







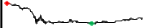
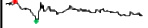




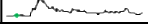
- Many central banks are expected to keep rates on hold this week ([link](#))
- Credit spreads of US pandemic impacted sectors remain wider ([link](#))
- Pound appreciates on Brexit deal hopes ([link](#))
- European banks: Willingness to lend weakens, problematic exposures increase ([link](#))
- Japanese equities rise to highest in two years following recovery in business confidence ([link](#))
- Inflows into EM bond and equity funds continue ([link](#))
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Market sentiment improves, pound appreciates on Brexit deal hopes

European and Asian bourses rose today on improved market sentiment, as market participants took comfort from further stimulus bill negotiations in the US and hopes of some sort of a Brexit deal before Christmas. US equity futures also signaled a positive opening later today while the VIX dropped 0.9 ppts. Sovereign bond yields rose, with 10-year US Treasury yields up 3 bps to 0.93%, while credit spreads continued to tighten. US credit spreads have returned to levels only modestly wide of where they stood before the pandemic in January and February, and European corporate spreads tightened to levels close to decade-long lows despite weak economic data and prospects for more lockdowns in many European nations. In currency markets, the pound strongly appreciated (+1.5%) this morning on Brexit deal hopes while the US dollar index weakened (-0.5%) to its lowest level since April 2018.

Key Global Financial Indicators

Last updated: 12/14/20 8:42 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities							
S&P 500		3663	-0.1	-1	2	16	13
Eurostoxx 50		3524	1.1	0	3	-6	-6
Nikkei 225		26732	0.3	1	5	11	13
MSCI EM		51	-0.7	0	5	15	13
Yields and Spreads							
US 10y Yield		0.92	2.8	0	3	-90	-99
Germany 10y Yield		-0.61	2.6	-3	-6	-32	-43
EMBIG Sovereign Spread		364	0	7	-13	50	75
FX / Commodities / Volatility							
EM FX vs. USD, (+) = appreciation		57.6	0.4	1	3	-6	-6
Dollar index, (+) = \$ appreciation		90.5	-0.5	0	-2	-7	-6
Brent Crude Oil (\$/barrel)		50.6	1.3	4	18	-22	-23
VIX Index (% change in pp)		22.5	-0.8	1	-1	10	9

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

There is a busy week ahead for central banks. Policy rates are expected to be on hold for Hungary (Tuesday), US (Wednesday), Indonesia (Thursday), Philippines (Thursday), Switzerland (Thursday), Norway (Thursday), UK (Thursday), Mexico (Thursday), Japan (Friday), Colombia (Friday) and Russia (Friday). The Fed's FOMC statement on Wednesday is also keenly awaited with analysts focusing on possible changes to the Fed's asset purchase policy. The minutes to the November meeting indicated that the FOMC discussed both forward guidance for asset purchases and possible changes to the composition or size of asset purchases. Initial jobless claims for the week in the US (Thursday) are expected at 823k, moderating vs the 853k figure last week. Retail sales advance in the US (Wednesday) is likely to be reported at -0.3% mom for November vs +0.3% mom in the last print.

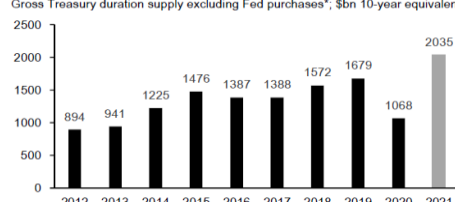
United States

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US markets opened lower on Friday, as bipartisan talks on a pandemic relief bill were hung up on gaps between Republicans and Democrats on shielding companies from virus-related lawsuits, raising doubts about a deal. **The market reversed its course later in the day after lawmakers passed a stopgap spending bill to avert a federal government shutdown but failed to erase early losses.** The S&P 500 finished the week at 3,660, down 1.4% from its record high marked on Wednesday. US Treasury 10-year yields finished the week at 0.89%, 9 bps lower from their recent peak a week ago. The U.S. FDA gave emergency-use authorization for the Covid-19 vaccine developed by Pfizer Inc. and BioNTech SE on Friday.

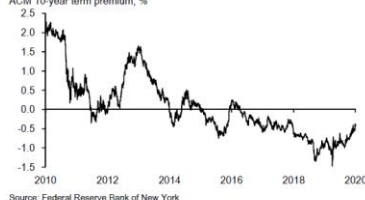
Analyst focus remains on the FOMC meeting this week with a keen interest in the size, pace and dynamics of asset purchases. JP Morgan analysts highlighted that Fed will likely introduce qualitative guidance for its asset purchases tied to the path of the pandemic and also extend the average maturity of its Treasury purchases. Analysts noted that, even if the Fed doubles the duration of its Fed purchases, the duration of Treasury supply, net of Fed's purchases, will likely double in 2021 due to the borrowing capacity the Treasury has created via this year's large auction size increases (LHS chart). Though Fed expectations have remained well anchored, term premium has risen this year as funding needs have increased—the ACM measure has risen 50 bps since late summer, though it remains low relative to levels observed over the past decade (middle chart). Also, as the Treasury has moved to extend the weighted average maturity of its debt, the Fed's purchases have not kept up with this increase, according to JP Morgan analysts. The RHS chart shows the share of gross Treasury issuance (excluding T-bills and FRNs) in each Fed purchase bucket, comparing the January-April average with the average of the last three months. Notably, the 7- to 20-year share of gross issuance has risen sharply from 12% to 20%, reflecting the introduction of the 20-year bond as well as large increases to 10-year auction sizes since May.

