Market Comment | Global markets tumble on weak Chinese data

Global Financial Markets Unit
01 Sep 2015

- **Weaker August PMIs point to China's growth woes.** China's official PMI (released by NBS today) fell below the 50.0 watershed level to 49.7 in August, in line with the market expectation (consensus: 49.7 vs. previous: 50.0) The August reading of the official PMI has registered its lowest level since 2012, indicating that the economy is mired in contractionary territory. Manufacturing activities have not shown any recovery sign yet, despite the authorities' increased efforts of monetary easing. (see)

- **Disappointing US manufacturing data.** ISM manufacturing in August dropped more than estimates (by 1.6 points to 51.1; consensus: 52.5), whereas ISM prices paid decreased in line with estimates (by 5.0 points to 39.0; consensus: 39.0). Meanwhile, Markit's US manufacturing PMI in August rose unexpectedly (by 0.1 points to 53.0; consensus: 52.9). On the other hand, construction spending in July rose by 0.7%, more than expected (consensus: 0.6%).

- **Mixed economic data in Europe**. Markit's eurozone manufacturing PMI in August dropped against estimates of remaining unchanged (by 0.1 points to 52.3; consensus: 52.4). By country, the German Markit manufacturing PMI increased against an expectation of remaining unchanged (by 0.1 points to 53.3; BBVAe and consensus: 53.2), whereas in France it diminished, surprising estimate (by 0.3 points to 48.3; BBVAe and consensus: 48.6). The Italian Markit manufacturing PMI dropped by 1.5 points to 53.8, more than estimated (consensus: 55.0), while the Spanish figure also dropped unexpectedly (by 0.4 points to 53.2; consensus:53.6). The eurozone's unemployment rate rose in July less than estimated (by 10.9%; BBVAe and consensus: 11.1%). The German figure for change was a larger fall than estimated (to -7K from 9K; consensus: -4K), and unemployment claims rate rose in line with estimates (by 6.4%; consensus: 6.4%). Meanwhile, Italian GDP WDA in 2Q15 rose more than estimated (by 0.3% QoQ and 0.7% YoY; consensus: 0.2% MoM and 0.5% YoY).

- **Lagarde sees weaker than expected global economic growth.** The head of the IMF, Christine Lagarde, said that: "Overall, we expect global growth to remain moderate and likely weaker than we anticipated last July." She also warned about the impact on emerging economies of China's slowdown and the intention of a US interest rate hike. The IMF in July forecast global growth at 3.3% this year, slightly below last year's 3.4%, due to a slower recovery in advanced economies and a further slowdown in emerging nations.

- **Global markets tumble on weak Chinese data**. Asian stock markets closed in the red after the China PMI data, led by Tokyo. The Nikkei was -3.8 % and the Shanghai and the Shenzhen fell 1.2% and 4.6% respectively. Dragged by Asian equities and also helped down by weak European economic data, major European indices traded lower across the board (Euro Stoxx: -2.8%, CAC:-2.8%, Ibex-35:-2.9%). On bond markets, safe-haven flows are pushing US treasury yields down (US 10Y: -4bp) and European core yields also dropped after yesterday's rebound by the bund (GER 10Y: -0.9bp, UK 10Y: -2.6bp). In the periphery, yields are rising with the exception of Greece, where they are falling (SPA 10Y: +3bp, ITA 10Y: +3bp, POR 10Y: +7bp, GRE 10Y: -10bp). On FX markets, concerns about the Chinese economic outlook encouraged a movement to safe havens among the developed currencies, and JPY (+1.1%) and EUR (+0.4%) both appreciated against the USD. Because of the global uncertainty, commodity prices dropped again, led by oil, which fell 6.0% to USD 50.88/bbl, and copper was also down, by -1.3%. Thus some EM currencies, especially those linked to commodity prices, were the worst performers today (RUB: -3.5%, BRL: -1.4%, COP: -1.5%).

ECB Thursday meeting

- **At its 3 September meeting, we expect no change to the ECB's monetary policy stance, but the central bank it is likely to reiterate its commitment to the full implementation of its measures and its readiness to do more, if needed.**

- Economic indicators over the last month suggest the continuation of steady but moderate growth in 3Q15, while the inflation rate remained stable despite the drop in oil prices. Regarding growth, the PMIs suggest that activity has regained strength in August, pointing to GDP growth of around 0.4% QoQ. Incorporating the preliminary GDP estimate for the 2Q15 of a slight slowdown of the quarterly growth, to 0.3% QoQ after 0.4% QoQ in 1Q15, we maintain our projection of 1.5% growth in 2015, with a risk to the downside linked to the slowdown in China and the lower than expected depreciation of the euro. Regarding inflation, despite the drop in energy prices, inflation in August did not slow down and surprised slightly upwards by remaining at 0.2% YoY. This was mainly due to higher prices of fresh food and non-energy industrial goods - partly reflecting the pass-through of the euro weakening over the last year - that offset the deceleration in energy prices. In this context, medium- to long-term inflation expectations (measured by the 5Y5Y swaps), fell back to near 1.6% in parallel with the fall in the oil price, although they have recovered to levels close to 1.75% after the inflation data for August were published. Regarding the staff forecasts for this month, although the inflation performance was in line with June's assessment, inflation projections are likely to be revised slightly down in 2015 and somewhat more in 2016 (from 0.3% and 1.5% respectively), driven by weaker oil future prices and a stronger euro than was incorporated three months ago. On economic growth, we expect minor revisions, if any, as the ECB expects non-standard measures to support activity, mainly domestic demand - with robust signs in Germany and the periphery - which could offset lower global demand. Nevertheless, downside risks are likely to be highlighted with more emphasis than in previous meetings.

- Regarding the EAPP (expanded asset purchase programme), the ECB will probably provide an assessment on how the programme is working. Since 9 March, when the ECB also started buying sovereign bonds, the ECB had purchased a total of EUR289.5bn of bonds issued by Euro area governments until 28 August, and some EUR64.4bn of private sector debt (since March), achieving and surpassing for several months the ECB's EUR60bn monthly target of debt purchases (In August the central bank probably will not achieve the monthly target as it is typically a month with lower issuances, and therefore greater volatility). The ECB members have continued to underline that the PSPP is flexible enough to be adapted if needed. In particular, the Executive Board member Peter Praet emphasised that the recent developments in the world economy and commodity prices have increased the downside risks for prices, paving the way for the possibility of adjusting the programme if inflation advances slower than expected for the bank's goal of lifting inflation. However, we consider that it is too early to see any signal from the ECB on this front.

