GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

MONDAY, APRIL 6, 2020

- **US IG bond issuance has record month as firms look to shore up liquidity** (link)
- **Capital plan submissions from US banks are expected to maintain dividend payouts** (link)
- **European equities advance on signs of stabilization in new virus cases** (link)
- **Japan set to declare state of emergency as COVID-19 cases rise** (link)
- **Oil prices pare gains on doubts delayed OPEC meeting will lead to production cuts** (link)
- **Emerging market fund outflows ease but sentiment towards EM remains challenged** (link)
- **Mounting economic and fiscal pressures trigger Latin American rating downgrades** (link)

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

Risk assets boosted by hopeful virus news but investor sentiment remains fragile

Markets continue to deal with the COVID-19 repercussions as more encouraging news out of some of the virus epicenters in the US and Europe has lifted risk assets, while virus containment remains a mixed picture for the rest of the world. On Friday, the S&P 500 dropped 1.5% as economic warning signs continued to stack up with precipitous declines in PMI readings alongside a much weaker than expected US employment report. However, global equities are regaining some composure this morning with major indexes across Asia closing up 3-4%, European bourses gaining 2-4%, and S&P 500 futures trading 3.8% higher. The VIX has remained on the downtrend declining 22 ppt over the last week to 44, its lowest level since early March. Reports suggesting that some hot spots for the virus contagion appear to be leveling off is helping to underpin risk appetite this morning. Contacts have turned more cautiously optimistic that peak panic may have passed given: central banks' intervention has looked to stem the extreme cross-asset volatility and has provided a backstop to the markets; governments are deploying extraordinary style fiscal stimulus; and that the stabilization of new virus cases observed lately in France, Spain and Italy is a ray of hope. Elsewhere, after posting a 40% gain last week as US President Trump suggested that Russia and Saudi Arabia could soon announce substantial production cuts, oil prices are down 3% this morning as an emergency OPEC meeting originally scheduled for today has been postponed to later in the week and has raised some doubts that any agreement can be reached.

Key Global Financial Indicators

Last updated: 4/6/20 8:08 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		2489	-1.5	-2	-16	-14	-23
Eurostoxx 50		2769	4.0	0	-14	-20	-26
Nikkei 225		18576	4.2	-3	-10	-15	-21
MSCI EM		33	2.9	-1	-17	-25	-26
Yields and Spreads					bps		
US 10y Yield		0.65	-0.2	-8	-12	-185	-127
Germany 10y Yield		-0.42	1.9	7	29	-43	-24
EMBIG Sovereign Spread		633	-5	2	235	293	340
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		52.5	0.3	-2	-9	-17	-14
Dollar index, (+) = $ appreciation		100.7	0.1	2	5	3	4
Brent Crude Oil ($/barrel)		33.1	-2.9	45	-27	-53	-50
VIX Index (%, change in pp)		44.6	-2.2	-12	3	32	31

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

As COVID-19 continues its march across the globe, markets are shifting to coming to terms with its impact on the world economy, businesses, employment and supply chains. Much of investors focus remains on the various policy initiatives being rolled out by governments, central banks and multilateral agencies. In the US, Thursday's new jobless claims number will be the most widely scrutinized, with other data such as PPI on Thursday and CPI on Friday probably having less of an impact. Wednesday will feature the FOMC minutes from the unscheduled meeting held in March. In the euro area, CPI and industrial production reports in various countries are likely to be very negative. Japan reports PPI data on Thursday and the UK reports industrial production on the same day. China reports CPI and PPI on Thursday. US banks will report stress test data and capital plans to the Fed today, with the results due to be released in June.

United States back to top

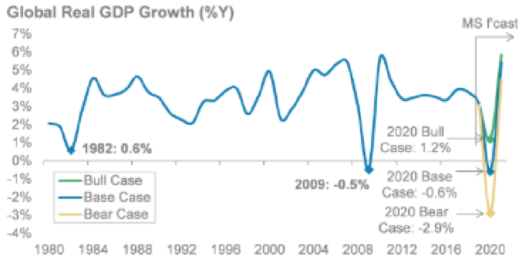
It was another down day for markets on Friday as worse than expected US jobs data highlighted the challenges facing the economy. The S&P 500 ended the day down 1.5% and Treasury yields were little changed despite the weak data, but they remain close to all-time lows. It was a relatively quiet day by recent standards and trading volumes were light. Funding market conditions are improving as dollar funding rates have become less volatile and CP rates are on a downward trend. The benchmark three-month Libor fixing has declined for three days in a row. In other news, the Markit services PMI was a little better than expected albeit deep in recessionary territory at 39.8 versus the consensus forecast of 38.5 (compared to 49.4 in February). Nevertheless, this was the lowest level ever recorded. Global equity markets have bounced off recent lows but remain in bear market territory at 25-30% below their record levels from earlier this year.

