

Market Comment | Stock prices continued to recover from trade worries

Global Financial Markets Unit
10 Apr 2018

- **Stock prices continued to rise today after US-China trade worries eased, especially after Xi Jinping's keynote address** in which he promised a reduction in tariffs ([see](#)). Stocks rose most in the US, with VIX index is hovering around the 20 level. In Europe, stocks inched up again today
- The **EUR rose after the ECB's Nowotny said that the ECB should start monetary policy normalization** and that the bank could raise its rates by 20 bps ([see](#)). Meanwhile, sovereign bond yields inched up.
- **Russian assets continued to suffer** from tough US sanctions ([see](#)) and the Russian rouble plummeted for the second day in a row ([see](#)).
- **Oil prices continued grinding higher amid global trade relief** and uncertainty in the Middle East, and remained hovering around the US\$70 level. Emerging currencies mainly appreciated, with some exceptions. The Turkish lira declined amid worries about interest rates.

Table 1

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Debt markets (10Y % changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
US (2-yr)	2.30	2.5	2.5	4	38	
US	2.80	0.2	0.6	9	14	
GER (2-yr)	0.57	1.5	2.8	-1	4	
Germany	0.51	1.0	1.3	-13	5	
France	0.76	1.7	2.5	-14	-7	
Spain	1.26	2.6	7.4	-25	-43	
Italy	1.80	2.4	0.2	31	-39	
Portugal	1.73	3.5	9.5	-13	-28	
Greece	4.07	6.9	-18.6	-12	-4	
Japan (2-yr)	0.15	0.8	-1.5	0	-2	
Japan	0.04	0.6	-1.7	-1	-1	
Emerging Markets						
level	Daily	Weekly	Monthly	YTD		
Brazil	9.65	-2.9	10.5	27	-41	
Chile	4.46	0.0	-2.5	-6	-6	
Colombia	6.45	0.1	-7.6	-44	0	
Mexico	7.29	1.3	-4.1	25	-29	
Peru	4.64	0.2	11.3	12	-23	
Poland	3.04	-0.2	-14.8	27	-27	
Russia	7.65	24.0	47.7	52	1	
Turkey	12.99	29.0	77.0	97	163	
India	7.38	15.3	4.7	-29	-1	
Indonesia	6.60	-3.8	-0.2	-23	30	
Country Risk (bp, changes in bp)						
Developed Markets	level	Daily	Weekly	Monthly	YTD	
1-yr sovereign spread vs Germany						
France	24	0.7	1.2	0	-5	
Italy	128	1.4	-1.1	-17	-37	
Portugal	122	2.5	8.2	0	-25	
Spain	79	1.6	6.1	-12	-33	
2-yr sovereign spread vs Germany						
France	9	-0.3	-1.5	-1	-7	
Italy	27	-1.0	2.0	-6	-9	
Portugal	36	0.3	-3.4	-28	-32	
Spain	26	0.1	1.5	-5	-1	
Emerging Markets						
level	Daily	Weekly	Monthly	YTD		
5-yr sovereign CDS *						
Brazil	169	1.0	3	16	8	
Chile	48	-0.2	-4	3	-1	
Colombia	103	0.2	-5	0	-2	
Mexico	105	-0.7	8	-1	-2	
Peru	76	-0.5	-6	1	4	
Poland	49	1.2	1	2	0	
Russia	137	18.1	14	32	19	
Turkey	206	7.8	14	37	41	
China	63	-0.9	-3	5	12	
India	76	-1.1	2	8	7	
Indonesia	100	-0.9	-4	10	15	
Risk Indicators						
Volatility indicators (change in pp)	level	Daily	Weekly	Monthly	YTD	
VIX	21	-1.0	0	6	11	
VSTOXX	16	-1.0	-2	1	3	
EM EFT volatility Index	25	-0.9	-3	4	8	
Dollar/Euro volatility	6	0.1	-1	0	0	
EM FX volatility Index	8	0.2	0	1	0	
Credit spread (BAA) (change in bps)	181	-2.2	-5	3	3	
US bonds volatility Index	53	-3.6	-4	-6	-3	
Inflation expectations (%)						
level	Daily	Weekly	Monthly	YTD		
US Inflation expectations (5Y5Y)	2.40	-	-1	2	8	
EZ Inflation expectations (5Y5Y)	1.68	-	-1	3	-6	
Emerging 5Y CDS (bps) *						
level	Daily	Weekly	Monthly	YTD		
