GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

WEDNESDAY, DECEMBER 16, 2020

- **ECB allows for partial reinstatement of bank dividends in 2021** (link)
- **European PMI's deliver a surprise rebound** (link)
- **Wind-down of supportive policies points to sequencing of 'cliff' risk in Europe** (link)
- **Market-based inflation measures continue to diverge across G3** (link)
- **US credit trading volumes remain strong amid elevated bid-ask spreads** (link)
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Market Sentiment improves ahead of FOMC

Global equity markets advanced on news of progress in US fiscal stimulus talks, renewed hopes for a Brexit trade deal and stronger than expected data in Europe. US equity futures signaled a positive opening as the US congress moved towards agreeing on a bipartisan federal spending bill. European PMI data came stronger than expected, with the manufacturing sector continuing to lead the economic recovery. US and European sovereign bond yields rose and the dollar weakened further, with the DXY index trading at the lowest level since April 2018. The pound outperformed other major currencies, appreciating 0.6% to the dollar this morning, on hopes of increased progress in a post-Brexit trade deal with the EU. EM equities were also boosted by the improved market sentiment and most currencies benefited from the weaker dollar. Market participants expect unchanged policy but potentially further enhancement of the QE guidance at the FOMC announcement and press conference later today.

Key Global Financial Indicators

Last updated:	Level		Change from Market Close				
12/16/20 1:22 PM	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		3695	1.3	0	2	16	14
Eurostoxx 50		3544	0.6	0	2	-6	-5
Nikkei 225		26757	0.3	0	3	12	13
MSCI EM		50	1.1	-1	3	15	13
Yields and Spreads					bps		
US 10y Yield		0.94	2.8	0	3	-94	-98
Germany 10y Yield		-0.56	5.1	5	-2	-28	-38
EMBIG Sovereign Spread		359	-4	-4	-19	54	69
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		57.6	0.1	1	3	-6	-6
Dollar index, (+) = $ appreciation		90.3	-0.2	-1	-3	-7	-6
Brent Crude Oil ($/barrel)		50.8	0.1	4	16	-22	-23
VIX Index (%, change in pp)		22.6	-0.3	0	0	10	9

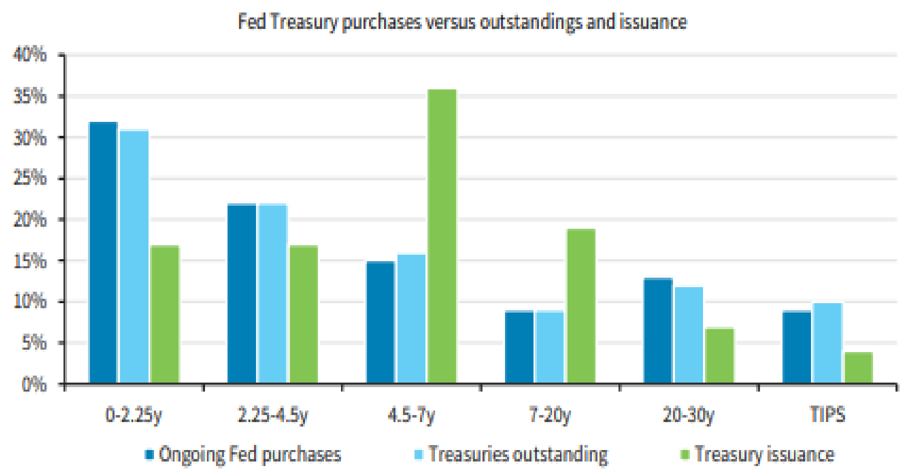
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

United States back to top

U.S. stocks headed back toward all-time highs as Congress moved toward a federal spending package. The S&P 500 rebounded from a four-day slide and closed 1.3% higher (led by technology, capital goods and health care sectors), extending gains after Senate Majority Leader McConnell said he will keep lawmakers in Washington until a deal gets done. Overnight news quoted McConnell highlighting that they have they have made good progress on the negotiations. The 10-year US treasury yields rose by around 1-2 bps and moved above 0.90%, extending the rise to around 7 bps this month. The rise in bond yields is entirely driven by an increase in term premia which are up 10 bps this month and almost 50 bps since July end.

Total retail sales decreased 1.1% from the prior month, following a 0.1% October decline, the first drops since March and April, per the data released this morning. That was worse than all but one economist had forecast in a Bloomberg survey calling for a 0.3% decline, and October's figure was originally reported as a 0.3% increase. Excluding autos and gasoline, sales fell 0.8%, compared with estimates for a 0.1% gain.

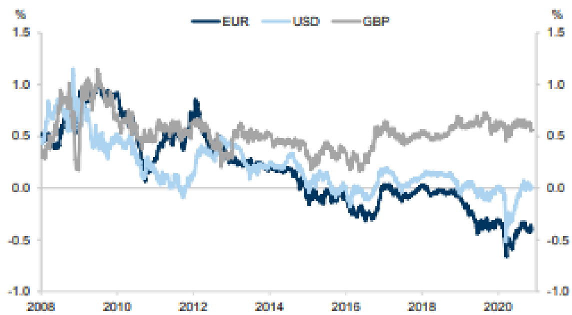
Investor focus remains on the FOMC meeting today with market contacts expecting greater visibility on the pace, duration and dynamics of the asset purchases. A key investor debate is if Fed will alter the composition of the Treasury purchases. Barclays analysts highlight that if the Fed shifted the composition of Treasury purchases to match new issuance, the weighted average duration of the purchases would rise to 8.5 years from 6.5 years currently.