Selected Market Moves as of April 3, 2020 4pm market close
Source: Bloomberg

	Rally Since Trough/Peak	Date of Trough/Peak
S&P 500	+10.10%	March 23
Euro Stoxx 600	+9.51%	March 23
iShares Emerging Market ETF	+7.61%	March 23
Bloomberg US Corporate	-111 bps	March 20
Bloomberg US High Yield	-181 bps	March 23
10yr Treasury	+6 bps	March 9
10yr Bund	+42 bps	March 9
VIX	-34.89 pts. (from 82.69)	March 16
MOVE Interest Rate Vol. Index	-96.8 pts. (from 163.7)	March 16

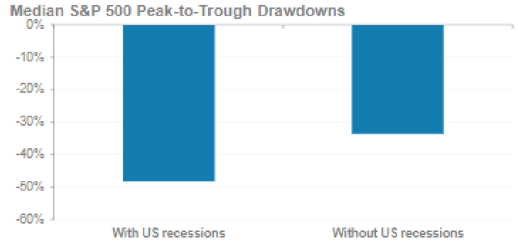
Bear markets associated with recessions tend to be more severe than those where no recession occurs. The global equity market has rebounded much more strongly than average compared to previous bear markets, probably due to the extraordinary measures from global central banks. The MSCI All World Index (ACWI) and S&P 500 are up roughly 10% since the March 23 bear market trough compared to previous occasions. However, the extreme uncertainty about the total impact of COVID-19 on the world economy means that markets will find it very difficult to make predictions of how economies and companies will fare as the health crisis plays out. Morgan Stanley estimates that the world economy will shrink by 0.6% in 2020 and the decline could be as much as 2.9% in their pessimistic forecasts. With the Q1 earnings season about to begin, there could be a great deal of volatility ahead.

Exhibit 6: Morgan Stanley economists now see the global economy entering into recession in 2020



Source: Haver Analytics, IMF, Morgan Stanley Research forecasts; Note: Global real GDP growth includes economies under Morgan Stanley Research coverage, and is the PPP-based GDP-weighted average.

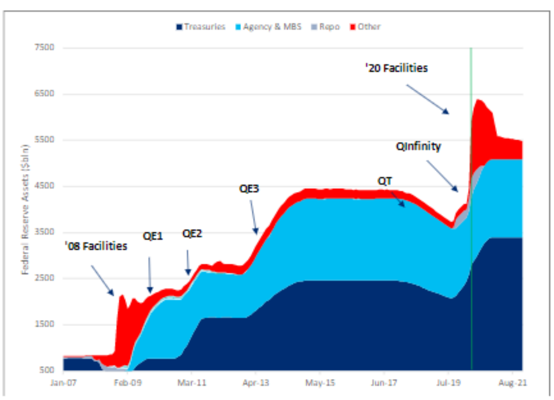
Exhibit 7: Equity bear markets associated with recessions are typically more severe than those that are not



Source: Bloomberg, Morgan Stanley Research

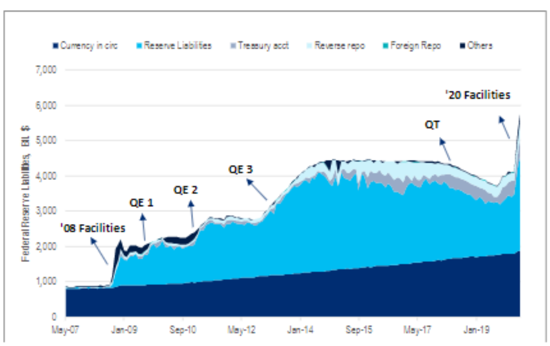
The Fed's balance sheet has grown to $5.8 tn, with $1 tn being added over the last two weeks. The increase came mainly from its purchases of Treasuries and Agency mortgage-backed securities, but the other key component was the expansion of cross-currency swap lines by $349 bn, according to Citi. On the liability side, reserves are the largest component at $2.7 tn. The Fed's move on April 1 to exclude Treasuries and reserves from the Supplementary Leverage Ratio (SLR) through March 31, 2021 was designed to address the rise in reserves and liquidity in the Treasury market. Meanwhile, the balance sheet is expected to grow further in the coming weeks and the analysts predict that it could easily reach $10 tn. The Commercial Paper Funding Facility (CPFF) alone could account for a further $1 tn when it gets rolled out over the coming weeks. The Fed will also provide details on a "Main Street Lending" program for small and medium-sized enterprises (SMEs) which could account for several hundreds of billions of new loans. The analysts also expect a program to buy municipal debt from states and localities through a Special Purpose Vehicle (SPV).

Figure 1. Fed balance sheet assets close to $6trln, headed higher



Source: Citi Research, FRB, Citi forecasts after vertical line, these are preliminary and it is not hard to see the balance sheet top $10 trillion

