GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

THURSDAY, FEBRUARY 6, 2020

- **US banks underperformed in January as valuations remain under pressure** (link)
- **US services sector reports strong data, with both ISM and Markit PMI above expectations** (link)
- **German factory orders disappoint** (link)
- **The Reserve Bank of India holds interest rates at 5.15% on an uncertain inflation outlook** (link)
- **Philippines central bank cuts policy rates by 25 bps to 3.75%, as expected** (link)
- **Brazil's central bank reduces policy rates by 25 bps to 4.25%, as expected** (link)
- **Poland's central bank left interest rates unchanged at 1.5%, as expected** (link)
- **Czech central bank raises policy rates to 2.25%, unexpectedly** (link)

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Market sentiment improves on China's tariff cut

Global equities rose on positive sentiment as China halved tariffs on $75 bn of US goods. The tariffs on US goods that were imposed since September 1 will be lowered to 5% from 10% for some and others will be reduced to 2.5% from 5%. European bourses and US equity futures gained while Asian equities rallied across the board. Upbeat news on corporate earnings also helped boost market sentiment. Twitter and Toyota reported better-than expected earnings while ArcelorMittal expressed optimism on the outlook for steel demand this year. Emerging markets also benefited from the positive market sentiment amid a flurry of monetary policy decisions from central banks in India, Philippines, Brazil, Poland and Czech Republic. Elsewhere, US Treasury and bund yields were little changed while oil prices ticked lower and remain well below last month's high of $68 per barrel.

Key Global Financial Indicators

Last updated: 2/6/20 8:19 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities			%				%
S&P 500		3335	1.1	2	3	22	3
Eurostoxx 50		3797	0.5	3	1	18	1
Nikkei 225		23874	2.4	4	3	14	1
MSCI EM		44	0.5	1	-2	3	-2
Yields and Spreads			bps				
US 10y Yield		1.63	5.2	5	-18	-106	-28
Germany 10y Yield		-0.37	-0.6	4	-8	-53	-18
EMBIG Sovereign Spread		303	1	-8	1	-24	10
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		60.2	-0.1	0	-1	-6	-2
Dollar index, (+) = $ appreciation		98.3	0.0	0	2	2	2
Brent Crude Oil ($/barrel)		55.1	-0.4	-6	-20	-12	-17
VIX Index (%, change in pp)		15.1	-0.1	0	1	0	1

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

United States

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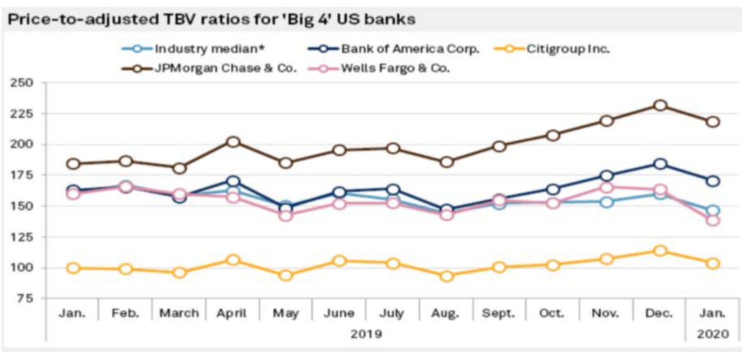
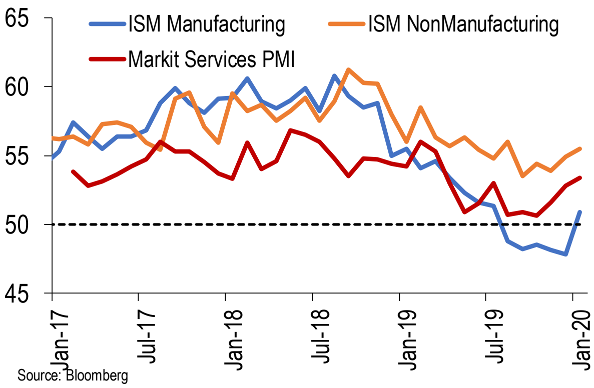
US equities rallied for the second consecutive day, after European and Asian equity markets also posted strong gains. Treasuries sold off, with yields up 3-5 bps across the curve, as 10-year yields have now risen 15 bps in February after falling near 40 bps in January. Strong economic data in the services sector, as well as a better-than-expected ADP payrolls report helped bolster risk-on sentiment. Equity volatility, as measured by the VIX, fell for the third consecutive day, unwinding much of the spike seen in late January. Investors seem to be ignoring downside risks from coronavirus amid mixed reports of progress on a vaccine, though global health authorities appear to be pushing back on the idea that the threat is receding. Global oil prices recovered from their recent slide and ended the day up nearly 3%, though both Brent and WTI are still down over 15% year to date. The busy political US calendar (Democratic primary, State of the Union, impeachment) seems to have had little explicit impact on markets, and this afternoon the US Senate voted 52-48 to acquit President Trump in his impeachment trial as expected. In its quarterly refunding statement, the **Treasury Department confirmed it would be moving forward with a new 20-year bond issuance in the first half of the year.** The announcement largely met expectations, with more details to come in May. The coupon and maturity dates will align with regular 10 and 30-year bonds to ensure maximum functionality in funding markets, but the auction will settle at month end alongside TIPS issuance.

