BBVA Research

Market Comment | Oil price volatility is driving equity markets

Global Financial Markets Unit
21 Mar 2016

- **Negative macroeconomic data in the US.** US existing home sales decreased by more than estimated in February (to USD5.08M from USD5.47M; consensus: USD5.31M). Meanwhile, the Chicago Fed national activity index dropped sharply in February and fell into negative territory (to -0.29 points from 0.41; consensus: 0.25).

- **EZ Consumer confidence fell 0.9 point to -9.7 in March.** The flash estimate was below market expectations (consensus: -8.3) and it is the lowest reading within more than a year (Since December 2014).

- **Fed's Lacker sees inflation at 2%.** Federal Reserve Bank of Richmond President Jeffrey Lacker said that when energy prices bottom out and the US dollar halts its appreciation, inflation will reach the 2 percent target. "I am reasonably confident that, barring subsequent shocks, inflation will move back to the FOMC's 2 percent objective over the medium term," Lacker said.

- **Cœuré recalls the requirement for fiscal reforms.** ECB's Benoît Cœuré said that "ambitious reforms are still needed in most of the euro area economies, given the low growth potential and high structural unemployment". He signalled that the ECB monetary policy by itself without fiscal reforms was unlikely to be sufficient to bring about recovery in the European economy.

- **Oil price volatility is driving equity markets.** The week after the FOMC's meeting - in which Fed revised downwards its interest rate pace forecast- has started with high volatility in financial markets, as usual during recent weeks, conditioned by commodity prices. Last week's dollar depreciation reinforced the positive trend in commodity prices that remains today, but it is following an erratic path due to fears of increasing oil supply (there was the first increase in US oil rigs since December 15). On another front, the Chinese authorities announced a relaxation of conditions for financing brokerage activities that could reinforce "margin purchases": On the one hand it could contribute to preventing further falls in equity prices - in fact it was well received by Chinese equity indices (Shanghai: +2.15% Shenzhen: +2.68%), but it also could re-fuel fears about the increasing leveraging and bubbles in Chinese equity markets. Developed equity markets were generally hampered early this morning by the energy sector, and main European indices were down by around 1%. The midday oil price recovery, coupled with a relatively positive opening in the US contributed to smothering the falls in the main European equity indices (Eurostoxx: -0.4% IBEX: -0.4% CAC:-0.9% DAX: 0%). In addition, Japan markets remained closed today due to the Spring Equinox Day. On bond markets, US treasury yields inched up (2Y: +2 bps 10Y: +3 bps) - halting last week's falls due to the FOMC meeting - as did European yields, which rose across core and peripherals countries (by around 1-2 bps). Consequently, peripheral risk premiums remained almost unchanged. On FX markets, the USD recovered slightly from its recent falls against other major currencies (EUR: -0.21% GBP: -0.67% JPY: -0.12%). EM currencies showed a mixed performance against the US dollar (RUB: +0.5% BRL: +0.5% COP: 0.0% CLP: -0.1% MXN: +0.1%) despite the slight increase in commodity prices (Brent: +0.4% Wtx: +1.8% Copper: +0.7%).

Update 17.30 CET 21 March, 2015

Table1

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

Debt markets *(changes in bp)*

Developed Markets
US 2-yr 0,86 (2) (-10) (17) (-19)
US 5-yr 1,36 (3) (-11) (17) (-40)
US 10-yr 1,9 (3) (-5) (17) (-36)

Japan 10-yr -0,09 (0) (-5) (-11) (-36)

GER 2-yr -0,48 (0) (-2) (4) (-13)
GER 5-yr -0,3 (0) (-3) (2) (-25)
GER 10-yr 0,23 (2) (-5) (1) (-40)

Belgium 10-yr 0,62 (1) (-5) (-9) (-35)
France 10-yr 0,57 (1) (-6) (-2) (-42)
Greece 10-yr 8,67 (6) (-8) (-182) (38)
Ireland 10-yr 0,84 (4) (-1) (-11)
Italy 10-yr 1,27 (1) (-4) (-28) (-33)
Netherlands 10-yr 0,32 (1) (-5) (-3) (-47)
Portugal 10-yr 2,93 (0) (0) (-48) (41)
Spain 10-yr 1,44 (1) (-3) (-26) (-33)

