

# Market Comment | Calm in financial markets continues

Global Financial Markets Unit  
27 Dec 2017

- The main European financial markets re-opened today after the Christmas holidays but low trading volumes between Christmas and New Year's holiday mean there are no significant changes in asset prices. **European equity indices were little changed** (mixed performances), while sovereign yields inched down after the pre-Christmas rally in Germany (10y sovereign yield +10pb during last week).
- Slightly worse-than-expected US consumer confidence figures ([see](#)) were not enough to dislodge US equity indices, which remained hovering around their highest levels amid tepid holiday trade, although **US yields inched down**.
- **Oil prices went down as part of the market could be taking profit from yesterday's rebound** (caused by a potential shortage in supply from Libyan oil pipelines [see](#)), which pushed oil prices to their highest levels since 2015. Meanwhile, copper continued on its positive trend today, favoured by the shortage of supply from some Chinese producers ([see](#)). EM currencies showed a mixed performance.

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Table 1

D&K markets (10Y % changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	1.91	0.8	5.0	17	69
US	2.42	4.3	6.5	0	-1
GER (2-yr)	-0.64	-1.1	3.3	7	13
Germany	0.39	-3.5	-2.6	4	11
France	0.72	-2.3	-1.5	4	-9
Spain	1.48	0.3	-0.1	0	4
Italy	1.92	0.3	-2.3	13	5
Portugal	1.84	0.2	4.8	-9	-206
Greece	4.11	-2.7	-2.9	-126	-277
Japan (2-yr)	-0.14	0.9	0.4	3	5
Japan	0.06	-0.4	1.3	1	-1
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
Brazil	10.33	4.5	-14.7	17	-108
Chile	4.96	-1.3	-5.9	-6	23
Colombia	6.48	-0.2	7.3	-8	-62
Mexico	7.79	0.2	19.7	58	16
Peru	4.89	-2.7	-7.7	-11	-158
Poland	3.29	-2.9	-7.0	-5	-43
Russia	7.67	1.4	4.8	0	-77
Turkey	11.60	-1.0	-19.0	-49	60
India	7.22	-5.4	0.2	17	84
Indonesia	6.36	1.1	-11.8	-23	-149
Country risk (bp, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
<b>10-yr sovereign spread vs Germany</b>					
France	33	1.2	0.5	0	-35
Italy	153	3.8	0.3	9	-9
Portugal	146	3.7	6.8	-12	-209
Spain	109	3.8	1.9	-4	-7
<b>2-yr sovereign spread vs Germany</b>					
France	16	1.3	-0.2	3	5
Italy	37	0.2	-3.0	-1	-25
Portugal	49	-3.8	4.0	2	-97
Spain	28	1.8	-1.2	-10	20
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
<b>5-yr sovereign CDS *</b>					
Brazil	162	0.0	0	-4	-110
Chile	50	0.4	-1	3	33
Colombia	105	0.2	-2	-6	-58
Mexico	106	-1.3	0	4	-50
Peru	72	-1.9	-2	2	-36
Poland	48	-0.1	-1	-3	-27
Russia	117	0.0	-2	-13	-59
Turkey	167	2.1	-4	-39	-106
China	51	-0.1	0	-8	66
India	70	-0.1	-1	-1	-57
Indonesia	86	-0.2	-3	-11	-70
Risk indicators					
Volatility indicators (v)					
level	Daily	Weekly	Monthly	YTD	
VIX	10	-4.9	0	-1	-2
VST OXX	13	5.0	1	-7	-4
EM EFT volatility index	14	-2.4	2	-20	-29
Dobrosrta volatility	6	0.2	2	-18	-45
EM FX volatility index	8	-0.8	2	1	-29
Credit spread (BAA) (bps)	182	4.3	0	-15	-45
US bonds volatility index	49	-2.1	-2	8	-26
Banking 5y CDS (bps) *					
level	Daily	Weekly	Monthly	YTD	
US	43	0.0	0	-5	-29
EZ	40	-0.1	-1	-1	-68