Exhibit 2: Duration supply excluding Fed purchases should double in 2021, even if the Fed extends the maturity of asset purchases
Gross Treasury duration supply excluding Fed purchases*, \$bn 10-year equivalents



* Assumes gross Treasury issuance forecast in Exhibit 13, and assumes monthly Fed purchases increase from \$50bn to \$100bn 10-year equivalents at December FOMC meeting
Source: Federal Reserve, J.P. Morgan

Exhibit 3: The ACM measure of term premium has risen 50bp in recent months but remains low by historic standards
ACM 10-year term premium, %



Source: Federal Reserve Bank of New York

Exhibit 4: The Fed's purchase buckets are less representative of Treasury issuance contours than they were at the beginning of this year
Share of gross Treasury issuance by Fed bucket (%), January-April average versus last 3-month average, current Fed purchases by bucket, and potential rebalancing to reflect shifting contours of Treasury issuance (%)

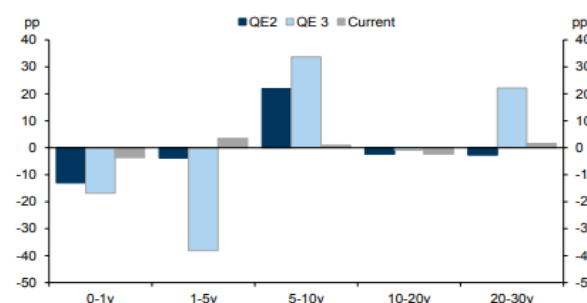
Maturity bucket	Gross issuance share, %		Fed purchases, \$bn	
	Jan-Apr avg	Current	Current	Rebalanced
0-2.25y	19%	17%	26	13
2.25-4.5y	19%	17%	18	13
4.5-7y	36%	34%	12	26
7-20y	12%	20%	7	15
20-30y	8%	8%	9	6
1-7.5y TIPS	2%	1%	5	1
7.5-30y TIPS	4%	3%	1	2
Total	100%	100%	77	77
WAM, years			6.6	7.8

* We exclude T-bills and FRNs
Source: Federal Reserve Bank of New York, US Treasury, J.P. Morgan

Goldman Sachs analysts also weighed on this topic noting that redistributing purchases away from the front-end and towards the belly of the curve would bring Fed purchases into closer alignment with past asset purchase programs. Compared to QE2 and QE3, the current composition is decidedly overweight the front-end and underweight the belly of the curve versus the broader market and issuance mix.

Exhibit 1: While the current version of QE has kept purchases much more aligned with the composition of the market, QE2 and QE3 focused much more in the belly of the curve at the expense of the front end

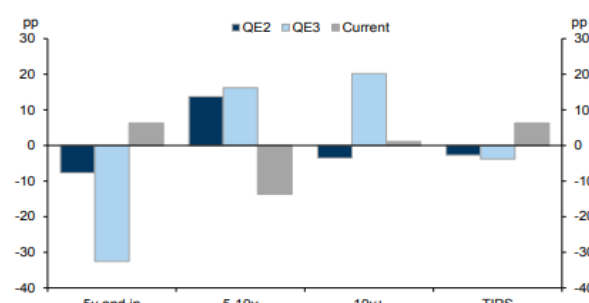
Distribution of Fed purchases minus distribution of USTs outstanding (ex-bills and Fed holdings)



Source: Goldman Sachs Global Investment Research, Haver Analytics, Federal Reserve

Exhibit 2: The current Fed purchase distribution is overweight shorter-term Treasuries compared with the mix of supply and underweight the belly, in contrast to both QE2 and QE3

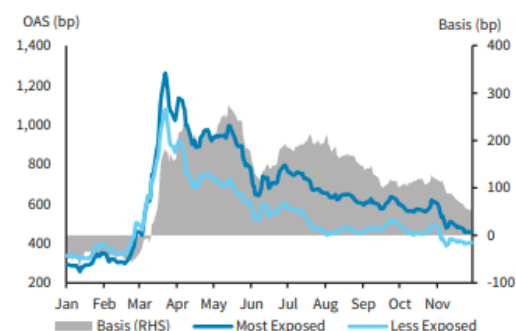
Distribution of Fed purchases minus maturity distribution of UST auctions (ex-bills & FRNs)



Source: Goldman Sachs Global Investment Research, Haver Analytics, Federal Reserve

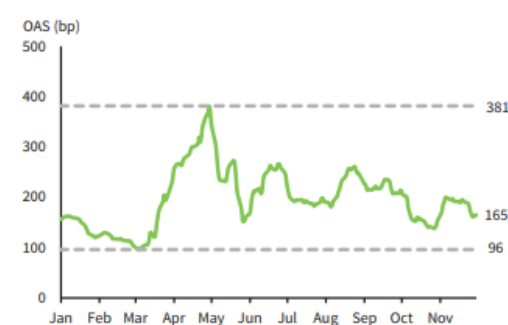
Although index-wide spreads for US credit have returned to levels only modestly wide of where they stood before the pandemic in January and February, there is still some relative value dislocation for the most COVID-exposed portion of the market, according to Barclays analysts. The LHS chart shows that the most exposed bucket traded tight to the rest of the high yield market (Less Exposed bucket) by an average of 46 bps in January and February. That relationship reversed, with the Most Exposed bucket trading at an average of 223 bps wide of the Less Exposed bucket in April and May. Since then, the basis between the two has compressed somewhat, with the Most Exposed bucket now trading 53 bps wide of the other bucket. This is just over 60% of the way to pre-pandemic levels, implying that the market still places a premium on these sectors, though at a much lower level than a few months ago. The RHS chart shows that the premium that investors are charging for owning unsecured risk from issuers that also have secured bonds has decreased significantly but not fully returned to pre-pandemic levels.

