



- US equities stage bull market rally ([link](#))
- Weekly jobless claims come in higher than expected ([link](#))
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Markets look to hold onto gains ahead of long weekend

Equity markets in advanced economies are mixed this morning after posting strong gains on Wednesday. S&P 500 futures are currently pointing to a lower opening after gaining more than 3% yesterday, pushing it into bull-market territory by traditional metrics. European markets meanwhile are mostly higher. While optimism has been building that the virus spread may be stabilizing, at least in advanced economies, continued economic uncertainty and lasting impact on corporate sector balance sheets, will likely continue to drive high volatility. Oil prices rose sharply this morning as Russia indicated it is willing to cut up to 1.6m bpd as part of a broader agreement. However, such an agreement may be at risk given the uncertainty of how the US could participate, with some participants indicating that some US involvement is key to a deal. Emerging markets are mostly performing well this morning, with most currencies stronger this morning. The Polish zloty is a notable exception however after a surprise rate cut.

Key Global Financial Indicators

Last updated: 4/9/20 8:14 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		2750	3.4	11	0	-4	-15
Eurostoxx 50		2860	0.3	6	-3	-16	-24
Nikkei 225		19346	0.0	9	-2	-11	-18
MSCI EM		35	0.3	9	-5	-19	-21
Yields and Spreads			bps				
US 10y Yield		0.73	6.0	13	19	-177	-119
Germany 10y Yield		-0.35	-4.1	9	51	-34	-16
EMBIG Sovereign Spread		611	-6	-27	150	272	318
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		53.6	0.3	1	-6	-15	-13
Dollar index, (+) = \$ appreciation		100.1	0.0	0	6	3	4
Brent Crude Oil (\$/barrel)		33.4	1.6	11	-3	-53	-49
VIX Index (% change in pp)		44.9	1.5	-6	-10	31	31

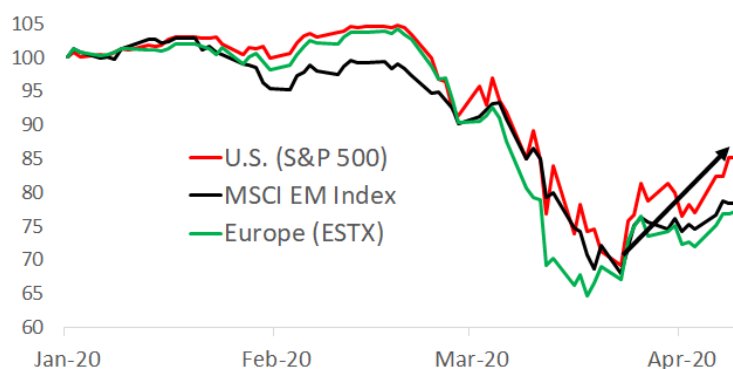
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

United States

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US stocks staged a bull market rally, closing just over 20% above the March 23 intra-day bear market low. However, the move still falls short of an “official” bull market as the index is 18.64% above the official close on March 23. Growing optimism on COVID-19 and talk of strategies to end the shutdown helped push equity markets and Treasury yields higher. The yield curve steepened further, with the two-year/ten-year yield spread up 11 bps for the week as of yesterday’s close. Meanwhile, markets managed to absorb \$125 bn of T-Bills and cash management bills from the US Treasury and face another \$160 bn of T-Bill issuance later today. The flood of new bill supply has boosted the Treasury’s cash balance to \$750bn compared to the previous peak of \$715bn in 2008. The Mortgage Bankers’ Association’s mortgage applications index fell by 17.9% versus a gain of 15.3% in the previous month, signaling the challenges that lie ahead for the housing sector. Treasury Secretary Mnuchin said that details of the Fed’s Main Street lending facility could be announced this week. Part of the \$2.2 tn Phase Three aid package, this will lend to companies with 500 or more employees that are not eligible for the Small Business Administration loans.

Global Equity Markets in 2020 (1 Jan 2020: 100)



Source: Bloomberg and IMF

Jobless claims came in higher than expected at 6606K versus the 5500K consensus forecast, while continuing claims were lower than forecasts at 7455K (versus 8236K). PPI was -0.2% (versus -0.4%) and PPI ex-food and energy was above expectations at 0.2% (versus 0%). The annualized numbers were 1.4% (vs. 1.2%) and 1% (versus 1.3%) respectively. Treasuries sold off moderately following the data as the continuing claims number was not as bad as expected and S&P 500 index futures were higher.

The FOMC minutes contained few surprises. The Committee was very concerned about the deterioration in the outlook and noted that “risk management considerations pointed towards a forceful...response,” explaining the rate cuts and subsequent rollout of several financing facilities to support markets. The purchases of Treasuries and mortgage-backed securities was to support markets rather than more policy accommodation. There was also concern that hitting the zero lower bound on the policy rate might foster expectations of negative policy rates. The liquidity problems in the Treasury market were also discussed. Some participants favored limiting bank dividends and buybacks. Rates are likely to remain where they are for a long time to come. Fed Chair Powell is scheduled to speak later today.

