

# Market Comment | Central banks' minutes left markets wobbly

Global Financial Markets Unit  
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- After the release of **Fed minutes** ([see](#)), where policymakers underlined prospects for faster US interest rate hikes and an upbeat assessment of the economy ([see](#)), yesterday US sovereign bond yields rose significantly, almost reaching 3% levels, and the USD extended its appreciation against its main peers, while US stocks closed with losses.
- Today's release of **ECB minutes** ([see](#)) showed a lack of consensus among policy makers as regards the timing of the announcement of the exit strategy from the unconventional measures ([see](#)). After the publication, the market trend reversed. The **EUR appreciated against its main peers**, while sovereign yields were flat, with a slight increase in peripheral premiums.
- After yesterday's increase, US sovereign bond yields declined today, partially recovering previous levels and US stock prices rose slightly. Oil prices also were volatile, following today's volatility in the USD ([see](#)). Emerging currencies were mixed, although the MXN depreciated significantly due to uncertainty about the 7th round of the NAFTA renegotiations ([see](#))

Table 1

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Source: BBVA Research

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Fuente: BBVA Research

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<b>Debt markets (10y, % changes in bp)</b>						
Developed Markets	level	Daily	Weekly	Monthly	Year	
US (2-yr)	2.11	0.6	-3.1	14	90	
UK	2.85	2.9	1.2	10	41	
GER (2-yr)	-0.56	-1.0	-2.0	5	21	
Germany	0.75	-1.4	-1.9	21	40	
France	0.99	-1.1	-3.3	17	18	
Spain	1.46	0.5	-1.7	-10	2	
Italy	2.01	2.1	-3.6	-2	15	
Portugal	2.07	4.1	5.5	0	205	
Greece	4.10	28.1	42.3	39	-279	
Japan (2-yr)	-0.35	-0.2	-2.0	-3	4	
Japan	0.07	-2.0	-2.0	0	0	
Emerging Markets	level	Daily	Weekly	Monthly	Year	
Brazil	9.91	5.3	11.3	-7	-150	
Chile	4.96	0.0	0.3	2	24	
Colombia	6.54	-0.1	17.8	19	-55	
Mexico	7.68	4.2	9.4	12	4	
Peru	4.46	2.5	8.0	-23	-201	
Poland	3.59	0.5	0.9	26	-12	
Russia	7.23	1.1	-4.3	-33	-122	
Turkey	11.72	11.0	32.0	27	72	
India	7.49	2.1	-7.2	23	111	
Indonesia	6.37	1.0	9.5	13	-142	
<b>Country risk (bp changes in bp)</b>						
Developed Markets	level	Daily	Weekly	Monthly	Year	
<b>10-yr sovereign spread vs Germany</b>						
France	24	0.3	-1.4	-3	-23	
Italy	117	3.5	-1.7	-23	-26	
Portugal	132	5.5	7.4	3	-223	
Spain	71	1.9	0.2	-30	-38	
<b>2-yr sovereign spread vs Germany</b>						
France	14	0.2	0.1	0	4	
Italy	24	-0.2	1.5	-8	-37	
Portugal	48	0.2	-17.3	-4	-52	
Spain	36	0.4	15.9	13	12	
Emerging Markets	level	Daily	Weekly	Monthly	Year	
<b>5-yr sovereign CDS *</b>						
Brazil	165	13.5	20	20	-107	
Chile	49	3.5	7	4	-33	
Colombia	101	6.6	13	8	-62	
Mexico	109	8.1	13	13	-47	
Peru	77	6.8	11	10	-31	
Poland	51	1.4	3	5	-25	
Russia	113	6.4	8	-2	-64	
Turkey	174	8.4	12	11	-98	
China	64	5.4	10	21	-52	
India	72	1.0	5	3	-55	
Indonesia	91	6.0	10	14	-65	
<b>Risk indicators</b>						
Volatility indicators (%)	level	Daily	Weekly	Monthly	Year	
VIX	30	-9.4	75	209	18	
VST OXX	31	-2.6	78	166	15	
EM EFT volatility index	31	-12.0	36	90	55	
Dovolenosti volatility	9	-1.1	22	56	10	
EM FX volatility index	9	5.4	9	23	-16	
Credit spread (BAA) (bps)	161	2.9	3	9	66	
US bonds volatility index	88	9.4	12	38	-11	
Inflation expectations (%)	level	Daily	Weekly	Monthly	Year	