Emerging Markets
Brazil 10-yr 14 (-6) (-45) (-205) (-252)
Chile 10-yr 4,43 (0) (-1) (-3) (-23)
Colombia 10-yr 8,23 (0) (-27) (-92) (-43)
Mexico 10-yr 5,98 (0) (-19) (-8) (-28)
Peru 10-yr 6,97 (0) (-12) (-55) (-33)

Poland 10-yr 2,83 (2) (-4) (-13) (-11)
Russia 5-yr 9,11 (8) (-39) (-91) (-76)
Russia 10-yr 9,04 (7) (-37) (-86) (-52)
Turkey 10-yr 9,88 (5) (0) (-70) (-59)

India 10-yr 7,5 (-2) (-10) (-24) (-26)
Indonesia 10-yr 7,71 (5) (-3) (-33) (-103)

Country risk *(changes in bp)*

Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 39 (-1) (0) (-10) (5)
France 34 (-1) (-1) (-3) (-2)
Greece 844 (4) (-3) (-183) (78)
Ireland 62 (3) (4) (-12) (9)
Italy 103 (-2) (0) (-31) (6)
Netherlands 9 (-1) (-0,3) (-4) (-7)
Portugal 270 (-1) (4,8) (-49) (81)
Spain 121 (-1) (2) (-27) (7)

5-yr sovereign spreads *(against Germany)*
Belgium 6 (0) (2,1) (-3) (-1)
France 13 (0) (2) (-3) (0)
Greece 1632 (0) (3) (-2) (25)
Ireland 35 (3) (4) (-4) (10)
Italy 57 (0) (1) (-26) (2)
Netherlands -1 (0) (1,1) (-2) (-2)
Portugal 212 (1) (4) (-64) (102)
Spain 66 (1) (1) (-26) (-6)

2-yr sovereign spreads *(against Germany)*
Belgium 5 (0) (-1) (-2) (1)
France 6 (-1) (1,1) (-6) (2)
Ireland 14 (0) (2) (-17) (-1)
Italy 46 (0) (5) (-10) (15)
Netherlands 1 (1) (-1) (-3) (3)
Portugal 113 (0) (-1) (-64) (68)
Spain 50 (-1) (3) (-4) (15)

5-yr sovereign CDS
5-yr CDS Belgium 49 (4) (-1) (-1) (17)
5-yr CDS France 31 (0) (0) (-6) (5)
5-yr CDS Germany 17 (-1) (0) (-4) (4)
5-yr CDS Greece 1107 (3) (-45) (-199) (49)
5-yr CDS Ireland 57 (-1) (-4) (-4) (17)
5-yr CDS Italy 115 (0) (2) (-36) (20)
5-yr CDS Netherlands 25 (3) (-1) (2) (11)
5-yr CDS Portugal 244 (3) (0) (-113) (76)
5-yr CDS Spain 88 (-1) (2) (-33) (-1)
5-yr CDS UK 35 (2) (-2) (2) (15)
5-yr CDS US 19 (0) (-1) (-1) (1)

Emerging Markets
5-yr sovereign CDS
5-yr CDS Brazil 352 (-19) (-26) (-114) (-140)
5-yr CDS Chile 87 (-5) (-12) (-39) (-39)
5-yr CDS Colombia 195 (-5) (-28) (-96) (-44)
5-yr CDS Mexico 145 (-4) (-19) (-56) (-25)
5-yr CDS Peru 137 (-4) (-20) (-62) (-48)
5-yr CDS Venezuela 5325 (-177) (-486) (-2911) (-718)

5-yr CDS Poland86 (-1) (-5) (-10) (14)
5-yr CDS Russia 264 (-6) (-13) (-67) (-37)
5-yr CDS Turkey 233 (-8) (-14) (-64) (-40)

