



- Markets price higher path of FOMC policy rate hikes following inflation update ([link](#))
- Barclay's equity price falls 10% after revenue disappoints ([link](#))
- Pound weakens and gilt yields fall after softer-than-expected UK January inflation print ([link](#))
- Emerging market external debt issuance remains robust so far in February ([link](#))
- China leaves medium-term lending facility rate unchanged at 2.75% as expected ([link](#))
- Turkish stock market rallies after reopening amid several measures to support trading ([link](#))

[Mature Markets](#)












[Emerging Markets](#)

[Market Tables](#)

## Markets mull higher-for-longer policy rate narrative

Core sovereign bond yields are maintaining the trend higher this morning as markets continue to weigh the recent inflation update against what it could mean for the path of central bank policy tightening. Yesterday, US and European equities wavered before ultimately closing out the trading sessions largely mixed as investors digested the latest US CPI print. Overall, most investors and analysts interpreted the data as signaling it is unlikely the Fed will abandon its current rate-hiking campaign in an effort to combat the still persistently high inflation. The FOMC policy rate path steepened in response, with pricing for the terminal rate moving up and trading near 5.25%, and now about 70 bps of tightening expected by mid-year compared to about 55 bps late last week. As a result of the increased likelihood of further policy rate hikes, yields at the front of core sovereign bond curves spiked across most advanced economies, with policy-sensitive 2-year yields in the US and Germany rising 8 to 9 bps, while 2-year UK gilt yields jumped 18 bps before partially retracing this morning on a softer-than-expected UK inflation print. The dent to the disinflationary narrative has also kept risk sentiment in equity markets subdued with bourses in Asia mostly closing lower overnight, European indices trading marginally higher, and S&P 500 futures pointing to modest losses at the open. In emerging market equities, the Turkish stock exchange reopened this morning and rebounded almost 10% amid various measures to support trading.

Key Global Financial Indicators

| Last updated:<br>2/15/23 8:34 AM     | Level   |        | Change from Market Close |        |         |      | YTD | Since<br>23-Feb-22 |
|--------------------------------------|---|--------|--------------------------|--------|---------|------|-----|--------------------|
|                                      | Last 12m  | Latest | 1 Day                    | 7 Days | 30 Days | 12 M |     |                    |
| <b>Equities</b>                      |   |        | %                        |        |         |      | %   |                    |
| S&P 500                              |  | 4136   | 0.0                      | -1     | 3       | -7   | 8   | -2                 |
| Eurostoxx 50                         |  | 4266   | 0.6                      | 1      | 3       | 3    | 12  | 7                  |
| Nikkei 225                           |  | 27502  | -0.4                     | 0      | 7       | 0    | 5   | 4                  |
| MSCI EM                              |  | 40     | -0.2                     | 0      | -2      | -18  | 7   | -15                |
| <b>Yields and Spreads</b>            |   |        | bps                      |        |         |      |     |                    |
| US 10y Yield                         |  | 3.78   | 3.8                      | 17     | 28      | 174  | -9  | 179                |
| Germany 10y Yield                    |  | 2.45   | 1.3                      | 9      | 28      | 214  | -12 | 222                |
| EMBIG Sovereign Spread               |  | 442    | -5                       | 10     | -8      | 54   | -10 | 30                 |
| <b>FX / Commodities / Volatility</b> |   |        | %                        |        |         |      |     |                    |
| EM FX vs. USD, (+) = appreciation    |  | 50.5   | -0.5                     | 0      | -2      | -6   | 1   | -5                 |
| Dollar index, (+) = \$ appreciation  |  | 103.8  | 0.5                      | 0      | 2       | 8    | 0   | 8                  |
| Brent Crude Oil (\$/barrel)          |  | 84.8   | -1.0                     | 0      | -1      | -9   | -1  | -12                |
| VIX Index (% change in pp)           |  | 19.1   | 0.2                      | -1     | 1       | -7   | -3  | -12                |

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

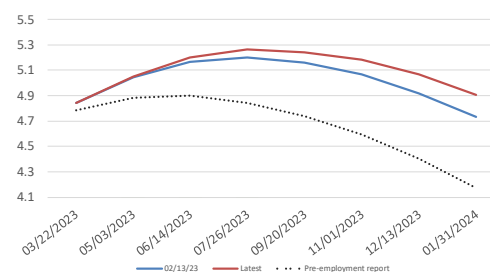
## Mature Markets

[back to top](#)