FIGURE 31. The premium for the most COVID-exposed bucket has not returned to pre-pandemic levels



Source: Bloomberg, Barclays Research

FIGURE 32. The difference in the unsecured/secured basis for the most and least exposed buckets shows that the relationship has not returned to pre-pandemic levels



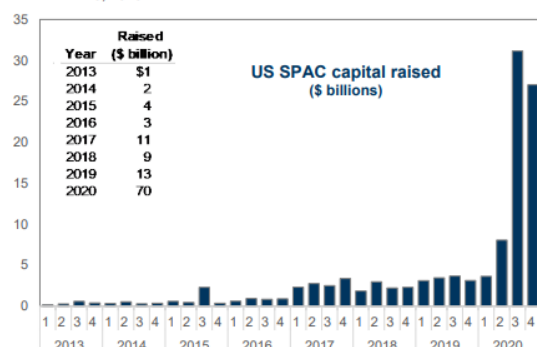
Source: Bloomberg, Barclays Research

SPAC IPO capital raising in 2020 totals a record \$70 bn, a remarkable five-fold increase from last year's record high that was itself up 44% from 2018. A Special Purpose Acquisition Company (SPAC) is a "blank-check" company formed with the intention of acquiring or merging with another company. The SPAC needs to complete an acquisition within two years or the capital raised must be returned to investors. The 206 SPAC IPOs completed this year account for 52% of the record \$124 billion of total US IPO capital raised YTD across 356 transactions. Goldman analysts expect a high level of SPAC activity will continue into 2021. However, weak returns represent one headwind to future SPAC issuance. Of the SPACs

completed in 2020, the post-acquisition median 1-month, 3-month, and 6-month excess returns relative to the S&P 500 index have been -18 pp, -6 pp and -16 pp, respectively.

Exhibit 1: SPAC equity IPO issuance

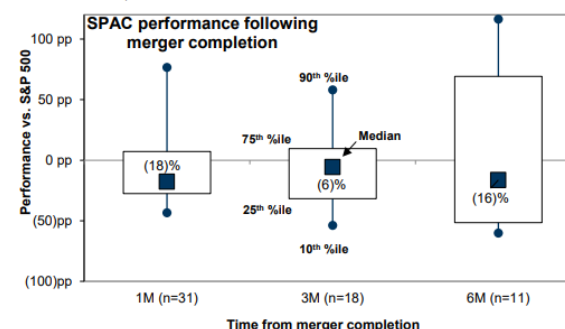
as of December 10, 2020



Source: Dealogic, Goldman Sachs Global Investment Research

Exhibit 4: SPAC performance following merger completion

as of December 10, 2020



Source: Dealogic, FactSet, Goldman Sachs Global Investment Research

Europe

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The pound appreciated 1.5% to \$1.34 on Brexit deal hopes. As it continues to mirror the rocky path through Brexit negotiations, the pound has oscillated notably over the last days. On Monday morning, it was gaining ground to the dollar as **British premier Johnson and EC president von der Leyen vowed to continue negotiations in search of a deal.** According to the current schedule, the UK will end its transition period out of the EU on Dec 31, 2020. A deal would need to be in place before that date to avoid a so-called hard Brexit. News outlets are reporting that the EU's chief negotiator Mr. Barnier said privately that a deal could come this week if the UK gave up on the fishing grounds issue.

