

Market Comment | 10Y UST yields hovering around 3% threshold. ECB meeting preview

Global Financial Markets Unit
23 Apr 2018

- **US yields almost broke the 3% threshold in the 10Y tenor**, underpinned by inflation expectations and the decrease in global concerns. The UST almost reached its highest level in more than four years. In this context, and following the same rationale, European yields also increase today despite no changes being expected in the ECB's stance (see ECB preview below). Positive confidence (PMI) data in the euro zone ([see](#)) also supported this movement, while in the US, the PMI was broadly in line with expectations.
- **Last week's positive tone in equity indices remained**, albeit at a slower pace. The equity indices were able to manage the increasing rates context and main equity indices increased across the board with the exception of Asian indices.
- **The USD appreciated today, especially against EM currencies**, which also suffered from decreasing commodity prices: oil prices curbed their positive trend, while aluminium fell sharply after new information regarding US sanctions on some producers ([see](#)).

ECB preview

- **The ECB is expected to leave monetary policy unchanged at its April meeting, after the removal of the easing bias on the APP announced last month. However, a cautious tone can be expected regarding the deterioration in confidence data and concerns about protectionism.**
- The central bank remains on track in its exit strategy as economic conditions continue improving, despite the recent downturn in confidence data, and it is increasingly confident regarding the inflation outlook. We expect such communication to continue to be gradual. In particular, we expect that changes in forward guidance would be possible by June (coinciding with the staff forecast revision) but we do not rule out its being delayed to July.
- Recent indicators suggest that activity has moderated in early 2018 and will continue to do so over this year, although growth is still solid after the strong figures in 2017. Hard data softened again in February after the good performance in 2H2017, but it is too early to detect a reversal in the trend, especially without significant changes in fundamentals in recent months beyond protectionist risks. In addition, the worsening of confidence in 1Q18 seems to be partly driven by temporary factors, while leading subcomponents (such as employment and the backlog of works) remain positive. Overall, we expect a quarterly GDP growth of around 0.5% QoQ in 1Q18 (after 0.7% in 4Q17), which could marginally ease by

the second half of the year, to average about 2.3% in 2018.

- Core inflation resumed its very gradual upward trend in 1Q18, as expected, while the easing of the headline rate was driven by non-core components. Despite the moderation in activity, headline inflation is expected to hover around 1.5% over the next year and to increase gradually thereafter driven by core components. Recent increases in oil prices could put upward pressure on energy prices in the short run, although this could be partly offset by some strengthening of the euro, while increasing wages in some countries (mainly in Germany) could underpin the upward trend in core inflation in the coming quarters.
- All in all, we do not expect any significant change in the ECB's assessment of the euro zone economic outlook, although increasing downward risks to activity and the still unconvincing upward trend in some core measures of inflation could reinforce the current Governing Council's caution.
- One topic that could come up during the Q&A is that of market jitters due to global trade tensions and their consequences for the global economy and particularly that of the euro zone. Regarding this, Mr Draghi will adopt a cautious tone, but he will confirm that trade fears are already affecting the economy, as some members of the ECB pointed out recently. Despite this, it is very likely that the central bank will play down somewhat the recent turmoil, emphasizing that the economic recovery remains robust and that they are confident of the recovery of inflation, keeping the central bank on track in its monetary normalization process.
- All in all, the ECB is not in a hurry to signal the end of QE when bond purchases will fall to zero. That decision will probably not be taken until 2H18, but after the step taken in March, the central bank should continue to adjust its policy stance to the QE exit guidance.

