














- **US stocks suffer worst decline in two years on virus concerns** ([link](#))
- **Investors price in more Fed rate cuts in next 12 months** ([link](#))
- **WHO deems latest virus cases “deeply concerning” but not yet pandemic** ([link](#))
- **Bank of Israel keeps rates on hold, as expected** ([link](#))
- **Benchmark US 10-year Treasury yields hits all-time intra-day low** ([link](#))

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Investors cautious after yesterday's rout

Markets stabilize but anxiety prevails after fears about COVID-19's cross-border spread triggered one of the largest sell-offs in recent years. Investors are struggling to understand the downside risks from a virus whose global spread the WHO yesterday deemed “deeply concerning” but not yet a global pandemic. Core bond yields are continuing to fall in Europe and hover around all time-lows in the US, with many analysts seeing little preventing further declines should the picture worsen. Equities are mixed with the VIX volatility gauge down only slightly, Europe registering modest further losses, and EMs up around 1%. Complicating the asset price outlook for investors is the prospect of further central bank support, which investors see as increasingly likely. EM equities are rebounding somewhat as commodity price declines take a breather and the lower-for-even-longer developed market interest rate outlook points to a supportive risk backdrop.

Key Global Financial Indicators

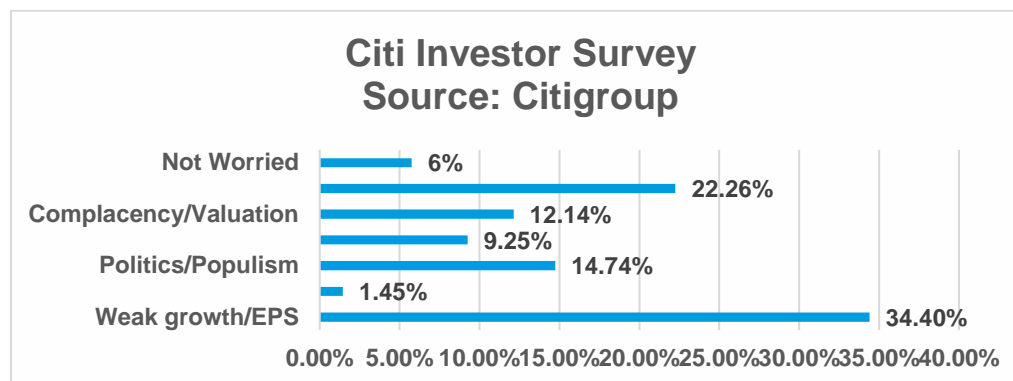
Last updated: 2/25/20 8:18 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities			%				%
S&P 500		3226	-3.4	-5	-2	15	0
Eurostoxx 50		3635	-0.3	-5	-4	11	-3
Nikkei 225		22605	-3.3	-4	-5	6	-4
MSCI EM		42	1.5	-6	-7	-4	-7
Yields and Spreads			bps				
US 10y Yield		1.37	-10.1	-19	-31	-129	-55
Germany 10y Yield		-0.50	-2.1	-10	-17	-61	-32
EMBIG Sovereign Spread		323	5	19	16	-25	30
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		58.9	-0.1	-1	-3	-8	-4
Dollar index, (+) = \$ appreciation		99.3	0.0	0	1	3	3
Brent Crude Oil (\$/barrel)		56.3	-0.1	-3	-7	-13	-15
VIX Index (% change in pp)		22.8	-2.2	8	8	8	9