US inflation expectations (5Y5Y)	2.45	-	5	11	-9	
EZ inflation expectations (5Y5Y)	1.75	-	0	2	-5	
Outlying 5y CDS (bps) *	level	Daily	Weekly	Monthly	Year	
US	49	2.0			-23	
EZ	45	4.6	8	6	-63	
UK	44	2.5	5	3	-46	
Large Spanish	42	5.8	10	6	-75	
Medium Spanish	64	0.3	2	6	-87	
Corporate 5y CDS (bps) *	level	Daily	Weekly	Monthly	Year	
US Non-financial	153	2.0	7	7	-23	
EZ Non-financial	61	4.6	6	6	-63	
UK Non-financial	97	0.5	2	7	-28	
<b>Interbank markets (% changes in bp)</b>						
level	Daily	Weekly	Monthly	Year		
COMIA index	-0.36	0.00	0.0	0.0	0.0	
Euribor 3m	-0.33	0.00	0.0	0.0	0.0	
Euribor 12m	-0.19	0.00	0.0	0.0	-0.1	
Libor 3m	1.80	0.00	0.0	0.1	0.8	
Libor 12m	2.29	0.00	0.0	0.1	0.6	
<b>Stock markets (%)</b>						
Index	level	Daily	Weekly	Monthly	Year	
<b>USA indices</b>						
S&P500	2,603	0.5	-3.8	5	15	
Dow Jones	24,040	0.8	-5.8	-5	21	
Nikkei	21,383	2.3	-8.1	-10	9	
FTSE 100	7,123	-0.7	-4.3	-8	-1	
EuroStoxx 50	3,344	-1.0	-5.1	-7	1	
IBEX	9,664	-0.9	-5.4	-7	2	
DAX	12,174	0.7	-4.8	-8	5	
CAC	5,108	-0.8	-4.8	-7	4	
MIIB	22,263	-0.9	-4.0	-4	13	
ASE Athens	829	-1.5	-5.3	-1	26	
MSCI Latam *	88,661	-1.8	-4.9	1	21	
Ibovespa (Brazil)	81,606	0.1	-2.9	4	33	
Mexbol	47,988	0.3	-4.8	-2	3	
MSCI EM Europe *	5,558	-1.5	-4.1	-1	10	
Poland	2,395	-0.5	-4.5	-5	70	
Mircex (Russia)	2,205	-1.0	-3.4	-1	-3	
Isr TSD (Turkey)	113,590	0.6	-3.8	0	49	
MSCI EM Asia *	922	-0.2	-6.3	4	32	
Shanghai Com (China)	3,130	-4.1	-9.6	-9	-1	
Jakarta Indonesia	6,506	-0.4	-1.4	2	23	
Banking sector	level	Daily	Weekly	Monthly	Year	
<b>US banks</b>						
JPM	109.4	1.4	-4.2	-1	26	
Citi	72.8	1.3	-5.5	-4	19	
BofA	30.1	1.1	-5.9	-2	31	
HS	51.9	0.2	-6.5	-4	19	
GS	248.0	0.7	-4.6	-2	2	
<b>EZ banks</b>						
BNP	109.8	-2.3	-4.6	-6	4	
Credit Agricole	65.0	-2.2	-4.5	-5	0	
Deutsche Bank	12.6	-1.7	-9.2	-19	23	
ING	14.7	-2.7	-6.2	-11	6	
Intesa	3.1	-2.1	-1.1	4	21	
SG	44.0	-2.4	-4.1	-5	9	
Unicredit	17.7	-0.9	0.6	4	26	
<b>UK banks</b>						
HSBC	89.3	-1.2	-2.7	-6	2	
HSSC	732.2	-0.2	-2.4	-8	9	
RBS	275.6	-2.8	-3.8	-6	18	
Barclays	192.6	-0.8	-1.5	-4	-18	
Lloyds	65.5	-1.6	-3.2	-4	3	
<b>Large Spanish banks</b>						
Santander	5.5	-1.8	-6.4	-6	9	
BBVA	-7.0	-1.7	-4.7	-5	8	
<b>Medium Spanish banks</b>						
CajaBank	4.0	-1.6	-5.4	-6	22	
Sabadell	1.8	-1.9	-3.3	-5	29	
Banqueparibas	6.9	-2.2	-3.5	-7	17	
Bankia	3.8	-2.3	-4.5	-10	-7	
<b>Currencies (% red for currency depreciation)</b>						
Developed	level	Daily	Weekly	Monthly	Year	
EURUSD	1.22	0.1	-1.8	-2.4	17	
GBPUSD	1.38	0.8	-2.2	2.2	12	
USDJPY	108.88	-0.1	1.2	2.3	7	
ADXY	90.35	0.1	1.3	-2.1	-12	
Emerging	level	Daily	Weekly	Monthly	Year	
USDARS (Argentina)	20.05	-0.5	-2.9	-7.6	-25	
USDBRL (Brazil)	3.28	0.1	-2.0	-1.5	-2	
USDCLP (Chile)	602.97	0.0	0.0	1.0	10	
USDCOP (Colombia)	2892	-0.2	-1.8	0.1	3	
USDMXN (Mexico)	18.78	0.6	-1.0	2.7	12	
USDPEN (Peru)	3.27	-0.2	-1.7	-1.6	3	
LACI	63.70	0.1	-1.5	-0.1	3	
USDPLN (Poland)	3.42	0.1	-2.2	2.1	18	
USD RUB (Russia)	58.34	0.1	-3.2	-2.2	3	
USDTRY (Turkey)	3.82	0.0	-1.4	-0.6	-7	
USDCNY (China)	6.30	0.4	0.0	3.2	9	
USDINR (India)	64.40	-0.2	-0.5	-1.3	5	
USDIDR (Indonesia)	13,628	-0.2	-1.3	-1.5	-1	
ADXY	111.2	0.5	-0.4	1.2	8	
<b>Commodities (%)</b>						
level	Daily	Weekly	Monthly	Year		
<b>Brent</b>						
BNTA	63.9	-1.5	-6.9	-8	13	
WTI	69	-1.4	-7.8	-5	13	
Copper	305	0.6	-3.9	-5	20	
Gold	1312	0.5	-1.6	0	13	
S&P Spot commodity *	438	-0.5	-4.0	-3	11	
S&P Brent Spot *	550	-1.2	-7.7	-6	15	
S&P Metals Spot *	382	0.2	-2.6	-2	25	
S&P Agricultural *	290	0.0	1.7	3	-3	