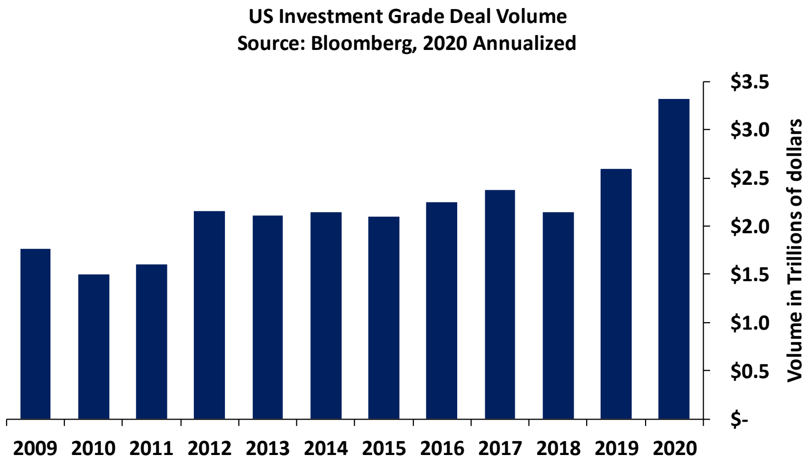
Figure 2. Reserve liabilities growing



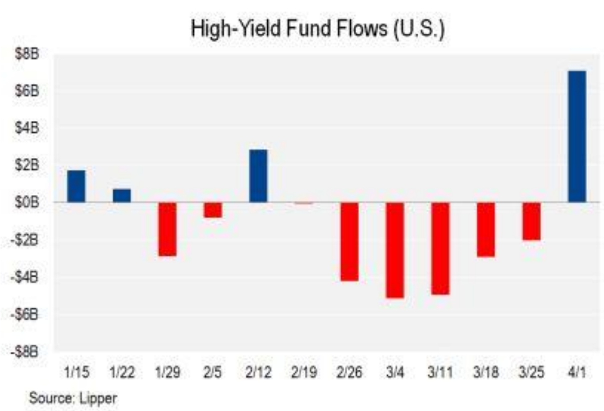
Source: Citi Research, FRB

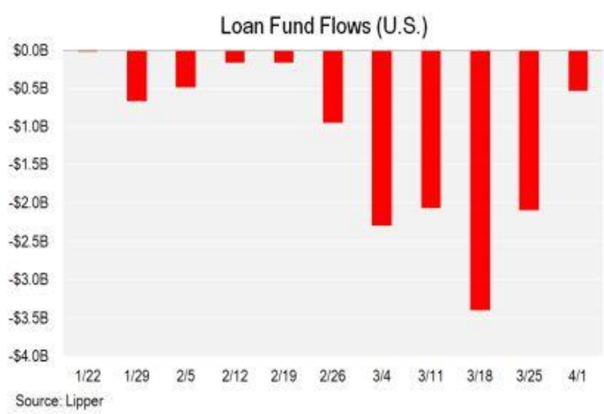
The US investment grade corporate bond market saw its largest week of new issuance in history, with 49 issuers selling over $117 bn in new debt, breaking the previous week's record total of $109 bn. To provide some context, the previous record was $75 bn in the first week of September 2019.

Companies are rushing to lock in funding and are offering much higher new-issue concessions to attract buyers in the expectation that the market may suffer more disruptions in the future. Companies with stronger credit are likely to retain access to the markets over the long term but companies with weaker balance sheets may lose access if they are downgraded, further adding to the rush. At this pace, 2020 would end up being highest annual issuance on record, but few expect the market to remain favorable through the whole of the year.



The primary market for leveraged loans remains nonexistent as credit worries have caused yields to spike and the wave of downgrades on the horizon has caused investor demand to collapse. Leveraged loan funds have seen large outflows which are forcing managers to sell assets to raise cash, further depressing prices and pushing yields higher. The S&P/LSTA Leveraged Loan Price Index has fallen to 82 cents on the dollar, according to Bloomberg**. In contrast, the US high yield bond market is experiencing a return of investor interest.** According to Lipper data, US high yield funds saw record inflows of over $7 bn last week while US leveraged loan funds continued to see steady outflows.





US banks' capital plans are expected to maintain dividend payouts. In anticipation of 2020 capital planning submissions to the Federal Reserve on Monday, chief executives of several large US banks have announced their intention to apply for continued dividend payouts. The top 20 US banks holding an estimated $200 bn in excess capital and generating $50 bn in annual pre-provision profits, and bank managements are concerned that cancelling dividends would drive a sharp decline in share prices. Moreover, about two-thirds of US banks' shareholder distributions take the form of share buybacks, which are regarded as more 'flexible' than dividends; whereas buybacks account for only about 10% of European banks' capital payouts. The Fed has not taken steps to limit dividend payouts but retains the flexibility to reject banks' capital plans upon completion of stress tests. This contrasts with European regulators such as the Bank of England, which last week compelled UK banks to cancel dividends.

Europe

back to top

Equities (+3.5%) traded higher after Italy recorded the lowest daily death toll in over two weeks, France the lowest death toll in a week and Spain the third consecutive daily decline. Bank stocks (+6.1%) outperformed. The euro is little changed at $1.08.

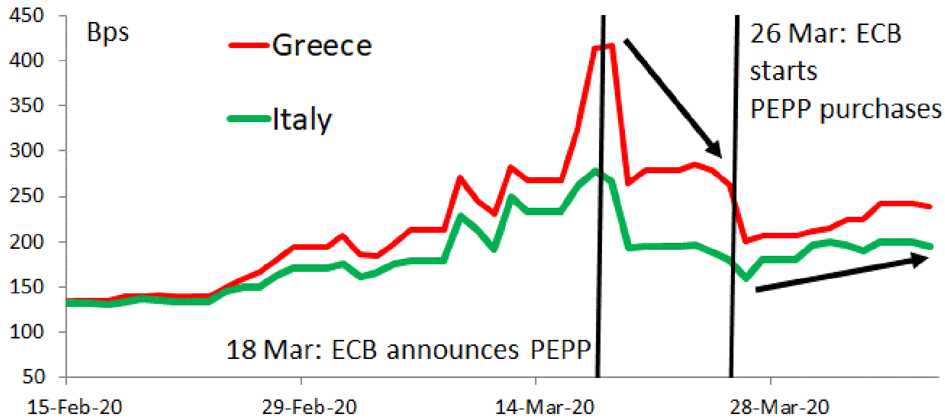
Spanish PM Sanchez has called for a Marshall Plan and mutualization of debt to recover from the COVID-19 pandemic, but investors believe that any announcement on the joint issuance of euro area bonds at tomorrow's April 7 Eurogroup is unlikely.

Eurogroup chair Centeno reportedly expects tomorrow's meeting to result in a €500 bn package, which contacts believe will include easier access to ESM loans for euro area countries, the expansion of EIB guarantees on loans provided to SMEs by banks (from €50 bn to €200 bn), and EU support for short-term unemployment schemes.

According to analysts, **easier access to ESM loans will imply less ex-ante conditionality attached to the ESM's Enhanced Conditions Credit Line (ECCL).** The requirement of a Memorandum of Understanding could be replaced with a simple letter of intent while the maturity of the credit line is lengthened from 1 year to 5 years. The credit line would give euro area countries access to a line of up to 2% GDP to be activated at their discretion.

