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- **Publicly listed private credit stocks repriced sharply as redemptions weigh on sentiment** ([link](#))
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Tariffs Reset After Supreme Court Ruling

Markets start the week on a cautious note after a fast turn in the United States tariff issue. Stocks rose on Friday after the Supreme Court knocked out a large part of the “Liberation Day” tariff package, which removed a drag on corporate earnings, while the weekend response from President Trump brought a new round of tariffs under Section 122, first at 10% and then flagged at 15%. Market contacts see this keeping the near-term tariff level a bit lower than before, while adding uncertainty about what rules will apply next and for how long. Early read-through suggests Europe and Japan may see limited change in effective tariff levels, while parts of Asia, and countries like China, India, and Brazil, look like relative winners. This morning, equity futures in Europe and the United States are down a little after Friday’s bounce. On Friday, United States assets were choppy, but range bound, with yields only slightly higher by the close and the dollar a bit weaker, while crypto stayed under pressure and gold held firm. In other words, the shock has shifted from “tariff level” to “policy uncertainty,” which is consistent with delayed business decisions and a more supportive backdrop for Treasuries. Elsewhere, Bloomberg reports Mongolia is considering issuing a 6Y US dollar-denominated bond, subject to market conditions.

Key Global Financial Indicators

Last updated: 2/23/26 8:29 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		6910	0.7	1	0	15	1
Eurostoxx 50		6126	-0.2	2	3	12	6
Nikkei 225		56826	-1.1	0	6	47	13
MSCI EM		62	2.1	2	6	39	14
Yields and Spreads			bps				
US 10y Yield		4.07	-1.0	2	-16	-37	-10
Germany 10y Yield		2.73	0.1	-2	-17	26	-12
EMBIG Sovereign Spread		244	-1	-3	-6	-73	-10
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		47.6	-0.1	0	0	7	2
Dollar index, (+) = \$ appreciation		97.7	-0.1	1	0	-8	-1
Brent Crude Oil (\$/barrel)		71.9	0.1	5	9	-3	18
VIX Index (% change in pp)		20.5	1.3	0	4	2	6

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

In the week ahead, the focus is on inflation and growth data, plus several central bank rate decisions. Key releases in North America include United States producer prices (PPI), plus GDP reports from Mexico and Canada. Canada's q/q GDP is seen to shrink, as a wider trade gap and lower inventories weigh on growth. In the Euro area, CPI and GDP updates are due. In Asia, Japan and Australia release latest consumer prices. Rate decisions add to the busy week, with holds expected in China, Thailand, and South Korea, and cuts expected in Israel (-25 bps), Hungary (-25 bps), and Nigeria (-100 bps).

Mature Markets

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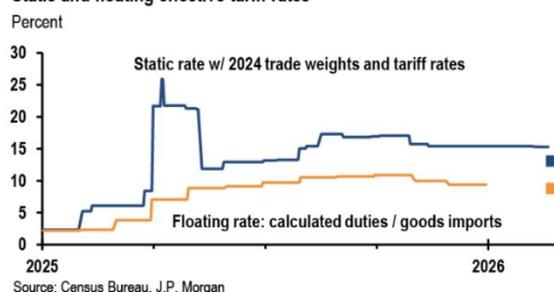
United States

On Friday, markets swung after the Supreme Court struck down tariffs set under the International Emergency Economic Powers Act (IEEPA) while ending the day little changed overall. The move was widely expected as investors focus on the uncertainty it adds, with two further Supreme Court dates this week expected to bring more detail and shape the path for tariffs from here. The S&P 500 rose (+0.7%), the 10y Treasury yield rose (+2 bps) to 4.08%, while the dollar weakened (-0.2%) against major currencies.

On Friday morning, the Supreme Court struck down the tariffs set under the IEEPA, wiping out a large share of the recently announced tariff package. The administration signaled it would try to rebuild the tariff plan using other legal tools. One near-term option is to impose tariffs under Section 122 authority, up to 15%. Given Section 122 has a 150-day limit, it could later be extended in effect by other measures, including Sections 301 (unfair trade practices), 232 (national security), and 338 (discrimination against the United States).

Using Section 122 and related authorities could afford to keep the average effective tariff rate broadly unchanged, while the composition of tariffs across products and countries could shift meaningfully. That could keep trade policy uncertainty high and add another drag on business investment, especially after non-technology investment fell in 2025, as JPMorgan analysts note. The question of possible IEEPA rebates has been left to the lower courts, and expectations for large-scale refunds and their macroeconomic impact remain muted. On the fiscal side, several analysts expect any added funding need could be met mostly through more Treasury bill issuance. That could limit upward pressure on longer term yields, but it could tighten short term funding conditions.

Static and floating effective tariff rates



Publicly listed private credit managers have repriced sharply, giving back their 2023–24 share price gains. The trigger has been a jump in redemption requests and accelerated gross outflows in non-traded BDCs, which has forced some managers to use gates, limit withdrawals, and in one case to sell assets to raise cash and return capital.

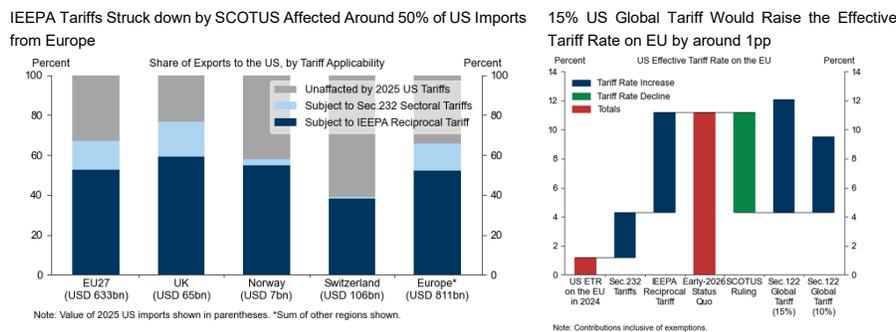
At the same time, tender offers from secondary buyers have pointed to exit prices at 20% to 35% discounts to stated value, putting fresh pressure on confidence in valuations and future fundraising. Worries about concentrated lending to private equity-backed software firms, in the context of rising AI disruption fears, have added to the unease. Notwithstanding this, some analysts argue the equity move now looks overshot, noting that loan performance has held up so far, although redemptions weigh on sentiment.



