

# Market Comment | Steady markets with US markets closed for holiday

Global Financial Markets Unit  
04 Jul 2018

- **Financial markets remained steady, favoured by the PBoC's commitment to keeping the renminbi stable (see) in a low volume trading session as US markets were closed for the Independence Day holiday.**
- European bond markets did not present any significant changes either in the 10Y Bund or in peripheral yields, despite **the release of slightly better-than-expected confidence data (PMI) for June (see)**. Equity markets showed a mixed performance in Europe, with a slight outperformance by peripheral equity indices (Ibex), while the euro traded flat.
- On another front, **Asian equities still underperformed across the board**, following yesterday's decline in US equity markets. The approach of the deadline set for the implementation of US tariffs on Chinese imports weighed (see).
- Nonetheless, **the renminbi curbed its depreciation trend (for the time being)** following fresh news from Chinese authorities, while other EM currencies remained almost unchanged, favoured by a steady USD and steady oil prices.

Table 1

Update 18:00 CET July 04

Debt markets (10Y, % change in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US 10Y	2.52	0.0	2.0	1	61
US	2.83	0.0	0.5	11	37
GER (2-yr)	-0.66	1.2	1.1	4	5
Germany	0.31	1.1	-1.6	-11	-16
France	0.65	0.7	-6.9	-8	-18
Spain	1.30	0.7	5.6	3	32
Italy	2.65	1.8	-15.5	12	56
Portugal	1.76	2.1	9.2	1	25
Greece	3.97	1.7	-8.1	-50	-14
Japan (2-yr)	-0.13	0.0	0.1	1	1
Japan	0.03	-1.0	2.2	-2	-2
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
Brazil	11.28	-15.7	-43.6	-17	102
Chile	4.60	-3.8	1.8	2	9
Colombia	6.54	-2.0	-5.1	-7	9
Mexico	7.61	-1.2	9.4	24	3
Peru	5.25	-0.3	-3.0	-13	38
Poland	3.24	-4.7	3.4	3	7
Russia	7.84	0.7	-2.9	37	20
Turkey	16.93	24.0	96.0	259	557
India	7.65	-3.1	2.0	2	47
Indonesia	7.74	-10.3	-4.7	73	144
Country risk (bp, changes in bp)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
10-yr sovereign spread vs Germany					
France	34	-0.4	-5.3	3	5
Italy	235	0.7	-13.9	23	72
Portugal	145	1.0	-7.6	11	-9
Spain	99	-0.4	-4.0	8	-15
