

# Market Comment | Higher stocks as global trade worries eased

Global Financial Markets Unit  
09 Apr 2018

- **Financial markets started the week in a positive tone** following an easing of tensions between US and China, following comments from Donald Trump ([see](#)). Meanwhile in China, officials may be considering Chinese yuan as a trade tool ([see](#)). VIX index fell while stocks in the US rose significantly, as European stocks did.
- **Russian assets suffered significantly** after US approved tough sanctions on Russia ([see](#)). Russian indices plummeted along with the RUB ([see](#)).
- **Sovereign bond yields rose** across the board as the cautious movements eased somewhat, especially in the US, where US Treasury bond yields are hovering around 2.8%. Safe-haven assets' price also declined.
- **Oil prices** rose significantly amid the announcement of sanctions against Russia and uncertainty in the Middle East ([see](#)). Emerging currencies showed a mixed performance.

Table 1  
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Debt markets (10Y % changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
US (2-yr)	2.29	2.5	4.5	4	3.7	
US	2.61	3.1	7.7	5	3.4	
GER (2-yr)	0.58	1.0	2.4	-2	3	
Germany	0.31	0.8	0.9	-1.2	4	
France	0.74	0.3	1.8	-1.3	-8	
Spain	1.24	0.5	7.3	-2.5	-4.6	
Italy	1.77	-1.5	1.5	3.0	4.1	
Portugal	1.69	0.3	8.5	-1.3	-3.2	
Greece	4.00	-1.3	-31.9	-1.6	-1.1	
Japan (2-yr)	0.14	-0.2	0.9	1	-1	
Japan	0.04	-0.5	-1.4	-1	-1	
Emerging Markets	level	Daily	Weekly	Monthly	YTD	
Brazil	9.84	6.8	24.8	2.0	-4.1	
Chile	4.46	0.0	-2.7	-6	-6	
Colombia	6.43	-0.7	-6.5	-4.9	-1.0	
Mexico	7.26	-1.0	-11.6	-2.8	-3.2	
Peru	4.57	-0.2	2.4	9	-3.1	
Poland	3.05	-2.5	-13.0	-2.1	-2.7	
Russia	7.41	23.1	28.2	2.5	-2.3	
Turkey	12.70	3.0	48.0	7.2	13.4	
India	7.23	5.2	-17.2	-4.3	-1.6	
Indonesia	6.64	0.0	1.3	-1.3	3.4	
Country Risk (bp, changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
<b>1-yr sovereign spread vs Germany</b>						
France	23	-0.6	0.9	0	-5	
Italy	127	-2.4	-2.4	-1.8	-3.8	
Portugal	119	-0.6	7.6	-1	-2.8	
Spain	73	-0.4	6.4	-1.3	-3.5	
<b>2-yr sovereign spread vs Germany</b>						
France	10	-1.1	-2.0	-1	-7	
Italy	26	-2.0	-1.3	-5	-9	
Portugal	35	-0.5	-6.6	-2.8	-3.3	
Spain	26	-0.7	0.9	-5	-1	
Emerging Markets	level	Daily	Weekly	Monthly	YTD	
<b>5-yr sovereign CDS *</b>						
