



- **US banks deliver solid first quarter results, with cautious guidance** ([link](#))
- **Markets pare back BoE easing expectations after monthly GDP surprises on the upside** ([link](#))
- **The dollar continues to weaken, especially against other G10 currencies** ([link](#), [link](#))
- **EM bond and equity funds saw large outflows last week amid market turmoil** ([link](#))
- **High yield and leveraged loan funds saw large weekly outflows** ([link](#))

[Mature Markets](#)


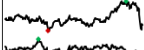

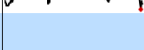






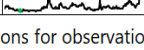
| [Emerging Markets](#)

| [Market Tables](#)

Dollar descent continues amid a wild week in markets

The dollar index was around 1% lower this morning and is down over 3% this week to fall to its **lowest level since 2022**. Major G10 currencies have all gained against the dollar, with the Swiss franc nearly 5% higher for the week. Emerging market currencies have been more mixed in recent weeks, with Latin America coming under some pressure, while Asia and EMEA have generally been more resilient. Treasury yields rose sharply overnight but later retraced the move and were trading little changed this morning. Global equity markets were mixed today, with European and Japanese stocks trading lower while China posted modest gains. US stock futures were up slightly this morning, while companies begin reporting first quarter earnings today, led by US banks. US PPI came in below expectations at -0.4% m/m and -0.1% m/m for headline and core, respectively. Elsewhere, some analysts highlighted the potential impact of an ongoing case at the US Supreme Court, which could determine whether the President can legally fire the heads of independent agencies, such as the Federal Reserve.

Key Global Financial Indicators

Last updated: 4/11/25 8:35 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		5268	-3.5	-2	-5	1	-10
Eurostoxx 50		4783	-0.7	-2	-10	-4	-2
Nikkei 225		33586	-3.0	-1	-9	-15	-16
MSCI EM		40	-1.7	-6	-7	-2	-3
Yields and Spreads			bps				
US 10y Yield		4.44	1.8	45	16	-14	-13
Germany 10y Yield		2.52	-6.0	-6	-38	6	15
EMBIG Sovereign Spread		378	-14	13	44	56	54
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		44.4	0.5	1	-1	-5	4
Dollar index, (+) = \$ appreciation		99.8	-1.1	-3	-4	-5	-8
Brent Crude Oil (\$/barrel)		63.4	0.1	-3	-9	-29	-15
VIX Index (% change in pp)		42.1	1.4	-3	15	27	25

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

Mature Markets

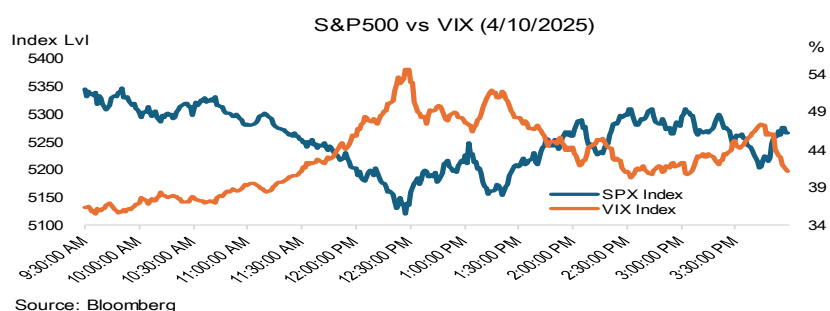
[back to top](#)

United States

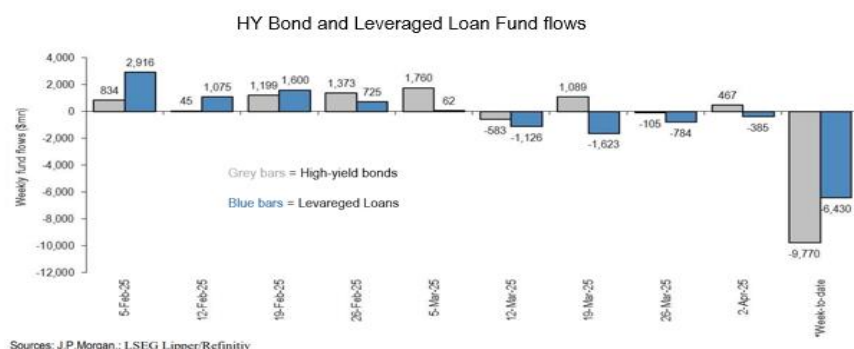
March PPI came in below expectations, with headline and core PPI printing at -0.4% m/m and -0.1% m/m, respectively. The initial market reaction was muted.

