



- Markets in Korea stabilize after martial law decree is lifted ([link](#))
- European markets mark time ahead of French no-confidence vote ([link](#))
- Extreme bullishness in the US equity market raises red flags ([link](#))
- Analysts warn that US bank rally may be overdone ([link](#))
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## Global markets hold steady ahead of key risk events

Markets in Korea appeared to be stabilizing after the martial law decree was lifted and losses were relatively modest, although a number of other Asian markets were also negatively impacted. The euro and euro area government bonds are holding steady ahead of the no-confidence vote in France later today. Most equity markets in Europe were higher this morning. US equity index futures indicate a positive start to the day, after the S&P 500 marked its fifty-fifth record close of the year yesterday. The Nasdaq also closed at a new record high. The ruble gained some ground after last week's major selloff, but remains 14% weaker against the dollar so far this year. The US ADP jobs report came in close to forecasts at 146K jobs added (versus the 150K consensus expectation), and had no impact on the market. Friday's US jobs report is expected to show that 218K jobs were added in November and that the unemployment rate will stay unchanged at 4.1%.

Key Global Financial Indicators

| Last updated:<br>12/4/24 8:26 AM     | Level    |        | Change from Market Close |        |         |      |     |
|--------------------------------------|----------|--------|--------------------------|--------|---------|------|-----|
|                                      | Last 12m | Latest | 1 Day                    | 7 Days | 30 Days | 12 M | YTD |
| <b>Equities</b>                      |          |        | %                        |        |         |      |     |
| S&P 500                              |          | 6050   | 0.0                      | 1      | 6       | 32   | 27  |
| Eurostoxx 50                         |          | 4905   | 0.5                      | 4      | 1       | 11   | 8   |
| Nikkei 225                           |          | 39276  | 0.1                      | 3      | 2       | 20   | 17  |
| MSCI EM                              |          | 44     | 0.2                      | 0      | -3      | 11   | 8   |
| <b>Yields and Spreads</b>            |          |        | bps                      |        |         |      |     |
| US 10y Yield                         |          | 4.27   | 4.7                      | 1      | -1      | 2    | 39  |
| Germany 10y Yield                    |          | 2.09   | 3.9                      | -7     | -30     | -26  | 7   |
| EMBIG Sovereign Spread               |          | 332    | -4                       | -2     | -1      | -80  | -51 |
| <b>FX / Commodities / Volatility</b> |          |        | %                        |        |         |      |     |
| EM FX vs. USD, (+) = appreciation    |          | 43.6   | 0.0                      | 0      | -3      | -9   | -9  |
| Dollar index, (+) = \$ appreciation  |          | 106.5  | 0.2                      | 0      | 3       | 3    | 5   |
| Brent Crude Oil (\$/barrel)          |          | 73.8   | 0.2                      | 1      | -2      | -5   | -4  |
| VIX Index (% change in pp)           |          | 13.2   | -0.1                     | -1     | -9      | 0    | 1   |

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

## Mature Markets

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### United States

**Extreme bullishness among investors is raising red flags.** For example, Bank of America's proprietary measure of investor bullishness is at the highest level in 2.5 years, and a number of other analysts are calling for a more cautious approach to US markets. The Bank of America measure shows that high levels of bullish sentiment are bearish for US equities.

**Exhibit 1: Equity sentiment is at its highest level in over 2.5 years**  
 Sell Side Indicator, 8/1985-10/2024



Source: BofA US Equity & Quant Strategy Note: Buy and Sell signals are based on rolling 15-year +/- 1 standard deviation from the rolling 15-year mean. A reading above the red line indicates a Sell signal and a reading below the green line indicates a Buy signal. The BofA Sell Side Indicator is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This indicator was not created to act as a benchmark.

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However, analyst forecasts for the US equity market in 2025 are almost uniformly favorable, although in a wide range as the table shows. On average, analysts predict that the S&P 500 will rise by 4.6% next year, and that earnings growth will be a robust 11%. In contrast, the average forecast for 2025 is 2.9% for the Euro Stoxx 600 index and 2.3% for the Nikkei.