Brazil	168	5.9	6	16	7	
Chile	48	0.8	-2	4	-1	
Colombia	102	1.6	-3	0	-3	
Mexico	105	2.5	-2	-2	-1	
Peru	77	0.0	-4	1	5	
Poland	47	0.4	0	1	-1	
Russia	119	3.2	-4	-12	1	
Turkey	198	3.8	6	29	33	
China	64	2.4	0	6	13	
India	77	-0.2	3	7	8	
Indonesia	101	1.5	0	11	16	
Risk Indicators						
Volatility indicators (change in pp)	level	Daily	Weekly	Monthly	YTD	
VIX	20	-1.1	-3	4	1.1	
VSTOXX	17	-0.1	0	1	4	
EM EFT volatility Index	26	-0.6	4	3	9	
Dollar/Euro volatility	6	0.3	0	-1	0	
EM FX volatility Index	8	0.1	0	0	0	
Credit spread (BAA) (change in bps)	180	-3.3	6	2	3	
US bonds volatility Index	56	2.3	-3	-6	-7	
Inflation expectations (%)	level	Daily	Weekly	Monthly	YTD	
US Inflation expectations (5Y5Y)	2.41	-	8	1	9	
EZ Inflation expectations (5Y5Y)	1.68	-	1	3	6	
Emerging 5Y CDS (bps) *	level	Daily	Weekly	Monthly	YTD	
US	59	-4.4	-1	8	17	
EZ	59	0.7	-1	12	20	
UK	50	0.1	-1	5	9	
Large Spanish	50	0.2	-2	6	14	
Medium Spanish	72	-0.9	-3	2	-3	
Corporate 5Y CDS (bps) *	level	Daily	Weekly	Monthly	YTD	
US Non-financial	0	1.4	1	8	17	
EZ Non-financial	0	0.7	-1	12	20	
UK Non-financial	0	0.0	-106	-99	-93	
Interbank markets (% changes in bp)						
level	Daily	Weekly	Monthly	YTD		
EONIA Index	0.37	0	-2	1	0	
Euribor 3m	0.33	0	0	0	0	
Euribor 12m	-0.19	0	0	0	-1	
Libor 3m	2.34	1	3	28	64	
Libor 12m	2.71	1	5	19	60	
Stock markets (%)						
Main indices	level	Daily	Weekly	Monthly	YTD	
S&P500	2,641	1.4	2.3	-4	-2	
Dow Jones	24,279	1.4	2.7	-2	-2	
Nikkei	21,676	0.5	1.4	1	-5	
FTSE 100	7,189	0.1	1.9	0	-6	
EuroStoxx 50	3,413	0.1	1.5	0	-2	
IBEX	9,743	0.6	1.5	1	-3	
DAX	12,252	0.1	1.3	-1	5	
CAC	5,260	0.0	1.8	0	-1	
MIIB	23,046	0.5	2.8	1	5	
ASE Athens	901	0.0	2.6	-1	-2	
MSCI Latam *	90,996	-0.4	0.9	0	6	
Ibovexa (Brazil)	84,435	-0.5	0.3	-1	8	
Ibex35	48,239	0.7	5.3	0	-4	
MSCI EM Europe *	5,538	-0.4	0.9	2	3	
Poland	2,262	0.1	2.3	-3	-8	
Moon 10 (Russia)	4,089	-6.1	-7.8	-8	-1	
He 100 (Turkey)	113,156	-0.4	-1.1	-3	-1	
MSCI EM Asia *	918	0.0	-1.0	-2	0	
Shanghai Com (China)	3,138	0.2	-0.8	-5	-6	
Jakarta (Indonesia)	6,246	-1.0	0.9	-2	-2	
Banking sector	level	Daily	Weekly	Monthly	YTD	
<b>US banks</b>						
JPM	142.6	2.2	3.2	-5	0	
CIT	111.7	2.4	3.6	-3	3	
ChF	70.2	2.4	3.7	-5	6	
BoA	30.3	2.3	3.4	-6	1	
MS	54.2	2.1	2.7	-5	4	
GS	254.8	-1.9	3.0	-4	0	
<b>EZ banks</b>						
BNP	60.9	0.6	1.2	-3	-2	
Citibank Europe	13.2	-0.4	-0.2	-3	-6	