US banks underperformed in January with valuations remaining under pressure. Only two of the top 40 US banks recorded a positive return in January, as the sector fell 7% (SNL Bank index) compared to the S&P 500, which fell just under 1.0%. With the exception of JPMorgan Chase, the median bank's price-to-tangible book value has edged lower over the past year. Bank analysts have persistently lowered their forecasts for various profitability measures for 2020, including return on assets and net interest margin, though US banks remain in better shape than many European institutions.



Source: SNL Market Intelligence.

The US services sector reported strong data, with both ISM and Markit PMI above expectations. With lingering concerns over manufacturing, the US consumer and services sector remain strong. Both the ISM nonmanufacturing index and the Markit Services PMI came in above expectations for January at 55.5 and 53.4 respectively, and reversed any hint of a slowdown seen in the second half of 2019.



Markets expecting a rebound in monthly jobs and wage growth after the weak December figures. The consensus view is that nonfarm payroll growth will rally to 163k for January after December slipped to just 145k. Investors also expect average hourly wage growth to recover to 3.0% yoy; another soft reading would ignite lingering concern that wage growth is stagnating despite tight labor markets. After peaking at 3.4% yoy in February 2019 in the current cycle, wage growth has decelerated again at 3.0% yoy average over the last three months. Investors will also be eyeing the final annual revisions to payrolls from the BLS, with preliminary reports suggesting a total downward revision of 500k jobs to the March 2019 level (suggesting around a 40k per month downward revision for the 12 months leading up).

Employment report at a glance

Table 1: Forecasts for Friday's January employment report

	Nov	Dec	Jan	
			BofA	Consensus
Nonfarm payroll growth	256k	145k	***165k***	***162k***
Private payroll growth	243k	139k	***155k***	***150k***
Average hourly earnings (mom %)	0.3%	0.1%	***0.3%***	***0.3%***
Unrounded	0.32%	0.11%	***0.34%***	--
Average hourly earnings (yoy %)	3.1%	2.9%	***3.1%***	***3.0%***
Unrounded	*3.14%*	*2.87%*	***3.11%***	--
Unemployment rate	3.5%	3.5%	***3.5%***	***3.5%***
Unrounded	*3.54%*	*3.50%*	***3.50%***	--
Participation rate	63.2%	63.2%	***63.3%***	***63.2%***
Average weekly hours	34.3	34.3	***34.3***	***34.3***

Source: BofA Global Research, Bloomberg, Bureau of Labor Statistics

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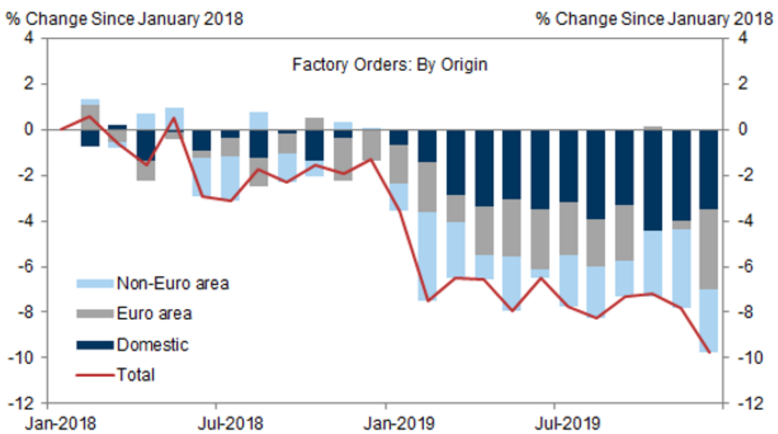
Euro Area

