

# Market Comment | Equity prices continued to recover

Global Financial Markets Unit  
15 Feb 2018

- **Stock prices continued to recover from the recent sell-off, despite higher than expected inflation data in the US** ([see](#)), while US yields remained on track to reach the 3% level. Nonetheless, the USD depreciated against its main peers as worries lingered over higher fiscal deficit ([see](#)).
- **European markers were especially positive during the session, continuing their recent rally despite the euro's appreciation against its main peers.** European sovereign bond yields remained mixed and little changed. ECB members' speeches had a muted impact on financial markets.
- **Oil prices declined significantly, weighed down by higher US oil production and increased inventories** ([see](#)). Emerging market currencies appreciated across the board, including the MXN as Mexico's Foreign Minister said that there were grounds for optimism regarding NAFTA ([see](#))

Table 1  
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Debt markets (10Y % changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
US (2-yr)	2.17	0.8	0.9	16	25	
US	2.89	-1.6	0.2	35	42	
GER (2-yr)	0.56	0.8	0.7	1	5	
Germany	0.76	0.7	0.2	20	30	
France	1.01	1.3	1.2	17	19	
Spain	1.51	-0.7	5.7	1	-11	
Italy	2.07	0.0	7.2	9	-3	
Portugal	2.06	-1.6	3.2	4	5	
Greece	4.42	-5.4	60.1	64	31	
Japan (2-yr)	0.15	-0.2	0.6	-2	-2	
Japan	0.07	-1.4	-1.6	2	2	
Emerging Markets						
level	Daily	Weekly	Monthly	YTD		
Chile	9.69	-0.3	3.4	-2	-37	
Colombia	4.56	1.9	0.1	-1	5	
Colombia	6.58	-1.5	3.4	12	14	
Mexico	7.76	-3.6	11.7	21	18	
Peru	4.48	-0.2	3.7	2	-40	
Poland	3.51	-1.3	-7.4	24	20	
Russia	7.22	-0.6	0.3	-29	-42	
Turkey	11.69	-15.0	8.0	5	33	
India	7.57	8.0	10.2	19	19	
Indonesia	6.43	-1.4	6.3	26	13	
Country Risk (bp, changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
<b>1-yr sovereign spread vs Germany</b>						
France	24	0.6	1.0	-3	-4	
Italy	130	-0.7	7.0	-11	-26	
Portugal	130	-2.3	3.0	7	-17	
Spain	74	-1.4	5.5	-20	-33	
<b>2-yr sovereign spread vs Germany</b>						
France	15	0.0	0.9	0	-1	
Italy	24	-1.6	0.5	-1	-12	
Portugal	51	1.5	4.0	2	-16	
Spain	37	-0.6	1.3	17	10	
Emerging Markets						
level	Daily	Weekly	Monthly	YTD		
<b>5-yr sovereign CDS *</b>						
Brazil	162	-7.6	11	21	1	
Chile	54	-1.9	9	11	5	
Colombia	108	-4.1	13	15	3	
