

Market Comment | Growth concerns encourage fresh bond markets gains

Global Financial Markets Unit
18 Feb 2016

- **The ECB released the monetary policy accounts of its 21 January meeting.** The minutes confirm that the Governing Council (GC) was unanimous regarding reviewing and possibly reconsidering its monetary policy stance at its March meeting. The accounts revealed that this assessment came about because downside risks had increased since the start of the current year. In this context, the minutes underlined that the GC remained willing and able to act, if warranted, reaffirming that the GC had a broad range of instruments at its disposal.
- **FOMC Minutes, Details Reveal Increased Uncertainty Among FOMC Members.** Economic and financial conditions have deteriorated sharply since January's Fed meeting and the probability of a recession in the US has increased. With this outlook, the markets do not expect a rate hike in March, even though the labor market continues its positive trend. Regarding inflation, it "would take somewhat longer than previously anticipated to rise to the Committee's objective." the FOMC said. In this meeting, FOMC members were "unclear" on how the uncertainty and volatility might impact their outlook. ([see](#))
- **The OECD downgrades 2016 global outlook to 3.0% from the 3.3% previously forecast.** The cut is based on lower growth in DM, especially in the US (2.0% vs 2.5% previously forecast) and the eurozone (1.4% vs 1.8% previously expected), along with some weaker growth in major EM countries that rely on commodity exports.
- **US mixed data. Positive US labor market reading:** US jobless claims declined more than expected in the week ended 13 February (by 7K to 262K; consensus: 275K), **while business confidence remains low despite the improvement** Philadelphia Fed business (by 0.7 to -2.8 points; consensus: -3.0) **and market turmoil weighs on the leading indicators** (by -0.2%MoM).
- **China's CPI rose less than expected in January** (by 1.8%YoY; consensus: 1.9%), while PPI. dropped less than estimated (by -5.3%YoY; consensus: -5.4%).
- **Uncertainty about global growth intensified after the OCED announced a cut in its 2016 outlook, encouraging fresh gains in bond markets, which also were boosted by the dovish central bank minutes.** US treasury yields declined (2Y: -2bp 10Y: -4bp) offsetting part of yesterday's increase. European yields also dropped across the board, led by Portugal (GER 10Y: -5bp FRA 10Y: -6bp ITA 10Y: -5bp SPA 10Y: -3bp POR 10Y: -7bp). On another front, European equity markets suffered from high volatility. They had been increasing for more of the day but the gains diluted at the end of the session hampered by the downturn in oil prices (Eurostoxx: -0.1% IBEX: -0.8% DAX: +0.9% CAC: +0.1% MIB: -1.5%). In the same vein, US indices dropped (S&P: -0.3% Dow: -0.2%). Mixed performance in Asian markets: China's indices dropped (Shanghai: -0.16% Shenzhen: -0.34%), dragged down by the worse-than-expected CPI data in January, while the Nikkei increased strongly on the back of the authorities' dovish tone. On FX markets, the USD showed a mixed performance against other major currencies

(EUR: -0.29% JPY: +0.46% GBP: +0.21%). EM currencies showed varying responses against the USD. The Mexican peso extended yesterday's gains against the US after yesterday's unexpected interest rate hike ([see](#)), meanwhile the rouble and the TRY were dragged down by the escalation of the geopolitical conflict and the new downgrading of Brazil's sovereign rating (S&P cut Brazil's LT ratings to BB from BB-), weighing on the Brazilian real (RUB: -1.7% BRL: -0.8% TRY: -0.4%, COP: +0.7% MXN: +1.0%). Meanwhile, oil prices rose in the first half of the session boosted by the previous day's negotiations among oil producers about freezing production. However, the worse-than-expected EIA weekly data -showing an increase in the supply- caused the fall in oil prices (Brent: -0.9%). In contrast, gold prices continued their upward trend (+0.9%), suggesting that investors remains cautious.