Source: Federal Reserve Bank of New York, US Treasury, Barclays Research

Since the lows of March, traded inflation has recovered in both Europe and the US (as also discussed in GFSR October 2020). However, the market-based inflation measures continue to diverge across G3 inflation markets. Goldman analysts highlight that that a large part of this divergence is accounted for by differing inflation risk premia across markets. While a decline in inflation uncertainty (volatility) is often cited as the principal driver for the downward trend in inflation risk premia in the US and Euro area, analysts also highlight that the distribution of inflation expectations and in particular the skew – the deflation tail – also help explain this divergence.

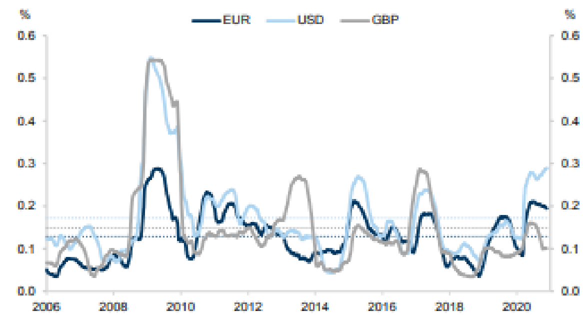
Exhibit 3: 10-year inflation risk premium has been trending downwards in the Euro area



Source: Goldman Sachs Global Investment Research, Bloomberg

Exhibit 4: Inflation volatility has trended sideways, in traded inflation ...

12-month rolling volatility in traded inflation

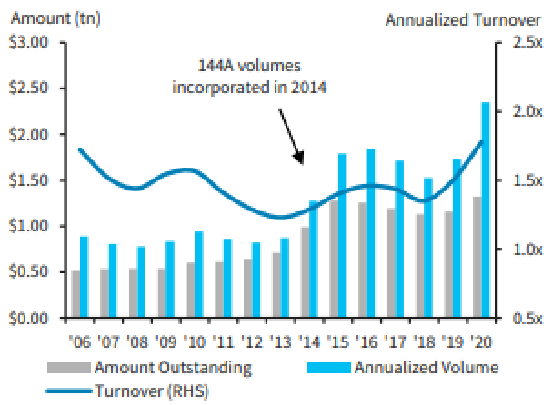


Dashed lines represent sample means

Source: Goldman Sachs, Goldman Sachs Global Investment Research

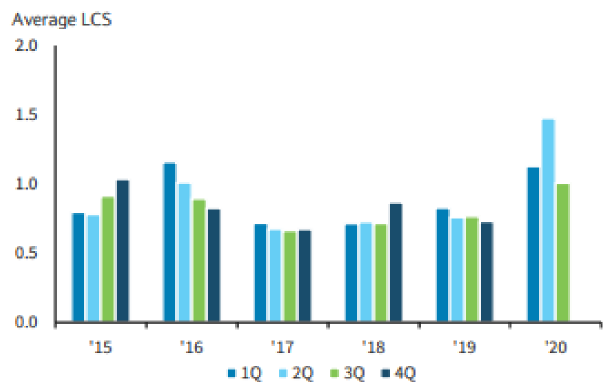
Barring a significant slowdown in US credit trading to end the year, 2020 will likely see the highest trading volumes (absolute volume traded) and turnover (volume relative to the size of the index) since 2006, as per Barclays analysts. The elevated levels were concentrated during the most volatile points in the first half of the year, with third quarter turnover in line with levels seen in recent years. Despite trading volumes declining to more normal levels, bid/ask spreads continued to remain elevated through the third quarter Barclays analysts also highlighted that transaction costs remained above average levels in 3Q

FIGURE 33. **2020 turnover remains on track for record levels**



Note: 2020 data annualized based on first three quarters as a percentage of full year volumes since 2010.
Source: Bloomberg, Market Axess, Barclays Research

FIGURE 34. **Despite normalized turnover in 3Q, bid/ask spreads remain elevated**



Source: Barclays Research

Europe

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European equities extended yesterday's gain with Euro STOXX up 1%. Germany's DAX (+1.6%) was outperforming. While the European aggregate index is still down year-to-date, the mining sector and auto manufacturers are now up on the year. Banks shares were flat on the day and underperforming the broader index as the ECB dividend rules came somewhat more stringent than some analysts had anticipated.

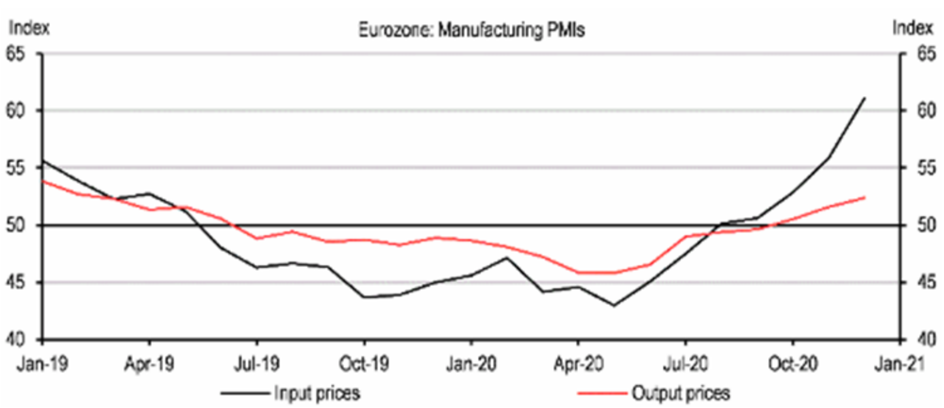
Germany's bund yields rose 3 bps in a broader risk-asset rotation with Southern European spreads tightening 1-2 bps. High yield credit benchmark index tightened by 5 bps.