10-yr German yields rose 2 bps to -0.42% as U.S. 10-yr yields rose 7 bps to 0.66%. **Southern European 10-yr spreads are 3 bps lower today. Analysts point out that spreads have been edging higher since the ECB started purchases in its Pandemic Purchase Program (PEPP)** with more details on the first PEPP purchases expected this week.

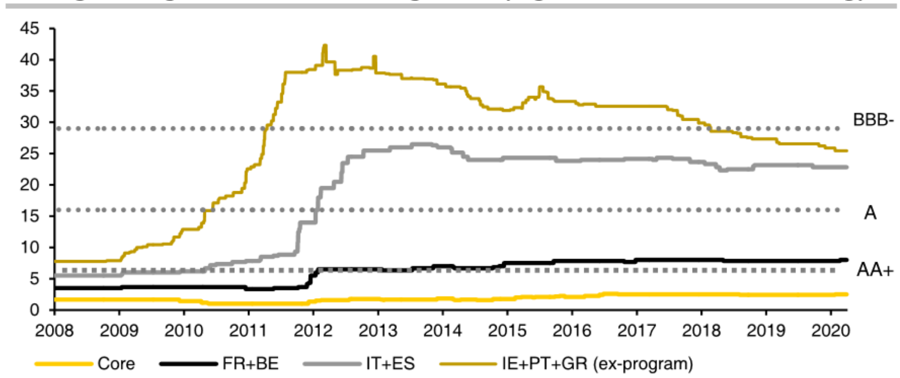
Euro area: 10-year spread over German bunds (bps)



Source: Bloomberg and IMF staff

Credit agencies are expected to gradually reflect the consequences of the pandemic on public finances, but analysts point out that the average rating deterioration could happen as quickly as in 2009-10 as euro area budget deficits are likely to widen as much as they did in those years.

The €-sovereign downgrade cascade
Average ratings derived from rating score (higher number = lower rating)



Source: Rating agencies, Commerzbank Research

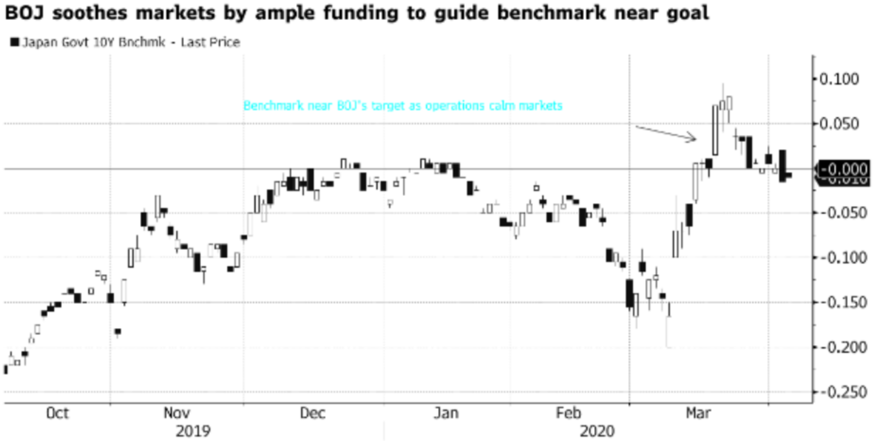
Other Mature Markets

back to top

Japan

Prime Minister Abe said he will propose to declare a state of emergency. The declaration would cover the greater Tokyo area and Osaka. The move would give local governments greater power to contain the spread of covid-19. Tokyo reported 143 new virus cases, the highest increase to date, with total confirmed cases topping 1,000. **Equities (+3.9%) surged on slowing infection and fatality numbers in some global virus hotspots.** JGB yield (-0.8 bps) and the yen fell (-0.6%)**. To counter the impact of COVID-19, the government looks to deploy a two-phase stimulus package.** The first phase aims to stop job losses and bankruptcies and the second looks to support a "V-shaped" economic recovery once the virus is contained. Details of the package are yet to be released. The Bank of Japan bought JPY350 bn of bonds in the 5-to-10-year maturities today, the same as the previous regular operation, to maintain yield curve control, against expectations for a reduction.

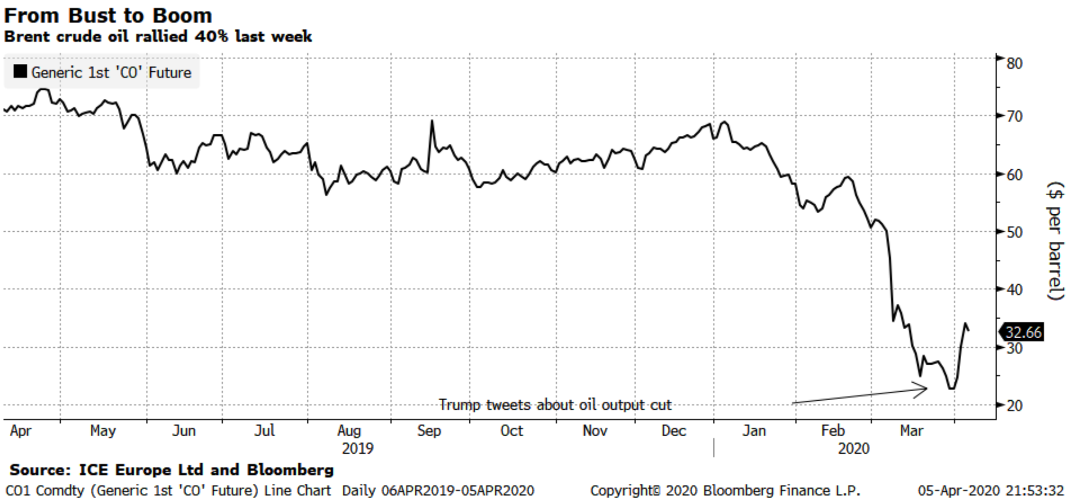
BOJ soothes markets by ample funding to guide benchmark near goal



