BBVA Research

Market Comment | Cautious mood in markets ahead of Thursday’s UK referendum

Global Financial Markets Unit
21 Jun 2016

- **German high court rules in favour of the ECB’s OMT programme**. After years of judicial battles, and after the European Court of Justice (ECJ) ruled a year ago that the OMT was in accordance with EU law, the German institution recognises that the current scheme of the OMT does not violate German Federal law regarding the monetary financing of euro zone governments, but with several caveats, which somewhat limit the OMT firepower, such as a stipulation to the effect that the Bundesbank can implement the OMT only if the amount of the purchase is limited from the outset (see). The OMT was launched on September 2012, and its announcement was a powerful tool to address the euro zone fragmentation risk and maintained the euro as a stable currency. Although it has never been used, its legality was always on the table. Although the impact of today’s GCC on financial markets was contained, a contrarian decision could have added some pressure on EZ assets ahead of the Brexit referendum.

- **Federal Reserve Chair Janet Yellen’s testimony before the Senate was broadly unchanged from the last FOMC statement.** Ms Yellen stated that the economy has made further progress towards the Federal Reserve's objective of maximum employment. However, the pace of improvement in the labour market appears to have slowed more recently, suggesting that the cautious approach to adjusting monetary policy remains appropriate. Moreover, she cautioned again about the vulnerability of the global economy: China’s slowdown and the UK referendum, while also warning that in the current environment investors’ perception of risk-taking can change abruptly.

- **ECB’s Mario Draghi defended all the monetary policy action taken and said the ECB will do more if needed to revive price growth**. While the effect of stimulus policies is finally showing through in a more robust pick-up in non-construction investment, he warned that total investment is still below pre-crisis levels, urging countries with healthy public finances to deploy measures to spur investment. He also warned that the risks are tilted to the downside and said he is ready to make use of all instruments available in the event of an unwanted tightening of financing conditions altering the mid-term outlook.

- **Cautious mood in markets ahead of Thursday’s UK referendum**. The positive mood in financial markets early today - caused by yesterday’s decreasing odds of Brexit - was reinforced by the better-than-expected macroeconomic data in the EZ (better-than-expected ZEW in Germany and EZ) and the German high court decision regarding the OMT programme. Nonetheless, the positive mood moderated as a new round of polls on Brexit was released. It showed an extremely narrow difference between the “leave” and “remain” options and ensured high volatility in financial markets in upcoming sessions. As we anticipated yesterday, uncertainty regarding the Brexit issue will remain well alive until Thursday's referendum as the flow of new information continues. Implied volatility in main assets continued to decline but remained above the current year average (implied volatility in the Eurostoxx 50, 34.5%, S&P500 18.34 % and EURGBP 18.82%).

- **Against this backdrop bonds remained almost unchanged despite Draghi’s and Yellen's**

remarks (US 10Y -1 bp GER 10Y: 0 bps). In the same line, peripheral curves halted yesterday's falls and did not register significant changes. Nonetheless, Greek bonds yields increased although the ESM today authorised the first €7.5 billion disbursement of the €10.3 billion second tranche of ESM financial assistance to Greece. In equity markets, developed countries' indices increased modestly, led by Asia and Europe (Euro Stoxx +0.8%, Nikkei +1.3 % S&P +0.1 %). In FX markets, the US dollar appreciated against its main peers (euro -0.47%, Japanese yen -0.62%, British pound -0.18%). Meanwhile, EM currencies registered mixed performances against the USD (BRL: -0.3%, CLP: +0.5%, COP: -0.1%, MXN +0%) despite the downward trend in commodity prices (Brent -1.3% and copper -0.2%).

