

London, 04 March 2026

QIS Tactical

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QIS Publication Monitor

Risk Premia strategies

- [QIS Risk Premia: Credit Focus](#) – 15 January 2026
- [QIS Risk Premia Outlook 2026](#) – 06 November 2025
- [QIS Risk Premia: Carry on!](#) – 11 September 2025
- [Risk Premia: Keep calm and carry on!](#) – 10 June 2025
- [Risk Premia: After Liberation Day](#) – 23 April 2025
- [Risk Premia Outlook](#) – 11 March 2025

QIS Thematics

- [QIS Thematics: Cyclical upswing](#) – 03 February 2026
- [QIS Thematics: Shifting Paradigms](#) – 18 November 2025
- [QIS Thematics: Small things matter](#) – 18 Sept 2025
- [QIS Thematics: Sell in May?](#) – 8 May 2025
- [QIS Thematics: Greed and fear](#) – 18 March 2025

Macro tactical ideas

- [QIS Tactical: Carry EM on!](#) – 7 Oct 2025
- [QIS Tactical: De-dollarisation](#) – 13 May 2025
- [QIS Tactical: European Exceptionalism](#) – 31 March 2025

Deep Dives

- [Introducing the BBVA 11-stage cycle](#) – 03 March 2026
- [GM House View 2026: Navigating the growth plateau](#) – 04 December 2025
- [Introducing BBVA FCI](#) – 16 September 2025

BBVA QIS Trade Tracker

BBVA QIS TRADE TRACKER

Source: Bloomberg and BBVA Global Markets Strategy

Title	Publication		Performance						Since Launch	Launch date	Close Date	Comments
			1-month	3-month	6-month	year-to-date	1-year					
BBVA Credit Trend	QIS Risk Premia Outlook	BBCITRUS	0.3	0.9	1.9	0.3	-1.8	0.1	15 Jan 26		We like Credit Trend to increase allocation into the trend risk premia bucket as macro volatility subsides	
BBVA EM vs. DM FX carry*	QIS Tactical	BBXTEDLU	1.5	2.3	5.9	0.8	5.0	2.9	07 Oct 25		FX carry currently remains our highest conviction idea	
BBVA Small Cap Index*	QIS Thematics	RUTF40V	12.7	12.6	39.6	16.4	9.0	16.1	18 Sep 25		We expect small caps to outperform as the Fed continues its rate-cutting cycle and US growth remains resilient	
BBVA De-Dollarisation Index	QIS Tactical	BBXTDDL	1.5	1.7	0.7	1.7	9.2	3.0	13 May 25		The BBVA FX strategy team continues to believe in a structurally weak USD	
BBVA FX Latam Carry*	QIS Risk Premia Outlook	BBFXLCRU	2.3	3.1	7.5	2.0	10.0	12.4	23 Apr 25		FX carry currently remains our highest conviction idea	
BBVA FX Global Carry*	QIS Risk Premia Outlook	BBFXGCRU	1.3	1.9	5.6	1.0	5.9	9.3	23 Apr 25		FX carry currently remains our highest conviction idea	
BBVA Long Europe vs. US Equity	QIS Tactical	BBXTEUSU	1.6	2.0	1.8	1.0	0.6	-3.8	31 Mar 25		European equities are starting to look undervalued and underowned again despite the significant fiscal spending announced last year	
BBVA Long Europe vs. US FX	QIS Tactical	BBXTEFLU	2.7	3.2	3.6	2.8	14.4	9.0	31 Mar 25		The BBVA FX strategy team continues to believe in a structurally weak USD	
BBVA Global Infrastructure	QIS Thematics	SBVGINUN	4.2	5.9	6.2	4.3	19.5	14.0	18 Mar 25		Global fiscal spending has helped this theme, which we expect to continue this year	
BBVA Cybersecurity Index*	QIS Thematics	SBVCYBEN	6.0	0.0	15.5	5.9	15.3	18.4	31 Dec 24		Cybersecurity is no longer optional; it's fundamental to business continuity	
BBVA AI and VR Index	QIS Thematics	SBVAVREN	-5.9	-16.0	-8.3	-4.7	-13.5	-9.7	31 Dec 24		Rising concerns regarding valuations around AI stocks is a cause of concern. This theme now looks attractive after recent underperformance.	
BBVA Long Europe vs. US Credit	QIS Tactical	BBXTUICU	0.0	-0.5	-1.1	0.2	-1.5	-0.1	31 Mar 25	07 Oct 25	Closed	
BBVA Credit Trend	QIS Risk Premia Outlook	BBCITRUS	0.3	0.9	1.9	0.3	-1.8	-2.4	11 Mar 25	23 Apr 25	Closed	