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

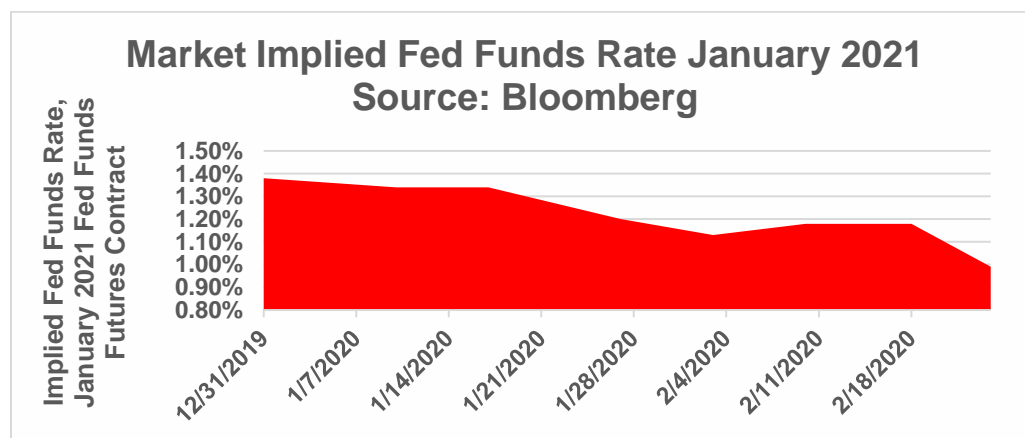
United States

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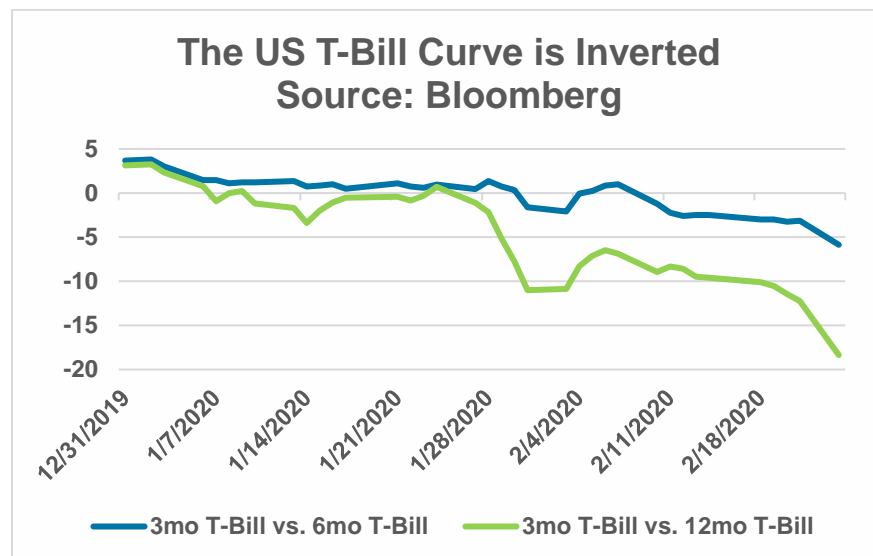
The S&P 500 had its worst day since February 2018 on news that economic disruption from COVID-19 was spreading beyond China. All three major US indexes lost more than 3% for the first time since December 4, 2018. Safe haven buying pushed the benchmark US 10-year yield to a record intra-day low just above 1.35% and ending at 1.367%, very close to its all-time closing low of 1.359% set back on July 8, 2016 when markets were in the grip of another China-related risk-off episode. Markets are pricing in more aggressive policy action from global central banks, with the US Fed now expected to deliver more than two full rate cuts by January 2021. **Market survey data from Citi show that weak growth and disappointment regarding corporate earnings are the biggest worries for respondents.** Widespread worries about multiple risks came in second. The data appear consistent with fears about the impact of the virus on the global economy as well as corporate earnings. Compared to previous surveys, the level of concern is sharply higher. Nevertheless, stocks remain in striking distance of recent record closes and credit spreads remain very low. The VIX is still well below the spikes seen in 2018 and 2015. Some contacts think the virus situation will have to deteriorate much further to trigger the kind of selloff seen at the end of 2018, while others are much more pessimistic.



The market has rapidly repriced its expectations of the Fed's rate path since the outbreak of the virus. As of December 31, 2019, the January 2021 Fed Funds futures contract was trading at an implied Fed Funds rate of 1.38%, some 17 bps below the actual Fed Funds rate. This did not change much in the early part of January when the market saw a rally to start the year. On January 17, the last trading day before the virus hit the global headlines, the contract was trading at 1.34%. By January 27, the forecast had fallen sharply to 1.20% and by yesterday the estimate had fallen even further to 0.99, implying more than two full rate cuts. The more liquid euro-dollar futures market is predicting a similar level of easing.



Market expectations of easier Fed policy due to the potential economic impact of the virus has also created an inversion in the US T-Bill curve. The spread between the three-month T-Bill yield and the six-month yield and the three-month and twelve-month yield were very close together at the start of the year (2 bps vs. 3 bps respectively). The three-month/six-month spread has now fallen to -6 bps and the three-month/twelve-month spread has fallen to -18 bps. The one-month/one-year spread has also inverted to -24 bps. This has pushed the inversion further out the curve to the three-month/10-year sector, which has inverted to -18 bps. With so much easing built into market forecasts, some contacts are worried that a reversal of easing expectations could prove to be destabilizing if interest rates were to snap back and push significantly higher. In their view, risk assets are trapped between fears of the virus spreading further and worries about a rapid reversal of interest rates.



