GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

FRIDAY, DECEMBER 11, 2020

- **EC President Von Der Leyen now sees no-deal Brexit as most likely outcome** (link)
- **UK Financial Stability Report underlines banking sector resilience** (link)
- **Basel III adds 15% to banks' required capital, a chronic headwind through 2028** (link)
- **Fitch Ratings issues a caution note on Turkish banks** (link)
- **Chinese stock markets underperform global equities this week** (link)
- **Mexico law makers mandate central bank to buy excess dollars** (link)
- **Analysts expect shift in portfolio asset allocations towards equities next year** (link)

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Weaker Risk Sentiment Weighs on Markets

Risk assets sold off today amid greater uncertainty about the prospect of new policy support measures, as well as rising geopolitical and trade tension. As the US Congress remains deadlocked over the passage of a new fiscal stimulus bill, investors are fretting about the economic toll of the continuing health crisis over the coming months. This comes on the back of disappointing news following the trial of two new potential vaccines, as COVID-19 cases continue to mount in developed countries and new lockdowns measures loom. Global equities are generally down today, with European stocks and US equity futures about 1% lower. And as risk assets sell off, safe havens have been bid-up, with 10-Year Treasury and Bund yields dropping by about 1 bp and 3 bps, respectively. The US dollar has also slightly strengthened (+0.2%) against other major currencies. Meanwhile, the GBP has continued to slide (1.8% weaker against the greenback this week) as the risk of a no-deal Brexit is increasingly turning into a base-case scenario. Rising tensions between the US and China, including through the introduction of new sanctions by the latter on certain US officials, is also weighing on risk sentiment, with Chinese stocks underperforming global equities this week (down by about 3%).

Key Global Financial Indicators

Last updated: 12/11/20 8:41 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		3668	-0.1	0	3	17	14
Eurostoxx 50		3485	-1.1	-2	1	-5	-7
Nikkei 225		26653	-0.4	0	5	14	13
MSCI EM		51	1.3	1	6	18	14
Yields and Spreads					bps		
US 10y Yield		0.89	-1.5	-7	-8	-90	-103
Germany 10y Yield		-0.64	-3.4	-9	-13	-32	-45
EMBIG Sovereign Spread		364	2	-1	-13	51	74
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		57.3	-0.3	0	2	-6	-7
Dollar index, (+) = $ appreciation		91.0	0.2	0	-2	-6	-6
Brent Crude Oil ($/barrel)		50.1	-0.3	2	14	-21	-24
VIX Index (%, change in pp)		24.1	1.6	3	1	9	10

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

United States

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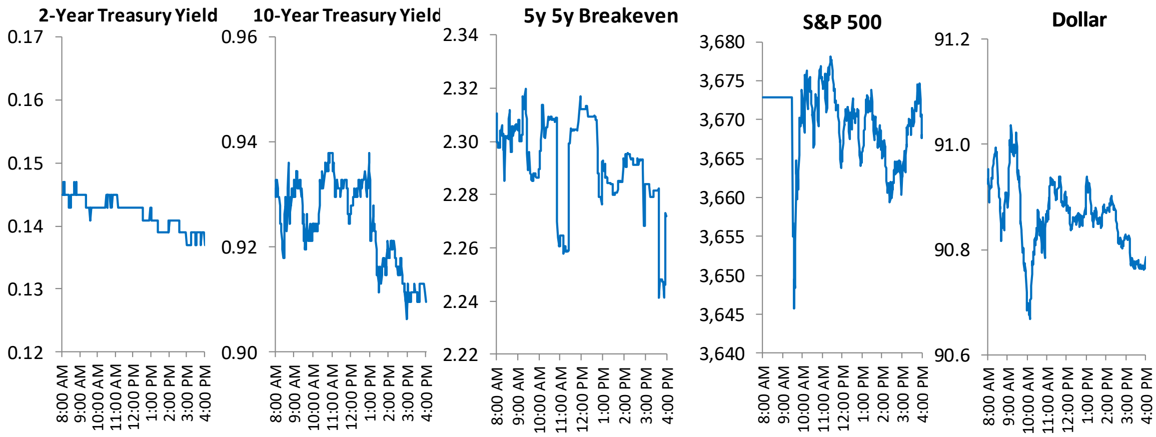
The S&P 500 recouped early losses yesterday to close the day 0.1% lower. The Nasdaq was up 0.5% as tech shares rebounded strongly; Airbnb shares doubled in their market debut. Markets opened on a weak footing following the highest count of initial claims since September 26 and the largest weekly increase since March 28 when they rose by 3.3 mn. Sentiment improved after Treasury Secretary Mnuchin commented that talks between Republican and Democratic senators on a relief package have made a lot of progress. A bipartisan group has reportedly reached an agreement on a needs-based formula to distribute their proposed $160 bn in state and local aid. VIX rose marginally to 22.5. The energy sector also performed well on higher oil prices. **Brent crude price rose to $50/bbl for the first time since March,** despite a rise in US crude stockpiles as reflected in the recent weekly report on inventories.