Despite the extreme market volatility in March, some US exchange traded funds (ETFs) saw significant fund inflows. The SPDR S&P 500 ETF, the world’s largest ETF, saw very heavy inflows during the month despite the market collapse as investors bet on an eventual market rebound. The SPDR short term T-Bill ETF saw large inflows as T-Bills outperformed other sectors of the Treasury market during the period when market participants favored holding cash and cash equivalents over Treasuries. The largest

investment grade ETF also saw large inflows as investors sought refuge at the higher end of the credit spectrum. Meanwhile the largest longer maturity Treasury index lost assets as investors took profits on the large Treasury rally.

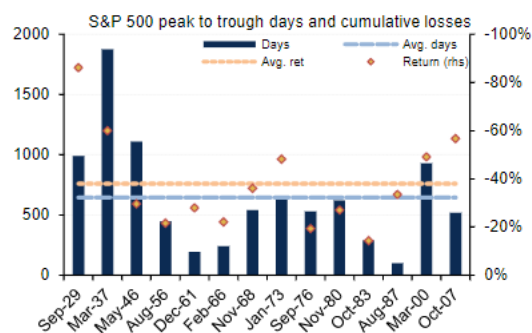
Selected US ETF Flows March 2020

Source: Morningstar

ETF	Ticker	Flows (\$bn)
SPDR S&P 500 Trust	SPY	13.7
SPDR BILg. Barclays 1-3m T-Bill	BIL	8.7
iShares Inv. Grade	LQD	7.4
iShares Core US AGG	AGG	-7.2
iShares 20+ yr. Treasury	TLT	-4.2
Vanguard Total Bond Market	BND	-3.7

The average US bear market lasts about two years and the average investor loss is about 40% through the course of the cycle. Only the 1987 crash saw a bear market shorter than six months. Bank of America analysis of S&P 500 history finds that the eventual trough can occur one year after the initial bear market selloff, handing investors a further 20% loss over the second leg of the selloff. This suggests that the current bear market could take a long time to recover, having started less than a month ago on March 12. However, this episode could be unlike previous bear markets due to the unique nature of the trigger, the joint COVID-19/oil shock. It was also the fastest bear market selloff in history, taking just 16 trading days for the market to close over 20% lower from its February 23 record high.

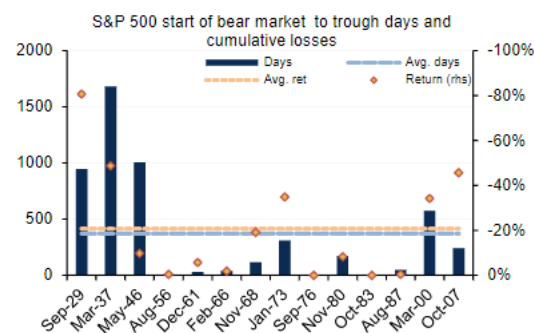
Chart 1: Bear markets take on average over two years to trough after peaks and lead to losses of 40%



Source: BofA Global Research.

Peak dates are 9/16/1929, 3/10/1937, 5/29/1946, 8/2/1956, 12/12/1961, 2/9/1966, 11/29/1968, 1/11/1973, 9/21/1976, 11/28/1980, 10/10/1983, 8/25/1987, 3/24/2000, and 10/9/2007.
Trough dates are 6/1/1932, 4/28/1942, 6/13/1949, 10/22/1957, 6/26/1962, 10/7/1966, 5/26/1970, 10/3/1974, 3/6/1978, 8/12/1982, 7/24/1984, 12/4/1987, 10/9/2002, and 3/9/2009

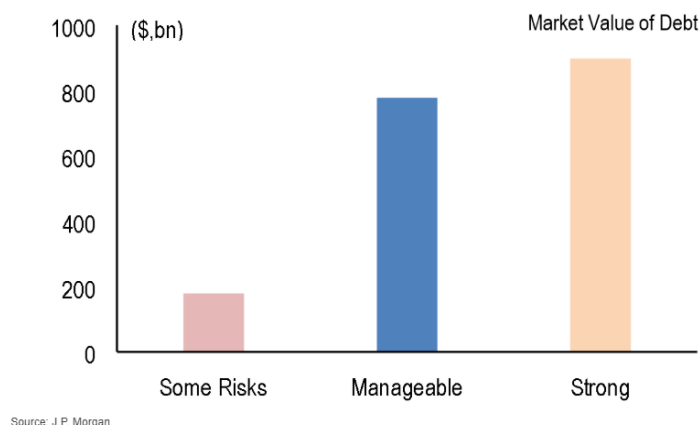
Chart 2: Once the bear market starts, a year elapses before the final trough, adding another 20% to losses



Source: BofA Global Research.