Table1

Update 18.0 CET 23 April

Debt markets (10Y % change in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	2.47	1.5	9.5	19	55
US	2.99	2.6	16.0	16	52
GER (2-yr)	0.55	1.2	2.8	5	6
Germany	0.64	4.6	11.1	11	17
France	0.85	3.6	9.6	8	2
Spain	1.31	3.1	6.9	2	-38
Italy	1.80	1.7	0.7	9	-39
Portugal	1.70	4.1	4.8	-6	-31
Greece	4.04	-0.8	-1.3	-25	-7
Japan (2-yr)	0.12	0.1	2.2	3	1
Japan	0.07	2.0	2.9	2	2
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	9.87	10.0	3.1	42	-39
Chile	4.38	0.2	-0.3	-12	-13
Colombia	6.44	0.2	5.9	-30	-1
Mexico	7.54	5.7	16.5	3	-3
Peru	4.79	2.1	8.0	28	-8
Poland	3.09	-2.0	0.2	-15	-22
Russia	7.41	3.7	-11.5	28	-22
Turkey	12.25	0.0	-52.0	13	89
India	7.74	2.5	25.3	19	36
Indonesia	6.90	9.8	29.4	11	60
Country risk (bp, change in bp)	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	21	-1.0	-1.5	-3	-8
Italy	116	-2.9	-11.8	-20	-49
Portugal	106	-0.5	-6.3	-12	-43
Spain	68	-1.5	-4.2	9	-40
2-yr sovereign spread vs Germany					
France	8	-0.6	-1.0	5	-8
Italy	25	-2.5	-3.1	-8	-12
Portugal	40	0.3	2.2	-24	-27
Spain	24	-3.0	1.6	-4	-3
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	169	3.1	1	10	8
Chile	49	0.6	1	2	0
Colombia	102	2.7	3	4	-3
Mexico	110	4.0	6	0	3
Peru	72	1.9	0	8	1
Poland	49	0.7	0	1	0
Russia	136	0.6	-6	19	18
Turkey	196	0.5	-4	5	31
China	59	0.2	-1	5	9
India	73	0.1	-1	-1	4
Indonesia	99	1.1	2	-3	14
Risk indicators					
Volatility indicators (change in pp)					
VIX	16	-0.9	-1	-7	6
VSTOXX	13	-0.4	-1	5	0
EM EFT volatility Index	19	-0.5	-2	9	2
DoI/euro volatility	7	0.4	0	0	0
EM FX volatility Index	8	0.1	0	0	0
Credit spread (BAA) (change in bps)	175	-2.6	-2	9	-2
US bonds volatility Index	53	1.6	3	-3	4
Inflation (30-day-ahead, %)					
US inflation expectations (5Y5Y)	2.41	-	-2	-1	9
EZ inflation expectations (5Y5Y)	1.69	-	1	1	-5
Banking Sy CDS (bps) *					
US	54	0.5	0	-1	12
EZ	51	-0.3	-3	-4	12
UK	44	-1.1	-3	-7	3
Large Spanish	44	-0.7	-1	-6	8
Medium Spanish	68	-0.9	-3	-2	-7
Corporate Sy CDS (bps) *					
US Non-financial	156	0.5	0	-1	12
EZ Non-financial	66	-0.3	-3	-4	12
UK Non-financial	103	-0.1	-1	0	10
Interbank markets (% change in bp)					
CONIA Index	0.27	0	0	0	0
Euribor 3m	-0.33	0	0	0	0
Euribor 12m	-0.19	0	0	0	0
Libor 3m	2.26	0	1	9	66
Libor 12m	2.76	0	3	8	65
Stock markets (%)					
Mile indices					
S&P500	2,678	0.3	0.0	1.3	-1
Dow Jones	24,485	0.1	-0.4	2.2	-1