5-yr CDS China 106 (-5) (-11) (-27) (-2)
5-yr CDS India 156 (0) (10) (-14) (8)
5-yr CDS Indonesia 176 (-5) (-17) (-57) (-50)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 14,1 (0,6) (-16,7) (-34,8) (-4)
VSTOXX 21,83 (5,7) (-4,9) (-29,4) (0)
EM EFT volatility Index 24 (1) (-4) (-26) (4)
Dollar/euro volatility 9 (7,5) (-3) (-25,3) (-7)
EM FX volatility index 12 (1) (1) (-8) (1)
Credit spread (BAA) 314,5 (-3,2) (-8,6) (-45,4) (-9)
US bonds volatility index 71 (0) (-10) (-17) (5)

Bank risk *(changes in bp)*
US banks CDS 86 (-1) (1) (-21) (11)
EMU banks CDS 101 (-1) (8) (-36) (17)
UK banks CDS 113 (-1) (4) (-13) (35)

Large Spanish banks CDS 111 (-1) (6) (-54) (-26)
Medium Spanish banks CDS 188 (-3) (6) (-35) (31)

Greek banks CDS 1736 (-19) (-1) (20) (84)
Russian banks CDS 380 (-7) (-7) (-94) (-2)

Corporate risk *(changes in bps)*
US Non-financial CDS 446 (-4) (-41) (-143) (64)
EMU Non-financial CDS 230 (0) (12) (29) (57)
UK Non-financial CDS 184 (-3) (6) (-32) (-8)

Interbank markets *(changes in bp)*

UEM OIS spread 3m 11 (0) (-1) (-4) (0)
UEM OIS spread 12m 38 (0) (1) (-3) (5)
UEM TED spread 3m 30 (0) (-0,7) (-2) (-11)

US OIS spread 3m 23 (0) (1) (0) (1)
US OIS spread 12m 68 (-2) (2) (-4) (12)
US TED spread 3m 33 (-1) (1) (1) (-12)

Spain Ted Spread 3m -4 (-2) (-13,4) (-8) (-9)

EONIA Index -0,35 (0) (-10,2) (-10) (-22)
Euribor 3m -0,24 (0) (-1,2) (-4) (-11)
Euribor 12m 0 (0) (1) (1) (-6)

Libor 3m 0,62 (0) (-2) (1) (1)
Libor 12m 1,21 (0) (-2) (7) (3)

Stock markets *(Changes in percentage)*

Developed Markets
Main equity indices
S&P500 2047,9 (-0,1) (1,4) (6,8) (0)
Dow Jones 17601,3 (0) (2,2) (7,2) (1)
Nikkei 16724,8 (0) (-3) (3,3) (-12)
FTSE 100 6184,8 (-0,1) (0,2) (3,6) (-1)
EuroStoxx 50 3046,9 (-0,4) (-1,5) (5,2) (-7)
IBEX9014,7 (-0,4) (-1,4) (8,7) (-6)
DAX 9946,8 (0) (-0,4) (5,1) (-7)
CAC4424,3 (-0,9) (-1,8) (4,4) (-5)
MIB 18674,2 (0,3) (-1,6) (9,1) (-13)
ASE Athens 541,7 (-1,3) (-4,3) (8,8) (-14)

Bank stocks
US banks 80,1 (-0,7) (1,2) (8) (-15)
JPM 60,1 (-0,6) (1,7) (4) (-9)
Citi 43,3 (-0,5) (1,5) (11,3) (-16)
BoA 13,7 (-0,4) (0,7) (12,3) (-18)
MS 25,9 (-1,3) (0,1) (8,2) (-18)
GS 156 (-1) (1,6) (5,6) (-13)

UK banks 72,9 (-0,2) (-0,3) (1,9) (-17)
HSBC 449,6 (0,2) (-0,7) (0,2) (-16)
RBS 235,3 (-0,3) (1,8) (-6,6) (-22)
Barclays 160,9 (-0,8) (-1,4) (-0,5) (-26)
Lloyds 69,9 (0) (-0,6) (11,9) (-4)