### Selected Analyst Year End 2025 Targets for the S&P 500

December 3, 2024

Source: Bloomberg

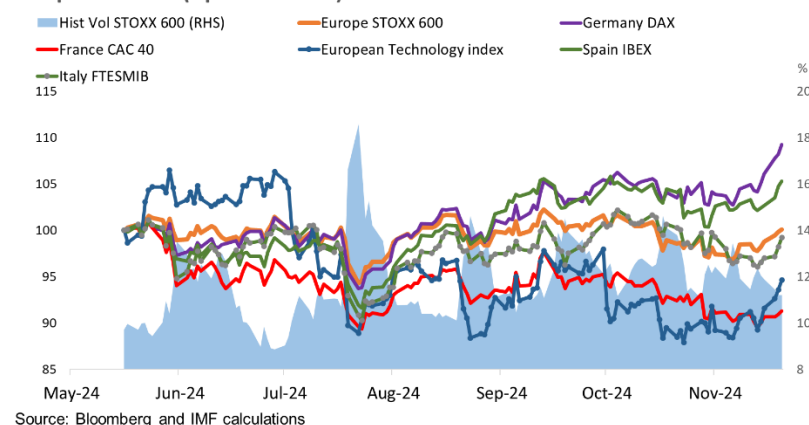
|                 |               |
|-----------------|---------------|
| Bank of America | 6666 (+10.4%) |
| Barclays        | 6600 (+9.3%)  |
| Citi            | 5800 (-4%)    |
| Deutsche        | 7000 (+15.9%) |
| Morgan Stanley  | 6500 (+7.6%)  |
| Scotiabank      | 6000 (-0.7%)  |
| UBS             | 6400 (+6%)    |

**Analysts are warning that the major rally in US bank stocks may be overdone.** The S&P 500 Banks Index and the KBW Bank Index are up more than 13% since November 4, while the Dow Jones Small Cap Bank Index is up more than 15% over the same period. The US election result led investors to believe that the Basel 3 capital increases are now off the table and that measures to reduce bank overdraft fees will be dropped, along with other restrictions. However, return on assets for banks has fallen to levels last seen during the global financial crisis, making current valuations look very expensive. Bloomberg points out that the aggregate price to book (P/B) value for banks is approaching 1.5, and that bank tend to perform badly when that they near that level. Since 2007, when the P/B rose above 1.475, then bank stocks fell 85% of the time and by 16% on average. When the P/B hits 1.5, markets have fallen 94% of time and by 20% on average.

### Euro Area

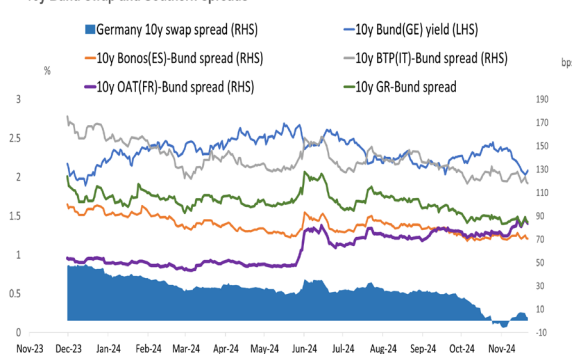
**Stocks posted modest gains and the euro held steady ahead of the no-confidence vote in France later today.** Interest rates were little changed. Analysts are bearish on the euro (down nearly 5% versus the dollar in 2024) due to rising political tensions, the threat of tariffs and the weak economy. While investors wait for President Lagarde's speech at the EU Parliament later today, ECB member Holzman said yesterday that said any reduction in interest rates at next week's meeting will be "moderate." Money markets expect a 25 bps cut at the next ECB meeting on December 12.

European Stocks (Apr 2024= 100)



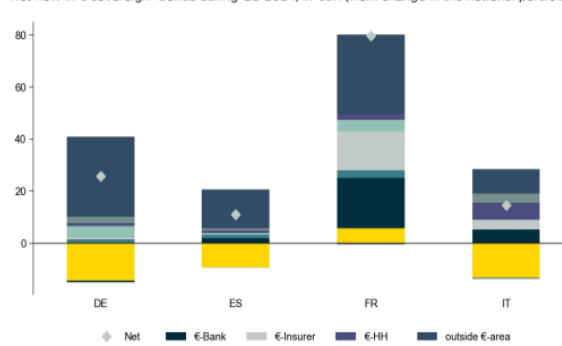
France's President Emmanuel Macron said yesterday that the French government can survive the no-confidence vote that is scheduled for later today (parliamentary debate starting at 16 pm CET), when the far-right National Rally party of Marine Le Pen is set to join forces with a left-wing coalition to topple the administration. Macron also noted that he wouldn't resign before his term ends in 2027. Analysts at Rabobank expect the government to lose the vote this evening and remain biased towards further weakness in French bonds. Analysts think the sale of French OATs by foreign investors will be offset by large purchases by domestic insurers. Demand for Spanish and Italian government bonds is likely to be strong, while demand for bunds is expected to weaken.