Europe

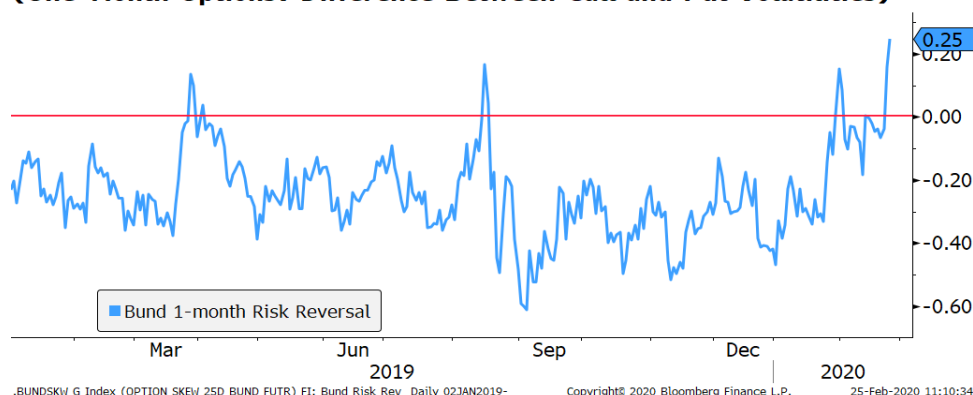
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Equities slipped further on coronavirus fears, although by a smaller scale than yesterday. DAX (-0.9%), CAC 40 (-0.9%), EuroStoxx 600 (-0.9%). Italian equities are 0.5% lower after falling by more than 5% yesterday. Bank stocks (-2.3%) underperformed across countries, weighed down by investors' generalized risk-off sentiment.

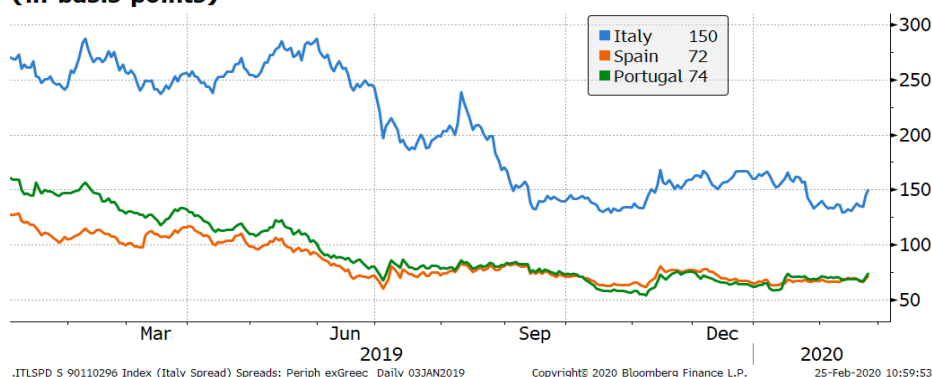
Unicredit (-0.8%) has activated a series of emergency measures to protect its staff from the outbreak of the coronavirus in the north of Italy. The bank is reportedly encouraging large-scale teleworking and has banned non-essential travel.

Sovereign debt markets were in flight-to-safety mode through the day. German 10-year yields dropped 3 bps to -0.50%, while Bund one-month risk reversals also signaled bearish views on the impact of coronavirus. French OATs are at -0.24% (-1 bp); Italian yields climbed 3 bps to 1.0%. Despite today's 6 bps uptick, the 10-year Italy-Germany spread remains at 150 bps, and still far from the highs seen in 2019. The 10-year yield on Greek bonds increased 6 bps to 1.05%.

German Bund Risk Reversals (One-Month Options: Difference Between Call and Put Volatilities)

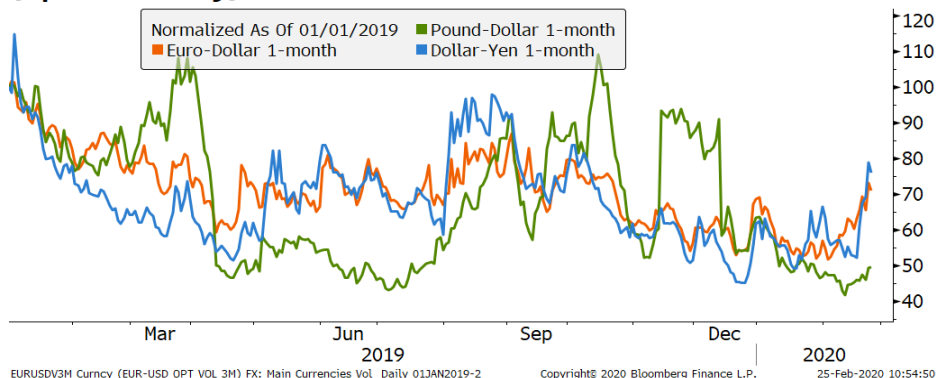


Selected European Sovereign Spreads to 10yr Bunds (in basis points)