UK	42	0.0	0	-2	-49
Large Spanish	37	-0.1	0	-2	-80
Medium Spanish	75	-0.2	-2	-4	-76
Corporate 5y CDS (bps) *					
level	Daily	Weekly	Monthly	YTD	
US Non-financial	147	0.0	0	-3	-29
EZ Non-financial	63	-0.1	-1	-1	-68
UK Non-financial	92	0.0	-2	-6	-33
Interbank markets (% change in bp)					
level	Daily	Weekly	Monthly	YTD	
EONIA Index	-0.35	0.00	0.0	0.0	0.0
Euribor 3m	-0.33	0.00	0.0	0.0	0.0
Euribor 12m	-0.19	0.00	0.0	0.0	-0.1
Libor 3m	1.69	0.00	0.0	0.2	0.7
Libor 12m	2.10	0.00	0.0	0.2	0.4
Stock markets (%)					
level	Daily	Weekly	Monthly	YTD	
<b>Main indices</b>					
S&P500	2.684	0.1	0.2	3	18
Dow Jones	24.779	0.1	0.2	5	24
Nikkei	22.911	0.1	0.1	2	17
FTSE 100	7.630	0.5	1.4	3	6
EuroStoxx 50	3.554	0.0	0.0	0	7
IBEX	10.160	-0.2	0.5	1	7
DAX	13.086	0.1	0.1	1	13
CAC	5.375	0.2	0.4	0	10
MIIB	22.192	-0.1	0.4	0	13
ASE Athens	899	0.6	2.5	-12	23
MSCI Latam *	84.687	0.2	2.1	2	16
Ibovespa (Brazil)	76.287	0.8	4.0	3	24
Moexv	48.759	0.6	0.3	3	5
MSCI EM Europe *	53.396	-0.1	-0.1	0	6
Poland	2.481	1.4	0.9	-1	24
Micos (Russia)	2.106	0.4	0.2	-2	-7
Ise 100 (Turkey)	112.150	0.1	1.5	7	47
MSCI EM Asia *	9.11	-0.4	0.1	-3	31
Shanghai Com (China)	3.276	-0.9	-0.4	-1	4
Jakarta (Indonesia)	6.277	0.9	1.3	3	19
Banking sector					
level	Daily	Weekly	Monthly	YTD	
<b>US banks</b>					
JPM	107.0	0.0	0.8	9	23
Citi	74.8	0.1	0.2	5	22
BofA	29.6	0.5	0.5	11	29
MS	52.4	-0.2	0.2	7	20
GS	256.4	-0.5	0.5	9	5
<b>EZ banks</b>					
BNP	110.1	-0.7	-0.7	0	4
BNP	62.7	-0.4	-0.2	-1	0
Crédit Agricole	13.9	-0.8	-1.9	-1	13
Deutsche Bank	16.1	-1.3	-3.3	2	-1
ING	19.5	-0.3	-0.1	2	12
Intesa	2.8	-0.9	0.9	2	11
SG	43.2	-0.6	-0.4	1	-10
Unicredit	15.8	0.6	-1.4	-6	13
<b>UK banks</b>					
HSBC	92.0	0.3	0.6	5	5
HSBC	763.0	0.2	0.6	4	14
RBS	276.0	0.1	0.5	3	18
Barclays	202.5	0.2	-0.5	8	-14
Lloyds	67.8	0.9	1.9	4	5
<b>Large Spanish banks</b>					
Santander	86.3	-0.7	-1.1	1	11
BBVA	5.6	0.5	-1.1	0	10
BBVA	7.2	-0.9	-1.0	2	11
<b>Medium Spanish banks</b>					
CaixaBank	76.2	-0.7	-1.4	2	4
Sabadell	3.9	0.1	-1.5	1	20
Subind	1.7	-1.5	-3.3	1	21
Bankinter	7.9	-1.0	0.6	2	5
Banque	4.0	-0.2	-0.7	2	-2
Commodities (%)					
level	Daily	Weekly	Monthly	Year	
<b>Brent</b>					
WTX	60	-0.6	2.6	3	12
Copper	326	0.0	2.7	4	28
Gold	1287	0.3	1.7	-1	11
S&P Spot commodity *	437	1.8	2.6	2	10
S&P Brent Spot *	566	2.7	3.7	5	18
S&P Metals Spot *	385	0.0	1.7	3	26
S&P Agricultural *	280	0.3	0.5	-1	-7
Currencies (% ind for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	Year
<b>EURUSD</b>					
GBPUSD	1.19	0.3	0.2	0.0	13
USDJPY	1.34	0.2	0.2	0.6	9
USDJPY	113.22	-0.1	0.1	2.0	3
DXF	93.09	-0.2	0.2	-0.2	9
Emerging					
level	Daily	Weekly	Monthly	Year	
USDARS (Argentina)	18.52	-1.0	4.3	-7.0	-15
USDBRL (Brazil)	3.31	0.0	0.4	-2.6	-3
USDCLP (Chile)	616.94	0.2	0.6	3.3	8
USDCOP (Colombia)	2974	-0.3	0.6	1.0	0
USDMXN (Mexico)	19.80	0.3	-3.0	-6.5	8
USDPEN (Peru)	3.24	0.0	0.9	-0.1	4
LACI	62.67	0.0	-1.4	-3.1	2
USDPLN (Poland)	3.52	0.6	0.6	0.4	15
USD RUB (Russia)	57.80	-0.2	1.6	1.2	4
USDTRY (Turkey)	3.81	-0.1	0.2	2.4	7
USDCNY (China)	6.56	-0.2	0.3	0.6	5
USDINR (India)	64.16	-0.1	-0.1	0.5	6
USDIDR (Indonesia)	13.561	-0.1	0.1	-0.4	-1
ADXY	109.2	0.0	0.1	0.5	6

