BBVA Research

Market Comment | The US payrolls data slashed the odds a June rate hike in the US

Global Financial Markets Unit
03 Jun 2016

- **Disappointing US payrolls data.** Nonfarm payrolls data surprised negatively in May, lowering its increasing path (rising by 38K; consensus: 160K; previous: 123K data revised from 160K), while manufacturing payroll dropped by more than expected (by -10K; consensus: -2K; previous: 2K data revised from 4K). Meanwhile, the unemployment rate was the only positive news, falling by more than estimated (to 4.7% MoM; consensus: 5.0%). On another front, the ISM non manufacturing composite declined in May by more than expected (by 2.8 points from 52.9; consensus: 55.3) while factory orders rose in April in line with estimates (at 1.9% MoM).

- **Euro zone Markit composite PMI final data were revised upwards** and finally showed a slight increase in May (by 0.1 points to 53.1; consensus: 52.9) and services PMI also rose (by 0.2 points to 53.3; consensus: 53.1). By country, the German composite increased below estimates (by 0.9 points to 54.5; consensus: 54.7) while services also improved without surprises (to 55.2 from 54.5). In France, composite and services PMI rose by less than expected (Composite: to 50.9 from 50.2; consensus: 51.1; Services: to 51.6 from 50.6; consensus: 51.8). Meanwhile, Spanish composite dropped by less than expected (by 0.4 points to 54.8; consensus: 54.2) and services rose unexpectedly (by 0.3 points from 55.4; consensus: 54.0), while in Italy both composite and services declined by more than expected (Composite: to 50.8 from 53.1; consensus: 52.5. Services: to 49.8 from 52.1; consensus: 51.5).

- **The US payrolls data slashed the odds a June rate hike in the US.** Weak US payrolls increased cyclical risk premiums and decreased the probability of an FOMC rake hike in June (close to zero), boosting US bond markets and dragging down equity markets across the board at the end of the week. Furthermore, (i) the release of worse-than-expected economic indicators in China during the week - coupled with the ongoing devaluation trend in CNY, (ii) the cut in the OECD's growth outlook and (iii) the increased probability of Brexit contributed also to the increase in risk aversion in financial markets. On the other hand, the OPEC meeting and the ECB monetary policy meeting ended with no significant news. As expected, the OPEC failed to reach a supply deal, while the ECB said that despite the inching up of inflation and the growth outlook, the downside risk remains. Brent crude ended the week slightly below US$50 pb. (Brent: US$49.55/pb).

- **On bond markets, the downward trend in US treasury yields intensified** in all its tenors after today's payrolls data (2Y: -13 bps, 10Y: -14 bps) due to the decrease in the implied probability of a Fed rate hike in June (to 4% from 30%). In the same vein, European core yields dropped, although by less than in the US (GER 10Y: -7 bps, FRA 10Y: -5 bps). Meanwhile, peripherals showed a mixed performance, with Portugal increasing sharply - even above Greece-, in a week in which the ECB did not reinstate the Greek waiver - it will decide on it once prior actions have been implemented- (GRE 10Y: +4 bps, ITA 10Y: -2 bps, SPA 10Y: -1 bps, POR 10Y: +13 bps).

- **The decrease in the implied probability of a Fed rate hike in June (and July) strongly dragged the**

USD, which depreciated against its major peers with the exception of GBP (EUR: +1.99%, GBP: -0.67%, JPY: +3.28%). Furthermore, the British pound's volatility extended its increase, reaching its highest level since 2009 (to 20.50% from 16.59% last Friday) due to the publication of new polls - Guardian and ICM - which showed the voters' preference for leaving the EU. Moreover, the Japanese yen appreciated, after Prime Minister Abe told lawmakers to delay the increase in the consumption tax, suggesting that Japan may make more use of fiscal policy instead of easing monetary policy. The EM currencies appreciated against the US dollar, with the exception of the Mexican peso and Russian Ruble (RUB: -0.1%, BRL: +1.8%, CLP: +0.4%, COP: +1.5%, MXN: -1.0% TRY: +1.7%) due mainly to the weak USD.

