

Market Comment | Risk aversion increases ahead of the FOMC meeting

Global Financial Markets Unit
15 Mar 2016

- **Downward revision of January's retail sales in the US.** US retail sales dropped in February less than expected (by -0.1% MoM; consensus: -0.2%), whereas ex auto and gas increased 0.3% MoM while the consensus expected just 0.2%. Nonetheless, the negative note is the downward revision of January's published figures for both indicators (to -0.4% MoM from 0.2% in total and to -0.1% from +0.3% in ex auto and gas). Meanwhile, PPI final demand remained unchanged while the consensus had forecast a slight increase (-0.0%YoY; consensus: +0.1%). On another front, Empire Manufacturing registered an unexpectedly sharp rebound in March (to 0.62 from -16.64 points; consensus: -10.50)
- **Bank of Japan, as expected, maintained the current measures unchanged. However it downgraded its economic outlook.** BoJ maintained the pace of purchases at ¥80 trillion per year and the interest rate remained at -0.1% following last month's unexpected decision. Kuroda's dovish tone could be an indication of further easing within this year, driven by (i) the effectiveness of the current measures ("Since we brought in negative rates, short- and long-term bond yields have fallen and that has clearly fed through to falls in mortgage and lending rates — so on the interest rate side the effects are already clear (...) from here, I anticipate the effects will spread to prices and the real economy") and (ii) the downgrading of the current and expected economic situation shown in today's statement. ([see](#))
- **Risk aversion increases promoted by falling oil prices ahead of the FOMC meeting.** Oil prices - one of the main factors that have been contributing to the recent market rebound - are becoming a significant drag this week. Doubts about the agreement to curb the oil supply glut and uncertainty about the global economic outlook re-fueled a high volatility environment that drove Brent below the US\$40 per barrel threshold (Brent: -2.4% and Wtx: -2.7% today). The downgrading of Japan's economic outlook by the Bank of Japan coupled with the disappointing US macroeconomic figures were also significant factors affecting market confidence ahead of the FOMC meeting. Against this backdrop, European equity markets continued this week's falls after last week's rally (Eurostoxx: -0.8% IBEX: -1.7% DAX: -0.5% CAC:-0.7% MIB: -1.1%) dragged mainly by cyclical sectors (banking sector and to a lesser degree the energy sector). In the same line, US indices dropped (S&P:-0.4 % Dow:-0.2%), as did Asian markets, which halted yesterday's recovery in reaction to the BoJ's announcing no further easing and its negative economic outlook (Nikkei: -0.7%). On bond markets, US treasury yields remained unchanged (2Y: +1 bps 10Y: +0 bps) ahead of the FOMC meeting, while European yields increased, on both the peripheral and the core curves (GER 10Y: +4 bps FRA 10Y: +2 bps ITA 10Y: +6 bps SPA 10Y:+5 bps POR 10Y:+5 bps). On FX markets, the USD registered a mixed performance against major currencies: EURUSD was hovering around 1.11 (-0.05%), the JPY appreciated helped by the BoJ's announcing no further easing (+0.76%), and the GBP was the worst performer, due to renewed fears about Brexit (-1.02%). EM currencies continue the negative trend against the USD, dragged by oil prices (RUB: -1.7% CLP:-0.9% COP: -0.6% MXN: -1.0%)

Update 17.35 CET 15 March, 2015
Table1

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

Index markets (Changes in Bp)

European indices

US 2yr 0.96 (11)(10)(20)(30)
US 5yr 1.45(13)(12)(27)(47)
US 10yr 1.98 (8) (5) (21) (42)

Japan 10yr 0.01 (0)(0)(0)(0)(0)

OECD 2yr -4.45 (11)(-10)(-20)
OECD 5yr -2.24 (2)(0)(-1)(-2)
OECD 10yr -1.19 (1)(-1)(-2)(-2)

Region 10yr 0.71 (5) (0) (4)(1)(2)
France 10yr 1.12 (2)(-1)(1)(2)
Germany 10yr 0.71 (2)(-1)(-1)(-1)(-1)
Italy 10yr 1.37 (6)(1)(2)(1)(2)
Netherlands 10yr 1.41 (1)(1)(1)(1)(2)
Portugal 10yr 2.08 (3)(-1)(-1)(-1)(-1)
Spain 10yr 1.32 (1)(-1)(-1)(-1)(-1)