Deutsche Bank	11.5	1.0	1.3	-1.2	-2.8	
ING	13.8	0.2	0.5	-4	-10	
Intesa	3.0	0.9	2.4	-1	10	
SG	44.3	-0.6	0.2	-4	3	
Unicredit	17.3	0.1	1.8	1	10	
<b>UK banks</b>						
HSBC	87.7	0.5	1.6	-2	-5	
RBS	668.7	0.6	0.5	-5	-13	
RBS	261.5	0.2	1.0	-1	-6	
Barclays	211.0	0.7	2.2	-1	4	
Lloyds	66.6	0.4	1.0	-1	-2	
<b>Large Spanish banks</b>						
Santander	79.9	1.0	0.7	-3	-6	
BBVA	5.4	0.5	1.3	-2	-2	
Caixa	6.4	1.4	0.1	-3	-9	
<b>Medium Spanish banks</b>						
Cakabank	76.3	0.9	0.9	-1	-1	
Sabadell	3.9	1.2	1.2	1	-1	
Bankinter	1.7	0.7	0.8	0	0	
Bankia	8.4	0.6	0.5	-2	6	
Banque	3.7	1.1	1.2	-5	-9	
Currencies (% ind for currency depreciation)						
Developed	level	Daily	Weekly	Monthly	YTD	
<b>EURUSD</b>						
EURUSD	1.23	0.3	0.1	0.0	2	
GBPUSD	1.41	0.3	0.6	2.3	4	
USDJPY	107.10	-0.2	-1.1	-0.8	5	
DKK	69.90	-0.2	0.2	-0.3	-2	
Emerging	level	Daily	Weekly	Monthly	YTD	
<b>USDARS (Argentina)</b>						
USDARS (Brazil)	20.20	-0.1	0.3	0.8	-10	
USD BRL (Chile)	3.39	-0.7	-2.4	-3.9	-4	
USD CLP (Colombia)	603.51	0.3	0.3	0.4	1	
USD COP (Costa Rica)	2780	0.4	0.8	3.3	5	
USD MXN (Mexico)	18.25	0.2	0.0	2.2	7	
USD PEN (Peru)	3.24	0.0	-0.4	0.6	0	
LACI	63.77	-0.2	0.7	-0.2	0	
USD PLN (Poland)	3.40	0.4	0.6	0.3	1	
USD RUB (Russia)	60.15	-3.5	-4.7	-5.3	-5	
USD TRY (Turkey)	4.06	-0.3	2.2	6.1	6	
USD CNY (China)	6.31	-0.1	-0.4	0.6	3	
USD INR (India)	65.03	-0.1	0.2	0.2	-2	
USD IDR (Indonesia)	13,761	0.1	0.1	0.4	-2	
ADXY	111.6	0.2	0.3	0.4	1	
Commodities (%)						
Brent	level	Daily	Weekly	Monthly	YTD	
WTX	63	2.0	0.5	5	5	
Copper	306	0.2	0.7	0	-6	
Gold	1323	0.0	0.6	1	1	
S&P Spot commodity *	444	-1.1	-0.3	1	0	
S&P Brent Spoz *	570	-1.9	-0.9	5	1	
S&P Metals Spoz *	369	0.3	0.7	-1	-6	
S&P Agricultural *	300	0.7	1.9	-1	5	

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Fuente: BBVA Research

Debt markets (10Y % changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	2.29	2.5	4.5	4	37
US	2.81	3.3	7.7	5	34
GER (2-yr)	0.58	1.0	2.4	-2	3
Germany	0.51	0.9	0.9	-12	4
France	0.74	0.3	1.8	-13	8
Spain	1.24	0.5	7.3	-25	-46
Italy	1.77	-1.5	-1.5	-30	-41
Portugal	1.69	0.3	8.5	-13	-32
Greece	4.00	-1.3	-31.9	-16	-11
Japan (2-yr)	-0.14	-0.2	-0.9	1	-1
Japan	0.04	0.5	1.4	-1	-1
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
Brazil	9.84	6.8	34.8	30	-41
Chile	4.46	0.0	2.7	6	6
Colombia	6.43	-0.7	-6.5	-49	-1
Mexico	7.26	-1.0	-11.6	-29	-32