US	58	-0.6	-2	8	16	
EZ	58	-1.4	-2	12	18	
UK	49	-0.2	-1	7	9	
Large Spanish	49	-1.1	-3	8	13	
Medium Spanish	72	0.6	-2	3	-3	
Corporate 5Y CDS (bps) *						
level	Daily	Weekly	Monthly	YTD		
US Non-financial	163	-0.6	-2	8	16	
EZ Non-financial	70	-1.4	-2	12	18	
UK Non-financial	105	-0.6	0	5	12	
Interbank markets (% changes in bp)						
level	Daily	Weekly	Monthly	YTD		
COBA Index	0.37	0	0	1	0	
Euribor 3m	0.33	0	0	0	0	
Euribor 12m	0.19	0	0	0	-1	
Libor 3m	2.34	0	3	27	64	
Libor 12m	2.70	0	4	17	60	
Stock markets (%)						
Main indices	level	Daily	Weekly	Monthly	YTD	
S&P500	2,658	1.7	1.6	-5	-1	
Dow Jones	24,479	2.1	1.9	-3	-1	
Nikkei	21,294	0.5	2.4	2	-4	
FTSE 100	7,263	0.9	3.3	1	-5	
EuroStoxx 50	3,437	0.6	2.7	0	-2	
IBEX	9,763	0.2	2.2	1	-3	
DAX	12,596	-1.1	3.3	0	4	
CAC	5,304	0.8	2.9	1	0	
MI8	23,184	0.6	3.0	2	6	
ASE Athens	911	-1.2	4.0	-1	-1	
MSCI Latam *	90,130	-1.0	0.6	-1	5	
Ibovexa (Brazil)	84,222	1.1	0.5	-2	8	
Mibexl	48,428	0.6	3.7	0	-1	
MSCI EM Europe *	5,243	-5.3	-3.9	-7	-3	
Poland	2,275	0.6	1.6	-3	-8	
Micex 10 (Russia)	4,178	2.2	-5.2	-8	1	
He 100 (Turkey)	110,713	-2.2	3.4	-5	6	
MSCI EM Asia *	926	0.9	0.2	2	0	
Shanghai Com (China)	3,190	1.7	1.7	-4	-5	
Jakarta (Indonesia)	6,326	2.4	1.6	-2	0	
Banking sector						
level	Daily	Weekly	Monthly	YTD		
US banks						
JPM	143.9	2.2	3.1	-6	1	
JPM	112.6	2.0	3.0	-5	4	
Cit	71.0	-2.3	3.7	-7	4	
BofA	30.5	2.1	3.1	-7	2	
MS	54.4	2.0	2.4	-7	4	
GS	258.8	-2.6	3.3	-4	1	
EZ banks						
BNP	106.2	0.3	1.8	-3	-3	
BNP	61.4	0.9	2.9	-2	-1	
Citib-Agri/cote	13.3	0.8	0.5	-3	-5	
Deutsche Bank	11.4	-0.5	2.3	-12	-28	
ING	13.8	0.0	1.8	-4	-10	
Intesa	3.0	0.9	3.0	0	11	
SG	44.3	0.1	1.2	-4	3	
Unicredit	17.2	-0.7	1.0	1	9	
UK banks						
HSBC	88.5	0.8	2.4	-1	-4	
HSBC	673.2	0.4	1.4	5	-12	
RBS	263.2	0.7	1.6	1	-5	
Barclays	214.8	1.7	3.8	2	6	
Lloyds	67.0	0.5	2.8	0	-1	
Large Spanish banks						
Santander	79.8	-0.1	1.7	-3	-6	
Santander	5.4	-0.1	2.4	-2	-2	
BBVA	6.4	0.0	1.0	-3	-9	
Medium Spanish banks						
Cajabank	77.1	0.9	2.9	-1	0	
Cajabank	4.0	1.5	4.2	3	0	
Sabadell	1.7	0.9	2.6	1	1	
Bankinter	8.4	0.5	1.8	-3	6	
Bankia	3.7	0.9	4.0	-4	-8	
Currencies (% ind for currency depreciation)						
Developed	level	Daily	Weekly	Monthly	YTD	
EURUSD						
EURUSD	1.23	0.1	0.5	0.2	2	
GBPUSD	1.42	0.2	0.7	2.2	4	
USDJPY	107.37	-0.6	0.7	0.5	4	
CHF	89.76	-0.1	0.5	-0.4	-2	
Emerging						
level	Daily	Weekly	Monthly	YTD		
USDARS (Argentina)						
USDARS (Brazil)	20.19	0.0	0.1	0.3	-10	
USDARS (Chile)	3.41	0.4	-2.0	-4.7	-5	
USDARS (Colombia)	601.76	0.3	0.3	0.2	1	
USDARS (Columbia)	2765	0.5	0.5	3.7	6	
USDARS (Mexico)	18.28	0.4	0.3	1.8	6	
USDARS (Peru)	3.24	0.0	-0.4	0.6	0	
LACI	63.69	0.3	0.7	-0.5	0	
USDARS (Poland)	3.40	0.3	0.7	0.4	2	
USDARS (Russia)	62.80	-3.7	-9.0	-10.8	-9	
USDARS (Turkey)	4.11	-0.8	-3.0	-7.7	-9	
USDARS (China)	6.28	0.4	0.1	0.8	3	
USDARS (India)	64.99	0.1	0.0	0.3	-2	
USDARS (Indonesia)	13.751	0.1	0.1	0.3	-2	
ADXY	111.8	0.2	-0.1	0.4	2	
Commodities (%)						
level	Daily	Weekly	Monthly	YTD		
Brent						
WTI	65	2.8	2.6	5	8	
Copper	312	1.7	2.2	0	-4	
Gold	1327	0.1	0.5	1	1	
S&P Spot commodity *	452	1.8	1.1	2	2	
S&P Brent Spot *	583	2.1	0.5	5	3	
S&P Metals Spot *	376	2.1	2.7	-1	-4	
S&P Agricultural *	305	1.8	3.0	0	7	

