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- Reduced odds of a BOJ hike later this week became a headwind for the Yen ([link](#))
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Market Contacts Brace for a Fed's 'Gift of Coal' at the Upcoming Meeting

This week's investor attention is on interest rate decisions from twelve central banks, with the Fed's meeting on Wednesday at the forefront. The consensus is that the Fed will deliver a firmly expected cut, but the real focus is on the trajectory of future rate cuts. There is growing anticipation that the Fed will adjust its economic projections to reflect stronger economic growth and upside inflation risks, potentially signaling a shallower rate cut cycle—what some are calling a Fed's 'gift of coal'. While the Fed is likely to hold steady or ease cautiously next year, the U.S. economy remains relatively insulated compared to other regions, reinforcing the "U.S. exceptionalism" narrative, as mirrored by continued fund flows out of emerging markets. In Europe, despite better December flash PMI data, market reactions have been muted, with the euro holding steady and bund yields unchanged. Political uncertainty in Germany, particularly surrounding Chancellor Scholz's vote of confidence today, combined with weakening growth momentum in China, has dampened sentiment. Moody's downgrade of France's credit rating highlights fiscal challenges within the Eurozone, but the muted market response aligns with Moody's being the last major rating agency to downgrade its assessment. Elsewhere, Brazil's central bank intervened in the currency market, but the Brazilian real still weakened due to broader fiscal concerns. In South Korea, President Yoon's impeachment alleviated near-term political uncertainty, bolstering domestic market sentiment.

Key Global Financial Indicators

| Last updated: 12/16/24 8:41 AM | Level | | Change from Market Close | | | | YTD |
|--------------------------------------|----------|--------|--------------------------|--------|---------|------|-----|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | |
| Equities | | | % | | | | % |
| S&P 500 | | 6051 | 0.0 | -1 | 3 | 28 | 27 |
| Eurostoxx 50 | | 4943 | -0.5 | -1 | 3 | 9 | 9 |
| Nikkei 225 | | 39457 | 0.0 | 1 | 2 | 20 | 18 |
| MSCI EM | | 44 | 0.1 | 0 | 3 | 10 | 10 |
| Yields and Spreads | | | bps | | | | |
| US 10y Yield | | 4.36 | -3.6 | 16 | -8 | 45 | 48 |
| Germany 10y Yield | | 2.23 | -2.8 | 11 | -13 | 21 | 21 |
| EMBIG Sovereign Spread | | 321 | 1 | -9 | -1 | -87 | -62 |
| FX / Commodities / Volatility | | | % | | | | |
| EM FX vs. USD, (+) = appreciation | | 43.7 | -0.1 | -1 | -1 | -9 | -9 |
| Dollar index, (+) = \$ appreciation | | 106.9 | -0.1 | 1 | 0 | 4 | 6 |
| Brent Crude Oil (\$/barrel) | | 74.0 | -0.7 | 3 | 4 | -3 | -4 |
| VIX Index (% change in pp) | | 14.2 | 0.4 | 0 | -2 | 2 | 2 |

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

This week's news flow features interest rate decisions from twelve central banks. The focus is on the Fed meeting on Wednesday, where the consensus is for a -25bps cut. The central banks of Mexico, Chile, Colombia, and Philippines are also likely seen to ease. Conversely, those in the United Kingdom, Norway, Hungary, Czech Republic, Indonesia, and Japan are expected to hold rates. By contrast, the central bank of Russia is expected to hike its policy rate. On the macroeconomic data front, analysts expect that a front loading of world trade flows ahead of possible tariff increases will concentrate output gains around the turn of the year. In China, November activity data including industrial production, retail sales, and fixed investment will likely reflect a near-term policy effect. In France, discussions on the 2025 budget will resume next year, while a special law to extend the 2024 budget is set for a vote this week.