GBP/USD gaps higher as talks continue, but hope outweighs demand

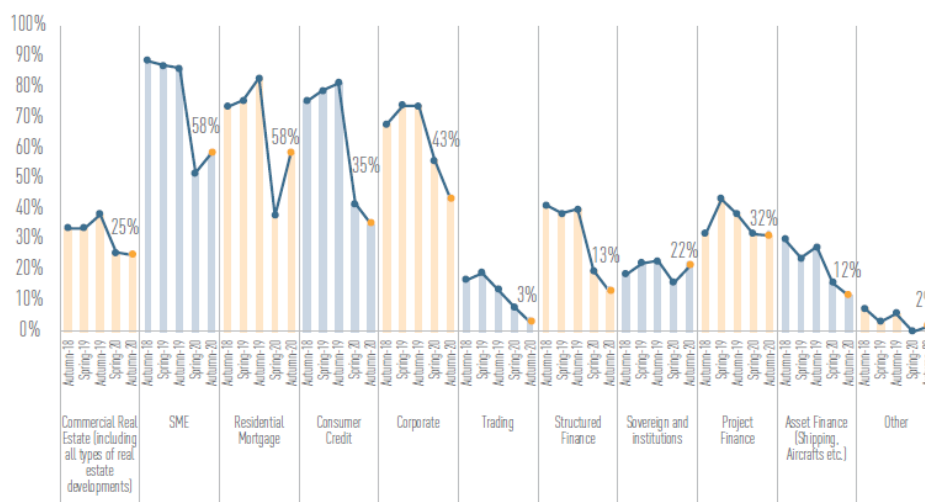
■ British Pound Spot - Last Price



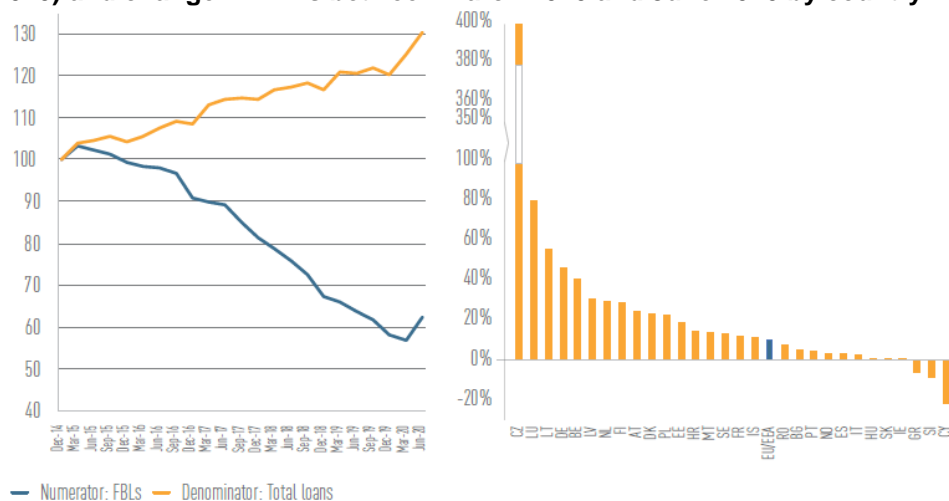
Equity markets advanced spurred by hopes of a Brexit deal before Christmas. The DAX (+1.0%) posted decisive gains even after new harsh restrictions over the holiday period were announced in Germany. Other European indices also gained: CAC 40 (+1.0%), EuroStoxx 600 (+0.9%), Italy's Titans 30 (+1.2%), and Spanish Ibex (+1.7%). Bank stocks (+3.0%) strongly outperformed main indices, even as the EBA warned of increasing problematic exposures (see below).

Sovereign yields traded flat, with German 10-year yields at -0.62% (+1 bps); French OATs at -0.37% (unchanged); Italian at -0.45% (-1 bps); and Spanish at 0.00% (unchanged).

Percentage of banks that plan to increase the volume of loans, per segment, in the next 12 months

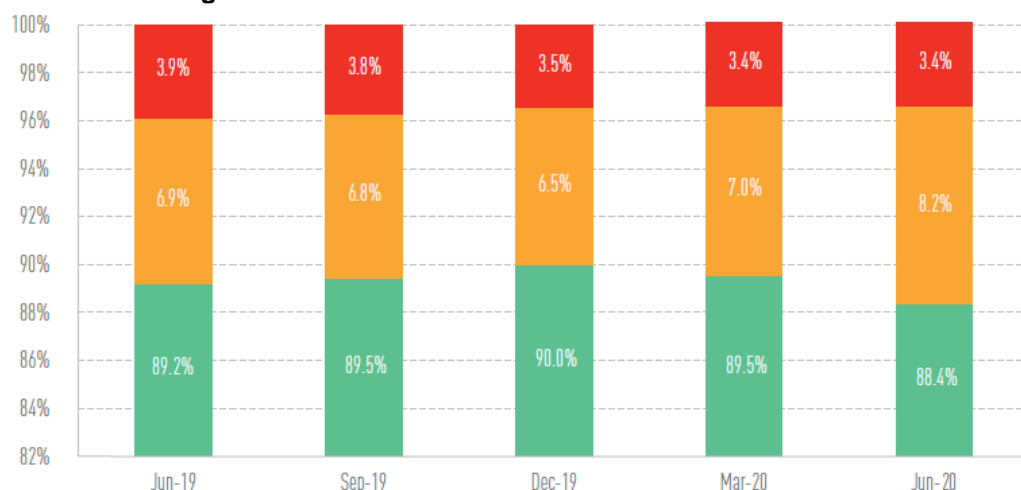


FBL and total loans evolution (December 2014 = 100; December 2014-June 2020) and change in FBLs between March 2020 and June 2020 by country