Peru	4.57	0.2	2.4	9	-31
Poland	3.05	-2.5	-13.0	-21	-27
Russia	7.41	25.1	26.2	25	-23
Turkey	12.70	3.0	48.0	72	134
India	7.23	5.2	-17.2	-43	-16
Indonesia	6.64	0.0	1.3	-13	34
Country risk (bp changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
<b>10-yr sovereign spread vs Germany</b>					
France	23	-0.6	0.9	0	-5
Italy	127	-2.4	-2.4	-19	-38
Portugal	119	-0.6	7.6	-1	-28
Spain	73	-0.4	6.4	-13	-35
<b>2-yr sovereign spread vs Germany</b>					
France	10	-1.1	-2.0	-1	-7
Italy	28	-2.0	-1.3	-5	-9
Portugal	35	-0.5	-6.6	-28	-33
Spain	26	-0.7	0.9	-5	1
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
<b>5-yr sovereign CDS *</b>					
Brazil	168	5.9	6	16	7
Chile	48	0.8	2	4	-1
Colombia	102	1.6	-3	0	-3
Mexico	105	2.5	-2	-2	-1
Peru	77	0.8	-4	1	5
Poland	47	0.4	0	1	1
Russia	119	3.2	-4	12	1
Turkey	198	3.8	6	29	33
China	64	2.4	0	6	13
India	77	-0.2	3	7	8
Indonesia	101	1.5	0	11	16
Risk indicators					
Volatility indicators (change in ppt)					
level	Daily	Weekly	Monthly	YTD	
VIX	20	-1.1	-3	4	11
VSTOXX	17	-0.1	0	1	4
EM EFT volatility index	26	-0.6	-4	3	9
Dollar euro volatility	6	0.1	0	-1	0
EM FX volatility index	8	0.1	0	0	0
Credit spread (BAA) (change in bps)	180	-3.3	-6	2	3
US bonds volatility index	56	2.3	-3	-5	7
Inflation expectations (%)					
level	Daily	Weekly	Monthly	YTD	
US Inflation expectations (5Y5Y)	2.41	-	8	1	9
EZ Inflation expectations (5Y5Y)	1.68	-	1	-3	-6
Banking 5Y CDS (bps) *					
level	Daily	Weekly	Monthly	YTD	
US	59	1.4	1	8	17
EZ	59	0.7	-1	12	20
UK	50	0.1	-1	5	9
Large Spanish	50	0.2	-2	8	14
Medium Spanish	72	-0.9	-3	2	-3
Corporate 5Y CDS (bps) *					
level	Daily	Weekly	Monthly	YTD	
US Non-financial	0	1.4	1	8	17
EZ Non-financial	0	0.7	-1	12	20
UK Non-financial	0	0.0	-106	-99	-93
Interbank markets (% changes in bp)					
level	Daily	Weekly	Monthly	YTD	
EURIBOR Index	-0.37	0	-2	-1	0
Euribor 3m	-0.33	0	0	0	0
Euribor 12m	-0.19	0	0	0	-1
Libor 3m	2.34	1	3	28	64
Libor 12m	2.71	1	5	19	60
Stock markets (%)					
level	Daily	Weekly	Monthly	YTD	
<b>Market indices</b>					
S&P500	2,641.1	1.4	2.3	-4	-2
Dow Jones	24,279	1.4	2.7	-2	-2
Nikkei	21,678	0.5	1.4	1	-5
FTSE 100	7,189	0.1	1.8	0	-6
EuroStoxx 50	3,413	0.1	1.5	0	-2
IBEX	9,743	0.6	1.5	1	-3
DAX	12,252	0.1	1.3	-1	-5
CAC	5,269	0.0	1.8	0	-1
MIB	23,046	0.5	2.8	1	5
ASE Athens	801	0.0	2.6	-1	-2
MSCI Latam *	90,996	-0.4	0.9	0	6