Mature Markets

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Global Fund Flows

Last weeks' fund flows continue to confirm the 'US exceptionalism' narrative. According to EPFR data for the week ending December 11, global equity funds saw continued positive inflows (+\$9bn, following +\$8bn the previous week). US equities benefited from stronger inflows, while Euro area and Japanese equities experienced outflows. Mainland China equities had inflows, but cumulative foreign flows for the year have turned negative. In developed markets, fixed income funds saw inflows, driven by strong demand for investment-grade credit, while government bond funds saw outflows. Emerging market fixed income continued to see outflows, amid strong demand for US dollars, which remains supported by global investors.

United States

The Treasury 3-month to 10-year interest rate differential has turned positive for the first time in two years. On Friday morning, the yield curve steepened further after import prices showed an unexpected increase, adding to upside surprises in recent inflation data outturns, including the NY Fed's 1-year inflation expectations. For the week, the Treasury 3-month to 10-year yield spread widened by +31bps, turning positive for the first time since November 2022. As overnight forward pricing and median consensus

The 3m10y Curve Has Finally Disinverted



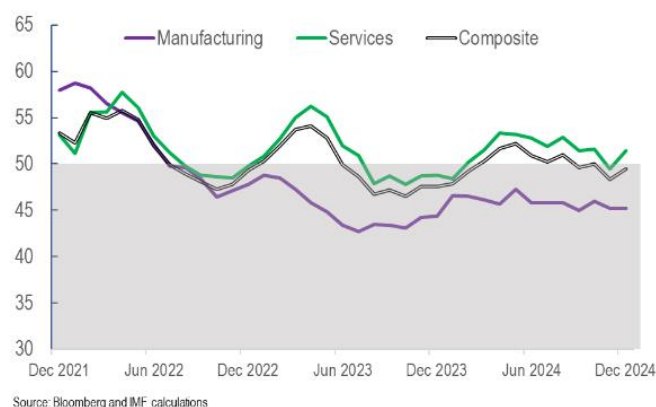
expectations firmly anchor a -25bps rate cut, the real question to market contacts is whether the Fed will pause in January or continue its path of lowering rates further. There is growing expectation that the Fed may take a more hawkish stance, raising its economic growth and inflation forecasts in the Summary of Economic Projections. This would suggest that the Fed's response to inflation may be more focused on upside risks, which could signal a shallower rate cut cycle than the market currently prices. Meanwhile, US equities retreated from their record highs, with the S&P 500 down -0.6% for the week.

Euro Area

Survey data printed better than expected but had little impact on market pricing ahead of the confidence vote in Germany later today. December flash PMI data showed an upside surprise, with the Eurozone composite PMI increasing to 49.5% (exp. 48.2% from 48.3%). The services sector led, with its PMI rising to 51.4% (exp. 49.5% from 49.5%), while manufacturing PMI remained unchanged at 45.2% (exp. 45.3% from 45.2%). ECB President Christine Lagarde reiterated that further rate cuts are possible if incoming data continues to confirm the ECB's baseline. Hence, market contacts at Morgan Stanley perceive that today's data suggests weak growth but sticky inflation, supporting their call for consecutive -25bps rate cuts in January and March. Nonetheless, the stronger data did little to spark a more constructive shift of the

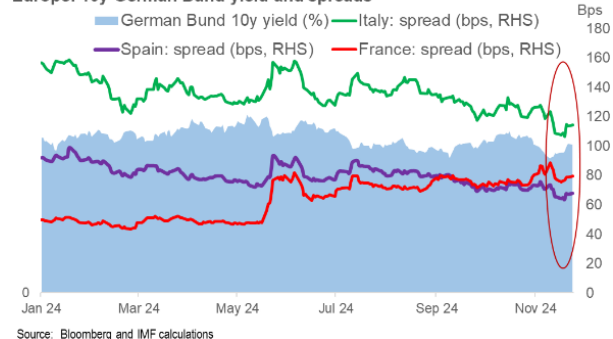
tepid investor sentiment and the muted market reaction. The Stoxx 600 index fractionally declined (-0.1%). The euro remained flat to the dollar at \$1.0492/€ and the 10-year bund yield stayed unchanged at 2.24%. Conversely, the attention is on Chancellor Scholz's vote of confidence in Germany's Bundestag later today. The expected loss is likely to clear the path for early elections on February 23. Additionally, Bloomberg analysts also pointed to the downbeat November data from China as an additional factor weighing on overall sentiment.