	Actual	Consensus	Prior
Headline PPI, MoM	-0.4%	0.2%	0.0%
Core PPI, MoM	-0.1%	0.3%	-0.2%
Headline PPI, YoY	2.7%	3.3%	3.2%
Core PPI, YoY	3.3%	3.3%	3.3%

Soft CPI data failed to reassure markets on Thursday, as the S&P500 declined by 3.5%, the Nasdaq fell by 4.2%, and the VIX increased by 7 percentage points. The response to the lower-than-expected CPI data was muted, as traders quickly refocused on escalating tensions between the US and China. Contacts also noted that, while reciprocal tariffs have been paused for virtually every country, the high tariff levels on China (145%) mean that average global levels are still around 25%. Stocks tumbled by about 6% in the morning before paring losses on somewhat positive sentiment around potential US trade negotiations with other countries. A well-received 30y Treasury bond auction at 1 pm also encouraged some retracement, as a poor result might have been seen as a risk event for broader assets. The Treasury yield curve steepened, with 2y yields down 6 bps while 10y yields rose 7 bps. A few contacts noted that increased fiscal risks from the passage of the US House's budget framework, which would lead to significantly higher deficits, may have put pressure on the long end of the Treasury curve.



High yield and leveraged loan funds saw large weekly outflows, according to LSEG Lipper data. Amid broader volatility and dash-for-cash behavior, the leveraged loan market experienced record outflows of \$6.5 bn in the week ending last Wednesday. These outflows coincided with significant underperformance compared to other credit, as increased Fed rate cut expectations have dampened the asset's attractiveness as a floating rate product. There also has been a large downward repricing in leveraged loan prices. JPMorgan notes that as of yesterday morning, only 7% of leveraged loans are trading at \$99.5 or above, compared to 76% at the end of 2024. High yield (HY) corporates have also been under pressure, with the latest weekly outflows close to \$10 bn. While there was some spread tightening during Wednesday afternoon's risk-on rally, HY cash spreads have widened by about 77 basis points since April 2.



The dollar continues to weaken, with many analysts attributing the move to a rotation out of US assets. The Bloomberg dollar index—heavily weighted towards G10 currencies—fell 1.8% yesterday, close to a 4 standard deviation move. Market contacts attribute the ongoing weakness to a rotation away from dollar-denominated assets, driven by the tariff shock, US asset underperformance, and general political and policy uncertainty. Deutsche Bank analysts believe that asset managers need to rebalance long dollar positions in their portfolios, as evidenced by the breakdown in traditional market relationships like real interest rates, where markets are now starting to price in a dollar risk premium.



