) (1) (2) (2) (6) (6)
 Credit spread (AAA) 387.6 (4) (1) (2) (1) (2) (2)
 US bonds volatility index 73 (2) (1) (2) (2) (8) (8)

Bank risk (changes in bp)

US banks CDS 89 (1) (1) (5) (5)
 EUR banks CDS 113 (1) (1) (2) (2) (2) (2)
 UK banks CDS 114 (0) (1) (2) (2) (2) (2)

Large Spanish banks CDS (in EUR) (in EUR)

Madrid Spanish banks CDS 158 (8) (1) (1) (1) (1) (1)
 Valencia Spanish banks CDS 214 (1) (1) (1) (1) (1) (1)

Small banks CDS (in EUR) (in EUR)

Madrid banks CDS 143 (3) (1) (1) (1) (1) (1)
 Russian banks CDS 27 (1) (1) (1) (1) (1) (1)

Currency risk (changes in percent)

US Non-Ancient CDS 0 (0) (1) (4) (2) (3) (3)
 EUR Non-Ancient CDS 0 (0) (1) (2) (1) (1) (1)
 UK Non-Ancient CDS 0 (0) (1) (2) (1) (1) (1)

Interest rate markets (changes in bp)

US 10yr spread 3m 14 (2) (1) (1) (1) (1) (1)
 US 10yr spread 1m 4 (1) (1) (1) (1) (1) (1)
 US 10yr spread 3m 28 (0) (1) (1) (1) (1) (1)
 US 10yr spread 1m 20 (4) (1) (1) (1) (1) (1)
 US 10yr spread 3m 14 (2) (1) (1) (1) (1) (1)

EUR bank 4.26 (0) (1) (1) (1) (1) (1)
 EUR bank 4.26 (0) (1) (1) (1) (1) (1)
 EUR bank 4.26 (0) (1) (1) (1) (1) (1)

Libor 1m 0.62 (0) (1) (1) (1) (1) (1)
 Libor 3m 1.14 (0) (1) (1) (1) (1) (1)

Stock markets (Changes in percentage)

Major equity indices

S&P500 1912.21 (2) (1) (4) (4) (4) (4)
 Dow Jones 1822.71 (2) (1) (4) (4) (4) (4)
 Nikkei 1777.5 (2) (1) (4) (4) (4) (4)
 FTSE 100 5911.1 (2) (1) (4) (4) (4) (4)
 Euro Stoxx 1294.8 (2) (1) (4) (4) (4) (4)
 HANG SENG 152.1 (2) (1) (4) (4) (4) (4)
 CAC40 123.1 (2) (1) (4) (4) (4) (4)
 NYSE 1700 (2) (1) (4) (4) (4) (4)
 ASI 400 (2) (1) (4) (4) (4) (4)

Developing

US banks 71 (2) (1) (1) (1) (1) (1)
 JPM 57 (2) (1) (1) (1) (1) (1)
 Cit 46 (2) (1) (1) (1) (1) (1)
 Bank 31 (2) (1) (1) (1) (1) (1)
 WFC 21 (2) (1) (1) (1) (1) (1)
 GS 15 (2) (1) (1) (1) (1) (1)

UK banks

UK banks 72 (2) (1) (1) (1) (1) (1)
 HSBC 47 (2) (1) (1) (1) (1) (1)
 Lloyds 24 (2) (1) (1) (1) (1) (1)
 Barclays 17 (2) (1) (1) (1) (1) (1)
 Bank 15 (2) (1) (1) (1) (1) (1)

EU banks

EU banks 82 (4) (1) (1) (1) (1) (1)
 BNP 43 (2) (1) (1) (1) (1) (1)
 Citigroup 31 (2) (1) (1) (1) (1) (1)
 Deutsche 17 (2) (1) (1) (1) (1) (1)
 ING 10 (2) (1) (1) (1) (1) (1)
 Intesa 12 (2) (1) (1) (1) (1) (1)
 UniCredit 14 (2) (1) (1) (1) (1) (1)

