



- European equities fall to lowest level in 6 weeks as delta variant spreads ([link](#))
- US banks sold off despite strong Q2 earnings on concerns of sustainability ([link](#))
- TIC data showed large selling of Treasuries by hedge funds in May ([link](#))
- China's Evergrande pressured after court order to freeze its assets ([link](#))

[Mature Markets](#)


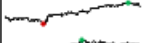

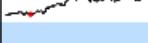
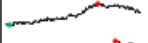





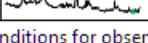
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## Flight to safety as delta concerns grow

**Safe haven assets are strengthening this morning amidst a rise in risk aversion.** The spread of the delta variant continues to add to growing fears the global economic recovery could be threatened. European equity markets are down nearly 2%, on pace for their fourth straight negative day, while US equity futures are pointing toward a 1% decline. The 10-year treasury yield is down a further 7 bps so far this morning to 1.22%. All major EM currencies are weaker versus the dollar so far today, led by the Brazilian real which is down 1.4%. The price of Brent crude is nearly 3% down, to its lowest level in over a month, as OPEC+ agreed to raise production by 400k barrels per day.

Key Global Financial Indicators

| Last updated:<br>7/19/21 8:19 AM     | Level                                                                               |        | Change from Market Close |        |         |      | YTD |
|--------------------------------------|-------------------------------------------------------------------------------------|--------|--------------------------|--------|---------|------|-----|
|                                      | Last 12m                                                                            | Latest | 1 Day                    | 7 Days | 30 Days | 12 M |     |
| <b>Equities</b>                      |                                                                                     |        | %                        |        |         |      | %   |
| S&P 500                              |  | 4327   | -0.8                     | -1     | 4       | 34   | 15  |
| Eurostoxx 50                         |  | 3935   | -2.5                     | -4     | -4      | 17   | 11  |
| Nikkei 225                           |  | 27653  | -1.3                     | -3     | -5      | 22   | 1   |
| MSCI EM                              |  | 54     | -0.8                     | 0      | -1      | 25   | 4   |
| <b>Yields and Spreads</b>            |                                                                                     |        | bps                      |        |         |      |     |
| US 10y Yield                         |  | 1.22   | -6.7                     | -14    | -21     | 60   | 31  |
| Germany 10y Yield                    |  | -0.39  | -3.4                     | -9     | -19     | 6    | 18  |
| EMBIG Sovereign Spread               |  | 348    | -2                       | 2      | 20      | -114 | -2  |
| <b>FX / Commodities / Volatility</b> |                                                                                     |        | %                        |        |         |      |     |
| EM FX vs. USD, (+) = appreciation    |  | 56.4   | -0.5                     | -1     | -1      | 2    | -3  |
| Dollar index, (+) = \$ appreciation  |  | 93.0   | 0.4                      | 1      | 1       | -3   | 3   |
| Brent Crude Oil (\$/barrel)          |  | 71.1   | -3.4                     | -5     | -3      | 65   | 37  |
| VIX Index (% change in pp)           |  | 21.4   | 2.9                      | 5      | 1       | -4   | -1  |

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

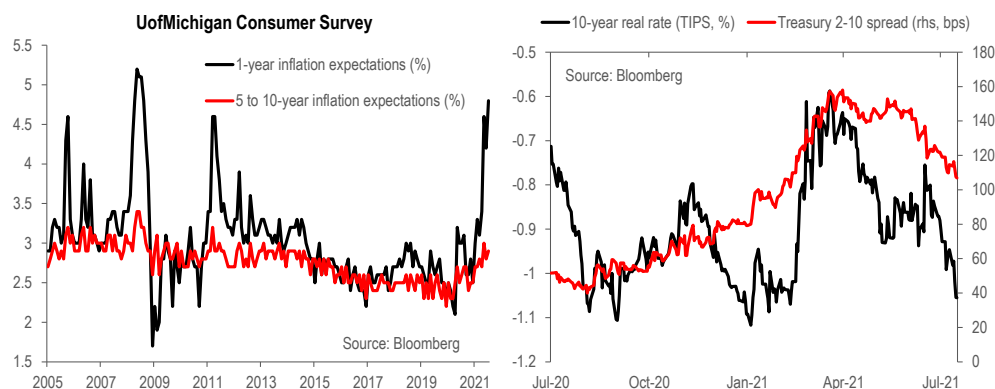
In the week ahead, markets will focus on the ECB meeting on Thursday for any update to the forward guidance following the strategy review; no policy changes are expected. Other policy meetings will take place in Indonesia (expected hold), Ukraine (hold), South Africa (hold) and Russia (hike 75bps), while China will report loan prime rates. On the data front, flash July PMI are due from major AE countries.