Table1

(Current level and changes at daily, weekly, monthly and annual frequencies)

Debt markets *(changes in bp)*

Developed Markets
US 2-yr 0,72 (-2) (12) (6) (5)
US 5-yr 1,5 (-5) (8) (-3) (-15)
US 10-yr 2,18 (-4) (11) (0) (1)

Japan 10-yr 0,36 (-2) (-2) (-5) (3)

GER 2-yr -0,21 (-1) (3) (2) (-11)
GER 5-yr 0,14 (1) (5) (9) (12)
GER 10-yr 0,8 (0) (7) (15) (26)

Belgium 10-yr 1,15 (0) (2) (20) (31)
France 10-yr 1,15 (0) (3) (22) (33)
Greece 10-yr 9,21 (-10) (-27) (-282) (-53)
Ireland 10-yr 1,46 (-1) (4) (25)
Italy 10-yr 1,99 (3) (1) (22) (10)
Netherlands 10-yr 1 (1) (5) (18) (32)
Portugal 10-yr 2,72 (7) (0) (33) (3)
Spain 10-yr 2,14 (3) (4) (30) (53)

Emerging Markets
Brazil 10-yr 14,29 (2) (8) (132) (192)
Chile 10-yr 4,5 (0) (-2) (5) (51)
Colombia 10-yr 8,2 (4) (4) (107) (110)
Mexico 10-yr 6,05 (0) (-2) (2) (22)
Peru 10-yr 7,39 (2) (14) (60) (194)

Poland 10-yr 3,01 (5) (3) (8) (49)
Russia 5-yr 11,76 (-7) (-16) (89) (-244)
Russia 10-yr 11,48 (-7) (-14) (84) (-152)
Turkey 10-yr 9,97 (4) (-4) (63) (210)

India 10-yr 7,75 (-3) (-6) (-5) (-13)
Indonesia 10-yr 8,81 (4) (-18) (25) (99)

Country risk *(changes in bp)*

Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 35 (0) (-5) (5) (6)
France 36 (0) (-4) (6) (7)
Greece 842 (-10) (-34) (-297) (-79)
Ireland 66 (-1) (-2) (10) (-5)
Italy 119 (3) (-6) (7) (-16)
Netherlands 20 (1) (-1,4) (3) (6)
Portugal 193 (7) (-7,1) (18) (-22)
Spain 134 (3) (-3) (14) (27)

5-yr sovereign spreads *(against Germany)*
Belgium 16 (0) (-1,7) (3) (1)
France 15 (-1) (-2) (2) (-2)
Greece 1589 (-1) (-5) (-9) (456)
Ireland 30 (-1) (-4) (3) (-10)
Italy 81 (2) (-7) (7) (-13)
Netherlands 5 (0) (-1) (1) (-3)
Portugal 128 (7) (-4) (11) (-16)
Spain 93 (1) (-5) (7) (6)

2-yr sovereign spreads *(against Germany)*
Belgium 7 (-1) (-1) (1) (1)
France 6 (0) (-2,7) (1) (0)
Ireland 18 (-4) (-5) (-1) (7)
Italy 41 (1) (-2) (8) (-23)
Netherlands 2 (0) (-2) (-1) (-5)
Portugal 61 (2) (-9) (0) (10)
Spain 38 (1) (-4) (2) (-12)

5-yr sovereign CDS
5-yr CDS Belgium 39 (1) (-2) (2) (-9)
5-yr CDS France 34 (1) (-1) (2) (-13)
5-yr CDS Germany 14 (0) (0) (0) (-4)
5-yr CDS Greece 1576 (0) (-26) (-480) (295)
5-yr CDS Ireland 54 (1) (-1) (1) (3)
5-yr CDS Italy 115 (0) (-12) (10) (-21)
5-yr CDS Netherlands 17 (0) (0) (0) (-4)
5-yr CDS Portugal 173 (0) (-13) (18) (-27)
5-yr CDS Spain 100 (0) (-10) (15) (5)
5-yr CDS UK 19 (0) (0) (0) (-3)
5-yr CDS US 17 (0) (0) (-1) (0)

Emerging Markets
5-yr sovereign CDS
5-yr CDS Brazil 345 (15) (-13) (63) (146)
5-yr CDS Chile 119 (1) (-16) (20) (25)
5-yr CDS Colombia 216 (3) (-22) (38) (76)
5-yr CDS Mexico 145 (3) (-17) (13) (42)
5-yr CDS Peru 172 (3) (-20) (29) (56)
5-yr CDS Venezuela 6240 (-575) (-2170) (617) (1735)

5-yr CDS Poland73 (1) (-1) (5) (3)
5-yr CDS Russia 368 (-1) (-77) (34) (-108)
5-yr CDS Turkey 260 (0) (-30) (24) (78)

5-yr CDS China 113 (1) (-9) (15) (28)
5-yr CDS India 184 (-1) (-5) (7) (13)
5-yr CDS Indonesia 230 (3) (-24) (49) (74)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 31,19 (9,7) (-13,4) (157,3) (17)
VSTOXX 34,49 (11) (2,5) (78,8) (7)
EM EFT volatility Index 42 (14) (-6) (101) (90)
Dollar/euro volatility 12,6 (1,8) (3,8) (25,7) (31)
EM FX volatility index 12 (0) (-5) (24) (8)
Credit spread (BAA) 314,1 (3,9) (-7,8) (14,2) (71)
US bonds volatility index 88 (0) (-4) (16) (27)

Bank risk *(changes in bp)*
US banks CDS 83 (0) (-5) (10) (13)
EMU banks CDS 91 (0) (-10) (4) (8)
UK banks CDS 81 (0) (-10) (7) (21)

Large Spanish banks CDS 112 (0) (-13) (10) (35)
Medium Spanish banks CDS 157 (0) (-14) (21) (43)

Greek banks CDS 2792 (-34) (-27) (-560) (1908)
Russian banks CDS 487 (-4) (-36) (42) (-100)