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Fuente: BBVA Research

Debt markets (10Y % changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	1.91	0.8	5.0	17	69
US	2.43	4.1	6.5	10	-1
GER (2-yr)	-0.64	-1.1	3.3	7	13
Germany	0.39	-3.5	-2.0	4	11
France	0.72	-2.3	-1.5	4	9
Spain	1.48	0.3	-0.1	0	4
Italy	1.92	0.3	-2.3	13	5
Portugal	1.84	0.2	4.8	-8	-206
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Japan (2-yr)	-0.14	0.9	0.4	3	5
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Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	10.33	4.5	-14.7	17	-108
Chile	4.56	-1.3	-5.9	-6	23
Colombia	6.48	-0.2	7.3	-8	-62
Mexico	7.79	0.2	19.7	58	16
Peru	4.89	-2.7	-7.7	-11	-158
Poland	3.29	-2.9	-7.0	5	-43
Russia	7.67	1.4	4.9	0	-77
Turkey	11.60	-1.0	-19.0	-49	60
India	7.22	-5.4	0.2	17	84
Indonesia	6.36	-1.1	-11.8	-23	-149
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10-yr sovereign spread vs Germany					
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2-yr sovereign spread vs Germany					
France	16	1.3	-0.2	3	5
Italy	37	0.2	3.0	-1	25
Portugal	49	-3.8	4.0	2	97
Spain	28	1.8	-1.2	-10	-20
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	162	0.0	0	-4	-110
Chile	50	0.4	-1	-3	-33
Colombia	105	0.2	-2	-6	-58
Mexico	106	-1.3	0	4	-50
Peru	72	-1.9	-2	2	-36
Poland	48	-0.1	-1	-3	-27
Russia	117	0.0	2	-13	-59
Turkey	167	2.1	-4	-39	-106
China	51	-0.1	0	-8	-66
India	70	-0.1	-1	-1	-57
Indonesia	86	-0.2	-3	-11	-70
Risk indicators					
Volatility indicators (%)	level	Daily	Weekly	Monthly	YTD
VIX	10	-4.9	0	-1	-2
VSTOXX	13	5.0	1	-7	-4
EM EFT volatility Index	14	-2.4	2	-20	-29
Dollar/euro volatility	6	0.2	2	-18	-45
EM FX volatility index	8	-0.8	2	1	-29
Credit spread (BAA) (bps)	182	4.3	0	-15	-45
US bonds volatility index	49	-3.1	-2	8	-26
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US	43	0.0	0	-5	-29
EZ	40	-0.1	-1	-1	-68
UK	42	0.0	0	-2	-49
Large Spanish	37	-0.1	0	-2	-80
Medium Spanish	75	-0.2	-2	-4	-76
Corporate 5y CDS (bps) *	level	Daily	Weekly	Monthly	YTD
US Non-financial	147	0.0	0	-5	-29
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UK Non-financial	92	0.0	-2	-6	-33
Interbank markets (% changes in bp)					
level	Daily	Weekly	Monthly	YTD	
EONIA Index	-0.35	0.00	0.0	0.0	0.0
Eurobor 3m	-0.33	0.00	0.0	0.0	0.0
Eurobor 12m	0.19	0.00	0.0	0.0	-0.1
Libor 3m	1.69	0.00	0.0	0.2	0.7
Libor 12m	2.10	0.00	0.0	0.2	0.4
Stock markets (%)					
Multi indices	level	Daily	Weekly	Monthly	YTD
S&P500	2,584	0.1	0.2	3	18
Dow Jones	24,779	0.1	0.2	5	24
Nikkei	22,911	0.1	0.1	2	17
FTSE 100	7,630	0.5	1.4	3	6
EuroStoxx 50	3,554	0.0	0.0	0	7
IBEX	10,160	-0.2	-0.5	1	7