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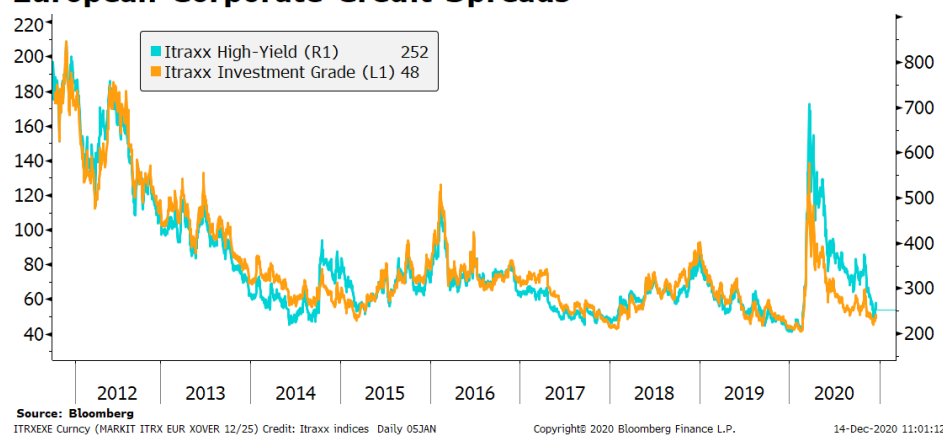
Evolution in stage allocation of loans and advances at amortized cost over time



Source: European Banking Authority

In credit markets, **corporate spreads continued to tighten** despite weak economic data and prospects for more lockdowns in many European nations. HY spreads stood at 252 bps and IG at 48 bps—these levels are close to the decade-long lows seen in 2017-18.

European Corporate Credit Spreads



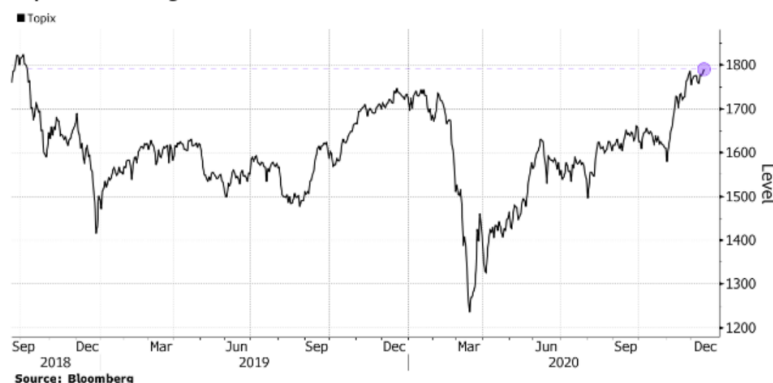
Other Mature Markets

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Japan

Equities (Nikkei +0.3%, TOPIX +0.5%) rose to their highest level in two years following better-than-expected economic confidence data. The Bank of Japan (BOJ)'s quarterly Tankan survey saw across-the-board improvements for both large and small and medium-sized enterprises. The index for large manufacturers improved to -10 in December from -27 in September and beat expectations of -15. Smaller manufacturers also improved to -27 from -44 over the same period, ahead of consensus estimate of -35. On the COVID-19 pandemic, PM Suga may further restrict the travel subsidy program to the capital city of Tokyo and the city of Nagoya in the large industrial hub of Aichi prefecture to curb the spread of the virus. The Tokyo Metropolitan Government plans to ask stores to maintain their reduced opening hours until January 11, as opposed to until December 17, according to NHK. The yen and 10-year JGB yield were little changed.

Topix closes at highest since October 2018



Emerging Markets

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Asian equities were little changed on net. Southeast Asian stocks such as Vietnam (+1.7%), Singapore (+1.4%) and Indonesia (+1.3%) outperformed, while North Asia (Taiwan Province of China -0.4%, Korea -0.3%) lagged. **Asian regional currencies were mixed and little changed**, with the Thai baht outperforming (+0.2%). **EMEA equities mostly traded higher**, with indices up in Czech Republic (+1.7%), Turkey (+1.5%) and Russia (+1.0%). **EMEA currencies were little changed**, except for the outperformance of the South African rand (+0.9%). **Latin American equity markets were mixed on Friday.** Colombia outperformed (+0.7%), followed by Argentina and Mexico, while Chile saw losses (-0.5%). **Local currencies were also mixed** but mostly traded in narrow ranges, except for the Brazilian real (-0.8%) and the Mexican peso (-0.6%). 10-year government bond yields dropped 10 bps in Brazil and were mixed in other countries.

Key Emerging Market Financial Indicators

Last updated: 12/14/20 8:12 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
Major EM Benchmarks			%				%
MSCI EM Equities		50.72	0.0	0	5	15	13
MSCI Frontier Equities		27.81	0.1	-1	1	-7	-8
EMBIG Sovereign Spread (in bps)		364	0	7	-13	50	75
EM FX vs. USD		57.61	0.4	1	3	-6	-6
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.54	0.0	0	1	7	6
Indonesian Rupiah		14095	-0.1	0	0	-1	-2
Indian Rupee		73.57	0.1	0	1	-3	-3
Argentine Peso		82.43	-0.3	-1	-3	-27	-27
Brazil Real		5.04	0.5	1	8	-19	-20
Mexican Peso		20.04	0.4	-1	1	-6	-6
Russian Ruble		73.01	0.0	1	4	-14	-15
South African Rand		15.00	0.9	1	2	-4	-7
Turkish Lira		7.87	-0.3	-1	-2	-26	-24
EM FX volatility		10.37	1.1	0.0	-0.2	3.7	3.8

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

EM Fund Flows

Both EM bond funds and EM equity funds continued to see inflows last week, with numbers printing at +\$2.9 bn and +\$5.6 bn, respectively. Inflows to EM bond funds continued, driven by both hard currency bond funds (+\$1.5 bn) and local currency bond funds (+\$1.4 bn). From a regional perspective, inflows to

