



- Dollar slipped and Treasury curve steepened on Fed independence concerns ([link](#))
- Political risks in France weighs on banks ([link](#))
- Investors sold JGBs to BOJ at a discount as yields reached record highs ([link](#))
- China's industrial profit drop eased in July, boosted by high-tech gains ([link](#))
- EM issuance slows in a typically quiet August ([link](#))
- Chilean Peso clouded by low carry, external headwinds, and domestic developments ([link](#))

[Mature Markets](#)





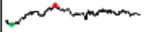
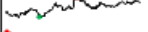
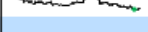
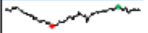


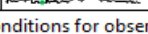
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## Markets steady as traders digest Fed independence and French political risks

Markets remained steady overnight, with equity market futures in the US pointing to a higher, despite headlines around threats to Fed independence and political turmoil across the Atlantic in France. The S&P 500 rose yesterday by 0.4% to close once again near its record high, though the Treasury curve steepened further, and the dollar weakened on net on the Fed news. Contacts note that, despite the most serious challenge to Fed independence in decades, a radical shift in the path of policy is unlikely in the near term. Second-tier data released yesterday, including better-than-expected consumer confidence readings, also supported notions that the US economy was still in good shape. In Europe, equity markets also regained some footing amid increased sovereign risks in France stemming from the government's call for a confidence vote in September, though the euro was weaker against the dollar, at least partially driven by month-end flows. Overnight in Asia, risk-sentiment was largely upbeat, though Chinese equities declined on growth concerns. Tariff uncertainty also still lingers; the imposition of 50% tariffs on India by the US takes effect today. Looking ahead, markets will be acutely focused on Nvidia's earnings release after market close, which could support or challenge the outlook for the recent AI-driven bull market.

Key Global Financial Indicators

| Last updated:<br>8/27/25 8:23 AM     | Level                                                                               |        | Change from Market Close |        |         |      |     |
|--------------------------------------|-------------------------------------------------------------------------------------|--------|--------------------------|--------|---------|------|-----|
|                                      | Last 12m                                                                            | Latest | 1 Day                    | 7 Days | 30 Days | 12 M | YTD |
| <b>Equities</b>                      |                                                                                     |        |                          |        |         |      |     |
| S&P 500                              |  | 6466   | 0.4                      | 1      | 1       | 15   | 10  |
| Eurostoxx 50                         |  | 5398   | 0.3                      | -1     | 1       | 10   | 10  |
| Nikkei 225                           |  | 42520  | 0.3                      | -1     | 4       | 11   | 7   |
| MSCI EM                              |  | 50     | -0.3                     | 1      | 1       | 15   | 20  |
| <b>Yields and Spreads</b>            |                                                                                     |        |                          |        |         |      |     |
| US 10y Yield                         |  | 4.27   | 0.8                      | -2     | -12     | 45   | -30 |
| Germany 10y Yield                    |  | 2.71   | -1.3                     | -1     | -1      | 42   | 34  |
| EMBIG Sovereign Spread               |  | 296    | 4                        | 9      | -6      | -98  | -29 |
| <b>FX / Commodities / Volatility</b> |                                                                                     |        |                          |        |         |      |     |
| EM FX vs. USD, (+) = appreciation    |  | 45.7   | -0.1                     | 0      | 0       | -1   | 7   |
| Dollar index, (+) = \$ appreciation  |  | 98.6   | 0.4                      | 0      | 1       | -2   | -9  |
| Brent Crude Oil (\$/barrel)          |  | 67.4   | 0.3                      | 1      | -2      | -15  | -10 |
| VIX Index (% change in pp)           |  | 14.8   | 0.2                      | -1     | 0       | -1   | -3  |

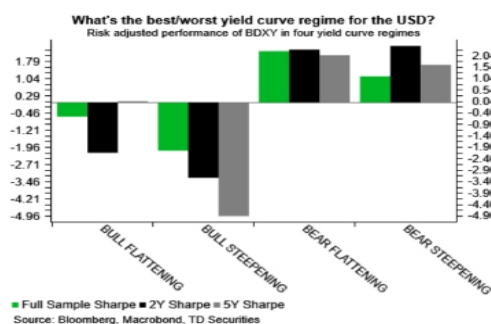
Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations. Data source: Bloomberg.