Corporate risk *(changes in bps)*
US Non-financial CDS 240 (3) (-14) (-95) (83)
EMU Non-financial CDS 120 (0) (-9) (10) (12)
UK Non-financial CDS 130 (-1) (-10) (9) (17)

Interbank markets *(changes in bp)*

UEM OIS spread 3m 10 (0) (0) (0) (-1)
UEM OIS spread 12m 31 (0) (0) (0) (-9)
UEM TED spread 3m 30 (0) (1,4) (1) (6)

US OIS spread 3m 11 (1) (-3) (-2) (-3)
US OIS spread 12m 46 (1) (-5) (1) (12)
US TED spread 3m 30 (-3) (2) (5) (8)

Spain Ted Spread 3m 4 (1) (-0,5) (0) (-1)

EONIA Index -0,11 (0) (2,5) (-1) (-25)
Euribor 3m -0,03 (0) (0) (-1) (-11)
Euribor 12m 0,16 (0) (0) (-1) (-16)

Libor 3m 0,33 (0) (0) (2) (7)
Libor 12m 0,84 (0) (2) (1) (21)

Stock markets *(Changes in percentage)*

Developed Markets
Main equity indices
S&P500 1934,2 (-1,9) (3,6) (-8,1) (-6)
Dow Jones 16190,7 (-2) (3,3) (-8,5) (-9)
Nikkei 18165,7 (-3,8) (2) (-11,8) (4)
FTSE 100 6053 (-3,1) (-0,5) (-9,6) (-8)
EuroStoxx 50 3176,9 (-2,8) (-1,3) (-11,8) (1)
IBEX9960,7 (-2,9) (-1,5) (-10,9) (-3)
DAX 9983 (-2,7) (-1,4) (-11,7) (2)
CAC4522,3 (-2,8) (-0,9) (-11) (6)
MIB 21435,3 (-2,3) (-1) (-8,9) (13)
ASE Athens 621,5 (-0,4) (0) (-22,1) (-25)

Bank stocks
US banks 92,6 (-3,3) (3,6) (-11,5) (-7)
JPM 62,1 (-3,2) (3,6) (-9,4) (-1)
Citi 51,2 (-4,3) (2,6) (-12,5) (-5)
BoA 15,8 (-3,2) (3,7) (-11,5) (-12)
MS 33,4 (-3,2) (5) (-14,1) (-14)
GS 183,9 (-2,5) (3,2) (-10,3) (-5)

UK banks 91,8 (-3,4) (-1,1) (-10,6) (-8)
HSBC 496,6 (-4,3) (-2,1) (-14,3) (-18)
RBS 325,5 (-3,4) (1,3) (-4,9) (-17)
Barclays 252 (-3,6) (-1,7) (-12,8) (3)
Lloyds 75,5 (-2,5) (-1,6) (-9,3) (0)

EMU banks 113,9 (-3,5) (-2,4) (-12,5) (14)
BNP 54,3 (-3,5) (-2,2) (-8,5) (10)
Crédit Agricole 11,7 (-3,4) (-2,4) (-18,6) (9)
Deutsche Bank 25,4 (-3,2) (-2,8) (-20,6) (2)
ING 13,1 (-3,7) (-1,6) (-15,1) (21)
Intesa 3,2 (-2,8) (-1,5) (-9,7) (31)
SG 41,6 (-4,2) (-3,1) (-7) (19)
Unicredito 5,6 (-3,5) (-3,3) (-6,8) (5)

Large Spanish banks 88,4 (-3,5) (-3,1) (-14,6) (-12)
Santander 5,3 (-3,2) (-2,7) (-15,9) (-24)
BBVA 8 (-3,8) (-3,4) (-13,7) (1)

Medium Spanish banks 89,2 (-3,3) (-0,3) (-10,4) (-11)
Caixabank 3,7 (-3,2) (-0,1) (-7,9) (-14)
Popular 3,6 (-4,5) (-2) (-12,7) (-12)
Sabadell 1,8 (-3,7) (-1,4) (-11,8) (-10)
Bankinter 6,5 (-2,8) (0,4) (-7,1) (-2)
Bankia 1,1 (-2,4) (1,6) (-12,6) (-15)

Greek banks 19,9 (-3) (-4,9) (-70,7) (-80)
Alpha Bank0,1 (-3,6) (-12,9) (-74,8) (-83)
Pireus Bank0,1 (-4,7) (-11,8) (-79,5) (-91)
National Central Bank0,5 (-5,4) (9,6) (-59) (-67)
Eurobank Ergasias0 (2,8) (-14) (-74,3) (-80)

Emerging Markets
Main equity indices
MSCI Latam 63186 (-0,08) (5,6) (-4,3) (-5,4)
Ibovespa (Brazil) 45577 (-2,2) (2,3) (-10,4) (-8,9)
Mexbol 43152 (-1,3) (2,7) (-3,6) (0)

MSCI EM Europe 4491 (0,26) (6,9) (-1,3) (1,3)
Poland 2116 (-2,2) (2,2) (-5) (-8,6)
Micex (Russia) 1694 (-2,2) (2,2) (1,5) (21,3)
Ise 100 (Turkey) 75570 (-2,2) (0,1) (-7,9) (-14,2)

MSCI EM Asia 654 (0,31) (5,3) (-7,1) (-8,1)
Shanghai Composite (China) 3167 (-1,23) (6,8) (-13,6) (-2,1)
Jakarta Composite (Indonesia) 4412 (-2,2) (4,4) (-8,1) (-16)

Bank stocks
Turkish banks 75 (-2,3) (-0,9) (-11,4) (-25,3)
Akbank T.A.S. 7 (-2,9) (0,2) (-10,8) (-23,6)
Garanti 7 (-2,8) (-2,3) (-12,6) (-23,9)
Turkiye Is Bankasi 5 (-1) (-2,4) (-10,7) (-26,5)

Russian banks 116 (-2,5) (-0,3) (-2,7) (16,3)
Sberbank 73 (-2,1) (0) (0,9) (32,8)
VTB Bank 0,1 (-3) (-4,4) (-7,1) (-0,1)