Eurozone: PMI data (>50 is expansion)



Moody's downgraded France's credit rating to Aa3 from Aa2 on Friday, marking the last major credit rating agency to make this move. The agency also changed its outlook to stable from negative. Moody's cited concerns that France's public finances will be "*substantially weakened over the coming years*," with political fragmentation likely to hinder meaningful fiscal consolidation. Market contacts note that the downgrade aligns with assessments from other rating agencies, such as Fitch and S&P. On the same day, President Macron appointed Francois Bayrou as France's fourth premier in a year. French 10-year OAT yields initially ticked higher but retraced later, while 10-year Bund yields edged lower, leading to a slight widening of the OAT-Bund spread (+1bps) to 79bps. French equities were down by -0.8%, underperforming the broader market.

Europe: 10y German Bund yield and spreads



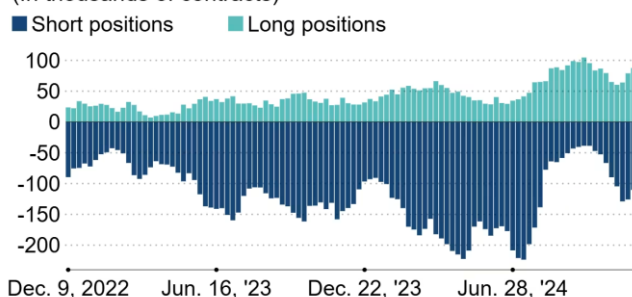
Japan

The yen weakened as market pricing is for the Bank of Japan (BOJ) to maintain its policy rate unchanged at the meeting later this week. Over the past two weeks, overnight forwards tracked closely with Governor Ueda's comments, which emphasized concerns over wage trends and pricing outside large corporations. The odds of a December rate hike dropped sharply from nearly 70% to under 20%. A CNBC survey shows that economists expect the BOJ to keep its benchmark interest rate unchanged while awaiting further clarity on domestic wages and spending trends. Most market participants now foresee a +25bps rate hike at the BOJ's next meeting on January 23, 2025. The yen has been volatile recently, trading between ¥157/\$ and ¥149/\$, with a slight depreciation today (-0.1%). Some market contacts point out that the BOJ's data-dependent approach makes predictions harder, possibly leading to more currency swings. Economists have mixed views on the yen's direction, with a CNBC survey predicting a strengthening to ¥147.4/\$ by the end of 2025, while BofA Securities forecasts a decline to ¥160/\$. CFTC data shows limited

speculative selling of the yen. Stock markets were slightly lower today (Topix: -0.3%; NIKKEI 225: -0.03%).

Bets against yen off summer peak

(In thousands of contracts)



1 contract = 12.5 million yen

Source: U.S. Commodity Futures Trading Commission

Emerging Markets

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EMEA equities were broadly higher while currencies were mixed. In early morning trade, equities in Czechia (+0.5%) were outperforming, while those in Türkiye (-0.4%) were underperforming. CEE currencies were broadly unchanged against the euro. The Romanian leu was stable against the euro at 4.97/€ as the finance ministry announced that its gross financing needs for 2024 would reach 250b lei as the budget deficit is expected to reach 8.6% of GDP. Meanwhile, the Turkish lira was steady at 34.96/\$ and the South African rand was broadly unchanged at 17.88/\$, while the Russian ruble edged up 0.6% against the dollar to trade at 104/\$.