- **The increase in cyclical risk premiums weighed on equity markets**, with the fall in yields failing to offset uncertainty about cyclical concerns. The European indices decreased across the board (EuroStoxx: -2.6%, IBEX: -3.4%, DAX: -1.7% CAC: -2.1%) with the banking and energy sectors leading the falls. In the same vein, US equity markets also declined (S&P: -0.3%, Dow: -0.8%). In Asia, the Nikkei dropped (-1.1%) dragged down by the Japanese yen's appreciation.

Update 17.15 CET 03 June, 2016
Table 1

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

Debt markets *(changes in bp)*
Developed Markets
US 2-yr 0,78 (-11) (-13) (4) (-27)
US 5-yr 1,24 (-12) (-15) (0) (-52)
US 10-yr 1,71 (-9) (-14) (-6) (-56)

Japan 10-yr -0,1 (1) (2) (3) (-36)

GER 2-yr -0,53 (-1) (-1) (-4) (-19)
GER 5-yr -0,41 (-3) (-3) (-8) (-36)
GER 10-yr 0,07 (-4) (-7) (-13) (-56)

Belgium 10-yr 0,46 (-4) (-5) (-15) (-51)
France 10-yr 0,42 (-5) (-5) (-15) (-57)
Greece 10-yr 7,3 (1) (4) (-145) (-99)
Ireland 10-yr 0,74 (-5) (-3) (-17)
Italy 10-yr 1,34 (-4) (-2) (-16) (-26)
Netherlands 10-yr 0,29 (-4) (-6) (-15) (-51)
Portugal 10-yr 3,17 (1) (13) (2) (66)
Spain 10-yr 1,47 (-1) (-1) (-13) (-30)

Emerging Markets
Brazil 10-yr 12,62 (-17) (-42) (-7) (-389)
Chile 10-yr 4,55 (-2) (2) (14) (-11)
Colombia 10-yr 7,89 (-1) (-19) (-23) (-77)
Mexico 10-yr 6,11 (-7) (1) (21) (-16)
Peru 10-yr 6,31 (0) (-3) (-5) (-100)

Poland 10-yr 3,13 (-4) (8) (1) (19)
Russia 5-yr 9,16 (-8) (8) (10) (-72)
Russia 10-yr 8,99 (-6) (3) (5) (-57)
Turkey 10-yr 9,34 (-24) (-41) (-7) (-113)

India 10-yr 7,49 (0) (2) (8) (-27)
Indonesia 10-yr 7,86 (-4) (1) (10) (-89)

Country risk *(changes in bp)*
Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 39 (0) (2) (2) (5)
France 35 (-1) (2) (-1) (-1)
Greece 723 (5) (11) (-132) (-43)
Ireland 67 (0) (4) (-4) (15)
Italy 127 (1) (5) (-3) (30)
Netherlands 22 (0) (0,7) (-2) (5)
Portugal 310 (5) (19,5) (15) (122)
Spain 140 (3) (6) (0) (26)

5-yr sovereign spreads *(against Germany)*
Belgium 8 (1) (2,4) (2) (0)
France 21 (1) (2) (2) (8)
Greece 1643 (3) (3) (8) (36)
Ireland 33 (1) (2) (1) (8)
Italy 70 (1) (3) (-1) (15)
Netherlands 0 (0) (1,7) (2) (-1)
Portugal 231 (6) (14) (10) (121)
Spain 90 (2) (4) (0) (18)

2-yr sovereign spreads *(against Germany)*
Belgium 5 (1) (1) (1) (1)
France 9 (1) (0,5) (0) (5)
Ireland 16 (0) (0) (1) (2)
Italy 46 (1) (1) (1) (15)
Netherlands 3 (2) (2) (0) (5)
Portugal 101 (1) (-4) (-10) (56)
Spain 43 (1) (-1) (0) (7)

5-yr sovereign CDS
5-yr CDS Belgium 48 (-1) (-1) (-1) (16)
5-yr CDS France 37 (0) (1) (-2) (12)
5-yr CDS Germany 18 (-1) (-2) (2) (5)
5-yr CDS Greece 887 (-23) (58) (-219) (-172)
5-yr CDS Ireland 65 (-1) (3) (-4) (25)
5-yr CDS Italy 129 (1) (3) (-4) (34)
5-yr CDS Netherlands 26 (1) (2) (-2) (12)
5-yr CDS Portugal 269 (0) (13) (-12) (101)
5-yr CDS Spain 97 (0) (2) (-1) (8)
5-yr CDS UK 32 (0) (0) (-4) (13)
5-yr CDS US 21 (-2) (0) (1) (2)

