



- Global investors have grown increasingly bearish toward US equities ([link](#))
- Markets increase UK rate cut expectations after downside March inflation surprise ([link](#))
- ECB bank lending survey showed a small tightening in corporate credit conditions in Q1([link](#))
- China Q1 GDP expanded 5.4%, driven by stronger industrial output and retail sales ([link](#))
- The Turkish lira has stabilized in recent weeks amid substantial FX intervention ([link](#))
- **Special Feature: Emerging and Frontier Market International Bond Issuance** ([attached](#))

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## Risk sentiment remains cautious as investors search for optimism on tariffs

Global equities were broadly weaker this morning despite tentatively positive headlines on trade negotiations. European stocks were mostly trading lower, while Asian stocks were mixed, with onshore Chinese equities ending the day slightly higher despite losses on Hong Kong indices. China reportedly would be open to direct trade negotiations if certain conditions are met. In addition, US-Japan trade negotiations are set to begin today. Otherwise, increased US export restrictions on Nvidia and a poor earnings report from ASML weighed on the global tech sector. US stock futures were down slightly this morning. Retail sales were in line with expectations at 1.4% m/m, though the control group came in weaker than expected. The dollar resumed its slide today, with the euro, yen, and most emerging market currencies higher on the day. Treasury yields have been trading in a tight range in recent days and were little changed this morning.

Key Global Financial Indicators

Last updated: 4/16/25 8:37 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>				%			%
S&P 500		5397	-0.2	8	-4	7	-8
Eurostoxx 50		4946	-0.5	7	-8	1	1
Nikkei 225		33920	-1.0	7	-9	-11	-15
MSCI EM		42	-0.1	9	-6	6	1
<b>Yields and Spreads</b>				bps			
US 10y Yield		4.34	0.6	1	3	-33	-23
Germany 10y Yield		2.50	-3.8	-10	-38	1	13
EMBIG Sovereign Spread		371	-2	-15	41	29	46
<b>FX / Commodities / Volatility</b>				%			
EM FX vs. USD, (+) = appreciation		44.6	0.3	1	-1	-3	4
Dollar index, (+) = \$ appreciation		99.6	-0.6	-3	-4	-6	-8
Brent Crude Oil (\$/barrel)		65.3	0.9	0	-8	-27	-13
VIX Index (% change in pp)		31.5	1.4	-2	10	13	14

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

## Mature Markets

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### United States

**Advance retail sales were in line with expectations at 1.4% m/m, while the control group, closely linked to GDP, came in slightly weaker (0.4% vs 0.6% expected).** Excluding autos & gas, sales grew 0.8% (vs 0.6%). Markets were little changed immediately after the release, with some analysts noting any signals are likely muddled by possible frontloading ahead of tariffs.

	Actual	Consensus	Prior
<b>Retail sales, MoM</b>	1.4%	1.4%	0.2%
<b>Retail sales ex. auto &amp; gas, MoM</b>	0.8%	0.6%	0.5%
<b>Retail sales, control group</b>	0.4%	0.6%	1.0%

**Global investors have grown increasingly bearish toward US equities.** According to the latest Bank of America Global Fund Manager Survey, sentiment regarding global growth has hit its lowest point in three decades. The combination of heightened uncertainty surrounding US trade policy and a spike in financial-market volatility has unnerved stock investors. A record number of fund managers plan to reduce their U.S. equity holdings, as survey respondents indicate a net 36% underweight in US stocks in April, down from 17% overweight in February, marking the largest two-month drop ever. Coinciding with this trend, the 50-day moving average for the S&P 500 fell below its 200-day moving average this week, forming the so-called “death cross,” a trading term used by equity investors to signal waning market momentum. The last time it happened was in March 2022, when the Federal Reserve began raising interest rates to curb inflation, and S&P 500 fell 5% over the following month.

**Chart 1: Record number of FMS global investors intending to cut US equities**  
US equity intentions: want to overweight vs underweight



**Chart 5: Global growth expectations slump to record 30-year low**  
Net % expecting stronger global economy and S&P 500 (YoY % RHS)



**European rating agency Scope issued a warning about a potential US rating downgrade.** The agency cautioned that a lengthy trade war could undermine long-term trust in the dollar, and extreme measures such as capital controls or taxation on foreign investments (if imposed) could lead to a downgrade. Currently, Scope rates the US at AA with a “negative” outlook, a score lower than the AA+ ratings given by S&P and Fitch, and Moody's top-tier “triple A” rating. Scope, a Berlin-based rating agency recognized by the ECB alongside S&P Global, Moody's and Fitch, is the first major rating agency to deliver such a severe warning amidst ongoing tariff disputes. In its report published Tuesday, Scope noted “if doubts about the exceptional status of the dollar were to increase, this would be very credit negative for the U.S.”