2-yr sovereign spread vs Germany					
France	19	-0.1	-3.6	7	3
Italy	134	-0.5	-23.2	-4	97
Portugal	54	-1.6	2.5	20	14
Spain	41	-0.9	-4.3	-1	14
Emerging Markets					
1-yr sovereign CDS *					
Brazil	263	-9.6	4	26	102
Chile	62	-1.2	5	5	13
Colombia	115	-3.5	7	7	10
Argentina	441	-16.5	32	57	202
Mexico	130	-9.3	-2	-7	23
Peru	90	0.0	4	-3	18
Poland	62	-3.0	5	-4	14
Russia	140	-3.8	3	5	22
Turkey	298	-0.3	-7	18	133
China	69	2.8	6	12	18
Indonesia	102	1.0	11	11	33
India	135	5.0	2	14	51
Risk indicators					
Volatility indicators (change in ppt)					
level	Daily	Weekly	Monthly	YTD	
VIX	16	0.0	-2	3	6
VSTOXX	16	-0.2	-1	2	3
EM EFT volatility Index	22	0.0	-1	5	5
Dollar/Euro volatility	7	-0.1	0	0	1
EM FX volatility index	10	0.2	0	1	2
Credit spread (BAA) (change in bp)	201	0.0	2	13	23
US bonds volatility index	51	1.0	-2	-3	2
Inflation expectations (%)					
level	Daily	Weekly	Monthly	YTD	
US Inflation expectations (5Y5Y)	2.45	-	3	1	13
EZ Inflation expectations (5Y5Y)	1.73	-	0	-1	-1
Outlook (FCC) (ppt)					
level	Daily	Weekly	Monthly	YTD	
US	57	-1.1	0	-2	14
EZ	97	-3.2	-3	8	57
UK	62	-0.7	4	14	21
Large Spanish	95	-5.7	-3	9	60
Medium Spanish	97	0.4	2	1	22
Commodity (10Y CDS) (ppt)					
level	Daily	Weekly	Monthly	YTD	
US Non-financial	163	-1.1	0	-2	14
EZ Non-financial	84	-3.2	-3	8	57
UK Non-financial	110	-1.0	0	3	17
Interbank markets (% change in bp)					
level	Daily	Weekly	Monthly	YTD	
LIBOR Index	-0.36	0	0	0	1
Eurobor 3m	-0.32	0	0	0	1
Earlibor 12m	-0.18	0	0	0	1
Libor 3m	2.34	-1	0	2	64
Libor 12m	2.77	0	0	5	67
Stock markets (%)					
level	Daily	Weekly	Monthly	YTD	
Main indices					
S&P500	2,713	0.0	0.5	-1.2	1
Dow Jones	24,175	0.0	0.2	-2.6	-3
Nikkei	21,717	-0.3	2.5	3.4	5
FTSE 100	7,573	-0.3	0.6	-2.2	-1
Euro Stoxx 50	3,412	0.2	0.4	-1.7	-2
IBEX	9,758	1.0	1.0	0.1	-3
DAX	12,318	-0.3	0.3	3.5	4
CAC	5,221	-0.1	0.1	-2.8	1
NIB	21,697	0.4	0.6	1.5	-1
ASE Athens	744	-0.2	-3.1	-4.4	-9
MSCI Latam *	82,359	0.7	1.7	2.1	4
Bovespa (Brazil)	73,847	0.2	4.6	6.0	5
Merck (Mexico)	47,211	0.3	0.7	4.3	6
Merck (Argentina)	27,092	0.8	4.5	6.7	-13
MSCI EM Europe *	5,298	-0.1	2.5	0.6	-2
Poland	2,183	1.0	1.8	-1.2	-11
Index 10 (Russia)	4,484	0.1	1.6	0.1	9