10y Bund-swap and Southern spreads



Who buys, who sells?

Net flow in € sovereign\* bonds during Q3-2024, in €bn (from change in the notional portfolio)



An analysis conducted by Bloomberg shows that **French sovereign exposure for EU banks reached €506bn as of H1 according to the EBA's 2024 EU-wide transparency exercise published in November**, representing 23% of total sovereign bonds held by EU banks, more than any other country. Spain accounts for 13%, Italy 10% and Germany 5%. French banks are the most exposed, with La Banque Postale's holdings at 13% of total assets, BPCE at 12% and Credit Agricole 4%. Analysts highlight however that the impacts on banks' capital and profits from French sovereign bond weakness may be limited as most (70–80%) of banks' holdings are booked at amortized cost (classified as held to collect/maturity).

## Emerging Markets

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**EMEA equities and currencies were trading mixed this morning.** Equities in Poland were outperforming (+1.2%), while those in Czechia were underperforming (-0.2%). In CEE, the Polish zloty was trading broadly steady at 4.29/€ ahead of the MPC's decision later today where the policy rate is widely expected to be maintained at 5.75%. **Most Asian currencies appreciated (EM Asia: +0.3%).** The Korean won (+1.1%) led the gains, recovering from a selloff on Tuesday following President Yoon's declaration of martial law, later rescinded. The Indonesian rupiah appreciated by 0.1% after Bank Indonesia indicated its readiness to intervene in currency markets to stabilize the rupiah as it approaches the psychological level of 16,000 per dollar, Bloomberg reported. **Latin American markets were quiet.** Stocks gained in Mexico (+0.9%) and Brazil (+0.7%), while Colombia's equity market declined by 0.5%. Local currencies appreciated.

### Brazil

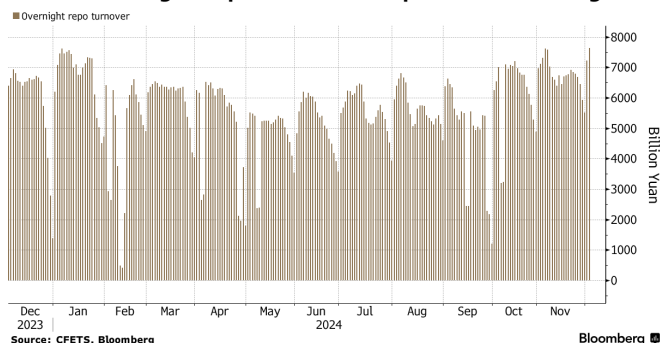
**A rally in coffee prices is causing Brazilian coffee farmers to fall short of cash to back hedges.** With Arabica prices soaring nearly 70% this year to the highest levels since 1977, producers and exporters in Brazil are grappling with cash flow crises due to the need to post margin on hedges. Major firms like Atlântica Exportação and Cafebras have sought court-granted grace periods to renegotiate debts, as margin calls for skyrocketed. Poor harvests due to severe drought, logistical challenges, and global supply disruptions have tightened supplies, fueling panic in the market. This turmoil mirrors issues seen in other commodities and has forced traders and producers to cut sales, raising concerns about defaults. The strain is rippling through the supply chain, with rising operational costs and reduced discounts threatening to push higher prices onto consumers.



### China

**Overnight repo turnover in China surged to a one-year high of ¥7.6 tn (\$1.04 tn) on Tuesday, indicating increased leveraged bets on the bond rally.** Analysts anticipate the central economic work conference will set a higher deficit target next week, leading to more government borrowing and bond issuance. Bloomberg reported that JPMorgan Asset Management is long Chinese government bonds, expecting lower yields to support further fiscal measures. Also, new rules from the People's Bank of China (PBOC) announced last Friday allow banks to negotiate deposit rates for corporate customers, potentially shifting cash from time deposits to bonds, further fueling the bond market rally. Traders noted that five-year sovereign bonds were sold at a record low average yield of 1.5488% by China's finance ministry today. Meanwhile, the 10-year bond yield dipped -3 bps to 1.96%. Meanwhile, the Caixin services PMI fell to 51.5 in November, below expectations (52.4) and below the previous month (52), suggesting subdued consumer demand and concerns about the future trade environment. The stock market declined (CSI 300: -0.5%), and the RMB appreciated slightly (+0.2%) after the PBOC set a stronger-than-expected daily reference rate (7.1934).