Update 17.30 CET 18 February, 2015

Table1

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

Libor markets (changes in bp)

Overnight Libor

US 3m 0.72 (2) (1) (1) (1) (1)
 US 6m 1.25 (2) (1) (1) (1) (1)
 US 12m 1.78 (4) (1) (2) (1) (4)

Japan 1M 0.02 (4) (1) (2) (1) (2)

CHF 3m 0.52 (1) (1) (1) (1) (1)
 CHF 6m 0.52 (2) (1) (1) (1) (1)
 CHF 12m 0.52 (2) (1) (1) (1) (1)

Region 1M 0.7 (2) (4) (1) (1) (2)
 France 1M 0.52 (2) (1) (1) (1) (1)
 Germany 1M 0.52 (2) (1) (1) (1) (1)
 Italy 1M 0.52 (2) (1) (1) (1) (1)
 Netherlands 1M 0.52 (2) (1) (1) (1) (1)
 Portugal 1M 0.52 (2) (1) (1) (1) (1)
 Spain 1M 0.52 (2) (1) (1) (1) (1)

1 month Libor

Japan 1M 0.02 (4) (1) (2) (1) (2)
 CHF 1M 0.52 (2) (1) (1) (1) (1)
 France 1M 0.52 (2) (1) (1) (1) (1)
 Germany 1M 0.52 (2) (1) (1) (1) (1)
 Italy 1M 0.52 (2) (1) (1) (1) (1)
 Netherlands 1M 0.52 (2) (1) (1) (1) (1)
 Portugal 1M 0.52 (2) (1) (1) (1) (1)
 Spain 1M 0.52 (2) (1) (1) (1) (1)

3 month Libor

Japan 3m 0.52 (2) (1) (1) (1) (1)
 CHF 3m 0.52 (2) (1) (1) (1) (1)
 France 3m 0.52 (2) (1) (1) (1) (1)
 Germany 3m 0.52 (2) (1) (1) (1) (1)
 Italy 3m 0.52 (2) (1) (1) (1) (1)
 Netherlands 3m 0.52 (2) (1) (1) (1) (1)
 Portugal 3m 0.52 (2) (1) (1) (1) (1)
 Spain 3m 0.52 (2) (1) (1) (1) (1)

Country risk (changes in bp)

1 year sovereign spreads (against Germany)

Belgium 491 (1) (1) (1) (1) (1)
 France 37 (1) (1) (1) (1) (1)
 Germany 102 (1) (1) (1) (1) (1)
 Ireland 79 (1) (1) (1) (1) (1)
 Italy 24 (1) (1) (1) (1) (1)
 Netherlands 10 (1) (1) (1) (1) (1)
 Portugal 338 (2) (1) (2) (1) (1)
 Spain 149 (2) (1) (2) (1) (1)

5 year sovereign spreads (against Germany)

Belgium 9 (1) (1) (1) (1) (1)
 France 10 (1) (1) (1) (1) (1)
 Germany 10 (1) (1) (1) (1) (1)
 Ireland 20 (1) (1) (1) (1) (1)
 Italy 30 (1) (1) (1) (1) (1)
 Netherlands 10 (1) (1) (1) (1) (1)
 Portugal 110 (1) (1) (1) (1) (1)
 Spain 30 (1) (1) (1) (1) (1)

1 year sovereign spreads (against Germany)

Belgium 11 (1) (1) (1) (1) (1)
 France 11 (1) (1) (1) (1) (1)
 Germany 11 (1) (1) (1) (1) (1)
 Ireland 21 (1) (1) (1) (1) (1)
 Italy 31 (1) (1) (1) (1) (1)
 Netherlands 11 (1) (1) (1) (1) (1)
 Portugal 117 (1) (1) (1) (1) (1)
 Spain 31 (1) (1) (1) (1) (1)

