Market Comment | Risk-on sentiment spurs EM assets despite events in Turkey

Global Financial Markets Unit
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- **Slightly lower risk aversion than in the previous week**, underpinned by stronger economic data from the US and better-than-expected company results, with emerging markets (especially Latin American equities) outperforming developed markets, which were broadly steady. Despite the decline in core European and US bonds, 10Y yields remained quite contained due to investors' strong conviction that the major central banks will deploy further monetary stimulus measures. **This week the ECB maintained its monetary policy unchanged, waiting for more incoming economic data before any decision**. The recent improvement in financial conditions after the Brexit sell-off allowed this discourse. On the other hand, the BoJ ruled out the possibility of helicopter money, but the prospects for fiscal stimulus in Japan were reinforced, after government sources told the media that the fiscal package would be at least 20tr yen ($186bn), close to 4% of the GDP, which is likely to be spread over several years.

- The main equities markets were broadly flat in developed countries (S&P500, +0.1%; Euro Stoxx, +0.3%). However, the European banking sector was quite volatile (especially in Italy), pricing in the many news flows that came out this week: i) The European Court of Justice (ECJ) backed the bail-in within the EU rules, ii) new alternative to deal with MPS' NPL problem (buying out MPS' bad loans, using the existing Atlante fund plus an additional €4.25bn and with MPS raising €7bn in new capital) and iii) Mr. Draghi opening the door to a "public backstop" for bad loans "under exceptional circumstances". **EM equity markets outperformed in the week (Mexico IPC +1.68%; IBOVESPA +1.9%), suggesting higher risk-on sentiment in the global financial markets.**

- **Bond markets also reflected the decrease in risk aversion, falling in the US and core European countries, while peripheral and EM bond markets increased, underpinned by the search for yield strategies**.

- **Turkish assets suffered from the political uncertainty triggered by the failed military coup attempt on Friday 15th.** The rating agency Standard and Poor's downgraded Turkey's sovereign rating to below Investment grade (to BB from BB+ with negative outlook), adding to pressure on Turkish assets. Turkey's currency has fallen sharply since the coup attempt on Friday 15th (-5.6%) and the 10Y Government bond yield jumped (+88 bps), as well as the CDS (+57 bps). However, equities were the most damaged asset, falling (-13.8%) during this week. Nonetheless, Turkey's strong sell-off has been a mainly local phenomenon, with no significant spillover effects either in emerging markets or developed markets.

- **The British pound appreciated during the main part of the week, but lost ground on Friday, ending the week depreciating (1.12%)**, following the slump in UK business activity, which reached a 7-year low, with both PMIs, services and manufacturing sector, falling into contractionary territory. On the other hand, the dollar appreciated during the week against the Japanese yen (-0.97%) and to a lesser extent against the euro (-0.2%). EM currencies showed mixed performances against the USD, without significant changes. Oil prices went down (-3.5%) during the week, as concerns about a global supply glut remained.

FOMC meeting preview

- **At its next meeting on 26-27 July, FOMC officials will focus their discussion on economic and financial developments in the wake of the Brexit vote and June's employment report**. Considering that the risks and uncertainties surrounding the outlook have increased, we expect the Fed to keep rates unchanged. To the extent that downside risks are perceived to be moderating, the statement is likely to signal a less dovish stance. This will be evident in the economic assessment paragraph, where solid consumption growth, ongoing strength in the housing sector and a rebound in job creation will mark the biggest changes to the statement. Market expectations of future rate hikes, which have increased since the last meeting, will continue moving up as a result.

Update 16.00 CET 22 July, 2016

Table 1

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

Debt markets *(changes in bp)*

Developed Markets
US 2-yr 0.71 (3) (4) (-4) (-34)
US 5-yr 1.13 (3) (2) (-7) (-63)
US 10-yr 1.58 (3) (3) (-10) (-69)

Japan 10-yr -0.22 (0) (1) (-8) (-49)

GER 2-yr -0.61 (1) (4) (-3) (-27)
GER 5-yr -0.49 (1) (6) (-3) (-44)
GER 10-yr -0.009 (1) (-2) (-7) (-64)

Belgium 10-yr 0.26 (1) (0) (-20) (-71)
France 10-yr 0.23 (1) (-1) (-20) (-76)
Greece 10-yr 7.99 (-4) (14) (-1) (-30)
Ireland 10-yr 0.5 (1) (0) (-27)
Italy 10-yr 1.26 (2) (1) (-17) (-33)
Netherlands 10-yr 0.11 (2) (-1) (-18) (-68)
Portugal 10-yr 3.09 (4) (-4) (-6) (58)
Spain 10-yr 1.15 (2) (-8) (-35) (-63)

Emerging Markets
Brazil 10-yr 11.91 (8) (-4) (-67) (-461)
Chile 10-yr 4.39 (0) (1) (-15) (-27)
Colombia 10-yr 7.51 (-2) (-13) (-61) (-115)
Mexico 10-yr 5.96 (0) (-3) (-13) (-31)
Peru 10-yr 5.71 (0) (-1) (-36) (-159)

Poland 10-yr 2.91 (-2) (-4) (-15) (-4)
Russia 5-yr 8.8 (3) (19) (3) (-108)
Russia 10-yr 8.59 (3) (21) (4) (-97)
Turkey 10-yr 9.77 (-23) (88) (38) (-70)

India 10-yr 7.25 (-1) (-2) (-23) (-51)
Indonesia 10-yr 7.06 (2) (-10) (-57) (-169)

Country risk *(changes in bp)*

Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 27 (1) (2) (-13) (-7)
France 24 (0) (1) (-13) (-12)
Greece 799 (-5) (16) (6) (34)
Ireland 51 (0) (1) (-20) (-1)
Italy 127 (1) (2) (-10) (30)
Netherlands 12 (1) (0.6) (-11) (-4)
Portugal 310 (3) (-2.8) (1) (121)
Spain 116 (1) (-7) (-28) (1)