### China's Overnight Repo Turnover Jumps to One-Year High

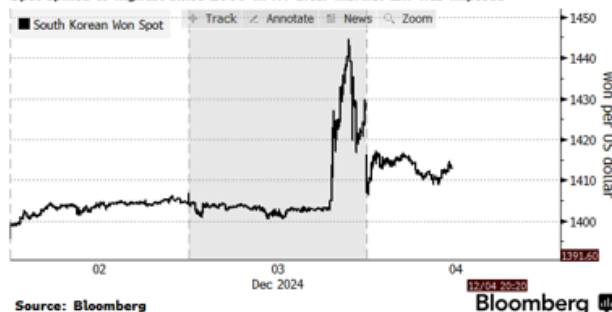


## Korea

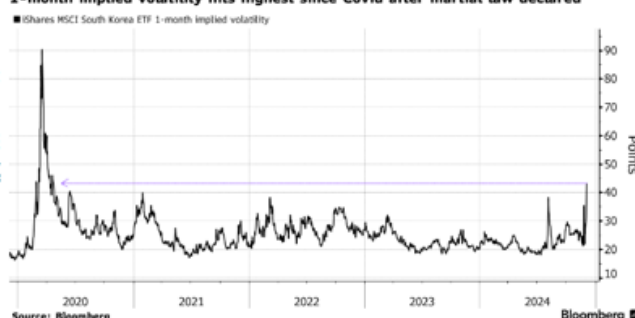
**Korean financial markets experienced heightened volatility following a brief declaration of martial law**, before paring some losses on Wednesday. The Korean won depreciated by up to -2.8% to 1444/USD during Tuesday's New York trading session and recovered by +1.1% to 1412/USD today. The 10-year government bond yield rose by +4 bps to 2.76%. The spread of 5-year CDS jumped by +2.8 bps in midnight, the biggest climb since early August, then narrowed by -0.8 bp during the day to 35 bps. Equity implied volatility increased by +2.3 ppt to 21.3%, retreating from 23.7% in the morning. The improved market conditions may partly reflect the authorities' pledges to support the markets. Finance minister Choi Sang-mok vowed to deploy "unlimited" liquidity into financial markets if needed. The Bank of Korea (BoK) stepped up various short-term liquidity supply measures, pledging to "keep all options open" until markets are fully stabilized, according to Bloomberg. The benchmark KOSPI equity index fell by a relatively modest 1.4% today, given the scale of the disruption.

**Investors are closely watching the political developments and their market impact following the reported impeachment motion against President Yoon by the opposition parties.** Deutsche Bank analysts believe that the possibility of a new administration, particularly if led by the main opposition party, will increase the risk of a more expansionary fiscal budget, resulting in a steepening of the yield curve. Citibank analysts believe Korean bonds' inclusion in global bond indexes will likely remain unaffected, but they expect outflows to increase with further depreciation pressure on the won. JP Morgan analysts believe next year's budget may face delays due to the political situation, although fiscal policy is expected to be adjusted eventually to avoid becoming a drag on growth. ING economists expressed concern about potential impacts on Korea's sovereign credit rating due to recent events, though changes are not expected at this stage.