5 year sovereign CDS

EUR CDS Belgium 47 (2) (1) (1) (1) (1)
 EUR CDS France 30 (1) (1) (1) (1) (1)
 EUR CDS Germany 20 (1) (1) (1) (1) (1)
 EUR CDS Ireland 48 (1) (1) (1) (1) (1)
 EUR CDS Italy 69 (2) (1) (2) (1) (1)
 EUR CDS Netherlands 16 (1) (1) (1) (1) (1)
 EUR CDS Portugal 122 (1) (2) (1) (1) (1)
 EUR CDS Spain 103 (2) (1) (1) (1) (1)
 EUR CDS UK 34 (1) (1) (1) (1) (1)
 EUR CDS US 22 (1) (1) (1) (1) (1)

5 year sovereign CDS

EUR CDS China 405 (1) (1) (1) (1) (1)
 EUR CDS China 126 (1) (1) (1) (1) (1)
 EUR CDS Colombia 200 (1) (1) (1) (1) (1)
 EUR CDS Mexico 163 (1) (1) (1) (1) (1)
 EUR CDS Peru 144 (1) (1) (1) (1) (1)
 EUR CDS Venezuela 826 (1) (1) (1) (1) (1)

5 year sovereign CDS

EUR CDS Brazil 42 (1) (1) (1) (1) (1)
 EUR CDS Russia 20 (1) (1) (1) (1) (1)
 EUR CDS Turkey 20 (1) (1) (1) (1) (1)

5 year sovereign CDS

EUR CDS China 134 (2) (1) (1) (1) (1)
 EUR CDS India 170 (1) (1) (1) (1) (1)
 EUR CDS Indonesia 233 (1) (1) (1) (1) (1)

Credit risk

1 year credit default swap rates (percentage except for CDS spreads, bp)

UK 21.79 (2) (1) (2) (1) (1) (1)
 US 21.79 (2) (1) (2) (1) (1) (1)
 EU 1 year CDS spread 15 (1) (1) (1) (1) (1)
 EU 5 year CDS spread 41 (1) (1) (1) (1) (1)
 EU 10 year CDS spread 30 (1) (1) (1) (1) (1)

5 year credit default swap rates (percentage except for CDS spreads, bp)

UK 10.14 (1) (1) (1) (1) (1)
 US 10.14 (1) (1) (1) (1) (1)
 EU 5 year CDS spread 15 (1) (1) (1) (1) (1)
 EU 10 year CDS spread 41 (1) (1) (1) (1) (1)
 EU 15 year CDS spread 30 (1) (1) (1) (1) (1)

Bank deposits (changes in bp)

US 1M 0.02 (4) (1) (2) (1) (2)
 US 3M 0.02 (4) (1) (2) (1) (2)
 US 6M 0.02 (4) (1) (2) (1) (2)
 US 12M 0.02 (4) (1) (2) (1) (2)

Japan 1M 0.02 (4) (1) (2) (1) (2)
 Japan 3M 0.02 (4) (1) (2) (1) (2)
 Japan 6M 0.02 (4) (1) (2) (1) (2)
 Japan 12M 0.02 (4) (1) (2) (1) (2)

Region 1M 0.02 (4) (1) (2) (1) (2)
 France 1M 0.02 (4) (1) (2) (1) (2)
 Germany 1M 0.02 (4) (1) (2) (1) (2)
 Italy 1M 0.02 (4) (1) (2) (1) (2)
 Netherlands 1M 0.02 (4) (1) (2) (1) (2)
 Portugal 1M 0.02 (4) (1) (2) (1) (2)
 Spain 1M 0.02 (4) (1) (2) (1) (2)

1 year deposits

EUR CDS Belgium 47 (2) (1) (1) (1) (1)
 EUR CDS France 30 (1) (1) (1) (1) (1)
 EUR CDS Germany 20 (1) (1) (1) (1) (1)
 EUR CDS Ireland 48 (1) (1) (1) (1) (1)
 EUR CDS Italy 69 (2) (1) (2) (1) (1)
 EUR CDS Netherlands 16 (1) (1) (1) (1) (1)
 EUR CDS Portugal 122 (1) (2) (1) (1) (1)
 EUR CDS Spain 103 (2) (1) (1) (1) (1)
 EUR CDS UK 34 (1) (1) (1) (1) (1)
 EUR CDS US 22 (1) (1) (1) (1) (1)