5-yr sovereign spreads *(against Germany)*
Belgium 8 (0) (-3.2) (-12) (1)
France 15 (0) (-5) (-9) (2)
Ireland 49 (-1) (-6) (3) (24)
Italy 81 (-1) (-7) (-7) (26)
Netherlands 9 (0) (-5.3) (-10) (9)
Portugal 242 (-1) (-8) (-5) (131)
Spain 71 (0) (-13) (-24) (-1)

2-yr sovereign spreads *(against Germany)*
Belgium 10 (1) (1) (1) (6)
Finland 9 (-1) (-2.2) (-3) (6)
France 9 (-1) (-2.2) (-3) (6)
Ireland 19 (-2) (-4) (-12) (5)
Italy 57 (0) (-4) (-3) (25)
Netherlands 6 (0) (1) (1) (9)
Portugal 132 (-1) (-6) (-5) (87)
Spain 46 (-1) (-7) (-12) (11)

5-yr sovereign CDS
5-yr CDS Belgium 46 (-1) (-4) (1) (14)
5-yr CDS France 32 (-3) (-1) (-2) (7)
5-yr CDS Germany 17 (-1) (-2) (1) (5)
5-yr CDS Greece 933 (1) (4) (-38) (-126)
5-yr CDS Ireland 70 (-1) (1) (1) (30)
5-yr CDS Italy 135 (-2) (10) (-17) (39)
5-yr CDS Netherlands 28 (0) (-1) (1) (13)
5-yr CDS Portugal 279 (-5) (-2) (-16) (111)
5-yr CDS Spain 91 (-2) (-2) (-10) (2)
5-yr CDS UK 36 (0) (-1) (3) (17)
5-yr CDS US 20 (0) (0) (-1) (1)

Emerging Markets
5-yr sovereign CDS
5-yr CDS Argentina 391 (4) (-1) (-40) (-10906)
5-yr CDS Brazil 285 (4) (-2) (-35) (-207)
5-yr CDS Chile 79 (2) (0) (-23) (-48)
5-yr CDS Colombia 179 (2) (-5) (-42) (-60)
5-yr CDS Mexico 141 (1) (3) (-25) (-30)
5-yr CDS Peru 123 (1) (0) (-21) (-62)
5-yr CDS Venezuela 3761 (31) (-375) (-1186) (-2283)

5-yr CDS Poland92 (-1) (0) (0) (20)
5-yr CDS Russia 220 (-7) (2) (-25) (-82)
5-yr CDS Turkey 277 (-11) (57) (28) (4)

5-yr CDS China 110 (0) (0) (-13) (1)
5-yr CDS India 153 (-2) (-2) (-18) (5)
5-yr CDS Indonesia 161 (1) (3) (-26) (-66)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 12.71 (-0.2) (0.3) (-40) (-6)
VSTOXX 19.14 (-1.6) (-8.5) (-46.9) (-3)
EM EFT volatility Index 21 (1) (0) (-30) (-10)
Dollar/euro volatility 7.8 (-2.8) (-4.9) (-35.1) (-20)
EM FX volatility index 10 (0) (4) (-6) (-12)
Credit spread (BAA) 266.8 (-2.6) (-4.1) (-17.1) (-56)
US bonds volatility index 72 (0) (-4) (-10) (6)

Bank risk *(changes in bp)*
US banks CDS 74 (0) (0) (-10) (-1)
EMU banks CDS 111 (-4) (-6) (-10) (27)
UK banks CDS 104 (-2) (-7) (-6) (26)

Large Spanish banks CDS 0 (0) (0) (-148) (-137)
Medium Spanish banks CDS 0 (0) (0) (-177) (-157)

Greek banks CDS 882 (-62) (-97) (-427) (-770)
Russian banks CDS 335 (-1) (3) (-21) (-47)

Corporate risk *(changes in bps)*
EMU Non-financial CDS 107 (-1) (1) (-257) (-65)
UK Non-financial CDS 157 (-3) (-1) (-6) (-35)

Interbank markets *(changes in bp)*

UEM OIS spread 3m 5 (-1) (-1) (-3) (-6)
UEM OIS spread 12m 35 (0) (-1) (-2) (2)
UEM TED spread 3m 44 (0) (-1.3) (10) (3)

US OIS spread 3m 29 (0) (1) (4) (6)
US OIS spread 12m 0 (-85) (-84) (-78) (-56)
US TED spread 3m 39 (-1) (0) (1) (-6)

Spain Ted Spread 3m 1 (1) (-0.3) (15) (-4)

EONIA Index -0.34 (0) (-0.2) (1) (-21)
Euribor 3m -0.3 (0) (-0.4) (-3) (-17)
Euribor 12m -0.05 (0) (1) (-2) (-11)

Libor 3m 0.7 (0) (1) (6) (9)
Libor 12m 1.34 (0) (4) (9) (17)

Stock markets *(Changes in percentage)*

Developed Markets
Main equity indices
S&P500 2163.6 (-0.1) (0.1) (3.7) (6)
Dow Jones 18513 (0) (0) (4.1) (6)
Nikkei 16627.3 (-1.1) (0.8) (3.5) (-13)
FTSE 100 6724.7 (0.4) (0.8) (7.4) (8)
EuroStoxx 50 2968.2 (0) (0.3) (-0.3) (-9)
IBEX 8587.2 (0) (0.7) (-1.3) (-10)
DAX 10134.7 (-0.2) (0.7) (0.6) (-6)
CAC4372.2 (-0.1) (0) (-0.2) (-6)
MIB 16776.6 (-0.2) (0.2) (-3.2) (-22)
ASE Athens 567.5 (-0.2) (1.8) (-7.2) (-10)