Bear market start defined as $\geq 20\%$ drop from recent peak in SPX as follows:
10/28/1929, 9/17/1937, 9/9/1946, 10/21/1957, 5/28/1962, 8/29/1966, 1/29/1970, 11/27/1973, 3/6/1978, 2/22/1982, 7/24/1984, 10/19/1987, 3/12/2001, and 7/9/2008.
Trough dates are 6/1/1932, 4/28/1942, 6/13/1949, 10/22/1957, 6/26/1962, 10/7/1966, 5/26/1970, 10/3/1974, 3/6/1978, 8/12/1982, 7/24/1984, 12/4/1987, 10/9/2002, and 3/9/2009

Most investment grade US non-financial corporates have strong enough balance sheets to weather the current storm in credit markets, provided the economy begins its recovery in H2 2020. JP Morgan analysts find that 49% are in a strong position, 41% will find the crisis manageable and 11% face some risks. Companies in the health, telecoms and utilities sectors as well as the most of the big technology companies are in the best position. Manufacturing companies such as Boeing and GE face the biggest risks, as do transportation companies. Companies are likely to cut or freeze dividends to conserve cash and put off non-essential capital expenditures until the recovery is underway. M&A activity is likely to be very limited. The upcoming Q1 earnings reports are unlikely to provide much clarity on future earnings as there is great uncertainty about how the economy will evolve.

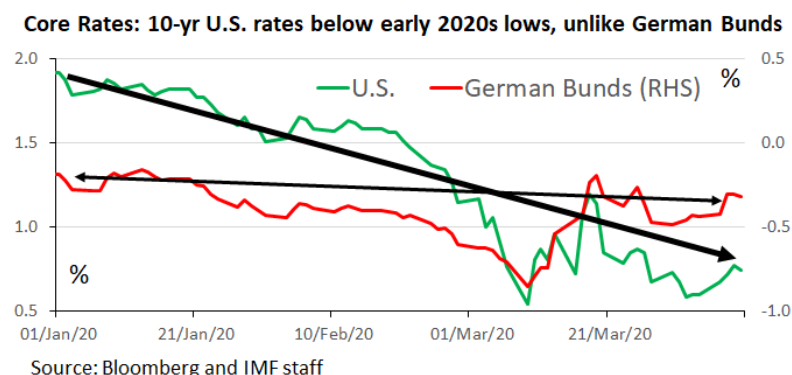


Europe [back to top](#)

European equities (+0.3%) are little changed ahead of today's Eurogroup meeting, with the euro (+0.2% to €1.087) slightly firmer.

Yesterday, **Dutch FM Hoekstra wrote on his twitter account that the current crisis is exceptional, and the ESM could potentially be used unconditionally to cover medical costs**, but long-term economic support would require ESM programs with certain economic conditions. In contrast, **Italian FM Gualtieri proposed a common recovery fund with long-term funding and a common guarantee from member states**, adding that the ESM is not appropriate in size and characteristics to deal with the pandemic.

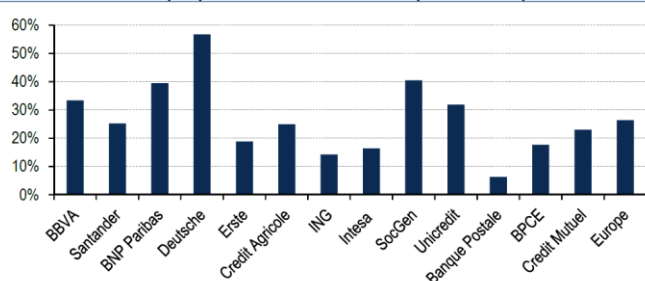
10-yr German yields (-1 bps to -0.31%) are little changed as U.S. 10-yr yields fell 2 bps to 0.75%. Italian 10-yr spreads (+1 bps to 198 bps) and Greek 10-yr spreads (at 215 bps) are also in a tight range.



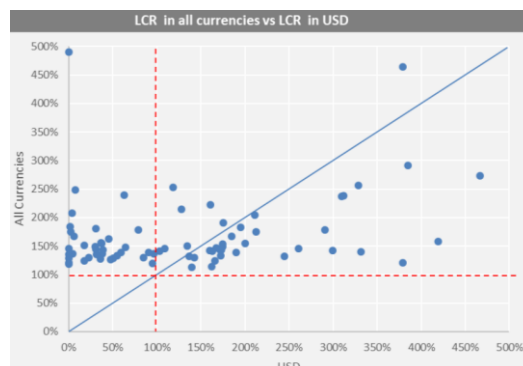
In an op-ed published across euro area countries and interviews in the French media, **ECB President Lagarde renewed her plea for a strong fiscal response to the common pandemic shock**, pointing out that every month of confinement costs about 2-3% of annual euro area growth in 2020. **The President emphasized that the ECB is there to provide the necessary shield (“bouclier”) when problems cannot be resolved overnight during a Eurogroup, adding that the ECB can do more in a worst-case scenario.** She warned not to obsess over the concept of “corona bonds” as the euro area already has forms of debt mutualization via the ESM, EIB and EU loans. **The ECB president also came out in favor of the mutualization of new spending in the context of a European budget, as well as the idea of a common recovery fund that also supports green and digital investment.**