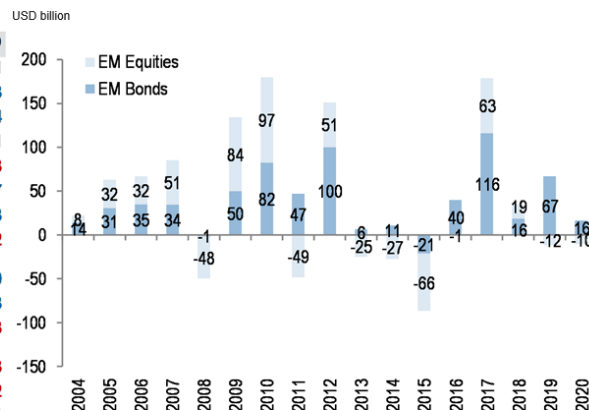
Asia ex-Japan equity funds moderated to \$1.7 bn last week, the lowest level in five weeks. EMEA equity funds saw the largest inflows (+\$206 mn) in almost a year, and Latin America equity funds posted inflows for the 5th consecutive week (+\$298 mn). Year-to-date flows to EM bonds and equities stood at +\$16.3 bn and -\$10.3 bn, respectively.

Exhibit 1: Weekly Cross-Asset Flows

USD billion			
Asset	8w flows (8w ago → current)	This wk	YTD
EM Bonds and Equities		8.6	6.1
EM Bonds		2.9	16.3
Hard Ccy		1.5	19.4
Local Ccy		1.4	-3.1
EM Equities		5.6	-10.3
US HG		-0.1	183.7
US HY		-0.9	45.3
Global Equities		5.6	-307.2
EM Bond and Equity ETFs		4.3	7.0
EM Bond ETFs		0.7	8.3
EM Equity ETFs		3.6	-1.3
Non-resident EM flows*		5.3	-96.3
EM Local Bonds		0.0	-38.2
EM Equities		5.3	-58.1

*Using high frequency non-resident EM portfolio flow data where available. Source – All charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg Finance L.P.

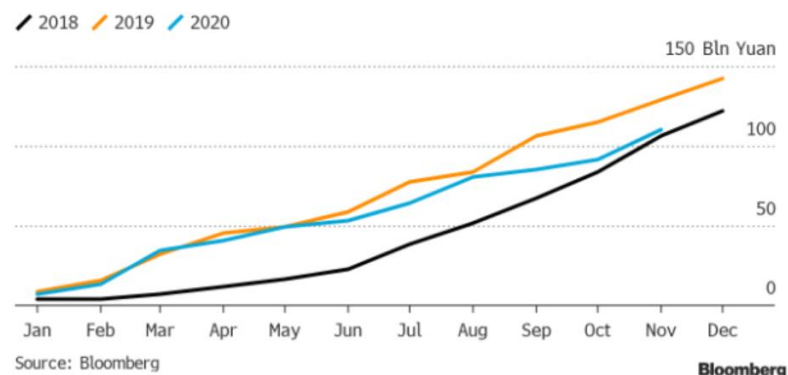
Exhibit 2: Annual EM bond and equity fund flows



China

China's new home prices rose at a slower monthly pace in November. The 70-city home price index rose by 0.12% m/m in November (+4% y/y) as compared to 0.15% m/m and 4.3% y/y in October. New home prices declined in 28 cities (19 in October), increased in 36 cities (45 in October) and stayed unchanged in the remaining cities. **Separately, the People's Bank of China (PBC) said in a statement on Sunday that it should improve its oversight of the country's credit rating industry.** It cited that problems in the industry include inflated credit ratings and rating agencies should work hard to improve their capabilities and quality of work. This comes against a backdrop of defaults by state-owned enterprises in recent weeks. Onshore debt defaults are likely to exceed RMB100 bn for a third year according to Bloomberg. **Equities (Shanghai +0.7; Shenzhen +1.1%) rose while the RMB appreciated (onshore +0.1%; offshore +0.3%).**

Chinese onshore debt failures exceed 100 billion yuan for third year



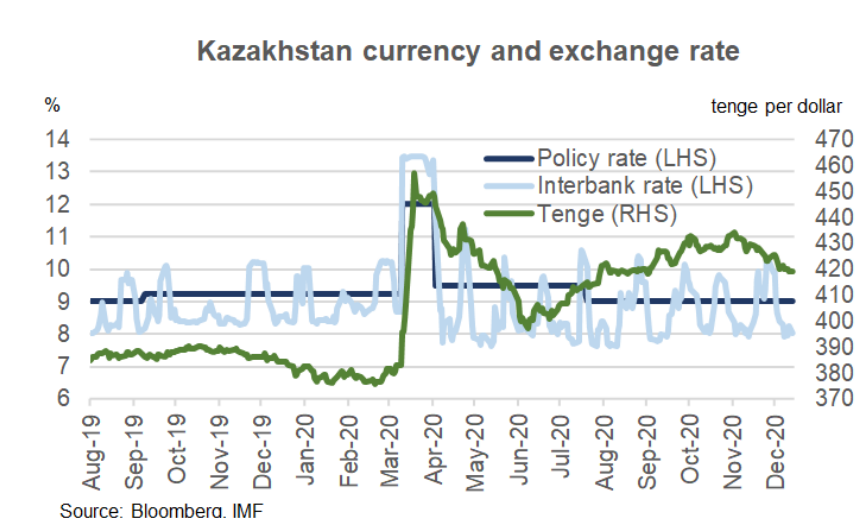
India

Reserve Bank of India (RBI) Governor Shaktikanta Das said in an interview that a wider inflation target band would be meaningless. The comments came amid considerations by the government to recommend a looser inflation target for the RBI. RBI's current inflation target framework was put in place in 2016, targeting a range of 2-6%. The Governor said that "the law says at least once in five years the

government will notify the inflation target, it doesn't provide for review of the framework," **He also mentioned that prematurely rolling back loose monetary policy would hamper the economic recovery.** India's 10-year bond yield, the rupee and equities were little changed.