Nikkei	22,068	0.3	1.2	2.3	-3
FTSE 100	7,399	0.4	2.8	6.4	-3
EuroStoxx 50	3,513	0.5	2.1	4.9	1
IBEX	9,932	0.4	1.6	4.6	-2
DAX	12,572	0.3	1.5	3.9	-2
CAC	5,439	0.5	2.4	5.3	3
MIB	23,963	0.6	2.8	7.1	10
ASE Athens	839	-0.7	2.2	6.5	2
MSCI Latam *	91,809	-0.4	0.8	1.4	7
Ibovespa (Brazil)	85,838	0.1	3.4	1.0	10
Merval	48,919	1.0	1.0	3.3	-2
MSCI EM Europe *	5,439	-0.5	1.9	3.5	1
Poland	2,292	-0.3	-0.4	0.8	-7
Micex 10 (Russia)	4,390	0.5	4.4	17.2	6
Ise 100 (Turkey)	110,933	0.0	0.2	5.3	-6
MSCI EM Asia *	929	-1.2	-0.5	-3.3	1
Shanghai Com (China)	3,068	-0.1	-1.4	4.0	-8
Jakarta (Indonesia)	6,308	-0.8	0.6	0.1	-1
Banking sector					
US banks					
JPM	111.6	0.1	1.3	1.5	3
Cit	70.0	-0.1	-0.2	0.5	-6
BofA	30.3	0.3	1.4	0.7	1
MS	53.9	-1.0	1.0	1.3	3
GS	245.7	-0.9	-3.2	-1.1	-2
EZ banks	110.4	1.0	3.0	5.0	1
BNP	69.9	-1.1	3.8	6.3	3
Credit Agricole	13.7	1.0	2.3	2.5	-2
Deutsche Bank	11.7	1.0	0.7	0.3	-27
ING	14.4	1.1	2.3	6.1	4
Intesa	3.2	1.1	3.0	6.1	15
SG	46.0	0.9	3.5	4.3	7
Unicredit	18.1	-0.9	5.1	8.1	16
UK banks	90.7	0.8	2.4	3.9	-2
HSBC	707.2	0.9	5.3	4.3	-8
RBS	275.9	0.6	4.9	6.8	-1
Barclays	216.4	0.4	1.2	4.5	6
Lloyds	66.4	1.1	-1.8	0.6	-2
Large Spanish banks	82.4	0.6	3.0	4.5	-3
Santander	9.6	1.2	3.5	7.0	2
BBVA	6.6	0.1	2.6	2.1	-7
Medium Spanish banks	78.6	0.9	1.4	4.4	2
Cajamar	4.3	1.4	2.4	6.3	2
Sabadell	1.8	1.4	1.7	7.7	5
Bankinter	8.6	0.3	1.6	3.4	9
Banisa	3.7	0.6	0.2	0.9	-9
Currencies (% red for currency depreciation)					
Developed					
EURUSD	1.22	-0.6	-1.3	-0.7	1
GBPUSD	1.40	-0.3	-0.7	-1.0	3
USDJPY	108.61	-0.9	-1.4	-3.2	3
DXY	90.87	0.6	1.6	1.1	-1
Emerging					
USDARS (Argentina)	20.24	-0.2	0.1	0.1	-10
USDBRL (Brazil)	3.45	-1.0	-0.8	-4.0	-6
USDCLP (Chile)	602.35	-1.1	-1.0	0.9	1
USDCOP (Colombia)	2802	1.5	2.8	2.0	-4
USDMXN (Mexico)	18.90	-2.0	-4.9	-1.4	3
USDPEN (Peru)	3.23	-0.4	-0.3	0.1	0
LAK	62.69	-1.3	0.1	1.5	-1
USDRPLN (Poland)	3.44	-1.3	-2.5	-0.2	0
USDRUB (Russia)	61.89	-0.8	-1.2	-8.1	-8
USDTRY (Turkey)	4.11	-0.7	-0.2	-4.3	-9
USDTRY (China)	6.32	-0.3	-0.6	0.3	3
USDINR (India)	66.48	-0.6	-1.5	-2.1	-5
USDIIDR (Indonesia)	13,975	-0.6	-1.4	-1.6	-3
ADXY	110.9	-0.4	-0.8	0.2	1
Commodities (%)					
Brent					
WTX	68	-0.8	2.4	5	12
Copper	311	-0.8	0.5	3	-5
Gold	1323	-0.9	-17.7	0	0
S&P Brent commodity *	474	-0.1	2.0	5	7
S&P Brent Spot *	624	0.3	3.6	7	10
S&P Meth Spot *	402	-0.2	2.1	9	2
S&P Agricultural *	299	-1.1	-0.6	2	5