Update 17.35 CET 21 June, 2016
Table 1

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

Debt markets *(changes in bp)*

Developed Markets
US 2-yr 0,75 (0) (3) (-13) (-30)
US 5-yr 1,18 (0) (4) (-18) (-58)
US 10-yr 1,68 (-1) (7) (-16) (-59)

Japan 10-yr -0,14 (0) (1) (-3) (-41)

GER 2-yr -0,59 (0) (0) (-8) (-24)
GER 5-yr -0,47 (0) (0) (-12) (-42)
GER 10-yr 0,05 (0) (5) (-12) (-58)

Belgium 10-yr 0,44 (-1) (-2) (-11) (-53)
France 10-yr 0,42 (-1) (-1) (-9) (-57)
Greece 10-yr 7,9 (10) (-31) (45) (-38)
Ireland 10-yr 0,79 (-2) (-5) (-5)
Italy 10-yr 1,45 (1) (-6) (-3) (-15)
Netherlands 10-yr 0,29 (0) (3) (-9) (-51)
Portugal 10-yr 3,17 (1) (-22) (6) (65)
Spain 10-yr 1,5 (2) (-6) (-6) (-27)

Emerging Markets
Brazil 10-yr 12,62 (-7) (-13) (13) (-390)
Chile 10-yr 4,54 (0) (0) (-2) (-12)
Colombia 10-yr 7,99 (1) (9) (-7) (-67)
Mexico 10-yr 6,05 (1) (-11) (-6) (-22)
Peru 10-yr 6,14 (0) (4) (4) (-117)

Poland 10-yr 3,11 (4) (-21) (3) (16)
Russia 5-yr 8,85 (5) (-7) (-23) (-103)
Russia 10-yr 8,62 (5) (-13) (-34) (-94)
Turkey 10-yr 9,4 (8) (-17) (-63) (-107)

India 10-yr 7,5 (0) (-2) (2) (-26)
Indonesia 10-yr 7,64 (1) (0) (-29) (-110)

Country risk *(changes in bp)*

Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 39 (-1) (-8) (1) (5)
France 37 (-1) (-6) (3) (1)
Greece 785 (10) (-36) (56) (20)
Ireland 74 (-2) (-10) (6) (22)
Italy 140 (1) (-12) (9) (43)
Netherlands 24 (0) (-2,5) (2) (7)
Portugal 312 (1) (-27,5) (17) (123)
Spain 145 (3) (-11) (5) (31)

5-yr sovereign spreads *(against Germany)*
Belgium 20 (0) (-3,9) (16) (12)
France 24 (0) (-3) (5) (12)
Greece 1649 (0) (0) (11) (42)
Ireland 47 (0) (1) (13) (22)
Italy 89 (0) (-10) (17) (34)
Netherlands 17 (-2) (-4,5) (19) (17)
Portugal 250 (-1) (-14) (29) (139)
Spain 96 (2) (-10) (8) (24)

2-yr sovereign spreads *(against Germany)*
Belgium 10 (0) (2) (6) (6)
France 13 (-1) (-1,6) (4) (9)
Ireland 33 (0) (12) (17) (19)
Italy 60 (1) (-8) (15) (28)
Netherlands 5 (-2) (-3) (5) (8)
Portugal 136 (3) (-1) (27) (91)
Spain 58 (1) (-6) (17) (23)

5-yr sovereign CDS
5-yr CDS Belgium 50 (0) (0) (0) (18)
5-yr CDS France 37 (-2) (1) (-1) (11)
5-yr CDS Germany 19 (0) (0) (-2) (7)
5-yr CDS Greece 919 (-55) (63) (-70) (-139)
5-yr CDS Ireland 68 (-4) (4) (4) (28)
5-yr CDS Italy 142 (-6) (1) (17) (46)
5-yr CDS Netherlands 27 (-1) (1) (2) (13)
5-yr CDS Portugal 301 (-14) (27) (27) (133)
5-yr CDS Spain 103 (-4) (1) (11) (14)
5-yr CDS UK 35 (-5) (3) (1) (16)
5-yr CDS US 21 (-1) (-1) (0) (2)