## Mature Markets

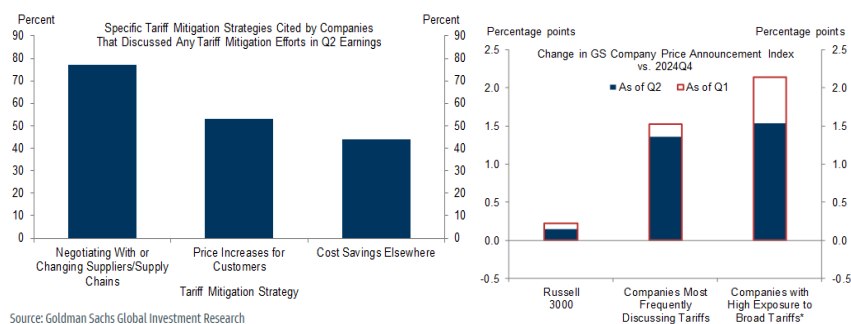
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### United States

**The dollar slipped and the Treasury curve steepened further on growing concerns over central bank independence.** The 2y–30y spreads widened 6 bps to 123 bps, a new cycle high since Jan 2022. Policy rate expectations remained steady, as investors judged that even if Governor Cook were absent from the September FOMC meeting, a majority of the committee would support a rate cut, especially if August data confirms the case. Markets view that the perceived interference to Fed independence will likely lead to further “bull steepening” and higher rate volatility, as investors will pencil in increased odds of more aggressive rate cuts while long-term inflation expectations are at the risk of de-anchoring. In addition, erosion of central bank independence may chip away at the USD’s haven status. Analysts at TD Securities also note that historically, the USD has underperformed against G10 currencies in a bull steepening regime.



**Stocks markets closed higher yesterday, led by small caps (Russell 2000 + 0.8%),** as expectations for easier monetary policy and resilient corporate earnings supported sentiment. With the Q2 earnings season wrapping up, results and management commentary suggest the **earnings drag from tariffs was smaller than feared, cushioned by lower-than-expected tariff hikes and cost management by firms.** Companies have now shifted from discussing tariff uncertainty to managing tariff costs: three-fourths are renegotiating with suppliers or adjusting supply chains, just over half are passing costs to customers, and nearly half are pursuing additional savings, including slower hiring, headcount cuts, or productivity gains through AI. Although the price announcement tracker by Goldman Sachs shows modest overall increases, it remains particularly elevated among tariff-exposed firms, in line with PMI surveys. Labor data has echoed this trend—job openings at tariff-exposed firms fell sharply earlier this year before rebounding, as uncertainty eased, while companies benefiting from trade protections cut openings by slightly less than average.



### Europe

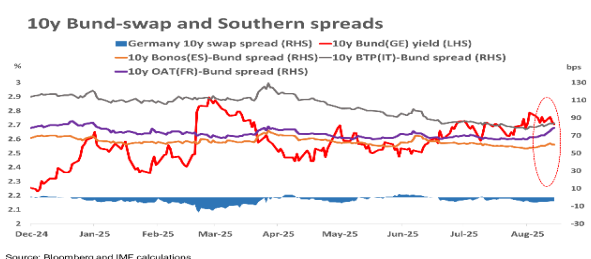
**European equities traded sideways as political developments in France continue to weigh on sentiment** while investors wait for Nvidia’s earning later today for an update on the outlook for AI and the

technology sector. The Stoxx 600 index was little changed this morning, with gains in the energy (+0.9%) and consumer discretionary goods (+0.7%) sectors offset by losses in the banking (-1.1%) and broader financial sectors. Regional bourses were mixed, with the stock market slightly rebounding in France (CAC40 +0.3%) while underperforming in Italy (FTSE MIB -0.7%) and in Germany (-0.2%).