Source: Bloomberg

Oil

Oil pared some of the gains from last week following a delay to a planned meeting of top producers. A virtual gathering of the OPEC+ alliance was postponed from Monday to tentatively Thursday while uncertain U.S. participation raised the prospect that an agreement to production cuts might not materialize in the near term. The upcoming talk is to discuss production cuts of about 10 million barrels a day, the equivalent of a tenth of global production. Still, the International Energy Agency indicated that such a production cut, the deepest in the industry's history, would not be able steady the market amid the virus outbreak and sharp reductions in demand. Meanwhile, over the weekend, President Trump threatened tariffs on foreign oil and indicated that he could impose "very substantial" levies. The front-month Brent futures fell 4%, or $1.30/barrel, to $32.66/barrel, pulling back from over $34/barrel seen late last week.



Emerging Markets

back to top

Emerging market equities gained and currencies were modestly stronger against the USD on a slowdown in virus fatalities and cases in some global hotspots. Equities rallied in Asia with Vietnam (+5%), Philippines (+4.2%), Indonesia (+4.1%), and Korea (+3.9%) leading gains. Currencies and bond yields traded in a narrow range. Chinese markets were closed for a holiday. In **EMEA**, most equity indexes gained and currencies strengthened with the HUF appreciating (+0.4%) on the announcement of a virus stimulus plan, while the Turkish lira continued to underperform (-0.6%). **Latin American currencies printed weaker, while stock markets performed heterogeneously.** Latin American equities printed mixed results: Brazilian equities (-3.8%) overshot Friday's global downward trend after March's purchasing managers' index figure came in at 37.6 down from 50.9 in February. Stocks defied the global trend in Chile (+3.2%), Argentina (+1.9%) and Colombia (+1.2%), most likely supported by price gains for petrol (12%), natural gas (4.5%) and wheat (1.4%). Currencies depreciated moderately, except for heftier movements in Mexico (-3%) and Brazil (-1.8%). Sovereign debt spreads to US treasury yields remained flat, except for increases of 56 bps and more for Peruvian local currency debt with maturities of 10 years or more and a 70 bps jump for Colombian local currency 3-year bonds.

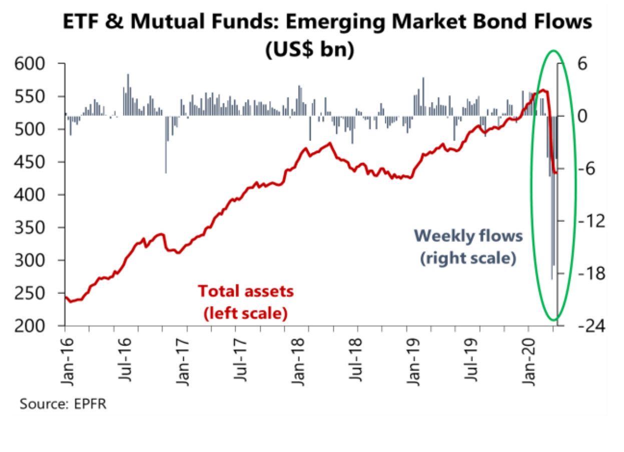
Key Emerging Market Financial Indicators

Last updated:	Level		Change				
4/6/20 8:12 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		33.13	2.8	-1	-17	-25	-26
MSCI Frontier Equities		20.89	-0.8	-3	-24	-27	-31
EMBIG Sovereign Spread (in bps)		633	-5	2	235	293	340
EM FX vs. USD		52.51	0.3	-2	-9	-17	-14
Major EM FX vs. USD					%, (+) = EM currency appreciation		
China Renminbi		7.09	-0.1	0	-2	-5	-2
Indonesian Rupiah		16413	0.1	0	-13	-14	-16
Indian Rupee		76.17	-0.8	-2	-4	-10	-6
Argentine Peso		64.91	-0.4	-1	-4	-34	-8
Brazil Real		5.29	1.2	-2	-12	-27	-24
Mexican Peso		25.12	-0.4	-5	-20	-24	-25
Russian Ruble		76.48	0.0	4	-10	-15	-19
South African Rand		18.85	1.0	-5	-17	-25	-26
Turkish Lira		6.77	-0.6	-3	-10	-16	-12
EM FX volatility		12.68	-1.1	0.0	4.1	4.4	6.1

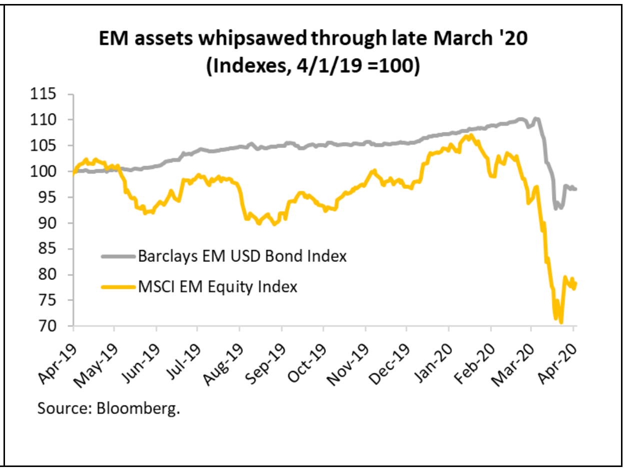
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Emerging Market Fund Flows

Outflows from EM funds eased, as EM asset performance whipsawed through late March. Over the last week EM bond funds saw 1.15 percent of their assets, or $5 bn, withdrawn, in particular from local currency funds, while hard and blend currency funds actually received minor inflows. The share base of EM equity funds remained almost unchanged. However, market participants note sentiment towards EM remains challenged and this is expected to persist amid the sharply deteriorated economic outlook and fragile market conditions, and especially for countries where fiscal policy is constrained with respect to softening the domestic fallout from the coronavirus. Both are likely to drag on the flow momentum for EM fixed income assets, despite cheapened valuations that emerged over the last month.