Emerging Markets

5-yr sovereign CDS
5-yr CDS Argentina 432 (-20) (-29) (-10864) (-10864)
5-yr CDS Brazil 323 (-8) (-21) (-22) (-169)
5-yr CDS Chile 103 (-6) (-7) (-6) (-24)
5-yr CDS Colombia 223 (-8) (-1) (-9) (-16)
5-yr CDS Mexico 167 (-7) (-5) (-8) (-3)
5-yr CDS Peru 148 (-6) (-4) (-16) (-38)
5-yr CDS Venezuela 5124 (-93) (-10) (-397) (-919)

5-yr CDS Poland92 (0) (1) (7) (20)
5-yr CDS Russia 246 (-13) (-6) (-18) (-56)
5-yr CDS Turkey 247 (-13) (-7) (-29) (-27)

5-yr CDS China 123 (-4) (-6) (-6) (15)
5-yr CDS India 175 (-3) (7) (14) (26)
5-yr CDS Indonesia 188 (-6) (-10) (-9) (-39)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 18,35 (-0,1) (-10,5) (20,7) (0)
VSTOXX 34,47 (0,7) (-10,1) (52,5) (12)
EM EFT volatility Index 27 (0) (-5) (14) (17)
Dollar/euro volatility 11,1 (1,6) (-17,6) (25,8) (15)
EM FX volatility index 11 (0) (-5) (-2) (-7)
Credit spread (BAA) 285,7 (0,5) (-3) (-2) (-37)
US bonds volatility index 77 (0) (-2) (13) (14)

Bank risk *(changes in bp)*
US banks CDS 85 (-10) (-3) (-1) (10)
EMU banks CDS 120 (-11) (-7) (4) (36)
UK banks CDS 113 (-16) (-13) (-5) (35)

Large Spanish banks CDS 150 (-12) (-6) (7) (13)
Medium Spanish banks CDS 178 (-12) (-17) (-14) (20)

Greek banks CDS 1247 (-75) (10) (-85) (-405)
Russian banks CDS 361 (-10) (6) (-2) (-21)

Corporate risk *(changes in bps)*
EMU Non-financial CDS 317 (7) (7) (31) (144)
UK Non-financial CDS 167 (-7) (-12) (-17) (-25)

Interbank markets *(changes in bp)*

UEM OIS spread 3m 8 (0) (-1) (0) (-3)
UEM OIS spread 12m 37 (0) (-1) (1) (3)
UEM TED spread 3m 36 (0) (-3,6) (4) (-5)

US OIS spread 3m 26 (0) (-1) (4) (3)
US OIS spread 12m 76 (0) (0) (6) (20)
US TED spread 3m 38 (-2) (-1) (2) (-7)

Spain Ted Spread 3m -14 (0) (2,1) (-27) (-19)

EONIA Index -0,34 (0) (-1,1) (-1) (-21)
Euribor 3m -0,27 (0) (-0,4) (-1) (-14)
Euribor 12m -0,03 (0) (-1) (-2) (-9)

Libor 3m 0,65 (0) (-1) (-1) (3)
Libor 12m 1,25 (0) (0) (-5) (7)

Stock markets *(Changes in percentage)*

Developed Markets
Main equity indices
S&P500 2086,3 (0,1) (0,5) (1,7) (2)
DowJones 17816,6 (0,1) (0,8) (1,8) (2)
Nikkei 16169,1 (1,3) (2) (-3,4) (-15)
FTSE 100 6226,6 (0,4) (5,1) (1,1) (0)
EuroStoxx 50 2967,3 (0,8) (6,1) (0,2) (-9)
IBEX8667,3 (0,2) (6,7) (-1,2) (-9)
DAX 10015,5 (0,5) (5,2) (1) (-7)
CAC4367,2 (0,6) (5,7) (0,3) (-6)
MIB 17431,2 (0,4) (7,1) (-2,1) (-19)
ASE Athens 608,3 (3,7) (2,5) (-4,9) (-4)

Bank stocks
JPM 62,5 (0,3) (0,7) (-1,5) (-5)
Citi 42,8 (0) (2) (-4,7) (-17)
BoA 13,6 (0,1) (2,3) (-6,6) (-19)
MS 26 (0,5) (5,9) (-2,7) (-18)
GS 147,7 (-0,1) (1) (-4,4) (-18)

