GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

WEDNESDAY, APRIL 22, 2020

- **Oil markets stabilize with Brent futures trading near 21-year lows** (link)
- **Leverage exposure at US banks increased sharply in Q1 2020** (link)
- **ECB to discuss easing collateral rules** (link)
- **China relaxes bad debt buffers for small banks** (link)
- **Korea creates vehicle to purchase commercial paper and lower-rated corporate bonds** (link)
- **Mexico's central bank cuts its key rate by 50 bps to 6% in an emergency decision** (link)

US | Europe | Other Mature | Emerging Markets | Market Tables

Market sentiment improves as oil markets stabilize

European bourses and US equity futures recovered as oil markets showed signs of stabilization this morning. Following yesterday's large losses, with Brent futures dropping 24%, oil prices traded in relatively narrow ranges this morning (Brent +1.4%/WTI -0.5%). European stocks (+0.7%) were supported by further reports of an easing in restrictions even though uncertainty and lack of consensus remain about the approach amongst country authorities. Dutch PM Rutte spoke of "devilish dilemmas" as the freedom of one person can not come at the expense of another. In credit markets, European high yield CDS spreads (-29 bps to 527 bps) tightened on reports that the ECB will discuss whether to accept junk-rated debt as collateral from lenders later today. In the US, equity futures (+1.2%) traded higher this morning after stocks tumbled (-3.1%) yesterday. The White House reached a deal for additional stimulus that would increase small business loans by $310 bn. President Trump has also instructed his administration to work on a plan to make money available to the oil industry and ensure that companies and jobs will be secured "long into the future". Elsewhere, EM equities recovered on the improved market sentiment with gains across most stock indices in Asia and EMEA.

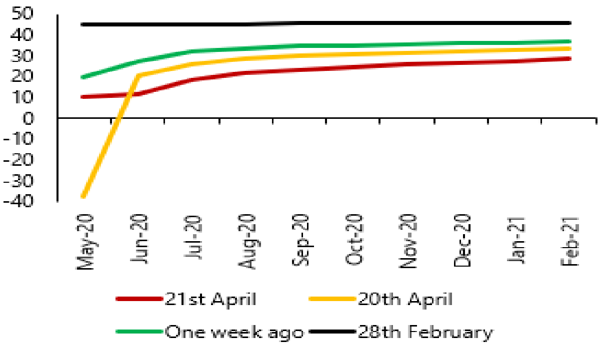
Key Global Financial Indicators

Last updated: 4/22/20 8:09 AM	Level: Last 12m	Level: Latest	Change from Market Close: 1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		2737	-3.1	-4	19	-6	-15
Eurostoxx 50		2811	0.7	0	10	-20	-25
Nikkei 225		19138	-0.7	-2	16	-14	-19
MSCI EM		35	2.6	-4	11	-21	-22
Yields and Spreads					bps		
US 10y Yield		0.58	-3.6	-5	-26	-200	-133
Germany 10y Yield		-0.45	2.5	1	-13	-48	-27
EMBIG Sovereign Spread		635	2	31	-36	297	342
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		52.7	0.4	0	-1	-16	-14
Dollar index, (+) = $ appreciation		100.0	-0.3	1	-3	3	4
Brent Crude Oil ($/barrel)		19.6	1.4	-29	-27	-74	-70
VIX Index (%, change in pp)		44.0	-1.4	3	-22	32	30

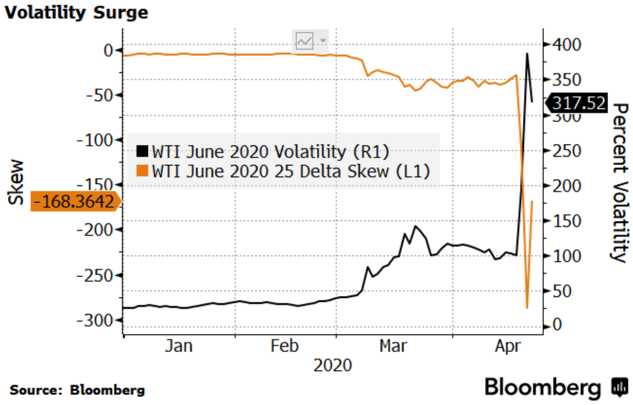
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Oil Markets

Oil markets stabilized this morning, with Brent futures up +1.4% at $19.6 / barrel and WTI down 0.5% lower at $11.5/barrel. Yesterday, the June WTI contract declined by more than 35% to close at $13.1 / barrel and traded as low as $6.50. The oil futures curve has declined across maturities, reflecting escalating concerns from a massive supply glut amidst a lack of demand and storage space. The $4.1 bn US Oil Fund ETF slumped about 25% yesterday, extending the decline in the last 2 weeks to almost 50%. The ETF also changed the makeup of its portfolio and will now have 40% exposure to the June contract, 55% to the July contract and 5% to August. Analysts highlighted that this reflects the incoming challenges for funds tracking near-term maturities, especially as volatility has increased substantially. WTI implied volatility and skew hit record highs and lows respectively on Tuesday. Bloomberg models show a large jump in the implied volatility for the June contract, increasing three-fold from two days prior. WTI's skew also declined to almost -170 ppts, which compares with a general range of -1 to -10 ppts.