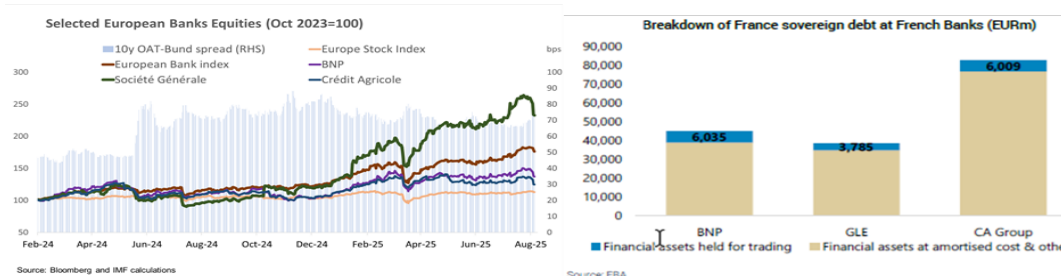
**The euro hit a three-week low against a globally stronger dollar this morning**, declining by -0.5% to trade at around \$1.1586/€, with month-end flows reportedly weighing on the currency. **European government bonds (EGBs) were little changed**, with the yield curve bull-flattening marginally this morning, as the 10y Bund yield fell by -2bps to 2.70% while the 2y yield fell by -1bp to 1.92%. The German government will sell 7-year bonds today, with the tenor reintroduced in June to fund the government's expanded spending plans. Commerzbank sees this auction as challenging, given that the 7-year tenor may be too long for central banks, whereas asset managers probably prefer longer maturities, since it is more difficult to hedge than the benchmark tenors.

**EGBs underperformed Bunds, with the 10y Bund-OAT yield spread continuing to incrementally widen (+1bp) this morning to 78bps** amid linger uncertainties around France's September 8 confidence vote. Deutsche Bank sees persistent deficits above 5% of GDP until 2027 as likely, given rising interest costs (+0.3–0.4% of GDP) and defense spending. Goldman Sachs has revised

its deficit forecast for France upward, from 4.6% to 5.2% of GDP for 2026, with debt projected to rise from 116% of GDP in 2025 to 122% by 2030; analysts also see renewed downgrade risk, with Fitch's (AA–, negative) review coming already on September 12. JP Morgan emphasizes that the roadmap to cut the deficit to 4.6% in 2026 is politically unfeasible as the confidence vote eliminates room for negotiations, making a government collapse likely. Contacts note that President Macron may appoint a new prime minister or call elections, but either option adding risks of prolonged gridlock and higher OATs volatility.



**The banking sector has underperformed the market through recent developments** (Stoxx 600 banks index: -3% WTD vs Stoxx 600: -0.8% WTD), dragged by losses at French banks, as the shares of BNP, Credit Agricole, and Societe General declined respectively by -8.7%, -9% and -10.6%. The losses followed the government's call for a confidence vote in September amid increasing political hurdles for its 2026 budget proposal. **Jefferies notes that a potential deterioration of France's sovereign credit rating could spill over to banks through higher funding costs and impacts on liquidity, though they maintain a constructive view, stressing diversification benefits at the larger French banks.** On net, Jefferies analysts estimate that through the recent sell-off, investors have added about 100bps to French banks' cost of equity vs 20bps for the broader European banking sector. This is despite structural mitigants, including France's long-term fixed-rate mortgages, which shield households from rate shocks, and sovereign holdings that are booked mainly by banks at amortized cost (87–93%), which all serve to limit risk of capital impacts in the short-term.