### USD/KRW Has Pared Most of Its Overnight Gain Spot spiked to highest since 2009 in NY after martial law was imposed



### South Korea ETF Volatility Jumps 1-month implied volatility hits highest since Covid after martial law declared

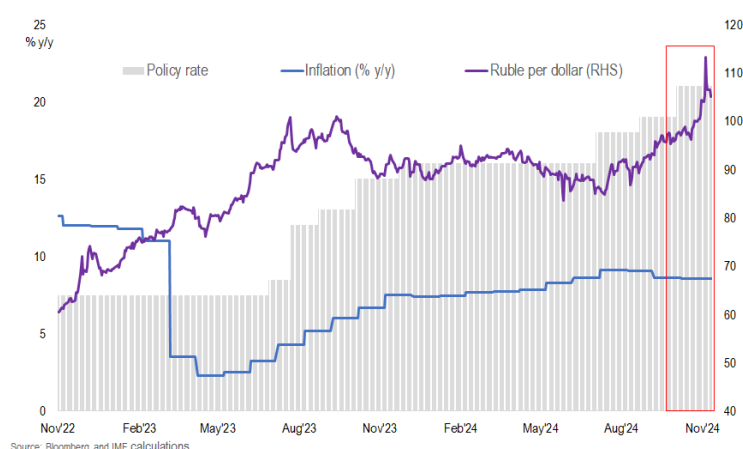




## Russia

**The ruble recovered some ground against the dollar after last week's sharp sell-off.** The currency was at its weakest level against the dollar since the invasion of Ukraine in 2022 at 115/\$ on November 27. Part of the decline was attributed to the decision by President Biden late last month to ratchet up sanctions on Russia's banks, including Gazprombank—which is used by some central and eastern European countries including Austria, Hungary, and Slovakia to process trade transactions for Russian gas imports. In addition, a social media post from president-elect Trump in which he threatened to impose a 100% tariff on BRICs (Brazil, Russia, India, China, South Africa) countries if they abandon the dollar for international trade, weighed on the currency. Despite the recent rebound, the ruble remains around 7% weaker against the dollar since the US presidential elections and around 15% weaker against the greenback year-to-date. While the Russian central bank has already raised the policy rate to 21% this year against a backdrop of still elevated inflation, the recent bout of currency weakness has led Bloomberg analysts to expect a jumbo 400bps rate hike at the upcoming December meeting, which would take the policy rate to 25% by year-end. Separately, yesterday, Russia's finance ministry announced that it will substitute 13 eurobonds which it can no longer service due to sanctions with replacement issues at a one-to-one ratio on December 5, 2024.

Russia: Policy rate, inflation and currency



*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

| 12/4/24 8:27 AM             | Level    |        | Change                           |        |         |       |     |
|-----------------------------|----------|--------|----------------------------------|--------|---------|-------|-----|
|                             | Last 12m | Latest | 1 Day                            | 7 Days | 30 Days | 12 M  | YTD |
| <b>Equities</b>             |          |        | %                                |        |         |       | %   |
| United States               |          | 6,069  | 0.0                              | 0.8    | 6.2     | 32.8  | 27  |
| Europe                      |          | 4,905  | 0.5                              | 3.6    | 1.1     | 11.1  | 8   |
| Japan                       |          | 39,276 | 0.1                              | 3.0    | 2.1     | 19.8  | 17  |
| China                       |          | 3,931  | -0.5                             | 0.6    | -2.8    | 15.8  | 15  |
| Asia Ex Japan               |          | 75     | 0.3                              | 0.8    | -2.4    | 15.4  | 12  |
| Emerging Markets            |          | 44     | 0.2                              | 0.5    | -2.7    | 10.8  | 8   |
| <b>Interest Rates</b>       |          |        | basis points                     |        |         |       |     |
| US 10y Yield                |          | 4.3    | 5                                | 1      | -1      | 2     | 39  |
| Germany 10y Yield           |          | 2.1    | 4                                | -7     | -30     | -26   | 7   |
| Japan 10y Yield             |          | 1.1    | -2                               | -1     | 12      | 37    | 45  |
| UK 10y Yield                |          | 4.3    | 4                                | -1     | -17     | 9     | 75  |
| <b>Credit Spreads</b>       |          |        | basis points                     |        |         |       |     |
| US Investment Grade         |          | 116    | 0                                | -2     | -11     | -25   | -18 |
| US High Yield               |          | 305    | -3                               | -5     | -26     | -115  | -80 |
| <b>Exchange Rates</b>       |          |        | %                                |        |         |       |     |
| USD/Majors                  |          | 106.5  | 0.2                              | -0.4   | 2.6     | 2.7   | 5   |
| EUR/USD                     |          | 1.0    | -0.2                             | -0.7   | -3.6    | -3.2  | -5  |
| USD/JPY                     |          | 151.1  | 1.0                              | 0.0    | -0.7    | 2.6   | 7   |
| EM/USD                      |          | 43.6   | 0.0                              | -0.2   | -2.7    | -8.6  | -9  |
| <b>Commodities</b>          |          |        | %                                |        |         |       |     |
| Brent Crude Oil (\$/barrel) |          | 73.8   | 0.2                              | 2.1    | -1.2    | -3.0  | -1  |
| Industrials Metals (index)  |          | 145.9  | -0.2                             | 0.7    | -2.2    | 6.5   | 2   |
| Agriculture (index)         |          | 55.8   | -0.2                             | -1.3   | 0.2     | -13.9 | -11 |
| <b>Implied Volatility</b>   |          |        | %                                |        |         |       |     |
| VIX Index (% change in pp)  |          | 13.2   | -0.1                             | -0.9   | -8.8    | 0.1   | 0.7 |
| Global FX Volatility        |          | 9.1    | 0.0                              | 0.2    | -0.2    | 1.4   | 1.0 |
| <b>EA Sovereign Spreads</b> |          |        | 10-Year spread vs. Germany (bps) |        |         |       |     |
| Greece                      |          | 85     | -2                               | -2     | -6      | -35   | -19 |
| Italy                       |          | 117    | -2                               | -8     | -10     | -60   | -51 |
| France                      |          | 83     | -2                               | -3     | 8       | 26    | 30  |
| Spain                       |          | 71     | 0                                | -3     | 0       | -31   | -26 |