US Banks

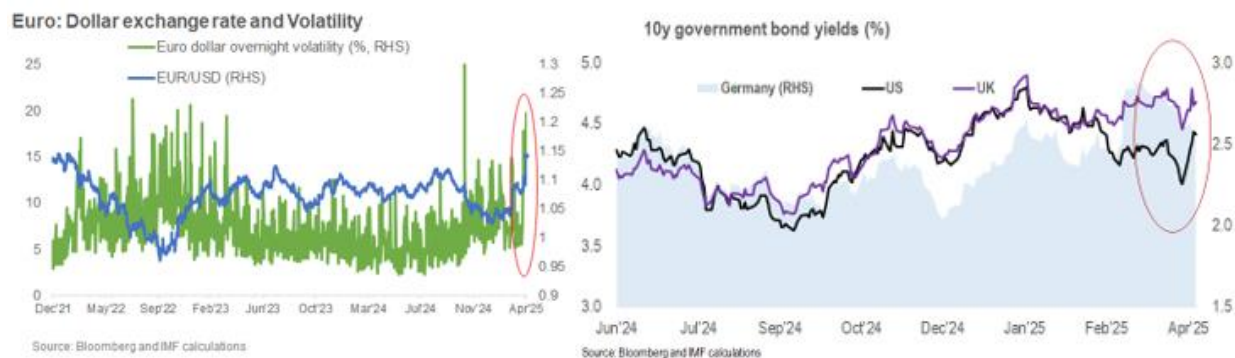
JPMorgan, Wells Fargo, and Morgan Stanley deliver solid first quarter results, with cautious guidance. *JPMorgan's* first quarter net income came in 9% above consensus expectations, driven by positive surprises on revenues. Volatility drove strong markets revenues, particularly in equities, and net interest income came in slightly above estimates. The CEO noted the bank's "fortress balance sheet," with a CET1 ratio of 15.4% and \$1.5 tn of cash and marketable securities. *Wells Fargo* announced net income from continuing operations 3.2% above estimates, due entirely to lower-than expected income tax expense and loan-loss provisions. Revenues were 3% below forecast, driven mainly by a 6% decline in net interest income, but management has maintained its full year forecast. *Morgan Stanley* reported net income of \$5.4 bn, 18% above market consensus and the highest in the bank's history. This was driven by trading revenues of \$4.1 bn (vs \$3.4 bn), attributable primarily to high equity market volatility and transaction volumes. *Bank of NY Mellon* first quarter EPS only slightly beat expectation (\$1.58 vs. \$1.50) as revenues grew in line with expectations (+6% y/y), but the bank reported net outflows of \$18 bn, with assets under management below expectations at \$2.01 tn (vs \$2.05 tn). **Most banking shares were higher in premarket trading**, however Jamie Dimon highlighted "considerable turbulence," causing clients to become more cautious going forward.

Europe

European equity markets opened lower this morning, led by declines in the industrial and energy sectors, though stocks pared early losses. The Stoxx 600 is around 2% lower week to date. Government bond spreads were slightly wider, with the 10y BTP-Bund spread and the 10y OAT-Bund spread trading at 126 bps and 79 bps respectively. Meanwhile, Bloomberg reported that ECB President Lagarde said that the ECB is "monitoring market developments carefully" and stands ready to use the instruments it has to "procure price stability and financial stability". Elsewhere, there are rating updates scheduled for France, Belgium, Italy and Spain. Commerzbank analysts note that while they don't expect any rating changes, it is the first time that the agencies will assess the impact of the announced increase in defense expenditure.

Euro gained almost 4% against the dollar this week to trade at 1.1355 as the common currency benefitted from dollar outflows. ING analysts highlighted that alongside the euro's attractiveness as a liquid reserve currency, part of the recent strength in the currency likely also reflects investors' expectations that the EU is unlikely to escalate trade tensions with the US for now. The analysts further noted that the recent

rally in EUR/USD “is almost entirely a function of the loss of confidence in the dollar and is not at all justified by short-term rate dynamics.” Indeed, the analysts note that over the past week, both the dollar and US Treasuries have performed as “high-beta assets” to risk sentiment. Elsewhere, Bloomberg analysts stated that German bunds have outperformed as a safe haven asset over the past week, with the 10y bund yield 3 bps lower at 2.55%, while 10y Treasuries yields rose 40 bps and 10y gilts rose 25 bps. The analysts also asserted that a higher credit rating for Germany (by S&P and Fitch) versus the US likely adds to the appeal of bunds in the current environment.



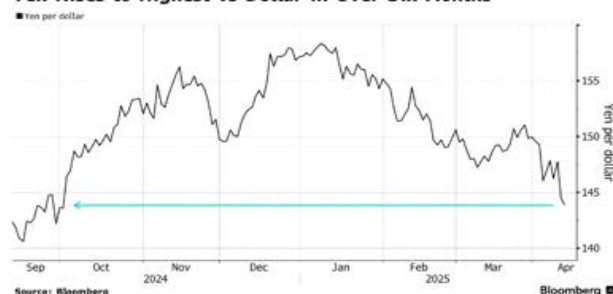
United Kingdom

Markets pare back Bank of England (BoE) easing expectations as February monthly GDP data surprises on the upside. Data this morning showed that the UK economy grew 0.5% m/m in February (0.1% expected, 0.0% prior), driven by strength in the manufacturing sector. Following the release, markets pared back expectations of BoE easing, pricing in around 86 bps of rate cuts through the end of the year, versus around 90 bps priced yesterday. Gilt yields were higher across the curve, with the 30y underperforming (+10 bps to 5.52%) in early morning trading. The sterling was stronger against a broadly weaker dollar to trade at 1.3071 and is up around 1.4% week to date. HSBC analysts noted that part of the strength in the manufacturing sector might reflect frontloading ahead of the April tariffs. They also highlighted that “a silver lining for the UK economy” from the recent volatility is that “energy prices and interest rate expectations have cratered” which should loosen economic conditions and provide support to the housing market. Separately, yesterday, the Bank of England announced that it would reschedule a planned auction next week of long-dated bonds from its stock held in the Asset Purchase Facility due to the recent market turmoil. Instead, the BoE will sell short-dated bonds next week with the schedule for Q2 otherwise unchanged.