Emerging Markets
5-yr sovereign CDS
5-yr CDS Brazil 343 (-9) (1) (5) (-149)
5-yr CDS Chile 106 (-2) (-1) (5) (-20)
5-yr CDS Colombia 226 (-2) (-4) (1) (-13)
5-yr CDS Mexico 166 (-3) (-6) (-1) (-4)
5-yr CDS Peru 153 (-4) (-8) (-7) (-32)
5-yr CDS Venezuela 5170 (-169) (-121) (-177) (-873)

5-yr CDS Poland85 (0) (1) (2) (13)
5-yr CDS Russia 252 (-6) (-5) (-4) (-50)
5-yr CDS Turkey 261 (-6) (-5) (14) (-12)

5-yr CDS China 123 (-2) (0) (-7) (15)
5-yr CDS India 164 (0) (4) (2) (16)
5-yr CDS Indonesia 191 (-1) (2) (2) (-36)

Credit risk
Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 14,15 (3,8) (7,9) (-11,8) (-4)
VSTOXX23,53 (1,8) (15) (-13) (1)
EM EFT volatility Index 21 (-1) (-3) (-20) (-10)
Dollar/euro volatility 8,9 (-5,3) (-1,4) (-2) (-8)
EM FX volatility index 10 (0) (-1) (-6) (-11)
Credit spread (BAA) 292,9 (8,8) (8) (-2,4) (-30)
US bonds volatility index 70 (0) (4) (2) (3)

Bank risk *(changes in bp)*
US banks CDS 81 (0) (1) (-4) (6)
EMU banks CDS 112 (3) (8) (-1) (28)
UK banks CDS 114 (2) (8) (-5) (36)

Large Spanish banks CDS 136 (4) (11) (6) (-1)
Medium Spanish banks CDS 177 (1) (2) (-12) (19)

Greek banks CDS 1203 (-32) (47) (-251) (-449)
Russian banks CDS 363 (3) (2) (3) (-19)

Corporate risk *(changes in bps)*
US Non-financial CDS 228 (0) (4) (-12) (-154)
EMU Non-financial CDS 290 (4) (9) (73) (117)
UK Non-financial CDS 174 (-2) (5) (-7) (-18)

Interbank markets *(changes in bp)*
UEM OIS spread 3m 8 (0) (0) (-1) (-2)
UEM OIS spread 12m 36 (0) (0) (-1) (3)
UEM TED spread 3m 33 (0) (0,2) (-3) (-7)

US OIS spread 3m 27 (5) (7) (2) (4)
US OIS spread 12m 80 (8) (11) (5) (24)
US TED spread 3m 40 (-1) (4) (-4) (-5)

Spain Ted Spread 3m 6 (0) (-0,9) (2) (2)

EONIA Index -0,33 (0) (1,6) (1) (-20)
Euribor 3m -0,26 (0) (-0,1) (-1) (-13)
Euribor 12m -0,02 (0) (0) (0) (-8)

Libor 3m 0,68 (0) (1) (5) (7)
Libor 12m 1,33 (0) (2) (10) (15)

Stock markets *(Changes in percentage)*
Developed Markets
Main equity indices
S&P500 2092,9 (-0,6) (-0,3) (2) (2)
DowJones 17739 (-0,6) (-0,8) (0,5) (2)
Nikkei 16642,2 (0,5) (-1,1) (3,1) (-13)
FTSE 100 6208,1 (0,4) (-1) (1,6) (-1)
EuroStoxx 50 2999,1 (-1,1) (-2,6) (2,1) (-8)
IBEX8799 (-1,8) (-3,4) (1,7) (-8)
DAX 10115,3 (-0,9) (-1,7) (2,9) (-6)
CAC4421,5 (-1) (-2,1) (2,2) (-5)
MIB 17510,5 (-1,4) (-3,7) (-2,4) (-18)
ASE Athens 648,6 (1,5) (1,9) (9,9) (3)