Large Spanish banks

Large Spanish banks 81 (4) (2) (1) (1) (1) (1)
 Santander 38 (2) (1) (1) (1) (1) (1)
 BBVA 33 (2) (1) (1) (1) (1) (1)

Madrid Spanish banks

Madrid Spanish banks 71 (4) (2) (1) (1) (1) (1)
 Santander 37 (4) (1) (1) (1) (1) (1)
 Popular 22 (4) (1) (1) (1) (1) (1)
 Sabadell 14 (4) (1) (1) (1) (1) (1)
 Bankia 12 (4) (1) (1) (1) (1) (1)

Greek banks

Greek banks 12 (2) (1) (1) (1) (1) (1)
 Alpha Bank 6 (2) (1) (1) (1) (1) (1)
 Piraeus Bank 6 (2) (1) (1) (1) (1) (1)
 National Bank 10 (2) (1) (1) (1) (1) (1)

European banks

European banks 10 (2) (1) (1) (1) (1) (1)
 BNP 43 (2) (1) (1) (1) (1) (1)
 Citigroup 31 (2) (1) (1) (1) (1) (1)
 Deutsche 17 (2) (1) (1) (1) (1) (1)
 ING 10 (2) (1) (1) (1) (1) (1)
 Intesa 12 (2) (1) (1) (1) (1) (1)
 UniCredit 14 (2) (1) (1) (1) (1) (1)

US banks

US banks 71 (2) (1) (1) (1) (1) (1)
 JPM 57 (2) (1) (1) (1) (1) (1)
 Cit 46 (2) (1) (1) (1) (1) (1)
 Bank 31 (2) (1) (1) (1) (1) (1)
 WFC 21 (2) (1) (1) (1) (1) (1)
 GS 15 (2) (1) (1) (1) (1) (1)

UK banks

UK banks 72 (2) (1) (1) (1) (1) (1)
 HSBC 47 (2) (1) (1) (1) (1) (1)
 Lloyds 24 (2) (1) (1) (1) (1) (1)
 Barclays 17 (2) (1) (1) (1) (1) (1)
 Bank 15 (2) (1) (1) (1) (1) (1)

EU banks

EU banks 82 (4) (1) (1) (1) (1) (1)
 BNP 43 (2) (1) (1) (1) (1) (1)
 Citigroup 31 (2) (1) (1) (1) (1) (1)
 Deutsche 17 (2) (1) (1) (1) (1) (1)
 ING 10 (2) (1) (1) (1) (1) (1)
 Intesa 12 (2) (1) (1) (1) (1) (1)
 UniCredit 14 (2) (1) (1) (1) (1) (1)

Large Spanish banks

Large Spanish banks 81 (4) (2) (1) (1) (1) (1)
 Santander 38 (2) (1) (1) (1) (1) (1)
 BBVA 33 (2) (1) (1) (1) (1) (1)

Madrid Spanish banks

Madrid Spanish banks 71 (4) (2) (1) (1) (1) (1)
 Santander 37 (4) (1) (1) (1) (1) (1)
 Popular 22 (4) (1) (1) (1) (1) (1)
 Sabadell 14 (4) (1) (1) (1) (1) (1)
 Bankia 12 (4) (1) (1) (1) (1) (1)

Greek banks

Greek banks 12 (2) (1) (1) (1) (1) (1)
 Alpha Bank 6 (2) (1) (1) (1) (1) (1)
 Piraeus Bank 6 (2) (1) (1) (1) (1) (1)
 National Bank 10 (2) (1) (1) (1) (1) (1)

European banks

European banks 10 (2) (1) (1) (1) (1) (1)
 BNP 43 (2) (1) (1) (1) (1) (1)
 Citigroup 31 (2) (1) (1) (1) (1) (1)
 Deutsche 17 (2) (1) (1) (1) (1) (1)
 ING 10 (2) (1) (1) (1) (1) (1)
 Intesa 12 (2) (1) (1) (1) (1) (1)
 UniCredit 14 (2) (1) (1) (1) (1) (1)