Isse 100 (Turkey)	97,230	0.7	1.3	2.0	-17
MSCI EM Asia	878	-0.6	-1.5	5.6	5
Shanghai Com (China)	2,399	-1.0	1.8	10.7	-18
Jakarta Indonesia	5,734	-0.2	1.6	-4.2	-10
Financial sector					
level	Daily	Weekly	Monthly	YTD	
US banks					
JPM	126.1	0.0	5.7	-10.3	-14
Cit	103.6	0.0	0.4	-4.5	-4
Ch	66.1	0.0	0.9	-1.9	-11
BaK	27.8	0.0	1.6	5.5	-7
MS	47.0	0.0	-0.4	-8.8	-10
GS	220.4	0.0	0.1	-4.1	-14
EZ banks					
BBK	90.4	0.2	1.4	3.3	-17
BNP	53.2	0.0	0.7	-1.6	-14
Credit Agricole	11.4	-0.3	-1.0	-6.3	-18
Deutsche Bank	6.3	0.5	3.0	2.2	-42
ING	12.4	0.3	-0.2	-4.4	-19
Intesa	2.5	0.5	3.7	2.5	8
SC	36.3	0.2	1.2	3.8	-16
Unicredit	14.6	-0.2	5.5	0.5	-7
UK banks					
HSBC	84.2	0.0	-1.0	-6.3	-9
RBS	69.0	-0.2	1.6	-4.4	-9
RBS	250.4	0.5	-1.7	-10.9	-10
Barclays	185.8	0.0	-3.2	9.2	-9
Lloyds	62.3	0.5	0.7	2.0	-8
Large Spanish banks					
Santander	72.8	1.3	2.1	0.6	14
Banco	4.6	0.7	1.4	-2.7	-15
BBVA	6.1	1.8	2.8	1.3	13
Medium Spanish banks					
Cajabank	72.1	1.7	3.1	0.3	6
Cajabank	3.8	-2.3	5.4	1.9	5
Sabadell	1.4	1.4	2.8	-2.3	-14
Bankinter	8.5	1.7	2.0	1.6	7
Banica	3.3	1.7	1.5	-1.3	-19
Commodities (% change in currency deposit)					
Developed	level	Daily	Weekly	Monthly	YTD
EURUSD	1,164	-0.1	0.8	0.5	-3
GBPUSD	1,32	0.2	0.8	0.7	-3
USDJPY	110.51	0.1	-0.2	0.6	2
DXY	94.65	-0.1	-0.7	0.6	3
Emerging					
level	Daily	Weekly	Monthly	YTD	
USDARS (Argentina)	27.95	0.0	-1.9	-11.9	-52
USDBRL (Brazil)	3.90	-0.1	-1.1	-4.2	-20
USDCJP (China)	654.70	-0.7	1.4	3.7	8
USDCOP (Colombia)	2906	0.1	1.4	1.4	1
USDMXN (Mexico)	19.44	0.1	3.7	3.1	1
USDREN (Peru)	3.29	-0.1	0.6	0.7	-2
LACI	56.95	0.2	0.7	1.8	-10
USDPRN (Poland)	3.77	0.1	0.1	3.1	9
USDRI (Russia)	63.28	-0.2	0.2	2.8	-10
USDTRY (Turkey)	4.67	0.0	1.0	-1.7	-24
USDCHY (China)	6.63	-0.2	0.4	3.5	-2
USDIBR (India)	68.74	-0.2	0.2	2.4	8
USDIDR (Indonesia)	14,363	0.2	-1.3	3.5	6
ADXY	106.9	0.1	-0.1	-2.8	-3
Commodities (%)					
level	Daily	Weekly	Monthly	YTD	
Brent	76.0	0.5	0.5	4	17
WTI	74	0.0	1.8	1.5	23
Copper	2.84	-2.2	-4.9	9	-13
Gold	1256	0.3	0.3	3	8
S&P Spot commodity *	481	0.3	0.0	2	9
S&P Brent Spot *	662	0.6	0.4	3	17
S&P Metals Spot *	361	-0.7	-3.5	9	8
S&P Agricultural *	279	0.7	-2.0	8	-2