On the Brexit front, both the EU and the UK are drawing their negotiating red lines for the upcoming trade deal. In the UK, the so-called ‘exit strategy’, or XS, team – comprising premier Johnson, chancellor Sunak, and foreign secretary Raab among others – is meeting today to finalize the UK’s strategy. A public briefing is expected on Thursday. On the EU side, foreign affairs ministers are meeting in Brussels today to discuss the negotiation guidelines proposed by the EC on Monday. The EU is demanding the UK to guarantee a “level playing field” (i.e., closely aligned) in all regulations affecting trade. The UK, in turn, has signaled its strong desire to be able to diverge from EU rules if desired. **The British pound is 0.4% stronger to the dollar while the euro weakened 0.1%.** In FX markets, the volatility of the euro-dollar and yen-dollar pairs has increased markedly in recent days.

FX Volatility: Major Crosses (Option Volatility)



Other Mature Markets

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Japan

Equities (-3.3%) plunged, catching up with the global sell-off yesterday when Japanese markets were closed for a holiday. The decline was the biggest since December 2018 and was broad-based. Bank of Japan Governor Kuroda said that the central bank “will be well-prepared to act” in response to the impact of the coronavirus. However, he does not expect a “big delay” in the recovery of the Japanese economy for now. To curb the spread of the virus, the government urged companies to implement telecommuting, stagger shifts for workers and conduct online meetings. **10-year JGB yield fell 4bps to -0.10%, the lowest since November. The yen appreciated 0.2%.**

Nikkei volatility jumps to highest level in over a year



Emerging Markets

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Asian equities (+0.1%) stabilized following yesterday's sharp drop. Korea (+1.2%) outperformed after yesterday's large losses but remains -4.3% for the year. China (Shanghai -0.6%; Shenzhen +0.5%) was mixed after reversing large intra-day losses. Malaysian stocks gained 0.7% despite continued political uncertainty following the surprise collapse of the ruling coalition over the weekend. Regional currencies appreciated modestly, with the Korean won (+0.8%) leading gains. **Investors were hedging or reducing risk in EMEA.** The South African rand and Turkish lira are 0.5% weaker and shares fell in Russia (-2.2%), Poland (-1.9%) and Hungary (-1.3%). **Latin American assets followed other markets lower yesterday.** Stocks in Chile and Mexico both were down more than 2%, while markets in Brazil and Argentina remain closed for national holidays. Amongst regional currencies, Colombian peso (-1.2%) depreciated the most against the dollar as virus fears hit the major commodity exporting countries, followed by Mexican peso (-1%) and Chilean peso (-0.7%).

Yesterday, the MSCI EM stock index closed 2.6% lower, its worst day since August 2019. The MSCI EM currency index fell 0.3% yesterday and is down 2% YTD as investors report trimming carry trade positions.

Key Emerging Market Financial Indicators

Last updated: 2/25/20 8:20 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
Major EM Benchmarks			%				%
MSCI EM Equities		41.67	1.4	-6	-7	-4	-7
MSCI Frontier Equities		28.88	-2.6	-4	-7	-1	-5
EMBIG Sovereign Spread (in bps)		323	5	19	16	-25	30
EM FX vs. USD		58.93	-0.1	-1	-3	-8	-4
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		7.02	0.2	0	-1	-5	-1
Indonesian Rupiah		13887	-0.1	-1	-2	1	0
Indian Rupee		71.89	0.2	0	-1	-1	-1
Argentina Peso		61.84	-0.1	-1	-3	-36	-3
Brazil Real		4.39	0.0	-2	-4	-14	-8
Mexican Peso		19.02	0.3	-2	-1	1	0
Russian Ruble		65.35	-0.1	-2	-4	0	-5
South African Rand		15.19	-0.3	-1	-4	-9	-8
Turkish Lira		6.15	-0.5	-1	-3	-14	-3
EM FX volatility		7.16	0.0	0.6	1.1	-1.4	0.6

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

China

The People's Bank of China (PBC) is looking to support the economy through easy monetary policy.