EMU banks 90,3 (-0,3) (-5,4) (9,7) (-17)
BNP 45,2 (-1) (-5,4) (10,3) (-14)
Crédit Agricole 10,1 (-1) (-4,8) (8,3) (-7)
Deutsche Bank 16,9 (-0,9) (-8,7) (9,1) (-25)
ING 11,3 (-0,1) (-4,2) (8,1) (-9)
Intesa 2,5 (1) (-6) (5,9) (-19)
SG 35,4 (-1,1) (-3,3) (14,5) (-17)
Unicredito 3,7 (1,2) (-6,8) (12,7) (-27)

Large Spanish banks 70,4 (-1,1) (-4,7) (13,9) (-7)
Santander 4,2 (-1,1) (-6,2) (17,2) (-7)
BBVA 6,3 (-1,1) (-3,6) (11,5) (-6)

Medium Spanish banks 75,8 (-0,9) (-3,3) (14,6) (-8)
Caixabank 2,8 (-0,7) (-3,4) (9,8) (-14)
Popular 2,6 (-1,3) (-6) (20,9) (-16)
Sabadell 1,7 (-0,1) (-2,3) (18,5) (4)
Bankinter 6,4 (-1,2) (-2,7) (8,7) (-2)
Bankia 0,9 (-1,4) (-2,9) (18) (-15)

Greek banks 3,1 (-3,1) (-7,1) (27,2) (-31)
Alpha Bank1,7 (0,6) (-8,4) (16,8) (-30)
Pireus Bank0,2 (-10,1) (-7) (23,1) (-42)
National Central Bank0,2 (-6,5) (-5,7) (20) (-37)
Eurobank Ergasias0,7 (-8,3) (-4,9) (56,2) (-29)

Emerging Markets
Main equity indices
MSCI Latam 66270 (0,16) (2) (12,5) (11,7)
Ibovespa (Brazil) 50862 (0,1) (4,1) (22,6) (17,3)
Mexbol 45482 (0) (1,8) (4,5) (5,8)

MSCI EM Europe 4582 (1,2) (3) (11) (7,9)
Poland 1953 (-0,5) (2) (5,3) (5)
Micex (Russia) 1905 (-0,5) (2,1) (5,4) (8,1)
Ise 100 (Turkey) 83403 (0,6) (4,1) (13,6) (16,3)

MSCI EM Asia 659 (0,99) (1,9) (7,7) (-0,2)
Shanghai Composite (China) 3019 (2,15) (5,6) (5,4) (-14,7)
Jakarta Composite (Indonesia) 4885 (0) (0,2) (2,2) (6)

Bank stocks
Turkish banks 84 (0,2) (1,8) (11,3) (13,5)
Akbank T.A.S. 8 (-0,7) (1,4) (12,6) (21,6)
Garanti 8 (-0,1) (2,2) (9) (10,4)
Turkiye Is Bankasi 5 (1,6) (1,8) (12,5) (7,8)

Russian banks 158 (-1,2) (1,8) (6,6) (4,3)
Sberbank 112 (-0,3) (2,6) (9,1) (10,7)
VTB Bank 0,1 (-2,9) (0,6) (2,4) (-5,5)

Currencies *(in percentage, positive for dollar depreciation)*

Developed Markets
EURUSD 1,125 (-0,21) (1,29) (1,3) (3,5)
GBPUSD 1,44 (-0,67) (0,54) (0,3) (-2,4)
USDJPY 111,68 (-0,12) (1,88) (1,4) (7,1)
DXY 95,29 (-0,2) (1,4) (1,7) (3,4)

Emerging Markets
USDARS (Argentina) 14,49 (2) (2) (3,7) (-12,1)
USDBRL (Brazil) 3,61 (0,5) (1,4) (10,5) (8,9)
USDCLP (Chile) 676,66 (-0,1) (0,7) (3,6) (4,5)
USDCOP (Colombia) 3073,22 (0) (2,5) (8,1) (3,2)
USDMXN (Mexico) 17,38 (0,1) (2,1) (5) (-1)
USDPEN (Peru) 3,39 (-0,4) (-1,7) (3,3) (0,7)
LACI 64,17 (0,3) (1,7) (7,1) (2,5)