Asian stock markets broadly declined while currencies lacked direction. Equity markets soured following a downside surprise in November retail sales data from China, with the largest losses in Thailand (-0.9%), Indonesia (-0.9%), and Hong Kong SAR (-0.9%). In Korea, stocks fell less (-0.2%) after the weekend's impeachment of President Yoon. Currency markets lacked a clear trend, with the Philippine peso's depreciation (-0.3%) marking the lower band and the Thai baht's appreciation (+0.3%) setting the upper band. The Korean won slightly gained (+0.1%) after the swift impeachment vote, which alleviated near-term uncertainty and will help to bolster market sentiment, as Morgan Stanley market contacts point out.

On Friday, Latin American stock markets retreated, while currency markets showed mixed direction. Brazilian stock markets fell (-1.1%), while equities in Colombia and Chile also saw declines. In contrast, Mexican stock markets rose (+0.7%), supported by a stronger peso. Among currencies, the Brazilian real led losses (-1.0%) despite the central bank's intervention, selling \$845mn of reserves to bolster the currency. The Chilean peso weakened (-0.7%), pressured by lower copper prices. Meanwhile, the Colombian peso was the best-performing EM currency on the day (+0.7%), followed by the Mexican peso (+0.5%), after S&P affirmed Mexico's long-term local currency debt rating at BBB+ with a stable outlook.

EM Fund Flows

For the week ending December 13th, fund flows to emerging markets continued to contract. EM equity fund flows reversed sharply to -\$3.1bn (from +\$39mn), while EM bond fund outflows accelerated to -\$1.1bn (from -\$756mn). In equities, ETF flows turned negative at -\$262mn (from +\$734mn), and non-ETF outflows deepened to -\$2.8bn (from -\$695mn). Regionally, Asia ex-Japan led equity outflows at -\$1.4bn (from -\$229mn). In the bond segment, local currency fund outflows more than doubled to -\$588mn (from -\$270mn), while hard currency outflows somewhat stabilized at -\$570mn (from -\$549mn). EM ex-China local currency outflows accelerated to -\$527mn (from -\$177mn), and Asia ex-Japan hard currency outflows

increased to -\$129mn (from -\$101mn). Year-to-date, EM bond flows stand at -\$26.6bn and equity flows at +\$26.9bn.

Figure 1: Weekly cross-asset flows

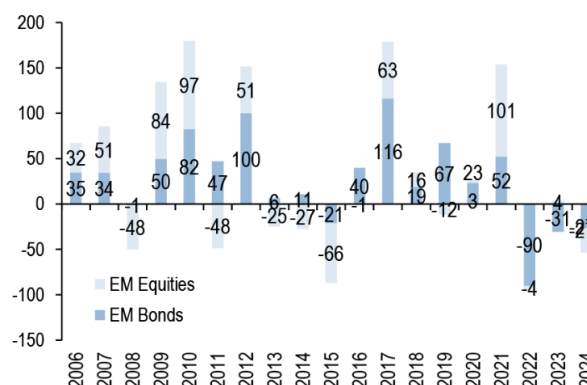
USD billion

| Asset | 8w flows (8w ago → current) | This wk | YTD |
|--------------------------------|-----------------------------|-------------|--------------|
| EM Bonds and Equities | | -4.2 | -53.4 |
| EM Bonds | | -1.1 | -26.6 |
| Hard Ccy | | -0.6 | -16.2 |
| Local Ccy ^A | | -0.6 | -10.4 |
| o.w. EM ex-China | | -0.5 | -10.9 |
| o.w. China | | 0.0 | -1.9 |
| EM Equities | | -3.1 | -26.9 |
| US HG | | 5.5 | 361.2 |
| US HY | | 0.0 | 28.1 |
| Global Equities | | 0.9 | 251.4 |
| EM Bond and Equity ETFs | | -0.4 | 21.1 |
| EM Bond ETFs | | -0.1 | -4.1 |
| EM Equity ETFs | | -0.3 | 25.3 |
| Non-resident EM flows* | | 0.0 | -19.5 |

*High-frequency non-resident EM portfolio flow data where available. ^ALocal ccy split is retail only. Source for all charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg Finance L.P.