Japan

Japanese equities fell over 5% on Friday before recovering slightly to close about 3% lower. Appliance manufacturers and exporters underperformed on tariff fears and the continued strength of the yen, which appreciated 1.5% to JPY142.36. Finance Minister Kato reiterated on Friday that Japan will proactively communicate with the United States on currency issues to prevent excessive currency volatility, while Minister for Economic Revitalization Akazawa, also a leader of the tariff taskforce, committed to discussing the issue with Treasury Secretary Bessent. 10y JGB yields declined around 4 bps to 1.30%, while 30y yields rose modestly. Bloomberg reported that the Ministry of Finance is stepping up its efforts to lure overseas buyers into the JGB market as an alternative safe haven as yields rise, partially in an attempt to limit the role of the Bank of Japan in the bond market.

Yen Rises to Highest vs Dollar in Over Six Months



Japan's Topix Takes a Plunge as US-China Tensions Intensify



Emerging Markets

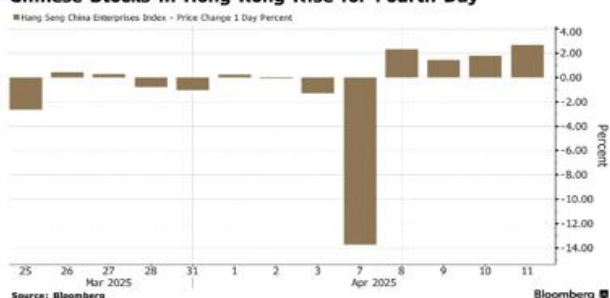
[back to top](#)

EMEA equities were lower this morning, while currencies continued to be mostly weaker. In CEE, equities edged lower with Czechia (-1.8%) and Poland (-1.7%) underperforming, while regional currencies lost ground against the euro. Equities slid (-0.2%) in Türkiye today, where the lira was slightly weaker. In South Africa, equities ticked down by 0.3%, while the rand regained some ground (+0.7%). **Asian currencies strengthened on Friday**, led by Korean won (+1.5%), Malaysian ringgit (+1.1%), and Indian rupee (+0.8%). Regional equities also gained (EM Asia: +1.8%), with strong gains in Vietnam (+4.6%) and Taiwan POC (+2.8%) offset by losses in Malaysia (-0.6%). **On Thursday, most Latin American equity markets declined**, with Colombia (-3.4), Mexico (-1.9%), Chile (-1.4%), and Brazil (-1.1%) all posting losses. Regional currencies also weakened and led losses among EM peers, notably the Mexican peso (-1.1%), Brazilian real (-1%), and Colombian peso (-0.3%). The Chilean peso's (-0.6%) relative outperformance was supported by rebounding copper prices (+4.5% LME).

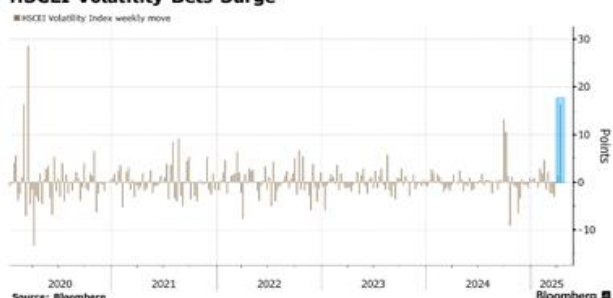
China

Chinese equity indices edged higher for a fourth consecutive day, with the onshore CSI300 index up 0.4%, the Hong Kong Hang Seng index up 1.1%, and the Hang Seng China Enterprises index up 1.7%. Analysts largely attributed the move to optimism over further stimulus measures to combat the strain from US tariffs. However, various measures of volatility remained high, with the HSCEI Volatility Index and the HSI Volatility Index posting their largely weekly increases since March 2020. Options trading surpassed one million contracts (HKEX) each day this week, as tariff fears have pushed up hedging costs. On Friday, the central bank set the daily reference rate for the yuan at 7.2087, slightly stronger than the previous day, with both onshore CNY and offshore CNH up slightly on the day (+0.1%).