Currencies *(in percentage; positive for dollar depreciation)*

Developed Markets
EURUSD 1,126 (0,4) (-2,27) (2,5) (-7)
GBPUSD 1,53 (-0,14) (-2,32) (-1,9) (-1,7)
USDJPY 119,9 (1,1) (-0,9) (3,2) (-0,1)
DXY 95,69 (0,1) (-1,2) (1,7) (-6)

Emerging Markets
USDARS (Argentina) 9,3 (-0,1) (-0,3) (-1,3) (-9,9)
USDBRL (Brazil) 3,67 (-1,4) (-1,5) (-7,3) (-38,2)
USDCLP (Chile) 691,71 (0) (1,6) (-3) (-14)
USDCOP (Colombia) 3097,96 (-1,5) (3,4) (-7,6) (-38,4)
USDMXN (Mexico) 16,85 (-0,6) (2,1) (-4,6) (-14,2)
USDPEN (Peru) 3,25 (-0,3) (1,2) (-1,8) (-9)
LACI 67,29 (-0,8) (0,5) (-4,6) (-18,1)

USDPLN (Poland) 3,77 (0,2) (-1,9) (0,1) (-6,4)
USDRUB (Russia) 66,44 (-3,5) (3,7) (-7,7) (-15)
USDTRY (Turkey) 2,92 (-0,3) (0,6) (-5,5) (-25,3)

USDCNY (China) 6,38 (0,2) (0,8) (-2,5) (-2,5)
USDINR (India) 66,22 (0,4) (-0,2) (-3,2) (-4,5)
USDIDR (Indonesia) 14090 (-0,2) (-0,3) (-4,1) (-13,8)
ADXY 107,51 (0,1) (0,4) (-2,5) (-4,7)

Commodities *(change in percentage)*

Brent 50,88 (-6) (17,8) (-2,5) (-11,3)
WTx 46,1 (-6,3) (17,3) (-2,2) (-13,5)
Copper 230,85 (-1,3) (-0,6) (-2,5) (-18,7)
Gold 1138,39 (0,3) (-0,2) (3,9) (-3,7)
CRB Index 406,3 (0) (0,3) (-1) (-7,2)
CRB (food) index 360,54 (0) (0,5) (0) (-2,4)
Baltic Dry Index 903 (0) (-4,1) (-20,2) (15,5)

Source: Bloomberg, Datastream and Haver

(Current level and changes at daily, weekly, monthly and annual frequencies)

Debt markets *(changes in bp)*

Developed Markets
US 2-yr 0,72 (-2) (12) (6) (5)
US 5-yr 1,5 (-5) (8) (-3) (-15)
US 10-yr 2,18 (-4) (11) (0) (1)

Japan 10-yr 0,36 (-2) (-2) (-5) (3)

GER 2-yr -0,21 (-1) (3) (2) (-11)
GER 5-yr 0,14 (1) (5) (9) (12)
GER 10-yr 0,8 (0) (7) (15) (26)

Belgium 10-yr 1,15 (0) (2) (20) (31)
France 10-yr 1,15 (0) (3) (22) (33)
Greece 10-yr 9,21 (-10) (-27) (-282) (-53)
Ireland 10-yr 1,46 (-1) (4) (25)
Italy 10-yr 1,99 (3) (1) (22) (10)
Netherlands 10-yr 1 (1) (5) (18) (32)
Portugal 10-yr 2,72 (7) (0) (33) (3)
Spain 10-yr 2,14 (3) (4) (30) (53)

Emerging Markets
Brazil 10-yr 14,29 (2) (8) (132) (192)
Chile 10-yr 4,5 (0) (-2) (5) (51)
Colombia 10-yr 8,2 (4) (4) (107) (110)
Mexico 10-yr 6,05 (0) (-2) (2) (22)
Peru 10-yr 7,39 (2) (14) (60) (194)

Poland 10-yr 3,01 (5) (3) (8) (49)
Russia 5-yr 11,76 (-7) (-16) (89) (-244)
Russia 10-yr 11,48 (-7) (-14) (84) (-152)
Turkey 10-yr 9,97 (4) (-4) (63) (210)

India 10-yr 7,75 (-3) (-6) (-5) (-13)
Indonesia 10-yr 8,81 (4) (-18) (25) (99)

Country risk *(changes in bp)*

Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 35 (0) (-5) (5) (6)
France 36 (0) (-4) (6) (7)
Greece 842 (-10) (-34) (-297) (-79)
Ireland 66 (-1) (-2) (10) (-5)
Italy 119 (3) (-6) (7) (-16)
Netherlands 20 (1) (-1,4) (3) (6)
Portugal 193 (7) (-7,1) (18) (-22)
Spain 134 (3) (-3) (14) (27)

5-yr sovereign spreads *(against Germany)*
Belgium 16 (0) (-1,7) (3) (1)
France 15 (-1) (-2) (2) (-2)
Greece 1589 (-1) (-5) (-9) (456)
Ireland 30 (-1) (-4) (3) (-10)
Italy 81 (2) (-7) (7) (-13)
Netherlands 5 (0) (-1) (1) (-3)
Portugal 128 (7) (-4) (11) (-16)
Spain 93 (1) (-5) (7) (6)

2-yr sovereign spreads *(against Germany)*
Belgium 7 (-1) (-1) (1) (1)
France 6 (0) (-2,7) (1) (0)
Ireland 18 (-4) (-5) (-1) (7)
Italy 41 (1) (-2) (8) (-23)
Netherlands 2 (0) (-2) (-1) (-5)
Portugal 61 (2) (-9) (0) (10)
Spain 38 (1) (-4) (2) (-12)

5-yr sovereign CDS
5-yr CDS Belgium 39 (1) (-2) (2) (-9)
5-yr CDS France 34 (1) (-1) (2) (-13)
5-yr CDS Germany 14 (0) (0) (0) (-4)
5-yr CDS Greece 1576 (0) (-26) (-480) (295)
5-yr CDS Ireland 54 (1) (-1) (1) (3)
5-yr CDS Italy 115 (0) (-12) (10) (-21)
5-yr CDS Netherlands 17 (0) (0) (0) (-4)
5-yr CDS Portugal 173 (0) (-13) (18) (-27)
5-yr CDS Spain 100 (0) (-10) (15) (5)
5-yr CDS UK 19 (0) (0) (0) (-3)
5-yr CDS US 17 (0) (0) (-1) (0)