Mexico	108	-3.3	6	10	0	
Peru	81	-2.9	11	15	9	
Poland	49	3.0	0	1	1	
Russia	118	-1.0	12	7	0	
Turkey	178	-1.6	12	16	13	
China	61	-1.7	3	14	11	
India	75	0.1	4	8	6	
Indonesia	91	-2.3	6	11	6	
Risk Indicators						
Volatility indicators (change in pp)	level	Daily	Weekly	Monthly	YTD	
VIX	20	0.4	1.4	8	10	
VST OXX	21	-0.2	-12	9	7	
EM EFT volatility Index	23	0.0	-13	6	6	
Dollar/Euro volatility	9	0.1	-1	2	2	
EM FX volatility Index	9	0.1	-1	1	1	
Credit spread (BAA) (change in bps)	168	1.6	3	2	-9	
US bonds volatility Index	70	0.6	2	24	20	
Inflation expectations (%)						
level	Daily	Weekly	Monthly	YTD		
US Inflation expectations (5Y5Y)	2.40	-	-10	9	8	
EZ Inflation expectations (5Y5Y)	1.76	-	-1	0	2	
Emerging 5Y CDS (bps) *						
level	Daily	Weekly	Monthly	YTD		
US	52	-1.0	5	9	10	
EZ	50	-1.6	10	14	10	
UK	46	-2.0	4	4	5	
Large Spanish	47	-2.1	11	13	11	
Medium Spanish	71	1.3	7	3	-3	
Corporate 5Y CDS (bps) *						
level	Daily	Weekly	Monthly	YTD		
US Non-financial	155	-1.8	5	9	10	
EZ Non-financial	67	-1.6	10	14	10	
UK Non-financial	103	0.6	7	7	10	
Interbank markets (% changes in bp)						
level	Daily	Weekly	Monthly	YTD		
EONIA Index	0.26	0	0	1	1	
Euribor 3m	0.33	0	0	0	0	
Euribor 12m	0.19	0	0	-1	-1	
Libor 3m	1.85	1	5	12	16	
Libor 12m	2.34	1	5	15	23	
Stock markets (%)						
Main indices	level	Daily	Weekly	Monthly	YTD	
S&P500	2,709	0.4	5.0	-2	0	
Dow Jones	24,976	0.3	4.7	-3	1	
Nikkei	21,465	1.5	1.9	-10	-6	
FTSE 100	7,235	0.3	0.9	-7	-5	
EuroStoxx 50	3,390	0.6	0.4	-6	-3	
IBEX	9,715	0.3	-0.4	-8	-4	
DAX	12,346	0.1	0.7	-7	-4	
CAC	5,223	1.1	1.4	-5	-1	
MI8	22,496	0.3	0.1	-4	-3	
ASE Athens	943	-2.1	0.2	1	-3	
MSCI Latam *	90,379	2.4	0.1	2	5	
Ibovexa (Brazil)	84,363	1.0	3.5	6	8	
Nobel	48,910	1.1	2.2	-1	-2	
MSCI EM Europe *	5,612	0.3	0.5	0	4	
Poland	2,424	-1.1	0.7	-6	-2	
Mosc (Russia)	2,285	0.3	1.7	0	7	
He 100 (Turkey)	116,226	2.4	1.7	2	1	
MSCI EM Asia *	932	1.3	1.0	-3	1	
Shanghai Com (China)	3,199	0.0	-1.9	-7	-4	
Jakarta (Indonesia)	6,592	0.2	0.9	3	-1	
Banking sector						
level	Daily	Weekly	Monthly	YTD		
<b>US banks</b>						
JPM	150.0	0.3	7.2	1	5	
JPM	115.2	0.1	6.8	3	7	
Cit	77.0	0.3	7.1	0	3	
BofA	32.1	0.2	7.9	3	7	
MS	55.0	-0.1	6.1	1	5	
GS	265.0	0.9	7.6	3	4	
<b>EZ banks</b>						
BNP	110.8	0.3	-1.4	-5	1	
BNP	63.9	0.5	0.8	-5	3	
Citib Agri/fo	13.6	0.2	5.3	-11	-3	
Deutsche Bank	12.9	-0.5	0.6	-15	-19	
ING	14.7	0.4	-2.5	-11	-4	