USDPLN (Poland) 3,79 (-0,1) (1,7) (4,3) (3,5)
USDRUB (Russia) 67,92 (0,5) (3) (11,1) (6,3)
USDTRY (Turkey) 2,86 (0,2) (0,3) (3,6) (1,9)

USDCNY (China) 6,48 (-0,2) (0,2) (0,5) (0,1)
USDINR (India) 66,54 (0) (0,8) (2,8) (-0,6)
USDIDR (Indonesia) 13152 (-0,3) (-0,7) (2,6) (4,6)
ADXY 107,89 (0) (0,7) (2,1) (1,3)

Commodities *(change in percentage)*

Brent 41,35 (0,4) (4,6) (20,6) (10,9)
WTx 40,15 (1,8) (8) (30,5) (8,4)
Copper 229,45 (0,7) (2,6) (10,8) (8)
Gold 1244,11 (-0,9) (0,7) (1,1) (17,2)
Baltic Dry Index 395 (0) (0,5) (26,2) (-17,4)
S&P GSCI Spot commodity index 335,303 (-0,8) (1,2) (11,6) (8,5)
S&P GSCI Brent Spot 356,256 (-0,8) (1,9) (19,2) (13,5)
S&P GSCI Metals Spot 264,56 (-0,6) (-0,4) (5,8) (3,8)
S&P GSCI Agricultural Spot 286,498 (-0,2) (0,5) (2,4) (1)

Source: Bloomberg, Datastream and Haver

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

Debt markets *(changes in bp)*

Developed Markets
US 2-yr 0,86 (2) (-10) (17) (-19)
US 5-yr 1,36 (3) (-11) (17) (-40)
US 10-yr 1,9 (3) (-5) (17) (-36)

Japan 10-yr -0,09 (0) (-5) (-11) (-36)

GER 2-yr -0,48 (0) (-2) (4) (-13)
GER 5-yr -0,3 (0) (-3) (2) (-25)
GER 10-yr 0,23 (2) (-5) (1) (-40)

Belgium 10-yr 0,62 (1) (-5) (-9) (-35)
France 10-yr 0,57 (1) (-6) (-2) (-42)
Greece 10-yr 8,67 (6) (-8) (-182) (38)
Ireland 10-yr 0,84 (4) (-1) (-11)
Italy 10-yr 1,27 (1) (-4) (-28) (-33)
Netherlands 10-yr 0,32 (1) (-5) (-3) (-47)
Portugal 10-yr 2,93 (0) (0) (-48) (41)
Spain 10-yr 1,44 (1) (-3) (-26) (-33)

Emerging Markets
Brazil 10-yr 14 (-6) (-45) (-205) (-252)
Chile 10-yr 4,43 (0) (-1) (-3) (-23)
Colombia 10-yr 8,23 (0) (-27) (-92) (-43)
Mexico 10-yr 5,98 (0) (-19) (-8) (-28)
Peru 10-yr 6,97 (0) (-12) (-55) (-33)

Poland 10-yr 2,83 (2) (-4) (-13) (-11)
Russia 5-yr 9,11 (8) (-39) (-91) (-76)
Russia 10-yr 9,04 (7) (-37) (-86) (-52)
Turkey 10-yr 9,88 (5) (0) (-70) (-59)

India 10-yr 7,5 (-2) (-10) (-24) (-26)
Indonesia 10-yr 7,71 (5) (-3) (-33) (-103)

Country risk *(changes in bp)*

Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 39 (-1) (0) (-10) (5)
France 34 (-1) (-1) (-3) (-2)
Greece 844 (4) (-3) (-183) (78)
Ireland 62 (3) (4) (-12) (9)
Italy 103 (-2) (0) (-31) (6)
Netherlands 9 (-1) (-0,3) (-4) (-7)
Portugal 270 (-1) (4,8) (-49) (81)
Spain 121 (-1) (2) (-27) (7)