* With one day delay
Source: Bloomberg, Datastream and Haver

Fuente: BBVA Research

Debt markets (10Y, % changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	2.47	1.5	9.3	1.9	5.5
US	2.99	2.6	16.0	16	5.2
GER (2-yr)	-0.55	1.2	2.8	5	6
Germany	0.54	4.6	11.1	11.1	1.7
France	0.85	3.6	9.6	8	2
Spain	1.31	3.1	6.9	2	-3.8
Italy	1.80	1.7	0.7	9	3.9
Portugal	1.70	4.1	4.8	-6	-3.1
Greece	4.04	-0.8	-1.3	-2.5	-7
Japan (2-yr)	0.12	0.1	2.2	3	1
Japan	0.07	2.0	2.9	2	2
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
Brazil	9.87	10.0	3.1	2.2	-3.9
Chile	4.38	0.2	0.3	-1.2	-1.3
Colombia	6.44	0.2	5.9	-3.0	-1
Mexico	7.54	5.7	16.5	3	-3
Peru	4.79	2.1	8.0	2.8	8
Poland	-3.09	-2.0	0.2	-1.5	-2.2
Russia	7.41	3.7	-11.5	2.8	-2.2
Turkey	12.25	0.0	-52.0	1.3	8.9
India	2.74	2.5	25.1	1.9	1.6
Indonesia	6.90	9.8	29.4	1.1	6.0
Country risk (bp, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	21	-1.0	-1.5	-3	-8
Italy	116	-2.9	-11.8	-20	-4.9
Portugal	106	-0.2	-6.3	-1.7	-4.1
Spain	68	-1.5	-4.2	-9	-4.0
2-yr sovereign spread vs Germany					
France	8	0.6	-1.0	-5	-8
Italy	25	-2.5	-3.1	-8	-1.2
Portugal	40	0.3	2.2	-2.4	-2.7
Spain	24	-3.0	-1.6	4	-2
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
5-yr sovereign CDS *					
Brazil	169	3.1	1	10	9
Chile	49	1.6	1	-2	0
Colombia	102	2.7	3	-4	-3
Mexico	110	4.0	6	0	3
Peru	72	1.8	0	8	1
Poland	49	0.7	0	1	0
Russia	136	0.6	-6	19	1.8
Turkey	196	0.5	-4	5	-2.1
China	59	0.2	-1	-5	9
India	73	0.1	-1	-1	4
Indonesia	69	1.1	2	-3	1.4
Risk indicators					
Volatility indicators (change in bp)	level	Daily	Weekly	Monthly	YTD
VIX	16	-0.9	-1	-7	6
VSTOXX	13	-0.4	-1	-5	0
EM EFT volatility Index	19	-0.5	-2	-9	2
Dollar/euro volatility	7	0.4	0	0	0
EM FX volatility index	8	0.1	0	0	0
Credit spread (BAA) (change in bps)	175	-2.6	-2	-9	-2
US bonds volatility index	53	1.6	3	-3	4
Inflation (and expectations) (%)					
level	Daily	Weekly	Monthly	YTD	
US Inflation expectations (5Y5Y)	2.41	-	-2	-1	0
EZ Inflation expectations (5Y5Y)	1.69	-	1	1	-5
Banking S1 CDS (bps) *					
level	Daily	Weekly	Monthly	YTD	
US	54	0.5	0	-4	1.2
EZ	51	-0.3	-3	-4	1.2
UK	44	-1.1	-3	-7	3
Large Spanish	44	-0.7	-1	-6	8
Medium Spanish	68	-0.9	-3	-2	7
Corporate S1 CDS (bps) *					
level	Daily	Weekly	Monthly	YTD	
US Non-financial	156	0.5	0	-1	1.2
EZ Non-financial	66	-0.3	-3	-4	1.2
UK Non-financial	103	-0.1	-1	0	1.0
Interbank markets (% changes in bp)					
level	Daily	Weekly	Monthly	YTD	
EONIA Index	-0.37	0	0	0	0
Euribor 3m	-0.33	0	0	0	0
Euribor 12m	-0.19	0	0	0	0
Libor 3m	2.36	0	1	9	6.6
Libor 12m	2.76	0	3	8	6.5
Stock markets (%)					
Main indices	level	Daily	Weekly	Monthly	YTD
S&P500	2,678	0.3	0.0	1.3	-1
Dow Jones	24,485	0.1	-0.4	2.2	-1