Emerging markets

Brazil 10yr 6.71 (10)(1)(2)(-1)(-1)(-1)
China 10yr 4.44 (9)(1)(0)(0)(0)
Columbia 10yr 5.08 (0)(1)(-1)(-1)(-1)
Mexico 10yr 6.19 (1)(-1)(-1)(-1)(-1)
Peru 10yr 7.12 (2)(-1)(-1)(-1)(-1)

Russia 10yr 2.91 (4)(1)(1)(-1)(-1)(-1)
Russia 5yr 2.47 (1)(1)(1)(1)(1)(1)
Turkey 10yr 3.99 (1)(1)(1)(1)(1)(1)

Vietnam 10yr 1.58 (2)(-1)(-1)(-1)(-1)

Indonesia 10yr 7.77 (3)(1)(4)(1)(2)(1)(5)

Country risk (Changes in Bp)

High corruption scores (against Germany)

Region 40 (1)(4)(1)(11)
France 35 (1)(4)(1)(4)(7)
Germany 40 (1)(4)(1)(4)(7)
Italy 30 (1)(1)(1)(1)(1)
Key 105 (2)(1)(1)(1)(1)(1)
Netherlands 110 (1)(1)(1)(1)(1)
Portugal 206 (1)(1)(2)(2)(1)(1)(2)
Spain 120 (1)(1)(1)(1)(1)

Low corruption scores (against Germany)

Region 8 (1)(2)(1)(1)(1)(1)
France 12 (0)(1)(2)(1)(4)
Germany 102 (1)(1)(1)(1)(1)(1)
Italy 30 (1)(1)(1)(1)(1)(1)
Key 20 (1)(1)(1)(1)(1)(1)
Netherlands 2 (0)(1)(2)(1)(1)(1)
Portugal 205 (1)(1)(1)(1)(1)(1)
Spain 66 (0)(1)(1)(1)(1)(1)

High economic growth (against Germany)

Region 6 (0)(1)(1)(1)(1)
France 6 (0)(1)(1)(1)(1)(1)
Germany 11 (2)(1)(1)(1)(1)(1)
Italy 1 (0)(1)(1)(1)(1)(1)
Key 115 (1)(1)(1)(1)(1)(1)
Portugal 115 (1)(1)(1)(1)(1)(1)
Spain 48 (2)(1)(1)(1)(1)(1)

High growth

Spr OECD Region 46 (6)(1)(1)(1)(1)
Spr OECD France 30 (0)(1)(1)(1)(1)(1)
Spr OECD Germany 115 (1)(1)(1)(1)(1)(1)
Spr OECD Germany 114 (2)(1)(2)(1)(2)(1)(47)
Spr OECD Italy 20 (0)(1)(1)(1)(1)
Spr OECD Japan 112 (0)(1)(1)(1)(1)(1)
Spr OECD Korea 24 (0)(1)(1)(1)(1)
Spr OECD Portugal 22 (0)(1)(1)(1)(1)(1)
Spr OECD UK 34 (2)(1)(1)(1)(1)(1)
Spr OECD US 20 (0)(1)(1)(1)(1)(1)

Emerging markets

Spr emerging C21
Spr CDS Brazil 307 (1)(1)(1)(1)(1)(1)(16)
Spr CDS China 224 (2)(1)(1)(1)(1)(1)(8)
Spr CDS Colombia 121 (2)(1)(1)(1)(1)(1)(7)
Spr CDS Peru 155 (1)(1)(1)(1)(1)(1)(20)
Spr CDS Venezuela 195 (1)(1)(1)(1)(1)(1)(148)

Spr CDS Poland 141 (1)(1)(1)(1)(1)(1)
Spr CDS Russia 202 (1)(1)(1)(1)(1)(1)(19)
Spr CDS Turkey 22 (0)(1)(1)(1)(1)(1)(1)

Spr CDS China 116 (2)(1)(1)(1)(1)(1)(20)
Spr CDS India 141 (1)(1)(1)(1)(1)(1)(10)
Spr CDS Indonesia 139 (1)(1)(1)(1)(1)(1)(23)