Equities (+0.5%) followed Asian markets higher despite a noticeable disappointment in German factory orders. German factory orders unexpectedly fell 2.1% mom in December (compared to a gain of +0.6% expected) for a total contraction of 8.7% yoy in 2019.

Germany: Factory Orders from the Euro Area Fell Sharply in December, More Than Offsetting the Stronger Domestic and Non-Euro Area Foreign Orders



Source: Haver Analytics, Goldman Sachs Global Investment Research

The euro was marginally changed around $1.10, dipping below this widely watched level earlier in the session.

German and French 10-year bond yields were little changed after rising about 8 bps in previous two days. The Italian 10-year spread to bunds rose 4 bps to 137 bps.

Chancellor Merkel called the decision of her CDU party to align with far-right AfD and help elect a state premier in the East-German state of Thuringia "unforgivable." Earlier, CDU leader AKK called for new election in Thuringia after far right helped to elect state premier. **Leaders of the current parties in the federal coalition (CDU and Socialists) are meeting on Saturday**.

United Kingdom

The pound (-0.3%) weakened to $1.296, reversing recent gains, on news that the EU may remove concessions previously granted to the U.K. in Mifid II financial regulations.

Other Mature Markets

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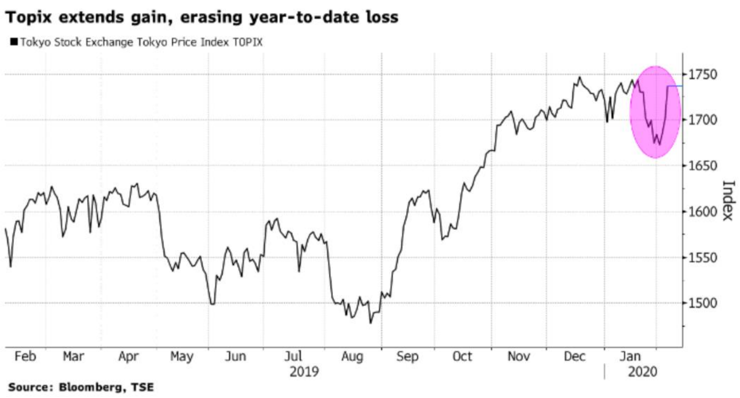
Japan

Equities (+2.1%) rose for the third day, putting them into positive territory for 2020. All sectors gained, with electronics and autos outperforming. Separately, Prime Minister Shinzo Abe told parliament that the coronavirus is starting to have a large impact on local economies, according to Bloomberg. The **10-year JGB yield rose 1.7 bps to -0.023% while the yen was unchanged.**



Oil Prices

Brent oil prices ticked lower (to $55/bbl) and remain well below last month's high of $68/bbl despite news the OPEC+ Joint Technical Committee recommended an output cut of 600k bbl/day.

Emerging Markets

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Asian equities (+1.6%) rallied across the board amid positive news of China cutting tariffs on $75 bn of US goods. Chinese stocks (Shenzhen +2.9%; Shanghai +1.7%) had strong gains, while Korea (+2.9%), Hong Kong SAR (+2.6%) and the Philippines (+2.1%) also outperformed. Regional currencies were mixed as the strength in Korean won (+1.0%) and the Indonesian rupiah (+0.4%) was offset by Thai baht weakness (-0.4%). The RMB was little changed following gains seen over the previous two days as the central bank set a weaker-than-expected fixing, with a CNY reference rate of 6.9985/USD. EMEA bourses were mixed, with gains in Turkey (+0.9%), South Africa (+0.6%), and Russia (+0.4%). Losses were only substantial in Qatar (-0.7%), while currencies traded mostly flat to the US dollar. **Latin American markets generally posted further modest gains**. Regional equities were mixed, with a 0.4% gain in Brazil and -0.6% decline in Mexico. Regional currencies mostly appreciated, including a 0.5% and 0.4% strengthening in Brazil and Mexico. Government bond yields broadly declined, including a 13 bp drop in Brazil's 10-year sovereign yields on a 25 bp policy rate cut.