Bank stocks
US banks 82,4 (-3,8) (-3,6) (0,4) (-12)
JPM 63,9 (-2,9) (-2,4) (3,8) (-3)
Citi 44,6 (-5) (-4,2) (0) (-14)
BoA 14,3 (-4,5) (-4,1) (1) (-15)
MS 26,3 (-3,8) (-4,6) (-0,1) (-17)
GS 154,8 (-2,8) (-3) (-3,3) (-14)

HSBC 444,1 (-0,5) (-1) (1,7) (-17)
RBS 236,2 (-1,5) (-6) (7,8) (-22)
Barclays 179,1 (-0,7) (-3,8) (10,2) (-18)
Lloyds 69,9 (-0,9) (-3,5) (7,9) (-4)

EMU banks 82,4 (-2,6) (-6,2) (-0,3) (-24)
BNP 46,2 (-2,8) (-7,2) (1,9) (-12)
Crédit Agricole 8,6 (-2,5) (-4,9) (-5,7) (-21)
Deutsche Bank 15 (-3,8) (-7,9) (0,3) (-33)
ING 10,8 (-1,8) (-4,7) (6,2) (-13)
Intesa 2,2 (-2,1) (-6,5) (-2,7) (-29)
SG 35,5 (-1,9) (-3,9) (6,4) (-17)
Unicredito 2,7 (-4) (-11,1) (-14,2) (-48)

Large Spanish banks 65,2 (-3,1) (-6,9) (0,9) (-14)
Santander 4 (-3,7) (-8) (-0,2) (-11)
BBVA 5,7 (-2,6) (-6,1) (1,9) (-16)

Medium Spanish banks 66,8 (-2,8) (-2,9) (-2,6) (-19)
Caixabank 2,4 (-4) (-4,2) (-1,8) (-26)
Popular 1,6 (-5,6) (10,6) (-17,2) (-42)
Sabadell 1,5 (-2,2) (-6) (-3,8) (-7)
Bankinter 6,7 (-1) (-2,7) (5,2) (2)
Bankia 0,8 (-3,5) (-5,9) (-1,7) (-29)

Greek banks 4,3 (2,9) (-1,5) (22,3) (-5)
Alpha Bank2,4 (2,6) (-1,2) (22,3) (-3)
Pireus Bank0,3 (5) (4,2) (5) (-2)
National Central Bank0,3 (6,2) (-0,3) (6,6) (-16)
Eurobank Ergasias1 (2,5) (-2,6) (28,1) (-5)

Emerging Markets
Main equity indices
MSCI Latam 65140 (0,79) (-0,2) (-3,2) (9,8)
Ibovespa (Brazil) 50427 (1,1) (2,8) (-4) (16,3)
Mexbol 45748 (0,5) (-0,8) (0,9) (6,4)

MSCI EM Europe 4404 (-0,31) (-2,5) (-4,1) (3,7)
Poland 1793 (1,8) (-2,5) (-3,9) (-3,5)
Micex (Russia) 1883 (-0,4) (-2,3) (-2,2) (6,9)
Ise 100 (Turkey) 78139 (2,4) (0,1) (-1,6) (8,9)

MSCI EM Asia 658 (0,12) (1,8) (1,9) (-0,4)
Shanghai Composite (China) 2939 (0,46) (4,2) (-1,8) (-17)
Jakarta Composite (Indonesia) 4854 (0,4) (0,8) (0,6) (6)

Bank stocks
Turkish banks 80 (2,8) (0,3) (-0,9) (8,1)
Akbank T.A.S. 8 (2,7) (0,6) (2,8) (19,4)
Garanti 8 (3,4) (0,5) (-4,4) (6,5)
Turkiye Is Bankasi 4 (2,1) (-0,4) (-1,3) (-3)

Russian banks 171 (0) (-1) (5,4) (12,9)
Sberbank 132 (-0,3) (-1) (9) (30,2)
VTB Bank 0,1 (0,8) (-1,1) (-2,3) (-14,1)