The November PPI print came in lower than expected this morning. Final demand was in line with forecast (0.1% m/m vs. consensus 0.1%), but ex-food and energy was lower than expected (0.1% m/m vs. consensus 0.2%). Treasury 10-year yields moved slightly lower, while equity futures and the dollar were mostly unchanged.

US Treasury yields declined, led by the long end of the curve, following a 30-year bond auction that attracted strong buy-side demand. The 2-to-30-year yield curve flattened by 5bps. November headline CPI on Thursday morning was higher than expected. Breakeven inflation 10-year was down by 2bps. The dollar index weakened 0.3% on the day.

Intraday Moves

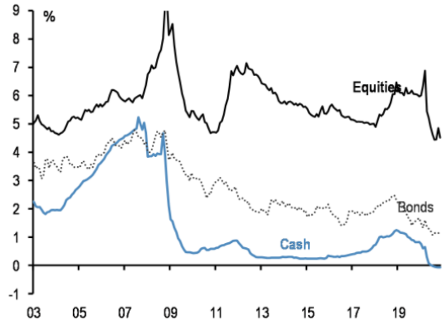


Source: Bloomberg

Analysts expect a potential shift in investors' asset allocations towards equities next year. Investors have become more confident about a strong recovery from the COVID-19 crisis and a normalization of economic life on the back of highly effective vaccines and continued extraordinary monetary and fiscal support. Another consensus view is that most macro, political and geopolitical risks will fade or become a less dominant factor for next year. According to analysts, the current global yield picture may also justify a rotation away from bonds into equities in investors' asset allocation. Cash and bonds yield substantially less than equities (dividend plus buyback yield) following unprecedented policy actions by central banks. Should there be a strong cyclical impulse in 2021, asset allocators may have no choice but to accept higher equity weightings, perhaps even higher than those seen at the peaks of previous equity cycles.

Figure 6: Equity yields vs. bond yields and vs. cash yields

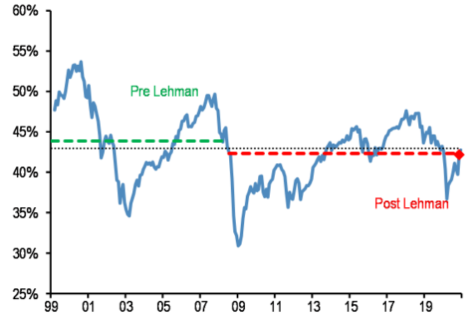
We proxy the yield on bonds by the yield of our GABI (JPM Global Aggregate Bond Index); the cash yield by the 3-month yield of our JPM GBI Cash Index for US, Euroarea, Japan & UK using their weights in the JPM GBI Global index, and the yield on equities by the dividend plus buyback yield of Datastream's global equity index, to which we add 5-year rolling CPI inflation. Last Obs. is as of end-Nov 2020.



Source: Fed, BoJ, BoE, ECB, IMF, Bloomberg, J.P.Morgan

Figure 2: Implied equity allocation by non-bank investors globally

Global equities as % total holdings of equities/bonds/M2 by non-bank investors. Dotted lines are averages.