The euro (+0.4%) and the sterling (+0.5%) were hovering close to the strongest level against the dollar since 2018. Aside from the positive data this morning, currencies also benefited from a more upbeat mood around the trade-deal negotiations with media reports suggesting that sides are closing in on the last outstanding issues.

Eurozone preliminary December PMI's came with a significant upside susprise as the composite guage recovered to 49.8 reading (45.3 in November and 45.7 expected). Manufacturing momentum picked up further with reading increasing to 55.5 for the Eurozone and 58.6 for Germany. The service sector stabilized quicker than expected with the indicator recovering to 47.3 from 41.7 in November (42 expected) with particularly big jump in France from 38.8 to 49.2. Eurozone new orders recovered sharply back to expansion while the employment indicator rose to 49.3, the highest level since the start of the pandemic. Also noteworthy is the growing input price pressure in the manufacturing sector.

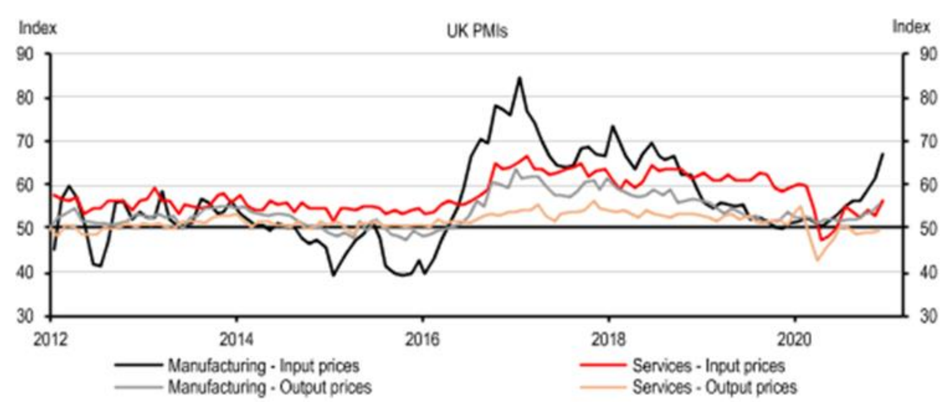
	12M Trend	Dec-20	Nov-20	12M Avg.
Eurozone				
Composite		49.8	45.3	44.1
Manufacturing		55.5	53.8	48.6
Services		47.3	41.7	42.6
Germany				
Composite		52.5	51.7	46.4
Manufacturing		58.6	57.8	49.1
Services		47.7	46.0	44.7
France				
Composite		49.6	40.6	43.5
Manufacturing		51.1	49.6	47.8
Services		49.2	38.8	42.8

Chart 3. Price pressures rising in manufacturing



Source: Refinitiv Datastream, HSBC

UK's composite reading also returned to the growth territory at 50.7 (49 in November) although missed the 51.5 consensus estimate. The preliminary data suggests that the manufacturing activity gained further momentum while the service sector stabilized. As in the Eurozone, input prices rose notably for the manufacturing sector.

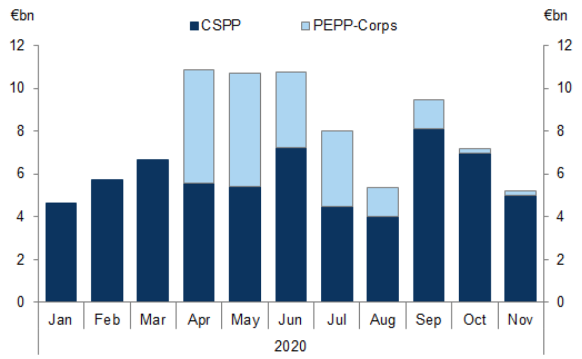


Source: IHS Markit

Analysts expect further rating-spread compression in the European credit market. Following the expansion and extension of the Pandemic Emergency Purchase Programme (PEPP), analysts at Goldman Sachs highlight that corporate bond purchases under the program have been tapered over the last few months and as such direct effects on corporate spreads should be limited. That said, the purchases under the Corporate Sector Purchase Programme (CSPP) have remained substantial, potentially outpacing the organic net issuance from the investment grade sector. Given the already compressed level of sovereign and investment grade yields, contacts expect the additional stimulus to lead to high-yield credit spread compression indirectly through search-for-yield behaviour.

Exhibit 1 : Corporate bond purchases under the PEPP have tapered to almost nothing in recent months

Monthly purchases of corporate bonds by the ECB broken out between the CSPP and PEPP

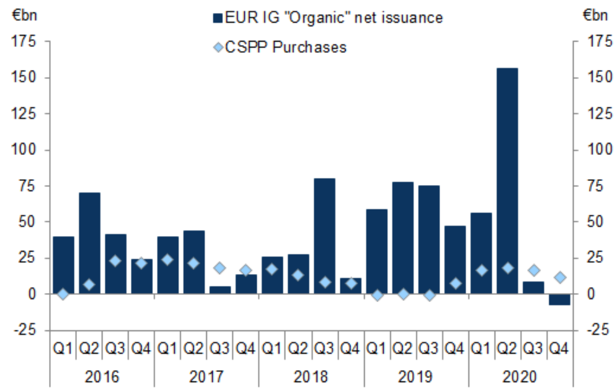


Note: The ECB only breaks out its PEPP purchases by asset class for two-month periods, we have assumed here that those corporate purchases were divided equally across the each of the two months.