Currencies *(in percentage, positive for dollar depreciation)*
Developed Markets
EURUSD 1,134 (1,66) (1,99) (-1,3) (4,4)
GBPUSD 1,45 (0,71) (-0,67) (0,2) (-1,4)
USDJPY 106,69 (2) (3,28) (0,3) (11,3)
DXY 94,11 (1,5) (1,5) (-1) (4,6)

Emerging Markets
USDARS (Argentina) 13,9 (0) (0,2) (2,4) (-7,5)
USDBRL (Brazil) 3,55 (1,3) (1,8) (0,1) (10,5)
USDCLP (Chile) 682,65 (1) (0,4) (-1,9) (3,7)
USDCOP (Colombia) 3025 (2) (1,5) (-2,4) (4,7)
USDMXN (Mexico) 18,66 (0,1) (-1) (-4,8) (-8,4)
USDPEN (Peru) 3,34 (1) (0,3) (-0,3) (2,2)
LACI 63,34 (0,7) (0,5) (-1,4) (1,1)

USDPLN (Poland) 3,87 (1,7) (2) (-0,9) (1,4)
USDRUB (Russia) 66,04 (1,3) (-0,1) (1) (8,9)
USDTRY (Turkey) 2,91 (1,3) (1,7) (1,7) (0,2)

USDCNY (China) 6,55 (0,5) (0,2) (-0,6) (-0,9)
USDINR (India) 67,26 (0) (-0,3) (-1,1) (-1,7)
USDIDR (Indonesia) 13595 (0,4) (-0,1) (-2,5) (1,4)
ADXY 107,08 (0,7) (0,6) (-0,4) (0,5)

Commodities *(change in percentage)*
Brent 49,55 (-1) (0,5) (11) (32,9)
WTx 48,68 (-1) (-1,3) (11,2) (31,4)
Copper 210,65 (1,8) (-0,4) (-3,5) (-0,9)
Gold 1239,76 (2,4) (2,2) (-3,1) (16,8)
Baltic Dry Index 606 (0) (0) (-7,1) (26,8)
S&P GSCI Spot commodity index 374,546 (0,8) (0,8) (7,5) (21,2)
S&P GSCI Brent Spot 425,873 (0,6) (-0,3) (11,3) (35,7)
S&P GSCI Metals Spot 256,19 (-0,6) (0) (-5,1) (0,5)
S&P GSCI Agricultural Spot 319,175 (2) (2,4) (6,9) (12,5)

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 0,78 (-11) (-13) (4) (-27)
US 5-yr 1,24 (-12) (-15) (0) (-52)
US 10-yr 1,71 (-9) (-14) (-6) (-56)

Japan 10-yr -0,1 (1) (2) (3) (-36)

GER 2-yr -0,53 (-1) (-1) (-4) (-19)
GER 5-yr -0,41 (-3) (-3) (-8) (-36)
GER 10-yr 0,07 (-4) (-7) (-13) (-56)

Belgium 10-yr 0,46 (-4) (-5) (-15) (-51)
France 10-yr 0,42 (-5) (-5) (-15) (-57)
Greece 10-yr 7,3 (1) (4) (-145) (-99)
Ireland 10-yr 0,74 (-5) (-3) (-17)
Italy 10-yr 1,34 (-4) (-2) (-16) (-26)
Netherlands 10-yr 0,29 (-4) (-6) (-15) (-51)
Portugal 10-yr 3,17 (1) (13) (2) (66)
Spain 10-yr 1,47 (-1) (-1) (-13) (-30)

Emerging Markets
Brazil 10-yr 12,62 (-17) (-42) (-7) (-389)
Chile 10-yr 4,55 (-2) (-2) (14) (-11)
Colombia 10-yr 7,89 (-1) (-19) (-23) (-77)
Mexico 10-yr 6,11 (-7) (1) (21) (-16)
Peru 10-yr 6,31 (0) (-3) (-5) (-100)

Poland 10-yr 3,13 (-4) (8) (1) (19)
Russia 5-yr 9,16 (-6) (6) (10) (-72)
Russia 10-yr 8,99 (-6) (3) (5) (-57)
Turkey 10-yr 9,34 (-24) (-41) (-7) (-113)