Source: J.P. Morgan

Europe

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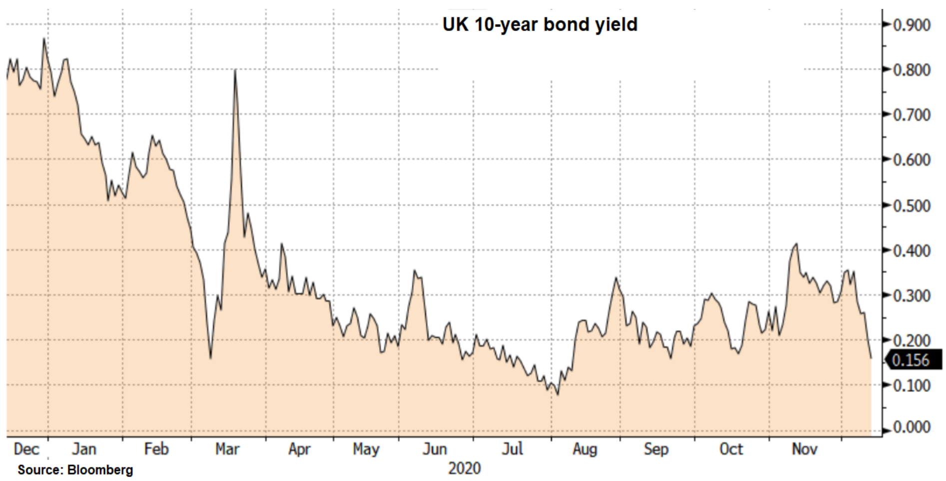
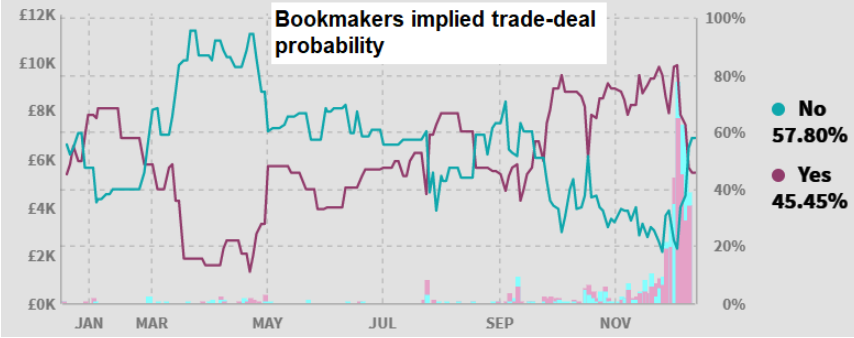
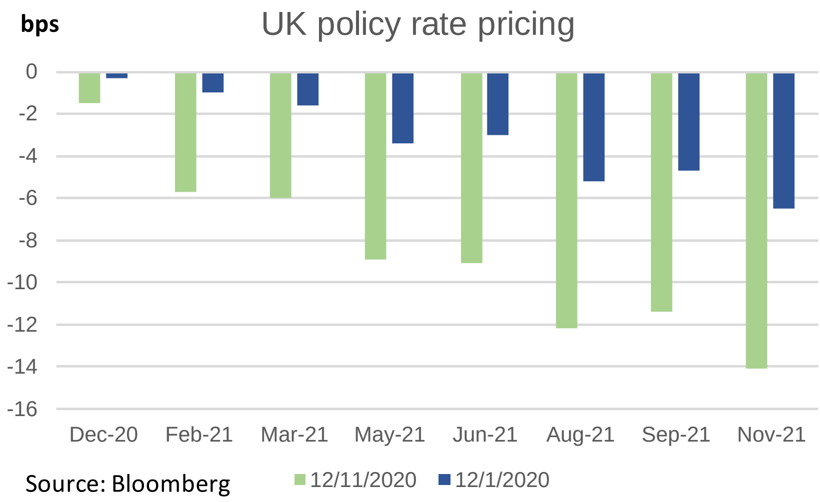
European equities were under pressure this morning with most stock indices down around 1.5%. Communication services (-2%) and consumer discretionary (-2%) were underperforming. UK's FTSE 250 was down 1.5% as well.

European bond yields were mostly lower on broader risk-off mode. German bunds reversed the post-ECB yield increase and were trading 3 bps lower. UK's 10-year gilt yields fell another 5 bps and were approaching the lowest level in 6 months. Southern European spreads widened by 2-3 bps.



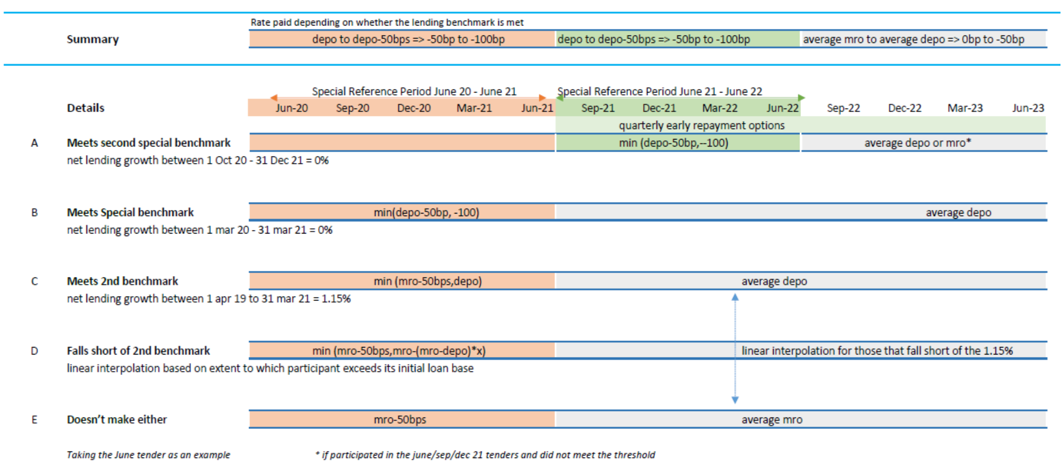
The euro (-0.2%) reversed yesterday's gains while the sterling (-0.9%) continued to depreciate as the market is repricing the probability of a no-deal Brexit. Markets got spooked by EC President von der Leyen's comments at the EC summit where she suggested that a no-deal Brexit is now the most likely option. Negotiations continue and the next major update should come this Sunday. Some contacts continue to see this as last moment negotiations strategy with talks potentially extending right until the last moment. For the first time since the September Internal Markets Bill announcement, bookmakers' implied trade deal odds have shifted back to no-deal favour. Meanwhile, over the last few days **markets have priced-in rate cuts by the Bank of England with a 65% chance of a 10 bps rate cut implied for March 2021**.