US banks

US banks 71 (2) (1) (1) (1) (1) (1)
 JPM 57 (2) (1) (1) (1) (1) (1)
 Cit 46 (2) (1) (1) (1) (1) (1)
 Bank 31 (2) (1) (1) (1) (1) (1)
 WFC 21 (2) (1) (1) (1) (1) (1)
 GS 15 (2) (1) (1) (1) (1) (1)

UK banks

UK banks 72 (2) (1) (1) (1) (1) (1)
 HSBC 47 (2) (1) (1) (1) (1) (1)
 Lloyds 24 (2) (1) (1) (1) (1) (1)
 Barclays 17 (2) (1) (1) (1) (1) (1)
 Bank 15 (2) (1) (1) (1) (1) (1)

EU banks

EU banks 82 (4) (1) (1) (1) (1) (1)
 BNP 43 (2) (1) (1) (1) (1) (1)
 Citigroup 31 (2) (1) (1) (1) (1) (1)
 Deutsche 17 (2) (1) (1) (1) (1) (1)
 ING 10 (2) (1) (1) (1) (1) (1)
 Intesa 12 (2) (1) (1) (1) (1) (1)
 UniCredit 14 (2) (1) (1) (1) (1) (1)

Large Spanish banks

Large Spanish banks 81 (4) (2) (1) (1) (1) (1)
 Santander 38 (2) (1) (1) (1) (1) (1)
 BBVA 33 (2) (1) (1) (1) (1) (1)

Madrid Spanish banks

Madrid Spanish banks 71 (4) (2) (1) (1) (1) (1)
 Santander 37 (4) (1) (1) (1) (1) (1)
 Popular 22 (4) (1) (1) (1) (1) (1)
 Sabadell 14 (4) (1) (1) (1) (1) (1)
 Bankia 12 (4) (1) (1) (1) (1) (1)

Greek banks

Greek banks 12 (2) (1) (1) (1) (1) (1)
 Alpha Bank 6 (2) (1) (1) (1) (1) (1)
 Piraeus Bank 6 (2) (1) (1) (1) (1) (1)
 National Bank 10 (2) (1) (1) (1) (1) (1)

European banks

European banks 10 (2) (1) (1) (1) (1) (1)
 BNP 43 (2) (1) (1) (1) (1) (1)
 Citigroup 31 (2) (1) (1) (1) (1) (1)
 Deutsche 17 (2) (1) (1) (1) (1) (1)
 ING 10 (2) (1) (1) (1) (1) (1)
 Intesa 12 (2) (1) (1) (1) (1) (1)
 UniCredit 14 (2) (1) (1) (1) (1) (1)

US banks

US banks 71 (2) (1) (1) (1) (1) (1)
 JPM 57 (2) (1) (1) (1) (1) (1)
 Cit 46 (2) (1) (1) (1) (1) (1)
 Bank 31 (2) (1) (1) (1) (1) (1)
 WFC 21 (2) (1) (1) (1) (1) (1)
 GS 15 (2) (1) (1) (1) (1) (1)

UK banks

UK banks 72 (2) (1) (1) (1) (1) (1)
 HSBC 47 (2) (1) (1) (1) (1) (1)
 Lloyds 24 (2) (1) (1) (1) (1) (1)
 Barclays 17 (2) (1) (1) (1) (1) (1)
 Bank 15 (2) (1) (1) (1) (1) (1)

EU banks

EU banks 82 (4) (1) (1) (1) (1) (1)
 BNP 43 (2) (1) (1) (1) (1) (1)
 Citigroup 31 (2) (1) (1) (1) (1) (1)
 Deutsche 17 (2) (1) (1) (1) (1) (1)
 ING 10 (2) (1) (1) (1) (1) (1)
 Intesa 12 (2) (1) (1) (1) (1) (1)
 UniCredit 14 (2) (1) (1) (1) (1) (1)

