## Market Comment | Financial markets signal increasing appetite for global risk assets

Global Financial Markets Unit 02 Mar 2016

BBVA Research

- **Positive labour data in the US**. According to US ADP employment data, private sector jobs increased in February above expectations (by 214K; consensus: 190K; previous:193K).
- Fed's Williams sees the US economy far from a recession, despite headwinds from international uncertainties. The president of the Federal Reserve Bank of San Francisco argued that despite recent risks, the US economy is far from recession and he thinks that inflation will be pushed back to the 2% target. "If you look at how the US economy has done in the last few years, you can see I think how we will continue to power ahead even with the significant headwinds both in terms of growth and inflation," he said. With regard to interest rates, the increase would be gradual.
- ECB's Coeure on negative rates and bank profitability. Ahead of next week monetary policy meeting, on the topical issue about whether monetary policy is contributing to weak profitability, ECB's Coeure underlined that "we are well aware of this issue. We are monitoring it on a regular basis and we are studying carefully the schemes used in other jurisdictions to mitigate possible adverse consequences for the bank lending channel.", suggesting Japan's multi-tier system approach for a depo rate cut.
- Financial markets signal increasing appetite for global risk assets. Yesterday's better-than-expected US confidence data, coupled with last week's macroeconomic figures,- are helping reduce concerns about the US economic outlook, which has been the major source of uncertainty over recent months. Consequently, the probability of an additional rate-hike in 2016 topped 50% (probabilities of March-hike 12% and June-hike 38%), supported also by (relatively) hawkish comments from Williams (San Francisco Fed). Improving market confidence is also reflected in commodity prices, where copper rose to its highest level since November 2015 and oil also trended upwards despite higher-than-expected oil inventories in the US. Main equity indices rose once again, driven by Asian indices (Nikkei: +4.1% Shanghai: 4.3% Eurostoxx:+0.7% IBEX:+1.6%). Meanwhile, US indices remain almost unchanged at the time of writing. On bond markets, US treasury yields rose all along the curve (2Y: +1 bp 10Y:+3 bps). Similarly, European yields inched up, led by peripherals (GER 10Y:+6 bps FRA 10Y:+6 bps ITA 10Y:+7 bps SPA 10Y:+7 bps POR 10Y:+2 bps). On FX markets, the USD showed a mixed performance against other major currencies (EUR:-0.31% GBP:+0.72% JPY:+0.11%). EM currencies appreciated against the US dollar (BRL:+0.9% CLP:+0.9% COP:+0.9% MXN:+0.4%), helped by the rise in oil (Brent:+1.1% Wtx:+1.3%) and copper (+1.3%).

Update 17.30 CET 02 March, 2015 Table1



(Current level and changes at daily, weekly, monthly and annual frequencies)
Debt markets (otherspes in bp)       Derestigned Markets       05 Jay 6 36 (1)(0)(0)(-10)       05 Jay 7 35 (1)(1)(3)(-10)       05 Jay 7 35 (1)(1)(3)(-10)       05 Jay 7 35 (1)(1)(3)(-10)
نده ( است) - مدن ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( (