Credit risk

Non-financial companies in percentage except for B2A spread, 50

US 17 (0)(1)(1)(1)(1)(1)(1)
US 2007 24 (1)(1)(1)(1)(1)(1)(2)
EU 17 default spread 20 (1)(1)(1)(1)(1)(1)
Dollars market 6 (4)(1)(1)(1)(1)(1)(1)
EU 17 default spread 11 (1)(1)(1)(1)(1)(1)
Credit spread (Baa) 325 (1)(1)(1)(1)(1)(1)(1)
EU 17 credit spread 78 (0)(1)(1)(1)(1)(1)

Bank risk (Changes in Bp)

EU Bank CDS 85 (1)(1)(1)(1)(1)(1)(1)
EU bank CDS 20 (0)(1)(1)(1)(1)(1)(1)
UK Bank CDS 10 (0)(1)(1)(1)(1)(1)(1)

Large Spanish banks CDS 102 (1)(1)(1)(1)(1)(1)(14)
Medium Spanish banks CDS 183 (1)(1)(1)(1)(1)(1)(69)

Greek banks CDS 1709 (1)(1)(1)(1)(1)(1)(82)
European banks CDS 374 (1)(1)(1)(1)(1)(1)(21)

Commodity risk (Changes in Bp)

EU Non-financial CDS 48 (0)(1)(1)(1)(1)(1)(1)
EU Non-financial CDS 20 (0)(1)(1)(1)(1)(1)(1)
EU Non-financial CDS 18 (1)(1)(1)(1)(1)(1)(1)

Interbank markets (Changes in Bp)

EUR 10 spread 2m 11 (0)(1)(1)(1)(1)(1)(1)
EUR 10 spread 3m 26 (1)(1)(1)(1)(1)(1)(1)
EUR 10 spread 6m 38 (0)(1)(1)(1)(1)(1)(1)

US 10 spread 2m 22 (0)(1)(1)(1)(1)(1)(1)
US 10 spread 3m 66 (1)(1)(1)(1)(1)(1)(1)
US 10 spread 6m 71 (1)(1)(1)(1)(1)(1)(1)

Spain 10 spread 3m 10 (0)(1)(1)(1)(1)(1)(1)

EU16A Index 4.24 (0)(1)(1)(1)(1)(1)(1)
Eurozone 3m 22 (0)(1)(1)(1)(1)(1)(1)
London 3m 4.01 (0)(1)(1)(1)(1)(1)(1)

Libor 3m 0.44 (0)(1)(1)(1)(1)(1)(1)
Libor 6m 1.23 (0)(1)(1)(1)(1)(1)(1)

Stock markets (Changes in percentage)

Index markets

S&P500 2018 6.14 (1)(1)(1)(1)(1)(1)(1)
S&P500 2017 11.02 (1)(1)(1)(1)(1)(1)(1)
Nikkei 1997 1.64 (1)(1)(1)(1)(1)(1)(1)
FTSE 100 6.43 (1)(1)(1)(1)(1)(1)(1)
Eurozone 10 3.02 (1)(1)(1)(1)(1)(1)(1)
BSEINDIA 1 (1)(1)(1)(1)(1)(1)(1)
DAX 100 1.61 (1)(1)(1)(1)(1)(1)(1)
CAC40 1 (1)(1)(1)(1)(1)(1)(1)
IBV 1072 (1)(1)(1)(1)(1)(1)(1)
AEX index 1.93 (1)(1)(1)(1)(1)(1)(1)

Bank stocks

US banks 75 (1)(1)(1)(1)(1)(1)(1)
JPY 12 (1)(1)(1)(1)(1)(1)(1)
CZ 42 (1)(1)(1)(1)(1)(1)(1)
Bank 13 (1)(1)(1)(1)(1)(1)(1)
US 21 (1)(1)(1)(1)(1)(1)(1)
EU 11 (1)(1)(1)(1)(1)(1)(1)

UK banks 71 (2)(1)(1)(1)(1)(1)(1)
NICE 40 (1)(1)(1)(1)(1)(1)(1)
RUS 21 (1)(1)(1)(1)(1)(1)(1)
European 102 (1)(1)(1)(1)(1)(1)(1)
Lloyds 10 (1)(1)(1)(1)(1)(1)(1)