3 month deposits

EUR CDS Belgium 47 (2) (1) (1) (1) (1)
 EUR CDS France 30 (1) (1) (1) (1) (1)
 EUR CDS Germany 20 (1) (1) (1) (1) (1)
 EUR CDS Ireland 48 (1) (1) (1) (1) (1)
 EUR CDS Italy 69 (2) (1) (2) (1) (1)
 EUR CDS Netherlands 16 (1) (1) (1) (1) (1)
 EUR CDS Portugal 122 (1) (2) (1) (1) (1)
 EUR CDS Spain 103 (2) (1) (1) (1) (1)
 EUR CDS UK 34 (1) (1) (1) (1) (1)
 EUR CDS US 22 (1) (1) (1) (1) (1)

Stock markets (changes in percentage)

US stocks

S&P 500 1.02 (1) (1) (1) (1) (1)
 Dow Jones 1.02 (1) (1) (1) (1) (1)
 NASDAQ 1.02 (1) (1) (1) (1) (1)
 NYSE 1.02 (1) (1) (1) (1) (1)
 Russell 2000 1.02 (1) (1) (1) (1) (1)
 NYSE 100 1.02 (1) (1) (1) (1) (1)
 NYSE 400 1.02 (1) (1) (1) (1) (1)
 NYSE 2000 1.02 (1) (1) (1) (1) (1)
 NYSE 1000 1.02 (1) (1) (1) (1) (1)
 NYSE 500 1.02 (1) (1) (1) (1) (1)
 NYSE 250 1.02 (1) (1) (1) (1) (1)
 NYSE 125 1.02 (1) (1) (1) (1) (1)
 NYSE 62.5 1.02 (1) (1) (1) (1) (1)
 NYSE 31.25 1.02 (1) (1) (1) (1) (1)
 NYSE 15.625 1.02 (1) (1) (1) (1) (1)
 NYSE 7.8125 1.02 (1) (1) (1) (1) (1)
 NYSE 3.90625 1.02 (1) (1) (1) (1) (1)

European stocks

FTSE 100 1.02 (1) (1) (1) (1) (1)
 DAX 1.02 (1) (1) (1) (1) (1)
 Nikkei 225 1.02 (1) (1) (1) (1) (1)
 Hang Seng 1.02 (1) (1) (1) (1) (1)
 ASX 200 1.02 (1) (1) (1) (1) (1)
 BSE SENSEX 1.02 (1) (1) (1) (1) (1)
 NSE NIFTY 1.02 (1) (1) (1) (1) (1)

Asian stocks

Nikkei 225 1.02 (1) (1) (1) (1) (1)
 Hang Seng 1.02 (1) (1) (1) (1) (1)
 ASX 200 1.02 (1) (1) (1) (1) (1)
 BSE SENSEX 1.02 (1) (1) (1) (1) (1)
 NSE NIFTY 1.02 (1) (1) (1) (1) (1)

African stocks

FTSE 100 1.02 (1) (1) (1) (1) (1)
 DAX 1.02 (1) (1) (1) (1) (1)
 Nikkei 225 1.02 (1) (1) (1) (1) (1)
 Hang Seng 1.02 (1) (1) (1) (1) (1)
 ASX 200 1.02 (1) (1) (1) (1) (1)
 BSE SENSEX 1.02 (1) (1) (1) (1) (1)
 NSE NIFTY 1.02 (1) (1) (1) (1) (1)

Commodities (changes in percentage)

Oil

WTI 1.02 (1) (1) (1) (1) (1)
 Brent 1.02 (1) (1) (1) (1) (1)
 WTI 2018 1.02 (1) (1) (1) (1) (1)
 Brent 2018 1.02 (1) (1) (1) (1) (1)
 WTI 2019 1.02 (1) (1) (1) (1) (1)
 Brent 2019 1.02 (1) (1) (1) (1) (1)

