

# Market Comment | Stock prices declined across the board

Global Financial Markets Unit  
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- **Stock prices kept falling significantly across the board, with a spike in volatility** (VIX close to 15%) following yesterday's increase in **sovereign yields** (today they remained at the same levels). In particular, stocks declined in Europe with an underperforming banking sector. Against this backdrop, corporate earnings reports also played a role in today's market move.
- In the same vein, **emerging assets also suffered from the higher risk aversion environment** with currencies and equity indices declining across the board. In this context, declining oil prices (amid rising US oil production) also hampered some emerging assets ([see](#)).
- The EUR inched down despite euro zone GDP 4Q17 came in higher than expected ([see](#)) and amid ECB tapering talk ([see](#)). The **USD appreciated against its main peers after US Treasury secretary backed a strong USD for the long-term** ([see](#)) and ahead of Trump's speech in which he may address his economic and immigration plans ([see](#)). Strong US consumer confidence also played a role.
- Spanish assets did not show a different performance in comparison with European assets, amid political uncertainty in Catalonia ([see](#)) and the Spanish risk premium remained little changed.

Table 1

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Debt markets (10Y, %, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	Year
US (2-yr)	2.12	0.4	0.0	24	91
US	2.71	1.9	9.9	31	27
GER (2-yr)	-0.53	-0.4	5.9	10	24
Germany	0.68	-1.2	12.1	26	34
France	0.96	-0.9	11.9	18	15
Spain	1.41	-1.0	5.1	-16	-2
Italy	2.03	0.3	14.0	1	16
Portugal	1.96	1.5	5.3	-22	-217
Greece	3.68	2.2	-8.1	-44	-320
Japan (2-yr)	-0.13	-0.5	1.3	1	8
Japan	0.10	2.1	4.9	3	3
Emerging Markets					
Brazil	8.91	3.7	20.1	-45	-161
Chile	4.56	4.0	0.6	0	23
Colombia	6.43	4.8	2.0	-5	-46
Mexico	7.61	2.6	8.1	-3	-3
Peru	4.41	-2.2	-5.0	-47	-208
Poland	3.57	-2.2	24.4	26	-15
Russia	7.42	-6.7	-5.2	-22	-103
Turkey	11.59	-5.0	-20.0	24	59
India	7.44	-0.0	16.3	11	165
Indonesia	6.37	-5.7	19.2	5	-147
Country risk (bp, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	Year
10-yr sovereign spread vs Germany					
France	28	0.3	-0.2	-8	-19
Italy	135	1.5	1.9	-24	-18
Portugal	128	2.7	-6.8	-24	-227
Spain	73	0.2	-7.0	-41	-36
2-yr sovereign spread vs Germany					
France	13	-0.5	-1.8	-3	2
Italy	23	0.6	-4.6	-14	-38
Portugal	44	-0.9	-21.2	-26	-56
Spain	17	-0.2	-2.8	-11	-31
Emerging Markets					
5-yr sovereign CDS *					
Brazil	144	2.5	-5	-17	-128
Chile	43	1.0	0	-5	-39
Colombia	92	1.7	1	-13	-32
Mexico	98	1.7	-1	-9	-58
Peru	67	0.8	0	-5	-41
Poland	40	0.2	0	-2	-27
Russia	115	3.0	3	-3	-62
Turkey	167	3.4	2	2	-105
China	52	1.1	1	2	-65
India	66	0.1	-2	-4	61
Indonesia	80	1.2	-1	-5	-76
Risk indicators					
Volatility indicators (%)	level	Daily	Weekly	Monthly	Year
VIX	15	0.1	32	33	3
VSTOXX	15	11.4	24	10	-2
EU EFT volatility index	21	2.8	23	32	6
DollarEuro volatility	8	2.2	13	27	-23
EM FX volatility index	6	0.6	2	5	-20
Credit spread (BAA) (bps)	158	-1.9	-8	-17	-69
US bonds volatility index	56	0.6	7	20	-27
Inflation expectations (%)					
US inflation expectations (5Y5Y)	level	Daily	Weekly	Monthly	Year
US inflation expectations (5Y5Y)	2.40	1.6	2	7	-14
EZ inflation expectations (5Y5Y)	1.72	-1.5	-5	0	-8
Banking by CDS (bps) *					