Source: ECB, Goldman Sachs Global Investment Research

Exhibit 2 : CSPP purchases have been outpacing net issuance in the EUR IG market for the last two quarters

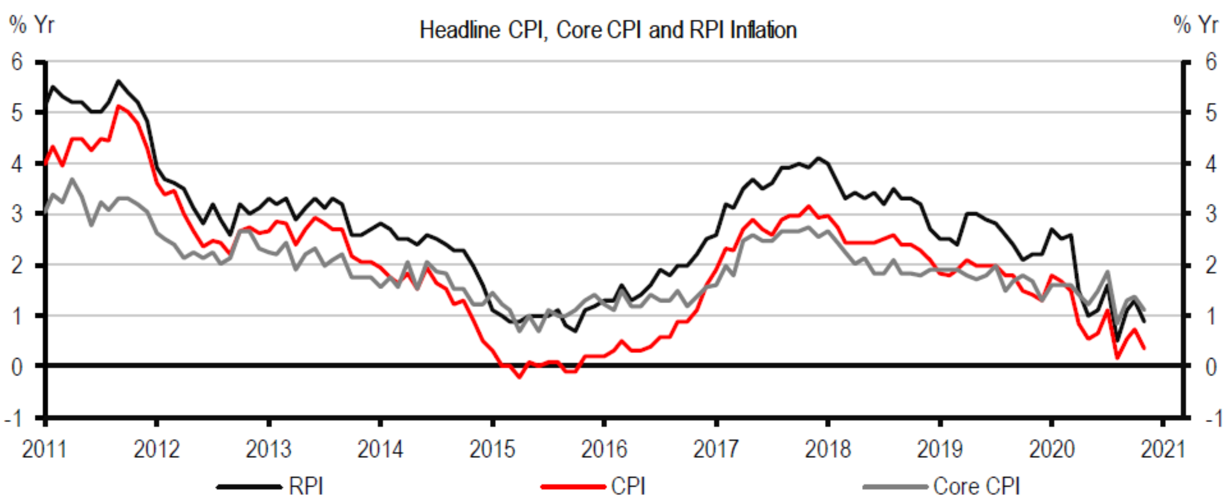
EUR IG net issuance (gross issuance minus maturities/redemptions) versus ECB CSPP purchases



Source: Bloomberg, ECB, Goldman Sachs Global Investment Research

UK's inflation fell more than expected in November with headline decelerating to 0.3% yoy from 0.7% in October (0.6% yoy expected). Core CPI fell by a similar magnitude from 1.5% to 1.1%. The disinflation was primarily driven by clothing with the statistics office noting increased discounting around the Black Friday sales. Analysts warn that November CPI figures could be somewhat distorted as due to lockdown number of items were imputed rather than directly measured. Nevertheless, the print reverses the upside surprises seen over the last few months potentially increasing arguments for further easing by the Bank of England.

Chart 1: Inflation fell unexpectedly sharply in November...



Source: ONS

ECB announces partial reinstatement of bank permission to pay dividends. Yesterday's announcement replaces a dividend ban issued in March (and extended in October) with a complex set of dividend constraints. Under the new rules, the ECB recommends that banks consider zero payouts through 30 September 2021. If they decline to do so, a bank may pay out up to 15% of 2019 plus 2020 earnings – or, if it has already paid 2019 dividends, of earnings in 2020 alone. In addition, through 30 September 2021, banks may pay out no more than 0.2% of risk-weighted assets dividend payouts will remain subject to ECB approval. Analysts characterize the announced policy as 'gradual' and 'conservative'. On maximum payouts under announced restrictions, banks are currently trading on historically modest yields of 1-3% (and average 1.5%) on 2020 dividends and generally around 4-7% on 2021 payouts.

Chart 4: Implied 2020 dividend yield, were every bank permitted to pay the maximum notionally enabled by ECB announcement (%)

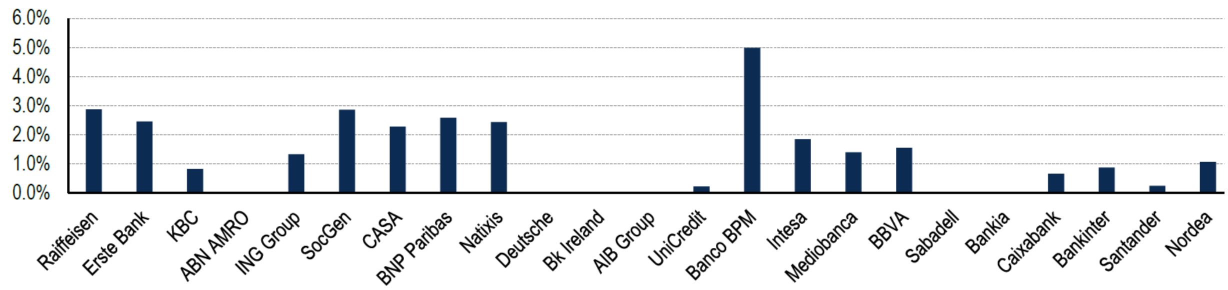
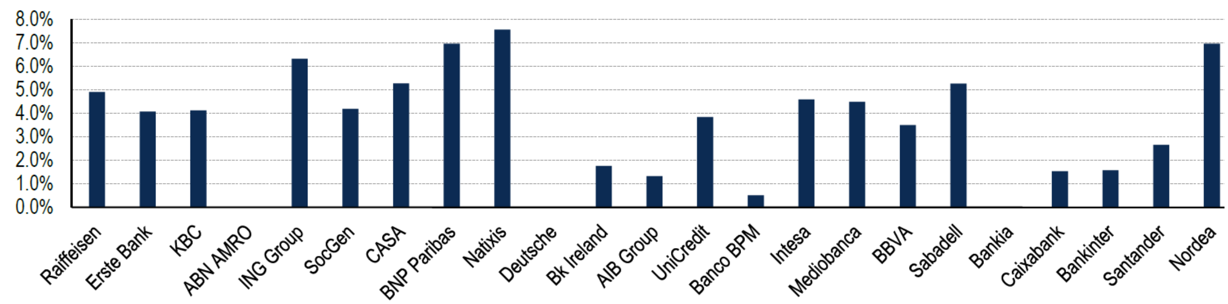