Key Emerging Market Financial Indicators

Last updated:	Level		Change				
2/6/20 8:17 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		43.93	0.5	1	-2	3	-2
MSCI Frontier Equities		30.20	0.0	-2	0	7	0
EMBIG Sovereign Spread (in bps)		303	1	-8	1	-24	10
EM FX vs. USD		60.24	-0.1	0	-1	-6	-2
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.97	0.0	-1	0	-3	0
Indonesian Rupiah		13635	0.4	0	2	2	2
Indian Rupee		71.20	0.0	0	1	1	0
Argentine Peso		60.63	-0.1	-1	-1	-39	-1
Brazil Real		4.23	0.3	0	-4	-12	-5
Mexican Peso		18.62	-0.1	1	1	3	2
Russian Ruble		63.10	-0.3	0	-2	4	-2
South African Rand		14.82	-0.3	0	-4	-9	-6
Turkish Lira		5.99	-0.1	0	0	-13	-1
EM FX volatility		6.50	0.0	-0.2	-0.2	-2.4	-0.1

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

China

Small cap stocks (Shenzhen +2.9%, Shanghai +1.7%) outperformed on positive sentiment as China will halve tariffs on US goods. According to the Ministry of Finance, tariffs on $75 bn of US imports, covering 1,717 items will be halved, effective February 14. The tariffs on US goods that were imposed since September 1 will be lowered to 5% from 10% for some and others will be reduced to 2.5% from 5%. Other retaliatory tariffs will remain and the authorities will continue to process applications for tariff exemptions. China's reduction reciprocates the commitment by the US to lower tariffs, also effective on the same date, as part of the phase-1 trade deal. The onshore and offshore RMB were little changed, paring earlier gains.

In another sign that the viral outbreak has a significant impact on economic activities, Foxconn lowered its 2020 revenue outlook after imposing quarantines at its main iPhone-making base in China. Measures to guard against the coronavirus outbreak, including staff quarantines of up to 14 days, are expected to disrupt Apple's production chain in China. Foxconn lowered its forecast for revenue growth in 2020, projecting a sales increase of 1% to 3%, a decline from 3 – 5% seen before the epidemic outbreak and lags behind expectations of around 5.4% on average.

India

The Reserve Bank of India (RBI) maintained the repurchase rate at 5.15% in a second straight meeting, in line with expectations. The decision was unanimous and the central bank retained its accommodative stance adopted in June, according to its statement. The RBI views the inflation outlook as highly uncertain due to rising milk and pulses prices, volatile oil and rising input costs from services. It raised its inflation forecasts for the next six months to 5-5.4% from 3.8-4%. It also noted that economic activity remains subdued. To spur bank credit, the RBI relaxed conditions to set aside cash for loans offered to small businesses and retail loans for autos and residential housing. **The Indian rupee was unchanged, 10-year bond yields fell 4 bps to 6.46%, while stocks rose 0.3%.**

The Philippines

Bangko Sentral ng Pilipinas (BSP) reduced its policy rate by 25 bps to 3.75%, in line with consensus estimates. This marked the fourth cut in the past year. Governor Diokno had signaled the move yesterday, stating that he anticipates 50 bps of easing this year, according to Bloomberg. On the decision, the

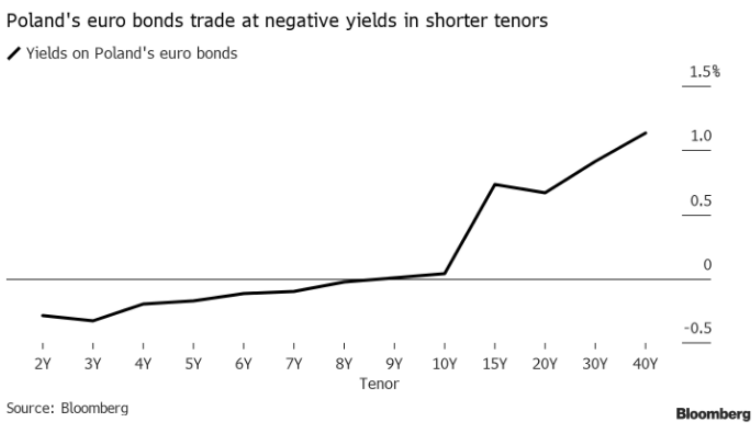
Governor said that the manageable inflation environment allowed a 'preemptive cut' to support market confidence. The coronavirus could subtract 0.3 percentage points from growth from the impact on tourism and overseas Filipino workers. Deputy Governor Dakila added that 'there's still a lot of room' to cut further if necessary. **Stocks (+2.1%) rose while the peso appreciated (+0.3%).**