Chinese Stocks in Hong Kong Rise for Fourth Day



HSCEI Volatility Bets Surge



EM Fund Flows

EM bond and equity funds saw large outflows last week amid market turmoil. Weekly outflows from bond ETFs and mutual funds were close to \$4 bn, led by hard currency funds. Local currency and blended funds also saw (more modest) outflows, according to Exante. Equity funds saw outflows of \$3.6 bn, with outflows concentrated among Asian regional funds, as reported by JPMorgan and EPFR. Global emerging

market funds also saw outflows, while Latin American regional funds eked out small inflows.

Table 1: Regional fund flows

USD billion	Flows			1y Range					
	Current	YTD	vs 1w	Min	2-Apr	9-Apr	1y Range	4w Range	Max
EM Equities	-3.6	-11.6	▼	-6.6					9.8
GEMs	-0.8	-4.9	▼	-2.9					1.0
GEMs ex-China	-0.1	0.0	▼	-0.4					0.6
APAC	-2.8	-8.5	▼	-5.6					9.2
EMEA	-0.1	1.1	▼	-0.3					0.2
LatAm	0.1	0.8	▲	-0.3					0.2
Dev. Europe	-3.1	22.7	▼	-6.1					5.6
US	31.3	115.2	▲	-34.4					82.2
International	-6.4	27.8	▼	-6.4					11.1

Source: JPMorgan

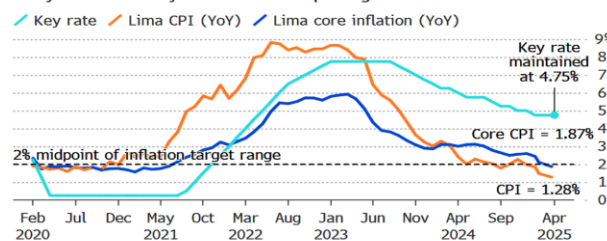
Source: EPFR Global. Note: Ex-onshore funds for EM equities. Total EM Equities include GEMs, LatAm, EMEA and Asia ex-JP.

Peru

Peru's central bank held its benchmark interest rate unchanged at 4.75% for a third consecutive month as expected, citing heightened global uncertainty from trade tensions and financial market volatility. Policymakers expect inflation, which slowed to 1.3% y/y in March, to gradually return to the 2% midpoint target range. Market analysts noted the current interest rate differential with the US may increase the risk of capital outflows, especially for Peru's highly dollarized economy.

Peru Keeps Borrowing Costs Unchanged for Third Month

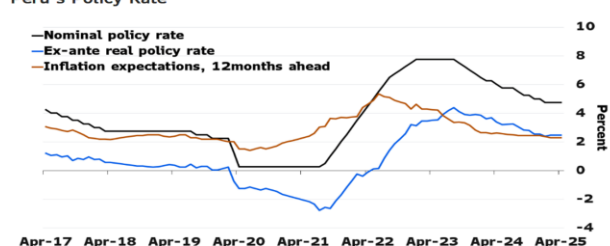
Analysts were nearly unanimous in expecting a hold at 4.75%



Source: Central bank, national statistics agency, Bloomberg

Bloomberg

Peru's Policy Rate



Source: BCRP, Bloomberg Economics

Romania

The leu was little changed after inflation printed slightly below expectations for March at 4.86% y/y (vs. 4.90% expected), from 5.02% y/y previously. On a sequential basis, the pace of inflation fell to 0.27% m/m from 0.88% m/m. The decline was led by lower energy prices, while food inflation picked up to 5.1% y/y, partially offset by non-food inflation which slowed to 3.8% y/y. Analysts at ING see inflation hovering near 5.2% y/y through 2025 before reaching 5% y/y at year end. The analysts expect the central bank to ease its policy rate by 50 bps to 6% by end 2025, as internal and external risks weigh on Romania's growth.