Figure 2: EM bond and equity fund flows

USD billion



Brazil

Brazil's central bank intervened in the currency market on Friday, selling \$845mn in a spot auction. Despite this, the Brazilian real (-1.0%) ended the day lower, as the impact was short-lived. While the real gained +0.5% last week, it remains down -19% year-to-date due to a deteriorating fiscal outlook. The central bank's intervention aims at providing market liquidity rather than changing Brazil's market fundamentals. The schedule foresees another auction for Monday, with \$3bn in credit-line sales.

Through this process, the central bank sells dollars and pledges to repurchase them later at an agreed interest rate, injecting additional liquidity into the market. On Friday, the São Paulo exchange fell (-0.7%), and long-end swap rates rose by over +40bps.

Traders Navigate Turbulent Month for Brazil's Real



China

Incoming November data shows signs of weakness. Retail sales rose only 3.0% y/y (exp. 5.0% from 4.8%), marking the slowest growth in three months, confirming ongoing weakness in consumer demand. New home prices declined -0.2% m/m (from -0.51%), marking the third consecutive month of contraction, albeit at a slower pace. Industrial production printed at 5.4% y/y (exp. 5.4% from 5.3%), and the jobless rate remained stable at 5% (exp. 5.0% from 5.0%). For credit data, new aggregate social financing for November increased less than anticipated to Rmb2.3tn (exp. 2.7tn from 1.4tn), with government bond financing being the main driver of credit growth. The National Bureau of Statistics acknowledged the challenges while emphasizing strong food production and expecting minor increases in the CPI.

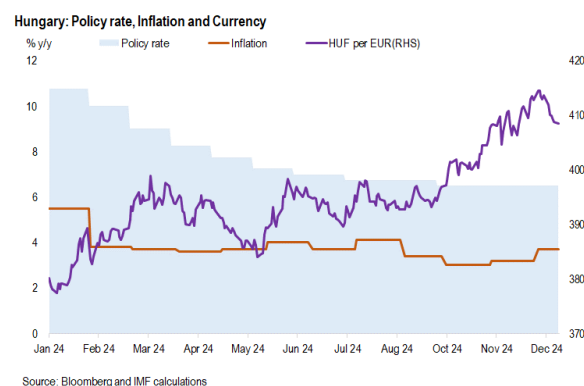


In reaction to the data outturns, sovereign bond yields dropped, and stock markets declined. A recent survey shows economists anticipating that 10-year sovereign yields could fall to 1.5%-1.6% by the end of next year, given the persistent deflationary pressures confirmed by the recent data, necessitating more aggressive policy support. In reaction, today 10-year Chinese government bond yields dropped (-6bps) to 1.71%, while stock markets declined both onshore (CSI 300: -0.5%) and offshore (HSCEI: -0.8%), reflecting investor disappointment over the economic statistics. The RMB weakened (-0.1%), facing downward pressure from a larger interest rate differential and increased household demand for foreign currency.

Hungary

Market contacts expect the National Bank of Hungary (NBH) to maintain a rate hold tomorrow.

Median consensus expectations are that policymakers will keep rates on hold at 6.50% at tomorrow's monetary policy meeting as weakness in the forint appears to outweigh concerns of slowing growth. Analysts at Goldman Sachs note that the NBH has "been sensitive to the EUR/HUF exchange rate and it has on multiple occasions in the past year slowed or paused its cutting cycle in response to forint weakness." Specifically, the analysts note that while the forint strengthened over the past week, it remains




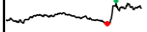
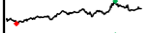








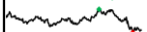

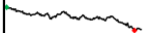







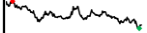



weaker than the 400/€ level that the NBH has previously assigned importance to. Analysts at Deutsche Bank however note that a deeper ECB easing cycle should afford the NBH room to ease policy rates more significantly in 2025, where they expect a terminal rate of 4.75% by Q4–2025. Separately, central bank governor-nominee Varga stated that he remains committed to the 3% inflation target as well as maintaining central bank independence when he takes over from Governor Matolcsy. This morning the Hungarian forint was trading broadly steady against the euro at 408/€, having gained 0.9% over the past week.