## Mature Markets

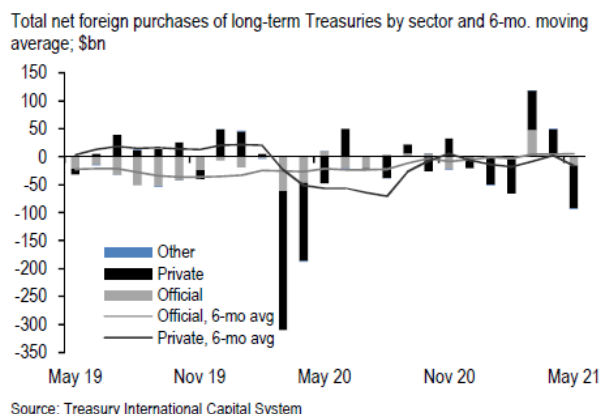
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### United States

**Stocks fell on Friday after consumer survey showed weak sentiment and heightened inflation outlook.** The preliminary reading of the July University of Michigan Consumer Sentiment index unexpectedly dropped to 80.8 (vs. expected 86.5) from 85.5. Meanwhile, the 1-year inflation expectations rose more than expected to 4.8% yoy (vs. expected 4.3%), but the long-run inflation expectations, at 2.9% yoy, remain relatively well-anchored to historically average level. Treasury yields were little changed. Over the week, the curve flattened by another 10 bps on the 2-10 spreads, with a commensurate decline in 10-year real rates, which has now completely unwound the surge in Q1.



**Foreign private investors sold large amounts of long-term Treasuries in May.** Foreign investors sold \$93bn long-term Treasuries in May, with \$77 bn by private investors. The bulk of the selling emanated from the Cayman Islands, where a significant number of hedge funds are domiciled, and could represent levered investors resetting bearish trades. With long-end yields now 30bps lower from May, this could be an early sign that a significant portion of the decline in yields over the last month was driven by short covering.



Net purchases of long-term Treasuries from March 2021 through May 2021 and 2021 total by region; \$bn

|                | May-21 | Apr-21 | Mar-21 | 2021   |
|----------------|--------|--------|--------|--------|
| Euro Area†     | 9.4    | -2.3   | -6.1   | -7.9   |
| Ireland        | 1.2    | 1.4    | -4.2   | -7.3   |
| Poland         | 0.5    | 0.4    | 0.5    | 7.0    |
| UK             | -3.0   | 31.0   | 18.6   | 48.8   |
| EM ex-China**  | -3.9   | -1.6   | -3.2   | -3.8   |
| Japan          | -10.5  | -13.5  | 3.6    | -27.2  |
| China          | -17.4  | 14.6   | 41.6   | 26.0   |
| Cayman Islands | -78.2  | 7.4    | 34.9   | -146.8 |

\* EM ex-China includes Russia, Brazil, African countries, Taiwan, South Korea and Mexico

\*\* Oil exporters include all OPEC members (excluding Equatorial Guinea & Angola) and also include Bahrain, Indonesia & Oman

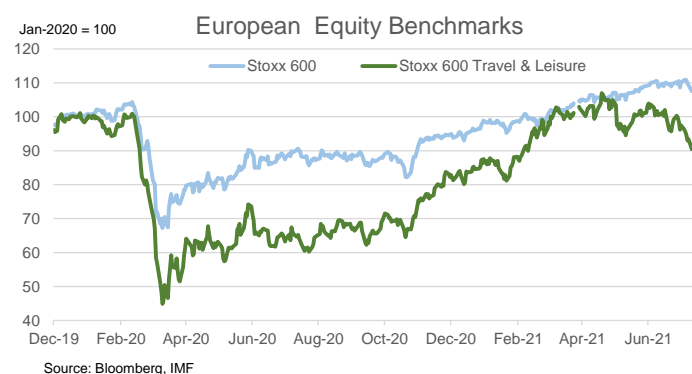
**US bank stocks sold off despite strong Q2 earnings beat on concerns of sustainability.** Large US banks beat Q2 earnings estimates by near 30%, primarily driven by continuing draw-down of provisions. Q2 marked the third consecutive quarter of negative provisions at around -\$6bn, while consensus was expecting around \$1 to 2bn. Pre-provisions earnings were supported by higher than expected fees, which offset narrowing net interest margins and higher expenses. Loan growth was weaker than expected, in large part driven by shrinking PPP; Ex-PPP loan growth is showing tentative momentum. Despite strong headline earnings, nearly all banks saw post-earnings sell-off in their stocks, as the credit-driven earnings beat and weak loan growth raise concerns about sustainability of the earnings recovery.