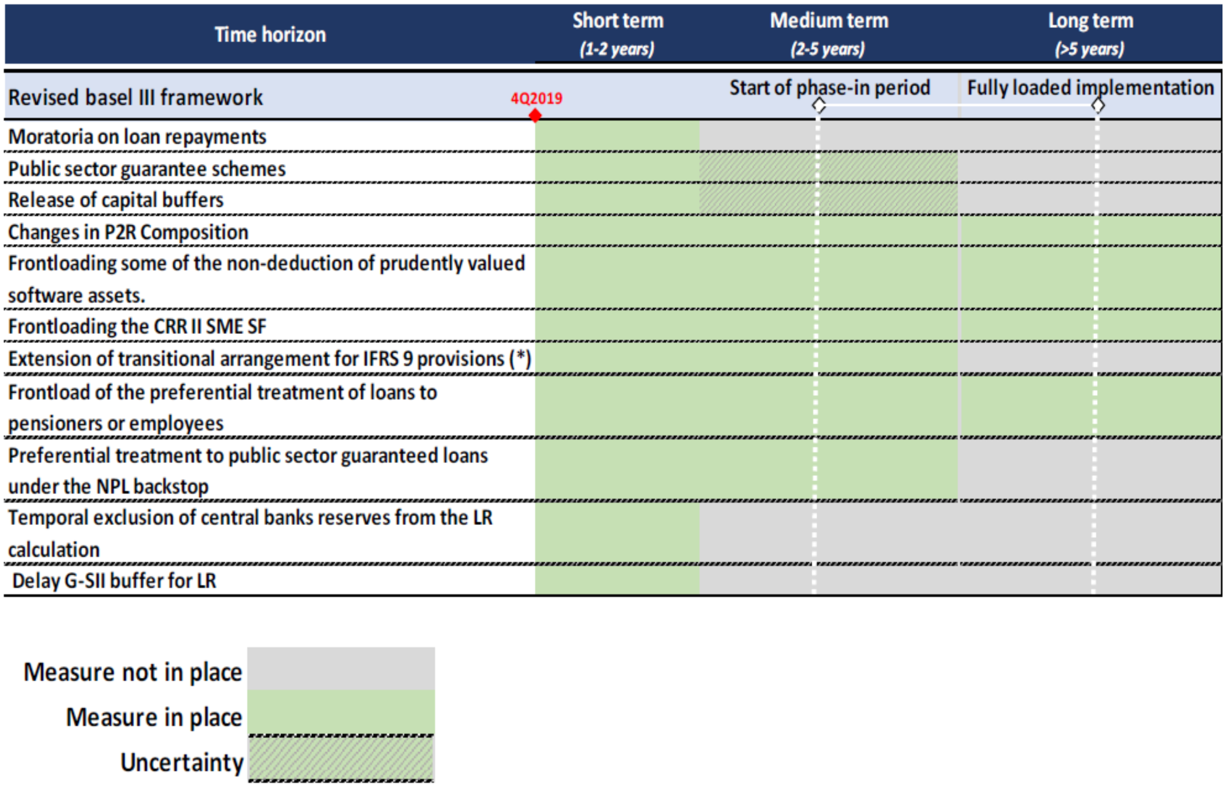
Chart 5: 2021E dividend yield %



Source: BofA Global Research estimates

EBA report clarifies scope and sequencing of 'cliff' risks from wind-down of policy support. In the context of an updated assessment of the impact on European banks from the implementation of Basel III, the European Banking Authority introduced a schematic overview of the range of extraordinary measures introduced to support borrowers and banks in the wake of the COVID-19 pandemic. This suggests that the most pressing concerns are (1) the expiration of moratoria on loan repayments; (2) expiration of the temporary exclusion of central bank reserves from liquidity ratio calculations; (3) the wind-down of public sector guarantees on new loans (probably calibrated to the maturity profile of new loans); (4) the end of regulatory release of bank capital buffers; and (5) preferential NPL accounting treatment of publicly guaranteed loans. While timing is uncertain, these cliff effects will likely drive some of the most significant episodes of heightened risk concern relating to European banks over the next few years. The first two are may be implemented before the end of 2021, and the others will likely emerge as market-relevant concerns well before the end of next year.

Expected time horizon of extraordinary policy and legislative relief measures



Source: European Banking Authority

Other Mature Markets

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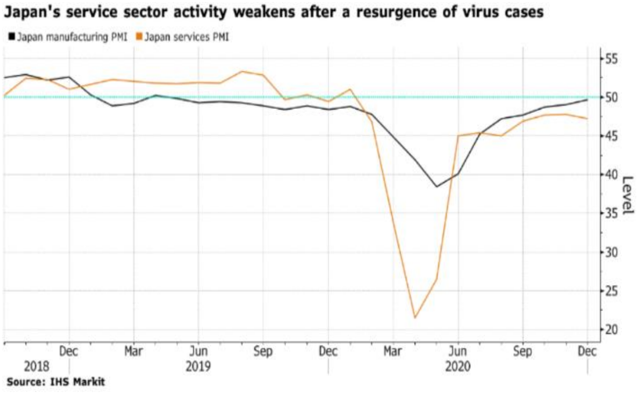
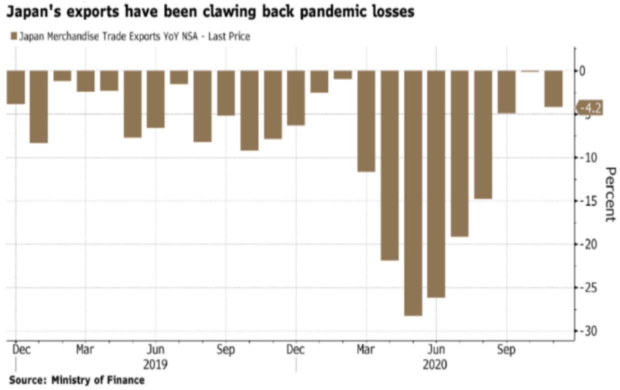
Japan