The ECB policy package was perceived as broadly in line with market consensus, but comments at the press-conference left analysts with a hawkish impression. Most post-ECB reviews focused on the two-sided risks of the Pandemic Emergence Purchase Program (PEPP) as ECB's Lagarde noted that the program may not be used in full. This was generally interpreted as financial conditions targeting vis-à-vis the inflation outlook. Some contacts expect that the ECB would now allow a gradual increase in GDP weighted yields while focusing on keeping the Southern European spreads under control. There seems to be a disagreement among analysts whether the ECB would have to use the PEPP in full. In contrast to PEPP, the extension of targeted longer-term refinancing operations (TLTRO 3) was broadly seen as more generous than expected.

Figure 1:TLTRO infographic



Source :Deutsche Bank, ECB

European Banks

The implementation of Basel III adds about 15% to European banks' capital requirement, phased in through 2028. The European Banking Authority's latest Basel III Monitoring Exercise estimates that continued implementation of the Basel III framework will add roughly 15% to European banks' required Tier 1 capital relative to current (CRR/CRD IV) standards in place, based on end-2019 (pre-COVID) balance sheets. The main drivers of increase are the implementation of an 'output floor' that limits the RWA reductions due to implementation of internal models; and changes in the measurement of credit risk (including new weightings for exposures to equity funds). G-SIBs, whose Tier 1 requirements increase 23% on a pro-forma basis, are more adversely affected than smaller (Group 2) banks. While the gradual phase-in avoids a sudden shock, it imposes a chronic headwind against European banks' capital positions. Despite their recent bounce, European banks have under-performed US and emerging market peers over the past twelve months.

Change in Total Minimum Capital Requirement due to Full Implementation of Basel III
(Percentage increase relative to end-2019 position)

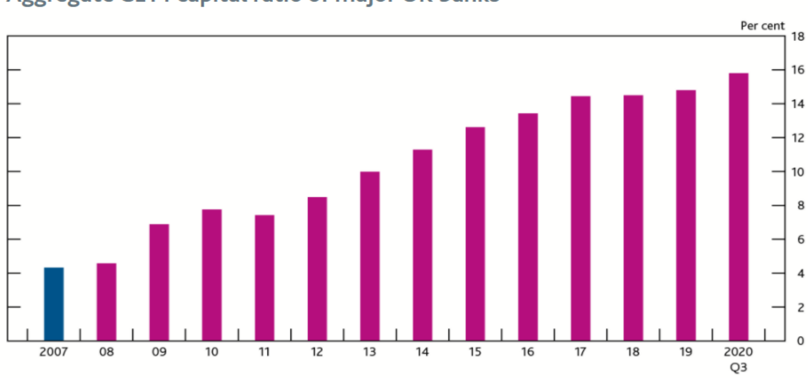
Bank group	Credit risk				Market Risk	CVA	OpRisk	Other Pillar 1	Output floor	Total risk-based	Revised LR	Total
	SA	IRB	Securitisation	CCPs[8]								
All banks	2.2	2.4	0.4	0.0	0.6	3.0	3.8	-0.3	6.2	18.3	-2.8	15.4
Group 1	1.9	2.2	0.4	0.0	0.7	3.2	4.1	-0.4	7.0	19.1	-2.9	16.2
Of which: G-SIIs	2.1	3.5	0.6	0.0	0.5	3.1	6.2	-0.2	6.8	22.6	0.4	23.0
Group 2	4.4	3.3	0.0	0.0	0.4	1.5	2.3	0.0	1.9	13.8	-2.7	11.1

Source: European Banking Authority

The BOE December Financial Stability Report concludes that the UK banking system remains resilent to a wide range of possible economic outcomes. With the common Tier 1 capital ratio at around 15.8%, major banks are seen to be able to withstand credit losses of around £200 bn, which would represent a very distressed macroeconomic scenario with unemployment levels of around 15%. The report also concludes that the financial sector's preparations to deal with the end of the transition period with the EU are in their final stages and that most risks to this end have been mitigated. That said, the BOE highlighted the potential for financial markets disruptions at the end of the Brexit transition period.

Chart 2.1: The aggregate CET1 ratio is more than three times higher than it was before the financial crisis

Aggregate CET1 capital ratio of major UK banks [(a)] [(b)]



Sources: PRA regulatory returns, published accounts, Bank analysis and calculations.