This monitor is prepared under the guidance of Jason Wu (Assistant Director), Charles Cohen (Advisor), Nassira Abbas (Deputy Division Chief), Caio Ferreira (Deputy Division Chief) and Sheheryar Malik (Deputy Division Chief). Fabio Cortes (Senior Economist), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Financial Sector Expert-London Representative), Johannes S Kramer (Senior Financial Sector Expert), Benjamin Mosk (Senior Financial Sector Expert), Sonal Patel (Senior Financial Sector Expert-London Representative), Patrick Schneider (Financial Sector Expert), and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are John Caparusso (Senior Financial Sector Expert), Mustafa Oguz Caylan (Research Officer), Sally Chen (IMF Resident Representative in Hong Kong), Yingyuan Chen (Financial Sector Expert), Andrew Ferrante (Research Assistant), Deepali Gautam (Senior Research Officer), Harrison Kraus (Research Assistant), Yiran Li (Research Assistant), Xiang-Li Lim (Financial Sector Expert), Corrado Macchiarelli (Economist), Kleopatra Nikolaou (Senior Financial Sector Expert), Silvia Ramirez (Senior Financial Sector Expert), Francesco de Rossi (Senior Financial Sector Expert-London Representative), Hong Xiao (Economist), Dmitry Yakovlev (Senior Research Officer), Akihiko Yokoyama (Senior Financial Sector Expert), and Jing Zhao (Economic Analyst). Javier Chang (Senior Administrative Coordinator), Lauren Kao (Administrative Coordinator), and Srujana Tyler (Administrative Coordinator) are responsible for the word processing and production of this monitor.

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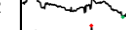


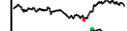

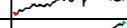
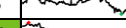

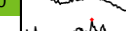



















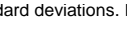


Global Financial Indicators

| 12/16/24 8:41 AM | Level | | Change | | | | YTD |
|-----------------------------|---|--------|----------------------------------|--------|---------|-------|-----|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | |
| Equities | | | % | | | | % |
| United States |  | 6,067 | 0.0 | 0.2 | 3.3 | 28.6 | 27 |
| Europe |  | 4,944 | -0.5 | -0.8 | 3.1 | 8.7 | 9 |
| Japan |  | 39,457 | 0.0 | 0.8 | 2.1 | 19.7 | 18 |
| China |  | 3,912 | -0.5 | -1.4 | -1.4 | 17.1 | 14 |
| Asia Ex Japan |  | 75 | 0.1 | 0.4 | 2.6 | 14.5 | 13 |
| Emerging Markets |  | 44 | 0.1 | 0.4 | 2.5 | 10.1 | 10 |
| Interest Rates | | | basis points | | | | |
| US 10y Yield |  | 4.4 | -4 | 16 | -8 | 45 | 48 |
| Germany 10y Yield |  | 2.2 | -3 | 11 | -13 | 21 | 21 |
| Japan 10y Yield |  | 1.1 | 3 | 2 | 0 | 38 | 46 |
| UK 10y Yield |  | 4.4 | -3 | 11 | -9 | 70 | 85 |
| Credit Spreads | | | basis points | | | | |
| US Investment Grade |  | 117 | 1 | -1 | -3 | -16 | -17 |
| US High Yield |  | 308 | 2 | -2 | -7 | -87 | -77 |
| Exchange Rates | | | % | | | | |
| USD/Majors |  | 106.9 | -0.1 | 0.7 | 0.2 | 4.3 | 6 |
| EUR/USD |  | 1.05 | 0.0 | -0.5 | -0.9 | -3.9 | -5 |
| USD/JPY |  | 154.0 | 0.2 | 1.9 | -0.4 | 7.9 | 9 |
| EM/USD |  | 43.7 | -0.1 | -0.6 | -1.0 | -9.0 | -9 |
| Commodities | | | % | | | | |
| Brent Crude Oil (\$/barrel) |  | 74.0 | -0.6 | 2.6 | 4.6 | -2.0 | -1 |
| Industrials Metals (index) |  | 144.9 | -0.2 | -1.1 | 1.0 | 3.7 | 2 |
| Agriculture (index) |  | 57.1 | 0.5 | -0.8 | 1.5 | -10.8 | -9 |
| Implied Volatility | | | % | | | | |
| VIX Index (% change in pp) |  | 14.2 | 0.4 | 0.0 | -2.0 | 1.9 | 1.7 |
| Global FX Volatility |  | 8.7 | 0.1 | 0.1 | 0.0 | 0.5 | 0.6 |
| EA Sovereign Spreads | | | 10-Year spread vs. Germany (bps) | | | | |
| Greece |  | 83 | 1 | 5 | 0 | -33 | -20 |
| Italy |  | 115 | 1 | 7 | -5 | -56 | -53 |
| France |  | 80 | 1 | 4 | 7 | 27 | 26 |
| Spain |  | 69 | 2 | 4 | -2 | -29 | -28 |