Nikkei	22,083	-0.3	1.2	2.3	-3
FTSE 100	7,399	0.4	2.8	6.4	-3
EuroStoxx 50	3,513	0.5	2.1	4.9	1
IBEX	9,922	0.4	1.6	4.6	-2
DAX	12,572	0.3	1.5	3.9	-2
CAC	5,439	0.5	2.4	5.3	3
MI8	23,983	0.6	2.8	7.1	1.0
ASE Athens	839	0.7	2.2	6.5	2
MSCI Latam *	91,809	0.4	0.8	1.4	7
Bovespa (Brazil)	85,638	0.1	3.4	1.0	1.0
MOBEX	48,919	1.0	1.0	3.3	2
MSCI EM Europe *	5,439	0.5	1.9	-3.5	1
Poland	2,292	-0.3	-0.4	0.8	-7
Moscú 10 (Russia)	4,390	0.5	4.4	-1.7	6
Ise 100 (Turkey)	110,933	0.0	0.2	-5.3	-6
MSCI EM Asia *	9,29	-1.2	-0.5	-3.3	1
Shanghai Com (China)	3,068	-0.1	1.4	4.0	8
Jakarta (Indonesia)	6,308	-0.8	0.6	-0.1	-1
Banking sector					
level	Daily	Weekly	Monthly	YTD	
US banks					
JPM	111.6	0.1	1.3	1.5	3
Cit	70.0	-0.1	-0.2	-0.5	-6
BoA	30.3	0.3	1.4	-0.7	1
MS	53.9	-1.0	1.0	-1.3	3
GS	249.7	0.9	-3.2	-1.1	-2
EZ banks					
BNP	110.4	1.0	3.0	5.0	1
SP	63.9	1.1	3.8	6.3	3
Credit Agricole	13.7	1.0	2.3	2.5	-2
Deutsche Bank	11.7	1.0	0.7	0.3	-2.7
ING	14.4	1.1	2.3	6.1	6
Intesa	3.2	1.1	3.0	6.1	15
SG	46.0	0.9	3.5	4.3	7
Unicredit	18.1	0.9	5.1	8.1	16
UK banks					
HSBC	70.7	0.9	5.3	4.3	-8
RBS	275.9	0.6	4.9	6.8	-1
Barclays	216.4	0.4	1.2	4.5	6
Lloyds	66.4	1.1	-1.8	0.6	-2
Large Spanish banks					
Santander	82.4	0.6	3.0	4.5	-3
BBVA	5.6	1.2	3.5	7.0	2
Mediana Spanish banks	6.6	0.1	2.6	2.1	-7
Cajabank	78.6	0.9	1.4	4.4	2
Sabadell	4.1	1.4	2.4	6.3	2
Bankia	1.8	1.4	1.7	7.7	5
Bankinter	8.6	0.3	1.6	3.4	9
Banque	3.7	0.6	-0.2	0.9	9
Commodities (% red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	YTD
EURUSD					
GBPUSD	1.22	-0.6	-1.3	-0.7	1
USDJPY	1.40	0.3	2.7	-1.0	3
USDJPY	108.61	-0.9	-1.4	-3.2	3
DX1	90.87	0.6	1.6	-1.1	-1
Emerging					
level	Daily	Weekly	Monthly	YTD	
USDARS (Argentina)					
USDARS	20.24	-0.2	-0.1	-0.1	10
USD BRL (Brazil)					
USD BRL	3.45	-1.0	-0.8	-4.0	-6
USD CLP (Chile)					
USD CLP	602.35	-1.1	-1.0	0.9	1
USD COP (Colombia)					
USD COP	2902	-1.5	-1.8	-2.0	4
USD MXN (Mexico)					
USD MXN	18.90	-2.0	-4.9	-1.4	3
USD PEN (Peru)					
USD PEN	3.23	-0.4	-0.3	0.1	0
LACI	62.69	-1.3	2.1	-1.5	-1
USD PLN (Poland)					
USD PLN	3.44	-1.3	-2.5	-0.2	0
USD RUB (Russia)					
USD RUB	61.89	-0.8	-1.2	-8.1	-8
USD TRY (Turkey)					
USD TRY	4.11	-0.7	-0.2	-4.3	-9
USD CNY (China)					
USD CNY	6.32	-0.3	-0.6	0.3	3
USD INR (India)					
USD INR	66.48	-0.6	-1.5	-2.1	-5
USD IDR (Indonesia)					
USD IDR	13,975	-0.6	-1.4	-1.6	-3
ADX	110.9	-0.4	-0.8	-0.2	1
Commodities (%)					
level	Daily	Weekly	Monthly	YTD	
Brent					
WTX	68	-0.8	2.4	5	12
Copper	3.11	-0.8	0.5	3	-5
Gold	1323	-0.8	-1.7	0	0
S&P Spot commodity *	474	-0.1	2.0	5	7
S&P Brent Spot *	624	0.3	3.6	7	10
S&P Metals Spot *	402	-0.2	2.1	9	2
S&P Agricultural *	299	-1.1	-0.6	2	5