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

## Emerging Market Financial Indicators

| Last updated:<br>12/4/2024<br>8:29 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                                 |                | 7.27   | 0.2                   | -0.4   | -2.4    | -1.8  | -2.4  |                                     | 1.9    | 1                        | -6     | -14     | -79   | -67   |  |
| Indonesia                             |                | 15937  | 0.1                   | 0.0    | -1.2    | -3.0  | -3.4  |                                     | 6.9    | 1                        | -2     | 12      | 22    | 36    |  |
| India                                 |                | 85     | -0.1                  | -0.3   | -0.7    | -1.6  | -1.8  |                                     | 7.0    | 1                        | -16    | -21     | -39   | -18   |  |
| Philippines                           |                | 58     | 0.6                   | 0.8    | 0.2     | -5.0  | -4.9  |                                     | 0.0    | -700                     | -708   | -694    | -687  | -694  |  |
| Thailand                              |                | 34     | 0.0                   | 0.6    | -1.7    | 2.7   | -0.2  |                                     | 2.3    | -2                       | -13    | -16     | -66   | -43   |  |
| Malaysia                              |                | 4.45   | 0.4                   | -0.2   | -1.8    | 4.6   | 3.2   |                                     | 3.8    | 0                        | 0      | -12     | 0     | 7     |  |
| Argentina                             |                | 1013   | -0.1                  | -0.5   | -2.0    | -64.2 | -20.2 |                                     | 29.5   | 10                       | 61     | -254    | -7143 | -5692 |  |
| Brazil                                |                | 6.05   | 0.0                   | -2.0   | -4.4    | -18.3 | -19.8 |                                     | 14.3   | 29                       | 104    | 101     | 382   | 424   |  |
| Chile                                 |                | 975    | -0.2                  | 0.3    | -2.1    | -10.7 | -9.6  |                                     | 5.3    | -4                       | -11    | -12     | -31   | -4    |  |
| Colombia                              |                | 4437   | 0.1                   | -1.1   | -0.4    | -9.4  | -12.7 |                                     | 10.8   | -1                       | 3      | -14     | 26    | 93    |  |
| Mexico                                |                | 20.33  | -0.1                  | 1.3    | -1.1    | -14.1 | -16.5 |                                     | 10.0   | -3                       | -14    | -31     | 57    | 85    |  |
| Peru                                  |                | 3.7    | 0.5                   | 0.7    | 0.9     | 0.4   | -0.9  |                                     | 6.6    | 0                        | 1      | -18     | -54   | -11   |  |
| Uruguay                               |                | 43     | 0.0                   | -0.6   | -3.6    | -9.5  | -9.9  |                                     | 9.6    | 0                        | 4      | 21      | -7    | 5     |  |
| Hungary                               |                | 395    | -0.1                  | -1.0   | -5.0    | -11.1 | -12.1 |                                     | 6.2    | 8                        | 10     | -46     | -39   | 36    |  |
| Poland                                |                | 4.09   | 0.1                   | -0.3   | -2.0    | -2.2  | -3.7  |                                     | 5.2    | 0                        | -7     | -32     | -5    | 24    |  |
| Romania                               |                | 4.7    | -0.2                  | -0.7   | -3.6    | -3.4  | -5.0  |                                     | 7.2    | 0                        | 5      | 46      | 48    | 99    |  |
| Russia                                |                | 104.5  | 0.5                   | 8.3    | -5.4    | -12.7 | -14.4 |                                     |        |                          |        |         |       |       |  |
| South Africa                          |                | 18.2   | -0.3                  | 0.1    | -3.5    | 3.5   | 1.1   |                                     | 10.3   | -2                       | -4     | -37     | -107  | -97   |  |
| Türkiye                               |                | 34.76  | -0.1                  | -0.3   | -1.2    | -16.7 | -15.0 |                                     | 29.8   | -13                      | -8     | -132    | 311   | 364   |  |
| US (DXY; 5y UST)                      |                | 107    | 0.2                   | -0.4   | 2.6     | 2.8   | 5.2   |                                     | 4.15   | 4                        | 1      | 0       | -6    | 30    |  |