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

Emerging Market Financial Indicators

| Last updated: 12/16/2024 8:43 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 | | 7.28 | -0.1 | -0.3 | -0.7 | -2.1 | -2.5 | | 1.8 | -4 | -15 | -25 | -93 | -84 |
| Indonesia | | 16000 | 0.0 | -0.8 | -0.9 | -3.1 | -3.8 | | 7.0 | 2 | 4 | 13 | 21 | 43 |
| India | | 85 | -0.1 | -0.2 | -0.6 | -2.1 | -2.0 | | 7.1 | 5 | 6 | -19 | 0 | -10 |
| Philippines | | 59 | -0.4 | -1.1 | 0.0 | -4.8 | -5.6 | | | | | | | |
| Thailand | | 34 | 0.2 | -0.8 | 2.1 | 2.7 | 0.2 | | 2.4 | 0 | 1 | -14 | -55 | -43 |
| Malaysia | | 4.45 | 0.0 | -0.5 | 0.7 | 5.5 | 3.3 | | 3.8 | 0 | 3 | -7 | 7 | 8 |
| Argentina | | 1021 | -0.3 | -0.5 | -2.2 | -21.4 | -20.8 | | 28.8 | -1 | -68 | -49 | -5213 | -5754 |
| Brazil | | 6.04 | 0.2 | 0.7 | -4.8 | -18.9 | -19.6 | | 14.8 | 37 | 25 | 156 | 466 | 478 |
| Chile | | 989 | -0.2 | -2.0 | -1.6 | -11.8 | -11.1 | | 5.4 | 1 | 7 | -9 | -15 | 3 |
| Colombia | | 4316 | 0.1 | 1.3 | 2.0 | -8.8 | -10.7 | | 11.2 | 0 | 36 | 51 | 66 | 127 |
| Mexico | | 20.17 | -0.2 | 0.3 | 0.2 | -14.9 | -15.9 | | 10.1 | 10 | 7 | 6 | 78 | 101 |
| Peru | | 3.7 | 0.2 | -0.3 | 2.2 | 1.7 | -0.7 | | 6.6 | 2 | 7 | -10 | -17 | -8 |
| Uruguay | | 44 | 0.5 | -1.1 | -3.7 | -11.2 | -12.3 | | 9.6 | 1 | 4 | 16 | -8 | 7 |
| Hungary | | 390 | -0.1 | 0.2 | -1.6 | -9.7 | -10.9 | | 6.1 | 4 | -12 | -41 | -19 | 27 |
| Poland | | 4.06 | 0.0 | -0.6 | 0.2 | -2.5 | -3.1 | | 5.5 | 8 | 12 | 6 | 44 | 48 |
| Romania | | 4.7 | 0.0 | -0.6 | -0.9 | -4.0 | -4.9 | | 7.0 | 1 | -2 | 24 | 51 | 83 |
| Russia | | 103.7 | 0.8 | -3.7 | -3.7 | -13.0 | -13.8 | | | | | | | |
| South Africa | | 17.9 | 0.0 | -0.5 | 0.5 | 4.0 | 2.8 | | 10.3 | 0 | -2 | -22 | -120 | -94 |
| Türkiye | | 34.96 | 0.0 | -0.4 | -1.2 | -16.9 | -15.5 | | 30.8 | -7 | 66 | 11 | 478 | 462 |
| US (DXY; 5y UST) | | 107 | -0.1 | 0.7 | 0.2 | 4.3 | 5.5 | | 4.21 | -4 | 14 | -9 | 31 | 37 |