Other Mature Markets

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Japan

Equities were mixed today (NIKKIE: -0.4%; POTIX: +0.3%). **The corporate bond market** saw a mega issuance this week**,** prompting some excitement that the credit market is getting ready to play a bigger role in Japan. Nippon Telegraph & Telephone (NTT) raised $9.6 bn of bonds in the biggest-ever local debt deal, with investors showing strong interest.

New Zealand

The Reserve Bank of New Zealand (RBNZ) responds unfavorably to a government proposal seeking to include house price stability in the monetary policy framework. The government earlier suggested that the RBNZ should consider house price stability when making monetary policy decisions. The RBNZ issued a formal response today, saying that the government's proposal is not preferred by the bank as this could lead to below-target employment and inflation. The RBNZ instead suggested that the housing market concerns should be addressed through stronger macroprudential tools. Government bond yields declined (10-year: -1.6 bps); equities gained (+0.4%).

Emerging Markets

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In Asia, most stock markets gained, led by Malaysian (+1.8%) and Philippine (+1.3%) equities. Chinese equities fell (CSI 300: -1.0%). Asian currencies were mixed. The Malaysian ringgit (+0.3%) and Indonesian rupiah (+0.2%) appreciated against the US dollar, while the Korean won depreciated (-0.3%). Malaysian markets outperformed despite weaker-than-expected industrial production data, which declined 0.5% y/y in October against an expected 0.2% increase. News emerged that Asian exporters are facing a container shortage. With booming exports and reduced imports over the course of the pandemic, a number of Asian countries are increasingly finding it difficult to secure containers to ship their goods.

In EMEA, stocks were mostly down across the region albeit losses were relatively small. The largest drops were seen in Poland (-0.7%), Qatar (-0.7%), and Egypt (-0.3%). On the other hand, Hungary (+0.5%), Russia (+0.5%), and the UAE (+0.3%) posted the strongest gains in the region. Currencies weakened almost in unison to the US dollar, led by the Turkish lira (-1.0%) and Hungarian forint (-0.3%).

In Latin America, equities were mixed on Thursday, while most currencies were stronger. Equities in Brazil and Mexico were up 1.9% and 1.8%, respectively. The rally in Brazil's equity markets was led by Vale SA, whose stock prices soared on the back of the strong recovery in China's iron-ore demand. Iron-ore futures prices rallied past $150/ton on Thursday. Equity markets in Colombia and Chile closed about 1% lower. Most regional currencies appreciated against the US dollar, with Brazil's real (+2.8%) leading the pack. Currencies of Chile, Colombia, and Peru also appreciated by 0.9%, 1.5%, and 0.15%, respectively. The Mexican peso, however, was weighed down by domestic events and declined 0.6%.

Key Emerging Market Financial Indicators

Last updated: 12/11/20 8:41 AM	Level: Last 12m	Level: index	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		51.08	-0.5	1	6	18	14
MSCI Frontier Equities		27.77	-0.4	-1	1	-7	-9
EMBIG Sovereign Spread (in bps)		364	2	-1	-13	51	74
EM FX vs. USD		57.34	-0.3	0	2	-6	-7
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.55	0.0	0	1	8	6
Indonesian Rupiah		14080	0.2	0	0	0	-2
Indian Rupee		73.65	0.0	0	1	-4	-3
Argentine Peso		82.21	-0.1	-1	-3	-27	-27
Brazil Real		5.07	-1.1	1	6	-19	-21
Mexican Peso		20.17	-0.8	-2	2	-5	-6
Russian Ruble		73.19	-0.2	1	5	-14	-15
South African Rand		15.13	-0.7	1	3	-3	-7
Turkish Lira		7.88	0.0	-1	-1	-26	-25
EM FX volatility		10.23	0.0	-0.1	-0.5	3.4	3.6

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

China

Chinese equities declined for five consecutive days this week. Market sentiment has been dampened by growing U.S.-China tensions. Share prices dropped 1.0% today and 3.5% this week (based on CSI 300). Earlier this week, the U.S. government sanctioned more Chinese officials under the Hong Kong Autonomy Act, prompting the Chinese government to retaliate by sanctioning U.S. persons and removing visa-free entry of U.S. diplomats to Hong Kong SAR. The U.S. Federal Communications Commission (FCC) also took actions against Huawei and China Telecom yesterday (see below). Some market participants noted that Chinese equities are trading near their priciest earnings multiple in five years. Without additional financing from margin trading, share prices are not likely to rise, with some market participants seeing current valuations as unsustainable.