The Bank of Japan (BOJ) will purchase $6 bn of US dollar cash from the Ministry of Finance (MOF). The BOJ said in a statement that the $6 bn purchase from the MOF's Foreign Exchange Fund Special Account is 'in preparation for smoother execution of the BOJ's operations, such as international financial cooperation and foreign currency supply to financial institutions' due to the COVID-19 situation. The purchase would be made by March 2021 and would be conducted at the prevailing exchange rate. This would be the first time that the BOJ buy dollars outright from the MOF**. Separately, Japan's exports weakened while flash purchasing managers index (PMI) data showed sector divergence**. Exports fell -4.2% y/y in November and missed expectations for a +0.4% gain, halting a fifth straight month of improvement. Exports have now declined for 24 consecutive months in y/y terms. Services PMI declined to 47.2 in December from 47.8 in November while manufacturing PMI rose to 49.7 from 49 over the same period**. Equities (+0.3%) rose, with electronics outperforming, while the yen appreciated and 10-year JGB yield increased +0.6bps.**





Emerging Markets

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Asian equities saw broad-based gains of +0.9%. Southeast Asia including Indonesia (+1.8%), Vietnam (+1.1%) and Philippines (+1%), as well as Taiwan Province of China (+1.7%) outperformed. China (Shanghai -0.01%; Shenzhen -0.4%) was the only market that dropped. **Regional currencies were broadly unchanged. Central and Eastern European bourses gained**, led by the Czech Republic (+1.3%), Poland (+1.7%), and Russia (+0.6%). Turkish stocks (+0.7%) also posted some of the largest gains of the day. African and GCC stocks, on the other hand, fared lower, except Saudi Arabia (+0.5%). Egypt (-0.3%) and Morocco (-0.3%) led losses in the region. **Currencies appreciated across the entire EMEA region**: the Czech koruna (+0.7%) and the Hungarian forint (+0.5%) led the gains**. Latin American equity markets were broadly higher on Tuesday**. Colombia and Brazil outperformed as the equity index went up 1.4% and 1.3%, respectively, followed by Argentina. **Local currencies were generally stronger**. The Mexican peso was the best performer, appreciating 1.6% against the dollar, followed by the Brazilian real (+0.7%). 10-year government bond yields dropped 12 bps in Brazil and were mixed in other countries.

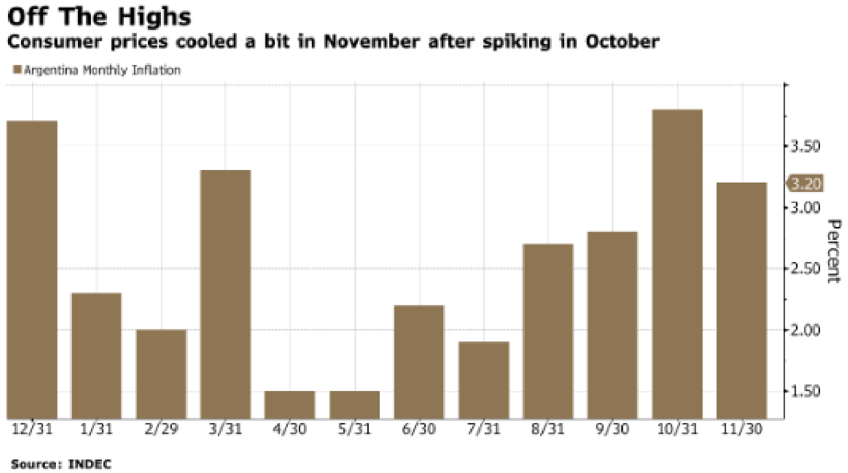
Key Emerging Market Financial Indicators

Last updated:	Level		Change				
12/16/20 1:17 PM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		50.48	1.1	-1	3	15	13
MSCI Frontier Equities		28.09	1.5	0	2	-6	-7
EMBIG Sovereign Spread (in bps)		359	-4	-4	-19	54	69
EM FX vs. USD		57.58	0.1	1	2	-6	-6
Major EM FX vs. USD				%, (+) = EM currency appreciation			
China Renminbi		6.53	0.1	0	1	7	7
Indonesian Rupiah		14125	0.0	0	0	-1	-2
Indian Rupee		73.59	0.1	0	1	-4	-3
Argentine Peso		82.61	-0.1	-1	-3	-28	-28
Brazil Real		5.11	-0.4	1	6	-21	-21
Mexican Peso		19.86	0.3	0	2	-5	-5
Russian Ruble		73.40	0.0	1	4	-15	-16
South African Rand		14.87	0.1	1	3	-3	-6
Turkish Lira		7.81	0.3	0	-1	-25	-24
EM FX volatility		10.24	0.0	-0.2	-0.3	3.8	3.6

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

Argentina

Argentina's inflation printed at +3.2% m/m in November, lower than the +3.5% consensus. In annual terms, consumer prices rose 35.8% y/y, the lowest increase since August 2018. Despite the slower pace in November, economists expected the inflation to rise 4% m/m in December, the highest level in 2020. Also, economists have revised up their inflation forecasts for 2021 to 50%. Argentine assets were mixed yesterday, as the domestic equities rose 0.5% and the peso slightly weakened.