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

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Fuente: BBVA Research

Debt markets (10Y, %, changes in bps)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
US (2-yr)	2.52	0.0	2.0	1	61
US	2.83	0.0	0.5	-11	37
GER (2-yr)	-0.66	1.2	1.1	4	5
Germany	0.31	1.1	1.6	-11	-16
France	0.65	0.7	6.9	8	-18
Spain	1.30	0.7	9.6	3	-32
Italy	2.65	1.8	-15.5	12	56
Portugal	1.76	2.1	-9.2	-1	-25
Greece	3.97	1.7	8.1	-9	-14
Japan (2-yr)	0.13	0.0	0.1	1	1
Japan	0.63	-1.0	2.2	-2	-2
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
Brazil	11.28	-15.7	-63.6	-17	102
Chile	4.60	-0.8	1.8	2	9
Colombia	6.54	-2.0	-5.1	-7	9
Mexico	7.61	-1.2	-9.4	-24	3
Peru	5.25	-0.3	-3.0	-13	35
Poland	3.24	-4.7	3.4	3	-7
Russia	7.84	-0.7	-2.8	37	20
Turkey	16.93	24.0	96.0	259	557
India	7.85	-3.1	-2.0	-2	47
Indonesia	7.74	-0.3	-4.7	73	144
Country risk (bp, changes in bps)					
Developed Markets	level	Daily	Weekly	Monthly	YTD
<b>10-yr sovereign spread vs Germany</b>					
France	34	-0.4	-5.3	3	5
Italy	235	0.7	-13.9	23	72
Portugal	145	1.0	-7.6	11	-9
Spain	99	0.4	-4.0	8	-15
<b>2-yr sovereign spread vs Germany</b>					
France	19	-0.1	-3.6	7	3
Italy	134	-0.5	-21.2	-4	97
Portugal	54	-1.6	-2.5	-20	-14
Spain	41	-0.9	-4.3	-1	14
Emerging Markets					
level	Daily	Weekly	Monthly	YTD	
<b>5-yr sovereign CDS *</b>					
Brazil	263	-9.6	4	26	102
Chile	62	-1.2	5	5	13
Colombia	115	-8.5	-7	-7	10
Argentina	441	-16.5	32	57	202
Mexico	180	-6.3	-2	-7	23
Peru	90	0.0	4	-3	18
Poland	62	-3.0	5	-4	14
Russia	140	-3.8	-3	5	22
Turkey	298	-0.3	-7	18	133
China	69	-2.8	6	12	18
India	102	1.0	11	11	33
Indonesia	136	-5.0	-2	14	51
Risk indicators					
Volatility indicators (change in bps)	level	Daily	Weekly	Monthly	YTD
VIX	16	0.0	2	4	6
VSTOXX	16	-0.2	-1	2	3
EM EFT volatility index	22	0.0	1	5	5
Diversifiers volatility	7	-0.1	0	0	1
EM FX volatility index	10	-0.2	0	1	2
Credit spread (BAA) (change in bps)	201	0.0	2	13	23
US bonds volatility index	51	1.0	-2	-3	7
Inflation expectations (%)					
level	Daily	Weekly	Monthly	YTD	
US Inflation expectations (5Y5Y)	2.45	-	3	1	13
EZ Inflation expectations (5Y5Y)	1.73	-	0	-1	-1
Bonding 5-yr CDS (bps)					
level	Daily	Weekly	Monthly	YTD	
US	57	-1.1	0	-2	14
EZ	97	-3.2	-3	8	57
UK	62	-0.7	4	14	21
Large Spanish	95	-5.7	-3	9	60
Medium Spanish	97	0.4	2	1	22
Government 5-yr CDS (bps) *					
level	Daily	Weekly	Monthly	YTD	
US Non-financial	163	-1.1	0	-2	14
EZ Non-financial	84	-3.2	-3	8	57
UK Non-financial	110	-1.0	0	3	17
Interbank markets (% change in bps)					
level	Daily	Weekly	Monthly	YTD	
EURIBOR Index	-0.36	0	0	-1	1
EURibor 3m	-0.32	0	0	0	1
EURibor 12m	-0.18	0	0	0	1
Libor 3m	2.34	-1	0	2	64
Libor 12m	2.77	0	0	5	67
Stock markets (%)					
Index	level	Daily	Weekly	Monthly	YTD
S&P500	2,713	0.0	0.5	-1.2	1
Dow Jones	24,175	0.0	0.2	-2.6	-3