048 (bg = 32 (bg = 14 (bg = 14 (bg = 16)))     048 (bg = 32 (bg = 16))     048 (bg = 16))     048 (bg = 16)     048 (bg = 16))     048 (bg = 16))     048 (bg = 16)     048 (bg = 16))
Computing Detailable     Computing Details     Computer Details <th< td=""></th<>
Protect (Upr) 3 (4) (11) (15) (5) product Seyr 8 47 (15) (15) (12) (11) Roussi Leyr 8 34 (15) (15) (12) (11) Tarkey 19 39 (10) (15) (15) (15) Intel 3 40 r 7 8 7 (12) (12) (15)
India 1947 78 (2) (20) (47) (.44) Mademain Valy 1 15 (42) (44) (569) Country right (changes in bp) Country right (changes in bp)
Contracted Internet     Section 2010       Section 2010     Section 2010       Tensors 2010     Section 2010       Tensors 2010     Section 2010       Section 2010     Section 201
Say (source) meansh (dipolar)       Say (source) meansh (dipolar)       Falser of 10 (sol) (sol)       Market of 20 (sol) (sol)       Market of 20 (sol) (sol)       Market of 20 (sol) (sol) (sol)
2-y conception memory (Append Generary) Theorem (1990) (1990) Tennad 2-R (96,40) (19) Tennad 2-R (96,40) (19) Tennad 2-R (96,40) (19) Tennad 2-R (19,40) (19) Tennad 2-R (19) Ten
14 consequences 14 con
5-y consequence CS3 5-y consequence CS3 5-y consequence CS3 5-y cons 5-y cons 5-y consequence CS3 5-y cons 5-y
547 039 Publish (511 (20) (96) 547 039 Publish (95) (10) (212 (20)) 547 039 Publish (95) (10) (212 (20)) 547 039 Publish (95) (10) (10) 547 039 Publish (71) (10) (10) (10) (10) (10) (10) (10) (1
Visit (7:3) 45(4) (6)     Visit (7:4)       Elit E FT maintry visites 28 (24/13) (4) (16)     Visit (7:4)       Elit E FT maintry visites 28 (24/13) (4) (16)     Visit (7:4)       Elit E FT maintry visites 28 (24/13) (21/16)     Visit (7:4)       Elit E FT maintry visites 28 (24/13) (21/16)     Visit (7:4)       Elit E FT maintry visites 28 (24/13) (21/16)     Visit (7:4)       Elit E FT visitity visites 48 (24/13) (21/16)     Visit (24/13) (21/16)       U based visitity free 4.6 (2) (11/16) (24)     Visit (24/13) (24/13)
Bank Add (2014)     Bank Add (
Genek banik CDS 1603 (+0)(19)(10)(20) Samani banik CDS 2603 (+0) (4)(-1)(2) Cargonale Field (Hokeges in Adu) Biote-Metanoal CDS 267 (+0) (+0) (+0) (+0) EHV Mon-Metanoal CDS 267 (+0) (-0) (20) (+0) EHV Mon-Metanoal CDS 267 (+0) (-0) (-0) Hokes-Metanoal CDS 267 (+0) (-0) (-0) (-0) Hokes-Metanoal CDS 267 (+0) (-0) (-0) (-0) (-0) Hokes-Metanoal CDS 267 (+0) (-0) (-0) (-0) (-0) (-0) (-0) (-0) (-
bit Anishman Antonic (a) (bit (d)) (d))       bit Anishman Antonic (a) (bit (d)) (d))       bit O (d) (bit (d))       bit O (bit (d))       bit O (bit (d))       bit O (bit (d))       bit O (bit (bit (bit (d)))       bit O (bit (bit (bit (bit (bit (bit (bit (bit
EOMA Index A 24 (0) (0.9) (0) (-11) Euritor 3m -0.21 (0) (-0.7) (-3) (-4) Euritor 12m -0.02 (0) (-1) (-3) (-4)
LBer 2m 0.83 (0) (0) (1) (2) LBer 2m 1.98 (0) (2) (4) (8) Stock markets (Changes in percentage) Developed Markets
The many barries in the second s
Bank account     Bank account<
Markets. 7213/1612/01/17160 1000/1000/1000/1000/1000/1000/1000/10
Large Spanse has 40.3 (4) (4) (6) (6) (5) (5) (4) (500 (4) (5) (5) (4) (500 (4) (4) (5) (5) (4) (5) (5) (4) (5) (5) (5) (5) (5) (5) (5) (5) (5) (5