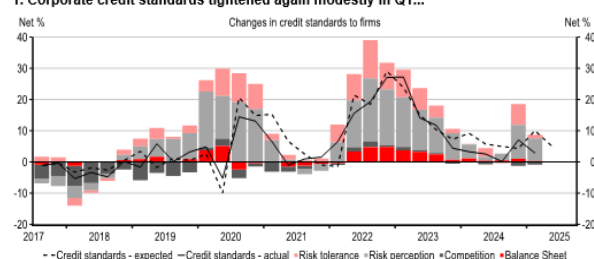
### Europe

**European equity markets were trading lower this morning, with losses led by the technology sector, while the euro appreciated and sovereign yields edged lower.** The Stoxx 600 was down around 0.8% this morning, with the technology sector underperforming (-2.4%) following new US export restrictions and a poor earnings outlook from ASML. Bloomberg reported that little progress on EU-US trade negotiations has been made, with US officials reportedly signaling that most of the US tariffs would not be removed. The report also noted that the EU's trade chief was struggling to determine what the Trump Administration's

main goals were. The euro strengthened against the dollar this morning (+0.8%), trading at around 1.1375, while euro area sovereign bond yields edged lower (10y bund -2 bps to 2.52%).

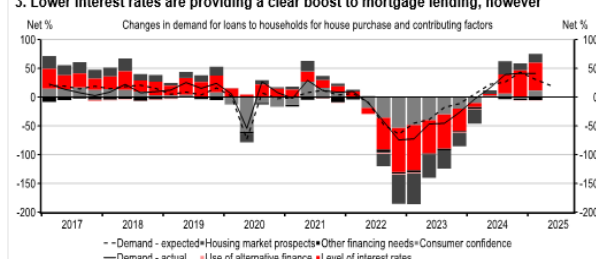
**ECB bank lending survey showed a marginal tightening in corporate credit conditions.** The ECB's Q1 bank lending survey (conducted mid-March) captured lending conditions in the eurozone prior to US policy announcements on April 2nd. The survey showed a marginal tightening in corporate credit standards, largely driven by perceived risks to the general economic and firm-specific outlooks, while demand for business loans returned to negative territory. In contrast, net demand for housing loans continued to improve in Q1 amid lower interest rates, while credit standards applied to housing displayed a slight easing. Barclays analysts note that the survey suggests that although the ECB's rate cuts are starting to lower borrowing costs for businesses and households, the broader credit outlook—particularly for companies—remains uncertain and fragile. Overall, the survey results reinforced analyst expectations for an ECB rate cut later this week.

1. Corporate credit standards tightened again modestly in Q1...



Source: Macrobond, ECB Bank Lending Survey (BLS), HSBC

3. Lower interest rates are providing a clear boost to mortgage lending, however



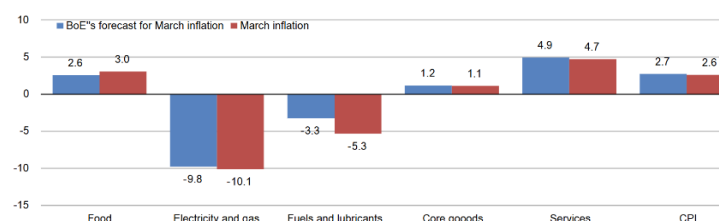
Source: Macrobond, ECB Bank Lending Survey (BLS), HSBC

## United Kingdom

**Markets scale up rate cut expectations after the March inflation print surprised on the downside.**

Headline inflation eased to 2.6% y/y (vs 2.7% expected, 2.8% previous), with services inflation declining to 4.7% y/y (vs 4.8% expected, 5.0% previous). The official labour market report yesterday also showed further signs of weakness. Bank of America analysts continue to expect the next Bank of England (BOE) rate cut in May and note that risks are increasing for a faster cutting cycle than their currently projected quarterly pace. UBS analysts, who also anticipate a rate cut in May, think that the meeting will be dominated by US tariff risks and expect the MPC to acknowledge disinflationary pressures from lower energy prices. Increased imports from China and Southeast Asia could also weigh on prices. Markets are fully pricing in a 25 bp rate cut at the May meeting, with roughly 83 bps of easing by end-2025, compared to 74 bps yesterday. The pound strengthened against the dollar (+0.3%) and gilt yields eased (10y: -3 bps)

