Global Markets Monitor

Monetary and Capital Markets Department
Global Markets Analysis Division

Monday, April 8, 2019

- **Presidential rhetoric pushing for rate cuts support US markets (link)**
- **Lower hedging costs attract foreign investors to US corporate bonds (link)**
- **US leveraged loan metrics weaken further (link)**
- **PM May to seek Brexit extension ahead of new deadline on April 12 (link)**
- **The Turkish lira weakens on political and central banking news (link)**

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Markets cautious ahead of busy week

European bourses and S&P 500 futures were mixed this morning with sovereign yields little changed. Market participants will be focusing on the busy week ahead including Brexit and the ongoing US-China trade negotiations. On the former, British PM May's talks with Labour leader Jeremy Corbyn over the weekend yielded little. More talks are scheduled for today with sterling trading marginally stronger to the dollar this morning. If these fail, the UK Parliament will likely hold another round of indicative votes before PM May heads off to meet EU leaders on Wednesday to request a short extension -possibly to June 30. Meanwhile, US and China plan more trade talks as a possible deal draws closer. White House Economic Advisor Larry Kudlow stated that both sides will continue to work out the trade deal via teleconference this week. Markets will also be keeping an eye on the FOMC minutes which will be especially important after the Fed's dovish tilt at the March 20 meeting. Elsewhere, the largest democratic election in history starts this week in India while markets in Turkey, Brazil, Argentina and Mexico remain under scrutiny following episodes of volatility. Of this group, the Turkish lira came under renewed pressure this morning, weakening as much as 1.4% on the back of political and central banking news.

In addition to the FOMC minutes (Wednesday), the highlights of the US data calendar are CPI (also due on Wednesday) and the University of Michigan consumer confidence index (Friday). In the euro area, the main event is the ECB meeting on Wednesday although key industrial production data could also have an impact that day. Although no policy action is expected from the ECB, there will be a lot of questions at the press conference on the size of TLTRO-III and on deposit tiering. IP data is also due in the UK on the same day while trade data is due from China at the end of the week.

Key Global Financial Indicators

Last updated: 4/8/19 7:53 AM	Level Last 12m	Latest	Change from Market Close 1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		2893	0.5	2	5	11	15
Eurostoxx 50		3444	-0.1	2	5	1	15
Nikkei 225		21762	-0.2	1	4	1	9
MSCI EM		44	-0.7	3	7	-6	14
Yields and Spreads					bps		
US 10y Yield		2.50	-2.0	0	-13	-28	-19
Germany 10y Yield		0.00	-0.7	3	-7	-50	-24
EMBIG Sovereign Spread		340	0	-3	-6	43	-74
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		63.0	-0.1	0	0	-10	1
Dollar index, (+) = $ appreciation		97.2	-0.2	0	0	8	1
Brent Crude Oil ($/barrel)		70.6	0.4	2	7	5	31
VIX Index (%, change in pp)		13.5	0.6	0	-3	-8	-12

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

United States

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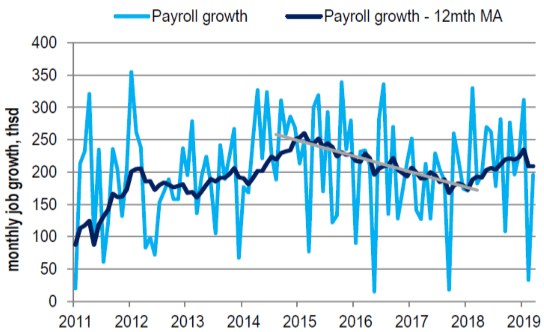
Local stocks posted a seventh consecutive day of gains last Friday, bringing the S&P 500 up to just below 2893, tantalizingly close to the 2930 all-time record close back on September 20th**.** Markets viewed the payrolls report as a Cinderella story, strong enough to keep equities interested but with enough weakness in wage growth to keep the Fed on the sidelines. Later, **unexpected rhetoric from the US President advocating Fed rate cuts and a return to quantitative easing took markets by surprise and gave a further boost to both stocks and bonds,** although the ultimate impact turned out to be relatively modest. The major indexes ended 0.4%-0.5% higher and Treasury yields were just 2-3 bps lower across the curve.