Bank stocks
JPM 63.8 (0.2) (-0.6) (1.7) (-3)
Citi 44.1 (-0.1) (-0.6) (3.3) (-15)
BoA 14.2 (-0.2) (4.2) (4.6) (-15)
MS 28.9 (0) (3.1) (9.4) (-9)
GS 160.4 (0.2) (-0.8) (8.3) (-11)

HSBC 493.6 (0.2) (3) (11.2) (-8)
RBS 189.6 (-1.4) (3) (-23.1) (-37)
Barclays 152.3 (0.3) (1.7) (-16.3) (-30)
Lloyds 54.8 (-2.6) (-2.2) (-22.4) (-25)

EMU banks 73.8 (0) (1.4) (-8.8) (-32)
BNP 43.4 (0.8) (1.4) (-6.5) (-17)
Crédit Agricole 7.9 (0) (0.4) (-7.9) (-28)
Deutsche Bank 13.1 (-0.4) (0.8) (-13) (-42)
ING 10.1 (0.5) (3.5) (-4.4) (-19)
Intesa 1.9 (-0.3) (0.9) (-9.5) (-37)
SG 30.2 (-0.6) (-0.5) (-12.4) (-29)
Unicredito 2.3 (-0.3) (5.1) (-9.8) (-55)

Large Spanish banks 61 (0) (-0.4) (-5.7) (-19)
Santander 3.9 (0.4) (1.7) (-4.3) (-15)
BBVA 5.2 (-0.2) (-2) (-6.9) (-22)

Medium Spanish banks 58.8 (-1.4) (1.2) (-5.8) (-29)
Caixabank 2.2 (-2.2) (1) (-3.2) (-32)
Popular 1.3 (-2.2) (1.5) (-8.6) (-53)
Banesto 66.7 (-0.2) (-2) (-6.9) (-22)
Sabadell 1.2 (-7.3) (-5.6) (-18) (-26)
Bankinter 6.2 (0.6) (3.5) (-0.6) (-5)
Bankia 0.7 (3.2) (5.1) (0.6) (-34)

Greek banks 2.9 (1.9) (-1.1) (-23.8) (-35)
Alpha Bank1.8 (2.9) (-1.7) (-19.9) (-29)
Pireus Bank0.2 (-1.2) (-3) (-30.4) (-42)
National Central Bank0.2 (-1.5) (-3) (-27.6) (-43)
Eurobank Ergasias0.6 (0.9) (1) (-30.4) (-43)

Emerging Markets
Main equity indices
MSCI Latam 71155 (-0.05) (1.6) (7.5) (20)
Ibovespa (Brazil) 56626 (0) (1.9) (12.9) (30.6)
Mexbol 47484 (0.3) (1.6) (3.7) (10.5)

MSCI EM Europe 4388 (-0.54) (-2.3) (-0.6) (3.3)
Poland 1797 (-0.4) (2.2) (-1.4) (-3.3)
Micex (Russia) 1930 (0.1) (-0.6) (1.7) (9.6)
Ise 100 (Turkey) 71135 (-0.6) (-14.1) (-7.9) (-0.8)

MSCI EM Asia 688 (0.09) (1) (4.5) (4.2)
Shanghai Composite (China) 3013 (-0.86) (-1.4) (3.7) (-14.9)
Jakarta Composite (Indonesia) 5197 (-0.4) (1.7) (6.1) (13)

Bank stocks
Turkish banks 74 (-0.3) (-16.8) (-9.1) (0.3)
Akbank T.A.S. 7 (-1.1) (-17.7) (-10.3) (9.6)
Garanti 7 (0.3) (-16.4) (-9.5) (-1.1)
Turkiye Is Bankasi 4 (0) (-16.1) (-7.1) (-8.5)

Russian banks 177 (0) (-0.1) (1.3) (16.4)
Sberbank 138 (-0.2) (0.1) (2.6) (36.6)
VTB Bank 0.1 (0.4) (-0.7) (-1.7) (-14.9)

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

Developed Markets
EURUSD 1.101 (-0.12) (-0.2) (-2.5) (1.4)
GBPUSD 1.31 (-1.12) (-0.81) (-11) (-11.2)
USDJPY 105.9 (-0.08) (-0.97) (-1.4) (11.9)
DXY 97.08 (-0.1) (-0.5) (-3.6) (1.6)

Emerging Markets
USDARS (Argentina) 15.03 (-0.2) (-0.6) (-6.8) (-16.2)
USDBRL (Brazil) 3.28 (-0.4) (-0.1) (2.8) (17.1)
USDCLP (Chile) 649.89 (0.1) (0.4) (3.6) (8.3)
USDCOP (Colombia) 2935.33 (0.2) (-0.4) (-0.6) (7.5)
USDMXN (Mexico) 18.61 (-0.2) (0) (-0.6) (-8.1)
USDPEN (Peru) 3.33 (0) (-1.5) (-1.3) (2.5)
LACI 65.04 (-0.2) (-0.2) (0.6) (3.9)

USDPLN (Poland) 3.96 (0) (1.4) (-2.2) (-0.8)
USDRUB (Russia) 64.75 (-0.7) (-1.7) (0.1) (10.7)
USDTRY (Turkey) 3.06 (0.5) (-1.3) (-5.6) (-4.7)

USDCNY (China) 6.68 (0) (0.3) (-1.5) (-2.8)
USDINR (India) 67.08 (0.1) (0) (0.6) (-1.4)
USDIDR (Indonesia) 13095 (0) (0) (1.4) (5)
ADXY 106.84 (0) (0.1) (-0.5) (0.3)

Commodities *(change in percentage)*

Brent 45.96 (-0.5) (-3.5) (-7.9) (23.3)
WTx 44.49 (-0.6) (-3.2) (-9.4) (20.1)
Copper 225.5 (0) (1.1) (5.6) (6.1)
Gold 1321.23 (-0.7) (-1.2) (4.3) (24.5)
Baltic Dry Index 726 (0) (-2.6) (24.1) (51.9)
S&P GSCI Spot commodity index 350.889 (-1.2) (-3.1) (-7.7) (13.5)
S&P GSCI Brent Spot 396.766 (-2.2) (-2.7) (-9.1) (26.4)
S&P GSCI Metals Spot 277.9 (-0.2) (-0.9) (4.9) (9)
S&P GSCI Agricultural Spot 292.93 (0.3) (-4.2) (-7.9) (3.3)