### United States

**Policy rate expectations moved higher following the January CPI release.** As expected, the US CPI print stirred up the debate on the persistence of inflation and the Federal Reserve's reaction. Rate markets have been catching up with Federal Reserve guidance since the strong employment report almost two weeks ago. Market expectations of policy rates increased considerably over the period to price in higher for longer interest rates. The CPI release further reinforced this trend, with the probability of a third 25 bp rate hike at the June meeting now up to 50%. As a result, market expectations for the peak policy rate are now closer to 5.3%, quite a bit higher compared to the Federal reserve median dot of around 5.1% in 2023,

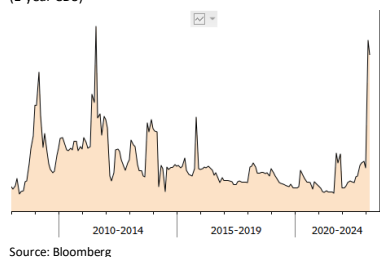
Market expectations for policy rates increased further following the CPI report (based on Fed Funds futures)



**In data releases this morning, retail sales surprised on the upside,** lifting momentum for Q1 growth. The annual print jumped to 3.0% y/y vs. a 2% expectation and was a sharp rebound from a drop of 1.1% in the previous month. The empire manufacturing index also came out better than expected. Following the release, Treasury yields resumed their upward trend, while stock futures moved sideways, though still trading in negative territory this morning.

**Financial markets are still sending mixed signals on concerns around the US debt ceiling.** The debt ceiling resolution is central to political discussions in the US. With a path to a resolution largely unclear, 1-year US CDS spreads have risen to similar levels reached in 2011, just before the debt ceiling resolved on the X-date, which is the projected date when the US Treasury (UST) will run out of cash to pay its obligations. Currently, the UST projection of the X-date is June 5<sup>th</sup>, but markets expect that it could materialize closer to August. Historically, a bill market “kink” emerges as an indicator of market concerns, as investors avoid maturities around the X-date. Such a kink is not clearly priced in so far (right chart). Some market analysts expect that pressures on the markets should ratchet up in the coming months, but BofA analysis argues that market disturbance was limited (mainly to the more sensitive money markets) in previous episodes where the debt ceiling resolved a few days or weeks prior to the X-date.

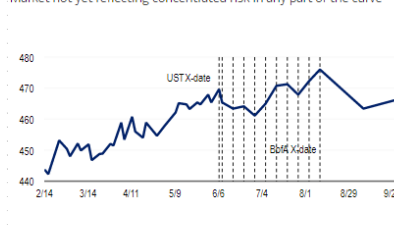
US CDS hit record highs for this early in the debt limit process (1-year CDS)



Source: Bloomberg

Exhibit 7: Treasury bill curve (bp)

Market not yet reflecting concentrated risk in any part of the curve



Source: BofA Global Research, Bloomberg

### Euro area

**Sovereign bond yields were little changed while the euro depreciated slightly against the dollar (-0.2%).** In the latest ECB commentary, ECB Governing Council (GC) member Makhoul hinted that further tightening would follow after the March ECB meeting. **On the data front, euro area December industrial production data disappointed (-1.7% y/y vs expected -0.7% from a revised 2.8%).** Separately, Spain's final inflation print for January came in marginally higher than preliminary estimates (+5.9% y/y vs previously estimated 5.8%).

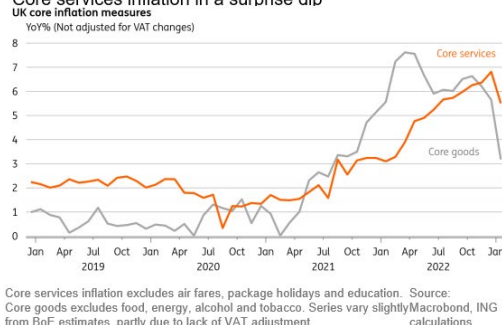
European equities were trading marginally higher (Stoxx 600 +0.1%), while banking stocks underperformed (-1.6%) with Barclays PLC shares falling (-10%) after disappointing Q4 profit reports. Barclays reported a decline in Q4 earnings driven by lower fee income, while also saying that it had reduced its bonus pool. Investors were reportedly also disappointed by net interest margin guidance for 2023.