|                           | Actual | Consensus | Beat | Contribution to beat |
|---------------------------|--------|-----------|------|----------------------|
| (\$bn)                    |        |           |      |                      |
| Provisions                | -6     | 1.4       | 7.4  | 80%                  |
| Pre-provision Net Revenue | 36     | 34        | 2    | 20%                  |
| Pre-tax Earnings          | 42     | 33        | 9    | 100%                 |

Source: Company filings. Based on GS, BAC, JPM, C, WFC, PNC.

## Europe

**European equities fell to the lowest level in 6-weeks** with most country benchmarks down 1.5-2.0% while Italy's shares were down 3%. Energy shares (-2.6%) tracked crude oil prices, which opened lower following the OPEC+ agreement to increase supply by 400k barrels a day. Banks (-2.4%) and the travel sector (-2.2%) were also underperforming as analysts pointed to ongoing positioning unwind in cyclical shares and broader virus-related concerns.



**The delta variant continued to spread across Europe** with localized spikes in new cases in the Netherlands and Spain creating fears of a new Covid-wave. Despite the rise in new cases, hospitalization and intensive care unit admission rates have remained low, as vaccine progress helps to shield more vulnerable groups. At this stage the response to the outbreaks has been limited to night-life rollbacks in affected locations. The UK stands out with its push towards a full re-opening, even as new cases are running around 50k per day. **Analysts note that the UK will be now closely watched in terms of feasibility of returning to normality through vaccination.**

Figure 7: Cases on the rise across Europe amid the Delta wave...

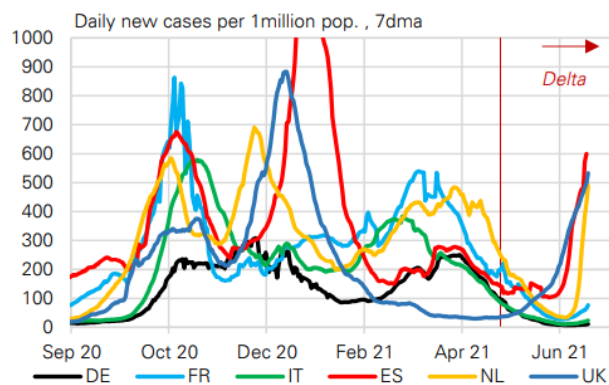
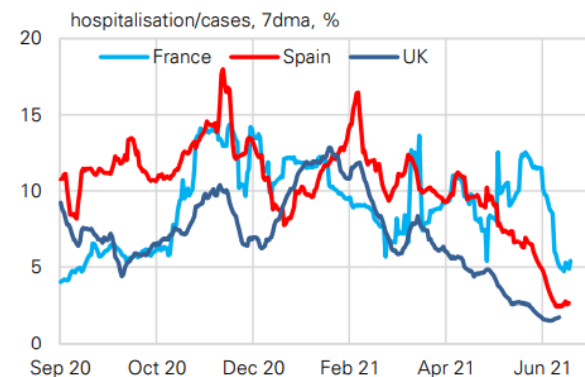
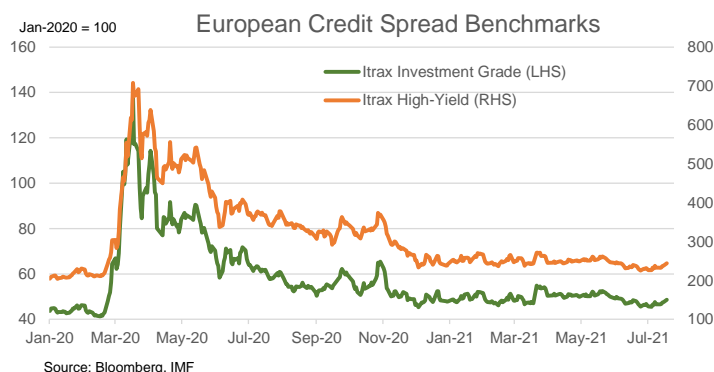