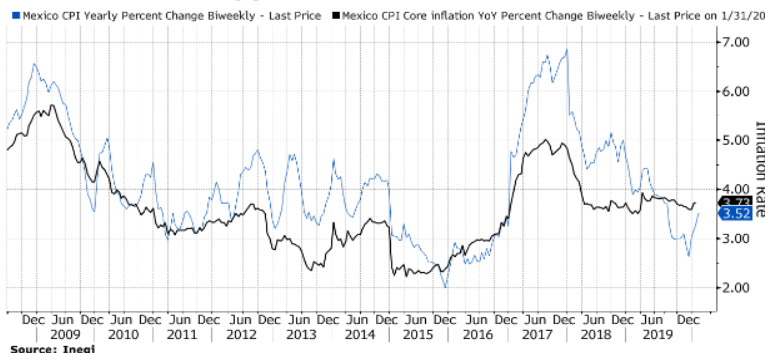
PBC Deputy Governor Chen Yulu said that the central bank will guide borrowing costs lower and keep liquidity sufficient, according to Bloomberg. It is also reviewing whether to cut the benchmark deposit rate in light of the virus outbreak. The authorities will also support banks to sell more special financial bonds to increase lending to small and medium enterprises. Separately, the **PBC has expanded companies' access to loans under the RMB300 bn special re-lending program set up in early February to combat the virus.** According to Caixin, selected companies shortlisted by 10 provincial and municipal governments are now eligible to get low interest loans from six major state-owned lenders. Previously only companies on a national list could access the cheaper funding. **Equities (Shanghai -0.6%; Shenzhen +0.5%) closed mixed, after retracing sharp intraday losses.**

Mexico

Annual inflation accelerated to 3.52% y/y (vs expected 3.56% y/y) from 3.29% y/y in the first half of February. So far, the expected rebound in inflation during the quarter has been relatively contained, though this is the highest level of inflation in the past 6 months. Analysts expect that Banxico will find space to cut

Inflation Dynamics

Core inflation is exceeding general CPI for the first time since 2016



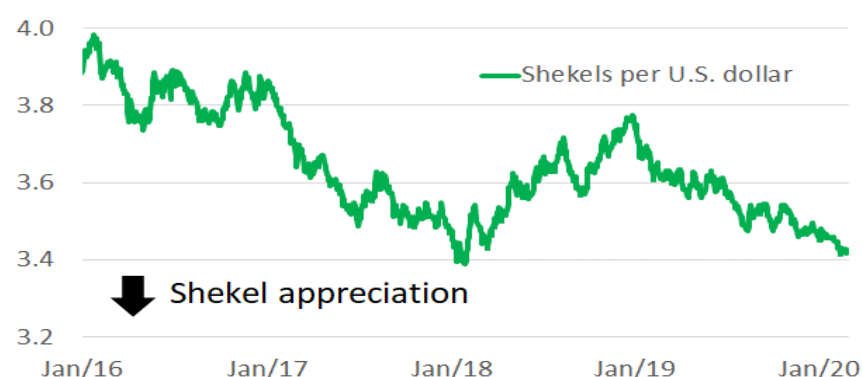
the policy rate while remaining cautious. TIIE swap rates were down 2 bps across the curve yesterday despite peso selloff and spiked inflation, as sinking US yields weighed on the TIIE curve. Around 80 bps of easing is priced over the next 12 months with a good chance of a 25 bps cut in March.

Source: Bloomberg

Israel

In line with expectations, the Bank of Israel left rates unchanged at 0.25% yesterday ahead of next week's election. A couple of analysts had nevertheless expected the central bank to cut as CPI inflation remains below the 1-3% target range and the shekel has appreciated 0.9% ytd to 3.42 per U.S. dollar. The shekel briefly appreciated below the widely watched 3.4 level in intraday trading on 11 February 2020. The central bank has spent \$6.5 bn over the last 3 months in foreign FX purchases.

Israel: Shekel appreciates in 2020, just above 3.4 level

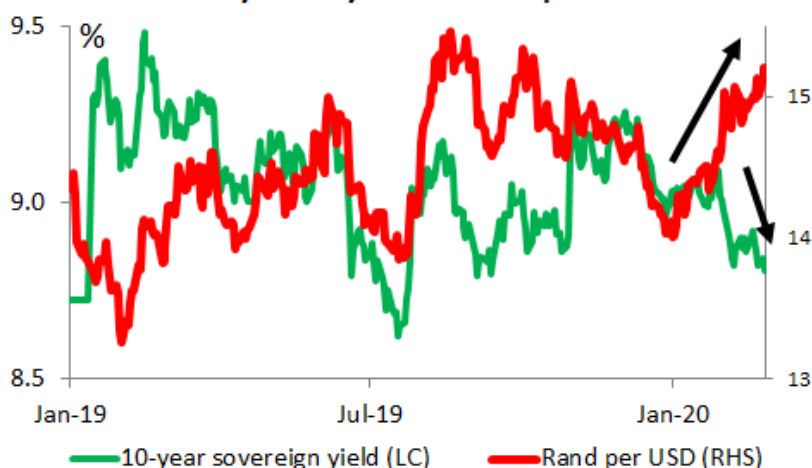


Source: Bloomberg and IMF

South Africa

The rand (-0.5% to 15.22 per \$) has weakened to new 2020 lows but 10-yr yields fell 3 bps today ahead of the delivery of the budget speech by FM Mboweni tomorrow Wednesday. Analysts are skeptical whether a new budget will be able to prevent a downgrade by Moody's to junk either next month or early Q2 2020. In a Bloomberg poll of 24 economists, the median estimate is for a budget deficit of 6.3% of GDP in 2020 and 6.4% of GDP in 2020-21. Contacts believe that local bond investors may be hedging their currency risk, contributing to rand weakness.