Nikkei	21,717	-0.3	2.5	3.4	5
FTSE 100	7,573	-0.3	0.6	-2.2	-1
EuroStoxx 50	3,412	0.2	0.4	-1.7	-2
IBEX	9,758	1.0	1.0	0.1	-3
DAX	12,318	-0.3	0.3	3.5	-4
CAC	5,321	0.1	0.1	2.8	1
MI	21,607	-0.4	0.6	-1.5	-1
ASE Athens	744	-0.2	-3.1	-4.4	-9
MSCI Latam *	82,359	0.7	1.7	2.1	-4
Bovespa (Brazil)	73,847	0.2	0.9	6.0	5
Mexcel (Mexico)	47,211	0.3	0.9	4.3	6
Merval (Argentina)	27,092	0.0	4.5	6.7	-13
MSCI EM Europe *	5,296	-0.1	2.5	0.6	-2
Poland	2,183	1.0	1.8	-1.2	-11
Moon 10 (Russia)	4,484	0.1	1.6	0.1	9
Ru 100 (Turkey)	97,230	0.7	1.3	2.8	-17
MSCI EM Asia *	879	-0.6	-1.5	5.6	-5
Shanghai Com (China)	2,759	-1.0	-1.9	-10.7	-18
Jakarta Indonesia	5,734	-0.2	-1.6	-4.2	-10
US banks					
level	Daily	Weekly	Monthly	YTD	
JPM	128.1	0.0	-5.7	-10.3	-14
Cit	103.6	0.0	0.4	-4.5	-4
Ch	66.1	0.0	0.9	-1.9	-11
BoA	27.8	0.0	-1.6	-5.5	-7
MS	47.0	0.0	-0.4	8.8	-10
GS	220.4	0.0	0.1	-4.1	-14
EZ banks	90.4	0.2	1.4	-3.3	-17
BNP	53.2	0.0	0.7	1.6	-14
Credit Agricole	11.4	-0.3	-1.0	-6.3	-16
Deutsche Bank	9.3	0.9	3.0	2.2	-42
ING	12.4	0.3	-0.2	-4.4	-19
Intesa	2.8	0.5	3.7	2.5	6
SG	36.3	0.2	1.2	-3.9	-16
Unicredit	14.6	-0.2	5.5	0.5	-7
UK banks	84.2	0.0	-1.0	-6.3	-9
HSBC	699.0	-0.7	-1.6	-4.4	-9
RBS	250.4	0.5	-1.7	-10.9	-10
Barclays	185.8	0.0	-1.2	9.2	-9
Lloyds	62.3	0.5	0.7	-2.0	-8
Large Spanish banks	72.8	1.3	2.1	0.6	-14
Santander	4.6	0.7	1.4	2.7	-15
BBVA	6.1	1.9	2.8	1.3	-13
Medium Spanish banks	72.1	1.7	3.1	0.3	-6
Casabank	3.8	2.3	6.4	1.8	5
Sabadell	1.4	1.4	2.8	-2.3	-14
Bankinter	8.5	1.7	2.0	1.6	7
Banisa	2.3	-1.7	1.5	-1.3	-19
Commodities (% red for currency depreciation)					
Developed	level	Daily	Weekly	Monthly	YTD
<b>EURUSD</b>					
EURUSD	1,164	-0.1	0.8	0.5	-3
GBPUSD	1,132	0.2	0.8	0.2	-3
USDJPY	110.51	0.1	-0.2	0.6	2
DX	94.65	0.1	0.7	0.6	3
Emerging					
level	Daily	Weekly	Monthly	YTD	
USDARS (Argentina)	27.95	0.0	-1.9	-11.9	-52
USDARS (Brazil)	3.90	-0.1	-1.1	-4.2	-20
USDCPC (Chile)	654.70	-0.7	-1.4	3.7	8
USDCOP (Colombia)	2906	0.1	1.4	-1.4	1
USDMXN (Mexico)	19.44	0.1	3.7	3.1	1
USDPEN (Peru)	3.29	-0.1	0.6	0.3	-2
LACI	56.95	0.2	0.7	-1.8	-10
USDPLN (Poland)	3.77	0.1	0.1	3.1	-9
USDROB (Russia)	63.28	-0.2	-0.2	-2.0	-10
USDTRY (Turkey)	4.67	0.0	-1.0	-1.7	-24
USDCHF (China)	6.63	0.2	0.4	3.5	-2
USDINR (India)	68.74	-0.2	0.2	2.4	8
USDIDR (Indonesia)	14,363	0.2	-1.3	-3.5	-6
ADXX	106.9	0.1	-0.1	-2.8	-3
Commodities (%)					
level	Daily	Weekly	Monthly	YTD	
Brent	78.0	0.3	0.5	4	17
WTX	74	0.0	1.9	1.5	23
Copper	284	-2.2	-4.9	-9	-13
Gold	1256	0.3	0.3	-3	-5
S&P Spot commodity *	461	0.3	0.0	2	9
S&P Brent Spot *	662	0.6	0.4	3	17
S&P Metals Spot *	361	-0.7	-3.5	-9	-8
S&P Agricultural *	279	0.7	-2.0	8	-2

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

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Fuente: BBVA Research

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