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 0.71 (3) (4) (-4) (-34)
US 5-yr 1.13 (3) (2) (-7) (-63)
US 10-yr 1.58 (3) (3) (-10) (-69)

Japan 10-yr -0.22 (0) (1) (-8) (-49)

GER 2-yr -0.61 (1) (4) (-3) (-27)
GER 5-yr -0.49 (1) (6) (-3) (-44)
GER 10-yr -0.009 (1) (-2) (-7) (-64)

Belgium 10-yr 0.26 (1) (0) (-20) (-71)
France 10-yr 0.23 (1) (-1) (-20) (-76)
Greece 10-yr 7.99 (-4) (14) (-1) (-30)
Ireland 10-yr 0.5 (1) (0) (-27)
Italy 10-yr 1.26 (2) (1) (-17) (-33)
Netherlands 10-yr 0.11 (2) (-1) (-18) (-68)
Portugal 10-yr 3.09 (4) (-4) (-6) (58)
Spain 10-yr 1.15 (2) (-8) (-35) (-63)

Emerging Markets
Brazil 10-yr 11.91 (8) (-4) (-67) (-461)
Chile 10-yr 4.39 (0) (1) (-15) (-27)
Colombia 10-yr 7.51 (-2) (-13) (-61) (-115)
Mexico 10-yr 5.96 (0) (-3) (-13) (-31)
Peru 10-yr 5.71 (0) (-1) (-36) (-159)

Poland 10-yr 2.91 (-2) (-4) (-15) (-4)
Russia 5-yr 8.8 (3) (19) (3) (-108)
Russia 10-yr 8.59 (3) (21) (4) (-97)
Turkey 10-yr 9.77 (-23) (88) (38) (-70)

India 10-yr 7.25 (-1) (-2) (-23) (-51)
Indonesia 10-yr 7.06 (2) (-10) (-57) (-169)

Country risk *(changes in bp)*

Developed Markets
10-yr sovereign spreads *(against Germany)*
Belgium 27 (1) (2) (-13) (-7)
France 24 (0) (1) (-13) (-12)
Greece 799 (-5) (16) (6) (34)
Ireland 51 (0) (1) (-20) (-1)
Italy 127 (1) (2) (-10) (30)
Netherlands 12 (1) (0.6) (-11) (-4)
Portugal 310 (3) (-2.8) (1) (121)
Spain 116 (1) (-7) (-28) (1)

5-yr sovereign spreads *(against Germany)*
Belgium 8 (0) (-3.2) (-12) (1)
France 15 (0) (-5) (-9) (2)
Ireland 49 (-1) (-6) (3) (24)
Italy 81 (-1) (-7) (-7) (26)
Netherlands 9 (0) (-5.3) (-10) (9)
Portugal 242 (-1) (-8) (-5) (131)
Spain 71 (0) (-13) (-24) (-1)

2-yr sovereign spreads *(against Germany)*
Belgium 10 (1) (1) (1) (6)
Finland 9 (-1) (-2.2) (-3) (6)
France 9 (-1) (-2.2) (-3) (6)
Ireland 19 (-2) (-4) (-12) (5)
Italy 57 (0) (-4) (-3) (25)
Netherlands 6 (0) (1) (1) (9)
Portugal 132 (-1) (-6) (-5) (87)
Spain 46 (-1) (-7) (-12) (11)

5-yr sovereign CDS
5-yr CDS Belgium 46 (-1) (-4) (1) (14)
5-yr CDS France 32 (-3) (-1) (-2) (7)
5-yr CDS Germany 17 (-1) (-2) (1) (5)
5-yr CDS Greece 933 (1) (4) (-38) (-126)
5-yr CDS Ireland 70 (-1) (1) (1) (30)
5-yr CDS Italy 135 (-2) (10) (-17) (39)
5-yr CDS Netherlands 28 (0) (-1) (1) (13)
5-yr CDS Portugal 279 (-5) (-2) (-16) (111)
5-yr CDS Spain 91 (-2) (-2) (-10) (2)
5-yr CDS UK 36 (0) (-1) (3) (17)
5-yr CDS US 20 (0) (0) (-1) (1)

Emerging Markets
5-yr sovereign CDS
5-yr CDS Argentina 391 (4) (-1) (-40) (-10906)
5-yr CDS Brazil 285 (4) (-2) (-35) (-207)
5-yr CDS Chile 79 (2) (0) (-23) (-48)
5-yr CDS Colombia 179 (2) (-5) (-42) (-60)
5-yr CDS Mexico 141 (1) (3) (-25) (-30)
5-yr CDS Peru 123 (1) (0) (-21) (-62)
5-yr CDS Venezuela 3761 (31) (-375) (-1186) (-2283)

5-yr CDS Poland92 (-1) (0) (0) (20)
5-yr CDS Russia 220 (-7) (2) (-25) (-82)
5-yr CDS Turkey 277 (-11) (57) (28) (4)

5-yr CDS China 110 (0) (0) (-13) (1)
5-yr CDS India 153 (-2) (-2) (-18) (5)
5-yr CDS Indonesia 161 (1) (3) (-26) (-66)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*
VIX 12.71 (-0.2) (0.3) (-40) (-6)
VSTOXX 19.14 (-1.6) (-8.5) (-46.9) (-3)
EM EFT volatility Index 21 (1) (0) (-30) (-10)
Dollar/euro volatility 7.8 (-2.8) (-4.9) (-35.1) (-20)
EM FX volatility index 10 (0) (4) (-6) (-12)
Credit spread (BAA) 266.8 (-2.6) (-4.1) (-17.1) (-56)
US bonds volatility index 72 (0) (-4) (-10) (6)