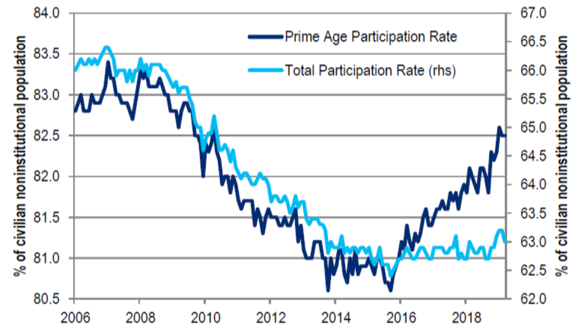
Beneath the surface, however, the US stronger than expected unemployment report presents a more ambiguous portrait of the job environment. Job growth remains robust but there are some negative aspects that could be worrying for policymakers. Although the headline numbers all looked good, average hourly earnings were below forecasts (0.1% vs. 0.3% monthly gain and 3.2% vs. 3.4% annual gain) and manufacturing jobs actually saw a decline, which has not happened in 2 ½ years. Moreover, the rising trend in labor force participation could push the unemployment rate higher and the trend of 200K+ jobs report seen in previous years may finally be coming to an end. On the brighter side, construction jobs saw a rebound after the winter decline and there was continued strength in the health, education and services sectors. In other news, the Canadian employment report was the mirror image of its US counterpart, with net employment unexpectedly falling by 7.2K jobs versus the consensus forecast of a 6K gain but wage gains outpacing forecasts (2.3% vs. 2.2%).

Figure 1. Job growth should still remain at a relatively strong pace



Source: Citi Research, BLS

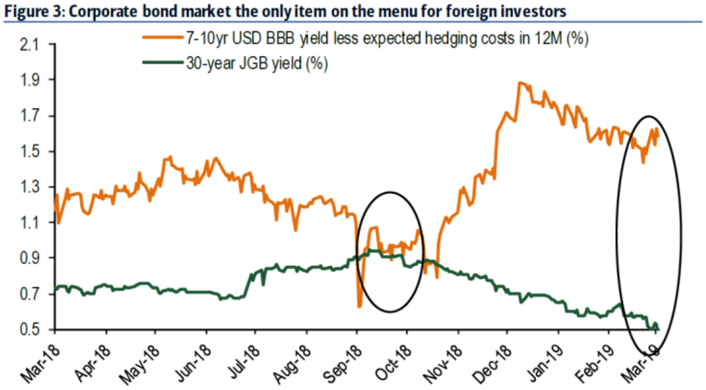
Figure 2. A continued rise in the participation rate could put further upward pressure on unemployment rate



Source: Citi Research, BLS

The US corporate bond market is likely to prove attractive for foreign investors in the months ahead, some analysts predict. Hedging costs have declined and are expected to remain low for a while with the Fed on hold. Interest income after hedging costs for these bonds provide some of the best returns for investment grade bonds in the global market. Neither euro, sterling or Yen denominated bonds can compete with American paper at these levels. As the new Japanese financial year gets underway, analysts expect Yen-based investors to play an important role, along with buyers from Europe and sovereign wealth funds. As of March-end, inflows into corporate bond ETFs and mutual funds were very strong. Bank of America estimates that demand is strong enough to absorb an average new-issue volume of $43 bn per weeks without any widening in spreads.

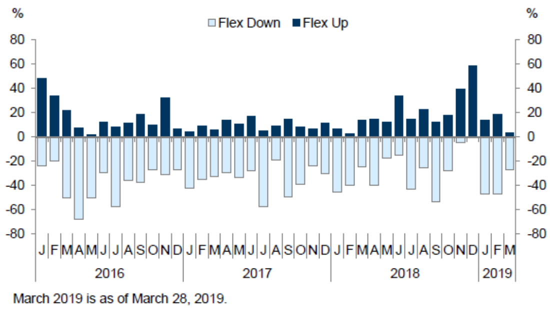
Figure 3: Corporate bond market the only item on the menu for foreign investors



Note: Dollar hedging cost is the annualized 3-month JPY/USD forward premium. We compute the expected hedging cost in 12 months by adding the difference between the 1st and 12th Fed funds futures.
Source: ICE Data Indices, LLC, Bloomberg, BofA Merrill Lynch Global Research