Brazil

The central bank cut its policy rate by 25 bps to 4.25%. The decision was widely anticipated by analysts, but bond yields declined notably. The board said in a statement that it intends to "interrupt the monetary easing process" that has begun in July and included five straight cuts amounting to 2.25 percentage points. Analysts pointed out that industrial production and retail sales have already missed estimates. Brazil is facing negative spillovers from China, including weaker growth and the currency's depreciation.

Poland

The central bank left interest rates unchanged at 1.5%, as expected. Governor Glapinski noted that given the current global tilt towards monetary easing across major central banks and some sign of slowdown in the Polish economy, "rates should stay put until the end of my term" and that "the probability of a rate cut is larger than of a rate hike." Glapinski's term end in 2022. Separately, **Poland has become the first EM with negative nominal yields on its Eurobonds**, Poland priced a €1.5 bn ($1.7 bn) 5-year syndicated note at a rate of -0.102% and with over $6 bn in orders. Poland now offers negative yields through all its sovereign curve up to 8-year maturity.



Czech Republic

The Czech National Bank unexpectedly increased its policy rate 25 bps to 2.25% (compared to no change expected), the first hike since May 2019. Analysts did not expect the central bank to hike in light of the global backdrop even though some analysts had been calling for an eventual hike in 2020 given accelerating headline inflation of 3.2% yoy in December (compared to a target band of 1-3% for headline inflation). Core inflation was 2.6% yoy in December. The koruna appreciated 0.6% to the euro on the announcement with equities (+0.5%) holding on to earlier gains. The Czech yield curve inverted further: 1-year rates rose +15 bps to 2.09% with 15-year yields up +6 bps at 1.65%.

Romania

The Romanian government lost a no-confidence vote yesterday. The current cabinet will stay in office while president Iohannis seeks a new prime minister in consultation with various political parties. A general election will most likely be called in coming days. **The Romanian leu weakened slightly (-0.1%) to the US dollar while staying flat to the euro. Equities (+0.9%) are up today.**

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Global Financial Indicators

Last updated: 2/6/20 8:18 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities				%			%
United States		3335	1.1	2	3	22	3
Europe		3797	0.5	3	1	18	1
Japan		23874	2.4	4	3	14	1
China		2867	1.7	-6	-7	9	-6
Asia Ex Japan		72	0.4	1	-2	4	-2
Emerging Markets		44	0.5	1	-2	3	-2
Interest Rates				**basis points**			
US 10y Yield		1.63	5.2	5	-18	-106	-28
Germany 10y Yield		-0.37	-0.6	4	-8	-53	-18
Japan 10y Yield		-0.02	1.8	4	0	0	-1
UK 10y Yield		0.59	-2.3	5	-18	-62	-23
Credit Spreads				**basis points**			
US Investment Grade		103	-0.1	-4	-3	-16	6
US High Yield		422	-0.3	-12	21	3	29
Europe IG		42	-0.7	-3	-2	-27	-2
Europe HY		211	-1.8	-16	-1	-96	4
EMBIG Sovereign Spread		303	1.0	-8	1	-24	10
Exchange Rates				%			
USD/Majors		98.27	0.0	0	2	2	2
EUR/USD		1.10	0.0	0	-2	-3	-2
USD/JPY		109.9	0.0	-1	-1	0	-1
EM/USD		60.2	-0.1	0	-1	-6	-2
Commodities				%			
Brent Crude Oil ($/barrel)		55	-0.4	-6	-20	-12	-17
Industrials Metals (index)		107	0.1	1	-6	-10	-6
Agriculture (index)		39	-0.1	0	-4	-9	-5
Implied Volatility				%			
VIX Index (%, change in pp)		15.1	-0.1	-0.4	1.2	-0.3	1.3
10y Treasury Volatility Index		4.4	0.0	-0.3	0.0	0.8	0.3
Global FX Volatility		5.4	0.0	-0.2	-0.6	-2.4	-0.6
EA Sovereign Spreads				**10-Year spread vs. Germany (bps)**			
Greece		151	-3.8	-6	-19	-223	-15
Italy		135	2.4	0	-30	-135	-25
Portugal		71	0.7	2	5	-79	8
Spain		67	0.6	-1	-2	-43	1

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations.
Data source: Bloomberg.