Bank risk *(changes in bp)*
US banks CDS 74 (0) (0) (-10) (-1)
EMU banks CDS 111 (-4) (-6) (-10) (27)
UK banks CDS 104 (-2) (-7) (-6) (26)

Large Spanish banks CDS 0 (0) (0) (-148) (-137)
Medium Spanish banks CDS 0 (0) (0) (-177) (-157)

Greek banks CDS 882 (-62) (-97) (-427) (-770)
Russian banks CDS 335 (-1) (3) (-21) (-47)

Corporate risk *(changes in bps)*
EMU Non-financial CDS 107 (-1) (1) (-257) (-65)
UK Non-financial CDS 157 (-3) (-1) (-6) (-35)

Interbank markets *(changes in bp)*

UEM OIS spread 3m 5 (-1) (-1) (-3) (-6)
UEM OIS spread 12m 35 (0) (-1) (-2) (2)
UEM TED spread 3m 44 (0) (-1.3) (10) (3)

US OIS spread 3m 29 (0) (1) (4) (6)
US OIS spread 12m 0 (-85) (-84) (-78) (-56)
US TED spread 3m 39 (-1) (0) (1) (-6)

Spain Ted Spread 3m 1 (1) (-0.3) (15) (-4)

EONIA Index -0.34 (0) (-0.2) (1) (-21)
Euribor 3m -0.3 (0) (-0.4) (-3) (-17)
Euribor 12m -0.05 (0) (1) (-2) (-11)

Libor 3m 0.7 (0) (1) (6) (9)
Libor 12m 1.34 (0) (4) (9) (17)

Stock markets *(Changes in percentage)*

Developed Markets
Main equity indices
S&P500 2163.6 (-0.1) (0.1) (3.7) (6)
Dow Jones 18513 (0) (0) (4.1) (6)
Nikkei 16627.3 (-1.1) (0.8) (3.5) (-13)
FTSE 100 6724.7 (0.4) (0.8) (7.4) (8)
EuroStoxx 50 2968.2 (0) (0.3) (-0.3) (-9)
IBEX 8587.2 (0) (0.7) (-1.3) (-10)
DAX 10134.7 (-0.2) (0.7) (0.6) (-6)
CAC4372.2 (-0.1) (0) (-0.2) (-6)
MIB 16776.6 (-0.2) (0.2) (-3.2) (-22)
ASE Athens 567.5 (-0.2) (1.8) (-7.2) (-10)

Bank stocks
JPM 63.8 (0.2) (-0.6) (1.7) (-3)
Citi 44.1 (-0.1) (-0.6) (3.3) (-15)
BoA 14.2 (-0.2) (4.2) (4.6) (-15)
MS 28.9 (0) (3.1) (9.4) (-9)
GS 160.4 (0.2) (-0.8) (8.3) (-11)

HSBC 493.6 (0.2) (3) (11.2) (-8)
RBS 189.6 (-1.4) (3) (-23.1) (-37)
Barclays 152.3 (0.3) (1.7) (-16.3) (-30)
Lloyds 54.8 (-2.6) (-2.2) (-22.4) (-25)

EMU banks 73.8 (0) (1.4) (-8.8) (-32)
BNP 43.4 (0.8) (1.4) (-6.5) (-17)
Crédit Agricole 7.9 (0) (0.4) (-7.9) (-28)
Deutsche Bank 13.1 (-0.4) (0.8) (-13) (-42)
ING 10.1 (0.5) (3.5) (-4.4) (-19)
Intesa 1.9 (-0.3) (0.9) (-9.5) (-37)
SG 30.2 (-0.6) (-0.5) (-12.4) (-29)
Unicredito 2.3 (-0.3) (5.1) (-9.8) (-55)

Large Spanish banks 61 (0) (-0.4) (-5.7) (-19)
Santander 3.9 (0.4) (1.7) (-4.3) (-15)
BBVA 5.2 (-0.2) (-2) (-6.9) (-22)

Medium Spanish banks 58.8 (-1.4) (1.2) (-5.8) (-29)
Caixabank 2.2 (-2.2) (1) (-3.2) (-32)
Popular 1.3 (-2.2) (1.5) (-8.6) (-53)
Banesto 66.7 (-0.2) (-2) (-6.9) (-22)
Sabadell 1.2 (-7.3) (-5.6) (-18) (-26)
Bankinter 6.2 (0.6) (3.5) (-0.6) (-5)
Bankia 0.7 (3.2) (5.1) (0.6) (-34)

Greek banks 2.9 (1.9) (-1.1) (-23.8) (-35)
Alpha Bank1.8 (2.9) (-1.7) (-19.9) (-29)
Pireus Bank0.2 (-1.2) (-3) (-30.4) (-42)
National Central Bank0.2 (-1.5) (-3) (-27.6) (-43)
Eurobank Ergasias0.6 (0.9) (1) (-30.4) (-43)

Emerging Markets
Main equity indices
MSCI Latam 71155 (-0.05) (1.6) (7.5) (20)
Ibovespa (Brazil) 56626 (0) (1.9) (12.9) (30.6)
Mexbol 47484 (0.3) (1.6) (3.7) (10.5)

MSCI EM Europe 4388 (-0.54) (-2.3) (-0.6) (3.3)
Poland 1797 (-0.4) (2.2) (-1.4) (-3.3)
Micex (Russia) 1930 (0.1) (-0.6) (1.7) (9.6)
Ise 100 (Turkey) 71135 (-0.6) (-14.1) (-7.9) (-0.8)

MSCI EM Asia 688 (0.09) (1) (4.5) (4.2)
Shanghai Composite (China) 3013 (-0.86) (-1.4) (3.7) (-14.9)
Jakarta Composite (Indonesia) 5197 (-0.4) (1.7) (6.1) (13)