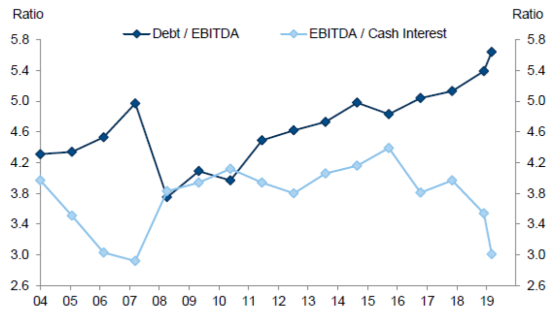
Leveraged loan credit quality continued to decline in the US market as interest coverage rose further and spread adjustments became more beneficial to issuers. Despite the $23.4 bn net outflow from loan funds since October 2018 (20% of AUM), the leveraged loans market remains an issuer's market because lower investor demand was more than compensated for by a sharp drop in the supply of new paper. New issuance is down 40% from last year, enabling borrowers to obtain more favorable terms from lenders. Goldman points out that "downward flex" activity in which new pricing gets revised lower during the marketing process to favor borrowers has dominated "upward flex" volumes this year. Among large loan transactions, leverage ratios have a hit a new post-crisis high (5.64x) in the first quarter of 2019 even as coverage ratios fell to a post-crisis low of 3.01x. In recent months the leveraged loan market has lost ground to the high yield bond market in the contest for investor cash flows. The Fed's dovish turn has made floating rate leveraged loans less attractive as the prospect of more rate hikes fades away. In contrast, fixed rate high yield bonds are better investments in a stable or falling rate environment. Analysts expect leveraged loan supply to contract further and lead to even weaker credit standards. Paradoxically, this may be less of an issue from a financial stability perspective as the overall market shrinks in size and becomes less systemic.

Exhibit 1: The backdrop in the leveraged loan primary market has shifted back in favor of issuers – a key downside risk to our constructive view
Price flex activity for new issues, by month



Source: S&P Capital IQ LCD, Goldman Sachs Global Investment Research

Exhibit 2: New post-crisis highs for gross leverage and new lows for coverage ratios
Debt / EBITDA and EBITDA / Cash Interest metrics for large corporate leveraged loan issuers (annual EBITDA of more than $50 million) in the primary market



Source: S&P Capital IQ LCD, Goldman Sachs Global Investment Research

Europe

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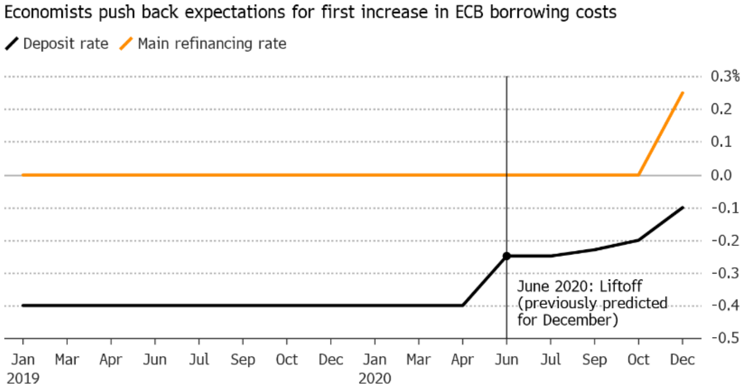
European stocks were mixed, with the EuroStoxx 50 (-0.1%), DAX (-0.3%), and CAC 40 (+0.1%). Bank equities (-0.8%) underperformed main indices as markets expect no policy action from the ECB this week but probably a more dovish tone.

Euro area sovereign paper traded within a narrow range all morning. German 10-year yields are at 0.00% (-1 bp); French at 0.35% (-1 bp); Italian at 2.46% (-1 bp); and Spanish at 1.09% (-1 bp).

The ECB meets this Wednesday. Although most market participants don't anticipate any major announcements this week, policy expectations have turned more dovish. Most analysts see the June meeting as the one where announcement regarding a possible tiered deposit rate system and the TLTRO 3 will be made.

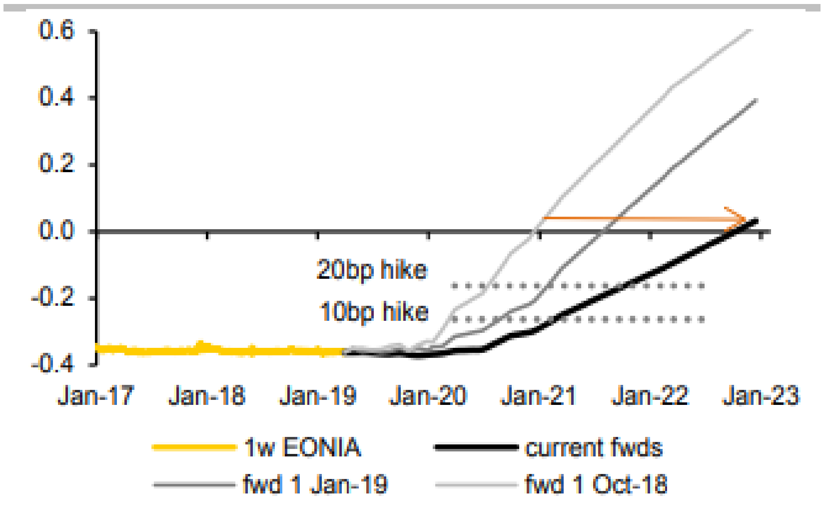
Rate Path
Economists push back expectations for first increase in ECB borrowing costs