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Emerging Market Financial Indicators

Last updated: 2/6/2020 8:16 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation						% p.a.					
China		6.97	0.0	-0.9	0	-3	0		2.9	2.1	-16	-28	-18	-27
Indonesia		13635	0.4	0.2	2	2	2		6.8	-0.1	-3	-34	-117	-33
India		71	0.0	0.4	1	1	0		6.8	-0.6	-9	-5	-85	-11
Philippines		51	0.1	0.5	1	3	0		4.1	1.8	0	-17	-158	-16
Thailand		31	-0.3	0.1	-3	1	-4		1.5	-2.1	-8	-9	-113	-16
Malaysia		4.12	-0.1	-0.8	0	-1	-1		3.1	-0.6	-2	-20	-91	-23
Argentina		61	-0.1	-0.7	-1	-39	-1		57.4	-23.5	205	-423	3687	-525
Brazil		4.23	0.3	0.4	-4	-12	-5		5.9	-4.7	-11	-33	-185	-36
Chile		776	0.2	2.5	-1	-16	-3		3.4	0.0	4	13	-97	13
Colombia		3364	0.0	1.5	-3	-8	-2		5.6	-3.7	-5	-38	-81	-35
Mexico		18.62	-0.1	0.8	1	3	2		6.7	0.1	0	-14	-168	-20
Peru		3.4	0.0	-0.5	-1	-1	-1		4.3	-0.4	-3	-18	-131	-24
Uruguay		38	-0.1	-0.5	-1	-14	-1		10.3	0.1	-3	-47	10	-53
Hungary		306	0.1	-0.1	-4	-8	-4		1.3	-1.6	1	23	-66	16
Poland		3.86	0.0	0.9	-2	-2	-2		1.9	-0.9	-4	7	-31	4
Romania		4.3	0.0	0.0	-1	-4	-1		3.8	-2.0	-2	-15	-51	-18
Russia		63.1	-0.3	0.2	-2	4	-2		6.0	-3.1	-4	-16	-197	-16
South Africa		14.8	-0.3	-0.4	-4	-9	-6		9.4	-3.0	-11	-12	6	-13
Turkey		5.99	-0.1	-0.3	0	-13	-1		10.1	11.1	24	-175	-497	-157
US (DXY; 5y UST)		98	0.0	0.4	2	2	2		1.45	-1.5	4	-16	-105	-24

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
								basis points						
China		2867	1.7	-6	-7	9	-6		169	-1	-10	-8	-4	-7
Indonesia		5987	0.1	-1	-4	-9	-5		169	2	-10	4	-1	13
India		41306	0.4	1	2	12	0		133	-1	0	7	-41	8
Philippines		7507	2.1	2	-4	-7	-4		72	1	-5	-2	22	6
Malaysia		1553	1.0	0	-3	-8	-2		110	0	-1	1	-15	-2
Argentina		40767	-0.6	1	-2	11	-2		1900	3	-149	-42	1267	131
Brazil		116028	0.4	0	-1	23	0		216	2	-7	-5	1	1
Chile		4687	0.1	3	-4	-14	0		142	0	-6	5	22	9
Colombia		1656	0.8	1	-1	11	0		169	1	-3	1	5	6
Mexico		44783	-0.6	0	1	2	3		301	1	-3	5	11	9
Peru		20394	0.7	2	-1	-1	-1		118	2	-2	5	5	11
Hungary		44507	1.1	2	0	10	-3		104	1	-6	11	8	18
Poland		57996	-0.2	2	-1	-5	0		31	0	-6	8	-21	13
Romania		10140	1.0	2	3	36	2		179	-8	-19	0	-15	5
Russia		3099	-0.5	0	1	22	2		146	2	-1	-2	-54	15
South Africa		57554	0.2	2	1	5	1		329	-1	-18	4	67	9
Turkey		123562	1.0	3	11	20	8		360	1	-5	-49	1	-41
Ukraine		511	0.1	1	0	-8	0		361	-10	-37	-35	-286	-59
EM total		44	0.5	1	-2	3	-2		303	1	-8	1	-24	10