Falling Behind

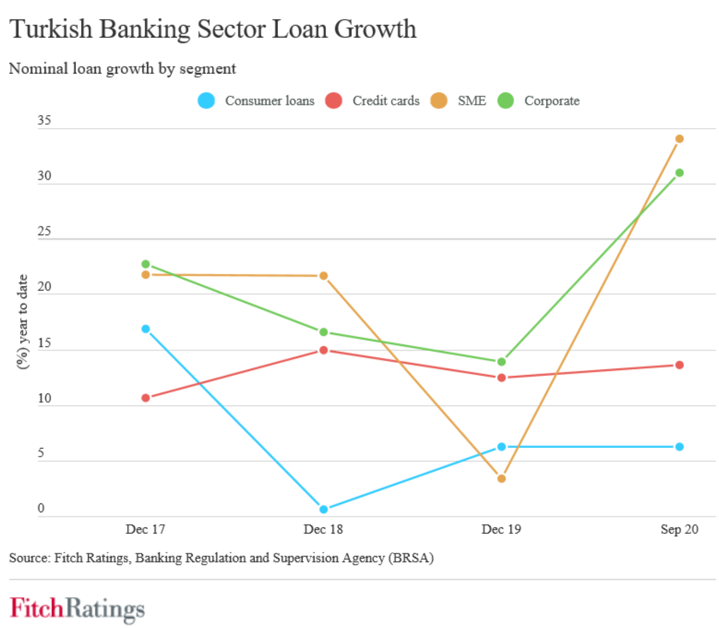
Chinese shares are underperforming global shares

Source: Bloomberg

The U.S. FCC took actions against Huawei and China Telecom. The FCC ordered U.S. mobile carriers to remove equipment made by Huawei and commenced a procedure to end China Telecom's permission to operate in the United States, citing that the two Chinese companies have not complied with cybersecurity and privacy laws.

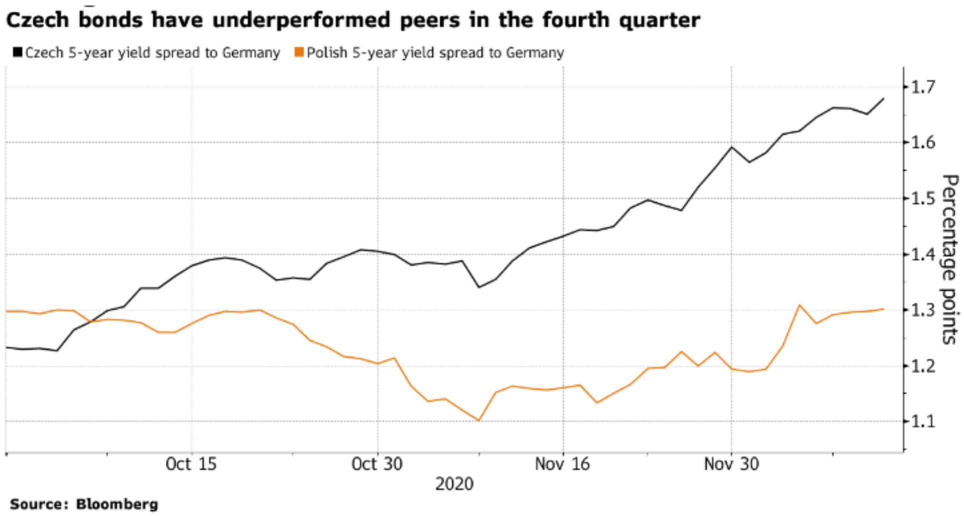
Turkey

Fitch Ratings issues a caution note on Turkish banks. In a new report, Fitch noted that the impact of the pandemic coupled with the phasing out of fiscal stimulus and higher lira interest rates will weigh on the banks' prospects in 2021. The agency expects the sector-wide NPL ratio to reach 6%-6.5% by end-2021 (from 4.1% in Q3 2020) but it also warned that, given current regulatory forbearance, NPL figures are likely to belie the underlying deterioration in asset quality. Separately, **trade data showed a continued deterioration in the nation's trade balance**. In October, Turkey posted its 11th consecutive deficit, amounting to $273 mn in October or $34 bn on a 12-month rolling basis. Tourist arrivals plummeted by 60% y/y in October.



Czech Republic

The Czech Senate has endorsed a tax-cut worth $4.6 bn (100 bn koruna). The plan now requires the approval of the parliament, while the central bank has criticized it as potentially undermining fiscal stability. As prospects for the tax plan have evolved, the spread of Czech bonds over Bunds has increased, more than that of peers in the region. Equities in Prague traded 0.9% lower this morning while the koruna weakened 0.2% to the dollar.



India

The Reserve Bank of India (RBI) resumed Operation Twist. The RBI will buy 100 bn rupee ($1.4 bn) of long-term bonds while simultaneously selling the same amount of short-maturity notes. Market analysts noted that Operation Twist would help contain the government's borrowing costs in light of the decline in foreign interest in Indian government bonds. The Indian rupee and government bond yields were little changed. Equities gained (+0.3%).