Source: Bloomberg survey of economists conducted March 28 to April 2
Bloomberg

Negative rates forever!

1m EONIA and forwards, in %

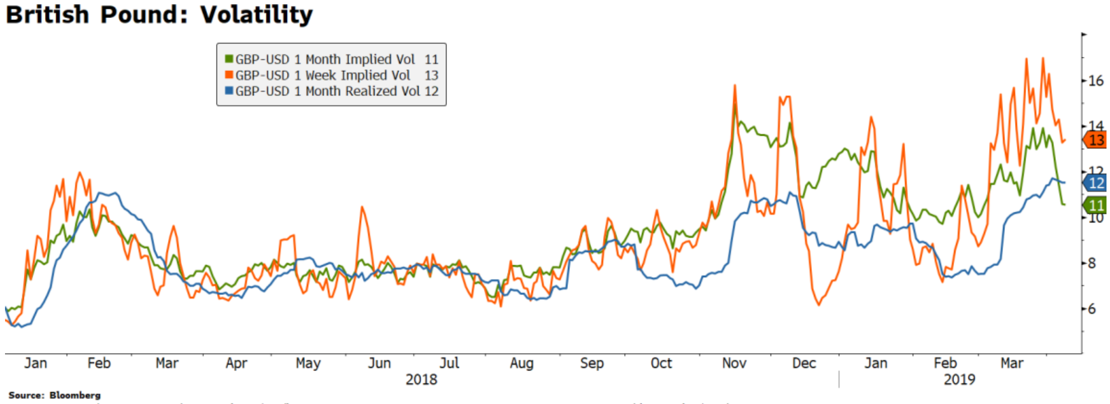


Source: Bloomberg, Commerzbank Research

In **Brexit news**, PM May's talks with Labour leader Jeremy Corbyn over the weekend yielded little. More talks are scheduled for today. If these fail, Parliament will likely hold another round of indicative votes before PM May heads off to meet EU leaders on Wednesday to request a short extension (possibly to June 30). EC president Tusk, however, thinks that British politicians need a long extension (on top of the almost 3 years they have had already) to agree on their preferred solution. If no agreements are found, a no-deal Brexit is scheduled to take place on Friday.

In **FX markets**, the **sterling (+0.2%)** and **euro (+0.2%)** strengthened to the dollar to $1.31 and $1.12, respectively. One-week and one-month implied volatility for the pound remains relatively elevated compared to 2018 levels, as the new Brexit date of April 12 approaches.

British Pound: Volatility



The Italian government and the European Commission have agreed provisional measures to soften bail-in rules affecting retail investors, according to Reuters. Under the new rules, bank shareholders with annual incomes below €35,000 and wealth of less than €100,000 would be reimbursed for their losses in any past bank rescues. Shares of Italian banks were down today but by less than European peers: Intesa (-0.2%), Unicredit (-0.9%), MPS (flat).