Exhibit 1: February inflation vs. BoE's forecasts  
Food inflation stronger than BoE's forecast while headline, core goods and services lower

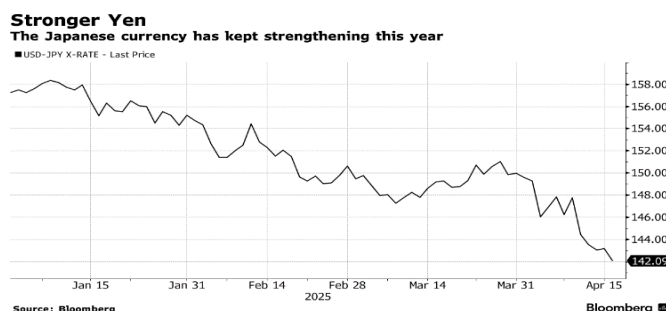


Source: ONS, BoE Global Research

## Japan

**The yen appreciated (+0.4%) to a six-month high against the dollar ahead of trade negotiations set to begin today.** Many analysts believe that an even stronger yen is a plausible outcome from trade talks, with some forecasting a move all the way to ¥130/\$ from ¥142.7/\$. In an interview today, Bank of Japan

(BOJ) Governor Ueda stated that US tariff policy could force the central bank to adjust its policy outlook in a more accommodative direction. Nevertheless, the market and consensus surveys expect the BOJ to hold rates unchanged at its next policy meeting on May 1. Japanese government bonds rebounded today, with yields falling (30y: -12 bps to 2.68%; 10y: -10 bps to 1.26%), partly supported by BOJ purchase operations. Market views remain mixed, as some strategists noted that risk-off sentiment and bond market volatility may have peaked and are starting to wind down, while others remain concerned that trade negotiations could trigger larger fluctuations. Japanese stocks declined today (Nikkei 225: -1%).



## Emerging Markets

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**EMEA equities were mostly lower this morning, while currencies were mixed.** Equities underperformed in Serbia (-2.5%) and the U.A.E. (-0.8%) while South African equities gained (+0.8%). The South African rand strengthened against the dollar (+0.8%), while most CEE currencies were trading in a tight range against the euro. **Asian stocks were mixed, but mostly lower (EM Asia: -1.9%) after new restrictions on Nvidia chip exports to China.** Hong Kong SAR (-1.9%) and Taiwan POC (-2.0%) underperformed, while India edged higher (+0.5%). Regional currencies mostly gained against the dollar, led by the Thai baht (+1%). **Latin American currencies mostly depreciated while equities were mixed on Tuesday.** The Colombian peso (-1.3%) underperformed, with the Brazilian real (-0.5%) and Chilean peso (-0.5%) also edging lower. In contrast, equity markets in Chile (+1.6%), Colombia (+1.4%), and Mexico (+0.5%) all gained. Argentinean equities fell 3.4% after climbing over 5% on Monday. Colombia tapped international bond markets for the first time this year, selling \$3.8 bn in dollar bonds. Ecuador's dollar bonds continued to rally, with the 2035 bond rising to 58.5 cents on the dollar.

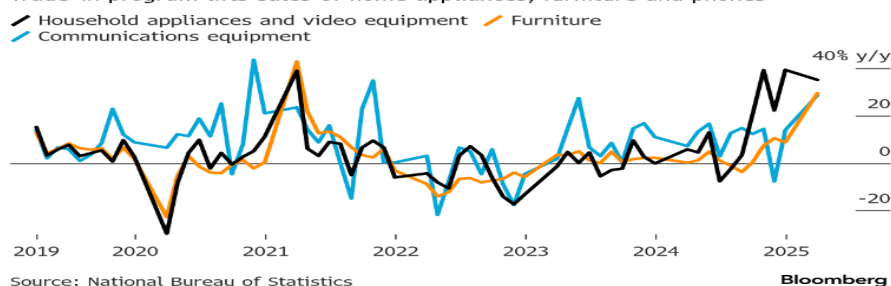
## China

**Chinese equities posted large intraday losses before recovering somewhat, with onshore stocks eeking out a small gain (CSI300 +0.3%) while Hong Kong indices closed lower (HSI -1.9%, HSECI -2.6%).** Headlines on the trade front were mixed, with new export restrictions on Nvidia weighing on the broader tech sector (HSTECH -3.7%) before later reports about a possible path towards trade negotiations. Some investors also expressed fears that stronger-than-expected first quarter GDP growth might delay stimulus measures, though further support is still broadly expected.