Source: Bloomberg (Units = $/barrel)



Source: Bloomberg

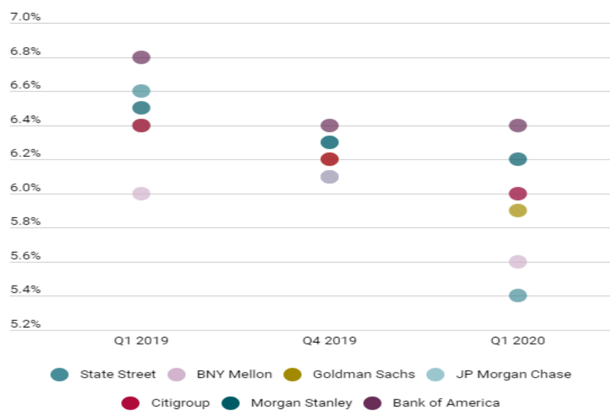
United States

back to top

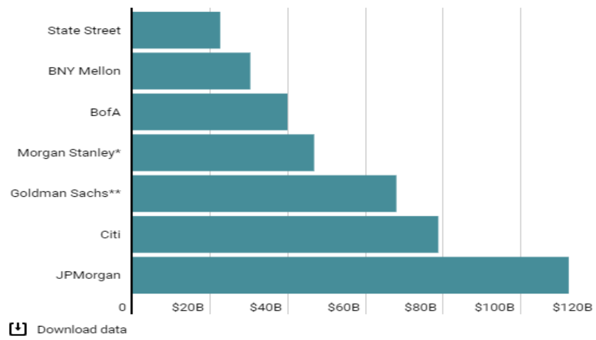
US stocks tumbled yesterday after crude futures collapsed for a second straight day (details inside). President Trump announced that his administration is working on a plan to make money available to the oil industry to prevent jobs losses after futures prices plunged yesterday. Markets also shrugged off news that the White House reached a deal with senate democrats for additional coronavirus stimulus that would increase small business loans by $310 bn. Correspondingly, the S&P 500 closed down by 3.1%, with the sell-off led by metals and the healthcare sector. Treasuries rallied as the 10-year yield sank by 5 bps to 0.56%, while the dollar appreciated. US Treasury futures volumes were broadly in line with 20-day averages at the 10-year maturity. The impact of the oil collapse was also reflected in credit markets with US high yield (HY) spreads widening by 37 bps overall, and HY energy sector spreads 85 bps wider yesterday. Equity volatility (VIX) is up 7 percentage points in the last two days (to 45 ppts). Among data releases, existing home sales declined by 8.5% mom in March vs the 6.5% mom rise in February.

Leverage exposure at the top US banks swelled following an influx of deposits and a rush by clients to activate credit lines in Q1 2020. The aggregate leverage exposure of seven of the eight US GSIBs increased roughly $398 billion (+5%) between end-2019 and end-March. The average supplementary leverage ratio (SLR) for these banks hit 6% in Q1, down about 31 bps from Q4 2019 and 52 bps from Q1 2019. This compares with a minimum requirement for US systemic institutions of 5% at the holding company level. Within the major institutions, State Street saw its SLR erode the most, followed by BNY Mellon. JP Morgan's SLR declined by 30 bps to 6% over the quarter. In contrast to its peers, Bank of America's SLR stayed flat at 6.4%. Analysts expect the drop in leverage ratios to reverse now that the Federal Reserve has temporarily excluded US Treasury securities and reserve balances from the calculation of the SLR.

Supplementary leverage ratios of US G-Sibs



Increase in leverage exposure of top US banks, Q4 2019 - Q1 2020

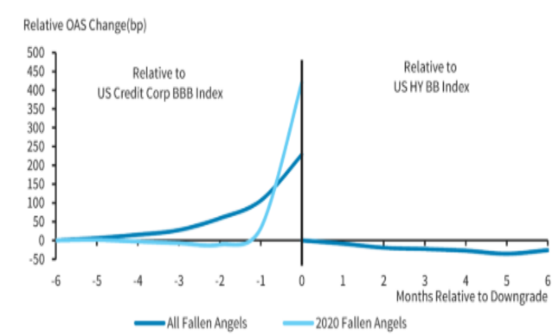


** Leverage exposure estimated using Supplementary Leverage Ratio and Tier 1 capital amounts*

*** Leverage exposure estimated by projecting Tier 1 capital from disclosed CET1 capital amounts and Supplementary Leverage Ratio*

Credit spreads on fallen angels in 2020 widened materially more than past fallen angels prior to their downgrades but have rebounded significantly since reaching high yield. So far this year, fallen angels have reached $136 bn, the highest level since 2002. While recent actions by the Fed should be supportive for many BBB-rated issuers, analysts expect rating agency downgrades to continue, with more fallen angels to appear. The elevated amount of BBB-rated bonds on negative outlook, coupled with the ongoing earnings season, will likely serve as a catalyst according to Goldman Sachs analysts. As a percent of the high yield market, 2020 fallen angels now represent about 10% of the current HY Index market cap, the largest level since the end of 2009, when roughly 17% of the index was composed of fallen angels from that year.