Other Mature Markets

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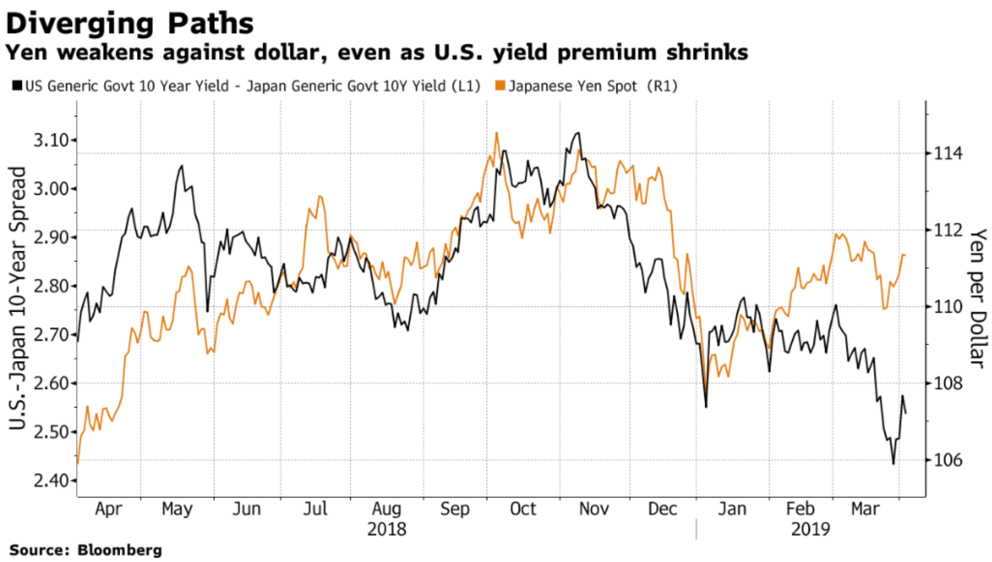
Japan

Japanese equities (Nikkei -0.2%; Topix -0.3%) fell, with financials leading losses. In its quarterly Regional Economic Report, the Bank of Japan revised down its economic assessment for three out of nine regions. The downgrade was due to headwinds to exports and production as a result of weakness in overseas economies. **The yen strengthened 0.3%, snapping three straight days of losses, but still has depreciated 1.6% this year, while 10-year JGB yields fell 3 bps to -0.07%.**



Emerging Markets

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Asian equities (+0.2%) traded slightly higher on net, with varied performance across markets. Indonesian (-0.7%) and Indian (-0.6%) stocks underperformed, and Chinese stocks (Shanghai -0.1%; Shenzhen -0.6%) were also in the red. Taiwan Province of China (+0.9%) and Vietnam (+0.8%) outperformed. Most regional currencies depreciated against the dollar, led by the Korean won (-0.7%) and the Indian rupee (-0.6%). **EMEA markets** were mixed, with weakness in in Turkish equities and currency dominating headlines (see below). Stocks in Russia (+0.5%) and UAE (+0.4%) led gains, while the Czech Republic (-0.2%) and Hungary (-0.2%) saw losses. Currencies were mostly stable to the dollar. **Latin American equity markets** were generally higher last Friday, including Mexico (+2.4%) and Argentina (+1.6%). Local currencies mainly traded in narrow ranges. The Argentine peso was the main underperformer, depreciating 1.1% against the dollar.

Key Emerging Market Financial Indicators

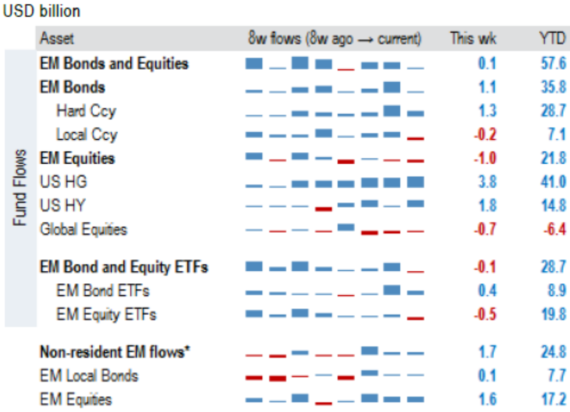
Last updated:	Level		Change				
4/8/19 7:57 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		44.40	-0.7	3	7	-6	14
MSCI Frontier Equities		28.78	-0.3	1	2	-18	10
EMBIG Sovereign Spread (in bps)		340	0	-3	-6	43	-74
EM FX vs. USD		62.99	-0.1	0	0	-10	1
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.72	-0.2	0	0	-6	2
Indonesian Rupiah		14167	-0.2	0	1	-3	2
Indian Rupee		69.67	-0.6	-1	1	-7	0
Argentine Peso		43.93	-1.2	-1	-9	-54	-14
Brazil Real		3.87	-0.4	1	-2	-14	0
Mexican Peso		19.07	0.0	0	2	-4	3
Russian Ruble		65.20	0.2	0	2	-7	6
South African Rand		14.10	-0.1	0	2	-14	2
Turkish Lira		5.67	-0.8	-3	-4	-28	-7
EM FX volatility		8.30	0.2	-0.5	0.1	0.1	-1.5