EU16 Index 2.02 (1)(1)(1)(1)(1)(1)(1)
BSP 47 (1)(1)(1)(1)(1)(1)(1)
Credit spreads 10 (1)(1)(1)(1)(1)(1)(1)
Duration Bank 10 (1)(1)(1)(1)(1)(1)(1)
RIG 1 (1)(1)(1)(1)(1)(1)(1)
Index 2 (1)(1)(1)(1)(1)(1)(1)
EU 10 (1)(1)(1)(1)(1)(1)(1)
Indonesia 2 (1)(1)(1)(1)(1)(1)(1)

Large Spanish banks 111 (2)(1)(1)(1)(1)(1)(1)
Santander 4 (1)(1)(1)(1)(1)(1)(1)
Banco 0 (1)(1)(1)(1)(1)(1)(1)

Medium Spanish banks 75 (1)(1)(1)(1)(1)(1)(1)
Caixa 2 (1)(1)(1)(1)(1)(1)(1)
Fomento 2 (1)(1)(1)(1)(1)(1)(1)
Industria 1 (1)(1)(1)(1)(1)(1)(1)
Banco 1 (1)(1)(1)(1)(1)(1)(1)
Banco 1 (1)(1)(1)(1)(1)(1)(1)

Greek banks 3 (0)(1)(1)(1)(1)(1)(1)
Alpha Bank 0 (1)(1)(1)(1)(1)(1)(1)
First Bank 0 (1)(1)(1)(1)(1)(1)(1)
National Bank 0 (1)(1)(1)(1)(1)(1)(1)

European Composite 110 (1)(1)(1)(1)(1)(1)(1)

Emerging markets

MSCI Latin 6421 (1)(1)(1)(1)(1)(1)(1)
Emerging Markets 4617 (1)(1)(1)(1)(1)(1)(1)
Korea 4247 (1)(1)(1)(1)(1)(1)(1)

MSCI E Europe 440 (0)(1)(1)(1)(1)(1)(1)
Russia 396 (1)(1)(1)(1)(1)(1)(1)
Brazil 100 (1)(1)(1)(1)(1)(1)(1)
MEX 100 (1)(1)(1)(1)(1)(1)(1)

MSCI E Asia 852 (1)(1)(1)(1)(1)(1)(1)
Singapore Composite 286 (1)(1)(1)(1)(1)(1)(1)
Jakarta Composite 480 (1)(1)(1)(1)(1)(1)(1)

Bank stocks

Turkish banks 80 (1)(1)(1)(1)(1)(1)(1)
Japan 8 (1)(1)(1)(1)(1)(1)(1)
Greece 1 (1)(1)(1)(1)(1)(1)(1)
Polish 1 (1)(1)(1)(1)(1)(1)(1)
Brazil 10 (1)(1)(1)(1)(1)(1)(1)
Russian banks 103 (1)(1)(1)(1)(1)(1)(1)
Dutch 100 (1)(1)(1)(1)(1)(1)(1)
US Bank 1 (1)(1)(1)(1)(1)(1)(1)

Commodities (in percentage, positive for dollar depreciation)

EURUSD 1.11 (0)(0)(0)(0)(0)(0)(0)
GBPUSD 1.02 (0)(0)(0)(0)(0)(0)(0)
USDJPY 112.06 (0)(0)(0)(0)(0)(0)(0)
DXY 94.02 (0)(0)(0)(0)(0)(0)(0)

Emerging markets

USDCY (Argentina) 14 (0)(1)(1)(1)(1)(1)(1)
USDCY (Brazil) 19 (1)(1)(1)(1)(1)(1)(1)
USDCY (China) 117 (1)(1)(1)(1)(1)(1)(1)
USDCY (India) 10 (1)(1)(1)(1)(1)(1)(1)
USDCY (Japan) 1 (1)(1)(1)(1)(1)(1)(1)
USDCY (Korea) 1 (1)(1)(1)(1)(1)(1)(1)
USDCY (Russia) 1 (1)(1)(1)(1)(1)(1)(1)
USDCY (Turkey) 1 (1)(1)(1)(1)(1)(1)(1)