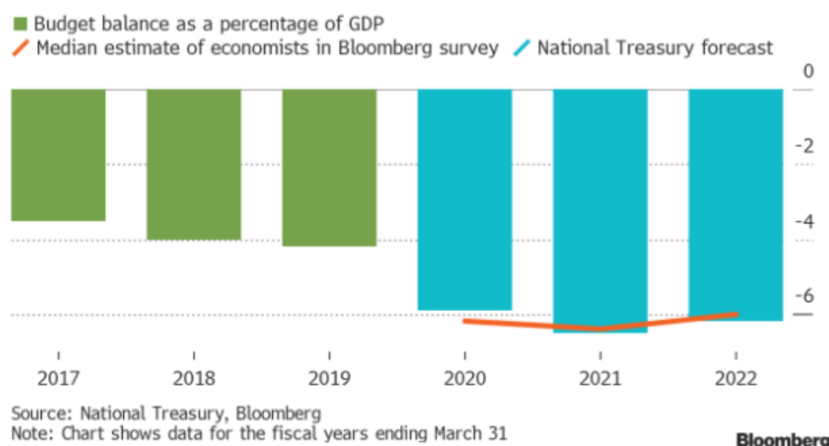
South Africa: 10-yr bond yield and rand per USD



Source: Bloomberg and IMF staff

Ballooning Deficit

South Africa's 2021 fiscal gap will probably widen to biggest in 11 years



Paraguay

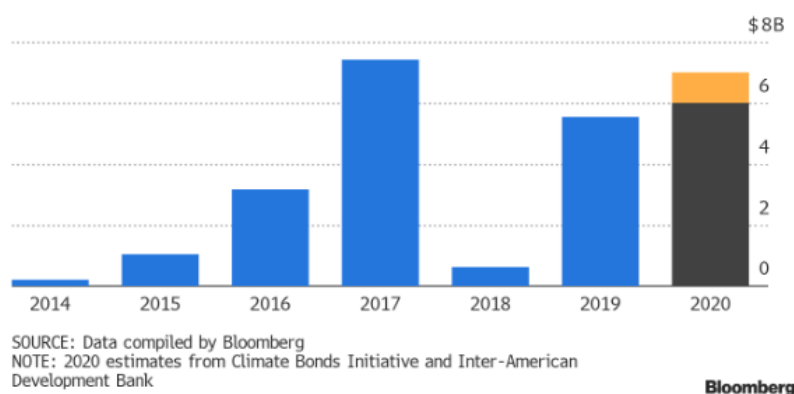
The central bank decided to hold the key rate at 4% as inflation of 2.8% in January was seen to be gradually approaching the 4% target rate. The committee said that the monetary policy remains accommodative with the economic recovery observed in the second half of last year expected to continue into the early months of 2020.

Sustainable finance

At least 5 Latin American governments are considering issuing green bonds this year as the demand is rising amongst investors and pension funds. While the green bond market has caught fire globally, Latin America has lagged, making up just 2% of the record \$205 bn sold last year, according to Bloomberg. The green bond issuance from the region could reach \$7 bn according to the IDB forecasts, the most since a record \$7.4 bn in 2017. Chile has led the way last month, issuing euro- and dollar-denominated green bonds that fetched some of its lowest yields ever.