China

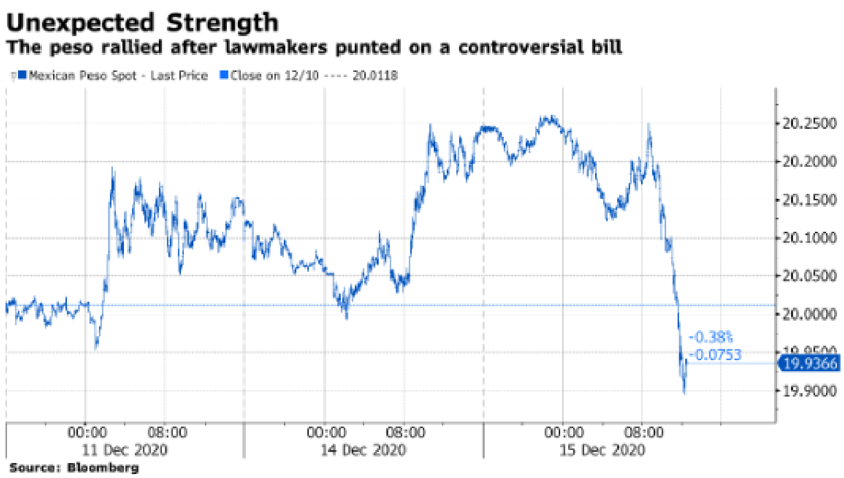
Some Chinese stocks will be deleted by MSCI from its benchmarks after the Trump administration banned US investments in companies with links to the China's military. The deletions will be effective as of January 5 close. MSCI's decision followed similar actions by FTSE Russell and S&P Dow Jones earlier this month. The companies deleted include China Railway Construction Corp, China Spacesat Co., China Communications Construction Co., CRRC Corp., Hangzhou Hikvision Digital Technology Co., Dawning Information Industry Co. and Semiconductor Manufacturing International Corp. MSCI will also publish its final list at the end of December to reflect any changes to Chinese firms sanctioned by the US. Separately, a Chinese clothing private company, Shandong Ruyi Technology Group Co., has defaulted on two domestic bonds of RMB1 bn ($153mn) each, citing tight liquidity and these defaults add to the onshore defaults, which are set to exceed RMB100 bn this year. **Equities (Shanghai -0.01%; Shenzhen -0.4%) and the RMB was little changed.**

GCC

Moody's warns that operating conditions for GCC banks will remain challenging in 2021. The agency expects, however, that even as credit quality deteriorates and profitability worsen, banks' capital positions should remain strong, in particular for lenders in Saudi Arabia, Kuwait, and Qatar. Returns on assets are forecasted to drop from around 1.5% in 2019 to about 1.0%-1.2% through 2020 and 2021.

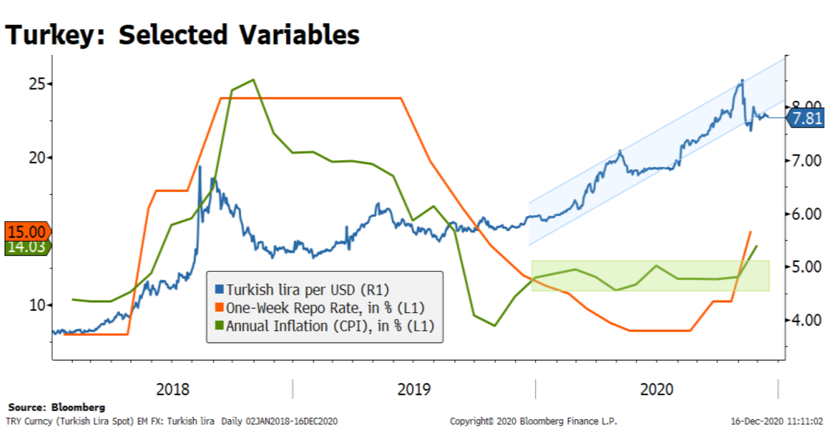
Mexico

The Lower House postponed until February 2021 debating a controversial bill, which would force the central bank to purchase the excess US dollars from the banking system and count them as international reserves. The proposal intends to help Mexican who receive US dollars from remittances and tourism to exchange that income more easily. The major risk is that the resources would possibly include illicit monies from drug trafficking and money laundering operations. The bill was approved by the Senate last week, and it has been fiercely opposed by the central bank, private banks, and many business lobbies. Analysts commented that the approval of the bill would undermine Banxico's autonomy, and the rating agency Moody's warned that it would be "credit negative for the sovereign". Markets react positively to the delay on Tuesday, as the Mexican peso rallied 1.6% against the dollar, and the equity index was little changed.