Kazakhstan

The National Bank of Kazakhstan maintained its policy rate unchanged at 9% while narrowing the policy corridor to $\pm 1\%$ around the key rate from $\pm 1.5\%$ previously. The central bank maintained a hawkish forward guidance as inflation pressures continue to build with headline price growth picking up to 7.3% y/y in November, above the 4-6% target range. At the same time, the oscillation of overnight money market rates has declined somewhat over the last few months, allowing the central bank to narrow the policy corridor. **The Kazakhstan tenge has appreciated by 3.5% against the dollar over the last month** on broader vaccine-related hopes. The 1-year non-deliverable forward implied yields declined by about 120 bps as market contacts reported increase in activity by international investors who position for the tenge appreciation.



Ukraine

The government borrowed \$600 mn from international bond markets by retapping the 2033 Eurobond that was originally issued in the summer. The amount was increased from \$500 mn planned initially and the yield lowered to 6.2% from 6.4% amid \$1.8 bn of investor demand. Last week, Ukraine also received €600 mn from the EU under the €1.2 bn macro-financial assistance package while the World Bank approved \$300 mn of a COVID-response loan. Ukraine has been waiting for both loans since the summer as the IFIs support has been delayed by the limited progress on several reform issues. Recently, Ukraine parliament reinstated criminal liability for public official tax e-declaration violations and most contacts now expect further support from IFIs in Q1 2021.

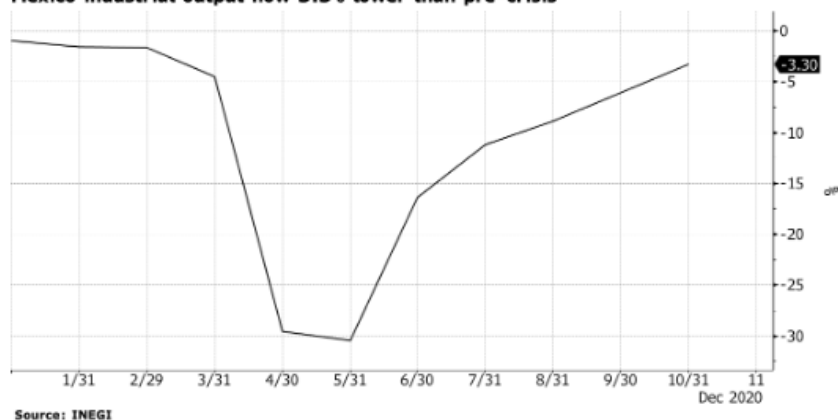


Mexico

Mexico's industrial production rose 2.0% m/m sa in October, higher than expected (+0.6%). The positive number was mainly driven by construction activities (+3.6% m/m sa), manufacturing (+1.8%), and mining (+1.0%). In annual terms, industrial production (IP) declined 3.3% y/y on a non-seasonally adjusted basis (vs -5.5% y/y expected). While Barclays analysts commented that the strong IP could set a stable path for 2021 economic recovery, GS analysts warned that Mexico still faces challenges, such as policy uncertainty and weak business confidence. Mexican assets were mixed on Friday, with domestic equities slightly higher (+0.2%) and the peso depreciating 0.6% against the dollar.

Nearly Recovered

Mexico industrial output now 3.3% lower than pre-crisis










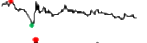





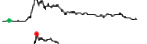








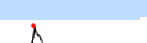
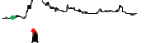

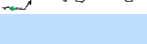



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Global Financial Indicators









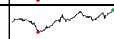
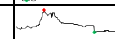






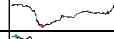
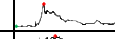



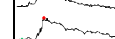






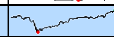
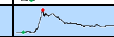