Figure 10: Hospitalisation ratio down as vaccine roll out has progressed but with signs of flatlining



**European fixed income markets** saw a flight-to-safety with German bund yields down 2 bps with the 10-year trading at -0.37%, the lowest level since March. Southern European spread increased by 2 bps. Corporate credit spreads have also started to rise with the high-yield credit benchmark up 6 bps. That said, contacts see only a limited potential for European credit spread widening at this stage as both seasonal and structural net supply and broader ongoing ECB policy support remain highly favorable. The euro (-0.3%) was lower against the dollar with **the latest futures positioning data pointing to further unwind of long-euro positions.**



## Japan

**Japan's yen appreciated (+0.2%) amid the risk-off sentiment.** A renewed surge in COVID-19 infections have dampened market sentiment across the region. In Japan, equities declined (NIKKEI: -1.3%), while long-end JGB yields were mixed (10-year: -0.9 bp; 30-year: +0.3 bp). The Japanese yen, which benefited from safe-haven flows, was the only currency that appreciated in the region. The government released its July economic assessment report, which retained the view that economic conditions remain severe due to the pandemic. The report also pointed to the divergence in economic activity, with some parts enduring increased weakness while others seeing signs of picking-up. Last Friday, the Bank of Japan (BOJ) announced measures to support green financing.

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**Most Asian equities declined -2.1% on net**, led by Vietnam (-4.3%), Hong Kong (-1.8%) and the Philippines (-1.6%). The decline in Hong Kong equities was driven by Chinese tech firms as markets continued gauging Beijing's recent clampdown. Meanwhile, share prices increased in China (CSI 300: +0.4%). Asian currencies depreciated, led by the Korean won (-0.7%) and Malaysian ringgit (-0.4%). Long-end government bond yields generally declined, with 10-year yields falling in Malaysia (-4.8 bps), Indonesia (-4.5 bps), and Korea (-3.7 bps). In Indonesia, Moody's warned that the surge in COVID-19 infection is credit negative for the sovereign rating. In Malaysia, Fitch affirmed the sovereign rating at BBB+ with a stable outlook. **EMEA equities declined across the region** with stocks down around 2% in South Africa, Israel, and Poland. EMEA currencies depreciated against the dollar with the Russian ruble (-0.8%) underperforming on lower crude oil prices. **Latin American** equity markets were generally lower last Friday. Brazil's equity market fell 1.2%, followed by Argentina (-0.6%). Local currencies were mixed but mainly traded in narrow ranges. 10-year government bond yields were little changed.

## EM Fund Flows

**Both EM bond funds and EM equity funds saw inflows last week, with the numbers at +\$668 mn and +\$755 mn, respectively.** Of EM bond funds, inflows to hard currency bond funds slowed to +\$73 mn, while inflows to local currency bond funds increased to +\$596 mn. Of local currency bond funds, inflows to China-related bond funds printed at +\$881 mn last week, offset by outflows from EM ex-China bond funds (-\$285 mn). From a regional perspective, Asia ex-Japan equity funds reverted to inflows (+\$168mn), while both

EMEA and Latin America equity funds saw redemptions (-\$234 mn and -\$299 mn, respectively). Year-to-date flows to EM bonds and equities are +\$49.3 bn and +\$91.9 bn, respectively.

Exhibit 1: Weekly Cross-Asset Flows

USD billion

| Asset                          | 8w flows (8w ago → current) | This wk     | YTD          |
|--------------------------------|-----------------------------|-------------|--------------|
| <b>EM Bonds and Equities</b>   |                             | <b>1.4</b>  | <b>141.3</b> |
| <b>EM Bonds</b>                |                             | <b>0.7</b>  | <b>49.3</b>  |
| Hard Ccy                       |                             | 0.1         | 26.4         |
| Local Ccy <sup>^</sup>         |                             | 0.6         | 22.9         |
| o.w. EM ex-China               |                             | -0.3        | 4.3          |
| o.w. China                     |                             | 0.9         | 16.3         |
| <b>EM Equities</b>             |                             | <b>0.8</b>  | <b>91.9</b>  |
| US HG                          |                             | -0.9        | 193.5        |
| US HY                          |                             | -1.8        | -12.4        |
| Global Equities                |                             | 12.5        | 288.2        |
| <b>EM Bond and Equity ETFs</b> |                             | <b>2.1</b>  | <b>54.5</b>  |
| EM Bond ETFs                   |                             | 0.7         | 11.4         |
| EM Equity ETFs                 |                             | 1.3         | 43.2         |
| <b>Non-resident EM flows*</b>  |                             | <b>-2.6</b> | <b>-44.1</b> |