HSBC 439,8 (0,6) (3,4) (2,5) (-18)
RBS 241,8 (1,7) (14,1) (4,3) (-20)
Barclays 180,4 (2) (12,7) (2,6) (-18)
Lloyds 70,3 (0,5) (13,1) (0) (-4)

EMU banks 80,3 (1,4) (10,4) (-3,6) (-26)
BNP 46,1 (1,1) (9,6) (0,8) (-12)
Crédit Agricole 8,5 (1,4) (9,1) (-4,2) (-22)
Deutsche Bank 14,8 (2,2) (12,5) (-2,2) (-34)
ING 10,5 (1) (6,9) (0) (-16)
Intesa 2,2 (2,5) (12,6) (-6,9) (-30)
SG 34,2 (1,1) (11,1) (-1,5) (-20)
Unicredito 2,5 (1) (13,9) (-16,2) (-51)

Large Spanish banks 64,3 (1) (10,9) (-1,8) (-15)
Santander 4 (1,7) (11) (-2,9) (-12)
BBVA 5,6 (0,5) (10,8) (-0,9) (-17)

Medium Spanish banks 62,3 (-0,3) (5,6) (-9,9) (-24)
Caixabank 2,2 (-0,5) (7,2) (-8,8) (-31)
Popular 1,4 (-1,5) (8,5) (-26) (-48)
Sabadell 1,4 (0,8) (5,7) (-8,7) (-11)
Bankinter 6,3 (0,8) (5,5) (-4) (-4)
Bankia 0,7 (-2,4) (2,5) (-8,5) (-35)

Greek banks 3,8 (8,8) (9,2) (-17,3) (-15)
Alpha Bank2,2 (10,6) (9,5) (-14,1) (-12)
Pireus Bank0,2 (6,3) (5,3) (-25,2) (-21)
National Central Bank0,3 (10,5) (13,4) (-15,2) (-24)
Eurobank Ergasias0,8 (5,1) (7,8) (-23,2) (-19)

Emerging Markets
Main equity indices
MSCI Latam 65846 (1,24) (1,6) (1) (11)
Ibovespa (Brazil) 50009 (-0,6) (2,8) (0,6) (15,4)
Mexbol 45662 (-0,3) (2,4) (1,1) (6,2)

MSCI EM Europe 4394 (1,36) (0,1) (-1,3) (3,4)
Poland 1803 (0,5) (2,3) (-0,2) (-3)
Micex (Russia) 1904 (0,1) (1) (0,7) (8,1)
Ise 100 (Turkey) 77531 (0) (2,3) (1,5) (8,1)

MSCI EM Asia 655 (1,12) (0,8) (3,9) (-0,8)
Shanghai Composite (China) 2879 (-0,35) (1,3) (1,9) (-18,7)
Jakarta Composite (Indonesia) 4879 (0,3) (1,2) (3,5) (6)

Bank stocks
Turkish banks 81 (0,2) (4,3) (7,6) (10,4)
Akbank T.A.S. 8 (0,4) (5,6) (9,7) (22,8)
Garanti 8 (-0,4) (3,6) (6,6) (8,6)
Turkiye Is Bankasi 5 (0,7) (3,4) (5,9) (-1,7)

Russian banks 173 (0,3) (2,6) (6,7) (14,1)
Sberbank 133 (0,6) (4,6) (9) (31,3)
VTB Bank 0,1 (-0,4) (-1,8) (1,8) (-12,5)

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

Developed Markets
EURUSD 1,126 (-0,47) (0,48) (0,3) (3,7)
GBPUSD 1,47 (-0,18) (3,95) (1,2) (-0,4)
USDJPY 104,58 (-0,62) (1,44) (5,1) (13)
DXY 94,01 (-0,4) (1) (1,4) (4,7)