Sri Lanka

Sri Lanka was downgraded by S&P to CCC+. S&P highlighted the country's deteriorating fiscal position as a risk to the sovereign's ability to service debt. The government's access to external financing has become increasingly dependent on favorable financial conditions. The pandemic also reduced government revenues from sectors such as tourism. Government bond yields and CDS spreads were little changed. Sri Lankan rupee depreciated (-0.4%) against the US dollar.

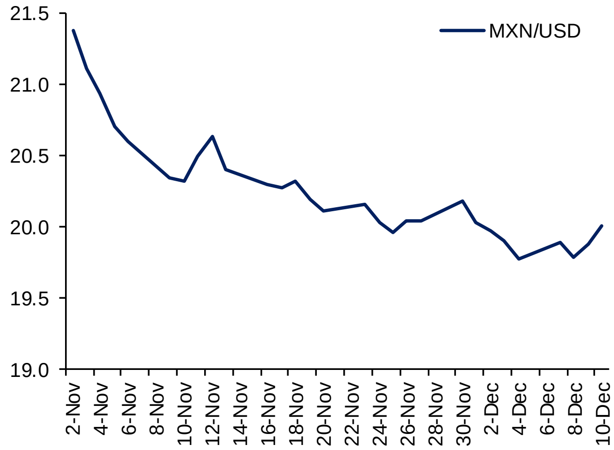
Vietnam

Vietnam concluded a free-trade agreement with the United Kingdom. The deal will eliminate virtually all tariffs between the two countries by the time it is fully implemented. International trade secretary Liz Truss (of the United Kingdom) said that the agreements with Vietnam and Singapore (announced yesterday) will help pave the way towards the development of new digital partnerships and to joining the Trans-Pacific Partnership. Equities gained (+1.5%); Vietnam dong was little changed.

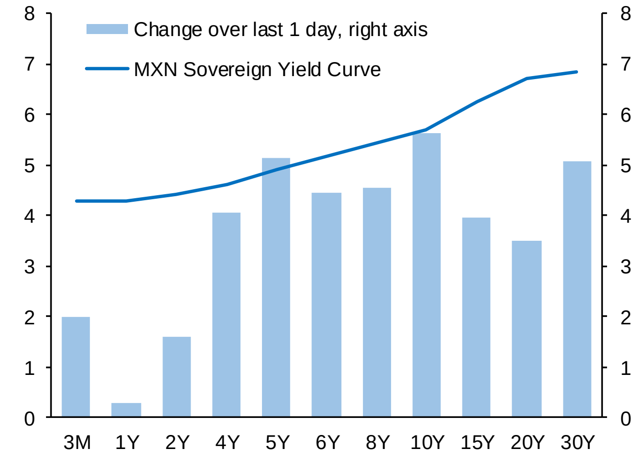
Mexico

The lower house passed a bill that mandates the central bank to buy excess dollars. Owing to the issues related to money laundering in the past, many domestic banks do not have arrangements with US banks, and hence, face difficulty in selling their dollars receipts. The legislators supporting the bill believe that this will help such domestic banks to offload their excess dollars to the central bank. However, some policy makers view this bill as an infringement on the central bank's autonomy. Markets in Mexico reacted negatively to this news. The currency weakened 0.6%, and the yields on the peso denominated sovereign bonds increased by 5.6 basis points since yesterday.

Mexican peso (MXN) slid 0.6% against the USD.



Yields on MXN denominated sovereign bonds increased.



Source: Bloomberg

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Global Financial Indicators

Last updated: 12/11/20 8:43 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		3662	-0.1	-1	3	17	13
Europe		3485	-1.0	-2	1	-5	-7
Japan		26653	-0.4	0	5	14	13
China		3347	-0.8	-3	0	14	10
Asia Ex Japan		88	1.0	1	5	24	20
Emerging Markets		51	1.3	1	6	18	14
Interest Rates					basis points		
US 10y Yield		0.89	-1.5	-7	-8	-90	-103
Germany 10y Yield		-0.64	-3.3	-9	-13	-32	-45
Japan 10y Yield		0.01	-0.1	-1	-3	1	3
UK 10y Yield		0.17	-2.9	-18	-24	-60	-65
Credit Spreads					basis points		
US Investment Grade		105	2.1	4	-8	-7	8
US High Yield		404	1.8	3	-38	-32	11
Europe IG		50	1.9	5	0	3	6
Europe HY		264	12.7	31	-30	42	57
EMBIG Sovereign Spread		364	2.4	-1	-13	51	74
Exchange Rates					%		
USD/Majors		90.99	0.2	0	-2	-6	-6
EUR/USD		1.21	-0.1	0	3	9	8
USD/JPY		104.1	0.2	0	1	4	4
EM/USD		57.4	-0.3	0	2	-6	-7
Commodities					%		
Brent Crude Oil ($/barrel)		50	-0.3	2	14	-21	-24
Industrials Metals (index)		135	-1.5	1	9	20	18
Agriculture (index)		43	0.2	1	0	9	5
Implied Volatility					%		
VIX Index (%, change in pp)		24.1	1.6	3.3	0.7	9.1	10.4
US 10y Swaption Volatility		62.5	0.0	5.8	4.5	-7.1	0.5
Global FX Volatility		8.1	0.0	0.1	0.2	2.0	2.1
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		123	1.7	5	-10	-46	-42
Italy		118	1.9	1	-6	-34	-41
Portugal		59	1.1	0	-4	-8	-3
Spain		64	1.1	1	-3	-10	-2