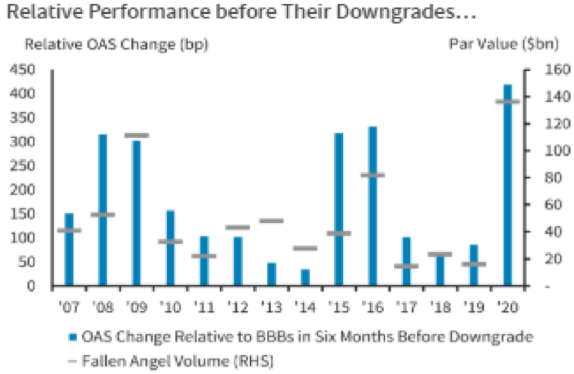
Figure 1. Performance of 2020 Fallen Angels Compared with Long-Term Average



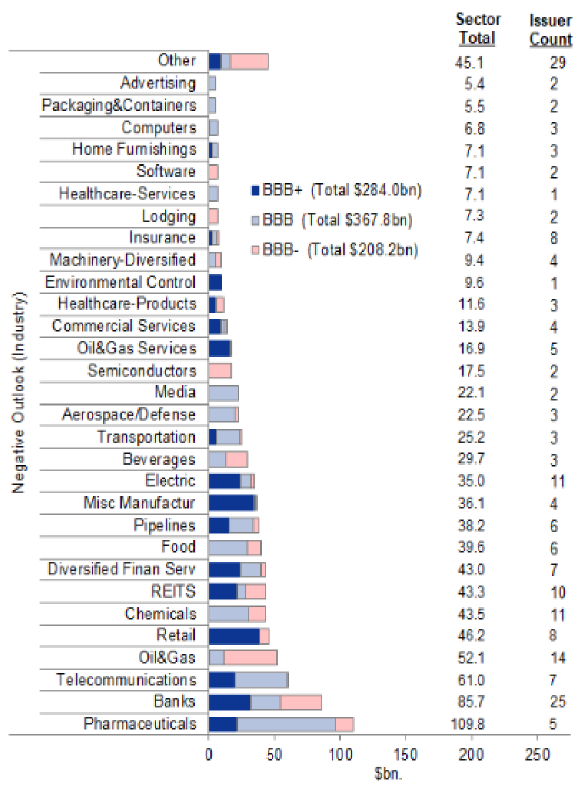
Note: Median spread change. Fallen angels list is from 2000 to present.

Source: Barclays Research, Bloomberg

Figure 2. This Year's Fallen Angels Have Had the Worst Relative Performance before Their Downgrades…

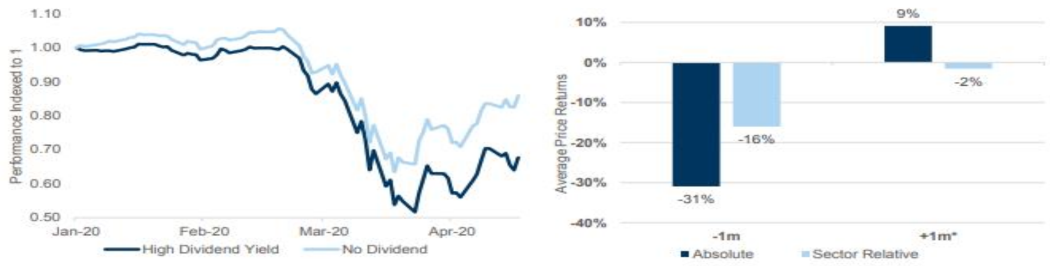


Source: Barclays Research, Bloomberg



Source: Bloomberg, Goldman Sachs Global Investment Research

Russell 1000 high dividend paying companies have underperformed the basket of companies in the index that do not pay a dividend by 18 percentage points. Goldman analysts also highlight that the 51 companies in the Russell 1000 that have cut their dividend this year so far underperformed their respective sectors by 16% in the one month leading up to the announcement. The sharp decline in dividend payouts is also reflected through EPFR's research that suggests that April will be the first month since March 2018 when US companies do not shrink their free float, with new stock offerings set to exceed share buybacks. Month to date, announced share buybacks currently total $4 bn and new equity offerings $11 bn.



(1) YTD Performance of High Dividend Paying Stocks (Div Yield of 3% on Jan 1, 2020) and Non-dividend paying stocks in the Russell 1000. (2) Absolute and GICS sector relative performance of Russell 1000 companies that have cut their dividend in 2020; 1 month before and after (*or latest available). As of April 17, 2020.

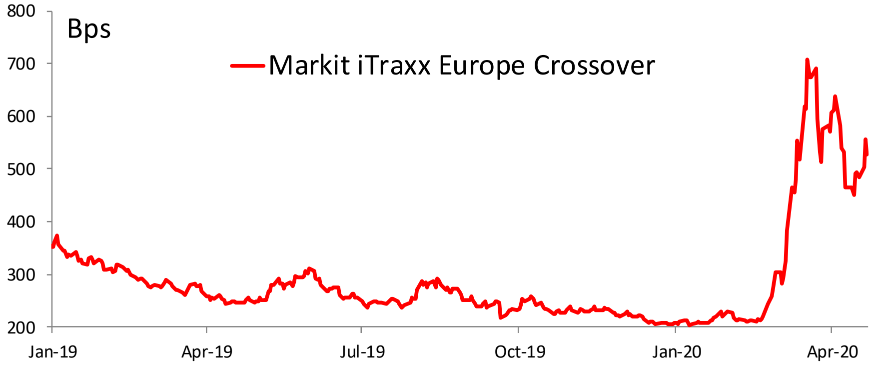
Europe

back to top

Further reports of an easing in restrictions supported European equities (+1.0%). For example, The Dutch government has announced a gradual relaxation of the country's lockdown. Primary schools will partly re-open from 11 May, on the principle of half occupancy, with the possibility of secondary schools following from 1 June. **Nevertheless, Dutch PM Rutte spoke of "devilish dilemmas" as the freedom of one person can not come at the expense of another.** 10-yr bund yields traded 2 bps higher, and the euro was little changed.

European high-yield CDS spreads (-29 bps to 527 bps) fell on reports that **the ECB will discuss whether to accept junk-rated debt as collateral from lenders later today**. Analysts believe that any easing of collateral rules will likely be aimed towards lenders downgraded from investment-grade because of the pandemic.