Bank stocks
Turkish banks 74 (-0.3) (-16.8) (-9.1) (0.3)
Akbank T.A.S. 7 (-1.1) (-17.7) (-10.3) (9.6)
Garanti 7 (0.3) (-16.4) (-9.5) (-1.1)
Turkiye Is Bankasi 4 (0) (-16.1) (-7.1) (-8.5)

Russian banks 177 (0) (-0.1) (1.3) (16.4)
Sberbank 138 (-0.2) (0.1) (2.6) (36.6)
VTB Bank 0.1 (0.4) (-0.7) (-1.7) (-14.9)

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

Developed Markets
EURUSD 1.101 (-0.12) (-0.2) (-2.5) (1.4)
GBPUSD 1.31 (-1.12) (-0.81) (-11) (-11.2)
USDJPY 105.9 (-0.08) (-0.97) (-1.4) (11.9)
DXY 97.08 (-0.1) (-0.5) (-3.6) (1.6)

Emerging Markets
USDARS (Argentina) 15.03 (-0.2) (-0.6) (-6.8) (-16.2)
USDBRL (Brazil) 3.28 (-0.4) (-0.1) (2.8) (17.1)
USDCLP (Chile) 649.89 (0.1) (0.4) (3.6) (8.3)
USDCOP (Colombia) 2935.33 (0.2) (-0.4) (-0.6) (7.5)
USDMXN (Mexico) 18.61 (-0.2) (0) (-0.6) (-8.1)
USDPEN (Peru) 3.33 (0) (-1.5) (-1.3) (2.5)
LACI 65.04 (-0.2) (-0.2) (0.6) (3.9)

USDPLN (Poland) 3.96 (0) (1.4) (-2.2) (-0.8)
USDRUB (Russia) 64.75 (-0.7) (-1.7) (0.1) (10.7)
USDTRY (Turkey) 3.06 (0.5) (-1.3) (-5.6) (-4.7)

USDCNY (China) 6.68 (0) (0.3) (-1.5) (-2.8)
USDINR (India) 67.08 (0.1) (0) (0.6) (-1.4)
USDIDR (Indonesia) 13095 (0) (0) (1.4) (5)
ADXY 106.84 (0) (0.1) (-0.5) (0.3)

Commodities *(change in percentage)*

Brent 45.96 (-0.5) (-3.5) (-7.9) (23.3)
WTx 44.49 (-0.6) (-3.2) (-9.4) (20.1)
Copper 225.5 (0) (1.1) (5.6) (6.1)
Gold 1321.23 (-0.7) (-1.2) (4.3) (24.5)
Baltic Dry Index 726 (0) (-2.6) (24.1) (51.9)
S&P GSCI Spot commodity index 350.889 (-1.2) (-3.1) (-7.7) (13.5)
S&P GSCI Brent Spot 396.766 (-2.2) (-2.7) (-9.1) (26.4)
S&P GSCI Metals Spot 277.9 (-0.2) (-0.9) (4.9) (9)
S&P GSCI Agricultural Spot 292.93 (0.3) (-4.2) (-7.9) (3.3)

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 0.71 (3) (4) (-4) (-34)
US 5-yr 1.13 (3) (2) (-7) (-63)
US 10-yr 1.58 (3) (3) (-10) (-69)

Japan 10-yr -0.22 (0) (1) (-8) (-49)

GER 2-yr -0.61 (1) (4) (-3) (-27)
GER 5-yr -0.49 (1) (6) (-3) (-44)
GER 10-yr -0.009 (1) (-2) (-7) (-64)

Belgium 10-yr 0.26 (1) (0) (-20) (-71)
France 10-yr 0.23 (1) (-1) (-20) (-76)
Greece 10-yr 7.99 (-4) (14) (-1) (-30)
Ireland 10-yr 0.5 (1) (0) (-27)
Italy 10-yr 1.26 (2) (1) (-17) (-33)
Netherlands 10-yr 0.11 (2) (-1) (-18) (-68)
Portugal 10-yr 3.09 (4) (-4) (-6) (58)
Spain 10-yr 1.15 (2) (-8) (-35) (-63)

Emerging Markets

Brazil 10-yr 11.91 (8) (-4) (-67) (-461)
Chile 10-yr 4.39 (0) (1) (-15) (-27)
Colombia 10-yr 7.51 (-2) (-13) (-61) (-115)
Mexico 10-yr 5.96 (0) (-3) (-13) (-31)
Peru 10-yr 5.71 (0) (-1) (-36) (-159)

Poland 10-yr 2.91 (-2) (-4) (-15) (-4)
Russia 5-yr 8.8 (3) (19) (3) (-108)
Russia 10-yr 8.59 (3) (21) (4) (-97)
Turkey 10-yr 9.77 (-23) (88) (38) (-70)

India 10-yr 7.25 (-1) (-2) (-23) (-51)
Indonesia 10-yr 7.06 (2) (-10) (-57) (-169)

Country risk *(changes in bp)*

Developed Markets

10-yr sovereign spreads *(against Germany)*

Belgium 27 (1) (2) (-13) (-7)
France 24 (0) (1) (-13) (-12)
Greece 799 (-5) (16) (6) (34)
Ireland 51 (0) (1) (-20) (-1)
Italy 127 (1) (2) (-10) (30)
Netherlands 12 (1) (0.6) (-11) (-4)
Portugal 310 (3) (-2.8) (1) (121)
Spain 116 (1) (-7) (-28) (1)

5-yr sovereign spreads *(against Germany)*

Belgium 8 (0) (-3.2) (-12) (1)
France 15 (0) (-5) (-9) (2)
Ireland 49 (-1) (-6) (3) (24)
Italy 81 (-1) (-7) (-7) (26)
Netherlands 9 (0) (-5.3) (-10) (9)
Portugal 242 (-1) (-8) (-5) (131)
Spain 71 (0) (-13) (-24) (-1)