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

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Coronavirus (nCov) Dashboard	Level	Change or relative change					
	Latest	1 Day	7 Days	30 Days	12 M	YTD	Since nCov intensification (Jan 20)
Equity Markets	**Index**	**Change (in %)**					
China							
CSI 300 (Large Cap/Main Equity Index)	3900	1.9	-5.6	-5.6	20.1	-4.8	-6.8
CSI 500 (Mid-Cap Index)	5283	3.1	-5.2	-2.8	23.0	0.3	-5.5
CSI 1000 (Small-Cap Index)	5516	3.1	-6.8	-4.3	23.0	-0.9	-7.4
Indonesia	5987	0.1	-1.2	-4.3	-8.6	-5.0	-4.1
India	41306	0.4	1.4	1.5	11.7	0.1	-0.5
Philippines	7507	2.1	1.5	-3.7	-6.8	-4.0	-0.6
Thailand	1536	0.1	0.8	-2.1	-7.4	-2.8	-3.4
Malaysia	1553	1.0	0.5	-2.8	-7.8	-2.3	-2.3
China: Selected Interest Rates	**Percent or bps**	**Change (in basis points)**					
7-Day Repo Rate: Depository Institutions (1)	1.40	-58	-95	-45	-90	-142	-80
10-Year Government Bond Yield	2.84	0	-15	-30	-26	-30	-24
5-Year Corp. Bond: AAA Issuers: Credit Spread (bps)	83	2	-2	3	-14	0	2
5-Year Corp. Bond: AA Issuers: Credit Spread (bps)	150	2	1	-2	-46	-5	5
7-Day Repo Rate: Liquidity Premium (bps) (2)	42	-19	36	6	42	17	-7
3-Month Bank NCD (3): AAA Issuers	2.64	-1	-16	9	-17	-6	-14
3-Month Bank NCD: AA+ Issuers	2.75	-6	-9	-4	-16	-19	-12
3-Month SHIBOR Interbank Rate: Fixing	2.78	-2	-8	-14	-12	-24	-8
1-Year Interest Rate Swap: 7-Day Repo Rate	2.44	-2	-15	-18	-8	-21	-17
Bond Spreads on USD Debt (EMBIG)	**Basis points**	**Change (in basis points)**					
China	169	-1	-10	-8	-4	-7	-5
Indonesia	169	2	-10	4	-1	13	6
India	133	-1	0	7	-41	8	4
Philippines	72	1	-5	-2	22	6	-1
Malaysia	110	0	-1	1	-15	-2	6
Exchange Rates	**vs. USD**	**Change (in %) (+) = EM appreciation**					
China	6.97	0.0	-0.9	0.1	-3.3	-0.1	-1.5
Indonesia	13635	0.4	0.2	2.3	2.1	1.7	0.0
India	71	0.0	0.4	1.0	0.5	0.3	-0.1
Philippines	51	0.1	0.5	0.6	3.1	-0.2	0.4
Thailand	31	-0.3	0.1	-2.9	0.6	-4.4	-2.4
Malaysia	4.12	-0.1	-0.8	-0.5	-0.7	-0.8	-1.6
Local Currency Bond Yields (GBI EM)	**Percent**	**Change (in basis points)**					
China	2.88	2	-16	-28	-18	-27	-22
Indonesia	6.80	0	-3	-34	-117	-33	-13
India	6.76	-1	-9	-5	-85	-11	-14
Philippines	4.15	2	0	-17	-158	-16	-12
Thailand	1.46	-2	-8	-9	-113	-16	-14
Malaysia	3.12	-1	-2	-20	-91	-23	-17

Note: (1). Daily closing rate on depository institution transactions.
(2). Calculated as spread between market-wide weighted average 7-day repo rate and the 7-day repo closing rate for transactions between depository institutions.
(3). NCD = Negotiable Certificate of Deposit.