**Chinese GDP expanded 5.4% in the first quarter on the back of strong consumption and industrial output.** Retail sales increased 5.9% y/y in March (4.6% y/y in Q1), the highest since December 2023, driven by consumption subsidies, particularly in home appliances and furniture, which saw sales growth of about 30% y/y last month. Industrial output expanded 7.7% y/y in March (6.5% y/y in Q1), the fastest since June 2021, likely driven by strong exports from frontloading before US tariffs hit. Despite the upbeat data, the National Bureau of Statistics called for more proactive and effective macro policies. Some economists suggested that the government might wait to react after observing the magnitude of the export slowdown. They expect the trade war's impact on economic activities to accelerate from April onwards, as global companies pause orders and reduce production. Today, the yuan was little changed against the dollar despite a weaker RMB fixing at 7.2133 per dollar (+37 pips higher).

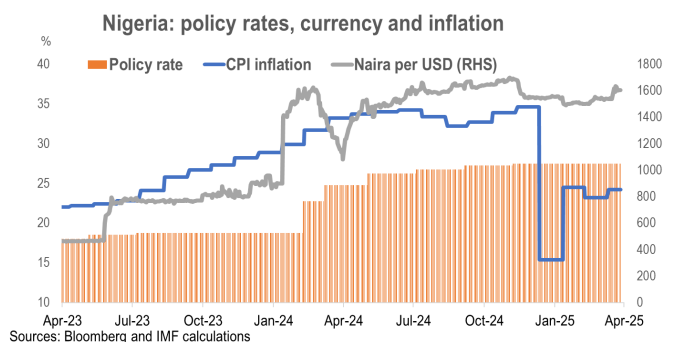
### China's Retail Sales Boosted by Government Subsidies

Trade-in program lifts sales of home appliances, furniture and phones



## Nigeria

**Analysts expect the central bank of Nigeria to remain on hold in May after inflation accelerated in March.** CPI inflation rose to 24.2% y/y in March, from 23.2% previously, marking the first increase since the series was rebased at the start of the year. Absa analysts see the near-term outlook for inflation as unclear, with upside risks from a weaker naira and adverse weather conditions. The naira has weakened 4.5% YTD, with some analysts expecting further depreciation on the back of lower oil prices and export earnings, which could offset any deflationary impacts from lower energy prices.



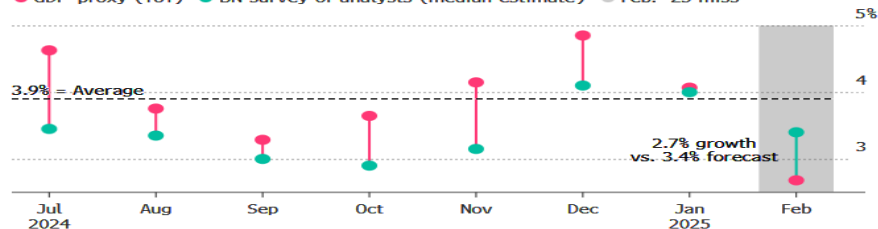
## Peru

**Peru's economic activity slowed more than expected in February.** Peru's economy expanded 2.7% y/y in February, below Bloomberg's median estimate of 3.4%. Bloomberg analysts are forecasting 3% growth for 2025, below the government's 4% target. Goldman Sachs analysts are forecasting growth to reach just 2.9% but expect the central bank to cut interest rates by 25 bps to 4.5% in the second quarter, with the possibility of additional easing in the second half of 2025. Equities (+0.9%) gained and the sol (-0.1%) depreciated following the release.