2-yr sovereign spreads *(against Germany)*

Belgium 10 (1) (1) (1) (6)
Finland 9 (-1) (-2.2) (-3) (6)
France 9 (-1) (-2.2) (-3) (6)
Ireland 19 (-2) (-4) (-12) (5)
Italy 57 (0) (-4) (-3) (25)
Netherlands 6 (0) (1) (1) (9)
Portugal 132 (-1) (-6) (-5) (87)
Spain 46 (-1) (-7) (-12) (11)

5-yr sovereign CDS

5-yr CDS Belgium 46 (-1) (-4) (1) (14)
5-yr CDS France 32 (-3) (-1) (-2) (7)
5-yr CDS Germany 17 (-1) (-2) (1) (5)
5-yr CDS Greece 933 (1) (4) (-38) (-126)
5-yr CDS Ireland 70 (-1) (1) (1) (30)
5-yr CDS Italy 135 (-2) (10) (-17) (39)
5-yr CDS Netherlands 28 (0) (-1) (1) (13)
5-yr CDS Portugal 279 (-5) (-2) (-16) (111)
5-yr CDS Spain 91 (-2) (-2) (-10) (2)
5-yr CDS UK 36 (0) (-1) (3) (17)
5-yr CDS US 20 (0) (0) (-1) (1)

Emerging Markets

5-yr sovereign CDS

5-yr CDS Argentina 391 (4) (-1) (-40) (-10906)
5-yr CDS Brazil 285 (4) (-2) (-35) (-207)
5-yr CDS Chile 79 (2) (0) (-23) (-48)
5-yr CDS Colombia 179 (2) (-5) (-42) (-60)
5-yr CDS Mexico 141 (1) (3) (-25) (-30)
5-yr CDS Peru 123 (1) (0) (-21) (-62)
5-yr CDS Venezuela 3761 (31) (-375) (-1186) (-2283)

5-yr CDS Poland92 (-1) (0) (0) (20)
5-yr CDS Russia 220 (-7) (2) (-25) (-82)
5-yr CDS Turkey 277 (-11) (57) (28) (4)

5-yr CDS China 110 (0) (0) (-13) (1)
5-yr CDS India 153 (-2) (-2) (-18) (5)
5-yr CDS Indonesia 161 (1) (3) (-26) (-66)

Credit risk

Risk indicators *(changes in percentage except for BAA spreads, bp)*

VIX 12.71 (-0.2) (0.3) (-40) (-6)
VSTOXX 19.14 (-1.6) (-8.5) (-46.9) (-3)
EM EFT volatility Index 21 (1) (0) (-30) (-10)
Dollar/euro volatility 7.8 (-2.8) (-4.9) (-35.1) (-20)
EM FX volatility index 10 (0) (4) (-6) (-12)
Credit spread (BAA) 266.8 (-2.6) (-4.1) (-17.1) (-56)
US bonds volatility index 72 (0) (-4) (-10) (6)

Bank risk *(changes in bp)*

US banks CDS 74 (0) (0) (-10) (-1)
EMU banks CDS 111 (-4) (-6) (-10) (27)
UK banks CDS 104 (-2) (-7) (-6) (26)

Large Spanish banks CDS 0 (0) (0) (-148) (-137)
Medium Spanish banks CDS 0 (0) (0) (-177) (-157)

Greek banks CDS 882 (-62) (-97) (-427) (-770)
Russian banks CDS 335 (-1) (3) (-21) (-47)

Corporate risk *(changes in bps)*

EMU Non-financial CDS 107 (-1) (1) (-257) (-65)
UK Non-financial CDS 157 (-3) (-1) (-6) (-35)

Interbank markets *(changes in bp)*

UEM OIS spread 3m 5 (-1) (-1) (-3) (-6)
UEM OIS spread 12m 35 (0) (-1) (-2) (2)
UEM TED spread 3m 44 (0) (-1.3) (10) (3)

US OIS spread 3m 29 (0) (1) (4) (6)
US OIS spread 12m 0 (-85) (-84) (-78) (-56)
US TED spread 3m 39 (-1) (0) (1) (-6)

Spain Ted Spread 3m 1 (1) (-0.3) (15) (-4)

EONIA Index -0.34 (0) (-0.2) (1) (-21)
Euribor 3m -0.3 (0) (-0.4) (-3) (-17)
Euribor 12m -0.05 (0) (1) (-2) (-11)

Libor 3m 0.7 (0) (1) (6) (9)
Libor 12m 1.34 (0) (4) (9) (17)

Stock markets *(Changes in percentage)*

Developed Markets

Main equity indices

S&P500 2163.6 (-0.1) (0.1) (3.7) (6)
Dow Jones 18513 (0) (0) (4.1) (6)
Nikkei 16627.3 (-1.1) (0.8) (3.5) (-13)
FTSE 100 6724.7 (0.4) (0.8) (7.4) (8)
EuroStoxx 50 2968.2 (0) (0.3) (-0.3) (-9)
IBEX 8587.2 (0) (0.7) (-1.3) (-10)
DAX 10134.7 (-0.2) (0.7) (0.6) (-6)
CAC4372.2 (-0.1) (0) (-0.2) (-6)
MIB 16776.6 (-0.2) (0.2) (-3.2) (-22)
ASE Athens 567.5 (-0.2) (1.8) (-7.2) (-10)

Bank stocks

JPM 63.8 (0.2) (-0.6) (1.7) (-3)
Citi 44.1 (-0.1) (-0.6) (3.3) (-15)
BoA 14.2 (-0.2) (4.2) (4.6) (-15)
MS 28.9 (0) (3.1) (9.4) (-9)
GS 160.4 (0.2) (-0.8) (8.3) (-11)

HSBC 493.6 (0.2) (3) (11.2) (-8)
RBS 189.6 (-1.4) (3) (-23.1) (-37)
Barclays 152.3 (0.3) (1.7) (-16.3) (-30)
Lloyds 54.8 (-2.6) (-2.2) (-22.4) (-25)