Emerging Markets
USDARS (Argentina) 13,87 (0,3) (-0,8) (1,6) (-7,2)
USDBRL (Brazil) 3,41 (-0,3) (2,2) (3,3) (14)
USDCLP (Chile) 674,77 (0,5) (2) (2,4) (4,8)
USDCOP (Colombia) 2977,22 (-0,1) (1) (2,5) (6,2)
USDMXN (Mexico) 18,66 (0) (1,5) (-1,7) (-8,4)
USDPEN (Peru) 3,29 (0,1) (1,6) (1,4) (3,8)
LACI 64,41 (0,2) (1,5) (1) (2,9)

USDPLN (Poland) 3,91 (-0,7) (1,2) (0,8) (0,4)
USDRUB (Russia) 64 (0,6) (3,1) (4,2) (11,7)
USDTRY (Turkey) 2,91 (0) (0,9) (2,3) (0,3)

USDCNY (China) 6,59 (-0,1) (0,1) (-0,6) (-1,5)
USDINR (India) 67,49 (-0,3) (-0,3) (-0,1) (-2)
USDIDR (Indonesia) 13247 (0) (1,1) (2,7) (3,9)
ADXY 107,17 (0,1) (0,5) (0,7) (0,6)

Commodities *(change in percentage)*

Brent 50 (-1,3) (0,3) (2,6) (34,1)
WTx 48,58 (-1,6) (0,2) (1,7) (31,2)
Copper 209 (-0,2) (2,2) (1,5) (-1,7)
Gold 1270,68 (-1,5) (-1,2) (1,5) (19,7)
Baltic Dry Index 582 (0) (-4,3) (-6,9) (21,8)
S&P GSCI Spot commodity index 382,887 (1,6) (0,4) (4,3) (23,9)
S&P GSCI Brent Spot 436,511 (3,1) (0,9) (4) (39,1)
S&P GSCI Metals Spot 264,3 (1,6) (1,4) (4) (3,7)
S&P GSCI Agricultural Spot 328,646 (-1,8) (-1,3) (8,6) (15,9)

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 0,75 (0) (3) (-13) (-30)
US 5-yr 1,18 (0) (4) (-18) (-58)
US 10-yr 1,68 (-1) (7) (-16) (-59)

Japan 10-yr -0,14 (0) (1) (-3) (-41)

GER 2-yr -0,59 (0) (0) (-8) (-24)
GER 5-yr -0,47 (0) (0) (-12) (-42)
GER 10-yr 0,05 (0) (5) (-12) (-58)

Belgium 10-yr 0,44 (-1) (-2) (-11) (-53)
France 10-yr 0,42 (-1) (-1) (-9) (-57)
Greece 10-yr 7,9 (10) (-31) (45) (-38)
Ireland 10-yr 0,79 (-2) (-5) (-5)
Italy 10-yr 1,45 (1) (-6) (-3) (-15)
Netherlands 10-yr 0,29 (0) (3) (-9) (-51)
Portugal 10-yr 3,17 (1) (-22) (6) (65)
Spain 10-yr 1,5 (2) (-6) (-6) (-27)

Emerging Markets
Brazil 10-yr 12,62 (-7) (-13) (13) (-390)
Chile 10-yr 4,54 (0) (0) (-2) (-12)
Colombia 10-yr 7,99 (1) (9) (-7) (-67)
Mexico 10-yr 6,05 (1) (-11) (-6) (-22)
Peru 10-yr 6,14 (0) (4) (4) (-117)

Poland 10-yr 3,11 (4) (-21) (3) (16)
Russia 5-yr 8,85 (5) (-7) (-23) (-103)
Russia 10-yr 8,62 (5) (-13) (-34) (-94)
Turkey 10-yr 9,4 (8) (-17) (-63) (-107)

India 10-yr 7,5 (0) (-2) (2) (-26)
Indonesia 10-yr 7,64 (1) (0) (-29) (-110)

Country risk *(changes in bp)*

Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 39 (-1) (-8) (1) (5)
France 37 (-1) (-6) (3) (1)
Greece 785 (10) (-36) (56) (20)
Ireland 74 (-2) (-10) (6) (22)
Italy 140 (1) (-12) (9) (43)
Netherlands 24 (0) (-2,5) (2) (7)
Portugal 312 (1) (-27,5) (17) (123)
Spain 145 (3) (-11) (5) (31)