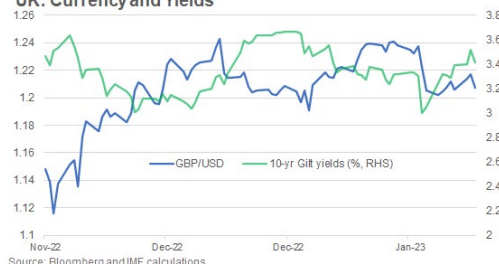
## United Kingdom

The pound depreciated (-0.8%) against the dollar and gilt yields traded lower (10-yr -8 bps and 2-yr -10bps) after both headline and core inflation data for January surprised on the downside. Headline inflation eased to 10.1% y/y (versus expected 10.3% from 10.5%) and core inflation eased to 5.8% y/y (versus expected 6.2% from 6.3%). This follows an upside surprise in wage growth data released yesterday that saw markets repricing BoE rate hike expectations and the UK fixed income market underperform (10-year gilt yields +12 bps). The labor market and inflation data releases were closely watched by markets after the BoE emphasized the monitoring of inflation persistence at their latest meeting. ING analysts argue that this implies policymakers are not only looking at single-month changes in inflation and as such continue to expect a 25 bp hike in March. Ahead of the March BoE meeting another set of labor market and inflation data are due. **Markets are no longer fully pricing in a 25 bp hike for the March BoE meeting (pricing in 22 bps), compared to 28 bps priced in yesterday.**

Core services inflation in a surprise dip



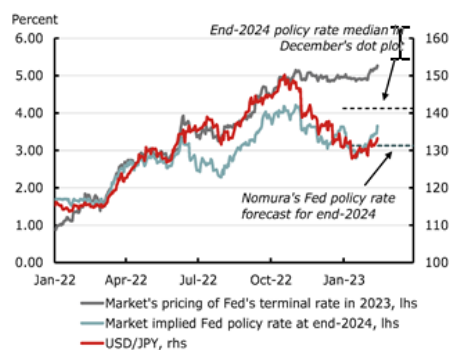
UK: Currency and Yields



## Japan

**Equities declined -0.4%.** The Japan Securities Dealers Association posted a proposal to tighten rules on the sale of structured bonds. Among other things the draft requires member firms to avoid selling the products to clients with limited experience in investing. **10-year bond yields and yen were little changed.** Nomura forecasts the downtrend in USD/JPY is likely to continue throughout 2023, assuming that a discussion towards monetary policy normalization will start in April.

Reduced rate cuts pricing for 2024 has led USD/JPY to gradually climb higher



Source: Nomura, Bloomberg

## Emerging Markets

[back to top](#)

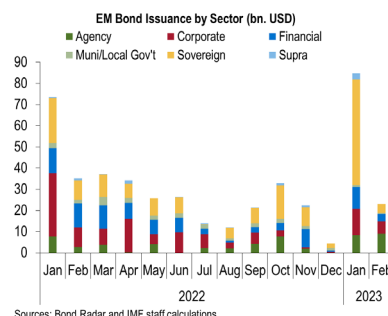
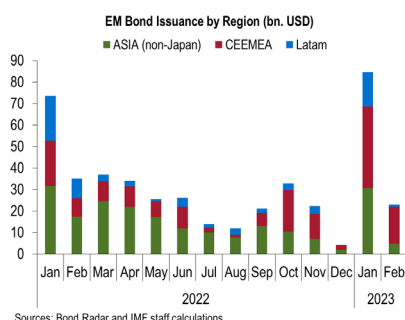
**Most Latin American assets closed down yesterday after the release of US inflation data.** Stocks lost in Colombia (-1.41%), Brazil (-0.91%), Mexico (-0.73%), Chile (-0.63%) and Peru (-0.37%). The Chilean peso and the Mexican peso appreciated 0.96% and 0.24% against US dollar, respectively. Other currencies depreciated in Brazil (-0.35%), Colombia (-0.13%) and Peru (-0.1%). Mexico and Colombia local currency bond yields rose 16.4 bps and 12.5 bps, respectively.