Ibovespa (Brazil)	84,435	-0.5	-0.3	-1	8
Mexol	48,239	0.7	5.3	0	-4
MSCI EM Europe *	5,538	-0.4	0.9	-2	3
Poland	2,262	0.1	7.3	-3	8
Micex 10 (Russia)	4,089	-8.1	-7.1	-8	-1
Ise 100 (Turkey)	113,156	-1.4	-1.1	-3	-4
MSCI EM Asia *	916	0.0	-1.0	-2	0
Shanghai Com (China)	3,138	0.2	-0.8	-5	-6
Jakarta (Indonesia)	6,246	1.0	0.9	-2	-2
Banking sector					
level	Daily	Weekly	Monthly	YTD	
<b>US banks</b>					
JPM	111.7	2.4	3.6	-3	3
Citi	70.2	2.4	3.7	-5	-6
BoA	30.3	2.3	3.4	-6	1
MS	54.2	2.1	2.7	-5	4
GS	254.8	1.9	3.0	-4	0
<b>EZ banks</b>					
BNP	105.8	0.2	0.9	-4	-3
Credit Agricole	60.9	0.6	1.2	-3	-2
Deutsche Bank	13.2	-0.4	-0.2	-3	-6
ING	11.5	1.0	1.3	-12	-28
Intesa	13.8	0.2	0.5	-4	-10
SG	3.9	0.9	2.4	1	10
Unicredit	44.3	-0.6	0.2	-4	3
UK banks	17.3	0.1	1.8	1	10
HSBC	87.7	0.5	1.6	-2	-5
RBS	668.7	0.6	0.5	-5	-13
Bancparibas	261.5	0.2	1.0	-1	-6
Lloyds	211.0	0.7	2.2	-1	-4
<b>Large Spanish banks</b>					
Santander	66.6	0.4	3.0	-1	-2
BBVA	79.9	1.0	0.7	-3	-6
CaixaBank	5.4	0.5	1.3	-2	-2
<b>Medium Spanish banks</b>					
Sabadell	6.4	1.4	0.1	-3	-9
Bankinter	76.3	0.9	0.9	-1	-1
Bankia	3.9	1.2	1.2	1	-1
<b>Currencies (% red for currency depreciation)</b>					
Developed	level	Daily	Weekly	Monthly	YTD
EURUSD	1.23	0.3	0.1	0.0	2
GBPUSD	1.41	0.3	0.6	2.3	4
USDJPY	107.10	-0.2	-1.1	-0.8	5
DXY	89.90	-0.2	0.2	-0.3	-2
Emerging					
level	Daily	Weekly	Monthly	YTD	
USDARS (Argentina)	20.20	-0.1	-0.3	0.5	-10
USDBRL (Brazil)	3.39	-0.7	-2.4	-3.9	-4
USDCLP (Chile)	603.51	0.3	0.3	0.4	1
USDCOP (Colombia)	2760	0.4	0.8	3.3	5
USDMXN (Mexico)	18.25	0.2	0.0	2.2	7
USDPEN (Peru)	3.24	0.0	-0.4	0.6	0
LACI	63.77	-0.2	0.7	-0.2	0
USDPLN (Poland)	3.40	0.4	0.6	0.3	1
USD RUB (Russia)	60.15	-3.5	-4.7	-5.3	-5
USDTRY (Turkey)	4.06	-0.3	-2.2	-6.1	-8
USDCNY (China)	6.31	0.1	0.4	0.5	3
USDINR (India)	65.03	-0.1	0.2	0.2	-2
USDIDR (Indonesia)	13,761	0.1	-0.1	0.4	-2
ADXY	111.6	0.2	-0.3	0.4	1
Commodities (%)					
level	Daily	Weekly	Monthly	YTD	
<b>Energy</b>					
Brent	68.5	2.0	1.2	8	3
WTI	62	2.0	0.5	5	5
Copper	306	0.2	0.7	0	-6
Gold	1333	0.0	0.6	1	1
S&P Spot commodity *	444	-1.1	-0.3	1	0
S&P Brent Spot *	570	-1.9	-0.9	1	1
S&P Metals Spot *	369	0.3	0.7	-1	-6
S&P Agricultural *	300	0.7	1.9	-3	5

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Fuente: BBVA Research

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