### Peru Economy Slowed More Than Expected in February

GDP-proxy readings had topped estimate for seven straight months

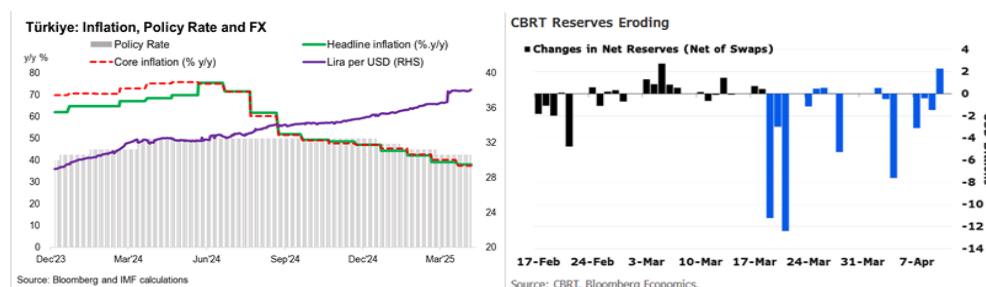
● GDP-proxy (YoY) ● BN survey of analysts (median estimate) ● Feb. '25 miss





## Türkiye

















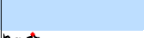





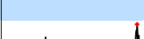
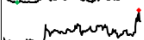


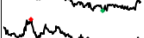
**The lira has remained relatively stable in recent weeks amid estimated FX intervention totaling close to \$49 bn.** On March 19th, the lira depreciated by as much as 10% following news of the arrest of Istanbul's mayor Ekrem Imamoglu. After partially recovering, the currency has continued to trade close to TRY38/\$, reportedly supported by central bank (CBRT) FX interventions, as well as the CBRT raising its overnight lending rate to 46% at the end of March. The CBRT also suspended weekly refinancing operations. Bloomberg analysts estimate that the CBRT has spent about \$49 bn to support the lira since March 19, reducing its net FX reserves to \$16.7 bn as of April 10. Some analysts believe the outflow from lira assets has been primarily driven by foreign investors. Bloomberg analysts expect the CBRT to follow a higher rate path going forward in the attempt to prevent any further switch in domestic investors' savings preferences away from the lira. Consensus expectations are for the CBRT to keep its one-week repo benchmark rate unchanged at 42.5% tomorrow.



*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.*

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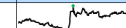


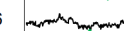






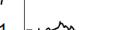



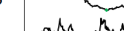





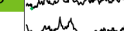


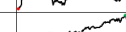


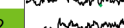

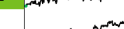



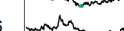

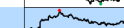
## Global Financial Indicators

4/16/25 8:16 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
United States		5,352	-0.2	-1.9	-5.1	6.0	-9
Europe		4,945	-0.5	7.0	-8.5	0.6	1
Japan		33,920	-1.0	7.0	-9.3	-10.6	-15
China		3,773	0.3	2.3	-5.6	5.8	-4
Asia Ex Japan		71	0.0	9.3	-6.3	8.3	-2
Emerging Markets		42	-0.1	9.3	-5.6	5.9	1
<b>Interest Rates</b>			basis points				
US 10y Yield		4.3	-2	-2	0	-35	-25
Germany 10y Yield		2.5	-5	-10	-39	0	12
Japan 10y Yield		1.3	-10	0	-25	40	17
UK 10y Yield		4.6	-5	-18	-7	30	3
<b>Credit Spreads</b>			basis points				
US Investment Grade		157	0	-2	29	33	37
US High Yield		455	5	-12	95	88	127
<b>Exchange Rates</b>			%				
USD/Majors		99.6	-0.6	-3.2	-4.0	-6.3	-8
EUR/USD		1.14	0.6	3.7	3.9	6.9	10
USD/JPY		142.6	-0.4	-3.5	-4.4	-7.8	-9
EM/USD		44.6	0.3	1.3	-0.7	-2.6	4
<b>Commodities</b>			%				
Brent Crude Oil (\$/barrel)		65.2	0.8	-0.4	-6.9	-20.4	-11
Industrials Metals (index)		139.2	-0.9	5.7	-9.3	-8.0	-1
Agriculture (index)		58.4	0.3	1.8	1.0	-0.7	2
Gold (\$/ounce)		3306.9	2.4	7.3	10.2	38.8	26
Bitcoin (\$/coin)		84033.7	0.0	0.3	1.0	33.3	-10
<b>Implied Volatility</b>			%				
VIX Index (% change in pp)		31.6	1.5	-2.0	9.8	13.2	14.2
Global FX Volatility		9.7	0.0	-0.7	1.6	1.9	0.6
<b>EA Sovereign Spreads</b>			10-Year spread vs. Germany (bps)				
Greece		92	-1	-6	10	-16	7
Italy		118	0	-11	6	-27	3
France		76	0	-4	7	24	-7
Spain		70	-1	-6	7	-14	1