**Asian equities slid -1.4% on net**, dragged down by tech stocks. South Korea dropped (-1.5%), followed by Taiwan, Province of China (POC) lost -1.4%, **Taiwan POC's** exports of integrated circuit chips to mainland China and Hong Kong SAR registered the biggest decline since January 2009. Hong Kong SAR declined -1.4%, down by c. -10% since its peak level in January. **Asian currencies weakened** led by Thai baht (-1.5%), Malaysian ringgit (-1.1%), and South Korean won (-1%). **Asian central banks** (including India, South Korea and Southeast Asian countries) have recouped about \$130 bn of FX reserves since November last year, over one half of what they lost during the first ten months of 2022, Bloomberg estimates. **10-year yields modestly increased.**

**EMEA markets are mixed.** Equity markets are broadly up, with the exception of Hungary (-0.2%) and the Czech Republic (-0.7%). The Turkish equity market is up 9.8% as trading resumed today after being closed for a week following the devastating earthquakes. In currencies, the South African rand is weakening 0.5% to the dollar (to 17.98/\$), even though January inflation came in just as expected at 6.9% y/y, and retail sales disappointed. Market contacts point out that concerns about the consequences of the electricity crisis outweigh inflation and growth developments on the currency at the moment. The Bank of Zambia raised rates 25 bps to 9.25% (no expectations) as it sees inflation averaging 10.1% in 2024, above its 6–8% target.

## Emerging Market Bond Issuance

**Emerging market bond issuance more than doubled from the week before.** Emerging market bond issuers brought \$21.8 bn to market last week, \$9.0 bn agency, \$5.8 bn corporate and \$4.4 bn sovereign issuance. All new issuances are fixed-rate bonds with maturity varying from 2 to 30 years. Most bonds were rated investment-grade with only \$1.6 bn HY issuance. Saudi Arabia dominated the issuance again with almost half of the new issuance (\$9.8 bn). YTD total issuance now stands at \$107.7 bn.



## China

**People's Bank of China (PBOC) left the borrowing rate on its one-year medium-term lending facility (MLF) unchanged at 2.75% as expected.** The central bank continued to inject liquidity into the system amid a rapid rebound in loan demand after removal of Zero Covid restrictions, with a net injection of 199 bn yuan (\$29.2 bn) via MLF in February so far. Separately, **China will push financial institutions to provide more lending to the private sector in 2023.** Notes from PBOC work

meeting last Friday suggest China will explore and expand scope of a debt financing support tool for the private sector, Bloomberg reports. China will also monitor “marginal changes” in the property market in a “dynamic manner” and implement support measures for the market. Separately, **China's Foreign Ministry warned it will retaliate against the US over violations of its sovereignty.** Ministry spokesman stated during a press briefing on Wednesday reiterated China strongly opposed US actions to take down a Chinese balloon earlier this month. **Equities fell (CSI -0.52%, Hang Seng China Enterprises Index -1.3%)** dragged by tech stocks and news on continued US-China tensions. Bloomberg analysis of the recent filings showed hedge funds rushed into the market last quarter as China dismantled Covid restrictions; some analysts noted Chinese equities became the most crowded trade. **Chinese renminbi and 10-yr bond yields were little changed.**

### China Adds Liquidity Support in February



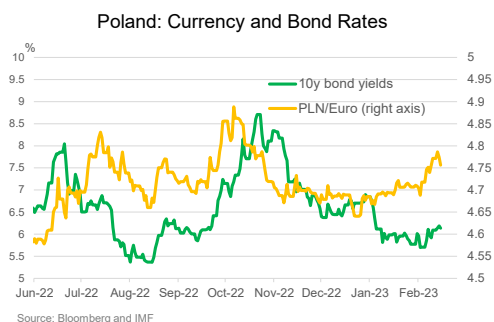
## Türkiye

**The Turkish equity market is up 9.8% as trading resumed today after being closed for a week following the devastating earthquakes in Türkiye and Syria.** The rally followed the government's announcement of several measures to support trading, after the equity market lost 16% in the 3 days before its closure last week. The Turkish sovereign wealth fund will support equities by buying stocks on the market during times of volatility with a new internal fund that will get most of its capital from public banks. Türkiye will also temporarily revoke the so-called withholding tax—currently 15%—that listed companies need to pay when they buy back their shares. In addition, private pension funds that receive a government match of up to 30% of individual contributions will be required to use the government contribution for stock purchases.