Emerging Markets
5-yr sovereign CDS
5-yr CDS Brazil 345 (15) (-13) (63) (146)
5-yr CDS Chile 119 (1) (-16) (20) (25)
5-yr CDS Colombia 216 (3) (-22) (38) (76)
5-yr CDS Mexico 145 (3) (-17) (13) (42)
5-yr CDS Peru 172 (3) (-20) (29) (56)
5-yr CDS Venezuela 6240 (-575) (-2170) (617) (1735)

5-yr CDS Poland73 (1) (-1) (5) (3)
5-yr CDS Russia 368 (-1) (-77) (34) (-108)
5-yr CDS Turkey 260 (0) (-30) (24) (78)

5-yr CDS China 113 (1) (-9) (15) (28)
5-yr CDS India 184 (-1) (-5) (7) (13)
5-yr CDS Indonesia 230 (3) (-24) (49) (74)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 31,19 (9,7) (-13,4) (157,3) (17)
VSTOXX 34,49 (11) (2,5) (78,8) (7)
EM EFT volatility Index 42 (14) (-6) (101) (90)
Dollar/euro volatility 12,6 (1,8) (3,8) (25,7) (31)
EM FX volatility index 12 (0) (-5) (24) (8)
Credit spread (BAA) 314,1 (3,9) (-7,8) (14,2) (71)
US bonds volatility index 88 (0) (-4) (16) (27)

Bank risk *(changes in bp)*
US banks CDS 83 (0) (-5) (10) (13)
EMU banks CDS 91 (0) (-10) (4) (8)
UK banks CDS 81 (0) (-10) (7) (21)

Large Spanish banks CDS 112 (0) (-13) (10) (35)
Medium Spanish banks CDS 157 (0) (-14) (21) (43)

Greek banks CDS 2792 (-34) (-27) (-560) (1908)
Russian banks CDS 487 (-4) (-36) (42) (-100)

Corporate risk *(changes in bps)*
US Non-financial CDS 240 (3) (-14) (-95) (83)
EMU Non-financial CDS 120 (0) (-9) (10) (12)
UK Non-financial CDS 130 (-1) (-10) (9) (17)

Interbank markets *(changes in bp)*

UEM OIS spread 3m 10 (0) (0) (0) (-1)
UEM OIS spread 12m 31 (0) (0) (0) (-9)
UEM TED spread 3m 30 (0) (1,4) (1) (6)

US OIS spread 3m 11 (1) (-3) (-2) (-3)
US OIS spread 12m 46 (1) (-5) (1) (12)
US TED spread 3m 30 (-3) (2) (5) (8)

Spain Ted Spread 3m 4 (1) (-0,5) (0) (-1)

EONIA Index -0,11 (0) (2,5) (-1) (-25)
Euribor 3m -0,03 (0) (0) (-1) (-11)
Euribor 12m 0,16 (0) (0) (-1) (-16)

Libor 3m 0,33 (0) (0) (2) (7)
Libor 12m 0,84 (0) (2) (1) (21)

Stock markets *(Changes in percentage)*

Developed Markets
Main equity indices
S&P500 1934,2 (-1,9) (3,6) (-8,1) (-6)
DowJones 16190,7 (-2) (3,3) (-8,5) (-9)
Nikkei 18165,7 (-3,8) (2) (-11,8) (4)
FTSE 100 6053 (-3,1) (-0,5) (-9,6) (-8)
EuroStoxx 50 3176,9 (-2,8) (-1,3) (-11,8) (1)
IBEX9960,7 (-2,9) (-1,5) (-10,9) (-3)
DAX 9983 (-2,7) (-1,4) (-11,7) (2)
CAC4522,3 (-2,8) (-0,9) (-11) (6)
MIB 21435,3 (-2,3) (-1) (-8,9) (13)
ASE Athens 621,5 (-0,4) (0) (-22,1) (-25)

Bank stocks
US banks 92,6 (-3,3) (3,6) (-11,5) (-7)
JPM 62,1 (-3,2) (3,6) (-9,4) (-1)
Citi 51,2 (-4,3) (2,6) (-12,5) (-5)
BoA 15,8 (-3,2) (3,7) (-11,5) (-12)
MS 33,4 (-3,2) (5) (-14,1) (-14)
GS 183,9 (-2,5) (3,2) (-10,3) (-5)

UK banks 91,8 (-3,4) (-1,1) (-10,6) (-8)
HSBC 496,6 (-4,3) (-2,1) (-14,3) (-18)
RBS 325,5 (-3,4) (1,3) (-4,9) (-17)
Barclays 252 (-3,6) (-1,7) (-12,8) (3)
Lloyds 75,5 (-2,5) (-1,6) (-9,3) (0)

EMU banks 113,9 (-3,5) (-2,4) (-12,5) (14)
BNP 54,3 (-3,5) (-2,2) (-8,5) (10)
Crédit Agricole 11,7 (-3,4) (-2,4) (-18,6) (9)
Deutsche Bank 25,4 (-3,2) (-2,8) (-20,6) (2)
ING 13,1 (-3,7) (-1,6) (-15,1) (21)
Intesa 3,2 (-2,8) (-1,5) (-9,7) (31)
SG 41,6 (-4,2) (-3,1) (-7) (19)
Unicredito 5,6 (-3,5) (-3,3) (-6,8) (5)

Large Spanish banks 88,4 (-3,5) (-3,1) (-14,6) (-12)
Santander 5,3 (-3,2) (-2,7) (-15,9) (-24)
BBVA 8 (-3,8) (-3,4) (-13,7) (1)

Medium Spanish banks 89,2 (-3,3) (-0,3) (-10,4) (-11)
Caixabank 3,7 (-3,2) (-0,1) (-7,9) (-14)
Popular 3,6 (-4,5) (-2) (-12,7) (-12)
Sabadell 1,8 (-3,7) (-1,4) (-11,8) (-10)
Bankinter 6,5 (-2,8) (0,4) (-7,1) (-2)
Bankia 1,1 (-2,4) (1,6) (-12,6) (-15)