Fuente: BBVA Research

Debt markets (10Y % changes in bp)					
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US	2.80	2.2	2.6	9	34
GER (2-yr)	0.57	1.5	2.8	-1	4
Germany	0.51	3.0	1.3	-13	5
France	0.76	-7	2.5	-14	7
Spain	1.26	2.6	7.4	-25	-43
Italy	1.80	2.4	0.2	-31	-39
Portugal	1.73	3.5	9.9	-13	-28
Greece	4.07	6.9	-18.8	-12	-4
Japan (2-yr)	-0.15	-0.8	-1.5	0	-2
Japan	0.04	0.6	1.7	-1	-1
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
Brazil	9.85	-2.9	10.5	27	-41
Chile	4.46	0.0	2.9	6	6
Colombia	6.45	0.1	-7.6	-44	0
Mexico	7.29	3.3	-4.1	-25	-29
Peru	4.64	0.2	11.3	12	-23
Poland	3.04	-0.2	-14.8	-27	-27
Russia	7.65	24.0	47.7	52	1
Turkey	12.99	29.0	77.0	92	163
India	7.38	15.3	4.7	-29	-1
Indonesia	6.60	-3.3	-0.2	-23	30
Country risk (bp changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	24	0.7	1.2	0	-5
Italy	128	1.4	-1.1	-17	-37
Portugal	122	2.5	8.2	0	-25
Spain	75	1.6	6.1	-12	-33
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Risk indicators					
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Credit spread (BAA) (change in bps)	181	-2.2	-5	3	3
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Inflation expectations (%)	level	Daily	Weekly	Monthly	YTD
US Inflation expectations (5YSY)	2.40	-	1	2	8
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UK Non-financial	105	-0.6	0	5	12
Interbank markets (% changes in bp)					
level	Daily	Weekly	Monthly	YTD	
EURIBOR Index	-0.37	0	0	-1	0
Eurobor 3m	-0.33	0	0	0	0
Eurobor 12m	-0.19	0	0	0	-1
Libor 3m	2.34	0	3	27	64
Libor 12m	2.70	0	4	17	60
Stock markets (%)					
Index/Baskets	level	Daily	Weekly	Monthly	YTD
US indices					
S&P500	2,659	1.7	1.6	-5	-1
Dow Jones	24,479	2.1	1.9	-3	-1
Nikkei	21,704	0.5	2.4	2	-4
FTSE 100	7,263	0.9	3.3	1	-5
EuroStoxx 50	3,437	0.6	2.7	0	-2
IBEX	9,763	0.2	2.2	1	-3
DAX	12,396	1.1	3.3	0	-4
CAC	5,304	0.8	2.9	1	0
MIB	23,184	0.6	3.0	2	6
ASE Athens	811	1.2	4.0	-1	-1
MSCI Latam *	90,130	-1.0	0.6	-1	5
Ibovespa (Brazil)	84,222	1.1	-0.5	-2	8
Mexol	48,428	0.8	3.7	0	-3
MSCI EM Europe *	5,243	-5.3	-9.9	-7	-3