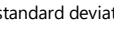






Last updated: 12/14/20 8:10 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		3670	-0.1	-1	2	16	14
Europe		3525	1.1	0	3	-6	-6
Japan		26732	0.3	1	5	11	13
China		3369	0.7	-1	2	14	10
Asia Ex Japan		88	-0.7	-1	4	21	19
Emerging Markets		51	-0.7	0	5	15	13
Interest Rates			basis points				
US 10y Yield		0.93	3.6	1	4	-89	-98
Germany 10y Yield		-0.61	2.6	-3	-6	-32	-43
Japan 10y Yield		0.01	-0.3	-1	-1	3	2
UK 10y Yield		0.25	7.6	-4	-9	-54	-57
Credit Spreads			basis points				
US Investment Grade		106	-0.4	4	-10	-3	8
US High Yield		402	-2.6	1	-59	-22	9
Europe IG		49	-2.3	1	-1	4	4
Europe HY		253	-12.9	10	-31	44	46
EMBIG Sovereign Spread		364	0.3	7	-13	50	75
Exchange Rates			%				
USD/Majors		90.54	-0.5	0	-2	-7	-6
EUR/USD		1.22	0.4	0	3	9	8
USD/JPY		103.7	0.3	0	1	6	5
EM/USD		57.6	0.4	1	3	-6	-6
Commodities			%				
Brent Crude Oil (\$/barrel)		50	1.0	3	18	-23	-24
Industrials Metals (index)		136	0.9	2	9	20	19
Agriculture (index)		44	0.5	2	2	9	6
Implied Volatility			%				
VIX Index (%, change in pp)		22.4	-0.9	1.1	-0.7	9.8	8.6
US 10y Swaption Volatility		61.6	-0.2	2.0	6.6	-0.6	-0.4
Global FX Volatility		8.3	0.0	0.2	0.4	2.4	2.3
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		121	-2.5	-1	-10	-44	-45
Italy		116	-3.2	-3	-5	-39	-44
Portugal		58	-1.5	-2	-5	-8	-4
Spain		62	-1.5	-1	-4	-8	-3

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: 12/14/2020 8:14 AM	Exchange Rates						Local Currency Bond Yields (GBI EM)							
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
	vs. USD		(+) = EM appreciation					% p.a.						
China		6.54	0.0	-0.2	1	7	6		3.4	-0.6	-3	2	15	23
Indonesia		14095	-0.1	0.1	0	-1	-2		6.1	-2.7	-6	-31	-118	-102
India		74	0.1	0.4	1	-3	-3		6.0	1.7	3	-6	-103	-90
Philippines		48	0.1	0.1	0	5	5		3.7	0.1	0	3	-61	-65
Thailand		30	0.2	0.3	0	0	-1		1.5	0.0	0	-2	-21	-16
Malaysia		4.06	-0.2	0.4	1	2	1		2.6	-0.6	1	11	-79	-73
Argentina		82	-0.3	-0.9	-3	-27	-27		55.4	60.6	95	410	-3331	-723
Brazil		5.04	0.5	1.4	8	-19	-20		5.8	-10.8	-16	-60	-31	-45
Chile		730	0.5	1.7	5	4	3		2.9	-1.7	-9	13	-75	-41
Colombia		3415	0.7	2.2	7	-2	-4		5.2	0.0	3	-4	-70	-76
Mexico		20.04	0.4	-0.8	1	-6	-6		5.8	-1.5	-2	-19	-114	-117
Peru		3.6	0.1	-0.1	1	-6	-8		3.7	-3.6	-11	-28	-75	-80
Uruguay		42	0.1	0.5	1	-11	-12		7.4	2.7	6	-9	-382	-347
Hungary		291	0.6	2.2	4	1	2		1.6	-0.3	-6	-3	55	42
Poland		3.65	0.6	1.2	3	5	4		0.7	-2.2	-5	4	-110	-120
Romania		4.0	0.4	0.5	3	7	7		2.8	-2.0	-4	-11	-134	-116
Russia		73.0	0.0	1.0	4	-14	-15		5.6	0.1	3	3	-66	-53
South Africa		15.0	0.9	1.0	2	-4	-7		9.7	-7.8	-16	-3	5	20
Turkey		7.87	-0.3	-0.8	-2	-26	-24		13.4	-3.8	33	56	148	173
US (DXY; 5y UST)		91	-0.5	-0.3	-2	-7	-6		0.39	2.1	0	-2	-127	-130

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
								basis points						
China		4935	0.9	-2	2	24	20		207	1	0	0	28	31
Indonesia		6013	1.2	3	10	-3	-5		189	-4	6	-1	20	33
India		46253	0.3	2	6	13	12		152	-1	-3	-20	24	27
Philippines		7281	0.5	2	4	-8	-7		112	-4	0	3	35	46
Malaysia		1663	-1.3	2	5	6	5		117	0	1	-13	2	5
Argentina		53822	0.2	-3	8	46	29		1384	-9	-68	51	-730	-385
Brazil		115128	0.0	1	10	2	0		260	-1	-1	-12	41	45
Chile		4103	-0.5	-2	2	-16	-12		151	-1	1	0	6	18
Colombia		1378	0.7	3	14	-16	-17		211	-4	-2	4	42	48
Mexico		43612	0.2	0	7	-1	0		400	-4	-14	-33	92	108
Peru		20474	-1.5	-1	13	2	0		155	0	2	15	38	48
Hungary		42240	2.4	8	13	-8	-8		99	-1	1	-3	4	13
Poland		55456	-0.1	0	10	-2	-4		5	0	0	-5	-18	-13
Romania		9556	0.4	1	7	-3	-4		213	1	10	4	19	40
Russia		3308	1.0	4	9	10	9		168	-3	-3	-9	27	37
South Africa		59492	0.1	0	4	5	4		384	0	4	-34	34	64
Turkey		1392	1.5	5	8	26	22		496	-1	15	-10	79	95
Ukraine		508	0.0	0	1	-1	0		482	-10	-8	-103	49	62
EM total		51	0.0	0	5	15	13		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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