Bank liquidity positions suffice to absorb loan commitment drawdowns. In the wake of market concerns over drawdowns of irrevocable commitments from US banks, ECB data reveals that euro area banks currently have committed lines of €1.9 trn, or 26% relative to the €8.3 trn of system deposit deposits. Commitments are weighted at 15% for calculation of banks’ liquidity coverage ratio (LCR), or €277 bn for the system. This amounts to 9.4% of the €2.9 trn system total high-quality liquid assets (HQLA). Because the system-wide LCR was about 145% at 31 December 2019, Europeans appear able in aggregate to accommodate the 9.4 ppt reduction from a complete drawdown.

Chart 1: Committed lines plus potential derivative collateral requirement, % deposits



Source: ECB, Bank of America Merrill Lynch



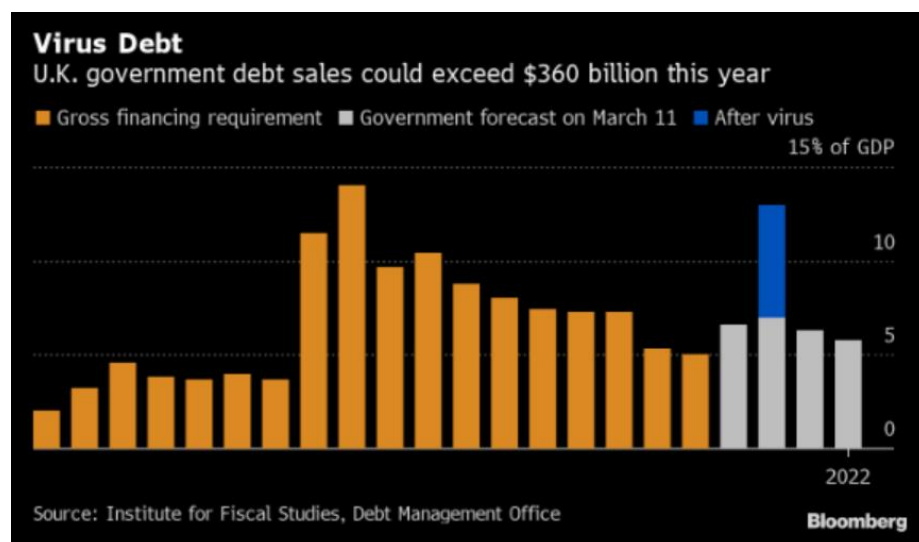
However, some European Union banks’ USD liquidity positions still appear fragile. The European Banking Association’s 30 June 2019 liquidity update suggests that the overall system LCR remains ample. The weighted average LCR registered at 142%, and the total liquidity shortfall had declined to less than €5 trn at June 30, 2019, from €23 trn a year earlier. Nonetheless, the report did highlight one vulnerability: of the 79 banks in the sample reporting US dollars as a significant foreign currency, 47% reported US dollar LCRs below 100%.

The Italian government continues to take measures to deal with the crisis. JP Morgan argues that a new set of guarantees, together with earlier measures, could back up loans worth 75% of GDP. New loan guarantees of €400 bn will facilitate the ability of banks to offer concessionary loans to clients and apply to the whole universe of firms (from SMEs to large companies) at maturities up to 6 years and interest rates in the 0.2-0.5% range. **The Italian government is also working on new support measures to help workers within existing wage supplementation scheme or through a new facility for self-employees.**

Analysts estimate that the 40% reduction in Eurosystem haircuts on non-marketable credit announced on Tuesday will free up about €50 bn of collateral (from €135bn to €85bn).

U.K.

The pound rose (+0.2% to \$1.24) and 19-yr gilt yields (-3 bps to 0.35%) fell after the U.K. Treasury and Bank of England have agreed to temporarily extend the use of the government's long-established Ways and Means (W&M) facility. The W&M is an overdraft facility allowing the government to draw from the BoE in order to smooth any short-term deficits in funding. The facility peaked at £20 bn in Jan 2009. Contacts believe that the W&M facility will help support a smooth functioning of markets as the U.K. needs to raise an extra £130 bn in the current fiscal year. BoE Governor Bailey has rejected the idea of monetary financing in a recent op-ed.



U.K. monthly GDP unexpectedly shrank 0.1% m/m in February, as analysts may have underestimated the impact of storms and flooding.

The Bank of England issued a statement welcoming the decision by several insurance companies to pause dividends. Legal and General said last week that it still intends to pay a 2019 dividend.

Other Mature Markets
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Japan

Equities were slightly lower, underperforming Asian markets. The Topix declined 0.6% while the Nikkei was unchanged. **March machine tool orders dropped 41% y/y, the most since the GFC.** The orders are a leading indicator of spending on factory equipment. The yen and JGB yields were stable.