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MSCI EM Asia *	926	0.9	0.2	-2	0
Shanghai Com (China)	3,190	1.7	1.7	-4	-5
Jakarta (Indonesia)	6,326	2.4	1.4	-2	0
Banking sector					
level	Daily	Weekly	Monthly	YTD	
US banks					
JPM	112.6	2.0	3.0	-5	4
Citi	71.0	2.3	3.7	-7	-4
BoA	30.5	2.1	3.1	-7	2
MS	54.4	2.0	2.4	-7	4
GS	258.8	2.6	3.3	-4	1
EZ banks					
ING	106.2	0.3	1.8	-3	-3
BNP	61.4	0.9	2.9	-2	-1
Credit Agricole	13.3	0.8	0.5	-3	-5
Deutsche Bank	11.4	-0.5	2.3	-12	-28
ING	13.8	0.0	1.8	-4	-10
Intesa	3.0	0.9	3.0	0	11
SG	44.3	0.1	1.2	-4	3
Unicredit	17.2	-0.7	1.0	1	9
UK banks					
HSBC	88.5	0.5	2.4	-1	-4
RBS	673.2	0.4	1.4	-5	-12
RBS	263.2	0.7	1.6	1	-5
Barclays	214.8	1.7	3.8	2	6
Lloyds	67.0	0.5	2.8	0	-1
Large Spanish banks					
Santander	79.8	-0.1	1.7	-3	-6
Santander	5.4	-0.1	2.4	-2	-2
BBVA	6.4	0.0	1.0	-3	-9
Medium Spanish banks					
Cakobank	77.1	0.9	2.9	-1	0
Sabadell	4.0	1.5	4.2	3	0
Sabadell	1.7	0.9	2.6	1	1
Bankinter	8.4	0.5	1.9	-3	6
Bankia	3.7	0.9	4.0	-4	-8
Currencies (% red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	YTD
EURUSD	1.23	0.1	0.5	0.2	2
GBPUSD	1.42	0.2	0.7	2.2	4
USDJPY	107.37	-0.6	-0.7	-0.5	4
DXJ	89.76	-0.1	0.5	-0.4	-2
Emerging					
level	Daily	Weekly	Monthly	YTD	
USDARS (Argentina)	20.19	0.0	-0.1	0.3	-10
USD BRL (Brazil)	3.41	0.4	-2.0	-4.7	-5
USD CUP (Cuba)	601.76	0.3	0.3	0.2	1
USD COP (Colombia)	2765	0.5	0.9	3.7	6
USD MXN (Mexico)	18.28	0.4	-0.3	1.8	6
USD PEN (Peru)	3.24	0.0	-0.4	0.6	0
LACI	63.69	0.3	0.7	-0.5	0
USD PLN (Poland)	3.40	0.3	0.7	0.4	2
USD RUB (Russia)	62.80	-3.7	9.0	-10.8	-9
USD TRY (Turkey)	4.11	-0.8	-3.0	-7.7	-9
USD CNY (China)	6.28	0.4	0.1	0.3	3
USD INR (India)	64.99	0.1	0.0	0.3	-2
USD IDR (Indonesia)	13,751	0.1	0.1	0.3	-2
ADXY	1111.8	0.2	-0.1	0.4	2
Commodities (%)					
level	Daily	Weekly	Monthly	YTD	
 Brent					
WtX	70.6	2.9	3.7	8	6
WTX	69	-2.8	2.6	5	0
Copper	312	1.7	2.2	0	-4
Gold	1337	0.1	0.3	1	1
S&P Spot commodity *	452	1.8	1.1	2	2
S&P Brent Spot *	583	2.1	0.5	-1	3
S&P Metals Spot *	376	2.1	2.7	-1	-4
S&P Agricultural *	305	1.8	3.0	0	7

Fuente: BBVA Research

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