5-yr sovereign spreads *(against Germany)*
Belgium 20 (0) (-3,9) (16) (12)
France 24 (0) (-3) (5) (12)
Greece 1649 (0) (0) (11) (42)
Ireland 47 (0) (1) (13) (22)
Italy 89 (0) (-10) (17) (34)
Netherlands 17 (-2) (-4,5) (19) (17)
Portugal 250 (-1) (-14) (29) (139)
Spain 96 (2) (-10) (8) (24)

2-yr sovereign spreads *(against Germany)*
Belgium 10 (0) (2) (6) (6)
France 13 (-1) (-1,6) (4) (9)
Ireland 33 (0) (12) (17) (19)
Italy 60 (1) (-8) (15) (28)
Netherlands 5 (-2) (-3) (5) (8)
Portugal 136 (3) (-1) (27) (91)
Spain 58 (1) (-6) (17) (23)

5-yr sovereign CDS
5-yr CDS Belgium 50 (0) (0) (0) (18)
5-yr CDS France 37 (-2) (1) (-1) (11)
5-yr CDS Germany 19 (0) (0) (-2) (7)
5-yr CDS Greece 919 (-55) (63) (-70) (-139)
5-yr CDS Ireland 68 (-4) (4) (4) (28)
5-yr CDS Italy 142 (-6) (1) (17) (46)
5-yr CDS Netherlands 27 (-1) (1) (2) (13)
5-yr CDS Portugal 301 (-14) (27) (27) (133)
5-yr CDS Spain 103 (-4) (1) (11) (14)
5-yr CDS UK 35 (-5) (3) (1) (16)
5-yr CDS US 21 (-1) (-1) (0) (2)

Emerging Markets

5-yr sovereign CDS
5-yr CDS Argentina 432 (-20) (-29) (-10864) (-10864)
5-yr CDS Brazil 323 (-8) (-21) (-22) (-169)
5-yr CDS Chile 103 (-6) (-7) (-6) (-24)
5-yr CDS Colombia 223 (-8) (-1) (-9) (-16)
5-yr CDS Mexico 167 (-7) (-5) (-8) (-3)
5-yr CDS Peru 148 (-6) (-4) (-16) (-38)
5-yr CDS Venezuela 5124 (-93) (-10) (-397) (-919)

5-yr CDS Poland92 (0) (1) (7) (20)
5-yr CDS Russia 246 (-13) (-6) (-18) (-56)
5-yr CDS Turkey 247 (-13) (-7) (-29) (-27)

5-yr CDS China 123 (-4) (-6) (-6) (15)
5-yr CDS India 175 (-3) (7) (14) (26)
5-yr CDS Indonesia 188 (-6) (-10) (-9) (-39)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 18,35 (-0,1) (-10,5) (20,7) (0)
VSTOXX 34,47 (0,7) (-10,1) (52,5) (12)
EM EFT volatility Index 27 (0) (-5) (14) (17)
Dollar/euro volatility 11,1 (1,6) (-17,6) (25,8) (15)
EM FX volatility index 11 (0) (-5) (-2) (-7)
Credit spread (BAA) 285,7 (0,5) (-3) (-2) (-37)
US bonds volatility index 77 (0) (-2) (13) (14)

Bank risk *(changes in bp)*
US banks CDS 85 (-10) (-3) (-1) (10)
EMU banks CDS 120 (-11) (-7) (4) (36)
UK banks CDS 113 (-16) (-13) (-5) (35)

Large Spanish banks CDS 150 (-12) (-6) (7) (13)
Medium Spanish banks CDS 178 (-12) (-17) (-14) (20)

Greek banks CDS 1247 (-75) (10) (-85) (-405)
Russian banks CDS 361 (-10) (6) (-2) (-21)

Corporate risk *(changes in bps)*
EMU Non-financial CDS 317 (7) (7) (31) (144)
UK Non-financial CDS 167 (-7) (-12) (-17) (-25)