Greener Latin American Debt

Region's green bond sales are forecast to surpass the 2019 total
































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Global Financial Indicators

Last updated: 2/25/20 8:18 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		3226	-3.4	-5	-2	15	0
Europe		3635	-0.3	-5	-4	11	-3
Japan		22605	-3.3	-4	-5	6	-4
China		3013	-0.6	1	1	2	-1
Asia Ex Japan		69	-3.5	-6	-6	-3	-6
Emerging Markets		42	1.5	-6	-7	-4	-7
Interest Rates			basis points				
US 10y Yield		1.37	-10.1	-19	-31	-129	-55
Germany 10y Yield		-0.50	-2.1	-10	-17	-61	-32
Japan 10y Yield		-0.10	-4.8	-4	-8	-7	-9
UK 10y Yield		0.54	-0.5	-8	-3	-64	-29
Credit Spreads			basis points				
US Investment Grade		116	0.2	9	13	-7	18
US High Yield		451	0.0	34	38	35	58
Europe IG		49	0.9	7	3	-15	5
Europe HY		246	2.5	32	17	-37	39
EMBIG Sovereign Spread		323	5.0	19	16	-25	30
Exchange Rates			%				
USD/Majors		99.31	0.0	0	1	3	3
EUR/USD		1.08	-0.1	0	-2	-5	-3
USD/JPY		110.6	0.1	-1	-2	0	-2
EM/USD		58.9	-0.1	-1	-3	-8	-4
Commodities			%				
Brent Crude Oil (\$/barrel)		56	-0.1	-3	-7	-13	-15
Industrials Metals (index)		105	0.3	-2	-6	-14	-9
Agriculture (index)		39	0.1	-3	-4	-7	-6
Implied Volatility			%				
VIX Index (% change in pp)		22.8	-2.2	8.0	8.2	7.9	9.0
10y Treasury Volatility Index		5.5	-0.2	0.9	1.2	1.9	1.3
Global FX Volatility		6.1	0.0	0.7	0.9	-1.3	0.1
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		157	8.2	19	-7	-210	-8
Italy		149	4.0	15	-8	-118	-11
Portugal		74	3.2	4	2	-62	11
Spain		72	2.5	2	3	-34	6

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

Data source: Bloomberg.

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Emerging Market Financial Indicators

Last updated: 2/25/2020 8:21 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)							
	Level		Change (in %)					YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	Last 12m		Latest	1 Day	7 Days	30 Days	12 M		
	vs. USD		(+) = EM appreciation						% p.a.						
China		7.02	0.2	-0.3	-1	-5	-1		2.9	-2.0	-1	-13	-17	-24	
Indonesia		13887	-0.1	-1.4	-2	1	0		6.7	6.3	2	-11	-132	-44	
India		72	0.2	-0.5	-1	-1	-1		6.6	-3.6	-2	-30	-96	-32	
Philippines		51	-0.3	-0.8	0	2	-1		4.1	-4.5	-2	-12	-143	-18	
Thailand		32	-0.2	-1.6	-3	-1	-6		1.2	-1.8	-12	-34	-141	-40	
Malaysia		4.23	-0.2	-1.9	-4	-4	-3		3.0	7.2	11	-14	-98	-35	
Argentina		62	-0.1	-0.6	-3	-36	-3		53.4	0.0	-648	-116	3242	-919	
Brazil		4.39	0.0	-2.2	-4	-14	-8		5.8	0.1	5	-23	-196	-41	
Chile		804	0.4	-0.9	-2	-19	-6		3.6	-9.0	7	21	-72	32	
Colombia		3418	0.3	-0.4	-1	-9	-4		5.5	-2.6	-4	-17	-94	-48	
Mexico		19.02	0.3	-2.3	-1	1	0		6.6	-2.8	-2	-28	-179	-35	
Peru		3.4	-0.6	-0.8	-2	-3	-3		4.2	-3.9	-10	-23	-145	-37	
Uruguay		38	-0.3	-1.3	-3	-15	-3		9.6	0.0	-31	-82	-71	-130	
Hungary		311	0.1	-0.1	-2	-10	-5		1.6	-5.0	-17	27	-42	36	
Poland		3.97	0.0	-0.3	-2	-4	-4		1.8	-7.2	-20	-24	-44	-13	
Romania		4.4	-0.2	-0.2	-2	-5	-4		3.6	8.0	0	-31	-59	-42	
Russia		65.3	-0.1	-2.3	-4	0	-5		5.8	0.0	-5	-19	-233	-36	
South Africa		15.2	-0.3	-1.2	-4	-9	-8		9.4	-0.2	-11	-15	-12	-16	
Turkey		6.15	-0.5	-1.4	-3	-14	-3		12.2	45.9	109	218	-358	46	
US (DXY; 5y UST)		99	0.0	-0.1	1	3	3		1.21	-0.2	-19	-30	-127	-48	

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
								basis points						
China		3013	-0.6	1	1	2	-1		170	0	2	-5	-10	-6
Indonesia		5787	-0.3	-2	-7	-11	-8		170	5	10	1	-31	14
India		40281	-0.2	-2	-3	11	-2		134	3	2	2	-35	9
Philippines		7187	0.0	-2	-6	-10	-8		80	8	11	6	-12	14
Malaysia		1501	0.7	-2	-5	-13	-6		104	-7	1	0	-20	-8
Argentina		38602	0.0	0	-3	5	-7		2066	-5	2	-15	1375	297
Brazil		113681	0.0	-1	-4	16	-2		206	1	10	-18	-30	-9
Chile		4431	-2.2	-2	-5	-19	-5		144	3	4	-5	8	11
Colombia		1623	-0.5	-3	-2	7	-2		172	3	9	-4	-18	9
Mexico		43818	-2.2	-3	-3	0	1		311	2	18	8	-17	19
Peru		19197	-2.1	-3	-6	-7	-6		120	2	9	1	-21	13
Hungary		43793	-1.3	-4	-2	7	-5		126	2	17	25	16	40
Poland		54016	-1.9	-7	-8	-11	-7		50	3	16	22	-3	32
Romania		9833	-0.2	-3	-4	27	-1		186	11	12	-3	-14	13
Russia		3044	-2.0	-2	-3	22	0		149	3	9	1	-68	18
South Africa		54909	0.1	-5	-4	-2	-4		353	5	20	8	64	33
Turkey		115127	0.3	-4	-6	10	1		436	7	47	68	25	35
Ukraine		533	1.0	1	5	-4	5		407	9	48	29	-239	-13
EM total		42	1.4	-6	-7	-4	-7		323	5	19	16	-25	30