DAX	13,086	0.1	0.1	1	13
CAC	5,375	0.2	0.4	0	10
MI6	22,192	-0.1	0.4	0	13
ASE Athens	809	0.6	2.5	12	23
MSCI Latam *	84,687	0.2	2.1	2	16
Ibovespa (Brazil)	76,287	0.8	4.0	3	24
Mexbol	48,759	0.6	0.8	3	5
MSCI EM Europe *	5,336	-0.1	0.1	0	6
Poland	2,481	1.4	0.9	-1	24
Milox (Russia)	2,106	0.4	0.2	-2	-7
Ise 100 (Turkey)	112,150	0.1	1.5	7	47
MSCI EM Asia *	911	-0.4	0.1	-3	31
Shanghai Com (China)	3,276	-0.9	-0.4	-1	4
Jakarta (Indonesia)	6,277	0.9	1.8	3	19
Banking sector	level	Daily	Weekly	Monthly	YTD
US banks	142.8	-0.3	0.3	8	19
JPM	107.0	0.0	0.8	9	23
Citi	74.8	0.1	0.2	5	22
BoA	29.6	-0.5	0.5	11	29
MS	52.4	-0.2	-0.2	7	20
GS	296.4	-0.5	0.5	9	5
EZ banks	110.1	-0.7	-0.7	0	4
BNP	62.7	-0.4	-0.2	-1	0
Credit Agricole	13.9	-0.8	-1.9	-1	13
Deutsche Bank	16.1	-1.3	-3.3	2	-1
ING	15.5	-0.3	-0.1	2	12
Intesa	2.8	-0.9	0.9	2	11
SG	43.2	-0.6	0.4	1	10
Unicredit	15.8	-0.6	-1.4	-6	13
UK banks	92.0	0.3	0.6	5	5
HSBC	763.0	0.2	0.6	4	14
RBS	276.0	0.1	0.5	3	18
Barclays	202.5	0.2	-0.5	8	-14
Lloyds	67.8	0.9	1.9	4	5
Large Spanish banks	86.3	-0.7	-1.1	1	21
Santander	5.6	-0.5	-1.1	0	10
BBVA	7.2	-0.9	-1.0	2	11
Medium Spanish banks	76.2	-0.7	-1.4	2	4
Cajabank	3.9	0.1	-1.5	1	20
Sabadell	1.7	-1.5	-3.3	1	21
Bankinter	7.9	-1.0	-0.6	2	5
Bankia	4.0	-0.2	-0.7	2	-2
Commodities (%)					
Developed	level	Daily	Weekly	Monthly	Year
EURUSD	1.19	0.3	0.2	0.0	13
GBPUSD	1.34	0.2	0.2	0.6	9
USDJPY	113.32	-0.1	0.1	2.0	3
DOY	93.09	-0.2	-0.2	-0.2	9
Emerging	level	Daily	Weekly	Monthly	Year
USDARS (Argentina)	18.52	-1.0	-4.3	-7.0	-15
USD BRL (Brazil)	3.91	0.0	-0.4	-2.6	3
USD CNY (China)	616.94	0.2	0.6	-3.3	8
USD COP (Colombia)	2974	-0.3	-0.6	1.0	0
USD MXN (Mexico)	19.80	0.3	3.0	-6.5	8
USD PEN (Peru)	3.24	0.0	0.5	-0.1	4
LACI	62.67	0.0	-1.4	-3.1	2
USD PLN (Poland)	3.52	0.6	0.6	0.4	15
USD RUB (Russia)	57.80	-0.2	1.6	1.2	4
USD TRY (Turkey)	3.81	-0.1	0.2	2.4	-7
USD CNY (China)	6.56	-0.2	0.3	0.6	5
USD INR (India)	64.16	-0.1	-0.1	0.5	6
USD IDR (Indonesia)	13,561	-0.1	0.1	-0.4	-1
ADXY	109.2	0.0	0.1	0.5	6
Commodities (%)					
level	Daily	Weekly	Monthly	Year	
Brent	66.6	-0.6	3.1	-4	18
WTI	60	-0.6	2.6	3	12
Copper	326	0.0	2.7	4	28
Gold	1287	0.3	1.7	-1	11
S&P Spot commodity *	437	1.8	2.6	2	10
S&P Brent Spot *	566	2.7	3.7	5	18
S&P Metals Spot *	385	0.0	1.7	3	26
S&P Agricultural *	280	0.3	0.5	-1	-7

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Fuente: BBVA Research

Source: Bloomberg, Datastream and Haver

\* With one day delay

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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.

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Table 1