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

EM Fund Flows

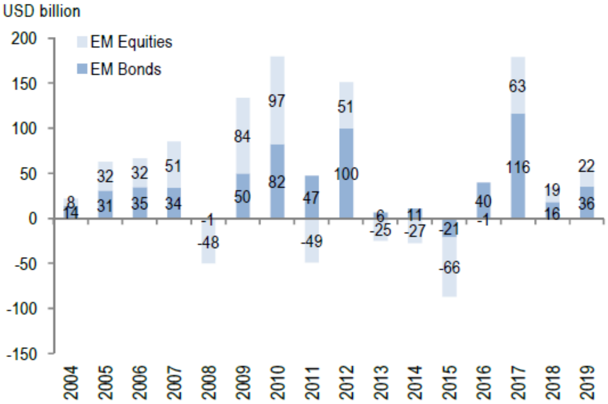
EM retail bond fund inflows dipped below their 4-week average as local currency bond funds got the first weekly outflows (-$202 mn) of 2019, while EM equity fund outflows persisted as ETFs had their first outflows (-$541 mn) in 25 weeks. Overall, EM bond fund flows moderated slightly to +$1.1 bn (from +$2.3 bn) and EM equity fund flows were -$977 mn (from -$575 mn). Year to date flows to EM bonds and equities were +$35.8 bn and $21.8 bn, respectively.

Exhibit 1: Weekly Cross-Asset Flows
USD billion



Asset	8w flows (8w ago → current)	This wk	YTD
Fund Flows			
EM Bonds and Equities		0.1	57.6
EM Bonds		1.1	35.8
Hard Ccy		1.3	28.7
Local Ccy		-0.2	7.1
EM Equities		-1.0	21.8
US HG		3.8	41.0
US HY		1.8	14.8
Global Equities		-0.7	-6.4
EM Bond and Equity ETFs		-0.1	28.7
EM Bond ETFs		0.4	8.9
EM Equity ETFs		-0.5	19.8
Non-resident EM flows*		1.7	24.8
EM Local Bonds		0.1	7.7
EM Equities		1.6	17.2

Exhibit 2: Annual EM bond and equity fund flows
USD billion



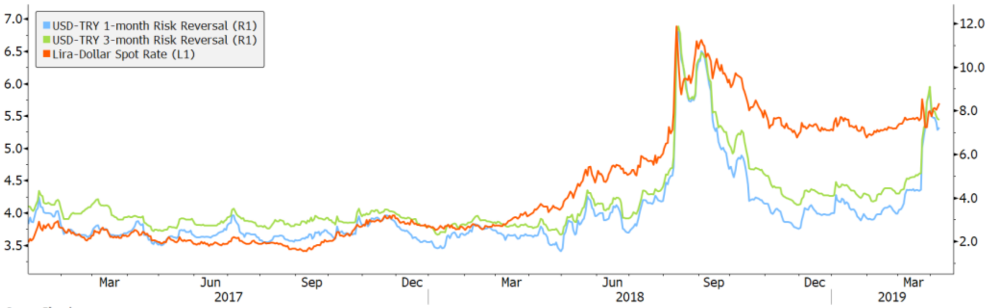
*Using high frequency non-resident EM portfolio flow data where available. Source – All charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg

Turkey

The lira weakend as much as 1.4% this morning on the back of political and central banking news. News emerged that president Erdogan is demanding an investigation into "widespread irregularities" in the local elections held last month, and in which Erdogan's AK party lost power in Ankara and Istanbul. Separately, **the Central Bank of Turkey (CBT) has reactivated its 1-week repo auctions to commercial**

banks. The measure thus partially alleviates the monetary tightening conducted by the CBT in recent weeks. The repo rate was set at 24%; lower than the 25.5% rate that the CBT was offering through its overnight lending facility until Friday. Equities in Istanbul are 1.5% lower this morning. **Finance Minister Albayrak is expected to announce a package of economic measure on Wednesday.** The package is anticipated to contain "tax reform as well as measures on banking and financial markets"; and "new steps against inflation," according to unnamed government sources.

Dollar-Lira Exchange Rate and Risk Reversals
(Risk Reversals: Difference Between Call and Put Volatilities at various maturities)



Source: Bloomberg

China

Chinese equities (Shanghai -0.1%; Shenzhen -0.6%) fell, giving up early gains, with tech underperforming. The tech-heavy ChiNext index dropped 2.1%, its biggest loss in nearly three weeks, but remains up 39% this year. On trade, the White House on Friday stated that the US and China have made progress on key trade issues including intellectual property, forced technology transfer, non-tariff barriers, agriculture, services, purchases, and enforcement, but significant work remains to be done. White House Economic Advisor Larry Kudlow stated that both sides will continue to work out the trade deal via teleconference this week. He downplayed the timeline of an agreement, instead focusing on 'making a good deal.'