Gold

Gold 1.02 (1) (1) (1) (1) (1)
 Silver 1.02 (1) (1) (1) (1) (1)
 Platinum 1.02 (1) (1) (1) (1) (1)
 Palladium 1.02 (1) (1) (1) (1) (1)

Grains

Wheat 1.02 (1) (1) (1) (1) (1)
 Corn 1.02 (1) (1) (1) (1) (1)
 Soybean 1.02 (1) (1) (1) (1) (1)
 Rice 1.02 (1) (1) (1) (1) (1)
 Sugar 1.02 (1) (1) (1) (1) (1)
 Coffee 1.02 (1) (1) (1) (1) (1)

Commodities (changes in percentage)

Oil

WTI 1.02 (1) (1) (1) (1) (1)
 Brent 1.02 (1) (1) (1) (1) (1)
 WTI 2018 1.02 (1) (1) (1) (1) (1)
 Brent 2018 1.02 (1) (1) (1) (1) (1)
 WTI 2019 1.02 (1) (1) (1) (1) (1)
 Brent 2019 1.02 (1) (1) (1) (1) (1)

Gold

Gold 1.02 (1) (1) (1) (1) (1)
 Silver 1.02 (1) (1) (1) (1) (1)
 Platinum 1.02 (1) (1) (1) (1) (1)
 Palladium 1.02 (1) (1) (1) (1) (1)

Grains

Wheat 1.02 (1) (1) (1) (1) (1)
 Corn 1.02 (1) (1) (1) (1) (1)
 Soybean 1.02 (1) (1) (1) (1) (1)
 Rice 1.02 (1) (1) (1) (1) (1)
 Sugar 1.02 (1) (1) (1) (1) (1)
 Coffee 1.02 (1) (1) (1) (1) (1)

Metals

Copper 1.02 (1) (1) (1) (1) (1)
 Aluminum 1.02 (1) (1) (1) (1) (1)
 Zinc 1.02 (1) (1) (1) (1) (1)
 Lead 1.02 (1) (1) (1) (1) (1)
 Tin 1.02 (1) (1) (1) (1) (1)
 Nickel 1.02 (1) (1) (1) (1) (1)

[Current level and changes at daily, weekly, monthly and annual frequencies]

Debt markets (changes in bp)

US 2yr 6.72 (2) (7) 158 (25)
 US 5yr 1.21 (0) (0) 126 (43)
 US 10yr 1.78 (0) (0) 127 (44)
 Japan 10yr 0.51 (4) (0) 121 (26)

OECD 2yr 0.32 (1) (0) 173 (48)
 OECD 5yr 2.32 (2) (1) 153 (27)
 OECD 10yr 3.22 (0) (0) 139 (41)

Belgium 10yr 0.7 (7) (4) 144 (27)
 France 10yr 0.50 (4) (2) 129 (44)
 Germany 10yr 0.49 (4) (3) 129 (44)
 Italy 10yr 0.86 (8) (6) 117
 Italy 10yr 5.56 (5) (4) 81 (44)
 Netherlands 10yr 0.50 (4) (3) 144
 Portugal 10yr 3.41 (2) (1) 179 (64) (89)
 Spain 10yr 1.7 (1) (0) 161 (51)

Emerging Markets
 Brazil 10yr 6.84 (7) (2) 147 (47)
 China 10yr 4.46 (7) (5) 114 (31)
 Colombia 10yr 6.14 (4) (4) 86
 Korea 10yr 6.24 (5) (4) 116 (23)
 Mexico 10yr 7.52 (5) (7) 110 (23)

Poland 10yr 2.86 (4) (3) 131 (37) (2)
 Russia 5yr 10.03 (18) (18) 139 (49) (6)
 Russia 10yr 8.13 (16) (16) 149 (53)
 Turkey 10yr 10.38 (3) (3) 133 (11)
 India 10yr 7.4 (6) (4) (2)
 Indonesia 10yr 8.14 (3) (3) 146 (17)

C country risk (changes in bp)