Europe: Cross-over corporate CDS spread



Note: Markit iTraxx Europe Crossover index comprises 75 equally weighted credit default swaps on the most liquid sub-investment grade European corporate entities.
Source: Bloomberg, and IMF staff

10-yr sovereign Spanish spreads (+7 bps to 156 bps) widened as Spain reportedly offered a decent issue premium of 17 bps above benchmark in a syndicated 10-yr bond sale, receiving a record €82 bn of orders (compared to previous record of €53 bn in January 2020). The **Bank of Spain also said that the economy could shrink between 6.8% and 12.4% in 2020** depending on the length of containment measures (IMF April WEO: -8% for 2020 and +4.3% for 2021).

Italians spreads were little changed today at 262 bps after **Italian officials confirmed that they expect the budget deficit to widen to +10%GDP** and debt-to-GDP to around 155% in 2020. The government will ask parliament for new stimulus of €55 bn. Yesterday. **Italian PM Conte said that Italy does not intend to veto ESM credit lines as part of the European response to the COVID-19 crisis, backtracking on the previous position**.

UniCredit's revised outlook projects higher credit costs but sufficient capital. UniCredit issued a revised outlook for 1Q20, FY20 and FY21 that raises its bad debt provision forecast under IFRS 9 forward-looking standards with updated macro forecasts. For 1Q20, management expects provisions of about €900mn, 110 basis points of loans, of which about 30bps are for realized losses and the balance for precautionary reserves build. 2020 bad debt provisions should reach €4.8-5.7bn --100-120 bps of loans, up from 84 bps in its most recent guidance and well above the €3.4bn booked in 2019 – before declining to 70-90 bps in 2021. This prognosis, well shy of the 142 bps in 2009 and 242 bps in 2012, assumes 2020 GDP decline of -13% (IMF: -7.5%), followed by a +10% recovery in 2021 (IMF: +4.7%). The revised provision projections imply a net loss for 2020, though a slight profit before €1.1bn of merger integration costs to be booked in 1Q20. Nonetheless, management expects CET1 to remain "well above" its 200-250 bps target range for maximum distributable amount (MDA) buffer. Management also indicated that the LCR was above 140% at 1Q20. UniCredit is the first European bank to update guidance for COVID-19.

Other Mature Markets back to top

Japan

Equities declined (-0.6%) with energy stocks strongly underperforming. Health care (+0.4%) and utilities (+0.3%) bucked the trend. Amid rising virus cases, Tokyo is considering further containment measures. The yen appreciated marginally and JGB yields declined modestly across the curve, with 30-year yields (-4 bps) experiencing the largest drop.

Emerging Markets

back to top

Asian equities (+0.8%) rose with most emerging markets in the green. India (+2.6%) and Indonesia (+1.5%) outperformed. Most currencies appreciated modestly across the board led by the Malaysian ringgit (+0.6%) while the Korean won (-0.2%) fell. **EMEA equities followed Asian peers higher**, but even posting stronger gains: Russia (+2.3%), Romania (+1.6%), Qatar (+1.6%), and Poland (+1.3%) saw some of the largest gains. Equities in Turkey (+1.3%) also gained, ahead of the central bank's expected 50 bps rate cut later today. currencies traded within a narrow corridor. **Latin American markets** were mostly lower on Tuesday. Colombia underperformed as the equity index fell 4.1%, followed by Chile (-2.5%) and Mexico (-1.7%). Local currencies were broadly weakened, as the Colombian peso depreciated 1.8% against the dollar, and the Mexican peso fell 1.5%. 10-year government bond yields rose 23 bps in Colombia and were generally lower in other countries.

Key Emerging Market Financial Indicators

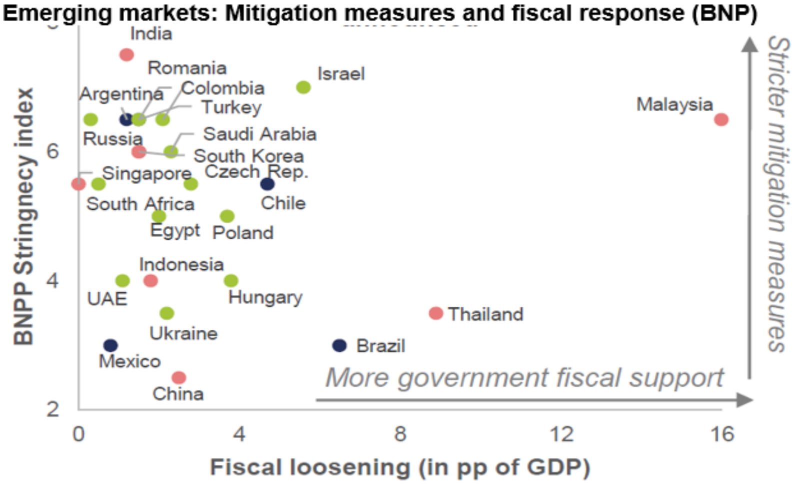
Last updated:	Level		Change				
4/22/20 8:11 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks			%				%
MSCI EM Equities		34.81	2.6	-4	11	-21	-22
MSCI Frontier Equities		21.44	-1.7	-3	5	-25	-29
EMBIG Sovereign Spread (in bps)		635	2	31	-36	297	342
EM FX vs. USD		52.72	0.4	0	-1	-16	-14
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		7.08	0.1	0	0	-5	-2
Indonesian Rupiah		15450	0.1	1	7	-9	-10
Indian Rupee		76.67	0.2	0	0	-9	-7
Argentine Peso		66.09	-0.2	-1	-4	-36	-9
Brazil Real		5.33	-0.2	-2	-3	-26	-24
Mexican Peso		24.27	0.5	-1	4	-22	-22
Russian Ruble		76.52	1.0	-2	4	-17	-19
South African Rand		18.81	0.9	-1	-5	-25	-26
Turkish Lira		6.99	-0.2	-1	-6	-17	-15
EM FX volatility		11.65	0.0	0.4	-2.8	3.4	5.1