Rally Mode
Chinese stocks leading global gains after flopping last year

Source: Bloomberg

Separately, **foreign exchange reserves increased for a fifth month by $8.6 bn to $3,098.8 bn in March.** The State Administration of Foreign Exchange in its statement said that the rise was due to price gains of financial assets. It also mentioned that the reserves will likely remain stable due to higher flexibility of the yuan and reasonable economic growth. **The onshore RMB was stable, with the offshore yuan weakening -0.2%.**

EM Bond Markets

The Norway Ministry of Finance announced on Friday that it would eliminate emerging market government and corporate bonds from the benchmark for its Government Pension Fund Global (GPFG). The Finance Ministry noted that the new rules would remove Chile, the Czech Republic, Hungary, Israel, Malaysia, Mexico, Poland, Russia, South Korea and Thailand from the index. The fund would still get a discretion to invest up to 5% of its bond portfolio in emerging markets. Goldman Sachs stated that the GPFG would need to divest around $20 bn from local currency emerging market bonds in order to comply with the new rules. Analysts said that the market impact of the proposed selling would depend on the timeframe over which it takes place and they assumed it would take place over a prolonged period to minimize the market effect.

Exhibit 1: Norway's Global Pension Fund will need to Reduce EM Exposure to Meet New Benchmark

Norway Government Pension Fund Global EM FI Investments		
Country*	Market Value, $ mn	Pct of total
Current In-Benchmark EM Holdings		
Chile	363	0.1
Czech Republic	38	0.0
Hungary	23	0.0
Israel	26	0.0
Malaysia	1958	0.6
Mexico	5719	1.9
Poland	1057	0.3
Russia	1230	0.4
South Korea	6349	2.1
Thailand	241	0.1
Gov't bond issuers now excluded	*17003*	*5.5*
Current Out-of-Benchmark EM Holdings		
Brazil	2709	0.9
China	1040	0.3
Colombia	1271	0.4
Croatia	24	0.0
Hong Kong	29	0.0
India	2071	0.7
Indonesia	2900	0.9
Peru	82	0.0
Philippines	585	0.2
Poland	1057	0.3
Romania	31	0.0
Singapore	2038	0.7
South Africa	2441	0.8
Turkey	390	0.1
United Arab Emirates	109	0.0
EM subtotal	*33782*	***11.0***
Fund Total	**307172**	**100.0**
New Cap	15359	5.0
Implied reduction	-18423	-6.0

*By bond incorporation. We assume Bloomberg's EM designation.

Source: NBIM

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Global Financial Indicators

Last updated: 4/8/19 7:54 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities				%			%
United States		2893	0.5	2	5	11	15
Europe		3444	-0.1	2	5	1	15
Japan		21762	-0.2	1	4	1	9
China		3245	-0.1	5	6	4	30
Asia Ex Japan		73	0.8	3	7	-3	15
Emerging Markets		44	-0.7	3	7	-6	14
Interest Rates				basis points			
US 10y Yield		2.50	-2.0	0	-13	-28	-19
Germany 10y Yield		0.00	-0.7	3	-7	-50	-24
Japan 10y Yield		-0.05	-1.6	3	-1	-9	-5
UK 10y Yield		1.11	-0.9	6	-8	-29	-17
Credit Spreads				basis points			
US Investment Grade		117	0.4	-1	-2	19	-31
US High Yield		407	2.7	-12	6	57	-114
Europe IG		61	0.8	-1	-3	4	-26
Europe HY		258	3.7	0	-32	-25	-95
EMBIG Sovereign Spread		340	0.0	-3	-6	43	-74
Exchange Rates				%			
USD/Majors		97.20	-0.2	0	0	8	1
EUR/USD		1.12	0.3	0	0	-9	-2
USD/JPY		111.5	0.3	0	0	-4	-2
EM/USD		63.0	-0.1	0	0	-10	1
Commodities				%			
Brent Crude Oil ($/barrel)		71	0.4	2	7	5	31
Industrials Metals (index)		122	0.2	0	2	-6	11
Agriculture (index)		40	-0.2	0	1	-18	-3
Implied Volatility				%			
VIX Index (%, change in pp)		13.5	0.6	0.1	-2.6	-8.0	-12.0
10y Treasury Volatility Index		3.6	-0.2	-0.8	0.0	-0.2	-1.0
Global FX Volatility		6.8	0.0	-0.4	-0.5	-0.7	-2.2
EA Sovereign Spreads				10-Year spread vs. Germany (bps)			
Greece		348	-4.2	-26	-23	-3	-68
Italy		248	0.8	-5	4	119	-2
Portugal		124	-1.4	-7	-4	4	-24
Spain		109	-1.3	-8	10	35	-9