Greek banks 19,9 (-3) (-4,9) (-70,7) (-80)
Alpha Bank0,1 (-3,6) (-12,9) (-74,8) (-83)
Pireus Bank0,1 (-4,7) (-11,8) (-79,5) (-91)
National Central Bank0,5 (-5,4) (9,6) (-59) (-67)
Eurobank Ergasias0 (2,8) (-14) (-74,3) (-80)

Emerging Markets
Main equity indices
MSCI Latam 63186 (-0,08) (5,6) (-4,3) (-5,4)
Ibovespa (Brazil) 45577 (-2,2) (2,3) (-10,4) (-8,9)
Mexbol 43152 (-1,3) (2,7) (-3,6) (0)

MSCI EM Europe 4491 (0,26) (6,9) (-1,3) (1,3)
Poland 2116 (-2,2) (2,2) (-5) (-8,6)
Micex (Russia) 1694 (-2,2) (2,2) (1,5) (21,3)
Ise 100 (Turkey) 73570 (-2,2) (0,1) (-7,9) (-14,2)

MSCI EM Asia 654 (0,31) (5,3) (-7,1) (-9,1)
Shanghai Composite (China) 3167 (-1,23) (6,8) (-13,6) (-2,1)
Jakarta Composite (Indonesia) 4412 (-2,2) (4,4) (-8,1) (-16)

Bank stocks
Turkish banks 75 (-2,3) (-0,9) (-11,4) (-25,3)
Akbank T.A.S. 7 (-2,9) (0,2) (-10,8) (-23,6)
Garanti 7 (-2,8) (-2,3) (-12,6) (-23,9)
Turkiye Is Bankasi 5 (-1) (-0,4) (-10,7) (-28,5)

Russian banks 116 (-2,5) (-0,3) (-2,7) (16,3)
Sberbank 73 (-2,1) (3) (0,9) (32,8)
VTB Bank 0,1 (-3) (-4,4) (-7,1) (-0,1)

Currencies *(in percentage, positive for dollar depreciation)*

Developed Markets
EURUSD 1,126 (0,4) (-2,27) (2,5) (-7)
GBPUSD 1,53 (-0,14) (-2,32) (-1,9) (-1,7)
USDJPY 119,9 (1,1) (-0,9) (3,2) (-0,1)
DXY 95,69 (0,1) (-1,2) (1,7) (-6)

Emerging Markets
USDARS (Argentina) 9,3 (-0,1) (-0,3) (-1,3) (-9,9)
USDBRL (Brazil) 3,67 (-1,4) (-1,5) (-7,3) (-38,2)
USDCLP (Chile) 691,71 (0) (1,6) (-3) (-14)
USDCOP (Colombia) 3097,96 (-1,5) (3,4) (-7,6) (-30,4)
USDMXN (Mexico) 16,85 (-0,6) (2,1) (-4,6) (-14,2)
USDPEN (Peru) 3,25 (-0,3) (1,2) (-1,8) (-9)
LACI 67,29 (-0,8) (0,5) (-4,6) (-18,1)

USDPLN (Poland) 3,77 (0,2) (-1,9) (0,1) (-6,4)
USDRUB (Russia) 66,44 (-3,5) (3,7) (-7,7) (-15)
USDTRY (Turkey) 2,92 (-0,3) (0,6) (-5,5) (-25,3)

USDCNY (China) 6,36 (0,2) (0,8) (-2,5) (-2,5)
USDINR (India) 66,22 (0,4) (-0,2) (-3,2) (-4,5)
USDIDR (Indonesia) 14098 (-0,2) (-0,3) (-4,1) (-13,8)
ADXY 107,51 (0,1) (0,4) (-2,5) (-4,7)

Commodities *(change in percentage)*

Brent 50,88 (-6) (17,8) (-2,5) (-11,3)
WTx 46,1 (-6,3) (17,3) (-2,2) (-13,5)
Copper 230,85 (-1,3) (-0,6) (-2,5) (-18,7)
Gold 1138,39 (0,3) (-0,2) (3,9) (-3,7)
CRB Index 406,3 (0) (0,3) (-1) (-7,2)
CRB (food) index 360,54 (0) (0,5) (0) (-2,4)
Baltic Dry Index 903 (0) (-4,1) (-20,2) (15,5)

Source: Bloomberg, Datastream and Haver

(Current level and changes at daily, weekly, monthly and annual frequencies)

Debt markets *(changes in bp)*

Developed Markets
US 2-yr 0,72 (-2) (12) (6) (5)
US 5-yr 1,5 (-5) (8) (-3) (-15)
US 10-yr 2,18 (-4) (11) (0) (1)

Japan 10-yr 0,36 (-2) (-2) (-5) (3)

GER 2-yr -0,21 (-1) (3) (2) (-11)
GER 5-yr 0,14 (1) (5) (9) (12)
GER 10-yr 0,8 (0) (7) (15) (26)

Belgium 10-yr 1,15 (0) (2) (20) (31)
France 10-yr 1,15 (0) (3) (22) (33)
Greece 10-yr 9,21 (-10) (-27) (-282) (-53)
Ireland 10-yr 1,46 (-1) (4) (25)
Italy 10-yr 1,99 (3) (1) (22) (10)
Netherlands 10-yr 1 (1) (5) (18) (32)
Portugal 10-yr 2,72 (7) (0) (33) (3)
Spain 10-yr 2,14 (3) (4) (30) (53)

Emerging Markets
Brazil 10-yr 14,29 (2) (8) (132) (192)
Chile 10-yr 4,5 (0) (-2) (5) (51)
Colombia 10-yr 8,2 (4) (4) (107) (110)
Mexico 10-yr 6,05 (0) (-2) (2) (22)
Peru 10-yr 7,39 (2) (14) (60) (194)

Poland 10-yr 3,01 (5) (3) (8) (49)
Russia 5-yr 11,76 (-7) (-16) (89) (-244)
Russia 10-yr 11,48 (-7) (-14) (84) (-152)
Turkey 10-yr 9,97 (4) (-4) (63) (210)

India 10-yr 7,75 (-3) (-6) (-5) (-13)
Indonesia 10-yr 8,81 (4) (-18) (25) (99)