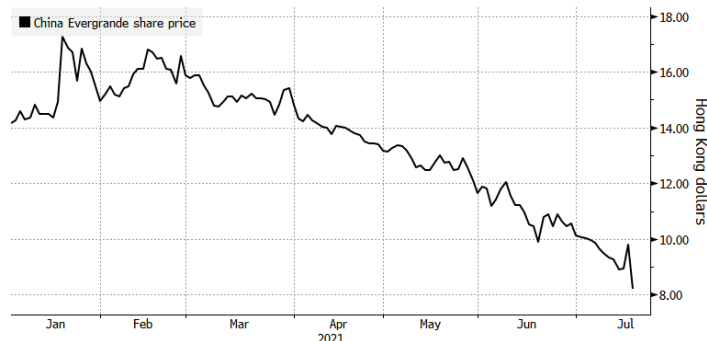
\*Using high frequency non-resident EM portfolio flow data where available. Source – All charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg Finance L.P.

## China

**Evergrande saw renewed pressures after a Chinese court froze \$20.4 bn bank deposits held by its main onshore subsidiary.** Its share price dropped 16% in Hong Kong SAR today reversing a 9.5% gain last Friday; its dollar bonds also declined. Investor concerns over the troubled property developer giant turned into panic after a court in Jiangsu province ordered the deposit freezing at the request of a creditor (Guagua Bank). Evergrande said in response that it will sue the creditor as the concerned loan is not due until March 2022. News on the asset freeze also triggered speculation that Evergrande may struggle to get approval for a special dividend (announced last Friday). Analysts noted that Evergrande is among the most shorted stocks in the Hong Kong exchange, with short interest around 21% of free float according to the latest data from IHS Markit. **Chinese equities gained (CSI 300: +0.4%),** outperforming regional peers amid the regional equity self-off; **RMB depreciated (-0.1%).**

### New Lows

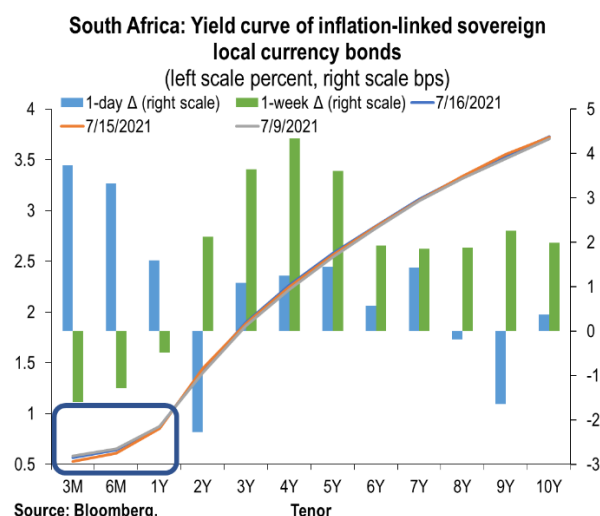
Evergrande's shares are under pressure



Source: Bloomberg

## South Africa

**South African stocks and bonds retreated on lower expectations for near-term GDP growth.** July's market consensus GDP forecast projected temporarily softer growth, with expected yearly growth rates over the next four quarters up to 0.7 ppt lower than anticipated a month. In the context of violent unrest in South Africa's streets and still elevated infection and fatality rates related to a third Covid-19 wave, equities reacted with a slump of 1.5%. Bond markets retreated as well, with yields on inflation-linked sovereign debt increasing up to 4.5 bps over the last days. International investors may have used the occasion to pick up some additional exposure, providing support for a stronger rand (+1.1%).