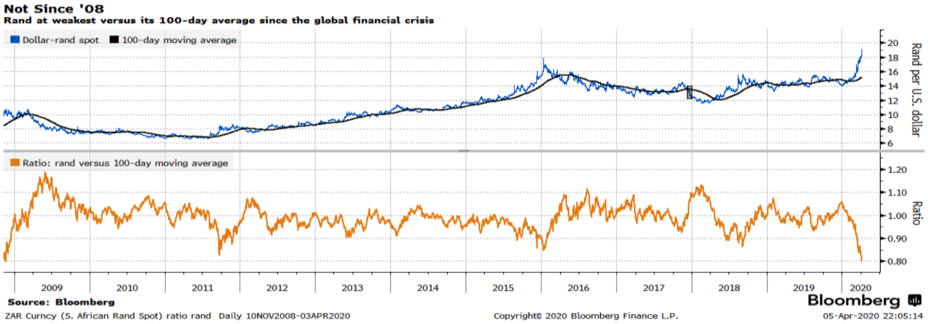
Source: EPFR



Source: Bloomberg.

South Africa

The South African rand fell to a fresh historical low as Fitch downgraded the country's credit rating further into junk territory on Friday. Fitch downgraded South Africa's credit from BB+ to BB, two levels below investment grade, with a negative outlook. The move followed Moody's decision in late March to lower South Africa's rating to Ba1, leaving it without an investment grade rating and raising that possibility that it could be expelled from the FTSE World Government Bond Index when the index reweights, likely at the end of April. Meanwhile, market contacts expect S&P will follow suit with its own downgrade; S&P currently rates South Africa two levels below junk. Analysts noted that the latest ratings developments exacerbated growing risk aversion, which could lead to greater capital outflows from South Africa. By Bloomberg's estimate, outflows from the bond market reached ZAR 56.9 bn ($3 bn) thus far this year. The potential expulsion from the FTSE World Government Bond Index could spark further outflows of as much as $13 – 14 bn, by analysts estimates. The rand, which is slowly approaching the ZAR 20/$ level, initially lost another 1.4% against the dollar in Asian hours to ZAR 19.1, but has since stabilized throughout the morning, appreciating 0.8% to ZAR 18.8.



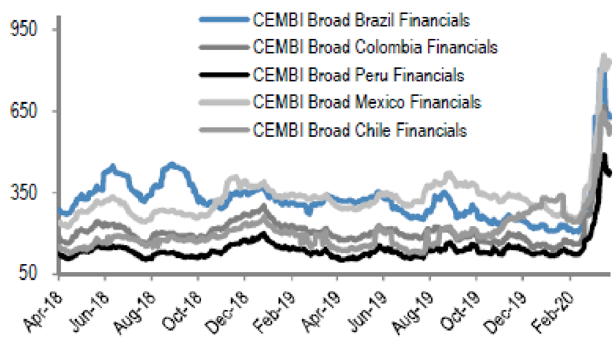
Latin American Sovereign Downgrades

Sovereign issuers in Argentina, Ecuador, Guatemala and Suriname faced rating downgrades. Moody's revised its sovereign debt rating for Argentina from Caa2 to Ca with a negative outlook, as possible investor losses in the recently initiated debt restructuring could exceed 65 cents on the dollar. Budgetary challenges and the economic impact of COVID-19 are expected to add to the country's funding stress as well as to potential losses to its private lenders. The rating agency also reduced Ecuador's rating from Caa1 to Caa3 and switched the outlook from stable to negative. The decision was motivated by a 2020 growth projection of -5.5% y/y, an expected deficit of 5.1% of GDP and Ecuador's use of a 30-day grace period on $200 mn of interest payments. Fitch reduced Guatemala's long-term foreign currency issuer rating from BB to BB- with stable outlook. The rating agency pointed to expectations for increases in the country's fiscal deficit and economic stagnation. Earlier last week S&P downgraded Suriname's rating from B to CCC+ (C for short-term debt), gauging the country's debt as exposed to substantive risks, with a negative outlook ahead.

Latin American financial sector

Rating agencies switched rating outlooks to negative, as perceived risks around Latin America's financial industry mount. Against the context of reduced growth expectations, low oil prices and weakened currencies across the region, Moody's reduced its outlook for Latin American asset mangers from stable to negative, along with the same step for four of Chile's major banks. The decision followed on similar action by Fitch for Brazilian banks earlier this week. The drivers for the decisions are reflected in region's elevated yield levels for financials' debt, which according to JP Morgan analysts exceed those of their peers in EMs of other regions. A Fitch analysis from earlier last week indicated that $2.5 bn of Latin American corporate debt maturing in 2020 is owed by issuers with poor liquidity and who are highly exposed to COVID-19 economic risks, foreboding additional stress for the region's financial industry. Last Friday's sovereign downgrades may further aggravate the environment in which the sector operates.