* With one day delay
Source: Bloomberg, Datastream and Haver

Fuente: BBVA Research

Debt markets (10Y, % changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	2.47	1.5	9.5	19	55
US	2.99	2.6	16.0	16	52
GER (2-yr)	0.55	1.2	2.8	5	6
Germany	0.64	4.6	11.1	11	17
France	0.85	3.6	9.6	8	2
Spain	1.31	3.1	6.9	2	-38
Italy	1.80	1.7	-0.7	-9	-39
Portugal	1.70	4.1	4.8	-6	-31
Greece	4.04	-0.8	-1.3	-25	-7
Japan (2-yr)	-0.12	0.1	2.2	3	1
Japan	0.07	2.0	2.9	2	2
Emerging Markets	level	Daily	Weekly	Monthly	YTD
Brazil	9.87	10.0	-3.1	42	-39
Chile	4.38	0.2	-0.3	-12	-13
Colombia	6.44	0.2	5.9	-10	-1
Mexico	7.54	5.7	16.5	3	-3
Peru	4.79	2.1	6.0	28	-8
Poland	3.08	-2.0	0.2	15	-22
Russia	7.41	3.7	-11.5	28	-22
Turkey	12.25	0.0	52.0	13	89
India	7.74	2.5	25.3	19	36
Indonesia	6.90	9.8	29.4	11	60
Country risk (bp, changes in bp)	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	21	-1.0	-1.5	-3	-8
Italy	116	-2.9	-11.8	-20	-49
Portugal	106	-0.5	-6.3	-17	-41
Spain	68	-1.5	-4.2	9	-40
2-yr sovereign spread vs Germany					
France	8	-0.6	-1.0	-5	-8
Italy	25	-2.5	-3.1	-8	-12
Portugal	40	0.3	2.2	-24	-27
Spain	24	-3.0	-1.6	-4	-3
Emerging Markets	level	Daily	Weekly	Monthly	YTD
5-yr sovereign CDS *					
Brazil	169	3.1	1	10	9
Chile	49	1.6	1	2	0
Colombia	102	2.7	3	4	-3
Mexico	110	4.0	6	0	3
Peru	72	1.9	0	8	1
Poland	49	0.7	0	1	0
Russia	136	0.6	-6	19	18
Turkey	196	0.5	-4	5	31
China	59	0.2	-1	-5	9
India	73	0.1	-1	-1	4
Indonesia	99	1.1	2	-3	14
Risk indicators	level	Daily	Weekly	Monthly	YTD
Volatility indicators (change in bp)					
VIX	16	-0.9	-1	-7	6
VSTOXX	13	-0.4	-1	-5	0
EM EFT volatility Index	19	-0.5	-2	-9	2
Dollar/Euro volatility	7	0.4	0	0	0
EM FX volatility Index	8	0.1	0	0	0
Credit spread (BAA) (change in bps)	175	-2.6	-2	-9	-2
US bonds volatility Index	53	1.6	3	-3	4
Inflation expectations (%)					
US Inflation expectations (5Y5Y)	2.41	-	-2	-1	9
EZ Inflation expectations (5Y5Y)	1.69	-	-	-	-
Outlook by CDS (bps) *					
US	54	0.5	0	-1	12
EZ	51	-0.3	-3	-4	12
UK	44	-1.1	-3	-7	3
Large Spanish	44	-0.7	-1	-6	8
Medium Spanish	68	-0.9	-3	-2	7
Corporate by CDS (bps) *					
US Non-financial	156	0.5	0	-1	12
EZ Non-financial	66	-0.3	-3	-4	12
UK Non-financial	103	-0.1	-1	0	10
Interbank markets (% changes in bp)	level	Daily	Weekly	Monthly	YTD
EOIA Index	0.37	0	0	0	0
Euro3m	0.33	0	0	0	0
Farther 12m	-0.19	0	0	0	0
Libor 3m	2.36	0	1	9	66
Libor 12m	2.76	0	3	8	65
Stock markets (%)	level	Daily	Weekly	Monthly	YTD
Major indices					
S&P500	2,678	0.3	0.0	1.3	-1