*High conviction ideas
Table as of 03 March 2026

US over Europe

- **Trade Idea: Long US vs. European equities (BBXTUESU Index):** while we are no geopolitical experts, the events over the past week are worrying nonetheless — both from a humanitarian perspective as well as for financial markets. In light of the rising Middle East tensions, we believe long European equities vs. US equities could provide investors with a tactical hedge to the Middle Eastern flare-up resulting in a continued bearish development in financial markets. The risk to this trade could come from a quick resolution to the current conflict and, as a result, implementation via options could minimise the downside risk of this strategy.
- **A key structural difference between Europe and the United States lies in energy dependency** and market sensitivity to oil and natural gas price shocks. Europe remains significantly reliant on imported fossil fuels, including crude oil and particularly natural gas, which has historically made up a substantial share of its energy mix. In contrast, the United States is largely energy self-sufficient, with high domestic oil and natural gas production that buffers it from external supply shocks and limits the transmission of global price volatility to the broader economy.
- **European equities have outperformed US equities:** European equities have outperformed US equities: the loss of momentum in the US Mag-7 stocks since September of last year has helped. As the rotation out of expensive technology stocks gained traction, global equity markets excluding the US also outperformed, highlighting a broader cyclical shift in investor preferences that saw value and cyclical sectors gain relative appeal compared with concentrated tech leadership. US equities still trade at a ~30 % valuation premium to their European counterparts, justified in part by the superior earnings outlook.
- **European equities have more energy-sensitive sectors:** the US equity market is heavily tilted toward Information Technology and Communication Services, while European indices typically have higher weights in sectors such as Financials, Industrials and other traditional industries that are more directly dependent on energy as an input cost. Given the recent ~70 % spike in natural gas prices since the start of the Middle East conflict, we believe European margins could come under further pressure, particularly if high energy costs persist for longer.

Trade idea: US over Europe

Trade Idea: Long US vs. European equities (BBXTUESU Index): while we are no geopolitical experts, the events over the past week are worrying nonetheless — both from a humanitarian perspective as well as for financial markets. In light of the rising Middle East tensions, we believe long European equities vs. US equities could provide investors with a tactical hedge to the Middle Eastern flare-up resulting in a continued bearish development in financial markets. The events of the past week have seen energy markets behave similarly to 1Q22 during the Russia–Ukraine conflict, which saw European equities significantly underperform US equities by more than 10% just after the Russian invasion. This divergence in performance was largely driven by Europe’s higher sensitivity to energy price shocks and tighter energy market conditions following disruptions to key supply routes. The recent Middle East escalation has already triggered sharp spikes in energy prices and heightened volatility in European markets, underscoring concerns about inflationary pressures and stagflation risks globally. Given Europe’s higher dependency on imported energy and the potential for prolonged supply disruptions, we believe a similar underperformance pattern could be repeated, with US equities proving more resilient by comparison. The risk to this trade could come from a quick resolution of the current conflict and, as a result, implementation via options could minimise downside risk of this strategy.

LONG US VS. EUROPEAN EQUITIES

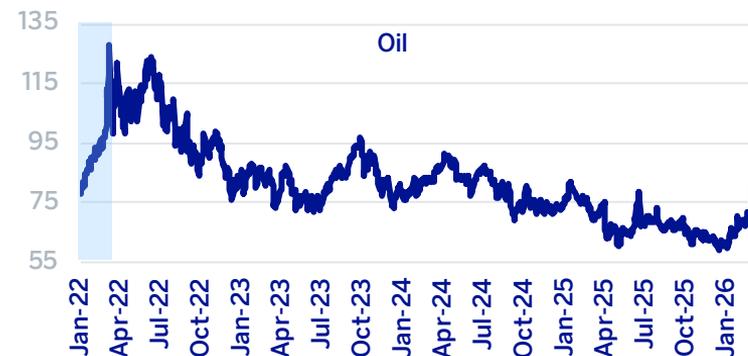
(BBXTUESU Index)