### Türkiye: Equity Market



## Poland

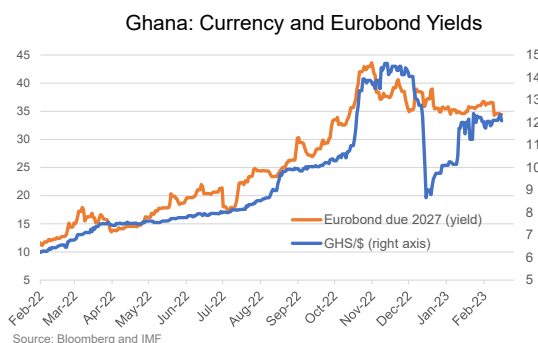


**Polish assets initially outperformed after January inflation accelerated less than anticipated, but later pared gains after the EU announced that it would sue Poland at the EU's Court of Justice on rule of law issues.** The zloty appreciated 0.32% (to 4.76/euro). Yields on 10-year bonds were initially down 17 bps but later pared gains to 5 bps (to 6.11%). Even though inflation increased to 17.2% y/y in January (2.4% m/m) from 16.6% in December, it was significantly less than expected (17.6% y/y and 2.8% m/m), leading markets to think that the central bank might be done

hiking (at 6.75%).

## Ghana






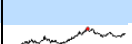

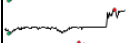












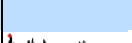


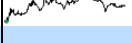

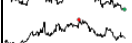


**Ghana's cedi and Eurobond yields did not react much as the country announced yesterday that it had reached a participation level of 85% for its domestic debt exchange program, possibly because the news had been well anticipated.** Fitch Ratings subsequently downgraded Ghana's long-term local currency issuer default rating to RD as it thinks that the swap constitutes a distressed debt exchange. The ratings on local currency bonds issued domestically have also been downgraded to D (Default) from C, and foreign currency ratings were affirmed at C. The Ghanaian authorities were aiming for 80% participation in the domestic debt exchange and pushed the deadline for completing the exchange five times (the first deadline was December 24). The terms of the offer were gradually made more attractive to investors, with higher coupon rates and longer maturities to secure higher subscription rates. Analysts at Absa note that yesterday's statement showed that domestic bondholders tendered a total GHS83 bn (\$6.8bn) of bonds out of a total of GHS97.75 bn outstanding bonds. However, the outstanding principal differ from those of the Exchange Memorandum released on December 6 which was listed as 137 bn cedi (\$11.2 bn) which suggests that the participation rate achieved was only 60% of the total outstanding bonds initially listed. Yesterday's statement explains that the difference is due to deductions of i) the amounts of eligible bonds held by persons that are not eligible holders and that were not eligible to participate in the exchange; and ii) amounts held by persons that following the announcement of the exchange converted their eligible bonds to treasury bills. The domestic debt exchange is an important step to restore debt sustainability, and an essential component of a potential IMF supported program, on which Ghana and IMF staff reached staff level agreement on December 12 (for \$3 bn under the Extended Credit Facility).



*This monitor is prepared under the guidance of Charles Cohen (Acting Division Chief), Nassira Abbas (Deputy Division Chief), and Antonio Garcia-Pascual (Deputy Division Chief). Fabio Cortes (Senior Economist), Reinout De Bock (Senior Economist-London Representative), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Financial Sector Expert-London Representative), Tom Piontek (Senior Financial Sector Expert) and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are Yingyuan Chen (Financial Sector Expert), Deepali Gautam (Research Officer), Shoko Ikarashi (Externally Financed Appointee), Phakawa Jeasakul (IMF Resident Representative in Hong Kong SAR), Johannes S Kramer (New York Representative), Harrison Kraus (Research Assistant), Yiran Li (Research Assistant), Aurelie Martin (Senior Economist-London Representative), Kleopatra Nikolaou (Senior Financial Sector Expert), Natalia Novikova (IMF Resident Representative in Singapore), Mustafa Oguz Caylan (Research Officer), Silvia Ramirez (Senior Financial Sector Expert), Patrick Schneider (Financial Sector Expert), Ying Xu (Economist), Dmitry Yakovlev (Senior Research Officer), and Akihiko Yokoyama (Senior Financial Sector Expert). Javier Chang (Senior Administrative Assistant) Olga Lefebvre (Staff Assistant), and Srujana Sammeta (Staff Assistant) are responsible for the word processing and production of this monitor.*

**Disclaimer:** This is an internal document produced by the Global Markets Analysis Division (GA) of the Monetary and Capital Markets Department. It reflects GA staff's interpretation and analysis of market views and developments. Market views presented may or may not reflect a consensus of market participants. GA staff do not independently verify the accuracy of all data and events presented in this document.