Turkey

In a video conference today, **central bank governor Naci Agbal suggested that a further tightening of monetary policy to bring inflation down**. The CBT expect the lagged effect of a weakening lira and higher commodity prices to pose risks to the inflation outlook. Inflation has accelerated recently, breaching upwards of its running corridor through 2020. **The lira strengthened 0.4% this morning to the US dollar.**



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Global Financial Indicators

Last updated: 12/16/20 1:24 PM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		3697	1.3	1	2	16	14
Europe		3544	0.6	0	2	-6	-5
Japan		26757	0.3	0	3	12	13
China		3367	0.0	0	1	13	10
Asia Ex Japan		87	0.9	-1	2	21	19
Emerging Markets		50	1.1	-1	3	15	13
Interest Rates					basis points		
US 10y Yield		0.94	2.8	0	3	-94	-98
Germany 10y Yield		-0.56	5.1	5	-2	-28	-38
Japan 10y Yield		0.01	0.5	-1	-1	2	2
UK 10y Yield		0.30	4.3	4	-5	-52	-52
Credit Spreads					basis points		
US Investment Grade		103	-0.5	-2	-10	-3	6
US High Yield		399	-1.7	-2	-54	-15	6
Europe IG		47	-1.3	0	-2	2	3
Europe HY		244	-5.5	1	-41	34	36
EMBIG Sovereign Spread		359	-4.0	-4	-19	54	69
Exchange Rates					%		
USD/Majors		90.26	-0.2	-1	-3	-7	-6
EUR/USD		1.22	0.3	1	3	9	9
USD/JPY		103.4	0.3	1	1	6	5
EM/USD		57.6	0.1	1	3	-6	-6
Commodities					%		
Brent Crude Oil ($/barrel)		51	0.1	4	16	-22	-23
Industrials Metals (index)		137	0.7	1	8	19	19
Agriculture (index)		44	0.9	3	2	8	7
Implied Volatility					%		
VIX Index (%, change in pp)		22.6	-0.3	0.3	0.1	10.5	8.8
US 10y Swaption Volatility		62.4	-0.1	0.0	7.4	0.1	0.4
Global FX Volatility		8.1	0.0	0.0	0.3	2.4	2.1
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		114	-3.2	-8	-12	-49	-52
Italy		111	-2.2	-8	-9	-46	-49
Portugal		54	-1.9	-5	-9	-12	-9
Spain		58	-1.3	-4	-6	-12	-7

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:	Exchange Rates							Local Currency Bond Yields (GBI EM)						
12/16/2020	Level		Change (in %)					Level		Change (in basis points)				
1:25 PM	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		6.53	0.1	0.2	1	7	7		3.4	-1.2	-1	0	16	24
Indonesia		14125	0.0	-0.1	0	-1	-2		6.1	-0.4	-7	-30	-122	-103
India		74	0.1	0.0	1	-4	-3		6.0	-0.7	-1	-5	-110	-92
Philippines		48	0.0	0.0	0	5	5		3.7	5.2	4	7	-57	-61
Thailand		30	0.1	0.0	1	1	0		1.5	0.0	0	-2	-24	-16
Malaysia		4.05	0.0	0.3	2	2	1		2.6	-0.9	-2	10	-80	-74
Argentina		83	-0.1	-0.7	-3	-28	-28		56.5	33.0	206	420	-3243	-612
Brazil		5.11	-0.5	1.1	6	-21	-21		5.8	-9.6	-16	-66	-36	-50
Chile		736	-0.1	0.9	4	4	2		2.8	-4.6	-10	5	-61	-46
Colombia		3425	0.1	1.8	6	-2	-4		5.2	0.8	3	-1	-74	-76
Mexico		19.86	0.3	0.1	2	-5	-5		5.7	-2.1	0	-31	-117	-122
Peru		3.6	0.1	0.5	2	-7	-8		3.6	-4.5	-15	-54	-81	-87
Uruguay		42	-0.1	0.5	1	-11	-12		7.4	-4.0	1	-10	-370	-351
Hungary		292	0.5	1.2	4	1	1		1.5	-3.7	-13	-8	47	34
Poland		3.64	0.4	0.9	4	5	4		0.7	-3.3	-5	4	-116	-124
Romania		4.0	0.3	0.8	3	7	7		2.8	0.0	-4	-10	-134	-116
Russia		73.4	-0.1	0.6	4	-15	-16		5.6	1.4	5	6	-61	-52
South Africa		14.9	0.0	0.6	3	-3	-6		9.7	-4.4	-13	-18	6	14
Turkey		7.81	0.3	0.2	-1	-25	-24		13.4	0.8	2	95	162	174
US (DXY; 5y UST)		90	-0.2	-0.9	-3	-7	-6		0.39	2.5	-1	-2	-131	-130

	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		4954	0.2	0	1	24	21		208	1	2	-2	29	32
Indonesia		6118	1.8	3	11	-2	-3		189	-1	3	-1	26	33
India		46666	0.9	1	7	14	13		154	1	2	-20	24	29
Philippines		7300	1.0	3	6	-5	-7		111	-2	-2	3	40	45
Malaysia		1681	0.4	2	5	7	6		118	2	1	-9	0	6
Argentina		53280	0.5	-3	4	42	28		1387	-1	-50	62	-745	-382
Brazil		116336	1.3	3	9	4	1		256	-1	-5	-13	43	41
Chile		4092	0.2	-1	1	-16	-12		147	-1	-1	-2	5	14
Colombia		1408	1.3	2	16	-14	-15		208	-1	-9	1	44	45
Mexico		43543	-0.1	1	7	-2	0		386	-9	-31	-41	88	94
Peru		20583	0.5	-1	13	3	0		145	-1	-8	0	34	38
Hungary		41921	0.1	3	12	-8	-9		98	0	2	-3	7	12
Poland		56478	1.6	0	9	-1	-2		4	-1	1	-6	-15	-14
Romania		9614	0.4	1	8	-4	-4		210	-2	-1	5	17	37
Russia		3265	0.5	2	6	9	7		164	-2	-7	-11	27	33
South Africa		59478	0.0	1	4	5	4		379	-4	3	-33	36	59
Turkey		1404	0.6	4	9	26	23		470	-12	-14	-31	56	69
Ukraine		508	0.0	0	1	0	0		476	-4	-10	-92	50	56
EM total		50	1.1	-1	3	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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