Dow Jones	24,485	0.1	0.4	2.2	-1
Nikkei	22,088	-0.3	1.2	2.3	-3
FTSE 100	7,399	0.4	2.8	6.4	-3
EuroStoxx 50	3,513	0.5	2.1	4.9	1
IBEX	9,922	0.4	1.6	4.6	-2
DAX	12,572	0.3	1.5	3.9	-2
CAC	5,439	0.5	2.4	5.3	3
MI8	23,983	0.6	2.8	7.1	10
ASE Athens	839	-0.7	2.2	6.5	2
MSCI Latam *	91,809	-0.4	0.8	1.4	7
Ibovespa (Brazil)	85,638	0.1	3.4	1.0	10
Mexbol	48,919	1.0	1.0	3.3	-2
MSCI EM Europe *	5,439	-0.5	1.9	3.5	1
Poland	2,292	-0.3	-0.4	0.8	-7
Mixor 10 (Russia)	4,390	0.5	4.4	-1.7	6
Isr 100 (Turkey)	110,333	0.0	0.2	-5.3	6
MSCI EM Asia *	929	-1.2	-0.5	-3.3	1
Shanghai Com (China)	3,068	-0.1	-1.4	-6.0	-8
Jakarta (Indonesia)	6,308	-0.8	0.6	-0.1	-1
Banking sector					
US banks	141.7	-0.4	-0.1	-0.9	-1
JPM	111.6	0.1	1.3	1.5	3
Cit	70.0	-0.1	-0.2	0.5	6
BofA	30.3	0.3	1.4	-0.7	1
MS	53.9	-1.0	1.0	-1.3	3
GS	249.7	-0.9	-3.2	-1.1	-2
EZ banks	110.4	1.0	3.0	5.0	1
BNP	63.9	1.1	3.8	6.3	3
Credit Agricole	13.7	1.0	-2.3	2.5	-2
Deutsche Bank	11.7	1.0	0.7	0.3	-27
ING	14.4	1.1	2.3	6.1	-6
Intesa	3.2	1.1	3.0	6.1	15
SG	46.0	0.9	3.5	6.3	7
Unifredio	18.1	0.9	5.1	8.1	16
UK banks	90.7	0.8	2.4	3.9	-2
HSC	707.2	0.9	5.3	8.3	-8
RBS	275.9	0.6	4.9	6.8	-1
Barclays	216.4	0.4	1.2	4.5	6
Lloyds	66.4	1.1	-1.8	0.6	-2
Large Spanish banks	82.4	0.6	3.0	4.5	-3
Santander	5.6	1.2	3.5	7.0	2
BBVA	6.6	0.1	2.6	2.1	-7
Median Spanish banks	78.6	0.9	1.4	4.4	2
Cabobank	4.1	1.4	2.4	6.3	2
Sabadell	1.8	1.4	1.7	7.7	5
Bankinter	8.6	0.3	1.6	3.4	9
Banque	3.7	0.6	-0.2	0.9	-9
Currencies (% net for currency appreciation)	level	Daily	Weekly	Monthly	YTD
Developed					
EURUSD	1.22	-0.6	-1.3	-0.7	1
GBPUSD	1.40	-0.3	-2.7	-1.0	3
USDJPY	108.61	-0.9	-1.4	3.2	3
DXF	90.87	0.6	1.6	1.1	-1
Emerging					
USDARS (Argentina)	20.24	-0.2	-0.1	-0.1	-10
USDZAR (Brazil)	3.45	-1.0	0.8	-4.0	-6
USDCLP (Chile)	602.35	-1.1	-1.0	0.9	1
USDCOP (Colombia)	2802	-1.5	-2.8	2.0	4
USDMXN (Mexico)	18.90	-2.0	-4.9	-1.4	3
USDPEN (Peru)	3.23	-0.4	-0.3	0.1	0
LACI	62.69	-1.3	-2.1	-1.5	-1
USDPLN (Poland)	3.44	-1.3	-2.5	0.2	0
USD RUB (Russia)	61.89	-0.8	-1.2	-8.1	-8
USDTRY (Turkey)	4.11	-0.7	-0.2	-4.3	-9
USDCNY (China)	6.32	-0.3	0.6	0.3	3
USDINR (India)	66.48	-0.6	-1.5	-2.1	-5
USDIDR (Indonesia)	13,975	-0.6	-1.4	-1.6	-3
ADXY	110.8	-0.4	-0.8	0.2	1
Commodities (%)	level	Daily	Weekly	Monthly	YTD
Brent	73.9	-0.3	-2.4	7	11
WTI	68	-0.8	2.4	5	12
Copper	311	-0.8	0.5	3	-5
Gold	1,323	-0.9	-1.7	0	0
S&P Spot commodity *	474	-0.1	2.0	5	7
S&P Brent Spot *	624	0.3	3.6	7	10
S&P Metals Spot *	402	-0.2	2.1	9	2
S&P Agricultural *	299	-1.1	-0.6	2	5