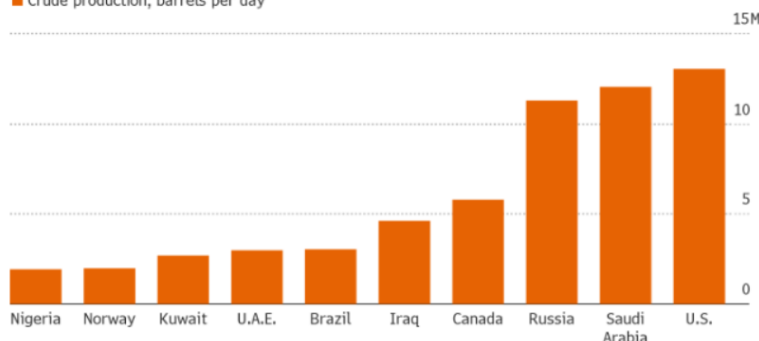
Oil

Oil prices gained following news that Russia will reduce production. Russia announced that it is ready to lower production by 1.6 million barrels per day, the equivalent of a decline of 14% from Q1 levels and proportional to its share in the total production of countries participating in the new OPEC+ deal. Major oil producers are slated to meet on Thursday in Vienna and the focus will likely shift to the US, which has been holding out on promising a production cut. Most analysts believe that reduced outputs, without the participation of the US, would be insufficient to lower the current supply glut. The futures market was nonetheless lifted by the latest development. Oil futures rose across the curve, with the front-month Brent contract up \$1.35 to \$34.20/barrel and the contract for December delivery up \$0.32 to \$38.85/barrel, its highest level since mid-March.

Need to Step Up

The U.S. must join an output cut for a chance to ease oil's oversupply

Crude production, barrels per day



Source: Bloomberg, IEA, EIA, government data
Note: Latest reported data, from February to April

Bloomberg

Korea

The Bank of Korea left the policy rate unchanged at 0.75% and widened repo liquidity provisions.

Two members of the board dissented in favor of a cut. The majority of analysts had expected a hold. In what can be seen as steps towards extending broad-based liquidity support, the BoK plans to add bonds issued by Korea Development Insurance to its repurchase operations and bonds issued by Korea Housing Finance MBS to outright purchases. It will also step up its open market operations for government bonds. While withholding details of a plan to support corporate debt markets, Governor Lee remarked that the Fed's approach of setting up a special purpose corporation is 'pretty effective'. He also mentioned that the BoK is considering offering loans to local brokerages against corporate debt collateral. Bond yields fell 6 bps, equities gained 1.6%, and the won was stable.

Israel

Bank of Israel reacted to the economic pain inflicted by COVID-19 with monetary easing. While reducing its policy rate in line with market consensus by 15bps to 0.1% Bank of Israel hinted on Monday also that it would not shy away from negative interest rates or other "unprecedented" measures including loans to banks or repos collateralized by corporate bonds. The policy actions still need to prove their impact on the real economy, which suffers from an expected massive increase in unemployment, as according to local new reports, claims for unemployment benefits, overwhelmingly initiated by workers on unpaid leave, increased in March to 25% of the workforce. Gains of 7.6% in the country's main stock index TA-35, which remained yesterday closed, and a shekel appreciated by 1.2% subsequent to the policy action hinted however to some positive impact on investors' mood.






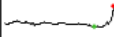
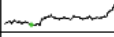
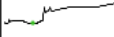
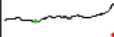
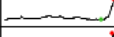
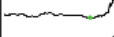
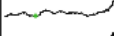

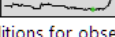
Israel: Top 20 Corporate Bond Index Reacts**Positive To Rate Cut**

Source: Bloomberg.

Emerging Markets [back to top](#)

The risk rally continued in Asia. Equities gained (+1.5% net) after the strong US session overnight. Indian stocks (+3.1%) outperformed, while other markets gained in the 0.5%-1.5% range. Currencies were stable except the Indonesian rupiah (+2.3%). **EMEA equity markets are broadly higher this morning**, with most exchanges up between 1-1.5%. Currencies in the region are also stronger today, led by the ruble (+1.3%) with the zloty underperforming (-0.28%) after the unexpected rate cut. **Latin American equities printed higher again Wednesday, while currencies were mixed.** Following the bullish US trend, most Latin American equities closed yesterday between 1% and 5% higher. The exception was Mexico where data releases displaying an unexpected 0.6% m/m decline in industrial production in February and a 5% y/y increase in nominal wages in March sent the Mexbol initially downwards, limiting its total gain over the day to 0.1%. Currencies appreciated in Brazil (+2%) and Mexico (+1.1%). Spreads to US treasuries declined marginally across the region for US dollar debt.