Ganda Samer S (1)(2)(3)(4)(2)(4)(2)(4) Algan Samer S (2)(3)(4)(2)(4) Algan Samer S (2)(2)(2)(1)(4)(4) Homora Central Banda (2)(2)(2)(4)(4) Evolution (2)(4)(4)(4)(7)(4)(4)(50) Evolution (2)(4)(4)(4)(7)(4)(4)(50) Evolution (2)(4)(4)(4)(4)(4)(4)(4)(4)(4)(4)(4)(4)(4)
Not interest and a constraint of a display o
Currencins (in percentage, positive for dollar deprecision) EURIPSIC 1383 (33):1-130), 45 (4-3) 969003 (-141 (25), 425 (4-6) 969003 (-141 (25), 425 (4-6) 96004 (-141 (25), 455 (5) 96 (44, (4, (-1, (-1, (-1, (-1, (-1, (-1, (-1, (-1
$\label{eq:2.1} \begin{array}{l} \mbox{transmit} $ V(a) = 0, tr$
$\begin{array}{l} USDENY (Ehma) 6.55 (5) (4.3) (0.4) (4.9) \\ USDEN (hma) (6.55 (53) (1.5) (7.4) (2.1) \\ USDEN (hma) (6.53 (53) (1.5) (7.4) (2.1) \\ USDEN (hma) (6.53 (1.5) (1.5) (5.6) (2.4) (2.5) \\ \end{array}$
And main representations: Commutation Conservations (Commutation) With Mark 101 44 (142):244 With Mark 101 44 (142):244 With Mark 101 44 (142):244 With Mark 101 47 (
· · · · · · · · · · · · · · · · · · ·





Current level and changes at daily, weekly, monthly and annual frequencies)
Debt markets (changes in bp) Enveloped Infredit US 2-yr 0.8 (1) (0) (b) (-10) US 2-yr 1.3 (2) (1) (2) (41) US 2-yr 1.3 (2) (1) (4) (41) US 10 (4) (41)
Japan 10-yr 4.03 (3) (3) (4) (29)
QER 2 <sub>29</sub> 7 − 0.55 (1) (-3) (-21) QER 5 <sub>29</sub> 7 − 0.36 (3) (-21 (-7) (-31) QER 10 <sub>-2</sub> 7 (-2.1 (8) (8) (-14) (-42)
Belgium 10yr 0.65 (8) (3) (-13) (-20) Tranco 10yr 0.25 (6) (-11) (-42) Genesa 10yr 0.27 (-20) (-70) (-64) (103) Halard 10yr 0.28 (+(-50), -64)
Sequent Vip < 4.8.8.10 (111) (221)
Constraint Stay 1:55 (1-56) (-23) (-27) (-26)       Draint Say 1:55 (1-56) (-23) (-22)       Colomant Say 2:55 (1-56) (-23) (-23)       Manace Say 0:65 (1-6) (-13) (-14)       Manace Say 0:65 (1-6) (-13) (-14)       Manace Say 0:65 (1-6) (-15) (-15)       Manace Say 0:65 (1-6) (-15) (-15)
Maxics 10.5yr 6.14 (1) 7(11) (13) Pena 10.yr 7.46 (2) (-4) (19) (16) Peland 10.yr (20 (15) (-19) (5)
Poland 18-yr 3 (4) (11) (19) (5) Ruxola 5-yr 9 A7 (1) (51) (20) (41) Ruxola 18-yr 93 (9) (035) (55) (21) Tankey 10-yr 10.34 (8) (21) (28) (-13)
India 10-yr 7.82 (2) (-20) (-17) (-14) Indonesia 10-yr 8.15 (-12) (-14) (1) (-58) Country risk (changes in bp)
Developed Ibs here: Hyr soverheit a presents (appliest Gernany) Belgium 47 (-1) (-2) (1) (1) (1) Belgium 100 (1) (1) (1)
Annexandle Marchania Wing annexandle game and departed demandly Tarless and any of the second seco
Spain <sup>®</sup> 125 (1) (-(2) (14) (21) <sup>(1)</sup> Evy soversign spansist oppost Genrary) Bergin 10 (1) (5) (-2) (2)
Syntax-control     Syntax-control       Syntax     TD (S) (S) (S) (S)       Syntax     TD (S) (S) (S)       Syntax     Syntax
$\label{eq:2} \begin{cases} 1 0 \mbox{min} (0,0) \\ 1 0 \$
Syrt assertigin CDS       Syr CDS Belgium 50 (-1) (2) (11) (18)       Syr CDS Fance 37 (0) (2) (7) (11)       Syr CDS Fance 37 (0) (2) (7) (11)       Syr CDS Fance 32 (4) (2) (7) (10)
5-pr CDS Sereece 1302 (408) (40) (90 (44) 5-pr CDS Sereece 40 (4) (42) (20) (4) 5-pr CDS Rev 136 (4) (4) (20) (4) 5-pr CDS Rev 136 (4) (4) (4) (5) (4)
•
Emerging Markets
September 2013     Comparison (Comparison