## Kuwait

**S&P downgraded Kuwait's sovereign long-term debt from AA- to A+, keeping its outlook negative.**

The rating agency motivated the decision with concerns over high fiscal deficits (estimated on average at 17% of GDP per year until 2024) and legal obstacles preventing the government to issue debt or to access the bulk of the nation's sovereign wealth fund assets of estimated 470% of GDP. Kuwait's international bond due 2027 is essentially unchanged in trading so far today.

*This monitor is prepared under the guidance of Nassira Abbas (Deputy Division Chief), Antonio Garcia-Pascual (Deputy Division Chief) and Evan Papageorgiou (Deputy Division Chief). Fabio Cortes (Senior Economist), Reinout De Bock (Economist-London representative), Sanjay Hazarika (Senior Financial Sector Expert), Henry Hoyle (Financial Sector Expert), Tom Piontek (Financial Sector Expert) and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are Jose Abad (Financial Sector Expert), Sergei Antoshin (Senior Economist), John Caparusso (Senior Financial Sector Expert), Liumin Chen (Research Assistant), Yingyuan Chen (Financial Sector Expert), Han Teng Chua (Economic Analyst), Mohamed Diaby (Economist, EP), Dimitris Drakopoulos (Financial Sector Expert), Deepali Gautam (Research Officer), Frank Hespeler (Senior Financial Sector Expert), Phakawa Jeasakul (Senior Economist), Sonia Meskin (Financial Sector Expert), Natalia Novikova (IMF Resident Representative in Singapore), Dmitry Petrov (Financial Sector Expert), Patrick Schneider (Research Officer), Juan Solé (Senior London Representative), Dmitry Yakovlev (Senior Research Officer), Akihiko Yokoyama (Senior Financial Sector Expert), and Xingmi Zheng (Research Assistant). Magally Bernal (Senior Administrative Assistant) and Andre Vasquez (Staff Assistant) are responsible for word processing and production of this monitor.*

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## Global Financial Indicators

| Last updated:<br>7/19/21 8:19 AM | Level    |        | Change                           |        |         |      | YTD  |
|----------------------------------|----------|--------|----------------------------------|--------|---------|------|------|
|                                  | Last 12m | Latest | 1 Day                            | 7 Days | 30 Days | 12 M |      |
| Equities                         |          |        |                                  |        |         |      |      |
|                                  |          |        | %                                |        |         |      | %    |
| United States                    |          | 4309   | -0.8                             | -2     | 3       | 34   | 15   |
| Europe                           |          | 3935   | -2.5                             | -4     | -4      | 17   | 11   |
| Japan                            |          | 27653  | -1.3                             | -3     | -5      | 22   | 1    |
| China                            |          | 3539   | 0.0                              | 0      | 0       | 7    | 2    |
| Asia Ex Japan                    |          | 92     | -0.7                             | 0      | -1      | 24   | 2    |
| Emerging Markets                 |          | 54     | -0.8                             | 0      | -1      | 25   | 4    |
| Interest Rates                   |          |        |                                  |        |         |      |      |
|                                  |          |        | basis points                     |        |         |      |      |
| US 10y Yield                     |          | 1.22   | -6.7                             | -14    | -21     | 60   | 31   |
| Germany 10y Yield                |          | -0.39  | -3.4                             | -9     | -19     | 6    | 18   |
| Japan 10y Yield                  |          | 0.02   | -1.0                             | -2     | -4      | -1   | -1   |
| UK 10y Yield                     |          | 0.58   | -5.0                             | -8     | -18     | 41   | 38   |
| Credit Spreads                   |          |        |                                  |        |         |      |      |
|                                  |          |        | basis points                     |        |         |      |      |
| US Investment Grade              |          | 94     | 1.5                              | 4      | 3       | -41  | -1   |
| US High Yield                    |          | 333    | 6.2                              | 17     | 5       | -253 | -47  |
| Europe IG                        |          | 49     | 1.3                              | 2      | 1       | -10  | 1    |
| Europe HY                        |          | 245    | 6.8                              | 12     | 8       | -100 | 3    |
| Exchange Rates                   |          |        |                                  |        |         |      |      |
|                                  |          |        | %                                |        |         |      |      |
| USD/Majors                       |          | 93.01  | 0.4                              | 1      | 1       | -3   | 3    |
| EUR/USD                          |          | 1.18   | -0.3                             | -1     | -1      | 3    | -4   |
| USD/JPY                          |          | 109.6  | -0.5                             | -1     | -1      | 2    | 6    |
| EM/USD                           |          | 56.4   | -0.5                             | -1     | -1      | 2    | -3   |
| Commodities                      |          |        |                                  |        |         |      |      |
|                                  |          |        | %                                |        |         |      |      |
| Brent Crude Oil (\$/barrel)      |          | 71     | -3.4                             | -5     | -3      | 65   | 37   |
| Industrials Metals (index)       |          | 153    | -2.3                             | -2     | 3       | 40   | 16   |
| Agriculture (index)              |          | 57     | 0.0                              | 4      | 4       | 60   | 19   |
| Implied Volatility               |          |        |                                  |        |         |      |      |
|                                  |          |        | %                                |        |         |      |      |
| VIX Index (% change in pp)       |          | 21.4   | 2.9                              | 5.2    | 0.7     | -4.3 | -1.4 |
| US 10y Swaption Volatility       |          | 68.6   | 0.5                              | -2.7   | 3.1     | 14.5 | 8.5  |
| Global FX Volatility             |          | 6.7    | 0.1                              | 0.1    | -0.2    | -0.6 | -1.3 |
| EA Sovereign Spreads             |          |        |                                  |        |         |      |      |
|                                  |          |        | 10-Year spread vs. Germany (bps) |        |         |      |      |
| Greece                           |          | 107    | 3.5                              | 3      | 5       | -57  | -12  |
| Italy                            |          | 109    | 3.3                              | 6      | 2       | -52  | -2   |
| Portugal                         |          | 63     | 2.3                              | 2      | 0       | -23  | 3    |
| Spain                            |          | 66     | 2.1                              | 2      | 1       | -20  | 5    |

Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations.

Data source: Bloomberg.

## Emerging Market Financial Indicators

| Last updated:<br>7/19/2021<br>8:21 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 | 7 Days                   | 30 Days | 12 M | YTD   |  |
|                                       | vs. USD        |        | (+)= EM appreciation |        |         |      |     | % p.a.                              |        |                          |         |      |       |  |
| China                                 |                | 6.49   | -0.1                 | -0.2   | 0       | 8    | 1   |                                     | 3.1    | -5                       | -17     | -2   | -18   |  |
| Indonesia                             |                | 14518  | -0.1                 | -0.2   | -1      | 2    | -3  |                                     | 6.3    | -12                      | -1      | -79  | 23    |  |
| India                                 |                | 75     | -0.4                 | -0.4   | -1      | 0    | -2  |                                     | 6.5    | -2                       | 10      | 54   | 51    |  |
| Philippines                           |                | 50     | -0.4                 | -0.6   | -3      | -2   | -5  |                                     | 4.3    | 1                        | -3      | 47   | 67    |  |
| Thailand                              |                | 33     | -0.2                 | -0.6   | -4      | -3   | -9  |                                     | 1.7    | -3                       | -12     | 29   | 40    |  |
| Malaysia                              |                | 4.23   | -0.5                 | -0.8   | -2      | 1    | -5  |                                     | 3.2    | -1                       | -4      | 69   | 67    |  |
| Argentina                             |                | 96     | 0.0                  | -0.3   | -1      | -26  | -13 |                                     | 44.4   | -90                      | -102    | -274 | -1177 |  |
| Brazil                                |                | 5.18   | -1.2                 | -0.1   | -3      | 3    | 0   |                                     | 8.4    | -9                       | 20      | 309  | 280   |  |
| Chile                                 |                | 758    | 0.0                  | -1.2   | -4      | 4    | -6  |                                     | 4.3    | -24                      | 13      | 157  | 155   |  |
| Colombia                              |                | 3818   | 0.0                  | 0.4    | -4      | -5   | -10 |                                     | 6.7    | 1                        | 13      | 152  | 166   |  |
| Mexico                                |                | 20.04  | -0.8                 | -1.0   | 2       | 12   | -1  |                                     | 6.9    | 9                        | 24      | 102  | 135   |  |
| Peru                                  |                | 3.9    | 1.1                  | 1.6    | 0       | -10  | -7  |                                     | 5.5    | -21                      | 20      | 137  | 192   |  |
| Uruguay                               |                | 44     | 0.0                  | 0.0    | 0       | 0    | -4  |                                     | 7.9    | -1                       | 5       | -176 | 61    |  |
| Hungary                               |                | 305    | -0.3                 | -1.9   | -3      | 1    | -3  |                                     | 2.3    | 0                        | 1       | 63   | 77    |  |
| Poland                                |                | 3.90   | -0.4                 | -1.5   | -3      | 0    | -4  |                                     | 1.2    | -6                       | -1      | 36   | 54    |  |
| Romania                               |                | 4.2    | -0.3                 | -0.8   | -1      | 1    | -5  |                                     | 3.0    | 16                       | 32      | -78  | 29    |  |
| Russia                                |                | 74.8   | -0.9                 | -0.4   | -2      | -4   | -1  |                                     | 7.0    | 0                        | 3       | 153  | 129   |  |
| South Africa                          |                | 14.5   | -0.6                 | -0.8   | -2      | 15   | 1   |                                     | 9.8    | 11                       | 20      | -46  | 14    |  |
| Turkey                                |                | 8.60   | -0.8                 | 0.5    | 2       | -20  | -13 |                                     | 17.5   | -6                       | -22     | 608  | 437   |  |
| US (DXY, 5y UST)                      |                | 93     | 0.3                  | 0.8    | 1       | -3   | 3   |                                     | 0.73   | -7                       | -15     | 44   | 37    |  |