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

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Emerging Market Financial Indicators

Last updated: 4/8/2019 7:57 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation						% p.a.					
China		6.72	-0.2	-0.1	0	-6	2		3.2	0.0	12	5	-56	3
Indonesia		14167	-0.2	0.4	1	-3	2		7.7	-0.7	-3	-23	95	-45
India		70	-0.6	-0.7	1	-7	0		7.4	3.8	5	-6	9	0
Philippines		52	-0.1	0.6	0	0	1		5.3	2.0	-4	-21	23	-100
Thailand		32	-0.1	-0.8	-1	-2	1		2.6	0.8	2	-8	19	-6
Malaysia		4.10	-0.2	-0.4	0	-6	1		3.8	0.3	-1	-18	-20	-31
Argentina		44	-1.2	-1.4	-9	-54	-14		23.7	7.7	-30	215	684	67
Brazil		3.87	-0.4	1.2	-2	-14	0		8.1	-3.2	-8	-10	-16	-3
Chile		665	0.1	2.3	-1	-9	4		4.2	-1.2	-3	-24	-60	-31
Colombia		3124	0.2	2.1	-1	-11	4		6.2	-0.6	3	-23	-2	-32
Mexico		19.07	0.0	0.4	2	-4	3		8.1	-6.0	-5	-20	77	-63
Peru		3.3	0.1	0.7	0	-2	2		5.3	-0.9	-5	-27	35	-42
Uruguay		34	-0.2	-0.8	-3	-16	-4		10.5	-2.0	-6	25		-25
Hungary		286	0.2	0.3	-2	-12	-2		1.9	0.9	10	-20	33	-29
Poland		3.81	0.3	0.4	0	-11	-2		2.3	-0.5	5	-1	-11	5
Romania		4.2	0.2	0.6	0	-10	-4		4.2	-1.0	12	15	38	-4
Russia		65.2	0.2	0.0	2	-7	6		8.0	-4.3	-3	-5	125	-37
South Africa		14.1	-0.1	0.4	2	-14	2		9.3	-4.4	-11	-13	65	-31
Turkey		5.67	-0.8	-3.3	-4	-28	-7		18.6	-20.1	-98	272	530	169
US (DXY; 5y UST)		97.2	-0.2	0.0	0	8	1		2.31	0.0	-2	-12	-28	-21

	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		3245	-0.1	5	6	4	30		175	0	-1	5	-10	-19
Indonesia		6426	-0.7	-1	1	4	4		190	-1	0	-1	10	-46
India		38701	-0.4	0	6	15	7		159	2	-1	-8	20	-37
Philippines		7916	0.5	1	2	0	6		88	-1	3	1	-11	-33
Malaysia		1644	0.2	1	-2	-10	-3		127	0	0	4	-2	-35
Argentina		32667	1.6	-1	-1	3	8		783	-1	19	29	364	-32
Brazil		97108	0.8	2	2	14	10		247	1	3	11	11	-26
Chile		5255	-0.5	0	0	-6	3		129	0	-1	4	6	-37
Colombia		1600	0.6	1	6	5	21		180	-1	0	-4	5	-48
Mexico		44990	2.4	4	8	-6	8		297	-1	-9	-13	51	-57
Peru		21368	0.4	1	4	2	10		122	0	-5	-9	-26	-46
Hungary		41884	0.1	0	4	10	7		106	0	-3	-1	-4	-42
Poland		60869	0.2	1	2	2	6		49	0	0	4	-8	-36
Romania		8244	0.5	1	5	-7	12		204	3	-5	9	65	-17
Russia		2551	0.4	1	3	12	8		215	-1	-4	8	30	-37
South Africa		57867	0.2	1	4	4	10		293	-1	-7	-2	50	-72
Turkey		97242	-1.5	3	-4	-15	7		466	3	-7	39	148	37
Ukraine		569	0.7	1	2	57	2		591	-3	-20	-73	162	-196
EM total		44	-0.7	3	7	-6	14		340	0	-3	-6	43	-74

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