S-yr CDS Polandils (-1) (-2) (2) (18) S-yr CDS Ruasia 305 (-13) (-23) (-22) (-3) S-yr CDS Turkey 280 (-18) (-12) (-6) (7)
5-pr CDS Chima 128 (-2) (-6) (4) (22) 5-pr CDS Exidar 123 (-2) (-1) (-1) (-24) 6-pr CDS Exidar 123 (-2) (-1) (-2) (-3)
Crodit risk     Statistication store (blacked)       Wisk India to store (blacked)     (b)       VXX 17 81 0 0(x14) (-10 (0) (0)       VXX 17 81 0 0(x14) (-10 (0) (0)       VXX 17 81 0 0(x14) (-10 (0) (0)
Credit Fels     Simulation (particular)       VX 128 (0) (v4) (06) (v)     Simulation (particular)       VX 128 (0) (v4) (06) (v)     Simulation (particular)       EVEN and Version Simulation (V4) (v4) (v4)     Simulation (particular)       EVEN and Version Simulation (V4) (v4) (v4)     Simulation (v4) (v4) (v4)       EVEN and Version Simulation (V4) (v4) (v4)     Simulation (v4) (v4) (v4)       Create and Simulation (V4) (v4) (v4) (v4)     Simulation (v4) (v4) (v4)       Create and Simulation (V4) (v4) (v4)     Simulation (v4) (v4) (v4)       Create and Simulation (V4) (v4) (v4)     Simulation (v4) (v4) (v4)       Create and Simulation (V4) (v4) (v4)     Simulation (v4) (v4) (v4)
Bank risk (sheepes in bo) 16 beaks CDS 96 (3) (-12) (7) (20) EW Uanks CDS 12 (-4) (-10) (24) (49) UK beaks CDS 132 (-4) (-12) (52) (54)
Large Spanish banks CDS 153 (4) (-15) (2) (16) Medium Spanish banks CDS 212 (-5) (-16) (12) (54)
Genesis bancias CCDS 19856 (-19) (19) (160) (023) Bussian bancis CCD 495 (-49) (-49) (-49) (-23) Composite (-14) (-60 Antones - A 1050)
Comparate risk (changes ir bos) US Not-Monrola CDS 527 (-N) (-N) (-N) (-N) (-N) (-N) (-N) (-N)
Interbank markets (changes in bp)       UEM ICS press 3m 15.0(1)(1)(4)       UEM ICS press 4m 41.0(1)(1)(4)       UEM ITD spresd 3m 30.0)(-3.2)(9)(-3)
US 05 spread 3m 22 (0) (2) (0) (1) US 05 spread 12m 66 (-1) (-4) (0) (10) US TED spread 3m 51 (0) (0) (-10)
Spain Ted Spread 3m 10 (1) (10.7) (-7) (5) EONA Index - 0.24 (0) (0.5) (5) (-11) Eurobez Ten - 42.1 (0) (-0.7) (-0.14) Eurobez Ten - 42.0 (0) (-1(-0.14)
Liker 3m 0.63 (0) (0) (1) (2) Liker 12m 1.18 (0) (2) (4) (0)
Stock markets (Changes in percentage) Developed Markets Main equity inflices Safetion 1977 (J. 0.1) (2.5) (2) (-3)
Dow Jones (6052 (d. 1) (2.2) (G. 4) (-3) Mickel (9746 (d. 1) (5.2) (d. 3) (-12) 7755 (10) (912.6 (d. 3) (d. 5) (1.2) (2) Evendons (d. 5.0) (71 (d. 7) (7) (.4) (4)
Marke market based Section 12 - 12 - 12 - 12 - 12 - 12 - 12 - 12
Extra stocka US beats 79 (0, 8) (6, 4) (-1, 1) (-16) JPM 566 0, 0, 041 (1) (1, 2) (-10)
Termine and constraints (1997) (1997) (1998) And
$ \begin{array}{l} \label{eq:constraint} \mbox{Kitebask} (k) & (5) (5) (5) (-1) (+1) \\ \mbox{Kitebask} (5) (5) (5) (-1) (+1) \\ \mbox{Kitebask} (5) (5) (-1) (+1) (+1) (-1) (-1) (-1) (-1) (-1) (-1) (-1) (-$
Damanya 1ar (z.4) (3.3) (31.4) (38) Linyak 73.1 (8) (17.5) (13.8) (9) ENU basis 69.9 (3.7) (3.1) (3.9) (47) ENU basis 49.6 A (4.6) (5.7.1)
THU Banks     698-073 (13.1)(2.8)(47)       THU Banks     63.0 (4.16)(4.17)       THU Banks     63.0 (4.16)(4.17)       Develope Bank     72.0 (17.16)(4.14)(4.16)       MO 115.0 (27.16)(4.14)(4.16)     88.2 (2.16)(4.16)(4.16)(4.16)       SD 24.4 (2.10)(4.16)(4.16)     50.2 (4.16)(1.16)(4.