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: 12/11/2020 8:44 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation						% p.a.					
China		6.55	0.0	-0.2	1	8	6		3.4	-0.4	-3	2	15	24
Indonesia		14080	0.2	0.2	0	0	-2		6.1	-2.9	-6	-27	-105	-99
India		74	0.0	0.2	1	-4	-3		6.0	-0.7	-2	-9	-102	-92
Philippines		48	0.0	-0.1	0	6	5		3.6	0.5	0	3	-61	-66
Thailand		30	0.0	0.7	2	1	0		1.5	0.0	0	-2	-22	-16
Malaysia		4.05	0.2	0.3	2	3	1		2.6	-0.8	-1	13	-78	-73
Argentina		82	-0.1	-0.7	-3	-27	-27		54.8	21.9	52	350	-3344	-784
Brazil		5.07	-1.1	1.1	6	-19	-21		5.9	-5.5	-3	-31	-22	-35
Chile		733	0.3	1.6	3	5	3		2.9	-1.5	-3	15	-82	-40
Colombia		3439	0.8	1.1	6	-1	-5		5.2	2.2	3	-5	-76	-76
Mexico		20.15	-0.7	-1.9	2	-5	-6		5.8	5.1	-3	-19	-118	-116
Peru		3.6	0.1	0.0	1	-5	-8		3.8	-2.4	-11	-25	-72	-76
Uruguay		43	0.0	0.0	0	-11	-12		7.4	-6.2	-8	-11	-385	-350
Hungary		293	-0.4	1.2	3	1	1		1.6	-1.0	-4	-6	58	42
Poland		3.66	-0.2	0.9	4	5	4		0.7	0.3	5	7	-108	-117
Romania		4.0	-0.1	0.0	3	7	6		2.9	-2.0	-2	-13	-127	-114
Russia		73.2	-0.1	1.2	5	-14	-15		5.6	2.9	2	2	-66	-53
South Africa		15.1	-0.7	0.6	3	-3	-7		9.8	0.5	-15	4	9	28
Turkey		7.87	0.1	-0.9	-1	-26	-24		13.5	9.1	51	2	148	177
US (DXY; 5y UST)		91	0.2	0.3	-2	-6	-6		0.37	-1.9	-5	-9	-127	-132

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
								basis points						
China		4890	-1.0	-3	0	25	19		206	-1	0	2	25	30
Indonesia		5938	0.1	2	8	-4	-6		194	1	17	8	23	38
India		46099	0.3	2	6	14	12		153	-1	-2	-19	30	28
Philippines		7246	1.3	1	3	-7	-7		117	1	11	14	38	51
Malaysia		1685	1.8	4	7	8	6		117	-1	2	-11	0	5
Argentina		53690	3.3	-2	4	53	29		1412	4	-17	65	-721	-357
Brazil		114155	1.9	0	9	3	-1		265	2	10	1	39	50
Chile		4106	-1.0	-2	3	-14	-12		153	2	9	6	4	20
Colombia		1368	-1.1	5	12	-15	-18		218	2	12	17	43	55
Mexico		43519	1.8	-1	7	1	0		410	2	3	-8	97	118
Peru		20782	0.7	2	17	4	1		157	1	9	17	34	50
Hungary		40924	-0.4	4	8	-8	-11		100	1	6	5	3	14
Poland		55122	-2.0	0	7	-1	-5		4	0	0	-3	-20	-14
Romania		9509	-0.5	0	5	-3	-5		212	4	4	3	26	39
Russia		3260	0.1	2	8	10	7		174	0	7	1	29	43
South Africa		59224	-0.1	0	3	6	4		385	3	11	-27	29	65
Turkey		1358	0.3	2	6	26	19		503	10	28	-4	73	102
Ukraine		508	0.0	0	1	-1	0		493	2	10	-82	44	73
EM total		51	-0.5	1	6	18	14		421	0	17	-10	97	128

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

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