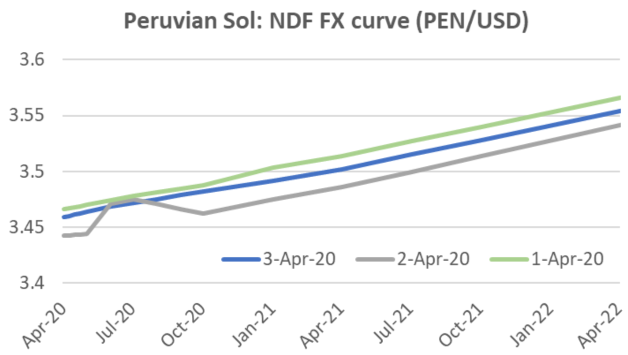
Figure 17: CEMBI Broad Financials by Country (bp)



Source: J.P. Morgan.

Peru

Additional monetary easing is expected in Peru. Expectations for a 25 bp cut in Peru's monetary policy rate in the days ahead have been reinforced, as the inflation rate remained near 0.65% m/m, slightly above the market consensus of 0.6% m/m. Matching such expectations, the Peruvian sol depreciated slightly, with the entire forward curve moving up.



Source: Bloomberg.

Thailand

The Bank of Thailand (BoT) is seeking permission to purchase corporate bonds and extend soft loans to SMEs, according to Bloomberg. The BoT said Friday it is seeking a law that would enable it to purchase good quality, maturing corporate bonds that are being rolled over. The goal is to backstop the corporate bond market, Governor Veerathai said. Under another initiative, the BOT will seek legal changes so that it can directly extend soft loans to SMEs, similar to the measure undertaken in 2011 to aid the economy after severe flooding. The BoT is also cutting banks' contribution to the Financial Institutions Development Fund, a channel to provide assistance to troubled financial institutions, that will account for savings of about $1 bn. The Thai government unveiled the latest stimulus package, totaling about 10% of GDP, in the form of loans, transfers and infrastructure spending. **Thai markets were closed for a holiday.**

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Global Financial Indicators

Last updated: 4/6/20 8:09 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
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Europe		2769	4.0	0	-14	-20	-26
Japan		18576	4.2	-3	-10	-15	-21
China		2764	-0.6	0	-9	-15	-9
Asia Ex Japan		58	-1.6	0	-15	-21	-21
Emerging Markets		33	2.9	-1	-17	-25	-26
Interest Rates					basis points		
US 10y Yield		0.65	-0.2	-8	-12	-185	-127
Germany 10y Yield		-0.42	1.9	7	29	-43	-24
Japan 10y Yield		0.02	3.1	0	14	5	3
UK 10y Yield		0.33	2.0	-1	10	-79	-49
Credit Spreads					basis points		
US Investment Grade		264	-1.0	-17	128	147	167
US High Yield		879	-2.4	-18	325	472	486
Europe IG		104	-10.1	6	24	42	60
Europe HY		591	-46.8	10	208	331	384
EMBIG Sovereign Spread		633	-5.0	2	235	293	340
Exchange Rates					%		
USD/Majors		100.69	0.1	2	5	3	4
EUR/USD		1.08	0.0	-2	-4	-4	-4
USD/JPY		108.9	-0.3	-1	-3	2	0
EM/USD		52.5	0.3	-2	-9	-17	-14
Commodities					%		
Brent Crude Oil ($/barrel)		33	-2.9	45	-27	-53	-50
Industrials Metals (index)		91	-0.1	0	-12	-25	-20
Agriculture (index)		36	-0.1	-4	-6	-11	-13
Implied Volatility					%		
VIX Index (%, change in pp)		44.6	-2.2	-12.5	2.7	31.8	30.8
10y Treasury Volatility Index		6.1	-0.5	-3.5	-3.7	2.4	1.9
Global FX Volatility		11.0	-0.1	-0.6	2.5	4.3	5.0
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		236	-6.5	24	23	-116	71
Italy		195	-3.7	-1	17	-52	36
Portugal		130	-3.3	7	29	5	67
Spain		115	-3.2	6	23	5	50

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: 4/6/2020 8:12 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		7.09	-0.1	0.1	-2	-5	-2		2.7	1.5	-3	-18	-53	-49
Indonesia		16413	0.1	-0.5	-13	-14	-16		8.2	15.4	32	133	49	110
India		76	-0.8	-1.6	-4	-10	-6		6.6	12.3	8	4	-80	-31
Philippines		51	0.0	0.4	0	3	0		4.9	-0.1	1	77	-38	60
Thailand		33	0.0	-1.1	-4	-4	-9		1.7	-6.1	11	50	-84	13
Malaysia		4.36	-0.2	-0.8	-4	-6	-6		3.2	-10.7	-7	40	-57	-13
Argentina		65	-0.4	-0.8	-4	-34	-8		58.1	1.7	-423	854	3484	-451
Brazil		5.29	1.2	-1.8	-12	-27	-24		6.7	19.3	6	108	-150	43
Chile		865	-0.7	-3.5	-7	-23	-13		3.6	2.5	-13	8	-63	26
Colombia		4015	0.9	0.6	-14	-22	-18		7.3	18.2	58	177	115	140
Mexico		25.12	-0.4	-5.3	-20	-24	-25		7.3	11.7	14	84	-83	41
Peru		3.5	-0.5	1.8	-1	-5	-4		5.6	14.8	81	145	30	111
Uruguay		45	-0.4	-2.0	-11	-24	-16		13.4	26.7	-5	302	292	255
Hungary		338	0.3	-4.0	-12	-16	-13		2.0	3.6	39	50	7	79
Poland		4.23	0.3	-2.8	-10	-10	-10		1.3	-11.2	-13	-22	-104	-61
Romania		4.5	-0.2	-2.3	-5	-6	-5		4.3	-5.0	21	64	8	30
Russia		76.5	0.0	3.7	-10	-15	-19		6.6	-6.2	-18	68	-144	52
South Africa		18.8	1.0	-4.8	-17	-25	-26		11.6	24.1	-21	217	234	213
Turkey		6.77	-0.6	-2.9	-10	-16	-12		13.9	40.9	143	244	-510	223
US (DXY; 5y UST)		101	0.1	1.5	5	3	4		0.42	3.5	1	-19	-189	-127