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

EM growth, mitigation measures and fiscal response

Analysts believe that an average 45% drop in the flow of people from/to economic activities in the three weeks until 11 April (based on Google GPS-based data) poses substantial downside risk to any growth forecasts. Infection rates suggest that at least three-fourths of major EMs have yet to see a peak in infection or number of deaths. BNP warns that countries such as Argentina and India have so far announced relatively modest fiscal packages given the stringency of the imposed lockdown with expectations that countries will have to make further announcements. South African authorities, for example, unveiled a support package equivalent to 10% of GDP -see story below.

Emerging markets: Mitigation measures and fiscal response (BNP)



Note: Chart taken from BNP research note (21 April) but South Africa has announced further fiscal measures since.
Source: FT, The Economist, IMF, BNP Paribas

China

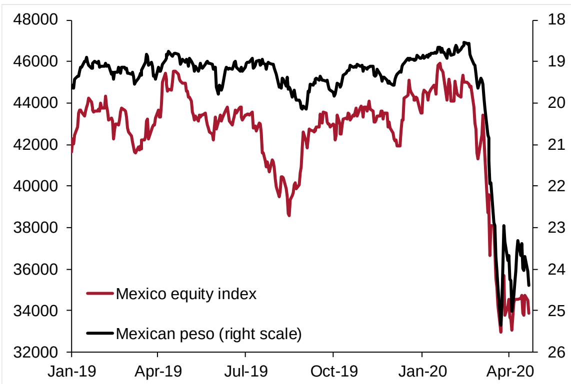
Chinese regulators will relax rules on buffers against bad debt for small banks. The bad-loan coverage ratio for mid-sized and small banks will be reduced by 20 percentage points in phases, according to the State Council. The minimum is around 120%-150% currently. Separately, the overall banking sector's non-performing loan (NPL) ratio rose 0.06 percentage points to 2.04. The Chinese Banking and Insurance Regulatory Commission said that the increase was curbed as lenders allowed small businesses to defer debt payments of RMB880 bn ($124 bn) and roll over another RMB576.8 bn ($81.4 bn). Separately, **Chinese companies are returning to tap the offshore debt market**. These include Xiaomi and two other investment grade borrowers, Qingdao City Construction Investment Group and BOC Aviation. **Equities (Shanghai +0.6%; Shenzhen +1.1%) rose, the onshore and offshore RMB and sovereign bond yields were stable.**

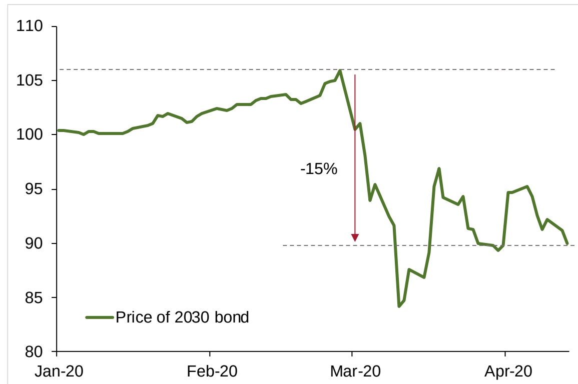
Korea

Korea will create a special purpose vehicle (SPV) to purchase commercial paper (CP), short-term bonds and lower-rated corporate bonds. The SPV will receive KRW20 tn ($16 bn) funding and state-run financial institutions will participate, with the Bank of Korea (BOK) providing liquidity. The Financial Services Commission and the BOK will come up with detailed plans including the scope of securities and structure of the facility. The Korean CP market had been under pressure from forced selling by brokerage firms facing margin calls. **The SPV was announced as part of a third extra budget which also includes support measures for industry and employment**. Specifically, the authorities will establish a Core Industry Stabilization Fund, financed through issuance of state bonds (W40tn/$32bn). This is to support seven key industries: airlines, shipbuilding, shipping, car, communication, machinery and power under the condition to maintain employment and share profit once business normalizes. An additional W10tn/$8bn is earmarked to provide additional financial support for SMEs. The authorities also create an emergency employment fund that includes various employment support measures**. Equities rose +0.9% and the won weakened -0.2%.**

Mexico

Mexico's central bank cut its key rate by 50 bps to 6% in an emergency decision on Tuesday, as the spread of the coronavirus pandemic has negatively affected the domestic economy, the inflation outlook, and the domestic financial market. In the statement, the central bank also announced a series of additional measures to inject liquidity to the markets, including providing credit for banking institutions to support micro, small, and medium-sized businesses, opening windows for repurchase agreements on government and corporate securities, and allowing foreign exchange hedge transactions after the close of Mexican markets. Those measures totaled 750 bn Mexican pesos (c. $30 bn), accounting for about 3% of GDP. Analysts expect the Banxico to deliver another 50-bps cut in May. Markets did not react much to the news yesterday, with equities falling 1.7%, and the peso weakening 1.5% against the dollar (and appreciating +0.5% this morning). Domestic equities have contracted 22% year-to-date, and the peso (also) depreciated 22% against the dollar over the same period. The price of the sovereign bond maturing in 2030 has dropped 15% since early March, trading at 90 cents on the dollar -and a 4.5% yield- yesterday.