Key Emerging Market Financial Indicators

Last updated: 4/9/20 8:15 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
Major EM Benchmarks			%				%
MSCI EM Equities		35.48	0.3	9	-5	-19	-21
MSCI Frontier Equities		21.78	2.9	2	-9	-24	-28
EMBIG Sovereign Spread (in bps)		611	-6	-27	150	272	318
EM FX vs. USD		53.57	0.3	1	-6	-15	-13
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		7.06	0.1	0	-2	-5	-1
Indonesian Rupiah		15880	2.3	4	-9	-11	-13
Indian Rupee		76.29	0.1	0	-3	-9	-6
Argentine Peso		65.16	-0.1	-1	-4	-33	-8
Brazil Real		5.15	-0.5	2	-8	-25	-22
Mexican Peso		23.93	0.5	1	-13	-21	-21
Russian Ruble		74.20	1.1	4	1	-12	-17
South African Rand		18.06	0.7	2	-11	-22	-22
Turkish Lira		6.74	0.5	-2	-9	-16	-12
EM FX volatility		11.98	0.0	-0.5	1.4	3.8	5.4

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

China

The Politburo pledged to expand domestic demand as it sees 'greater difficulties' ahead. The Politburo called for normalization of services activity to boost consumption, the acceleration of investment projects, and more support for SMEs. The statement did not contain details. Equities in Shenzhen gained 0.8% and Shanghai was up 0.4%. The tech-heavy Shenzhen market is one of the few bourses worldwide with a gain ytd (+1.8%).

Poland

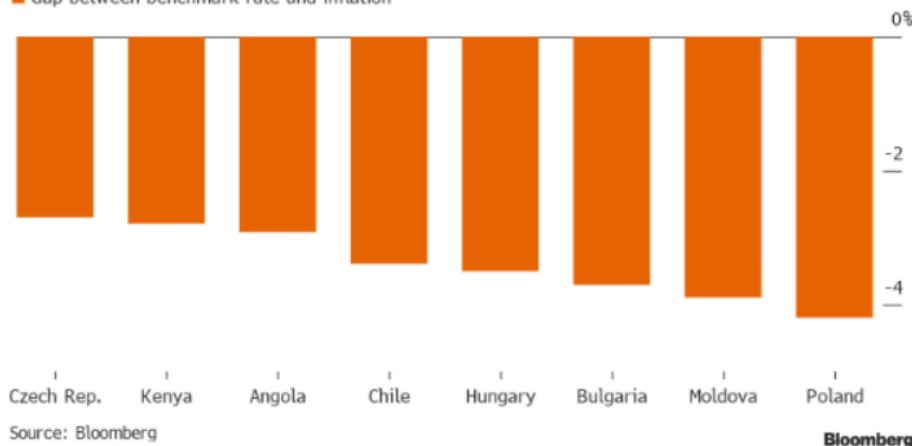
Poland's central bank (NBP) unexpectedly reduced borrowing costs for the second time in three weeks to support the economy. The central bank lowered its benchmark rate from 1% to 0.5% after unveiling a 50-bps cut last month. The rate cut takes the benchmark rate further below Poland's headline CPI; the gap between the two rates is now -4.2%, one of the lowest globally. The NBP also lowered its Lombard rate from 1.5% to 1%, its deposit rate from 0.5% to 0% and its rediscount rate from 1.05% to 0.55%. Meanwhile, authorities expanded the stimulus package by nearly PLN 330 bn (\$79 bn), or about 14% of GDP. News of the rate cut weighed on the zloty, which had weakened by about 0.4% against the

euro. The 10-year yield extended recent declines, falling by another 5 bps to 1.49%, roughly 20 bps lower relative to its level only a week ago.

Deep Negative

Easing takes Poland's real rate to world's lowest

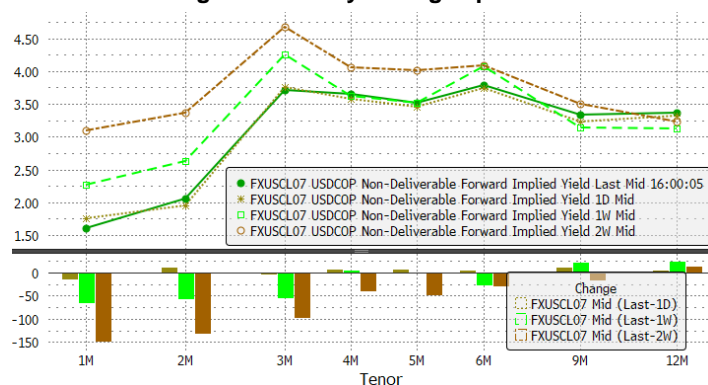
■ Gap between benchmark rate and inflation