	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		2764	0.0	0	-9	-15	-9		248	1	-1	63	73	72
Indonesia		4812	4.1	9	-12	-26	-24		378	0	18	147	187	222
India		27591	0.0	-8	-27	-29	-33		354	1	-25	177	196	229
Philippines		5571	4.2	9	-18	-29	-29		209	-6	-19	72	120	143
Malaysia		1342	0.8	1	-10	-18	-16		296	1	-5	163	169	184
Argentina		26505	1.9	4	-25	-19	-36		3654	-39	-384	1245	2870	1885
Brazil		69538	-3.8	-5	-29	-28	-40		447	-3	48	193	201	232
Chile		3674	3.2	11	-13	-30	-21		328	-2	13	130	199	195
Colombia		1128	1.2	0	-25	-30	-32		409	-4	26	195	228	246
Mexico		33075	-1.5	-2	-20	-26	-24		695	-4	30	299	397	403
Peru		13539	-1.8	-3	-26	-37	-34		296	-5	14	134	174	189
Hungary		32888	1.9	3	-20	-21	-29		211	-4	-1	9	105	125
Poland		42790	3.0	5	-13	-30	-26		129	-3	-5	15	80	111
Romania		7709	2.4	3	-18	-6	-23		402	-1	22	161	199	229
Russia		2595	0.9	7	-5	2	-15		273	-10	-34	63	57	142
South Africa		45692	2.5	5	-12	-21	-20		736	-19	4	297	442	416
Turkey		91471	2.1	4	-17	-7	-20		845	10	118	338	382	444
Ukraine		505	0.0	-1	-6	-11	-1		894	-15	-78	289	300	474
EM total		33	2.8	-1	-17	-25	-26		633	-5	2	235	293	340

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

back to top

Coronavirus (Covid-19) Dashboard						
		Change or relative change				
	Latest	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)	3713	-0.6	0.1	-9.4	-8.3	-11.3
CSI 500 (Mid-Cap Index)	5107	-0.8	-0.6	-3.0	-8.9	-8.6
CSI 1000 (Small-Cap Index)	5507	-0.6	-0.8	-1.1	-8.5	-7.5
Japan (Nikkei)	18576	4.2	-2.7	-21.5	-20.6	-22.9
Korea (Kospi)	1792	3.9	4.4	-18.5	-18.9	-20.8
United States (S&P 500)	2489	-1.5	-2.1	-23.0	-26.5	-25.3
Europe (Eurostoxx 600)	318	2.9	1.0	-23.5	-26.7	-25.0
MSCI Global	425	-1.4	-4.4	-24.7	-26.6	-26.5
MSCI Asia ex. Japan	550	-0.6	0.2	-20.2	-20.1	-22.8
Asia Pacific Airlines	98	1.0	-4.0	-36.1	-28.4	-34.4
Luxury Goods	535	-1.5	-8.6	-30.9	-29.1	-32.6
Hotels Restaurants & Leisure	231	-2.4	-8.6	-40.0	-40.3	-42.1
Volatility Index (VIX, change in pp)	45	-2.2	-12.5	30.8	30.2	32.5
Interest Rates	**Percent**	**Change (in basis points)**				
US 10y Yield	0.65	5	-8	-127	-92	-117
Germany 10y Yield	-0.42	2	7	-24	0	-20
Eurodollar - April 2020	1.26	2	-10	46	-38	-47
Eurodollar - June 2020	0.53	-2	3	116	-101	-115
Eurodollar - December 2020	0.36	-2	0	126	-107	-125
Exchange Rates	**Level**	**Relative change (in %) (+) = Appreciation**				
Chinese Renminbi (per USD)	7.09	-0.1	0.1	-1.8	-1.3	-3.3
Japanese Yen (per USD)	108.9	-0.3	-1.1	-0.3	2.2	1.1
Euro (in USD)	1.08	-0.1	-2.3	-3.7	0.1	2.7
Dollar Index	100.7	0.1	1.5	4.4	0.9	3.1
EM FX index	52.5	0.3	-1.6	-14.5	-11.6	-13.8
EM Bond Spreads on USD Debt	**Basis points**	**Change (in basis points)**				
EMBI Global Diversified	645	-3	21	355	343	355
EMBI Asia	432	5	18	255	259	257
EMBI Latam	685	6	27	377	362	375
China	248	1	-1	72	80	75
Local Currency Bond Yields (GBI EM)	**Percent**	**Change (in basis points)**				
China	2.66	2	-3	-49	-25	-44
Mexico	7.35	12	14	41	75	44
Brazil	6.68	19	6	43	92	51
South Africa	11.65	24	-21	213	220	217
Turkey	13.92	41	143	223	253	341
Commodities	**Dollars**	**Relative change (in %)**				
Brent Crude Oil (per ton)	33.1	-3.0	45.4	-49.8	-44.0	-49.2
Gold (per troy ounce)	1639.0	1.1	1.0	8.0	1.7	5.0