|              | 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 | 7 Days                   | 30 Days | 12 M | YTD |  |
|              |                |        |               |        |         |      |     | basis points                     |        |                          |         |      |     |  |
| China        |                | 5114   | 0.4           | 0      | 0       | 9    | -2  |                                  | 209    | 1                        | 5       | -32  | -20 |  |
| Indonesia    |                | 6017   | -0.9          | -1     | 0       | 19   | 1   |                                  | 181    | 3                        | 13      | -90  | -19 |  |
| India        |                | 52553  | -1.1          | 0      | 0       | 40   | 10  |                                  | 150    | -6                       | 7       | -102 | -1  |  |
| Philippines  |                | 6587   | -1.6          | -5     | -4      | 7    | -8  |                                  | 112    | 5                        | 22      | -54  | 0   |  |
| Malaysia     |                | 1520   | -0.2          | 0      | -4      | -4   | -7  |                                  | 133    | 2                        | 11      | -67  | -2  |  |
| Argentina    |                | 63091  | -0.6          | 1      | -3      | 39   | 23  |                                  | 1579   | -4                       | 125     | -722 | 223 |  |
| Brazil       |                | 125960 | -1.2          | 0      | -2      | 22   | 6   |                                  | 276    | 3                        | 27      | -99  | 17  |  |
| Chile        |                | 4153   | 0.0           | -2     | -5      | 3    | -1  |                                  | 149    | 2                        | 1       | -65  | -7  |  |
| Colombia     |                | 1272   | -0.1          | -2     | 1       | 10   | -12 |                                  | 267    | 3                        | 24      | -20  | 52  |  |
| Mexico       |                | 50148  | -0.3          | 1      | 0       | 38   | 14  |                                  | 349    | 4                        | 21      | -163 | -8  |  |
| Peru         |                | 18307  | -1.6          | -3     | -1      | 9    | -12 |                                  | 160    | 1                        | -4      | -26  | 31  |  |
| Hungary      |                | 47439  | -1.2          | -1     | -1      | 35   | 13  |                                  | 142    | -2                       | 8       | -48  | -7  |  |
| Poland       |                | 65843  | -2.2          | -2     | 0       | 29   | 15  |                                  | 34     | -3                       | 1       | -10  | 6   |  |
| Romania      |                | 11938  | -0.7          | 0      | 3       | 40   | 22  |                                  | 190    | 4                        | 16      | -102 | -13 |  |
| Russia       |                | 3707   | -1.7          | -4     | -3      | 34   | 13  |                                  | 180    | 3                        | 18      | -45  | 1   |  |
| South Africa |                | 64967  | -2.3          | -3     | -1      | 16   | 9   |                                  | 335    | 5                        | 31      | -197 | -49 |  |
| Turkey       |                | 1352   | -0.9          | -2     | -3      | 14   | -8  |                                  | 468    | -10                      | 16      | -146 | 21  |  |
| Ukraine      |                | 527    | 0.0           | 0      | -1      | 5    | 5   |                                  | 499    | -3                       | 22      | -165 | 6   |  |
| EM total     |                | 54     | -1.8          | 0      | -1      | 25   | 4   |                                  | 363    | 0                        | 17      | -70  | 24  |  |

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

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