EMU banks 73.8 (0) (1.4) (-8.8) (-32)
BNP 43.4 (0.8) (1.4) (-6.5) (-17)
Crédit Agricole 7.9 (0) (0.4) (-7.9) (-28)
Deutsche Bank 13.1 (-0.4) (0.8) (-13) (-42)
ING 10.1 (0.5) (3.5) (-4.4) (-19)
Intesa 1.9 (-0.3) (0.9) (-9.5) (-37)
SG 30.2 (-0.6) (-0.5) (-12.4) (-29)
Unicredito 2.3 (-0.3) (5.1) (-9.8) (-55)

Large Spanish banks 61 (0) (-0.4) (-5.7) (-19)
Santander 3.9 (0.4) (1.7) (-4.3) (-15)
BBVA 5.2 (-0.2) (-2) (-6.9) (-22)

Medium Spanish banks 58.8 (-1.4) (1.2) (-5.8) (-29)
Caixabank 2.2 (-2.2) (1) (-3.2) (-32)
Popular 1.3 (-2.2) (1.5) (-8.6) (-53)
Banesto 66.7 (-0.2) (-2) (-6.9) (-22)
Sabadell 1.2 (-7.3) (-5.6) (-18) (-26)
Bankinter 6.2 (0.6) (3.5) (-0.6) (-5)
Bankia 0.7 (3.2) (5.1) (0.6) (-34)

Greek banks 2.9 (1.9) (-1.1) (-23.8) (-35)
Alpha Bank1.8 (2.9) (-1.7) (-19.9) (-29)
Pireus Bank0.2 (-1.2) (-3) (-30.4) (-42)
National Central Bank0.2 (-1.5) (-3) (-27.6) (-43)
Eurobank Ergasias0.6 (0.9) (1) (-30.4) (-43)

Emerging Markets

Main equity indices

MSCI Latam 71155 (-0.05) (1.6) (7.5) (20)
Ibovespa (Brazil) 56626 (0) (1.9) (12.9) (30.6)
Mexbol 47484 (0.3) (1.6) (3.7) (10.5)

MSCI EM Europe 4388 (-0.54) (-2.3) (-0.6) (3.3)
Poland 1797 (-0.4) (2.2) (-1.4) (-3.3)
Micex (Russia) 1930 (0.1) (-0.6) (1.7) (9.6)
Ise 100 (Turkey) 71135 (-0.6) (-14.1) (-7.9) (-0.8)

MSCI EM Asia 688 (0.09) (1) (4.5) (4.2)
Shanghai Composite (China) 3013 (-0.86) (-1.4) (3.7) (-14.9)
Jakarta Composite (Indonesia) 5197 (-0.4) (1.7) (6.1) (13)

Bank stocks

Turkish banks 74 (-0.3) (-16.8) (-9.1) (0.3)
Akbank T.A.S. 7 (-1.1) (-17.7) (-10.3) (9.6)
Garanti 7 (0.3) (-16.4) (-9.5) (-1.1)
Turkiye Is Bankasi 4 (0) (-16.1) (-7.1) (-8.5)

Russian banks 177 (0) (-0.1) (1.3) (16.4)
Sberbank 138 (-0.2) (0.1) (2.6) (36.6)
VTB Bank 0.1 (0.4) (-0.7) (-1.7) (-14.9)

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

Developed Markets

EURUSD 1.101 (-0.12) (-0.2) (-2.5) (1.4)
GBPUSD 1.31 (-1.12) (-0.81) (-11) (-11.2)
USDJPY 105.9 (-0.08) (-0.97) (-1.4) (11.9)
DXY 97.08 (-0.1) (-0.5) (-3.6) (1.6)

Emerging Markets

USDARS (Argentina) 15.03 (-0.2) (-0.6) (-6.8) (-16.2)
USDBRL (Brazil) 3.28 (-0.4) (-0.1) (2.8) (17.1)
USDCLP (Chile) 649.89 (0.1) (0.4) (3.6) (8.3)
USDCOP (Colombia) 2935.33 (0.2) (-0.4) (-0.6) (7.5)
USDMXN (Mexico) 18.61 (-0.2) (0) (-0.6) (-8.1)
USDPEN (Peru) 3.33 (0) (-1.5) (-1.3) (2.5)
LACI 65.04 (-0.2) (-0.2) (0.6) (3.9)

USDPLN (Poland) 3.96 (0) (1.4) (-2.2) (-0.8)
USDRUB (Russia) 64.75 (-0.7) (-1.7) (0.1) (10.7)
USDTRY (Turkey) 3.06 (0.5) (-1.3) (-5.6) (-4.7)

USDCNY (China) 6.68 (0) (0.3) (-1.5) (-2.8)
USDINR (India) 67.08 (0.1) (0) (0.6) (-1.4)
USDIDR (Indonesia) 13095 (0) (0) (1.4) (5)
ADXY 106.84 (0) (0.1) (-0.5) (0.3)

Commodities *(change in percentage)*

Brent 45.96 (-0.5) (-3.5) (-7.9) (23.3)
WTx 44.49 (-0.6) (-3.2) (-9.4) (20.1)
Copper 225.5 (0) (1.1) (5.6) (6.1)
Gold 1321.23 (-0.7) (-1.2) (4.3) (24.5)
Baltic Dry Index 726 (0) (-2.6) (24.1) (51.9)
S&P GSCI Spot commodity index 350.889 (-1.2) (-3.1) (-7.7) (13.5)
S&P GSCI Brent Spot 396.766 (-2.2) (-2.7) (-9.1) (26.4)
S&P GSCI Metals Spot 277.9 (-0.2) (-0.9) (4.9) (9)
S&P GSCI Agricultural Spot 292.93 (0.3) (-4.2) (-7.9) (3.3)

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

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