India 10-yr 7,49 (0) (2) (6) (-27)
Indonesia 10-yr 7,86 (-4) (1) (10) (-89)

Country risk *(changes in bp)*

Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 39 (0) (2) (-2) (5)
France 35 (-1) (2) (-1) (-1)
Greece 723 (5) (11) (-132) (-43)
Ireland 67 (0) (4) (-4) (15)
Italy 127 (1) (5) (-3) (30)
Netherlands 22 (0) (0,7) (-2) (5)
Portugal 310 (5) (19,5) (15) (122)
Spain 140 (3) (6) (0) (26)

5-yr sovereign spreads *(against Germany)*
Belgium 8 (1) (2,4) (2) (0)
France 21 (1) (2) (2) (8)
Greece 1643 (3) (3) (8) (36)
Ireland 33 (1) (2) (1) (8)
Italy 70 (1) (3) (-1) (15)
Netherlands 0 (0) (1,7) (2) (-1)
Portugal 231 (6) (14) (10) (121)
Spain 90 (2) (4) (0) (18)

2-yr sovereign spreads *(against Germany)*
Belgium 5 (1) (1) (1) (1)
France 9 (1) (0,5) (0) (5)
Ireland 16 (0) (0) (1) (2)
Italy 46 (1) (1) (1) (15)
Netherlands 3 (2) (2) (0) (5)
Portugal 101 (1) (-4) (-10) (56)
Spain 43 (1) (-1) (0) (7)

5-yr sovereign CDS
5-yr CDS Belgium 48 (-1) (-1) (-1) (16)
5-yr CDS France 37 (0) (1) (-2) (12)
5-yr CDS Germany 18 (-1) (-2) (2) (5)
5-yr CDS Greece 887 (-23) (58) (-219) (-172)
5-yr CDS Ireland 65 (-1) (3) (-4) (25)
5-yr CDS Italy 129 (1) (3) (-4) (34)
5-yr CDS Netherlands 26 (1) (2) (-2) (12)
5-yr CDS Portugal 269 (0) (13) (-12) (101)
5-yr CDS Spain 97 (0) (2) (-1) (8)
5-yr CDS UK 32 (0) (0) (-4) (13)
5-yr CDS US 21 (-2) (0) (1) (2)

Emerging Markets
5-yr sovereign CDS
5-yr CDS Brazil 343 (-9) (1) (5) (-149)
5-yr CDS Chile 106 (-2) (-1) (5) (-20)
5-yr CDS Colombia 226 (-2) (-4) (1) (-13)
5-yr CDS Mexico 166 (-3) (-6) (-1) (-4)
5-yr CDS Peru 153 (-4) (-8) (-7) (-32)
5-yr CDS Venezuela 5170 (-169) (-121) (-177) (-873)

5-yr CDS Poland85 (0) (1) (2) (13)
5-yr CDS Russia 252 (-6) (-5) (-4) (-50)
5-yr CDS Turkey 261 (-6) (-5) (14) (-12)

5-yr CDS China 123 (-2) (0) (-7) (15)
5-yr CDS India 164 (0) (4) (2) (16)
5-yr CDS Indonesia 191 (-1) (2) (2) (-36)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 14,15 (3,8) (7,9) (-11,8) (-4)
VSTOXX 23,53 (1,8) (15) (-13) (1)
EM EFT volatility Index 21 (-1) (-3) (-20) (-10)
Dollar/euro volatility 8,9 (-5,3) (-1,4) (-2) (-8)
EM FX volatility index 10 (0) (-1) (-6) (-11)
Credit spread (BAA) 292,9 (8,8) (8) (-2,4) (-30)
US bonds volatility index 70 (0) (4) (2) (3)

Bank risk *(changes in bp)*
US banks CDS 81 (0) (1) (-4) (6)
EMU banks CDS 112 (3) (8) (-1) (28)
UK banks CDS 114 (2) (8) (-5) (36)

Large Spanish banks CDS 136 (4) (11) (6) (-1)
Medium Spanish banks CDS 177 (1) (2) (-12) (19)

Greek banks CDS 1203 (-32) (47) (-251) (-449)
Russian banks CDS 363 (3) (2) (3) (-19)