Large Spanish banks

Large Spanish banks 81 (4) (2) (1) (1) (1) (1)
 Santander 38 (2) (1) (1) (1) (1) (1)
 BBVA 33 (2) (1) (1) (1) (1) (1)

Madrid Spanish banks

Madrid Spanish banks 71 (4) (2) (1) (1) (1) (1)
 Santander 37 (4) (1) (1) (1) (1) (1)
 Popular 22 (4) (1) (1) (1) (1) (1)
 Sabadell 14 (4) (1) (1) (1) (1) (1)
 Bankia 12 (4) (1) (1) (1) (1) (1)

Greek banks

Greek banks 12 (2) (1) (1) (1) (1) (1)
 Alpha Bank 6 (2) (1) (1) (1) (1) (1)
 Piraeus Bank 6 (2) (1) (1) (1) (1) (1)
 National Bank 10 (2) (1) (1) (1) (1) (1)

European banks

European banks 10 (2) (1) (1) (1) (1) (1)
 BNP 43 (2) (1) (1) (1) (1) (1)
 Citigroup 31 (2) (1) (1) (1) (1) (1)
 Deutsche 17 (2) (1) (1) (1) (1) (1)
 ING 10 (2) (1) (1) (1) (1) (1)
 Intesa 12 (2) (1) (1) (1) (1) (1)
 UniCredit 14 (2) (1) (1) (1) (1) (1)

US banks

US banks 71 (2) (1) (1) (1) (1) (1)
 JPM 57 (2) (1) (1) (1) (1) (1)
 Cit 46 (2) (1) (1) (1) (1) (1)
 Bank 31 (2) (1) (1) (1) (1) (1)
 WFC 21 (2) (1) (1) (1) (1) (1)
 GS 15 (2) (1) (1) (1) (1) (1)

UK banks

UK banks 72 (2) (1) (1) (1) (1) (1)
 HSBC 47 (2) (1) (1) (1) (1) (1)
 Lloyds 24 (2) (1) (1) (1) (1) (1)
 Barclays 17 (2) (1) (1) (1) (1) (1)
 Bank 15 (2) (1) (1) (1) (1) (1)

EU banks

EU banks 82 (4) (1) (1) (1) (1) (1)
 BNP 43 (2) (1) (1) (1) (1) (1)
 Citigroup 31 (2) (1) (1) (1) (1) (1)
 Deutsche 17 (2) (1) (1) (1) (1) (1)
 ING 10 (2) (1) (1) (1) (1) (1)
 Intesa 12 (2) (1) (1) (1) (1) (1)
 UniCredit 14 (2) (1) (1) (1) (1) (1)

Large Spanish banks

Large Spanish banks 81 (4) (2) (1) (1) (1) (1)
 Santander 38 (2) (1) (1) (1) (1) (1)
 BBVA 33 (2) (1) (1) (1) (1) (1)

Madrid Spanish banks

Madrid Spanish banks 71 (4) (2) (1) (1) (1) (1)
 Santander 37 (4) (1) (1) (1) (1) (1)
 Popular 22 (4) (1) (1) (1) (1) (1)
 Sabadell 14 (4) (1) (1) (1) (1) (1)
 Bankia 12 (4) (1) (1) (1) (1) (1)

Greek banks

Greek banks 12 (2) (1) (1) (1) (1) (1)
 Alpha Bank 6 (2) (1) (1) (1) (1) (1)
 Piraeus Bank 6 (2) (1) (1) (1) (1) (1)
 National Bank 10 (2) (1) (1) (1) (1) (1)

European banks

European banks 10 (2) (1) (1) (1) (1) (1)
 BNP 43 (2) (1) (1) (1) (1) (1)
 Citigroup 31 (2) (1) (1) (1) (1) (1)
 Deutsche 17 (2) (1) (1) (1) (1) (1)
 ING 10 (2) (1) (1) (1) (1) (1)
 Intesa 12 (2) (1) (1) (1) (1) (1)
 UniCredit 14 (2) (1) (1) (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".

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.