## Japan

**Investors sold JGBs to the BOJ at a discount as yields reached record highs.** 10y yields rose to 1.62%, the highest since 2008, and 30y yields climbed to 3.2%, a level unseen since 1999. At recent scheduled BOJ bond purchase operations, the lowest accepted yield nearly matched the accepted average, suggesting bondholders' strong willingness to offload holdings by selling at cheaper prices. This rare convergence between average and lowest yields last happened in 2013 during aggressive monetary easing, when long-term yields dropped below zero. Strategists cite position adjustments, expectations of BOJ rate hikes, or both as possible drivers. They also warn of a vicious cycle: the longer the BOJ delays rate hikes, the higher yield investors demand for long-term bonds to compensate for inflation risks. Despite the selloff, Korea Investment & Securities Co. reportedly plans to buy unhedged super-long JGBs for the first time, betting on elevated yields and potential yen appreciation against the dollar, signaling potential JGB demand from life insurers and pension funds in aging economies. Today, the stock market rose slightly (NIKKEI 225: +0.3%) in a wait-and-see mode ahead of earnings announcements by US tech companies. The yen weakened (-0.4%) against the dollar amid persistent rate uncertainty.



## Emerging Markets

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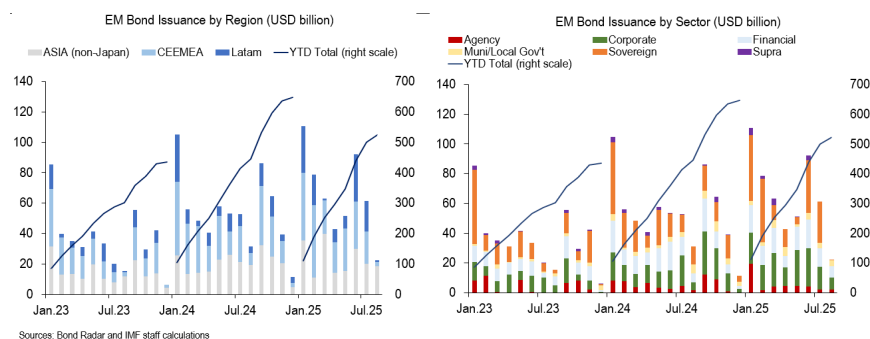
**Regional EM markets traded mixed** as market participants weighed recent developments on global trade, US Fed tensions, and idiosyncratic domestic developments.

**EM Asian stock markets had mixed performance overnight**, with Hong Kong SAR (HSI: -1.3%) declining and Philippines rebounding (PSEi: +2.1%); technology shares advanced as investors awaited Nvidia's earnings as a gauge of chip demand. **EM Asian currencies mostly weakened against the dollar** (EM Asia: -0.1%), led by the Indonesia rupiah (-0.4%) and Malaysian ringgit (-0.4%). Regional markets traded mostly weaker as market participants weigh recent developments on global trade, US Fed tensions and idiosyncratic domestic developments. **In CEE markets, equities underperformed, led by Poland** (-0.8%), while **CEE currencies mostly traded rangebound against the euro**. Elsewhere, the lira was unchanged against the dollar at 41.02/\$, while the South African rand lost ground (-0.8%). **In LATAM, local bond markets traded relatively unchanged while equities traded mostly weaker**, with the MSCI Latin America index closing lower (-0.7%) for the second consecutive day. **LATAM currencies mostly declined against the dollar**, led by the Colombian Peso, which depreciated -0.7% amid domestic developments.

## EM Issuances

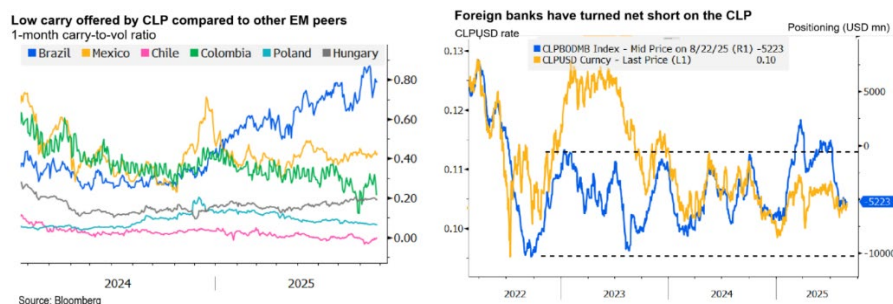
**Issuances have been quiet in a typically slow August but are expected to pick up pace.** In the past week, there were only \$6 bn of total issuances, primarily from corporates and financials, according to data compiled by BondRadar. Colombian corporate, Grupo Nutresa SA (Baa3/BB+) constituted the largest single issuer, issuing a total of \$1bn, spread equally between 2030 and 2035 maturities, at 6.45% and 7.45% respectively. Looking ahead, issuances are expected to pick up in the coming weeks, as typically seen in previous years. Earlier last week, Kenya announced plans to refinance several Eurobonds to spread out its debt maturity profile. The sovereign was also upgraded by S&P to B, from B-, citing "reduced near-term external liquidity risks" alongside strengthened FX reserve position from "robust export earnings