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

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Coronavirus (Covid-19) Dashboard							
	Level	Change or relative change					
	Latest	1 Day	7 Days	30 Days	12 M	YTD	Since Covid-19 intensification (Jan 20)
Equity Markets	Index	Change (in %)					
China							
CSI 300 (Large Cap/Main Equity Index)	3960	-0.6	1.5	-5.5	16.4	-3.3	-5.4
CSI 500 (Mid-Cap Index)	5413	-0.9	2.5	-2.3	19.4	2.8	-3.1
CSI 1000 (Small-Cap Index)	5708	-0.8	3.5	-3.5	19.4	2.5	-4.2
Indonesia	5872	-0.7	-1.9	-7.2	-8.5	-6.8	-6.0
India	41460	-0.3	0.4	-1.2	15.6	0.5	-0.2
Philippines	7403	0.3	-1.4	-5.0	-7.4	-5.3	-2.0
Thailand	1533	-0.5	-0.1	-3.4	-7.3	-3.0	-3.5
Malaysia	1539	-0.2	-0.9	-2.6	-8.9	-3.1	-3.1
China: Selected Interest Rates	Percent or bps	Change (in basis points)					
7-Day Repo Rate: Depository Institutions (1)	1.80	-30	40	-65	-20	-102	-40
10-Year Government Bond Yield	2.82	-1	2	-26	-25	-32	-26
5-Year Corp. Bond: AAA Issuers: Credit Spread (bps)	78	-1	-4	-2	-17	-4	-3
5-Year Corp. Bond: AA Issuers: Credit Spread (bps)	147	-1	-2	2	-47	-7	2
7-Day Repo Rate: Liquidity Premium (bps) (2)	54	24	-34	32	15	28	4
3-Month Bank NCD (3): AAA Issuers	2.31	1	-31	-24	-40	-39	-47
3-Month Bank NCD: AA+ Issuers	2.58	0	-14	-15	-25	-35	-28
3-Month SHIBOR Interbank Rate: Fixing	2.61	-3	-15	-25	-25	-42	-26
1-Year Interest Rate Swap: 7-Day Repo Rate	2.39	-2	-2	-24	-10	-26	-22
Bond Spreads on USD Debt (EMBIG)	Basis points	Change (in basis points)					
China	169	0	-1	-5	-13	-7	-5
Indonesia	162	-5	-7	3	-32	6	-1
India	131	-3	-2	4	-43	6	2
Philippines	68	-4	-4	-3	-19	2	-5
Malaysia	106	-1	-4	1	-20	-6	2
Exchange Rates	vs. USD	Change (in %) (+) = EM appreciation					
China	6.98	-0.1	-0.1	-1.2	-3.1	-0.2	-1.6
Indonesia	13694	-0.1	-0.4	-0.2	2.7	1.3	-0.4
India	71	0.0	-0.2	-0.7	-0.7	0.1	-0.3
Philippines	51	0.1	0.5	0.4	3.2	0.3	0.9
Thailand	31	0.1	-0.2	-2.9	0.7	-3.7	-2.6
Malaysia	4.14	-0.1	-0.5	-1.9	-1.8	-1.2	-2.0
Local Currency Bond Yields (GBI EM)	Percent	Change (in basis points)					
China	2.89	3	1	-23	-15	-26	-21
Indonesia	6.68	-5	-12	-33	-134	-45	-26
India	6.64	0	-12	-24	-87	-23	-25
Philippines	4.14	1	0	-17	-154	-16	-13
Thailand	1.43	2	-2	-10	-117	-18	-16
Malaysia	2.90	-11	-22	-40	-106	-45	-39
Note: (1). Daily closing rate on depository institution transactions.							
(2). Calculated as spread between market-wide weighted average 7-day repo rate and the 7-day repo closing rate for transactions between depository institutions.							
(3). NCD = Negotiable Certificate of Deposit.							