10yr overnight swaps (Agreement Germany)
 Belgium 49 (4) (7) 191 (15)
 France 37 (4) (1) (1)
 Germany 1027 (10) (11) 1663 (262)
 Ireland 1 (1) (1) (1) (2)
 Italy 194 (10) (10) (2)
 Netherlands 13 (0) (1) (1)
 Portugal 319 (2) (2) 378 (130)
 Spain 146 (2) (1) (1) (1) (2)

5yr overnight swaps (Agreement Germany)
 Belgium 9 (0) (1) (1)
 France 16 (0) (1) (1)
 Germany 93 (4) (1) (2)
 Ireland 2 (0) (1) (1) (2)
 Italy 24 (1) (1) (1) (2)
 Netherlands 1 (0) (1) (1) (1) (2)
 Portugal 271 (1) (1) (1) (1) (2)
 Spain 92 (2) (1) (1) (1) (2)

3yr overnight swaps (Agreement Germany)
 Belgium 1 (0) (1) (1)
 France 1 (0) (1) (1)
 Germany 31 (0) (1) (1)
 Ireland 1 (0) (1) (1)
 Italy 2 (0) (1) (1)
 Netherlands 4 (1) (1) (1)
 Portugal 171 (1) (1) (1) (1) (2)
 Spain 54 (0) (1) (1) (1) (2)

5yr overnight CDS
 Syr CDS Belgium 41 (2) (1) (1) (1)
 Syr CDS France 36 (2) (1) (1) (1)
 Syr CDS Germany 22 (0) (0) (0) (0)
 Syr CDS Ireland 86 (0) (0) (0) (0) (200)
 Syr CDS Italy 65 (2) (1) (1) (1)
 Syr CDS Italy 148 (0) (0) (0) (0)
 Syr CDS Netherlands 23 (1) (1) (1)
 Syr CDS Portugal 305 (1) (1) (1) (1) (187)
 Syr CDS Spain 126 (2) (1) (1) (1) (2)
 Syr CDS UK 34 (1) (1) (1) (1) (14)
 Syr CDS US 22 (0) (0) (0) (0)

5yr overnight CDS
 Syr CDS Brazil 482 (2) (1) 147 (27) (26)
 Syr CDS China 126 (2) (1) 146 (23) (2)
 Syr CDS Colombia 266 (4) (3) 161 (41) (3)
 Syr CDS France 200 (1) (1) 146 (30) (3)
 Syr CDS Italy 200 (1) (1) 146 (30) (3)
 Syr CDS Venezuela 82 (0) (0) 162 (46) (18)

Syr CDS Poland 82 (0) (0) (0) (2)
 Syr CDS Russia 301 (1) (1) 146 (42) (29)
 Syr CDS Turkey 201 (1) (1) 146 (34) (24)
 Syr CDS China 134 (2) (1) (1) (2)
 Syr CDS India 124 (1) (1) (1) (2)
 Syr CDS Indonesia 233 (1) (1) 146 (18) (1)

C credit risk

Risk indicators (changes in percentage except for E&A spreads, bp)
 VIX 21.79 (2.2) (2.2) 146 (4) (4)
 VIX 5yr 41 (0) (0) (0) (0)
 E&A EFT volatility index 32 (1) (1) (1) (1)
 Detrended volatility 152 (0) (0) 124 (25) (1) (2)
 E&A FX volatility index 13 (0) (1) (1) (1)
 Credit spread (BAA) 384 (1) (1) 271 (42)
 US bonds volatility index 85 (0) (1) (1) (1) (2)

Bank risk (changes in bp)

US banks CDS 166 (10) (10) (15) (3)
 Euro banks CDS 137 (1) (1) 106 (33)
 UK banks CDS 128 (10) (10) 240 (95)

Large Spanish banks CDS 165 (10) (10) (20) (20)
 Medium Spanish banks CDS 221 (10) (10) 291 (80)
 Small banks CDS 178 (1) (1) 106 (100) (84)
 Russian banks CDS 47 (2) (2) (1) (1) (8)

Corporate risk (changes in bp)