Colombia

Market participants hope for more monetary or fiscal action, as COVID-19 weighed on supply and reduced consumer confidence. According to JP Morgan CPI inflation in Colombia increased in March by 3.9% y/y, above the 3.7% expected. Main drivers included higher food prices, indicating a surge in household demand as well as supply disruptions as trucks faced restrictions in entering key markets. JP Morgan analysts also point to a 16% drop in daily energy demand since quarantine measure began. Meanwhile Colombia's consumer confidence index for March printed Wednesday at -23.8, not far from its all-time low. Despite a fiscal position already weakened by low oil prices, the government expanded its 2020 budget by \$4.6 bn or 1.6% of GDP, one fifth more than the increases initially planned according to Reuters. Roughly 40% of the budget increase will be used for the health system, almost 20% will support SMEs and nearly 10% are allocated to vulnerable households, with the rest serving as a buffer against unplanned future expenses. The increase will be financed through tapping the country's savings and pension programs and decapitalizing some second-tier banks. The country also joined Bolivia, Chile, Ecuador, Paraguay and Peru in a multilateral plan for a \$15 bn credit request to IADB to combat COVID-19. Colombia's FX forwards based yield curve fell at the shorter end by 10bps on the day.

NDF FX curve signal monetary easing expectations



Source: Bloomberg

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Japan		19346	0.0	9	-2	-11	-18
China		2826	0.4	3	-4	-13	-7
Asia Ex Japan		62	0.7	8	-5	-15	-16
Emerging Markets		35	0.3	9	-5	-19	-21
Interest Rates			basis points				
US 10y Yield		0.73	6.0	13	19	-177	-119
Germany 10y Yield		-0.35	-4.1	9	51	-34	-16
Japan 10y Yield		0.02	-0.7	2	18	7	3
UK 10y Yield		0.33	-5.7	-1	17	-78	-50
Credit Spreads			basis points				
US Investment Grade		229	-2.0	-53	72	113	132
US High Yield		823	-0.9	-96	190	418	430
Europe IG		93	-2.3	-15	-12	32	48
Europe HY		521	-10.3	-91	56	263	314
EMBIG Sovereign Spread		611	-6.0	-27	150	272	318
Exchange Rates			%				
USD/Majors		100.14	0.0	0	6	3	4
EUR/USD		1.09	0.1	0	-5	-4	-3
USD/JPY		108.9	-0.1	-1	-6	2	0
EM/USD		53.6	0.3	1	-6	-15	-13
Commodities			%				
Brent Crude Oil (\$/barrel)		33	1.6	11	-3	-53	-49
Industrials Metals (index)		92	-0.3	1	-10	-24	-19
Agriculture (index)		36	0.4	0	-3	-10	-12
Implied Volatility			%				
VIX Index (% change in pp)		44.9	1.5	-6.0	-9.6	30.6	31.1
10y Treasury Volatility Index		6.7	-0.3	0.1	-7.5	3.1	2.6
Global FX Volatility		9.8	0.0	-1.1	-1.3	3.2	3.8
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		216	1.2	-8	-55	-131	51
Italy		196	0.4	6	-32	-47	36
Portugal		127	-1.1	-3	3	6	64
Spain		115	0.2	1	3	6	50

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: 4/9/2020 8:16 AM	Exchange Rates						Local Currency Bond Yields (GBI EM)							
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
	vs. USD		(+) = EM appreciation					% p.a.						
China		7.06	0.1	0.4	-2	-5	-1		2.5	-2.7	-17	-28	-75	-66
Indonesia		15880	2.3	3.9	-9	-11	-13		8.3	4.0	24	133	50	113
India		76	0.1	0.0	-3	-9	-6		6.7	3.5	24	28	-82	-19
Philippines		51	0.1	0.6	0	3	0		5.1	0.4	19	99	-19	79
Thailand		33	-0.3	0.4	-4	-3	-9		1.7	3.0	-8	58	-89	7
Malaysia		4.34	0.2	0.5	-3	-6	-6		3.3	1.1	-2	48	-53	-9
Argentina		65	-0.1	-1.0	-4	-33	-8		58.6	-88.6	81	1077	3511	-403
Brazil		5.15	-0.5	2.0	-8	-25	-22		6.4	-13.1	-21	59	-181	11
Chile		848	0.7	1.5	-1	-22	-11		3.4	-14.5	-11	16	-75	10
Colombia		3899	0.2	4.8	-2	-20	-16		7.2	-0.4	-6	159	105	125
Mexico		23.93	0.5	1.4	-13	-21	-21		7.1	-7.3	-3	69	-95	20
Peru		3.4	-0.2	2.7	4	-2	-2		5.1	-4.1	-25	105	-17	62
Uruguay		43	0.0	2.0	-1	-22	-13		13.2	9.9	-1	283	268	231
Hungary		326	1.3	2.7	-10	-12	-10		2.0	11.7	11	67	5	83
Poland		4.19	-0.5	0.4	-10	-9	-10		1.2	-8.9	-16	-28	-113	-70
Romania		4.4	0.1	0.1	-5	-5	-4		4.3	-1.0	-4	74	9	29
Russia		74.2	1.1	4.1	1	-12	-17		6.5	0.3	-10	30	-145	43
South Africa		18.1	0.7	2.2	-11	-22	-22		11.2	-1.0	0	168	193	172
Turkey		6.74	0.5	-2.0	-9	-16	-12		13.6	-3.1	48	231	-541	187
US (DXY; 5y UST)		100	0.0	0.0	6	3	4		0.43	-4.0	5	-5	-187	-126