Intesa	3.1	-0.1	-1.6	2	12	
SG	46.2	-1.4	2.4	0	7	
Unicredit	17.5	-1.0	-1.6	2	12	
<b>UK banks</b>						
HSBC	90.8	0.6	0.6	-5	-1	
HSBC	75.3	0.3	2.5	-5	-2	
RBS	275.1	0.1	-3.0	-8	-1	
Barclays	198.5	1.4	2.3	0	-2	
Lloyds	67.1	0.6	0.8	-5	-1	
<b>Large Spanish banks</b>						
Santander	84.6	0.4	-1.5	-7	0	
Santander	5.5	0.4	-1.1	-7	1	
BBVA	7.0	0.4	-1.9	-6	-1	
<b>Medium Spanish banks</b>						
Cajabank	80.1	0.4	-1.5	-3	1	
Cajabank	4.0	0.1	-1.9	-6	1	
Sabadell	1.8	0.1	-0.5	-3	-7	
Bankinter	8.9	0.6	2.1	4	11	
Bankia	3.9	1.0	-1.1	-10	-4	
Currencies (% ind for currency depreciation)						
Developed	level	Daily	Weekly	Monthly	YTD	
<b>EURUSD</b>						
EURUSD	1.25	0.2	1.9	1.0	3	
GBPUSD	1.40	0.3	0.9	1.8	3	
USDJPY	106.46	0.5	2.1	3.6	5	
DKK	88.79	-0.4	1.6	-1.8	-3	
Emerging						
level	Daily	Weekly	Monthly	YTD		
<b>USDARS (Argentina)</b>						
USDARS (Brazil)	19.72	0.9	1.2	-4.4	-7	
USD BRL (Brazil)	3.24	-0.4	1.5	-0.4	1	
USD CIP (Chile)	593.25	0.3	1.6	2.3	2	
USD COP (Colombia)	2854	0.5	1.2	0.4	3	
USD MXN (Mexico)	18.55	0.1	1.8	1.1	5	
USD PEN (Peru)	3.25	0.5	0.6	-1.1	0	
LACI	64.57	0.0	1.4	0.1	2	
USD PLN (Poland)	3.33	0.1	2.6	2.0	3	
USD RUB (Russia)	56.58	0.3	3.1	-0.1	2	
USD TRY (Turkey)	3.77	0.3	1.4	0.7	0	
USD CNY (China)	6.34	0.0	-0.2	1.6	2	
USD INR (India)	63.91	0.3	0.5	0.2	-1	
USD IDR (Indonesia)	13,560	0.5	0.3	-1.7	0	
ADXY	112.0	0.3	1.2	1.1	2	
Commodities (%)						
level	Daily	Weekly	Monthly	YTD		
<b>Brent</b>						
WTX	61	0.0	0.9	-5	0	
Copper	323	0.1	5.2	1	-1	
Gold	1351	0.0	2.5	1	-3	
S&P Spot commodity *	439	1.7	0.2	-3	-1	
S&P Brent Spoz *	545	2.5	-1.0	-7	-4	
S&P Metals Spoz *	394	2.4	3.2	2	0	
S&P Agricultural *	294	-0.2	1.4	6	3	

Source: Bloomberg

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Fuente: BBVA Research

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Debt markets (10Y, % changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	Year
US (2-yr)	2.11	0.6	-3.1	14	90
UK	2.85	2.9	1.2	0	41
GER (2-yr)	-0.56	-1.0	-2.0	5	21
Germany	0.75	-1.4	-1.9	21	40
France	0.99	-1.1	-3.3	17	18
Spain	1.46	0.5	-1.7	-10	2
Italy	2.01	2.1	-3.6	2	15
Portugal	2.07	4.1	5.5	0	205
Greece	4.10	28.1	42.3	39	-279
Japan (2-yr)	-0.15	-0.2	-2.0	3	4
Japan	0.07	-2.0	-2.0	0	0
Emerging Markets					
level	Daily	Weekly	Monthly	Year	
Brazil	9.91	5.3	11.3	-7	-150
Chile	4.96	0.0	0.3	2	24
Colombia	6.54	-0.1	17.8	19	-55