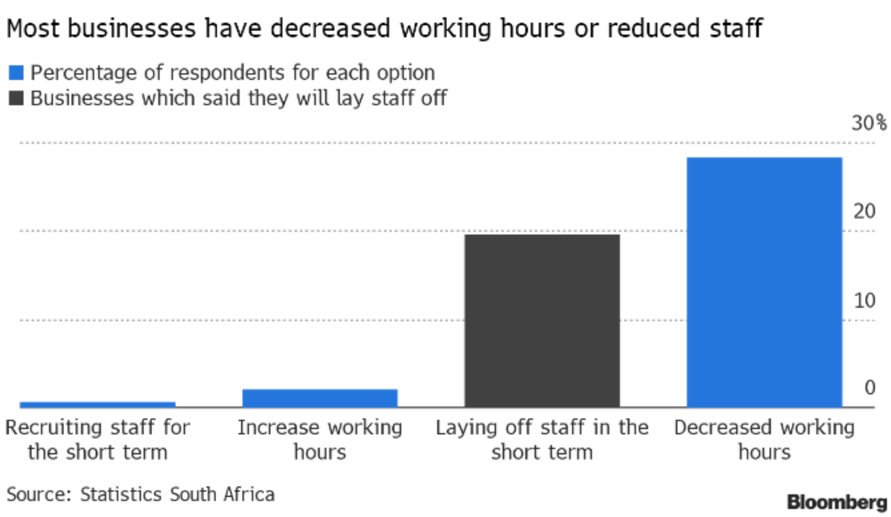




Source: Bloomberg

South Africa

South African authorities unveiled a support package equivalent to 10% of GDP. As the Reserve Bank of South Africa forecasts a 6.1% economic contraction this year, president Ramaphosa has announced a massive $26 bn plan in response to the pandemic. The plan includes $11 bn in bank guarantees, $6 bn for the 'protection and creation' of jobs, and $3 bn of welfare spending for the lower income segments. A recent survey showed that about 20% of South African businesses plan to lay off staff soon and thatt close to 30% have already reduced working hours. Part of the $26 bn-package will consist in redeploying $6.9 bn (130 bn rand) from the existing budget into different items (table). South Africa has also applied for an IMF Rapid Financing Instrument worth about $4.2 bn, and it is expected that the country will also received another $6.5 bn from other multilateral agencies. **The Rand strenghtened 0.9% to the dollar today but remains one of the top underperforming currencies in emerging markets, down 26% year-to-date.**

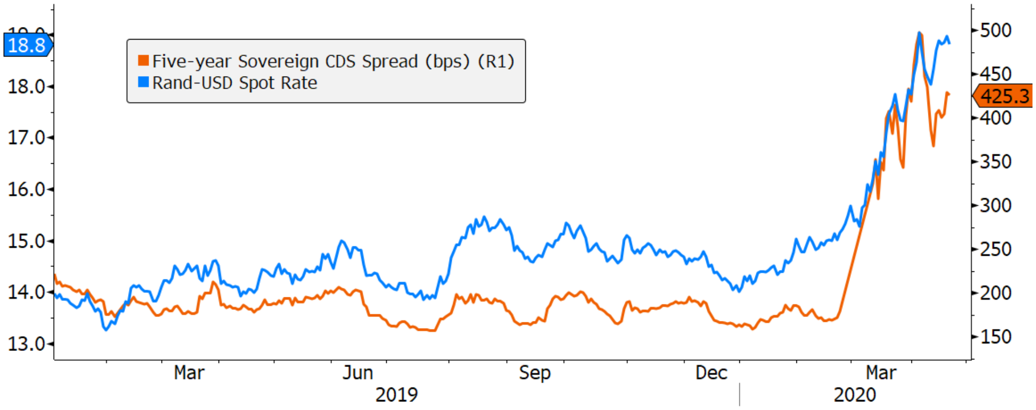


South Africa will spend 500 billion rand to support people and the economy

Where It Comes From		How It Will Be Used	
Existing budget	130 billion rand	Efforts to address the pandemic	20 billion rand
Local sources	–	Municipalities	20 billion rand
Unemployment Insurance Fund	–	Welfare grants	50 billion rand
Global partners	–	Job protection and creation	50 billion rand
International finance institutions	–	UIF income support	40 billion rand
–	–	Small businesses	2 billion rand
–	–	Loan guarantee scheme	200 billion rand
–	–	Temporary tax relief	70 billion rand

Source: South African Presidency Bloomberg

South Africa: Selected Indicators



Source: Bloomberg
JBNKS Index (FTSE/JSE Africa Banks Index) EM: ZA Various Daily 04JAN2019-22APR2 Copyright© 2020 Bloomberg Finance L.P. 22-Apr-2020 10:52:51

Bulgaria

The Bulgarian National Bank (BNB) has reportedly requested a swap line with the ECB. The measure is intended to provide additional support for Bulgaria's currency board, the finance minister Mr. Goranov said. The lev is pegged ot the euro at 1.955 per euro. Bulgaria is also poised to apply for entry into the European Rate Mechanism II by end-April, as a preliminary step for joining the euro. Confirmed COVID-19 cases in Bulgaria have surpassed 1,000. Stocks in Sofia were 0.3% higher, underperforming peers in the region.