5-yr sovereign spreads *(against Germany)*
Belgium 6 (0) (2,1) (-3) (-1)
France 13 (0) (2) (-3) (0)
Greece 1632 (0) (3) (-2) (25)
Ireland 35 (3) (4) (-4) (10)
Italy 57 (0) (1) (-26) (2)
Netherlands -1 (0) (1,1) (-2) (-2)
Portugal 212 (1) (4) (-64) (102)
Spain 66 (1) (1) (-26) (-6)

2-yr sovereign spreads *(against Germany)*
Belgium 5 (0) (-1) (-2) (1)
France 6 (-1) (1,1) (-6) (2)
Ireland 14 (0) (2) (-17) (-1)
Italy 46 (0) (5) (-10) (15)
Netherlands 1 (1) (-1) (-3) (3)
Portugal 113 (0) (-1) (-64) (68)
Spain 50 (-1) (3) (-4) (15)

5-yr sovereign CDS
5-yr CDS Belgium 49 (4) (-1) (-1) (17)
5-yr CDS France 31 (0) (0) (-6) (5)
5-yr CDS Germany 17 (-1) (0) (-4) (4)
5-yr CDS Greece 1107 (3) (-45) (-199) (49)
5-yr CDS Ireland 57 (-1) (-4) (-4) (17)
5-yr CDS Italy 115 (0) (2) (-36) (20)
5-yr CDS Netherlands 25 (3) (-1) (2) (11)
5-yr CDS Portugal 244 (3) (0) (-113) (76)
5-yr CDS Spain 88 (-1) (2) (-33) (-1)
5-yr CDS UK 35 (2) (-2) (2) (15)
5-yr CDS US 19 (0) (-1) (-1) (1)

Emerging Markets
5-yr sovereign CDS
5-yr CDS Brazil 352 (-19) (-26) (-114) (-140)
5-yr CDS Chile 87 (-5) (-12) (-39) (-39)
5-yr CDS Colombia 195 (-5) (-28) (-96) (-44)
5-yr CDS Mexico 145 (-4) (-19) (-56) (-25)
5-yr CDS Peru 137 (-4) (-20) (-62) (-48)
5-yr CDS Venezuela 5325 (-177) (-486) (-2911) (-718)

5-yr CDS Poland86 (-1) (-5) (-10) (14)
5-yr CDS Russia 264 (-6) (-13) (-67) (-37)
5-yr CDS Turkey 233 (-8) (-14) (-64) (-40)

5-yr CDS China 106 (-5) (-11) (-27) (-2)
5-yr CDS India 156 (0) (10) (-14) (8)
5-yr CDS Indonesia 176 (-5) (-17) (-57) (-50)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 14,1 (0,6) (-16,7) (-34,8) (-4)
VSTOXX 21,83 (5,7) (-4,9) (-29,4) (0)
EM EFT volatility Index 24 (1) (-4) (-26) (4)
Dollar/euro volatility 9 (7,5) (-3) (-25,3) (-7)
EM FX volatility index 12 (1) (1) (-8) (1)
Credit spread (BAA) 314,5 (-3,2) (-8,6) (-45,4) (-9)
US bonds volatility index 71 (0) (-10) (-17) (5)

Bank risk *(changes in bp)*
US banks CDS 86 (-1) (1) (-21) (11)
EMU banks CDS 101 (-1) (8) (-36) (17)
UK banks CDS 113 (-1) (4) (-13) (35)

Large Spanish banks CDS 111 (-1) (6) (-54) (-26)
Medium Spanish banks CDS 188 (-3) (6) (-35) (31)

Greek banks CDS 1736 (-19) (-1) (20) (84)
Russian banks CDS 380 (-7) (-7) (-94) (-2)

Corporate risk *(changes in bps)*
US Non-financial CDS 446 (-4) (-41) (-143) (64)
EMU Non-financial CDS 230 (0) (12) (29) (57)
UK Non-financial CDS 184 (-3) (6) (-32) (-8)

Interbank markets *(changes in bp)*

UEM OIS spread 3m 11 (0) (-1) (-4) (0)
UEM OIS spread 12m 38 (0) (1) (-3) (5)
UEM TED spread 3m 30 (0) (-0,7) (-2) (-11)