and diaspora remittances”.



## Chile

**CLP outlook clouded by low carry, external headwinds and domestic developments.** Bloomberg analysts highlight that the CLP offers relatively low carry compared to higher-yielding EM currencies, limiting its attractiveness (*left chart*). The swap markets are also pricing in around -50 bps of additional rate cuts over the next year, which is unlikely to support the yield cushion. Additional headwinds stem from uncertainty around global trade policies and their implications for copper prices, a key driver of Chile's economy. Positioning has also turned bearish, with foreign banks holding a net short of \$5bn in mid-August, a reversal from mid-year (*right chart*). Meanwhile, earlier this month, the central bank introduced systematic dollar purchases to build FX reserves, with daily purchases of \$25mn and a cumulative target of approximately \$18.5bn over three years, which may cap appreciation pressures. Nonetheless, analysts also highlight that the larger buffer against external shocks would aid credit and rates in the event of any abrupt FX depreciation.



## China

**China's industrial profits fell at a slower pace (-1.5% y/y) in July**, beating the Bloomberg median forecast (-5.8%) and the decline in June (-4.3%), marking the smallest drop since May, according to NBS data. This marked profit margin improvement likely reflects government efforts to curb excessive competition. **High-tech manufacturing led the rebound**, with profits surging +19% y/y—reversing June's -0.9% drop—while profits in the overall manufacturing sector rose +6.8% y/y, up from +1.4% in June, partly supported by state subsidies. However, weak demand and deflationary pressures continue to weigh on other sectors. Profits in the mining sector plunged nearly -32% y/y for the first seven months due to excess supply. Economists caution that broad industrial weakness persists, and that the high-tech sector alone cannot drive growth. Today, the stock market declined (CSI 300: -1.5%) amid renewed growth concerns. Meanwhile, local hedge funds have reportedly raised their equities positions by more than +8 ppts to 82% in the week ending Aug 15, the biggest weekly increase in two years, according to Bloomberg estimates. The yuan was also little changed (-0.1%) against the dollar, despite a stronger RMB fixing at 7.1108 per dollar (vs. 7.1188 yesterday), the strongest since November.

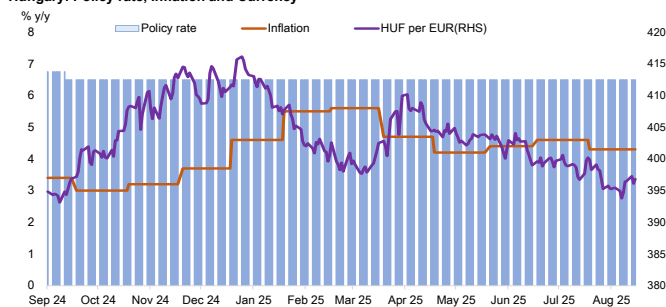


### National Bank of Hungary delivers hawkish hold, in line with expectations.

Yesterday, the National Bank of Hungary (NBH) kept rates unchanged at 6.50% for an eleventh month, in line with expectations. The accompanying statement noted that a “careful and patient approach to monetary policy remains necessary due to risks to the inflation environment as well as trade policy and geopolitical tensions.” The MPC therefore judged that “maintaining tight monetary conditions is warranted.” The rate of

inflation declined by less than expected in July, due to higher food and energy prices and remains outside the one percentage-point tolerance band the central bank has around its 3% target. Analysts at Bloomberg note that the cautious policy stance has helped, in part, to support the forint, which has strengthened by around 3.5% against the euro YTD. The analysts note that with the US Federal Reserve expected to cut rates in September, the wider interest rate differential should lend further support to the currency. This morning, the forint was trading marginally weaker (-0.2%) against the euro at HUF 396.84/€.