Kazakhstan

The Central Bank of Kazakhstan has announced cash-withdrawal limits for companies, in a bid to stem the growth of the shadow economy, Reuters reports. The measured is aimed at curbing money laundering, and it is not related in principle to the ongoing coronavirus pandemic.

List of GMM Contributors

Global Markets Analysis Division, MCM Department

Anna Ilyina
Division Chief

Will Kerry
Deputy Division Chief

Evan Papageorgiou
Deputy Division Chief

Sergei Antoshin
Senior Economist

John Caparusso
Senior Financial Sector Expert

Sally Chen
Senior Economist

Yingyuan Chen
Financial Sector Expert

Han Teng Chua
Economic Analyst

Fabio Cortés
Senior Economist

Reinout De Bock
Economist

Dimitris Drakopoulos
Financial Sector Expert

Mohamed Jaber
Senior Financial Sector Expert

David Jones
Senior Financial Sector Expert

Sanjay Hazarika
Senior Financial Sector Expert

Frank Hespeler
Senior Financial Sector Expert

Rohit Goel
Financial Sector Expert

Henry Hoyle
Financial Sector Expert

Thomas Piontek
Financial Sector Expert

Patrick Schneider
Research Officer

Jochen Schmittmann
Senior Economist

Can Sever
Economist (Economist Program)

Juan Solé
Senior Economist

Jeffrey Williams
Senior Financial Sector Expert

Akihiko Yokoyama
Senior Financial Sector Expert

Piyusha Khot
Research Assistant

Xingmi Zheng
Research Assistant

Global Financial Indicators

Last updated: 4/22/20 8:09 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		2737	-3.1	-4	19	-6	-15
Europe		2811	0.7	0	10	-20	-25
Japan		19138	-0.7	-2	16	-14	-19
China		2844	0.6	1	4	-12	-7
Asia Ex Japan		61	-2.9	-3	11	-16	-17
Emerging Markets		35	2.6	-4	11	-21	-22
Interest Rates					basis points		
US 10y Yield		0.58	-3.6	-5	-26	-200	-133
Germany 10y Yield		-0.45	2.5	1	-13	-48	-27
Japan 10y Yield		0.00	-2.0	-1	-8	3	1
UK 10y Yield		0.31	1.2	1	-25	-89	-51
Credit Spreads					basis points		
US Investment Grade		198	-0.2	8	-153	86	100
US High Yield		765	1.8	36	-270	371	371
Europe IG		90	-1.8	5	-24	32	46
Europe HY		530	-25.2	40	-161	283	323
EMBIG Sovereign Spread		635	2.0	31	-36	297	342
Exchange Rates					%		
USD/Majors		99.96	-0.3	1	-3	3	4
EUR/USD		1.09	0.1	0	1	-3	-3
USD/JPY		107.7	0.1	0	3	4	1
EM/USD		52.7	0.4	0	-1	-16	-14
Commodities					%		
Brent Crude Oil ($/barrel)		20	1.4	-29	-27	-74	-70
Industrials Metals (index)		94	0.4	0	2	-21	-18
Agriculture (index)		35	0.5	-1	-5	-11	-15
Implied Volatility					%		
VIX Index (%, change in pp)		44.0	-1.4	3.2	-22.0	31.6	30.2
10y Treasury Volatility Index		7.2	0.1	0.5	-6.1	3.6	3.1
Global FX Volatility		9.8	0.0	0.5	-4.2	3.6	3.8
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		305	-0.6	50	26	-24	139
Italy		270	6.9	35	75	12	110
Portugal		175	11.8	31	48	61	113
Spain		162	13.4	29	56	57	96

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

back to top

Emerging Market Financial Indicators

Last updated:	Exchange Rates							Local Currency Bond Yields (GBI EM)						
4/22/2020	Level		Change (in %)					Level		Change (in basis points)				
8:12 AM	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		7.08	0.1	-0.2	0	-5	-2		2.5	0.3	-4	-32	-87	-66
Indonesia		15450	0.1	0.8	7	-9	-10		7.7	2.8	-29	-29	5	61
India		77	0.2	-0.3	0	-9	-7		6.3	-2.1	-33	-27	-118	-53
Philippines		51	0.0	-0.3	1	2	0		5.0	0.0	-5	16	-26	74
Thailand		32	0.5	1.0	1	-1	-8		1.5	-4.1	-13	-32	-115	-16
Malaysia		4.37	0.7	-0.6	2	-5	-6		2.9	-0.4	-35	-72	-104	-47
Argentina		66	-0.2	-0.9	-4	-36	-9		50.4	149.1	-751	-1882	2812	-1224
Brazil		5.33	-0.2	-1.6	-3	-26	-24		5.5	0.0	-44	-235	-263	-71
Chile		859	-0.5	-0.9	0	-23	-12		3.0	-9.6	-26	-63	-106	-27
Colombia		4048	-1.7	-4.9	3	-22	-19		6.5	6.5	-24	-188	39	59
Mexico		24.27	0.5	-1.2	4	-22	-22		7.0	-5.8	7	-58	-116	5
Peru		3.4	0.5	0.2	4	-2	-2		4.6	10.7	21	-87	-75	11
Uruguay		43	0.0	0.5	4	-20	-13		12.4	11.1	-63	137	189	152
Hungary		327	-0.3	-1.4	1	-13	-10		1.8	2.2	-8	-38	-27	57
Poland		4.17	0.0	-0.4	3	-9	-9		1.0	-9.3	-9	-56	-132	-90
Romania		4.5	0.1	-0.5	2	-5	-4		4.2	1.0	-9	-78	-11	17
Russia		76.5	1.0	-2.2	4	-17	-19		6.1	14.9	-36	-136	-186	0
South Africa		18.8	0.9	-0.6	-5	-25	-26		10.7	4.4	-9	-129	144	117
Turkey		6.99	-0.2	-1.1	-6	-17	-15		11.6	16.1	-173	-109	-773	-9
US (DXY; 5y UST)		100	-0.3	0.5	-3	3	4		0.35	1.0	1	-11	-204	-135