US OIS spread 3m 23 (0) (1) (0) (1)
US OIS spread 12m 68 (-2) (2) (-4) (12)
US TED spread 3m 33 (-1) (1) (1) (-12)

Spain Ted Spread 3m -4 (-2) (-13,4) (-8) (-9)

EONIA Index -0,35 (0) (-10,2) (-10) (-22)
Euribor 3m -0,24 (0) (-1,2) (-4) (-11)
Euribor 12m 0 (0) (1) (1) (-6)

Libor 3m 0,62 (0) (-2) (1) (1)
Libor 12m 1,21 (0) (-2) (7) (3)

Stock markets *(Changes in percentage)*

Developed Markets
Main equity indices
S&P500 2047,9 (-0,1) (1,4) (6,8) (0)
DowJones 17601,3 (0) (2,2) (7,2) (1)
Nikkei 16724,8 (0) (-3) (3,3) (-12)
FTSE 100 6184,8 (-0,1) (0,2) (3,6) (-1)
EuroStoxx 50 3046,9 (-0,4) (-1,5) (5,2) (-7)
IBEX9014,7 (-0,4) (-1,4) (8,7) (-6)
DAX 9946,8 (0) (-0,4) (5,1) (-7)
CAC4424,3 (-0,9) (-1,8) (4,4) (-5)
MIB 18674,2 (0,3) (-1,6) (9,1) (-13)
ASE Athens 541,7 (-1,3) (-4,3) (8,8) (-14)

Bank stocks
US banks 80,1 (-0,7) (1,2) (8) (-15)
JPM 60,1 (-0,6) (1,7) (4) (-9)
Citi 43,3 (-0,5) (1,5) (11,3) (-16)
BoA 13,7 (-0,4) (0,7) (12,3) (-18)
MS 25,9 (-1,3) (0,1) (8,2) (-18)
GS 156 (-1) (1,6) (5,6) (-13)

UK banks 72,9 (-0,2) (-0,3) (1,9) (-17)
HSBC 449,6 (0,2) (-0,7) (0,2) (-16)
RBS 235,3 (-0,3) (1,8) (-6,6) (-22)
Barclays 160,9 (-0,8) (-1,4) (-0,5) (-26)
Lloyds 69,9 (0) (-0,6) (11,9) (-4)

EMU banks 90,3 (-0,3) (-5,4) (9,7) (-17)
BNP 45,2 (-1) (-5,4) (10,3) (-14)
Crédit Agricole 10,1 (-1) (-4,8) (8,3) (-7)
Deutsche Bank 16,9 (-0,9) (-8,7) (9,1) (-25)
ING 11,3 (-0,1) (-4,2) (8,1) (-9)
Intesa 2,5 (1) (-6) (5,9) (-19)
SG 35,4 (-1,1) (-3,3) (14,5) (-17)
Unicredito 3,7 (1,2) (-6,8) (12,7) (-27)

Large Spanish banks 70,4 (-1,1) (-4,7) (13,9) (-7)
Santander 4,2 (-1,1) (-6,2) (17,2) (-7)
BBVA 6,3 (-1,1) (-3,6) (11,5) (-6)

Medium Spanish banks 75,8 (-0,9) (-3,3) (14,6) (-8)
Caixabank 2,8 (-0,7) (-3,4) (9,8) (-14)
Popular 2,6 (-1,3) (-6) (20,9) (-16)
Sabadell 1,7 (-0,1) (-2,3) (18,5) (4)
Bankinter 6,4 (-1,2) (-2,7) (8,7) (-2)
Bankia 0,9 (-1,4) (-2,9) (18) (-15)

Greek banks 3,1 (-3,1) (-7,1) (27,2) (-31)
Alpha Bank1,7 (0,6) (-8,4) (16,8) (-30)
Pireus Bank0,2 (-10,1) (-7) (23,1) (-42)
National Central Bank0,2 (-6,5) (-5,7) (20) (-37)
Eurobank Ergasias0,7 (-8,3) (-4,9) (56,2) (-29)