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
								basis points						
China		2826	0.4	3	-4	-13	-7		247	1	0	54	73	71
Indonesia		4649	0.5	3	-9	-28	-26		364	-10	-8	98	174	208
India		31160	4.2	6	-13	-20	-24		355	0	-5	177	197	230
Philippines		5511	0.0	2	-13	-30	-29		188	2	-32	26	99	122
Malaysia		1370	0.6	3	-4	-17	-14		293	-4	-2	146	168	181
Argentina		28018	5.0	11	-8	-12	-33		3915	-5	38	1126	3099	2146
Brazil		78625	3.0	11	-9	-18	-32		409	-1	-25	106	164	194
Chile		3760	1.3	6	-7	-29	-19		311	-1	-15	85	182	178
Colombia		1187	2.0	12	-12	-27	-29		367	-9	-43	93	188	204
Mexico		34568	0.1	3	-11	-23	-21		666	-13	-21	161	373	374
Peru		13912	1.0	0	-20	-35	-32		281	0	-13	83	160	174
Hungary		33310	1.4	2	-13	-21	-28		204	2	-10	-12	98	118
Poland		43883	0.7	6	-4	-28	-24		126	1	-7	3	81	108
Romania		8078	1.0	7	-8	-3	-19		375	-8	-30	116	171	202
Russia		2666	-0.2	5	-2	4	-12		266	-2	-24	4	54	135
South Africa		46601	-0.2	3	-5	-19	-18		671	-11	-93	181	379	351
Turkey		94240	1.1	5	-9	-4	-18		747	-30	-32	188	272	346
Ukraine		503	0.0	-1	-6	-9	-1		842	-23	-71	131	269	422
EM total		35	0.3	9	-5	-19	-21		611	-6	-27	150	272	318

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

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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)	3793	0.3	3.2	-7.4	-6.4	-9.4
CSI 500 (Mid-Cap Index)	5322	1.0	6.0	1.0	-5.0	-4.7
CSI 1000 (Small-Cap Index)	5789	1.2	7.1	4.0	-3.8	-2.8
Japan (Nikkei)	19346	0.0	8.6	-18.2	-17.3	-19.7
Korea (Kospi)	1836	1.6	6.5	-16.4	-16.9	-18.8
United States (S&P 500)	2750	3.4	11.3	-14.9	-18.8	-17.4
Europe (Eurostoxx 600)	328	0.4	5.1	-21.1	-24.4	-22.6
MSCI Global	462	2.0	7.2	-18.2	-20.3	-20.2
MSCI Asia ex. Japan	573	-0.9	3.7	-16.7	-16.7	-19.4
Asia Pacific Airlines	105	1.3	5.7	-31.9	-23.7	-30.1
Luxury Goods	587	0.8	8.1	-24.2	-22.2	-26.1
Hotels Restaurants & Leisure	270	3.8	13.9	-30.0	-30.3	-32.4
Volatility Index (VIX, change in pp)	45	1.7	-5.9	31.3	30.7	32.9
Interest Rates	Percent	Change (in basis points)				
US 10y Yield	0.73	-5	13	-119	-84	-109
Germany 10y Yield	-0.35	-4	9	-16	7	-13
Eurodollar - April 2020	1.22	6	-5	50	-42	-51
Eurodollar - June 2020	0.59	4	-10	110	-95	-110
Eurodollar - December 2020	0.39	1	-6	123	-104	-122
Exchange Rates	Level	Relative change (in %) (+) = Appreciation				
Chinese Renminbi (per USD)	7.06	0.1	0.4	-1.4	-0.9	-2.8
Japanese Yen (per USD)	108.9	0.0	-0.9	-0.2	2.2	1.2
Euro (in USD)	1.09	0.1	0.1	-3.0	-0.6	2.0
Dollar Index	100.1	0.0	-0.1	3.9	0.4	2.6
EM FX index	53.6	0.3	1.5	-12.8	-9.7	-12.0
EM Bond Spreads on USD Debt	Basis points	Change (in basis points)				
EMBI Global Diversified	625	2	-24	334	323	335
EMBI Asia	424	1	-1	247	251	249
EMBI Latam	677	5	2	369	354	367
China	247	1	0	71	79	74
Local Currency Bond Yields (GBI EM)	Percent	Change (in basis points)				
China	2.49	-3	-17	-66	-43	-61
Mexico	7.14	-7	-3	20	54	23
Brazil	6.36	-13	-21	11	60	20
South Africa	11.24	-1	0	172	179	176
Turkey	13.56	-3	48	187	217	305
Commodities	Dollars	Relative change (in %)				
Brent Crude Oil (per ton)	33.4	1.8	11.7	-49.3	-43.5	-48.7
Gold (per troy ounce)	1662.5	1.0	3.0	9.6	3.2	6.5