Source: Bloomberg and BBVA Global Markets Strategy



THE REACTION IN OIL PRICES IS SIMILAR TO 2022

Source: Bloomberg and BBVA Global Markets Strategy



US over Europe: Energy dependency

A key structural difference between Europe and the United States lies in energy dependency and market sensitivity to oil and natural gas price shocks. Europe remains significantly reliant on imported fossil fuels, including crude oil and especially natural gas, which has historically made up a substantial share of its energy mix. EU natural gas import dependency remains substantial as domestic production is limited, and pipelines or LNG tankers supply most demand. While the EU has diversified sources since reducing the flow of Russian pipeline gas, it still imports most of its gas and oil across seas and oceans, making it vulnerable to disruptions in global shipping routes. In contrast, the United States is largely energy self-sufficient, with high domestic oil and natural gas production that buffers it from external supply shocks and limits the transmission of global price volatility to the broader economy. Europe's reliance on liquefied natural gas (LNG) — including cargoes that transit the Strait of Hormuz, further exacerbates this vulnerability. Disruptions or threats to passage through Hormuz can rapidly elevate European gas and electricity prices, as recent spikes illustrate, as gas markets lack strategic reserves comparable to oil and must compete on the global spot market for available cargoes. This dynamic amplifies cost pressures on households and energy-intensive industries in Europe relative to the US during periods of geopolitical tension, reinforcing the region's sensitivity to energy price shocks and their impact on inflation and equity markets.

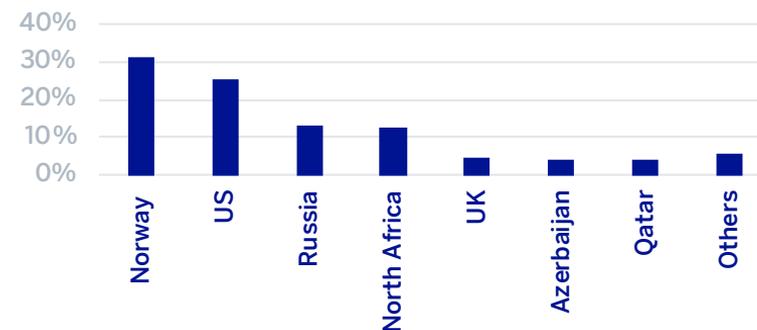
THE TREND IN EUROPEAN NATGAS PRICE IS SIMILAR TO 2022

Source: Bloomberg and BBVA Global Markets Strategy



2025 EU GAS IMPORTS BY COUNTRY

Source: EU Commission and BBVA Global Markets Strategy

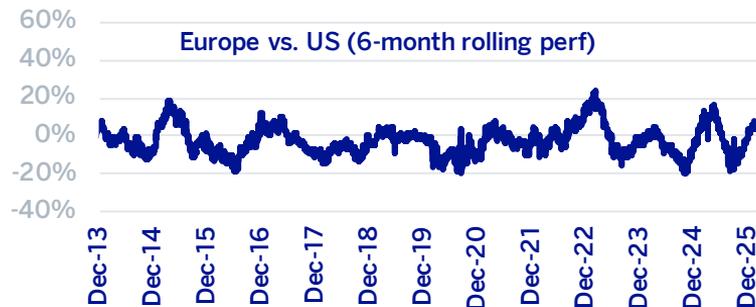


US over Europe: recent performance

European equities have outperformed US equities: European equities have outperformed US equities: the loss of momentum in the US Mag-7 stocks since September last year has helped. As the rotation out of expensive technology stocks gained traction, global equity markets (excluding the US) also outperformed, highlighting a broader cyclical shift in investor preferences that saw value and cyclical sectors gain relative appeal compared with concentrated tech leadership. In the same period, the US continued to deliver a stronger earnings growth profile than the rest of the world; compared with Europe, 12-month forward EPS over the last three years is up just ~8 % vs. ~42 % for US markets, reflecting the more dynamic corporate profit growth in the US. Outlooks for earnings growth over the next three years is also generally more favourable for US equities, supporting the premium at which they trade. US equities still trade at a ~30 % valuation premium to their European counterparts, justified in part by the superior earnings outlook. However, the rise in energy prices poses a risk to the European cyclical recovery and could weigh on the earnings outlook for 2026 if high energy prices persist, given Europe's greater sensitivity to energy cost inflation and margin pressure. With the French municipal elections approaching in weeks and presidential elections next year, elevated inflationary pressures could increasingly risk political stability in the eurozone, potentially adding uncertainty to corporate investment and consumer sentiment in the region.