Emerging Markets
Main equity indices
MSCI Latam 66270 (0,16) (2) (12,5) (11,7)
Ibovespa (Brazil) 50862 (0,1) (4,1) (22,6) (17,3)
Mexbol 45482 (0) (1,8) (4,5) (5,8)

MSCI EM Europe 4582 (1,2) (3) (11) (7,9)
Poland 1953 (-0,5) (2) (5,3) (5)
Micex (Russia) 1905 (-0,5) (2,1) (5,4) (8,1)
Ise 100 (Turkey) 83403 (0,6) (4,1) (13,6) (16,3)

MSCI EM Asia 659 (0,99) (1,9) (7,7) (-0,2)
Shanghai Composite (China) 3019 (2,15) (5,6) (5,4) (-14,7)
Jakarta Composite (Indonesia) 4885 (0) (0,2) (2,2) (6)

Bank stocks
Turkish banks 84 (0,2) (1,8) (11,3) (13,5)
Akbank T.A.S. 8 (-0,7) (1,4) (12,6) (21,6)
Garanti 8 (-0,1) (2,2) (9) (10,4)
Turkiye Is Bankasi 5 (1,6) (1,8) (12,5) (7,8)

Russian banks 158 (-1,2) (1,8) (6,6) (4,3)
Sberbank 112 (-0,3) (2,6) (9,1) (10,7)
VTB Bank 0,1 (-2,9) (0,6) (2,4) (-5,5)

Currencies *(in percentage, positive for dollar depreciation)*

Developed Markets
EURUSD 1,125 (-0,21) (1,29) (1,3) (3,5)
GBPUSD 1,44 (-0,67) (0,54) (0,3) (-2,4)
USDJPY 111,68 (-0,12) (1,88) (1,4) (7,1)
DXY 95,29 (-0,2) (1,4) (1,7) (3,4)

Emerging Markets
USDARS (Argentina) 14,49 (2) (2) (3,7) (-12,1)
USDBRL (Brazil) 3,61 (0,5) (1,4) (10,5) (8,9)
USDCLP (Chile) 676,66 (-0,1) (0,7) (3,6) (4,5)
USDCOP (Colombia) 3073,22 (0) (2,5) (8,1) (3,2)
USDMXN (Mexico) 17,38 (0,1) (2,1) (5) (-1)
USDPEN (Peru) 3,39 (-0,4) (-1,7) (3,3) (0,7)
LACI 64,17 (0,3) (1,7) (7,1) (2,5)

USDPLN (Poland) 3,79 (-0,1) (1,7) (4,3) (3,5)
USDRUB (Russia) 67,92 (0,5) (3) (11,1) (6,3)
USDTRY (Turkey) 2,86 (0,2) (0,3) (3,6) (1,9)

USDCNY (China) 6,48 (-0,2) (0,2) (0,5) (0,1)
USDINR (India) 66,54 (0) (0,8) (2,8) (-0,6)
USDIDR (Indonesia) 13152 (-0,3) (-0,7) (2,6) (4,6)
ADXY 107,89 (0) (0,7) (2,1) (1,3)

Commodities *(change in percentage)*

Brent 41,35 (0,4) (4,6) (20,6) (10,9)
WTx 40,15 (1,8) (8) (30,5) (8,4)
Copper 229,45 (0,7) (2,6) (10,8) (8)
Gold 1244,11 (-0,9) (0,7) (1,1) (17,2)
Baltic Dry Index 395 (0) (0,5) (26,2) (-17,4)
S&P GSCI Spot commodity index 335,303 (-0,8) (1,2) (11,6) (8,5)
S&P GSCI Brent Spot 356,256 (-0,8) (1,9) (19,2) (13,5)
S&P GSCI Metals Spot 264,56 (-0,6) (-0,4) (5,8) (3,8)
S&P GSCI Agricultural Spot 286,498 (-0,2) (0,5) (2,4) (1)

Source: Bloomberg, Datastream and Haver

*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.