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

## Emerging Market Financial Indicators

Last updated: 4/16/2025 7:28 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		7.31	0.1	0.6	-1.1	-0.9	-0.1		1.7	0	-1	-18	-58	3
Indonesia		16825	-0.1	0.2	-2.5	-3.9	-4.3		7.0	-3	-7	12	31	-4
India		86	0.1	1.2	1.3	-2.5	-0.1		6.8	-6	-9	-2	-71	-59
Philippines		57	0.1	1.0	1.0	0.4	1.9		5.0	0	1	-15	-60	12
Thailand		33	1.1	3.9	1.1	10.1	2.5		2.1	0	7	-15	-75	-28
Malaysia		4.41	0.1	2.0	0.8	8.8	1.4		3.7	0	-3	-4	-22	-9
Argentina		1199	-0.2	-10.3	-10.9	-27.6	-14.0		34.4	-244	-947	489	-867	526
Brazil		5.89	-0.5	2.1	-3.4	-11.9	4.9		14.6	10	-12	-14	353	-133
Chile		972	-0.5	2.9	-5.4	0.7	2.4		5.5	-3	5	-17	-49	-20
Colombia		4355	-1.3	1.6	-6.5	-10.4	1.2		12.2	-3	4	56	129	36
Mexico		20.05	0.3	1.0	-0.5	-14.8	3.9		9.5	-6	3	-4	-57	-89
Peru		3.7	-0.1	0.1	-2.7	-0.1	0.0		6.6	-1	#####	18	-83	0
Uruguay		42	0.4	2.6	0.3	-7.5	4.5		9.6	5	6	-1	75	0
Hungary		359	0.8	2.8	1.5	3.8	10.8		6.8	3	9	-3	-21	41
Poland		3.78	0.8	2.5	1.5	8.8	9.4		4.8	0	-17	-71	-70	-75
Romania		4.4	0.8	3.9	4.1	7.0	9.7		7.3	-2	3	3	79	2
Russia		82.5	-0.1	4.2	1.2	14.1	37.5							
South Africa		18.9	0.9	2.3	-4.2	1.0	-0.1		11.1	-2	-3	34	-119	60
Türkiye		38.12	-0.1	-0.4	-3.9	-14.8	-7.3		35.7	43	208	714	640	602
US (DXY; 5y UST)		100	-0.6	-3.2	-4.0	-6.3	-8.2		3.96	-3	-9	-13	-74	-42

	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	
								basis points						
China		3,773	0.3	2.3	-5.8	7.5	-4.1		121	3	21	-22	25	
Indonesia		6,400	-0.6	7.2	-1.8	-10.7	-9.6		136	5	27	44	45	
India		77,044	0.4	5.3	4.4	5.6	-1.4		129	-11	23	28	43	
Philippines		6,135	-0.8	2.1	-2.5	-4.2	-6.0		109	2	11	29	30	
Thailand		1,139	0.9	1.2	-3.0	-18.4	-18.7							
Malaysia		1,477	-0.6	5.4	-2.3	-3.8	-10.1		100	-8	23	21	30	
Argentina		2,284,280	-3.4	14.8	-2.2	89.8	-9.8		737	-259	-4	-639	100	
Brazil		129,245	-0.2	4.3	0.2	3.9	7.5		238	-9	6	23	-9	
Chile		7,695	1.6	7.4	2.5	19.7	14.7		136	5	10	22	23	
Colombia		1,604	1.4	0.1	-1.0	17.2	16.3		385	-2	57	89	59	
Mexico		52,643	0.5	4.6	0.3	-5.7	6.3		346	-6	26	23	34	
Peru		29,726	0.9	6.3	0.7	8.5	2.6		155	-5	5	12	14	
Hungary		86,768	-0.5	4.0	-1.3	32.6	9.4		190	6	34	47	35	
Poland		94,064	-0.1	6.9	-3.1	15.7	18.2		120	6	14	32	8	
Romania		17,128	0.1	3.5	-0.8	1.9	2.4		282	-3	31	105	46	
South Africa		90,144	0.7	9.3	2.5	23.5	7.2		371	-1	52	18	78	
Türkiye		9,281	-1.2	0.1	-14.4	-2.8	-5.6		329	-9	49	41	70	
EM total		42	-0.8	9.3	-5.6	5.9	0.6		404	-28	32	110	40	

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

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