Hungary: Policy rate, Inflation and Currency



Source: Bloomberg and IMF calculations

*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), Timothy Chu (Financial Sector Expert-New York Representative), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Senior Financial Sector Expert), 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), Jeremie Benzaken (Administrative Coordinator), and Srujana Tyler (Administrative Coordinator) are responsible for the word processing and production of this monitor.*

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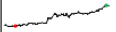









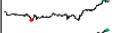






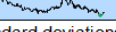
## Global Financial Indicators

| 8/27/25 8:23 AM             | Level    |          | Change                           |        |         |      |      |
|-----------------------------|----------|----------|----------------------------------|--------|---------|------|------|
|                             | Last 12m | Latest   | 1 Day                            | 7 Days | 30 Days | 12 M | YTD  |
| <b>Equities</b>             |          |          | %                                |        |         |      | %    |
| United States               |          | 6,472    | 0.4                              | 1.2    | 1.3     | 15.1 | 10   |
| Europe                      |          | 5,398    | 0.3                              | -1.4   | 0.9     | 10.2 | 10   |
| Japan                       |          | 42,520   | 0.3                              | -0.9   | 3.7     | 10.8 | 7    |
| China                       |          | 4,386    | -1.5                             | 2.7    | 6.1     | 33.5 | 11   |
| Asia Ex Japan               |          | 87       | -0.2                             | 0.9    | 1.4     | 18.4 | 20   |
| Emerging Markets            |          | 50       | -0.3                             | 0.8    | 1.4     | 15.3 | 20   |
| <b>Interest Rates</b>       |          |          | basis points                     |        |         |      |      |
| US 10y Yield                |          | 4.3      | 1                                | -2     | -12     | 45   | -30  |
| Germany 10y Yield           |          | 2.7      | -1                               | -1     | -1      | 42   | 34   |
| Japan 10y Yield             |          | 1.6      | 0                                | 2      | 2       | 74   | 53   |
| UK 10y Yield                |          | 4.7      | -2                               | 5      | 8       | 72   | 15   |
| <b>Credit Spreads</b>       |          |          | basis points                     |        |         |      |      |
| US Investment Grade         |          | 119      | 0                                | 1      | 0       | -13  | -1   |
| US High Yield               |          | 331      | -2                               | -9     | 4       | -37  | 3    |
| <b>Exchange Rates</b>       |          |          | %                                |        |         |      |      |
| USD/Majors                  |          | 98.6     | 0.4                              | 0.4    | 1.0     | -1.9 | -9   |
| EUR/USD                     |          | 1.16     | -0.4                             | -0.5   | 0.1     | 3.7  | 12   |
| USD/JPY                     |          | 148.0    | 0.4                              | 0.5    | -0.3    | 2.8  | -6   |
| EM/USD                      |          | 45.7     | -0.1                             | -0.1   | -0.4    | -0.6 | 7    |
| <b>Commodities</b>          |          |          | %                                |        |         |      |      |
| Brent Crude Oil (\$/barrel) |          | 67.4     | 0.3                              | 0.9    | -0.4    | -9.9 | -7   |
| Industrials Metals (index)  |          | 140.5    | -1.0                             | 0.2    | -10.9   | -5.4 | 0    |
| Agriculture (index)         |          | 55.3     | -0.3                             | 1.0    | 1.1     | 2.3  | -3   |
| Gold (\$/ounce)             |          | 3379.3   | -0.4                             | 0.9    | 2.0     | 33.9 | 29   |
| Bitcoin (\$/coin)           |          | 111216.2 | -0.1                             | -5.0   | -6.4    | 79.8 | 19   |
| <b>Implied Volatility</b>   |          |          | %                                |        |         |      |      |
| VIX Index (% change in pp)  |          | 14.8     | 0.2                              | -0.9   | -0.1    | -0.6 | -2.6 |
| Global FX Volatility        |          | 7.7      | 0.0                              | 0.0    | -0.4    | -1.0 | -1.5 |
| <b>EA Sovereign Spreads</b> |          |          | 10-Year spread vs. Germany (bps) |        |         |      |      |
| Greece                      |          | 69       | 1                                | 3      | 1       | -36  | -17  |
| Italy                       |          | 85       | 2                                | 4      | 1       | -53  | -31  |
| France                      |          | 79       | 2                                | 10     | 13      | 6    | -4   |
| Spain                       |          | 60       | 1                                | 2      | 1       | -21  | -9   |