* With one day delay
Source: Bloomberg, Datastream and Haver

Fuente: BBVA Research

This document and the information, opinions, estimates and recommendations expressed herein, have been prepared by Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter called "BBVA") to provide its customers with general information regarding the date of issue of the report and are subject to changes without prior notice. BBVA is not liable for giving notice of such changes or for updating the contents hereof.

This document and its contents do not constitute an offer, invitation or solicitation to purchase or subscribe to any securities or other instruments, or to undertake or divest investments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

Investors who have access to this document should be aware that the securities, instruments or investments to which it refers may not be appropriate for them due to their specific investment goals, financial positions or risk profiles, as these have not been taken into account to prepare this report. Therefore, investors should make their own investment decisions considering the said circumstances and obtaining such specialized advice as may be necessary. The contents of this document are based upon information available to the public that has been obtained from sources considered to be reliable. However, such information has not been independently verified by BBVA and therefore no warranty, either express or implicit, is given regarding its accuracy, integrity or correctness. BBVA accepts no liability of any type for any direct or indirect losses arising from the use of the document or its contents. Investors should note that the past performance of securities or instruments or the historical results of investments do not guarantee future performance.

The market prices of securities or instruments or the results of investments could fluctuate against the interests of investors. Investors should be aware that they could even face a loss of their investment. Transactions in futures, options and securities or high-yield securities can involve high risks and are not appropriate for every investor. Indeed, in the case of some investments, the potential losses may exceed the amount of investment and, in such circumstances; investors may be required to pay more money to support those losses. Thus, before undertaking any transaction with these instruments, investors should be aware of their operation, as well as the rights, liabilities and risks implied by the same and the underlying stocks. Investors should also be aware that secondary markets for the said instruments may be limited or even not exist.

BBVA or any of its affiliates, as well as their respective executives and employees, may have a position in any of the securities or instruments referred to, directly or indirectly, in this document, or in any other related thereto; they may trade for their own account or for third-party account in those securities, provide consulting or other services to the issuer of the aforementioned securities or instruments or to companies related thereto or to their shareholders, executives or employees, or may have interests or perform transactions in those securities or instruments or related investments before or after the publication of this report, to the extent permitted by the applicable law.

BBVA or any of its affiliates' salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to its clients that reflect opinions that are contrary to the opinions expressed herein. Furthermore, BBVA or any of its affiliates' proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. No part of this document may be (i) copied, photocopied or duplicated by any other form or means (ii) redistributed or (iii) quoted, without the prior written consent of BBVA. No part of this report may be copied, conveyed, distributed or furnished to any person or entity in any country (or persons or entities in the same) in which its distribution is prohibited by law. Failure to comply with these restrictions may breach the laws of the relevant jurisdiction.

In the United Kingdom, this document is directed only at persons who (i) have professional experience in matters relating to investments falling within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (as amended, the "financial promotion order"), (ii) are persons falling within article 49(2) (a) to (d) ("high net worth companies, unincorporated associations, etc.") Of the financial promotion order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the financial services and markets act 2000) may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The remuneration system concerning the analyst/s author/s of this report is based on multiple criteria, including the revenues obtained by BBVA and, indirectly, the results of BBVA Group in the fiscal year, which, in turn, include the results generated by the investment banking business; nevertheless, they do not receive any remuneration based on revenues from any specific transaction in investment banking.

BBVA is not a member of the FINRA and is not subject to the rules of disclosure affecting such members.

"BBVA is subject to the BBVA Group Code of Conduct for Security Market Operations which, among other regulations, includes rules to prevent and avoid conflicts of interests with the ratings given, including information barriers. The BBVA Group Code of Conduct for Security Market Operations is available for reference at the following web site: www.bbva.com / Corporate Governance".

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.

Fuente: BBVA Research

Fuente: BBVA Research