Mexico	7.68	4.2	9.4	12	4
Peru	4.46	2.5	8.9	-23	-201
Poland	3.59	0.5	0.9	26	-12
Russia	7.23	1.1	4.3	-33	-122
Turkey	11.72	11.0	32.0	27	72
India	7.49	2.1	-7.2	23	111
Indonesia	6.37	1.0	9.5	13	-142
Country risk bp (changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	Year
<b>10-yr sovereign spread vs Germany</b>					
France	24	0.3	-1.4	-3	-23
Italy	127	3.5	-1.7	-23	-26
Portugal	132	5.5	7.4	3	-223
Spain	71	1.9	0.2	-30	-38
<b>2-yr sovereign spread vs Germany</b>					
France	14	0.2	0.1	0	4
Italy	24	-0.2	1.5	-8	-37
Portugal	48	0.2	17.3	-4	-52
Spain	36	0.4	15.9	13	-12
Emerging Markets					
level	Daily	Weekly	Monthly	Year	
<b>5-yr sovereign CDS *</b>					
Brazil	165	13.5	20	20	-107
Chile	49	3.5	7	4	33
Colombia	101	6.6	13	8	-62
Mexico	109	8.1	13	13	-47
Peru	77	6.8	11	10	-31
Poland	51	1.4	3	5	-25
Russia	113	6.4	8	-2	-64
Turkey	174	8.4	12	11	-98
China	64	5.4	10	21	-52
India	72	1.0	5	3	-55
Indonesia	91	6.0	10	14	-65
Risk indicators					
Volatility indicators (%)	level	Daily	Weekly	Monthly	Year
VIX	30	-9.4	75	209	18
VSTOXX	31	-2.6	78	166	15
EM EFT volatility index	31	-12.0	36	90	55
Dollar Euro volatility	9	-1.1	22	56	10
EM FX volatility index	9	5.4	9	23	-16
Credit spread (BAA) (bps)	161	2.9	3	9	66
US bonds volatility index	88	9.4	12	88	-11
Inflation expectations (%)					
level	Daily	Weekly	Monthly	Year	
US Inflation expectations (5Y5Y)	2.45	-	5	11	-9
EZ Inflation expectations (5Y5Y)	1.75	-	0	2	-5
Outgoing 5y CDS (bps) *					
level	Daily	Weekly	Monthly	Year	
US	49	2.0	1	1	-23
EZ	45	4.6	8	6	-63
UK	44	2.5	5	3	-46
Large Spanish	42	5.8	10	6	-75
Medium Spanish	64	0.3	2	6	-87
Corporate 5y CDS (bps) *					
level	Daily	Weekly	Monthly	Year	
US Non-financial	153	2.0	7	7	-23
EZ Non-financial	61	4.6	8	6	-63
UK Non-financial	97	0.5	2	7	-28
Interbank markets (% changes in bp)					
level	Daily	Weekly	Monthly	Year	
COMIA 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	1.80	0.00	0.0	0.1	0.8
Libor 12m	2.29	0.00	0.0	0.1	0.6
Stock markets (%)					
Index	level	Daily	Weekly	Monthly	Year
<b>US Indices</b>					
S&P500	2,603	0.5	-3.8	5	15
Dow Jones	24,040	0.8	-5.8	-5	21
Nikkei	21,383	2.3	-8.1	-10	9
FTSE 100	7,123	-0.7	-4.3	-8	-1
EuroStoxx 50	3,344	-1.0	-5.1	-7	1
IBEX	9,664	-0.9	-5.4	-7	2
DAX	12,174	0.7	-4.8	-8	5
CAC	5,108	-0.8	-4.8	-7	4
MIIB	22,263	0.9	-4.0	-4	13
ASE Athens	829	-1.5	-5.3	-1	26