Country risk *(changes in bp)*

Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 35 (0) (-5) (5) (6)
France 36 (0) (-4) (6) (7)
Greece 842 (-10) (-34) (-297) (-79)
Ireland 66 (-1) (-2) (10) (-5)
Italy 119 (3) (-6) (7) (-16)
Netherlands 20 (1) (-1,4) (3) (6)
Portugal 193 (7) (-7,1) (18) (-22)
Spain 134 (3) (-3) (14) (27)

5-yr sovereign spreads *(against Germany)*
Belgium 16 (0) (-1,7) (3) (1)
France 15 (-1) (-2) (2) (-2)
Greece 1589 (-1) (-5) (-9) (456)
Ireland 30 (-1) (-4) (3) (-10)
Italy 81 (2) (-7) (7) (-13)
Netherlands 5 (0) (-1) (1) (-3)
Portugal 128 (7) (-4) (11) (-16)
Spain 93 (1) (-5) (7) (6)

2-yr sovereign spreads *(against Germany)*
Belgium 7 (-1) (-1) (1) (1)
France 6 (0) (-2,7) (1) (0)
Ireland 18 (-4) (-5) (-1) (7)
Italy 41 (1) (-2) (8) (-23)
Netherlands 2 (0) (-2) (-1) (-5)
Portugal 61 (2) (-9) (0) (10)
Spain 38 (1) (-4) (2) (-12)

5-yr sovereign CDS
5-yr CDS Belgium 39 (1) (-2) (2) (-9)
5-yr CDS France 34 (1) (-1) (2) (-13)
5-yr CDS Germany 14 (0) (0) (0) (-4)
5-yr CDS Greece 1576 (0) (-26) (-480) (295)
5-yr CDS Ireland 54 (1) (-1) (1) (3)
5-yr CDS Italy 115 (0) (-12) (10) (-21)
5-yr CDS Netherlands 17 (0) (0) (0) (-4)
5-yr CDS Portugal 173 (0) (-13) (18) (-27)
5-yr CDS Spain 100 (0) (-10) (15) (5)
5-yr CDS UK 19 (0) (0) (0) (-3)
5-yr CDS US 17 (0) (0) (-1) (0)

Emerging Markets
5-yr sovereign CDS
5-yr CDS Brazil 345 (15) (-13) (63) (146)
5-yr CDS Chile 119 (1) (-16) (20) (25)
5-yr CDS Colombia 216 (3) (-22) (38) (76)
5-yr CDS Mexico 145 (3) (-17) (13) (42)
5-yr CDS Peru 172 (3) (-20) (29) (56)
5-yr CDS Venezuela 6240 (-575) (-2170) (617) (1735)

5-yr CDS Poland73 (1) (-1) (5) (3)
5-yr CDS Russia 368 (-1) (-77) (34) (-108)
5-yr CDS Turkey 260 (0) (-30) (24) (78)

5-yr CDS China 113 (1) (-9) (15) (28)
5-yr CDS India 184 (-1) (-5) (7) (13)
5-yr CDS Indonesia 230 (3) (-24) (49) (74)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 31,19 (9,7) (-13,4) (157,3) (17)
VSTOXX 34,49 (11) (2,5) (78,8) (7)
EM EFT volatility Index 42 (14) (-6) (101) (90)
Dollar/euro volatility 12,6 (1,8) (3,8) (25,7) (31)
EM FX volatility index 12 (0) (-5) (24) (8)
Credit spread (BAA) 314,1 (3,9) (-7,8) (14,2) (71)
US bonds volatility index 88 (0) (-4) (16) (27)

Bank risk *(changes in bp)*
US banks CDS 83 (0) (-5) (10) (13)
EMU banks CDS 91 (0) (-10) (4) (8)
UK banks CDS 81 (0) (-10) (7) (21)

Large Spanish banks CDS 112 (0) (-13) (10) (35)
Medium Spanish banks CDS 157 (0) (-14) (21) (43)

Greek banks CDS 2792 (-34) (-27) (-560) (1908)
Russian banks CDS 487 (-4) (-36) (42) (-100)

Corporate risk *(changes in bps)*
US Non-financial CDS 240 (3) (-14) (-95) (83)
EMU Non-financial CDS 120 (0) (-9) (10) (12)
UK Non-financial CDS 130 (-1) (-10) (9) (17)

Interbank markets *(changes in bp)*

UEM OIS spread 3m 10 (0) (0) (0) (-1)
UEM OIS spread 12m 31 (0) (0) (0) (-9)
UEM TED spread 3m 30 (0) (1,4) (1) (6)

US OIS spread 3m 11 (1) (-3) (-2) (-3)
US OIS spread 12m 46 (1) (-5) (1) (12)
US TED spread 3m 30 (-3) (2) (5) (8)

Spain Ted Spread 3m 4 (1) (-0,5) (0) (-1)

EONIA Index -0,11 (0) (2,5) (-1) (-25)
Euribor 3m -0,03 (0) (0) (-1) (-11)
Euribor 12m 0,16 (0) (0) (-1) (-16)

Libor 3m 0,33 (0) (0) (2) (7)
Libor 12m 0,84 (0) (2) (1) (21)

Stock markets *(Changes in percentage)*

Developed Markets
Main equity indices
S&P500 1934,2 (-1,9) (3,6) (-8,1) (-6)
Dow Jones 16190,7 (-2) (3,3) (-8,5) (-9)
Nikkei 18165,7 (-3,8) (2) (-11,8) (4)
FTSE 100 6053 (-3,1) (-0,5) (-9,6) (-8)
EuroStoxx 50 3176,9 (-2,8) (-1,3) (-11,8) (1)
IBEX9960,7 (-2,9) (-1,5) (-10,9) (-3)
DAX 9983 (-2,7) (-1,4) (-11,7) (2)
CAC4522,3 (-2,8) (-0,9) (-11) (6)
MIB 21435,3 (-2,3) (-1) (-8,9) (13)
ASE Athens 621,5 (-0,4) (0) (-22,1) (-25)

Bank stocks
US banks 92,6 (-3,3) (3,6) (-11,5) (-7)
JPM 62,1 (-3,2) (3,6) (-9,4) (-1)
Citi 51,2 (-4,3) (2,6) (-12,5) (-5)
BoA 15,8 (-3,2) (3,7) (-11,5) (-12)
MS 33,4 (-3,2) (5) (-14,1) (-14)
GS 183,9 (-2,5) (3,2) (-10,3) (-5)