|              | Equity Markets |           |               |        |         |       | Bond Spreads on USD Debt (EMBIG) |              |        |                          |         |       |       |
|--------------|----------------|-----------|---------------|--------|---------|-------|----------------------------------|--------------|--------|--------------------------|---------|-------|-------|
|              | Level          |           | Change (in %) |        |         |       |                                  | Level        |        | Change (in basis points) |         |       |       |
|              | Last 12m       | Latest    | 1 Day         | 7 Days | 30 Days | 12 M  | YTD                              | Last 12m     | Latest | 7 Days                   | 30 Days | 12 M  | YTD   |
|              |                |           |               |        |         |       |                                  | basis points |        |                          |         |       |       |
| China        |                | 3,931     | -0.5          | 0.6    | -2.8    | 15.8  | 14.6                             |              | 98     | -3                       | -7      | -59   | -60   |
| Indonesia    |                | 7,327     | 1.8           | 1.1    | -2.2    | 3.2   | 0.7                              |              | 98     | 1                        | 16      | -26   | 2     |
| India        |                | 80,956    | 0.1           | 0.9    | 1.9     | 16.8  | 12.1                             |              | 84     | 1                        | -4      | -42   | -32   |
| Philippines  |                | 6,730     | -0.1          | 0.4    | -7.3    | 6.7   | 4.3                              |              | 84     | 0                        | 16      | -20   | 4     |
| Thailand     |                | 1,451     | -0.3          | 1.4    | -1.1    | 4.4   | 2.5                              |              | 0      | 0                        | 0       | 0     | 0     |
| Malaysia     |                | 1,614     | 0.4           | 0.6    | -0.4    | 11.4  | 11.0                             |              | 67     | -1                       | 1       | -23   | -18   |
| Argentina    |                | 2,303,990 | 0.2           | 2.3    | 20.1    | 172.5 | 147.8                            |              | 754    | 2                        | -198    | -1233 | -1159 |
| Brazil       |                | 126,140   | 0.7           | -1.2   | -3.4    | -0.5  | -6.0                             |              | 227    | 18                       | 24      | 10    | 12    |
| Chile        |                | 6,639     | -0.2          | 0.9    | 0.1     | 14.0  | 7.1                              |              | 117    | -1                       | 9       | -12   | -8    |
| Colombia     |                | 1,392     | -0.5          | -0.4   | 2.9     | 20.3  | 16.4                             |              | 323    | 2                        | -9      | 25    | 52    |
| Mexico       |                | 50,828    | 0.8           | 2.2    | -0.1    | -6.0  | -11.4                            |              | 307    | 2                        | 12      | -43   | -27   |
| Peru         |                | 29,685    | 0.0           | -0.3   | -2.3    | 33.0  | 14.3                             |              | 140    | -4                       | 5       | -3    | -4    |
| Hungary      |                | 79,084    | 1.8           | 0.1    | 7.1     | 35.2  | 30.5                             |              | 161    | 1                        | 14      | -14   | 12    |
| Poland       |                | 81,790    | 1.1           | 3.4    | 1.1     | 7.1   | 4.2                              |              | 113    | -4                       | 11      | -1    | 16    |
| Romania      |                | 16,282    | 1.4           | -4.1   | -5.4    | 10.2  | 5.9                              |              | 224    | 1                        | 28      | 12    | 23    |
| South Africa |                | 86,354    | 0.6           | 1.5    | 0.2     | 13.7  | 12.3                             |              | 287    | 3                        | 12      | -64   | -21   |
| Türkiye      |                | 9,881     | 0.6           | 2.5    | 14.1    | 22.2  | 32.3                             |              | 259    | -2                       | 1       | -108  | -55   |
| EM total     |                | 44        | 0.0           | 0.5    | -2.7    | 10.8  | 8.2                              |              | 367    | -4                       | -12     | -5    | 21    |

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

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