Corporate risk *(changes in bps)*
US Non-financial CDS 226 (0) (4) (-12) (-154)
EMU Non-financial CDS 290 (4) (9) (73) (117)
UK Non-financial CDS 174 (-2) (5) (-7) (-18)

Interbank markets *(changes in bp)*
UEM OIS spread 3m 8 (0) (0) (-1) (-2)
UEM OIS spread 12m 36 (0) (0) (-1) (3)
UEM TED spread 3m 33 (0) (0,2) (-3) (-7)

US OIS spread 3m 27 (5) (7) (2) (4)
US OIS spread 12m 80 (8) (11) (5) (24)
US TED spread 3m 40 (-1) (4) (-4) (-5)

Spain Ted Spread 3m 6 (0) (-0,9) (2) (2)

EONIA Index -0,33 (0) (1,6) (1) (-20)
Euribor 3m -0,26 (0) (-0,1) (-1) (-13)
Euribor 12m -0,02 (0) (0) (0) (-8)

Libor 3m 0,68 (0) (1) (5) (7)
Libor 12m 1,33 (0) (2) (10) (15)

Stock markets *(Changes in percentage)*

Developed Markets
Main equity indices
S&P500 2092,9 (-0,6) (-0,3) (2) (2)
DowJones 17739 (-0,6) (-0,6) (0,5) (2)
Nikkei 16642,2 (0,5) (-1,1) (3,1) (-13)
FTSE 100 6208,1 (0,4) (-1) (1,6) (-1)
EuroStoxx 50 2999,1 (-1,1) (-2,6) (2,1) (-8)
IBEX8799 (-1,8) (-3,4) (1,7) (-8)
DAX 10115,3 (-0,9) (-1,7) (2,9) (-6)
CAC4421,5 (-1) (-2,1) (2,2) (-5)
MIB 17510,5 (-1,4) (-3,7) (-2,4) (-18)
ASE Athens 648,6 (1,5) (1,9) (9,9) (3)

Bank stocks
US banks 82,4 (-3,8) (-3,6) (0,4) (-12)
JPM 63,9 (-2,9) (-2,4) (3,6) (-3)
Citi 44,6 (-5) (-4,2) (0) (-14)
BoA 14,3 (-4,5) (-4,1) (1) (-15)
MS 26,3 (-3,8) (-4,6) (-0,1) (-17)
GS 154,8 (-2,8) (-3) (-3,3) (-14)

HSBC 444,1 (-0,5) (-1) (1,7) (-17)
RBS 236,2 (-1,5) (-6) (7,8) (-22)
Barclays 179,1 (-0,7) (-3,8) (10,2) (-18)
Lloyds 69,9 (-0,9) (-3,5) (7,9) (-4)

EMU banks 82,4 (-2,6) (-6,2) (-0,3) (-24)
BNP 46,2 (-2,8) (-7,2) (1,9) (-12)
Crédit Agricole 8,6 (-2,5) (-4,9) (-5,7) (-21)
Deutsche Bank 15 (-3,8) (-7,9) (0,3) (-33)
ING 10,8 (-1,8) (-4,7) (6,2) (-13)
Intesa 2,2 (-2,1) (-6,5) (-2,7) (-29)
SG 35,5 (-1,9) (-3,9) (6,4) (-17)
Unicredito 2,7 (-4) (-11,1) (-14,2) (-48)

Large Spanish banks 65,2 (-3,1) (-6,9) (0,9) (-14)
Santander 4 (-3,7) (-8) (-0,2) (-11)
BBVA 5,7 (-2,6) (-6,1) (1,9) (-16)

Medium Spanish banks 66,6 (-2,8) (-2,9) (-2,6) (-19)
Caixabank 2,4 (-4) (-4,2) (-1,8) (-26)
Popular 1,6 (-5,6) (10,6) (-17,2) (-42)
Sabadell 1,5 (-2,2) (-6) (-3,8) (-7)
Bankinter 6,7 (-1) (-2,7) (5,2) (2)
Bankia 0,8 (-3,5) (-6,9) (-1,7) (-29)