USDCY (China) 1 (1)(1)(1)(1)(1)(1)(1)
USDCY (India) 1 (1)(1)(1)(1)(1)(1)(1)
USDCY (Japan) 1 (1)(1)(1)(1)(1)(1)(1)
USDCY (Korea) 1 (1)(1)(1)(1)(1)(1)(1)
USDCY (Russia) 1 (1)(1)(1)(1)(1)(1)(1)
USDCY (Turkey) 1 (1)(1)(1)(1)(1)(1)(1)

Commodity (change in percentage)

Wheat 10.09 (2)(1)(1)(1)(1)(1)(1)
Wheat 10.28 (1)(1)(1)(1)(1)(1)(1)
Wheat 22.1 (0)(1)(1)(1)(1)(1)(1)
Wheat 120 (1)(1)(1)(1)(1)(1)(1)
CRB index 39 (0)(1)(1)(1)(1)(1)(1)
Brent 10 (1)(1)(1)(1)(1)(1)(1)
S&P 500 10 (1)(1)(1)(1)(1)(1)(1)
S&P 500 10 (1)(1)(1)(1)(1)(1)(1)
S&P 500 10 (1)(1)(1)(1)(1)(1)(1)
S&P 500 10 (1)(1)(1)(1)(1)(1)(1)

Stock Indices, Sectors and etc

Fuente: BBVA Research

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

Debit markets (change in bp)

US 2 yr 4.96 (110)(20)(20)
 US 5 yr 4.48 (110)(20)(20)
 US 10 yr 4.96 (110)(20)(20)

Japan 10 yr 4.10 (110)(18)(18)
 CD 2 yr -4.41 (110)(18)(18)
 US 2 yr -2.24 (110)(18)(18)
 CD 1 yr 3.32 (110)(18)(18)

Belgium 10 yr 5.71 (110)(18)(18)
 France 10 yr 5.71 (110)(18)(18)
 Greece 10 yr 5.71 (110)(18)(18)
 Spain 10 yr 5.71 (110)(18)(18)

Italy 10 yr 5.71 (110)(18)(18)
 Netherlands 10 yr 5.71 (110)(18)(18)
 Portugal 10 yr 5.71 (110)(18)(18)
 Slovenia 10 yr 5.71 (110)(18)(18)

Emerging Markets
 Brazil 10 yr 5.71 (110)(18)(18)
 Chile 10 yr 5.71 (110)(18)(18)
 Colombia 10 yr 5.71 (110)(18)(18)
 Mexico 10 yr 5.71 (110)(18)(18)
 Peru 10 yr 5.71 (110)(18)(18)

Poland 10 yr 5.71 (110)(18)(18)
 Russia 10 yr 5.71 (110)(18)(18)
 Turkey 10 yr 5.71 (110)(18)(18)
 India 10 yr 5.71 (110)(18)(18)

Indonesia 10 yr 5.71 (110)(18)(18)

Country risk (change in bp)

Surveillance services (Aggravated Germany)

Belgium 20 (14)(17)
 France 20 (14)(17)
 Greece 20 (14)(17)
 Italy 20 (14)(17)
 Netherlands 20 (14)(17)
 Portugal 20 (14)(17)
 Spain 20 (14)(17)

Surveillance services (Aggravated Germany)

Belgium 11 (12)(15)
 France 11 (12)(15)
 Greece 11 (12)(15)
 Italy 11 (12)(15)
 Netherlands 11 (12)(15)
 Portugal 11 (12)(15)
 Spain 11 (12)(15)

Surveillance services (Aggravated Germany)

Belgium 8 (12)(15)
 France 8 (12)(15)
 Greece 8 (12)(15)
 Italy 8 (12)(15)
 Netherlands 8 (12)(15)
 Portugal 8 (12)(15)
 Spain 8 (12)(15)

Surveillance services (Aggravated Germany)

Belgium 4 (12)(15)
 France 4 (12)(15)
 Greece 4 (12)(15)
 Italy 4 (12)(15)
 Netherlands 4 (12)(15)
 Portugal 4 (12)(15)
 Spain 4 (12)(15)

Surveillance services (Aggravated Germany)