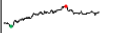









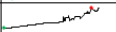
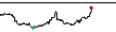













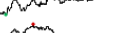








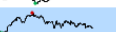
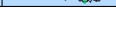
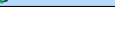
Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations.

Data source: Bloomberg.

## Emerging Market Financial Indicators

|              | 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        |  | 4,386     | -1.5          | 2.7    | 6.1     | 33.5 | 11.5  |  | 111    | 3                        | 7       | -41  | 15  |  |
| Indonesia    |  | 7,936     | 0.4           | -0.1   | 4.2     | 3.6  | 12.1  |  | 83     | 5                        | -4      | -18  | -8  |  |
| India        |  | 80,787    | 0.0           | -1.1   | -0.1    | -1.2 | 3.4   |  | 90     | 5                        | -5      | -21  | 4   |  |
| Philippines  |  | 6,273     | 2.1           | -0.2   | -1.7    | -9.8 | -3.9  |  | 72     | 6                        | -2      | -15  | -7  |  |
| Thailand     |  | 1,248     | -0.3          | 0.0    | 2.5     | -8.6 | -10.9 |                                                                                    |        |                          |         |      |     |  |
| Malaysia     |  | 1,588     | 0.4           | 0.0    | 3.8     | -5.2 | -3.3  |  | 63     | 3                        | -5      | -28  | -7  |  |
| Argentina    |  | 2,033,345 | 0.6           | -2.8   | -7.5    | 25.8 | -19.7 |  | 859    | 150                      | 117     | -657 | 222 |  |
| Brazil       |  | 137,771   | -0.2          | 2.5    | 3.2     | 0.7  | 14.5  |  | 206    | 11                       | -2      | -16  | -41 |  |
| Chile        |  | 8,827     | -0.6          | 1.7    | 7.4     | 38.4 | 31.5  |  | 103    | 5                        | -4      | -18  | -10 |  |
| Colombia     |  | 1,856     | 0.3           | 0.0    | 8.6     | 38.3 | 34.5  |  | 290    | 7                        | -13     | -21  | -36 |  |
| Mexico       |  | 58,132    | -0.6          | -0.6   | 1.4     | 10.8 | 17.4  |  | 244    | 10                       | -20     | -71  | -68 |  |
| Peru         |  | 34,616    | 0.9           | 2.4    | 3.7     | 22.6 | 19.5  |  | 104    | 4                        | -15     | -37  | -37 |  |
| Hungary      |  | 105,073   | -0.1          | -1.4   | 3.6     | 43.3 | 32.5  |  | 138    | 6                        | -12     | -19  | -17 |  |
| Poland       |  | 107,657   | -0.8          | -2.8   | -0.8    | 28.0 | 35.3  |  | 97     | 6                        | -2      | -11  | -15 |  |
| Romania      |  | 20,678    | 0.2           | -0.6   | 3.9     | 12.8 | 23.7  |  | 209    | 8                        | -1      | 10   | -26 |  |
| South Africa |  | 101,894   | -0.5          | 0.8    | 3.0     | 20.5 | 21.2  |  | 287    | 7                        | -5      | -13  | -6  |  |
| Türkiye      |  | 11,422    | -0.9          | 2.6    | 7.3     | 17.2 | 16.2  |  | 275    | 11                       | -10     | -20  | 16  |  |
| EM total     |  | 50        | -1.1          | 0.8    | 1.4     | 15.3 | 20.1  |  | 352    | 18                       | -5      | -54  | -12 |  |