Interbank markets *(changes in bp)*

UEM OIS spread 3m 8 (0) (-1) (0) (-3)
UEM OIS spread 12m 37 (0) (-1) (1) (3)
UEM TED spread 3m 36 (0) (-3,6) (4) (-5)

US OIS spread 3m 26 (0) (-1) (4) (3)
US OIS spread 12m 76 (0) (0) (6) (20)
US TED spread 3m 38 (-2) (-1) (2) (-7)

Spain Ted Spread 3m -14 (0) (2,1) (-27) (-19)

EONIA Index -0,34 (0) (-1,1) (-1) (-21)
Euribor 3m -0,27 (0) (-0,4) (-1) (-14)
Euribor 12m -0,03 (0) (-1) (-2) (-9)

Libor 3m 0,65 (0) (-1) (-1) (3)
Libor 12m 1,25 (0) (0) (-5) (7)

Stock markets *(Changes in percentage)*

Developed Markets
Main equity indices
S&P500 2086,3 (0,1) (0,5) (1,7) (2)
Dow Jones 17816,6 (0,1) (0,8) (1,8) (2)
Nikkei 16169,1 (1,3) (2) (-3,4) (-15)
FTSE 100 6226,6 (0,4) (5,1) (1,1) (0)
EuroStoxx 50 2967,3 (0,8) (6,1) (0,2) (-9)
IBEX8667,3 (0,2) (6,7) (-1,2) (-9)
DAX 10015,5 (0,5) (5,2) (1) (-7)
CAC4367,2 (0,6) (5,7) (0,3) (-6)
MIB 17431,2 (0,4) (7,1) (-2,1) (-19)
ASE Athens 608,3 (3,7) (2,5) (-4,9) (-4)

Bank stocks
JPM 62,5 (0,3) (0,7) (-1,5) (-5)
Citi 42,8 (0) (2) (-4,7) (-17)
BoA 13,6 (0,1) (2,3) (-6,6) (-19)
MS 26 (0,5) (5,9) (-2,7) (-18)
GS 147,7 (-0,1) (1) (-4,4) (-18)

HSBC 439,8 (0,6) (3,4) (2,5) (-18)
RBS 241,8 (1,7) (14,1) (4,3) (-20)
Barclays 180,4 (2) (12,7) (2,6) (-18)
Lloyds 70,3 (0,5) (13,1) (0) (-4)

EMU banks 80,3 (1,4) (10,4) (-3,6) (-26)
BNP 46,1 (1,1) (9,6) (0,8) (-12)
Crédit Agricole 8,5 (1,4) (9,1) (-4,2) (-22)
Deutsche Bank 14,8 (2,2) (12,5) (-2,2) (-34)
ING 10,5 (1) (6,9) (0) (-16)
Intesa 2,2 (2,5) (12,6) (-6,9) (-30)
SG 34,2 (1,1) (11,1) (-1,5) (-20)
Unicredito 2,5 (1) (13,9) (-16,2) (-51)

Large Spanish banks 64,3 (1) (10,9) (-1,8) (-15)
Santander 4 (1,7) (11) (-2,9) (-12)
BBVA 5,6 (0,5) (10,8) (-0,9) (-17)

Medium Spanish banks 62,3 (-0,3) (5,6) (-9,9) (-24)
Caixabank 2,2 (-0,5) (7,2) (-8,8) (-31)
Popular 1,4 (-1,5) (8,5) (-26) (-48)
Sabadell 1,4 (0,8) (5,7) (-8,7) (-11)
Bankinter 6,3 (0,8) (5,5) (-4) (-4)
Bankia 0,7 (-2,4) (2,5) (-8,5) (-35)

Greek banks 3,8 (8,8) (9,2) (-17,3) (-15)
Alpha Bank2,2 (10,6) (9,5) (-14,1) (-12)
Pireus Bank0,2 (6,3) (5,3) (-25,2) (-21)
National Central Bank0,3 (10,5) (13,4) (-15,2) (-24)
Eurobank Ergasias0,8 (5,1) (7,8) (-23,2) (-19)