MSCI Latam *	88,661	-1.8	-4.9	1	21
Ibovespa (Brazil)	81,606	0.1	-2.9	4	33
Mexbol	47,988	0.3	-4.8	-2	3
MSCI EM Europe *	5,558	-1.5	-4.1	-1	10
Poland	2,395	-0.5	-4.5	5	20
Micex (Russia)	2,205	-1.0	-3.4	-1	-3
ISE 100 (Turkey)	113,590	0.6	-3.8	0	49
MSCI EM Asia *	922	-0.2	-6.3	4	32
Shanghai Com (China)	3,130	-4.1	-9.6	-9	-1
Jakarta Indonesia	6,506	-0.4	-1.4	2	23
Banking sector					
level	Daily	Weekly	Monthly	Year	
<b>US banks</b>					
JPM	141.1	0.5	-5.7	3	18
Citi	109.4	1.4	-4.2	-1	26
Chf	72.8	1.3	-5.5	-4	19
BoA	30.1	1.1	-5.9	-2	31
HS	51.9	0.2	6.5	-4	19
GS	248.0	0.7	-4.6	-2	2
<b>EZ banks</b>					
BNP	109.8	-2.3	-4.6	-6	4
Credit Agricole	65.0	-2.2	-4.5	-5	0
Deutsche Bank	12.6	-1.7	-9.2	-19	-23
ING	14.7	-2.7	-6.2	-11	6
Intesa	3.1	2.1	-1.1	4	21
SG	44.0	-2.4	-4.1	-5	-9
Unicredit	17.7	0.9	0.6	4	26
<b>UK banks</b>					
HSC	89.3	-1.2	-2.7	-6	2
HSSC	732.2	-0.2	-2.4	-8	9
RBS	275.6	-2.8	-3.8	-6	18
Barclays	192.6	-0.8	-1.5	-4	-18
Lloyds	65.5	-1.6	-3.2	-4	3
<b>Large Spanish banks</b>					
Santander	84.4	-1.8	-5.5	-5	8
BBVA	5.5	-1.8	-6.4	-6	9
Caixa	-7.0	-1.7	-4.7	-5	8
<b>Medium Spanish banks</b>					
Cajabank	79.7	-2.0	-4.0	-2	9
Sabadell	4.0	-1.6	-5.4	-6	22
Sabadell	1.8	-1.9	-3.3	-5	29
Banqueparibas	6.9	2.2	-3.5	7	17
Banika	3.8	-2.3	-4.5	-10	-7
Currencies (% red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	Year
EURUSD	1.22	0.1	-1.8	-2.4	17
GBPUSD	1.38	0.8	-2.2	2.2	12
USDJPY	108.88	-0.1	1.2	2.3	7
USDY	90.35	0.1	1.3	-2.1	-12
Emerging					
level	Daily	Weekly	Monthly	Year	
USDARS (Argentina)	20.05	-0.5	-2.9	-7.6	-25
USDBRL (Brazil)	3.28	0.1	-2.0	-1.5	-2
USDCLP (Chile)	602.97	0.0	0.0	1.0	10
USDCOP (Colombia)	2892	-0.2	-1.8	0.1	3
USDMXN (Mexico)	18.78	0.6	-1.0	2.7	12
USDPEN (Peru)	3.27	-0.2	-1.7	-1.6	3
USDRUB (Russia)	63.70	0.1	-1.5	-0.1	3
USDPOLN (Poland)	3.42	0.1	-2.2	2.1	18
USDRUS (Russia)	58.34	0.1	-3.2	-2.2	3
USDTRY (Turkey)	3.82	0.0	-1.4	-0.6	-7
USDCNY (China)	6.39	0.4	0.0	3.2	9
USDINR (India)	64.40	-0.2	-0.5	-1.3	5
USDIDR (Indonesia)	13,628	-0.2	-1.3	-1.5	-1
ADXY	111.2	0.5	-0.4	1.2	8
Commodities (%)					
level	Daily	Weekly	Monthly	Year	
<b>Brent</b>					
Brent	63.9	-1.5	-6.9	-8	13
WTI	69	-1.4	-7.8	-5	13
Copper	305	0.6	-3.9	-5	20
Gold	1312	0.5	-1.6	0	13
S&P Spot commodity *	438	-0.5	-4.0	-3	11
S&P Brent Spot *	550	-1.2	-7.7	-6	15
S&P Metals Spot *	382	0.2	-2.6	-2	25
S&P Agricultural *	290	0.0	1.7	3	-3