| | 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 | 7 Days | 30 Days | 12 M | | |
| | | | | | | | | basis points | | | | | | |
| China |  | 3,912 | -0.5 | -1.4 | -1.4 | 17.1 | 14.0 |  | 98 | -2 | -2 | -61 | -60 | |
| Indonesia |  | 7,259 | -0.9 | -2.4 | 1.4 | 0.9 | -0.2 |  | 88 | -14 | 11 | -30 | -8 | |
| India |  | 81,749 | -0.5 | 0.3 | 5.4 | 14.4 | 13.2 |  | 81 | -4 | 1 | -34 | -35 | |
| Philippines |  | 6,615 | 0.0 | -1.0 | -0.9 | 2.1 | 2.6 |  | 77 | -10 | 9 | -22 | -3 | |
| Thailand |  | 1,420 | -0.8 | -2.2 | -1.6 | 2.1 | 0.3 |  | | | | | | |
| Malaysia |  | 1,607 | -0.1 | -0.3 | 0.9 | 9.9 | 10.5 |  | 70 | -3 | 10 | -17 | -15 | |
| Argentina |  | 2,370,662 | 2.9 | 7.6 | 14.7 | 156.1 | 155.0 |  | 707 | -65 | -91 | -1120 | -1206 | |
| Brazil |  | 124,881 | -1.1 | -1.8 | -2.3 | -4.1 | -6.9 |  | 218 | -6 | 15 | 0 | 3 | |
| Chile |  | 6,768 | -0.2 | 0.8 | 3.7 | 10.3 | 9.2 |  | 110 | -8 | 1 | -25 | -15 | |
| Colombia |  | 1,380 | -0.4 | 0.0 | 2.5 | 18.7 | 15.5 |  | 306 | -18 | -4 | -1 | 35 | |
| Mexico |  | 51,620 | 0.7 | -0.3 | 2.3 | -9.6 | -10.0 |  | 300 | -2 | 14 | -58 | -34 | |
| Peru |  | 29,757 | -1.3 | 1.0 | -2.6 | 20.1 | 14.6 |  | 134 | -4 | 1 | -21 | -10 | |
| Hungary |  | 79,717 | -0.6 | -0.1 | 2.5 | 32.0 | 31.5 |  | 140 | -19 | 1 | -33 | -9 | |
| Poland |  | 81,254 | -0.5 | -2.0 | 2.4 | 4.6 | 3.6 |  | 101 | -13 | -1 | -17 | 4 | |
| Romania |  | 17,317 | -0.7 | 1.8 | -1.8 | 12.4 | 12.7 |  | 208 | -15 | 14 | -12 | 7 | |
| South Africa |  | 87,130 | 0.0 | 0.2 | 3.9 | 15.7 | 13.3 |  | 278 | -2 | 6 | -81 | -30 | |
| Türkiye |  | 10,081 | -0.4 | -1.7 | 7.4 | 26.1 | 35.0 |  | 249 | -10 | 6 | -104 | -65 | |
| EM total |  | 44 | -0.1 | 0.4 | 2.5 | 10.1 | 9.5 |  | 355 | -9 | -6 | -10 | 10 | |

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

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