Emerging Markets
Main equity indices
MSCI Latam 65846 (1,24) (1,6) (1) (11)
Ibovespa (Brazil) 50009 (-0,6) (2,8) (0,6) (15,4)
Mexbol 45662 (-0,3) (2,4) (1,1) (6,2)

MSCI EM Europe 4394 (1,36) (0,1) (-1,3) (3,4)
Poland 1803 (0,5) (2,3) (-0,2) (-3)
Micex (Russia) 1904 (0,1) (1) (0,7) (8,1)
Ise 100 (Turkey) 77531 (0) (2,3) (1,5) (8,1)

MSCI EM Asia 655 (1,12) (0,8) (3,9) (-0,8)
Shanghai Composite (China) 2879 (-0,35) (1,3) (1,9) (-18,7)
Jakarta Composite (Indonesia) 4879 (0,3) (1,2) (3,5) (6)

Bank stocks
Turkish banks 81 (0,2) (4,3) (7,6) (10,4)
Akbank T.A.S. 8 (0,4) (5,6) (9,7) (22,8)
Garanti 8 (-0,4) (3,6) (6,6) (8,6)
Turkiye Is Bankasi 5 (0,7) (3,4) (5,9) (-1,7)

Russian banks 173 (0,3) (2,6) (6,7) (14,1)
Sberbank 133 (0,6) (4,6) (9) (31,3)
VTB Bank 0,1 (-0,4) (-1,8) (1,8) (-12,5)

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

Developed Markets
EURUSD 1,126 (-0,47) (0,48) (0,3) (3,7)
GBPUSD 1,47 (-0,18) (3,95) (1,2) (-0,4)
USDJPY 104,58 (-0,62) (1,44) (5,1) (13)
DXY 94,01 (-0,4) (1) (1,4) (4,7)

Emerging Markets
USDARS (Argentina) 13,87 (0,3) (-0,8) (1,6) (-7,2)
USDBRL (Brazil) 3,41 (-0,3) (2,2) (3,3) (14)
USDCLP (Chile) 674,77 (0,5) (2) (2,4) (4,8)
USDCOP (Colombia) 2977,22 (-0,1) (1) (2,5) (6,2)
USDMXN (Mexico) 18,66 (0) (1,5) (-1,7) (-8,4)
USDPEN (Peru) 3,29 (0,1) (1,6) (1,4) (3,8)
LACI 64,41 (0,2) (1,5) (1) (2,9)

USDPLN (Poland) 3,91 (-0,7) (1,2) (0,8) (0,4)
USDRUB (Russia) 64 (0,6) (3,1) (4,2) (11,7)
USDTRY (Turkey) 2,91 (0) (0,9) (2,3) (0,3)

USDCNY (China) 6,59 (-0,1) (0,1) (-0,6) (-1,5)
USDINR (India) 67,49 (-0,3) (-0,3) (-0,1) (-2)
USDIDR (Indonesia) 13247 (0) (1,1) (2,7) (3,9)
ADXY 107,17 (0,1) (0,5) (0,7) (0,6)

Commodities *(change in percentage)*

Brent 50 (-1,3) (0,3) (2,6) (34,1)
WTx 48,58 (-1,6) (0,2) (1,7) (31,2)
Copper 209 (-0,2) (2,2) (1,5) (-1,7)
Gold 1270,68 (-1,5) (-1,2) (1,5) (19,7)
Baltic Dry Index 582 (0) (-4,3) (-6,9) (21,8)
S&P GSCI Spot commodity index 382,887 (1,6) (0,4) (4,3) (23,9)
S&P GSCI Brent Spot 436,511 (3,1) (0,9) (4) (39,1)
S&P GSCI Metals Spot 264,3 (1,6) (1,4) (4) (3,7)
S&P GSCI Agricultural Spot 328,646 (-1,8) (-1,3) (8,6) (15,9)

Source: Bloomberg, Datastream and Haver

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 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.