## Global Financial Indicators

| Last updated:<br>2/15/23 8:04 AM | Level   |        | Change                           |        |         |      | YTD   | Since<br>23-Feb-22 |
|----------------------------------|---|--------|----------------------------------|--------|---------|------|-------|--------------------|
|                                  | Last 12m  | Latest | 1 Day                            | 7 Days | 30 Days | 12 M |       |                    |
| <b>Equities</b>                  |   |        | %                                |        |         |      | %     | %                  |
| United States                    |    | 4133   | 0.0                              | 0      | 3       | -8   | 8     | -2                 |
| Europe                           |    | 4276   | 0.9                              | 2      | 3       | 3    | 13    | 8                  |
| Japan                            |    | 27502  | -0.4                             | 0      | 7       | 0    | 5     | 4                  |
| China                            |    | 4124   | -0.5                             | 1      | 0       | -11  | 7     | -11                |
| Asia Ex Japan                    |    | 70     | -0.3                             | 0      | -2      | -15  | 7     | -12                |
| Emerging Markets                 |    | 40     | -0.2                             | 0      | -2      | -18  | 7     | -15                |
| <b>Interest Rates</b>            |   |        | basis points                     |        |         |      |       |                    |
| US 10y Yield                     |    | 3.75   | 0.8                              | 14     | 25      | 171  | -12   | 176                |
| Germany 10y Yield                |    | 2.44   | -0.1                             | 7      | 27      | 213  | -13   | 221                |
| Japan 10y Yield                  |    | 0.51   | -0.3                             | 1      | -1      | 29   | 9     | 31                 |
| UK 10y Yield                     |    | 3.44   | -8.0                             | 13     | 8       | 186  | -23   | 196                |
| <b>Credit Spreads</b>            |   |        | basis points                     |        |         |      |       |                    |
| US Investment Grade              |    | 141    | -2.0                             | 3      | -9      | 10   | -18   | -2                 |
| US High Yield                    |    | 436    | 0.0                              | 9      | 1       | 34   | -44   | 30                 |
| Europe IG                        |    | 76     | -1.3                             | 0      | -4      | 10   | -15   | 4                  |
| Europe HY                        |    | 396    | -5.1                             | -4     | -20     | 72   | -78   | 44                 |
| <b>Exchange Rates</b>            |   |        | %                                |        |         |      |       |                    |
| USD/Majors                       |    | 103.66 | 0.4                              | 0      | 1       | 8    | 0     | 8                  |
| EUR/USD                          |   | 1.07   | -0.4                             | 0      | -1      | -6   | 0     | -5                 |
| USD/JPY                          |  | 133.7  | 0.4                              | 2      | 4       | 16   | 2     | 16                 |
| EM/USD                           |  | 50.6   | -0.3                             | 0      | -1      | -6   | 1     | -5                 |
| <b>Commodities</b>               |   |        | %                                |        |         |      |       |                    |
| Brent Crude Oil (\$/barrel)      |  | 84.9   | -0.8                             | 0      | -1      | 5    | -1    | -1                 |
| Industrials Metals (index)       |  | 163    | -1.0                             | -2     | -6      | -12  | -2    | -13                |
| Agriculture (index)              |  | 70     | -0.6                             | 1      | 4       | 6    | 2     | 0                  |
| <b>Implied Volatility</b>        |   |        | %                                |        |         |      |       |                    |
| VIX Index (% change in pp)       |  | 19.1   | 0.2                              | -0.6   | 0.7     | -6.6 | -2.6  | -12.0              |
| US 10y Swaption Volatility       |  | 109.7  | 0.0                              | 8.4    | -6.2    | 17.5 | -16.0 | 15.4               |
| Global FX Volatility             |  | 10.4   | 0.0                              | 0.0    | -0.6    | 2.7  | -0.4  | 2.9                |
| <b>EA Sovereign Spreads</b>      |   |        | 10-Year spread vs. Germany (bps) |        |         |      |       |                    |
| Greece                           |  | 180    | 0.0                              | -7     | -17     | -60  | -25   | -60                |
| Italy                            |  | 181    | 2.2                              | -6     | -3      | 16   | -34   | 9                  |
| Portugal                         |  | 86     | 2.1                              | 1      | -5      | -2   | -15   | -5                 |
| Spain                            |  | 95     | 2.1                              | 1      | -5      | -5   | -14   | -9                 |