Belgium 3 (12)(15)
 France 3 (12)(15)
 Greece 3 (12)(15)
 Italy 3 (12)(15)
 Netherlands 3 (12)(15)
 Portugal 3 (12)(15)
 Spain 3 (12)(15)

Surveillance services (Aggravated Germany)

Belgium 2 (12)(15)
 France 2 (12)(15)
 Greece 2 (12)(15)
 Italy 2 (12)(15)
 Netherlands 2 (12)(15)
 Portugal 2 (12)(15)
 Spain 2 (12)(15)

Surveillance services (Aggravated Germany)

Belgium 1 (12)(15)
 France 1 (12)(15)
 Greece 1 (12)(15)
 Italy 1 (12)(15)
 Netherlands 1 (12)(15)
 Portugal 1 (12)(15)
 Spain 1 (12)(15)

Surveillance services (Aggravated Germany)

Belgium 0 (12)(15)
 France 0 (12)(15)
 Greece 0 (12)(15)
 Italy 0 (12)(15)
 Netherlands 0 (12)(15)
 Portugal 0 (12)(15)
 Spain 0 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -1 (12)(15)
 France -1 (12)(15)
 Greece -1 (12)(15)
 Italy -1 (12)(15)
 Netherlands -1 (12)(15)
 Portugal -1 (12)(15)
 Spain -1 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -2 (12)(15)
 France -2 (12)(15)
 Greece -2 (12)(15)
 Italy -2 (12)(15)
 Netherlands -2 (12)(15)
 Portugal -2 (12)(15)
 Spain -2 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -3 (12)(15)
 France -3 (12)(15)
 Greece -3 (12)(15)
 Italy -3 (12)(15)
 Netherlands -3 (12)(15)
 Portugal -3 (12)(15)
 Spain -3 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -4 (12)(15)
 France -4 (12)(15)
 Greece -4 (12)(15)
 Italy -4 (12)(15)
 Netherlands -4 (12)(15)
 Portugal -4 (12)(15)
 Spain -4 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -5 (12)(15)
 France -5 (12)(15)
 Greece -5 (12)(15)
 Italy -5 (12)(15)
 Netherlands -5 (12)(15)
 Portugal -5 (12)(15)
 Spain -5 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -6 (12)(15)
 France -6 (12)(15)
 Greece -6 (12)(15)
 Italy -6 (12)(15)
 Netherlands -6 (12)(15)
 Portugal -6 (12)(15)
 Spain -6 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -7 (12)(15)
 France -7 (12)(15)
 Greece -7 (12)(15)
 Italy -7 (12)(15)
 Netherlands -7 (12)(15)
 Portugal -7 (12)(15)
 Spain -7 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -8 (12)(15)
 France -8 (12)(15)
 Greece -8 (12)(15)
 Italy -8 (12)(15)
 Netherlands -8 (12)(15)
 Portugal -8 (12)(15)
 Spain -8 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -9 (12)(15)
 France -9 (12)(15)
 Greece -9 (12)(15)
 Italy -9 (12)(15)
 Netherlands -9 (12)(15)
 Portugal -9 (12)(15)
 Spain -9 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -10 (12)(15)
 France -10 (12)(15)
 Greece -10 (12)(15)
 Italy -10 (12)(15)
 Netherlands -10 (12)(15)
 Portugal -10 (12)(15)
 Spain -10 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -11 (12)(15)
 France -11 (12)(15)
 Greece -11 (12)(15)
 Italy -11 (12)(15)
 Netherlands -11 (12)(15)
 Portugal -11 (12)(15)
 Spain -11 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -12 (12)(15)
 France -12 (12)(15)
 Greece -12 (12)(15)
 Italy -12 (12)(15)
 Netherlands -12 (12)(15)
 Portugal -12 (12)(15)
 Spain -12 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -13 (12)(15)
 France -13 (12)(15)
 Greece -13 (12)(15)
 Italy -13 (12)(15)
 Netherlands -13 (12)(15)
 Portugal -13 (12)(15)
 Spain -13 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -14 (12)(15)
 France -14 (12)(15)
 Greece -14 (12)(15)
 Italy -14 (12)(15)
 Netherlands -14 (12)(15)
 Portugal -14 (12)(15)
 Spain -14 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -15 (12)(15)
 France -15 (12)(15)
 Greece -15 (12)(15)
 Italy -15 (12)(15)
 Netherlands -15 (12)(15)
 Portugal -15 (12)(15)