This monitor is prepared under the guidance of Jason Wu (Assistant Director), Charles Cohen (Advisor), Caio Ferreira (Deputy Division Chief) and Sheheryar Malik (Deputy Division Chief). Fabio Cortes (Senior Economist), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Financial Sector Expert-London Representative), Johannes S. Kramer (Senior Financial Sector Expert), Benjamin Mosk (Senior Financial Sector Expert), Sonal Patel (Senior Financial Sector Expert-London Representative), Patrick Schneider (Financial Sector Expert), and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are John Caparusso (Senior Financial Sector Expert), Mustafa Oguz Caylan (Research Officer), Sally Chen (IMF Resident Representative in Hong Kong), Yingyuan Chen (Financial Sector Expert), Andrew Ferrante (Research Analyst), Deepali Gautam (Senior Research Officer), Zixuan Huang (Economist – EP), Harrison Kraus (Research Analyst), Yiran Li (Senior Research Analyst), Xiang-Li Lim (Financial Sector Expert), Corrado Macchiarelli (Economist), Kleopatra Nikolaou (Senior Financial Sector Expert), Francesco de Rossi (Senior Financial Sector Expert-London Representative), Lawrence Tang (Senior Economist), Dmitry Yakovlev (Senior Research Officer), Akihiko Yokoyama (Senior Financial Sector Expert), and Jing Zhao (Economic Analyst). Javier Chang (Senior Administrative Coordinator), Lauren Kao (Administrative Coordinator), and Srujana Tyler (Administrative Coordinator) are responsible for the word processing and production of this monitor.

Disclaimer: This is an internal document produced by the Global Markets Analysis Division (GA) of the Monetary and Capital Markets Department. It reflects GA staff's interpretation and analysis of market views and developments. Market views presented may or may not reflect a consensus of market participants. GA staff do not independently verify the accuracy of all data and events presented in this document.









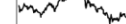














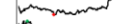









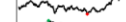

Global Financial Indicators

4/11/25 8:29 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		5,276	-3.5	4.0	-5.3	1.5	-10
Europe		4,783	-0.7	-2.0	-9.9	-3.7	-2
Japan		33,586	-3.0	-0.6	-9.4	-15.0	-16
China		3,751	0.4	-2.9	-6.4	7.9	-5
Asia Ex Japan		68	-2.2	-6.4	-8.7	-0.5	-6
Emerging Markets		40	-1.7	-5.8	-7.4	-2.4	-3
Interest Rates			basis points				
US 10y Yield		4.4	1	44	15	-16	-14
Germany 10y Yield		2.5	-6	-6	-38	5	15
Japan 10y Yield		1.3	-2	11	-19	45	22
UK 10y Yield		4.7	5	24	1	49	12
Credit Spreads			basis points				
US Investment Grade		165	2	14	35	47	45
US High Yield		477	1	9	119	133	149
Exchange Rates			%				
USD/Majors		99.6	-1.2	-3.3	-3.7	-5.4	-8
EUR/USD		1.14	1.3	3.6	4.0	5.8	10
USD/JPY		142.8	-1.1	-2.8	-3.4	-6.8	-9
EM/USD		44.4	0.5	0.6	-0.9	-4.8	4
Commodities			%				
Brent Crude Oil (\$/barrel)		63.5	0.2	-3.2	-8.1	-21.8	-14
Industrials Metals (index)		138.8	2.1	1.2	-8.5	-6.9	-1
Agriculture (index)		58.1	0.6	2.5	0.2	-1.6	2
Gold (\$/ounce)		3224.8	1.5	6.1	10.6	35.9	23
Bitcoin (\$/coin)		82180.7	2.9	4.3	-0.7	16.6	-12
Implied Volatility			%				
VIX Index (% change in pp)		42.5	1.7	-2.9	15.5	27.6	25.1
Global FX Volatility		9.8	0.0	-0.2	1.1	2.7	0.6
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		98	5	9	18	-8	13
Italy		128	3	9	16	-14	12
France		81	3	5	12	31	-2
Spain		75	2	6	13	-7	6