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>2/15/2023<br>8:08 AM | Exchange Rates |        |                       |        |         |      |     | Local Currency Bond Yields (GBI EM) |          |        |                          |        |         |       |      |                    |
|---------------------------------------|----------------|--------|-----------------------|--------|---------|------|-----|-------------------------------------|----------|--------|--------------------------|--------|---------|-------|------|--------------------|
|                                       | Level          |        | Change (in %)         |        |         |      | YTD | Since<br>23-Feb-22                  | Level    |        | Change (in basis points) |        |         |       | YTD  | Since<br>23-Feb-22 |
|                                       | 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                                 |                | 6.84   | -0.2                  | -0.7   | -2      | -7   | 1   | -8                                  |          | 3.2    | 2.0                      | -2     | -6      | 32    | 10   | 30                 |
| Indonesia                             |                | 15204  | -0.3                  | -0.7   | -1      | -6   | 2   | -6                                  |          | 6.8    | 3.6                      | 11     | 7       | 25    | -18  | 26                 |
| India                                 |                | 83     | 0.0                   | -0.4   | -1      | -9   | 0   | -10                                 |          | 7.5    | 1.0                      | 7      | 3       | 83    | 1    |                    |
| Philippines                           |                | 55     | -0.6                  | -0.7   | -1      | -7   | 1   | -7                                  |          | 5.9    | 0.0                      | 0      | -10     | 93    | -10  | 93                 |
| Thailand                              |                | 34     | -1.5                  | -2.4   | -4      | -6   | 1   | -6                                  |          | 2.8    | 2.5                      | 13     | 25      | 55    | 14   | 55                 |
| Malaysia                              |                | 4.39   | -1.0                  | -2.1   | -2      | -5   | 0   | -5                                  |          | 3.9    | 3.2                      | 11     | -3      | 21    | -14  | 24                 |
| Argentina                             |                | 192    | -0.1                  | -1.2   | -5      | -45  | -8  | -44                                 |          | 88.1   | 78.6                     | 249    | 573     | 3805  | -10  | 4015               |
| Brazil                                |                | 5.22   | -0.6                  | -0.4   | -1      | -1   | 1   | -4                                  |          | 14.6   | 101.7                    | 127    | 203     | 302   | 206  | 311                |
| Chile                                 |                | 789    | -0.4                  | 1.5    | 4       | 2    | 8   | 0                                   |          | 5.5    | 1.0                      | 13     | 42      | -51   | 17   | -41                |
| Colombia                              |                | 4842   | -0.9                  | -1.7   | -3      | -18  | 0   | -19                                 |          | 9.3    | 0.0                      | 29     | -1      | 132   | -52  | 139                |
| Mexico                                |                | 18.66  | -0.7                  | 1.5    | 1       | 9    | 5   | 9                                   |          | 8.8    | 16.4                     | 40     | 67      | 91    | 8    | 96                 |
| Peru                                  |                | 3.9    | -0.1                  | -0.5   | -1      | -2   | -1  | -3                                  |          | 8.0    | 0.5                      | 1      | 5       | 190   | 2    | 199                |
| Uruguay                               |                | 39     | -0.1                  | -0.1   | 1       | 10   | 2   | 8                                   |          | 9.7    | 0.0                      | -28    | -82     | 151   | -98  | 155                |
| Hungary                               |                | 356    | -1.0                  | 1.4    | 4       | -12  | 5   | -10                                 |          | 8.2    | 7.0                      | 33     | 47      | 338   | -145 | 334                |
| Poland                                |                | 4.45   | -0.2                  | -0.6   | -3      | -11  | -2  | -9                                  |          | 5.4    | -1.0                     | 1      | 13      | 139   | -73  | 152                |
| Romania                               |                | 4.6    | -0.4                  | -0.2   | 0       | -5   | 1   | -4                                  |          | 7.4    | 2.2                      | -2     | 8       | 221   | -31  | 223                |
| Russia                                |                | 74.4   | -1.0                  | -1.5   | -8      | 1    | 0   | 10                                  |          | 10.4   | 0.0                      | 11     | -150    | 43    | -150 | -82                |
| South Africa                          |                | 18.0   | -0.5                  | -1.2   | -5      | -16  | -5  | -16                                 |          | 9.1    | 17.6                     | 15     | 33      | 151   | -12  | 146                |
| Turkey                                |                | 18.85  | 0.0                   | -0.1   | 0       | -28  | -1  | -27                                 |          | 11.4   | -14.0                    | 1      | 111     | -1048 | 160  | -1099              |
| US (DXY; 5y UST)                      |                | 104    | 0.5                   | 0.3    | 1       | 8    | 0   | 8                                   |          | 4.03   | 2.7                      | 24     | 42      | 209   | 2    | 212                |