US	level	Daily	Weekly	Monthly	Year
US	42	-0.1	-1	-1	-30
EZ	36	0.9	0	-3	-72
UK	39	0.3	-2	-3	-51
Large Spanish	32	1.0	0	-4	-85
Medium Spanish	62	2.6	-1	-14	-89
Corporate by CDS (bps) *					
US Non-financial	level	Daily	Weekly	Monthly	Year
US Non-financial	138	-0.1	-1	-1	-39
EZ Non-financial	level	Daily	Weekly	Monthly	Year
EZ Non-financial	58	0.9	0	-3	-72
UK Non-financial	level	Daily	Weekly	Monthly	Year
UK Non-financial	95	0.0	0	3	-39
Interbank markets (% , changes in bp)					
level	Daily	Weekly	Monthly	Year	
EONIA Index	-0.36	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	1.77	0.01	0.0	0.1	0.8
Libor 12m	2.26	0.02	0.0	0.2	0.6
Stock markets (%)					
Main indices	level	Daily	Weekly	Monthly	Year
SAP500	2,827	-0.9	-0.4	6	25
Dow Jones	26,159	-1.1	-0.2	6	31
Nikkei	23,292	-1.4	-3.4	2	19
FTSE 100	7,599	-1.0	-1.7	-1	6
EuroStoxx 50	3,611	-0.9	-1.7	3	9
BEX	10,446	-1.0	-1.5	4	10
DAX	13,204	-0.9	-2.6	2	14
CAC	5,480	-0.8	-1.0	3	12
IBV	23,515	-1.2	-1.3	8	20
ASE Athens	868	-0.1	-0.4	8	32
MSCI Latam *	92,915	-0.8	2.8	9	27
Ibovespa (Brazil)	83,685	-1.0	4.0	10	36
Ibex35	59,200	-0.9	-0.1	2	9
MSCI EM Europe *	5,797	-0.2	0.1	8	15
Poland	2,566	-1.1	-2.4	4	28
Nicea (Russia)	2,260	-0.2	-0.6	8	1
Ise 100 (Turkey)	119,303	-1.3	0.8	3	57
MSCI EM Asia *	1,002	0.1	2.3	9	44
Shanghai Com (China)	3,488	-1.0	-1.6	5	10
Jakarta (Indonesia)	6,575	-1.3	1.2	4	25
Banking sector					
US banks	level	Daily	Weekly	Monthly	Year
JPM	152.3	-1.2	0.8	7	27
Citi	115.3	-0.8	0.8	8	33
Chf	75.7	-1.6	0.2	6	38
BaA	32.0	-0.9	0.2	8	39
MS	56.8	-1.2	-0.3	8	30
GS	298.6	-1.4	3.3	5	10
EZ banks	level	Daily	Weekly	Monthly	Year
BNP	117.5	-1.5	-0.8	8	11
Crédit Agricole	67.2	-1.6	-0.5	8	7
Crédit Agricole	15.2	-1.5	-0.9	10	23
Deutsche Bank	14.8	-4.4	-6.7	-7	-9
ING	16.1	-1.2	-1.5	5	16
Itesa	3.2	-1.0	0.8	14	24
SC	46.7	-1.1	1.3	8	3
Unicredit	17.7	-1.1	0.0	13	26
UK banks	level	Daily	Weekly	Monthly	Year
HSBC	93.8	-1.9	-2.6	1	7
HSBC	761.0	-1.2	-3.1	-4	14
RBS	292.4	-2.6	-1.2	5	25
Barclays	201.9	-2.8	-3.5	-1	-14
Lloyds	70.6	-1.3	-2.1	4	9
Large Spanish banks	level	Daily	Weekly	Monthly	Year
Santander	91.5	-1.1	0.2	8	17
Banque	6.0	-1.6	-1.0	9	18
BBVA	7.6	-0.7	1.3	7	17
Medium Spanish banks	level	Daily	Weekly	Monthly	Year
Caixa	84.8	-1.1	0.9	12	16
Cajabank	4.3	-0.9	-0.6	12	32
Sabadel	1.9	-0.9	0.7	16	39
Banque	9.2	-0.6	5.5	16	22
Banque	4.1	-2.4	-3.9	3	0
Currencies (% , red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	Year
EURUSD	1.24	0.1	0.7	3.2	18
GBPUSD	1.41	0.3	0.8	4.5	15
USDJPY	108.86	0.1	1.3	3.4	7
DXY	89.29	0.0	-0.9	-3.1	-13
Emerging					
USDARS (Argentina)	19.60	-0.1	-1.3	-5.2	-22
USDRL (Brazil)	3.19	-1.0	1.6	3.6	1
USDP (Ch)	607.33	-0.6	0.3	1.3	10
USDCOP (Colombia)	2848	-0.3	0.3	4.6	4
USDMXN (Mexico)	18.70	-0.5	0.0	4.9	13
USDPEN (Peru)	3.22	-0.1	0.0	0.6	5
LAC	64.53	-0.6	0.5	2.9	5
USDPLN (Poland)	3.36	-0.2	1.0	3.7	19
USDPLN (Russia)	56.38	-0.1	0.0	2.3	7
USDTRY (Turkey)	3.78	0.3	-0.4	0.4	6
USDCNY (China)	6.32	0.3	1.3	2.8	9
USDINR (India)	63.61	0.0	0.3	0.4	7
USDIR (Indonesia)	13.034	-0.5	-0.8	0.9	0
ADXY	111.6	-0.1	0.5	1.6	8
Commodities (%)					
level	Daily	Weekly	Monthly	Year	
Brent	63.6	-1.2	-1.9	3	22
WTX	64	-2.0	-0.3	6	21
Copper	317	-0.2	2.6	-3	24
Gold	1340	-0.1	-0.1	3	15
S&P Spot commodity *	461	-0.6	1.1	4	16
S&P Brent Spot *	589	-1.4	-0.5	3	23
S&P Metals Spot *	394	-0.1	1.8	0	29
S&P Agriculture *	286	0.7	-2.3	1	-5

Fuente: BBVA Research



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Table 1