Large Spanish banks 88.3 (4.9) (16.6) (6.5) (-10) Santander 4 (5.4) (17.4) (6.1) (-11) BOYA, 82.4 (8) (16) (6.8) (-6)
$\label{eq:constraint} \begin{array}{l} {\rm Sim} \ n \leq 4, \ n (m) \ (n) \leq 1 < n \\ {\rm Sim} \ (n \leq 4, \ n (m) \ (n) \leq 1 < n \\ {\rm Sim} \ (n \leq 4, \ n \leq 1, \ n < 1,$
Sabadel 1 (6 (6.4) (12.0) (6.3) (4) Bonkinter 6 3 (1.8) (9.2) (4.2) (4) Bonkin 0.8 (2.9) (11) (4.2.7) (24)
Gleek banks 3 (10.8) (44.8) (-5.4) Alpha Bank (17.8) (24.5) (-6(.4) Alpha Bank (17.8) (-6(.4)) Alpha Bank (17.8) (-6(.4)
Tmerging Markets Nais equity Indices VSC Latan 00202 (2.7) (2.7) (2.7) bosspace (Incal) (4.54 Ct () (3.0) (3.0) (2.5) Mood (4.470 (Ct () (5.0) (3.0)) Mood (4.470 (Ct () (5.0) (3.0))
Mandari 44172 (1.1) (2.5) (2.5) (4) VSCI (1 N (urspe 408 (0.6) (1.6) (1.3) (3.5) Valore (Natoria) (1.5) (3.6) (2.7) (4.3) Wook (Natoria) (1.5) (2.6) (2.6) (4.1) Wook (Natoria) (1.5) (2.6) (7.1) Wook (Natoria) (1.5) (2.6) (7.1)
Micek (Husea) 1833 (J.6) (2) (3.4) (4.1) Se 100 (Turkey) 79788 (1.1) (3.7) (4.5) (7.1) MSCIEM Avia 624 (1.3) (0.5) (0.5) (4.5)
WSCIE Brakas 824 (131) (15 (15 (25)) (5 (5)) Shanghai Companin (China ) 2850 (1 (26) (27) (8) (+9 (5)) Jahari Companin (Indexan) (+920 (12) (27) (27) (4 (5) (5)) Shark Andreas Tannin Index 27 (1 (2) (1 (2) (2) (2) (2) (2))
National Indexes 78 (1.9) (3.6) (2.5) (6.5) Adamski T. A.S. 8 (1.6) (2.5) (4.7) (12.4) Gammin 7 (5.7) (2.6) (1.1) (5.1) Tarkiye is Bankasi 5 (2.) (5.7) (1.3) (0.5)
Russian basis 151 (-11) (2 %) (5 8) (4 8) Sometan: 168 (-2 (9) (10) (4 8) V178 Bank 6.1 (0-4) (1) (-1.4) (-0)
Currences (in parcentage, positive for dollar depreciation)       Distribute fit human       UBURD 100 (4.37) (4.43) (4.5) (4.3)       060PURD 114 (0.27) (6.42,6) (4.6)       USURD 114 (8.27) (4.26) (4.6)       USURD 114 (8.27) (4.26) (4.6)       USURD 114 (8.27) (4.26) (4.6)       USURD 114 (8.27) (4.2) (4.6)       USURD 116 (8.27) (4.2) (4.6)
Interaction     Section (1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1
USERE (I) (p dund) 329 (4 3) (4 3) (1 1) (4 3) USERUP (Russa) 73 44 (4 2) (2 1) (3 (4 1 - 3) USERUP (Russa) (4 4 1 (9) (3 - 1) (4 7) USERUP (Russa) 75 (9 (4 - 1) (9 (3 - 1) (4 7)) USERUP (Russa) 75 (9 (4 - 1) (9 (4 - 1) (4 - 1))
USDCHY (Phone) 5.55 (0) (4.3) (0) (4.6) USDCHY (phone) 5.55 (0) (1 (5) (6) (4.2) (1 USDCHY (phone) 5.55 (1 (5) (6) (2.4) (5) (2.4) (5) 400Y (15) 77 (0) (3) (62) (62) (6) (2.4) (5) Commod Lise (Analyse in percentage)
Breat 37.2 (t.1) (k.1) (6.6) (6.2) WTx: 34.60 (1.3) (6.4) (6.2) (6.5) Cooper 217 (1.3) (6.4) (6.8) (2.1) Geoder 1208.40 (6.5) (6.8) (6.8) (47)
Communities (Privage In percentage) WTL 348 (1) (1) (1) (1) (1) (1) (1) WTL 348 (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)
SAP USCI Agricultural Spot. 222. 198 (-2.7) (-1.7) (-3.1) (-4) Source Disorberg, Datasteam and Hever



## \*CDS, EMBI & MSCI indices with one day delay \*\*Credit spread (BAA) with two days delay \*\*\*S&P GSCI with one day 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 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.