|              | Equity Markets |        |               |        |         |      |       |              | Bond Spreads on USD Debt (EMBIG) |        |                          |         |      |      |           |  |
|--------------|----------------|--------|---------------|--------|---------|------|-------|--------------|----------------------------------|--------|--------------------------|---------|------|------|-----------|--|
|              | Level          |        | Change (in %) |        |         |      | Since |              | Level                            |        | Change (in basis points) |         |      |      | Since     |  |
|              | Last 12m       | Latest | 1 Day         | 7 Days | 30 Days | 12 M | YTD   | 23-Feb-22    | Last 12m                         | Latest | 7 Days                   | 30 Days | 12 M | YTD  | 23-Feb-22 |  |
|              |                |        |               |        |         |      |       | basis points |                                  |        |                          |         |      |      |           |  |
| China        |                | 4124   | -0.5          | 1      | 0       | -11  | 7     | -11          |                                  | 171    | -1                       | -14     | -34  | -6   | -37       |  |
| Indonesia    |                | 6915   | -0.4          | 0      | 3       | 1    | 1     | 0            |                                  | 143    | 8                        | -25     | -40  | 3    | -42       |  |
| India        |                | 61275  | 0.4           | 1      | 2       | 6    | 1     | 7            |                                  | 145    | -1                       | -5      | -10  | 3    | -9        |  |
| Philippines  |                | 6822   | 0.5           | -1     | -3      | -8   | 4     | -7           |                                  | 117    | 5                        | -17     | -14  | 20   | -20       |  |
| Thailand     |                | 1647   | -0.3          | -1     | -2      | -3   | -1    | -3           |                                  |        |                          |         |      |      |           |  |
| Malaysia     |                | 1488   | 0.3           | 1      | 0       | -7   | 0     | -6           |                                  | 100    | 1                        | -3      | -27  | 0    | -33       |  |
| Argentina    |                | 258464 | 0.3           | 5      | 7       | 194  | 28    | 183          |                                  | 1983   | 60                       | -18     | 184  | -222 | 246       |  |
| Brazil       |                | 107849 | -0.9          | -2     | -3      | -6   | -2    | -4           |                                  | 263    | 9                        | -10     | -61  | -11  | -68       |  |
| Chile        |                | 5356   | -0.6          | 1      | 4       | 15   | 2     | 22           |                                  | 136    | 5                        | -10     | -26  | 4    | -38       |  |
| Colombia     |                | 1223   | -1.4          | -3     | -9      | -18  | -5    | -19          |                                  | 384    | 18                       | 11      | 20   | 12   | -8        |  |
| Mexico       |                | 52663  | -0.7          | -1     | -2      | -1   | 9     | 3            |                                  | 363    | 13                       | 0       | 2    | -18  | -7        |  |
| Peru         |                | 21929  | -0.4          | -2     | -6      | -9   | 3     | -6           |                                  | 183    | 2                        | -5      | 2    | 3    | -7        |  |
| Hungary      |                | 46298  | -0.2          | 1      | 0       | -10  | 6     | -3           |                                  | 211    | 19                       | -30     | 62   | -11  | 58        |  |
| Poland       |                | 60594  | 0.8           | -1     | -2      | -10  | 5     | -4           |                                  | 66     | 2                        | -31     | 58   | -7   | 50        |  |
| Romania      |                | 12369  | 0.7           | 1      | 1       | -8   | 6     | -6           |                                  | 241    | 18                       | -27     | 30   | -14  | 9         |  |
| Russia       |                | 2198   | -1.5          | -2     | 0       | -39  | 2     | -29          |                                  | 3411   | -577                     | 938     | 3228 | 3234 | 2897      |  |
| South Africa |                | 79890  | 0.0           | 0      | 1       | 5    | 9     | 7            |                                  | 364    | 14                       | 3       | -19  | -3   | -25       |  |
| Turkey       |                | 4948   | 9.8           | 10     | -1      | 143  | -10   | 145          |                                  | 521    | 17                       | 22      | -15  | 81   | -42       |  |
| Ukraine      |                | 507    | 0.0           | 0      | 0       | -2   | -2    | -2           |                                  | 4435   | 204                      | 269     | 3453 | 356  | 2962      |  |
| EM total     |                | 40     | -1.3          | 0      | -2      | -18  | 7     | -15          |                                  | 381    | 12                       | 4       | -43  | 6    | -77       |  |

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

[back to top](#)