 Spain -15 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -16 (12)(15)
 France -16 (12)(15)
 Greece -16 (12)(15)
 Italy -16 (12)(15)
 Netherlands -16 (12)(15)
 Portugal -16 (12)(15)
 Spain -16 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -17 (12)(15)
 France -17 (12)(15)
 Greece -17 (12)(15)
 Italy -17 (12)(15)
 Netherlands -17 (12)(15)
 Portugal -17 (12)(15)
 Spain -17 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -18 (12)(15)
 France -18 (12)(15)
 Greece -18 (12)(15)
 Italy -18 (12)(15)
 Netherlands -18 (12)(15)
 Portugal -18 (12)(15)
 Spain -18 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -19 (12)(15)
 France -19 (12)(15)
 Greece -19 (12)(15)
 Italy -19 (12)(15)
 Netherlands -19 (12)(15)
 Portugal -19 (12)(15)
 Spain -19 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -20 (12)(15)
 France -20 (12)(15)
 Greece -20 (12)(15)
 Italy -20 (12)(15)
 Netherlands -20 (12)(15)
 Portugal -20 (12)(15)
 Spain -20 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -21 (12)(15)
 France -21 (12)(15)
 Greece -21 (12)(15)
 Italy -21 (12)(15)
 Netherlands -21 (12)(15)
 Portugal -21 (12)(15)
 Spain -21 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -22 (12)(15)
 France -22 (12)(15)
 Greece -22 (12)(15)
 Italy -22 (12)(15)
 Netherlands -22 (12)(15)
 Portugal -22 (12)(15)
 Spain -22 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -23 (12)(15)
 France -23 (12)(15)
 Greece -23 (12)(15)
 Italy -23 (12)(15)
 Netherlands -23 (12)(15)
 Portugal -23 (12)(15)
 Spain -23 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -24 (12)(15)
 France -24 (12)(15)
 Greece -24 (12)(15)
 Italy -24 (12)(15)
 Netherlands -24 (12)(15)
 Portugal -24 (12)(15)
 Spain -24 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -25 (12)(15)
 France -25 (12)(15)
 Greece -25 (12)(15)
 Italy -25 (12)(15)
 Netherlands -25 (12)(15)
 Portugal -25 (12)(15)
 Spain -25 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -26 (12)(15)
 France -26 (12)(15)
 Greece -26 (12)(15)
 Italy -26 (12)(15)
 Netherlands -26 (12)(15)
 Portugal -26 (12)(15)
 Spain -26 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -27 (12)(15)
 France -27 (12)(15)
 Greece -27 (12)(15)
 Italy -27 (12)(15)
 Netherlands -27 (12)(15)
 Portugal -27 (12)(15)
 Spain -27 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -28 (12)(15)
 France -28 (12)(15)
 Greece -28 (12)(15)
 Italy -28 (12)(15)
 Netherlands -28 (12)(15)
 Portugal -28 (12)(15)
 Spain -28 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -29 (12)(15)
 France -29 (12)(15)
 Greece -29 (12)(15)
 Italy -29 (12)(15)
 Netherlands -29 (12)(15)
 Portugal -29 (12)(15)
 Spain -29 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -30 (12)(15)
 France -30 (12)(15)
 Greece -30 (12)(15)
 Italy -30 (12)(15)
 Netherlands -30 (12)(15)
 Portugal -30 (12)(15)
 Spain -30 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -31 (12)(15)
 France -31 (12)(15)
 Greece -31 (12)(15)
 Italy -31 (12)(15)
 Netherlands -31 (12)(15)
 Portugal -31 (12)(15)
 Spain -31 (12)(15)

Surveillance services (Aggravated Germany)

Belgium -32 (12)(15)
 France -32 (12)(15)
 Greece -32 (12)(15)
 Italy -32 (12)(15)
 Netherlands -32 (12)(15)
 Portugal -32 (12)(15)
 Spain -32 (12)(15)

Fuente: BBVA Research

*CDS, EMBI & MSCI indices with one day delay

**Credit spread (BAA) with two days delay

***S&P GSCI with one day 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.