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

| Last updated:<br>8/27/2025<br>8:23 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                                 |  | 7.16   | -0.1                 | 0.2    | 0.2     | -0.5  | 1.9   |  | 1.8    | -1                       | -3     | 3       | -26  | 13   |
| Indonesia                             |  | 16360  | -0.4                 | -0.6   | -0.1    | -5.3  | -1.6  |  | 6.3    | -1                       | -9     | -18     | -35  | -74  |
| India                                 |  | 88     | -0.1                 | -0.8   | -1.2    | -4.3  | -2.4  |  | 6.9    | 0                        | 8      | 5       | -11  | -47  |
| Philippines                           |  | 57     | -0.2                 | -0.4   | 0.0     | -1.6  | 1.2   |  | 4.7    | 0                        | -1     | -7      | -40  | -14  |
| Thailand                              |  | 32     | 0.0                  | 0.2    | -0.3    | 4.9   | 5.0   |  | 1.4    | 0                        | -3     | -19     | -119 | -92  |
| Malaysia                              |  | 4.24   | -0.4                 | -0.2   | -0.1    | 2.7   | 5.6   |  | 3.4    | 0                        | 0      | -2      | -40  | -44  |
| Argentina                             |  | 1356   | 0.0                  | -4.7   | -4.6    | -30.0 | -24.0 |  | 47.4   | -60                      | 712    | 1125    | 760  | 1827 |
| Brazil                                |  | 5.43   | 0.0                  | 0.9    | 2.9     | 1.4   | 13.7  |  | 13.9   | 2                        | -12    | -22     | 227  | -203 |
| Chile                                 |  | 966    | -0.1                 | -0.3   | 0.2     | -6.3  | 3.0   |  | 5.4    | 2                        | 3      | 0       | -7   | -25  |
| Colombia                              |  | 4054   | -0.7                 | -0.5   | 2.8     | -0.7  | 8.7   |  | 11.5   | -2                       | -18    | -10     | 144  | -29  |
| Mexico                                |  | 18.72  | -0.3                 | 0.3    | 0.3     | 5.6   | 11.3  |  | 9.0    | -1                       | -10    | -38     | -73  | -138 |
| Peru                                  |  | 3.5    | -0.4                 | -0.6   | -0.1    | 5.5   | 5.4   |  | 6.3    | -1                       | -1     | -23     | -27  | -34  |
| Uruguay                               |  | 40     | -0.1                 | 0.3    | -0.1    | 0.6   | 9.8   |  | 7.9    | 5                        | 7      | -43     | -160 | -173 |
| Hungary                               |  | 342    | -0.6                 | -1.0   | 0.3     | 2.7   | 16.1  |  | 6.7    | 0                        | 1      | -3      | 69   | 26   |
| Poland                                |  | 3.68   | -0.7                 | -1.0   | -0.1    | 4.0   | 12.1  |  | 4.8    | -3                       | -2     | -9      | -21  | -77  |
| Romania                               |  | 4.4    | -0.6                 | -0.7   | 0.2     | 1.9   | 10.0  |  | 7.4    | -1                       | -2     | 13      | 89   | 9    |
| Russia                                |  | 80.4   | 0.2                  | 0.2    | 1.7     | 14.0  | 41.3  |                                                                                      |        |                          |        |         |      |      |
| South Africa                          |  | 17.8   | -0.7                 | -0.4   | 0.7     | -0.1  | 6.2   |  | 10.0   | 2                        | -6     | -25     | -58  | -53  |
| Türkiye                               |  | 41.04  | 0.0                  | -0.3   | -1.2    | -17.1 | -13.9 |  | 31.6   | -13                      | -13    | -30     | 272  | 185  |
| US (DXY; 5y UST)                      |  | 99     | 0.4                  | 0.4    | 1.0     | -1.9  | -9.1  |  | 3.74   | 0                        | -7     | -21     | 10   | -64  |

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