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

Emerging Market Financial Indicators

Last updated: 4/11/2025 8:28 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		7.30	0.2	-0.3	-1.0	-0.9	0.0		1.7	0	-6	-15	-61	3
Indonesia		16795	0.0	-1.4	-2.3	-5.7	-4.1		7.0	-7	7	21	35	1
India		86	0.7	-1.0	1.3	-3.3	-0.5		6.8	0	13	6	-47	-50
Philippines		57	0.7	-0.3	0.5	-0.8	1.5		5.1	1	7	-4	-37	20
Thailand		34	1.7	1.7	0.5	8.8	1.4		2.0	2	6	-21	-67	-30
Malaysia		4.42	1.0	0.3	-0.2	7.3	1.1		3.8	3	8	-1	#VALUE!	-6
Argentina		1077	0.0	-0.2	-1.0	-19.6	-4.2		43.9	21	807	1300	-217	1470
Brazil		5.83	0.9	0.1	-0.4	-12.7	5.9		14.9	11	28	-14	405	-105
Chile		987	-0.7	-3.8	-4.3	-3.3	0.8		5.5	0	-1	-17	-36	-21
Colombia		4333	-0.3	-4.1	-3.5	-12.1	1.7		12.2	7	37	63	141	36
Mexico		20.36	0.6	0.4	-0.5	-19.2	2.3		9.5	10	42	-10	-42	-85
Peru		3.7	-1.0	-1.8	-1.7	-0.5	0.1		6.6	0	22	14	-83	0
Uruguay		43	0.4	-1.8	-1.4	-10.0	2.4		9.6	3	12	-5	60	-3
Hungary		360	0.9	3.0	2.0	0.9	10.4		6.8	-4	9	13	-8	37
Poland		3.78	0.5	2.8	1.7	5.0	9.2		4.9	-9	-21	-73	-54	-69
Romania		4.4	1.4	3.6	4.0	5.7	9.6		7.3	-7	11	6	85	1
Russia		83.8	-0.4	0.8	2.0	11.3	35.5							
South Africa		19.2	1.0	-0.4	-5.2	-2.5	-1.9		11.1	-14	8	44	-94	60
Türkiye		38.06	-0.4	-0.2	-3.9	-15.1	-7.1		34.4	37	135	616	530	471
US (DXY; 5y UST)		100	-1.2	-3.3	-3.7	-5.4	-8.2		4.07	-1	36	3	-57	-32

	Equity Markets							Bond Spreads on USD Debt (EMBIG)							
	Level		Change (in %)						Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD		Last 12m	Latest	7 Days	30 Days	12 M	YTD	
									basis points						
China		3,751	0.4	-2.9	-6.4	7.9	-4.7		117	0	19	-26	21		
Indonesia		6,262	0.1	-3.2	-3.9	-14.1	-11.5		132	-3	24	49	41		
India		75,157	1.8	-1.5	1.8	2.4	-3.8		136	12	31	33	50		
Philippines		6,082	0.1	-1.0	-3.4	-8.7	-6.8		104	-4	3	34	25		
Thailand		1,129	-0.5	-2.9	-3.8	-19.2	-19.4								
Malaysia		1,455	-0.6	-3.3	-3.8	-6.2	-11.4		103	5	23	25	33		
Argentina		2,111,490	-3.3	-7.2	-2.2	67.7	-16.7		909	46	184	-371	272		
Brazil		126,355	-1.1	-3.6	2.3	-0.8	5.0		232	-14	0	27	-15		
Chile		7,372	-1.4	-1.8	0.1	9.6	9.9		130	-7	5	20	17		
Colombia		1,547	-3.4	-4.5	-2.0	9.3	12.1		378	17	46	102	52		
Mexico		51,515	-1.9	-4.8	0.0	-9.4	4.0		344	11	22	40	32		
Peru		28,490	-0.7	-3.6	-0.5	1.9	-1.6		152	-4	8	15	11		
Hungary		85,615	-0.7	3.1	0.5	27.4	7.9		179	-1	23	42	24		
Poland		91,722	0.0	3.0	-0.3	9.9	15.3		116	-4	-1	33	4		
Romania		17,082	0.7	1.2	-2.6	0.4	2.2		276	3	23	110	41		
South Africa		86,393	0.4	5.9	-0.8	14.7	2.7		370	7	46	36	77		
Türkiye		9,361	0.2	-0.2	-10.3	-4.6	-4.8		326	-6	38	60	67		
EM total		40	2.2	-5.8	-7.4	-2.4	-3.2		422	13	46	148	58		

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

[back to top](#)