US Non-financial CDS 598 (1) (1) 169 (10) (20)
 Euro Non-financial CDS 321 (1) (1) 101 (1) (2)
 UK Non-financial CDS 216 (4) (1) 149 (24)

Interbank markets (changes in bp)

US 3m secured 3m 15 (1) (1) (1) (1)
 US 6m secured 3m 4 (1) (1) (1) (1)
 UK 3m secured 3m 20 (1) (1) (1) (1) (1)
 US 3m secured 3m 23 (0) (1) (1) (1) (1)
 US 6m secured 3m 29 (0) (1) (1) (1) (1)
 US TED spread 3m 32 (1) (1) (1) (1) (1)
 Spain Ted Spread 3m 4 (0) (1) (1) (1) (1)

Stock markets (Changes in percentage)

Major equity indexes
 S&P500 180 (2) (2) (2) 114 (6)
 Dow Jones 184 (2) (2) (2) 114 (6)
 Nikkei 181 (6) (2) (2) (2) 115 (1)
 FTSE 100 50 (2) (2) (2) 115 (1)
 Euro Stoxx 50 206 (2) (2) (2) 115 (1)
 MSCI World 4 (0) (0) (0) 115 (1)
 DAX 180 (2) (2) (2) 115 (1)
 CAC40 180 (2) (2) (2) 115 (1)
 NYSE 171 (2) (2) (2) 115 (1)
 ASI 180 (2) (2) (2) 115 (1)

Developing
 US banks 74 (2) (2) (2) 115 (1)
 JPM 57 (1) (1) (1) 115 (1)
 Cit 33 (1) (1) (1) 115 (1)
 Bank 12 (1) (1) (1) 115 (1)
 WFC 24 (1) (1) (1) 115 (1)
 GS 147 (3) (3) (3) 115 (1)

UK banks 71 (2) (2) (2) 115 (1)
 HSBC 48 (2) (2) (2) 115 (1)
 Barclays 29 (1) (1) (1) 115 (1)
 Deutsche 141 (2) (2) (2) 115 (1)
 JPM 44 (1) (1) (1) 115 (1)

EU banks 82 (4) (4) (4) 115 (1)
 BNP 41 (1) (1) (1) 115 (1)
 Citigroup 5 (1) (1) (1) 115 (1)
 Credit Agricole 5 (1) (1) (1) 115 (1)
 ING 10 (1) (1) (1) 115 (1)
 Intesa 24 (1) (1) (1) 115 (1)
 UBS 36 (1) (1) (1) 115 (1)
 Unicredit 31 (1) (1) (1) 115 (1)

Large Spanish banks 81 (3) (3) (3) 115 (1)
 Santander 3 (1) (1) (1) 115 (1)
 BBVA 3 (1) (1) (1) 115 (1)
 Medium Spanish banks 96 (4) (4) (4) 115 (1)
 Caixa 3 (1) (1) (1) 115 (1)
 Pegasus 2 (1) (1) (1) 115 (1)
 Sabadell 1 (1) (1) (1) 115 (1)
 Bankia 3 (1) (1) (1) 115 (1)

Greek banks 2 (1) (1) (1) 115 (1)
 Alpha Bank 1 (1) (1) (1) 115 (1)
 Piraeus Bank 1 (1) (1) (1) 115 (1)
 National Bank 1 (1) (1) (1) 115 (1)
 Eurobank 1 (1) (1) (1) 115 (1)

Emerging Markets
 Brazil 100 (1) (1) (1) 115 (1)
 Mexico 100 (1) (1) (1) 115 (1)
 India 100 (1) (1) (1) 115 (1)
 China 100 (1) (1) (1) 115 (1)
 Russia 100 (1) (1) (1) 115 (1)

Developing
 US 1.11 (2) (2) (2) 115 (1)
 Germany 1.11 (2) (2) (2) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)
 USDF 113 (0) (0) (0) 115 (1)

*CDS, EMBI & MSCI indices with one day delay

**Credit spread (BAA) with two days delay

DISCLAIMER

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.