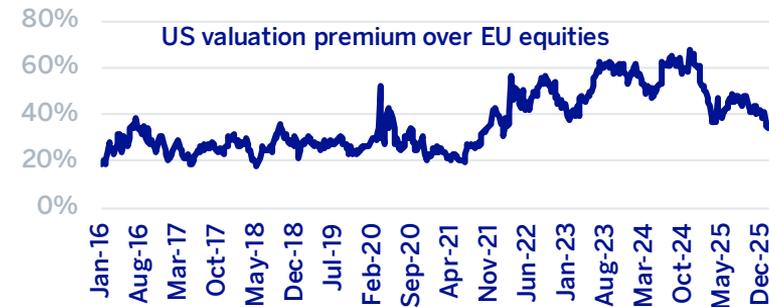
EUROPE VS. US EQUITY PERFORMANCE MEAN REVERTS

Source: Bloomberg and BBVA Global Markets Strategy



US EQUITY VALUATION PREMIUM ON A DOWNTREND

Source: EU Commission and BBVA Global Markets Strategy

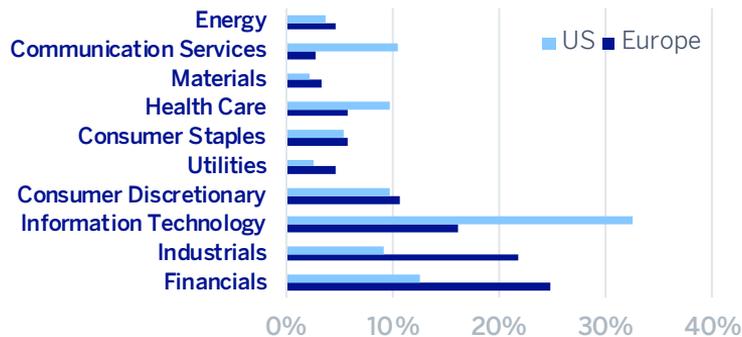


US over Europe: sector differences

European equities have more energy-sensitive sectors: the US equity market is heavily tilted toward Information Technology and Communication Services, while European indices typically have higher weights in sectors such as Financials, Industrials and other traditional industries that are more directly dependent on energy as an input cost. European industry, in particular, relies heavily on natural gas and electricity for process heat, chemicals and manufacturing output, with natural gas alone accounting for around 31% of final energy consumption in the EU's industrial sector and fossil fuels combined representing a significant share of total energy use. This structural reliance on energy inputs means that spikes in gas and power prices can more directly erode European corporate profit margins relative to the US, where domestic energy production and lower energy intensity in key growth sectors help insulate earnings. Even before the recent surge in energy costs, the US earnings outlook was stronger than Europe's, supporting higher valuations. Given the recent ~70 % spike in natural gas prices since the start of the Middle East conflict, we believe European margins could come under further pressure, particularly if high energy costs persist for longer.

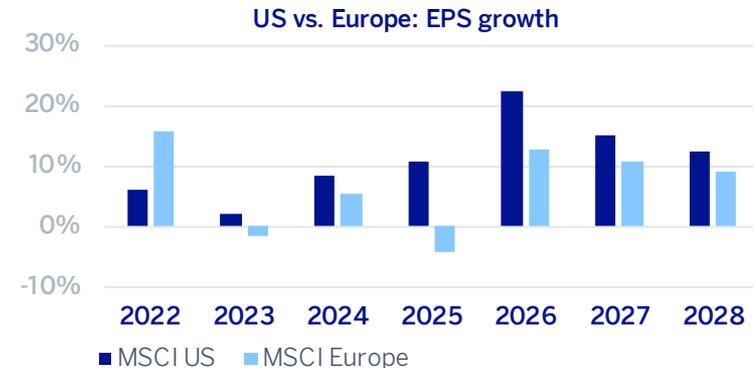
SECTOR COMPARISON BETWEEN THE US AND EUROPE

Source: Bloomberg and BBVA Global Markets Strategy



US EARNINGS OUTPERFORMING EUROPE

Source: EU Commission and BBVA Global Markets Strategy



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