UK banks 91,8 (-3,4) (-1,1) (-10,6) (-8)
HSBC 496,6 (-4,3) (-2,1) (-14,3) (-18)
RBS 325,5 (-3,4) (1,3) (-4,9) (-17)
Barclays 252 (-3,6) (-1,7) (-12,8) (3)
Lloyds 75,5 (-2,5) (-1,6) (-9,3) (0)

EMU banks 113,9 (-3,5) (-2,4) (-12,5) (14)
BNP 54,3 (-3,5) (-2,2) (-8,5) (10)
Crédit Agricole 11,7 (-3,4) (-2,4) (-18,6) (9)
Deutsche Bank 25,4 (-3,2) (-2,8) (-20,6) (2)
ING 13,1 (-3,7) (-1,6) (-15,1) (21)
Intesa 3,2 (-2,8) (-1,5) (-9,7) (31)
SG 41,6 (-4,2) (-3,1) (-7) (19)
Unicredito 5,6 (-3,5) (-3,3) (-6,8) (5)

Large Spanish banks 88,4 (-3,5) (-3,1) (-14,6) (-12)
Santander 5,3 (-3,2) (-2,7) (-15,9) (-24)
BBVA 8 (-3,8) (-3,4) (-13,7) (1)

Medium Spanish banks 89,2 (-3,3) (-0,3) (-10,4) (-11)
Caixabank 3,7 (-3,2) (-0,1) (-7,9) (-14)
Popular 3,6 (-4,5) (-2) (-12,7) (-12)
Sabadell 1,8 (-3,7) (-1,4) (-11,8) (-10)
Bankinter 6,5 (-2,8) (0,4) (-7,1) (-2)
Bankia 1,1 (-2,4) (1,6) (-12,6) (-15)

Greek banks 19,9 (-3) (-4,9) (-70,7) (-80)
Alpha Bank0,1 (-3,6) (-12,9) (-74,8) (-83)
Pireus Bank0,1 (-4,7) (-11,8) (-79,5) (-91)
National Central Bank0,5 (-5,4) (9,6) (-59) (-67)
Eurobank Ergasias0 (2,8) (-14) (-74,3) (-80)

Emerging Markets
Main equity indices
MSCI Latam 63186 (-0,08) (5,6) (-4,3) (-5,4)
Ibovespa (Brazil) 45577 (-2,2) (2,3) (-10,4) (-8,9)
Mexbol 43152 (-1,3) (2,7) (-3,6) (0)

MSCI EM Europe 4491 (0,26) (6,9) (-1,3) (1,3)
Poland 2116 (-2,2) (2,2) (-5) (-8,6)
Micex (Russia) 1694 (-2,2) (2,2) (1,5) (21,3)
Ise 100 (Turkey) 73570 (-2,2) (0,1) (-7,9) (-14,2)

MSCI EM Asia 654 (0,31) (5,3) (-7,1) (-9,1)
Shanghai Composite (China) 3167 (-1,23) (6,8) (-13,6) (-2,1)
Jakarta Composite (Indonesia) 4412 (-2,2) (4,4) (-8,1) (-16)

Bank stocks
Turkish banks 75 (-2,3) (-0,9) (-11,4) (-25,3)
Akbank T.A.S. 7 (-2,9) (0,2) (-10,8) (-23,6)
Garanti 7 (-2,8) (-2,3) (-12,6) (-23,9)
Turkiye Is Bankasi 5 (-1) (-0,4) (-10,7) (-28,5)

Russian banks 116 (-2,5) (-0,3) (-2,7) (16,3)
Sberbank 73 (-2,1) (3) (0,9) (32,8)
VTB Bank 0,1 (-3) (-4,4) (-7,1) (-0,1)

Currencies *(in percentage, positive for dollar depreciation)*

Developed Markets
EURUSD 1,126 (0,4) (-2,27) (2,5) (-7)
GBPUSD 1,53 (-0,14) (-2,32) (-1,9) (-1,7)
USDJPY 119,9 (1,1) (-0,9) (3,2) (-0,1)
DXY 95,69 (0,1) (-1,2) (1,7) (-6)

Emerging Markets
USDARS (Argentina) 9,3 (-0,1) (-0,3) (-1,3) (-9,9)
USDBRL (Brazil) 3,67 (-1,4) (-1,5) (-7,3) (-38,2)
USDCLP (Chile) 691,71 (0) (1,6) (-3) (-14)
USDCOP (Colombia) 3097,96 (-1,5) (3,4) (-7,6) (-30,4)
USDMXN (Mexico) 16,85 (-0,6) (2,1) (-4,6) (-14,2)
USDPEN (Peru) 3,25 (-0,3) (1,2) (-1,8) (-9)
LACI 67,29 (-0,8) (0,5) (-4,6) (-18,1)

USDPLN (Poland) 3,77 (0,2) (-1,9) (0,1) (-6,4)
USDRUB (Russia) 66,44 (-3,5) (3,7) (-7,7) (-15)
USDTRY (Turkey) 2,92 (-0,3) (0,6) (-5,5) (-25,3)

USDCNY (China) 6,36 (0,2) (0,8) (-2,5) (-2,5)
USDINR (India) 66,22 (0,4) (-0,2) (-3,2) (-4,5)
USDIDR (Indonesia) 14098 (-0,2) (-0,3) (-4,1) (-13,8)
ADXY 107,51 (0,1) (0,4) (-2,5) (-4,7)

Commodities *(change in percentage)*

Brent 50,88 (-6) (17,8) (-2,5) (-11,3)
WTx 46,1 (-6,3) (17,3) (-2,2) (-13,5)
Copper 230,85 (-1,3) (-0,6) (-2,5) (-18,7)
Gold 1138,39 (0,3) (-0,2) (3,9) (-3,7)
CRB Index 406,3 (0) (0,3) (-1) (-7,2)
CRB (food) index 360,54 (0) (0,5) (0) (-2,4)
Baltic Dry Index 903 (0) (-4,1) (-20,2) (15,5)

Source: Bloomberg, Datastream and Haver

*CDS, EMBI & MSCI indices with one day delay
**Credit spread (BAA) with two days delay

Spain with number 0182.