Greek banks 4,3 (2,9) (-1,5) (22,3) (-5)
Alpha Bank2,4 (2,6) (-1,2) (22,3) (-3)
Pireus Bank0,3 (5) (4,2) (5) (-2)
National Central Bank0,3 (6,2) (-0,3) (6,6) (-16)
Eurobank Ergasias1 (2,5) (-2,6) (28,1) (-5)

Emerging Markets
Main equity indices
MSCI Latam 65140 (0,79) (-0,2) (-3,2) (9,8)
Ibovespa (Brazil) 50427 (1,1) (2,8) (-4) (16,3)
Mexbol 45748 (0,5) (-0,8) (0,9) (6,4)

MSCI EM Europe 4404 (-0,31) (-2,5) (-4,1) (3,7)
Poland 1793 (1,8) (-2,5) (-3,9) (-3,5)
Micex (Russia) 1883 (-0,4) (-2,3) (-2,2) (6,9)
Ise 100 (Turkey) 78139 (2,4) (0,1) (-1,6) (8,9)

MSCI EM Asia 658 (0,12) (1,8) (1,9) (-0,4)
Shanghai Composite (China) 2939 (0,46) (4,2) (-1,8) (-17)
Jakarta Composite (Indonesia) 4854 (0,4) (0,8) (0,6) (6)

Bank stocks
Turkish banks 80 (2,8) (0,3) (-0,9) (8,1)
Akbank T.A.S. 8 (2,7) (0,6) (2,8) (19,4)
Garanti 8 (3,4) (0,5) (-4,4) (6,5)
Turkiye Is Bankasi 4 (2,1) (-0,4) (-1,3) (-3)

Russian banks 171 (0) (-1) (5,4) (12,9)
Sberbank 132 (-0,3) (-1) (9) (30,2)
VTB Bank 0,1 (0,8) (-1,1) (-2,3) (-14,1)

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

Developed Markets
EURUSD 1,134 (1,66) (1,99) (-1,3) (4,4)
GBPUSD 1,45 (0,71) (-0,67) (0,2) (-1,4)
USDJPY 106,69 (2) (3,28) (0,3) (11,3)
DXY 94,11 (1,5) (1,5) (-1) (4,6)

Emerging Markets
USDARS (Argentina) 13,9 (0) (0,2) (2,4) (-7,5)
USDBRL (Brazil) 3,55 (1,3) (1,8) (0,1) (10,5)
USDCLP (Chile) 682,65 (1) (0,4) (-1,9) (3,7)
USDCOP (Colombia) 3025 (2) (1,5) (-2,4) (4,7)
USDMXN (Mexico) 18,66 (0,1) (-1) (-4,8) (-8,4)
USDPEN (Peru) 3,34 (1) (0,3) (-0,3) (2,2)
LACI 63,34 (0,7) (0,5) (-1,4) (1,1)

USDPLN (Poland) 3,87 (1,7) (2) (-0,9) (1,4)
USDRUB (Russia) 66,04 (1,3) (-0,1) (1) (8,9)
USDTRY (Turkey) 2,91 (1,3) (1,7) (1,7) (0,2)

USDCNY (China) 6,55 (0,5) (0,2) (-0,6) (-0,9)
USDINR (India) 67,26 (0) (-0,3) (-1,1) (-1,7)
USDIDR (Indonesia) 13595 (0,4) (-0,1) (-2,5) (1,4)
ADXY 107,08 (0,7) (0,6) (-0,4) (0,5)

Commodities *(change in percentage)*
Brent 49,55 (-1) (0,5) (11) (32,9)
WTx 48,68 (-1) (-1,3) (11,2) (31,4)
Copper 210,65 (1,8) (-0,4) (-3,5) (-0,9)
Gold 1239,76 (2,4) (2,2) (-3,1) (16,8)
Baltic Dry Index 606 (0) (0) (-7,1) (26,8)
S&P GSCI Spot commodity index 374,546 (0,8) (0,8) (7,5) (21,2)
S&P GSCI Brent Spot 425,873 (0,6) (-0,3) (11,3) (35,7)
S&P GSCI Metals Spot 256,19 (-0,6) (0) (-5,1) (0,5)
S&P GSCI Agricultural Spot 319,175 (2) (2,4) (6,9) (12,5)

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

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.