	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		2844	0.6	1	4	-12	-7		247	1	3	-13	73	71
Indonesia		4568	1.5	-1	9	-29	-27		359	4	1	-28	183	203
India		31380	2.4	3	5	-19	-24		323	3	-25	-89	168	198
Philippines		5574	-0.3	-6	17	-29	-29		197	2	14	-84	115	131
Malaysia		1382	0.0	0	6	-15	-13		283	1	-7	-36	157	171
Argentina		30237	-1.0	-2	27	-2	-27		3695	0	-346	-381	2848	1926
Brazil		78973	0.0	0	18	-17	-32		421	2	28	-50	177	206
Chile		3653	-2.5	-5	19	-30	-22		305	-2	5	-74	179	172
Colombia		1131	-4.1	-6	23	-29	-32		399	0	40	-100	225	236
Mexico		33892	-1.7	-2	-1	-25	-22		697	-5	51	-7	405	405
Peru		14307	-2.2	-1	-1	-31	-30		276	-1	0	-85	155	169
Hungary		31977	1.2	-2	3	-25	-31		216	-1	3	16	113	130
Poland		44424	1.1	-1	8	-27	-23		132	-1	-2	8	91	114
Romania		7839	1.5	-6	7	-7	-21		361	10	2	-19	161	187
Russia		2550	2.5	2	9	-1	-16		294	-4	15	-37	93	163
South Africa		47815	0.4	-1	19	-19	-16		672	0	12	-46	382	352
Turkey		98454	0.9	3	15	3	-14		734	3	-17	-16	233	333
Ukraine		501	0.0	0	-4	-6	-2		920	16	84	-236	327	500
EM total		35	2.6	-4	11	-21	-22		635	2	31	-36	297	342

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

back to top

Coronavirus (Covid-19) Dashboard

	Latest	Change or relative change: 1 Day	7 Days	YTD	Since global intensification (Feb 19)	Since Chinese intensification (Jan 20)
Equity Markets	**Index**	**Relative change (in %) except VIX**				
China						
CSI 300 (Large Cap/Main Equity Index)	3839	0.8	1.1	-6.3	-5.2	-8.3
CSI 500 (Mid-Cap Index)	5388	0.8	2.3	2.3	-3.8	-3.6
CSI 1000 (Small-Cap Index)	5827	0.9	3.0	4.7	-3.2	-2.2
Japan (Nikkei)	19138	-0.7	-2.1	-19.1	-18.2	-20.5
Korea (Kospi)	1896	0.9	2.1	-13.7	-14.2	-16.2
United States (S&P 500)	2737	-3.1	-3.8	-15.3	-19.2	-17.8
Europe (Eurostoxx 600)	328	1.3	1.6	-21.0	-24.3	-22.5
MSCI Global	461	-3.0	-1.4	-18.5	-20.5	-20.4
MSCI Asia ex. Japan	583	-2.3	-0.7	-15.3	-15.2	-18.1
Asia Pacific Airlines	103	-0.2	-1.6	-33.3	-25.2	-31.5
Luxury Goods	587	-3.8	0.0	-24.2	-22.2	-26.1
Hotels Restaurants & Leisure	272	-2.8	-0.1	-29.6	-29.8	-31.9
Volatility Index (VIX, change in pp)	44	-1.6	3.0	30.0	29.4	31.7
Interest Rates	**Percent**	**Change (in basis points)**				
US 10y Yield	0.58	1	-5	-134	-99	-124
Germany 10y Yield	-0.45	3	1	-27	-3	-23
Eurodollar - May 2020	0.64	2	-4	105	-95	-106
Eurodollar - June 2020	0.47	2	-3	122	-108	-122
Eurodollar - December 2020	0.36	1	-2	126	-106	-124
Exchange Rates	**Level**	**Relative change (in %) (+) = Appreciation**				
Chinese Renminbi (per USD)	7.08	0.1	-0.2	-1.7	-1.2	-3.1
Japanese Yen (per USD)	107.7	0.1	-0.2	0.9	3.3	2.3
Euro (in USD)	1.09	0.1	-0.4	-3.1	-0.6	2.1
Dollar Index	100.0	-0.2	0.6	3.8	0.3	2.5
EM FX index	52.7	0.3	-0.5	-14.2	-11.2	-13.5
EM Bond Spreads on USD Debt	**Basis points**	**Change (in basis points)**				
EMBI Global Diversified	637	20	49	346	335	347
EMBI Asia	399	7	6	222	226	224
EMBI Latam	688	19	54	380	365	378
China	247	1	3	71	79	74
Local Currency Bond Yields (GBI EM)	**Percent**	**Change (in basis points)**				
China	2.48	0	-4	-66	-43	-62
Mexico	6.99	-6	7	5	40	9
Brazil	5.54	0	-44	-71	-22	-63
South Africa	10.69	4	-9	117	124	121
Turkey	11.60	16	-173	-9	22	109
Commodities	**Dollars**	**Relative change (in %)**				
Brent Crude Oil (per ton)	19.7	1.7	-29.0	-70.2	-66.8	-69.9
Gold (per troy ounce)	1696.0	0.6	-1.2	11.8	5.2	8.7