Euro area

European shares edged lower as tariff uncertainty stayed in focus. The Stoxx 600 slipped (-0.4%) in early trading. Germany’s DAX opened lower, while paring losses after the Ifo business climate index came in above expectations at 88.6 (exp. 88.3 from 87.6). The result adds to signs of a nascent recovery after the upbeat PMI releases on Friday. The euro appreciated (+0.3%) toward \$1.1785/€, in line with broader US dollar weakness.

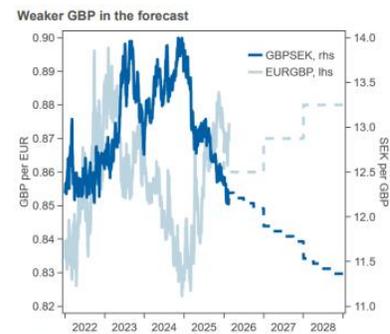
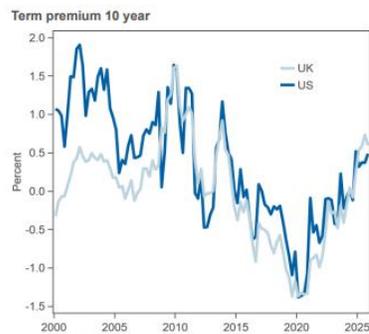
Goldman Sachs analysts expect limited spillover to Europe from the United States tariff reset described above. Following their assumptions, the United States effective tariff rate will rise only modestly for the European Union by +0.9 ppt (to 12.1%) and more for the United Kingdom by +2.9 ppt (to 10.9%), while Switzerland and Norway appear largely unaffected. With European Union and United Kingdom exports to the United States already -10% to -20% below 2024 averages, much of the near-term adjustment may already be in the data; the bigger risk is seen in uncertainty staying high as the 150-day Section 122 window runs down and attention shifts to a possible Section 301 route.



Source: Census Bureau, White House, Haver Analytics, Goldman Sachs Global Investment Research

United Kingdom

Sterling is caught between carry support and rising fiscal risk. High United Kingdom gilt yields look driven more by fiscal and political worry than by stronger growth, and that kind of move in yields has often been a negative for the currency. Handelsbanken analysts argue that when yields rise because investors demand extra compensation for risk, sterling tends to weaken, even if rate

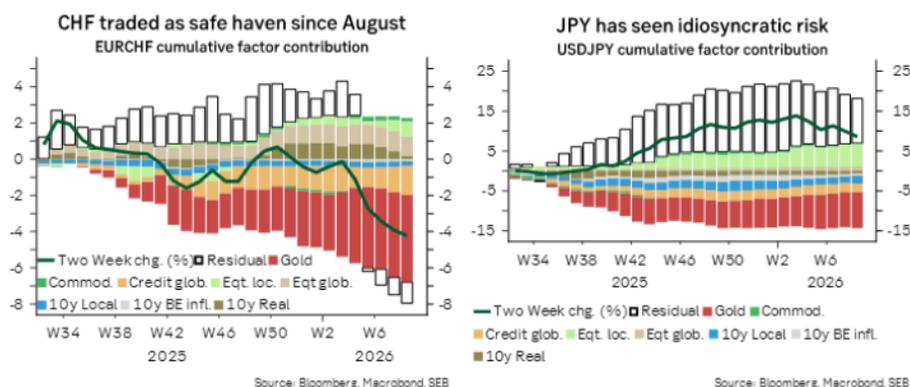


gaps at the front end still offer carry support. Sticky inflation should keep short term rates relatively high for now, which can support sterling in the near term. But if global growth improves, more cyclical currencies may do better, leaving sterling broadly stable versus the US dollar and the euro, but more at risk against the Swedish krona and Norwegian krone. This morning, sterling was stronger (+0.2%) at \$1.3486/£, in line with broader US dollar weakness, but is still weaker (-1.4%) on a month-to-date basis after softer labor data released on February 17. Separately, Governor Bailey speaks to a parliamentary committee tomorrow on the February Monetary Policy Report.

Japan

Yen extended its recent post-election gains as the dollar weakened after the US Supreme Court ruling on reciprocal tariffs. Today, yen strengthened to as much as ¥154 and ended the Asia session 0.2% stronger at ¥154.73/\$. The ¥154/\$ area has been a key level this month: yen briefly broke below it

after the Liberal Democratic Party's landslide election win but did not hold the move. SEB analysts add that versus other safe haven currencies, the yen appears less of a mechanical risk off hedge right now because domestic political risk and the pull of interest rate gaps appears dominating (e.g. Japan's deposit rate is about 0.6% versus roughly 3.7% in the United States and 2.0% in the euro area), leaving carry incentives that confound the usual flight to safety bid. Reuters also reported that former Bank of Japan board member Makoto Sakurai said the Bank of Japan could raise rates as soon as March if the yen starts sliding again. Overnight forwards are pricing about 12% odds of a March hike and 68% odds of a hike by April.



Emerging Markets

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This morning, EMEA equities were higher overall, brushing off tariff headlines and Middle East tensions. CEE equities were higher with currencies appreciating to the euro, with the Hungarian Forint outperforming. In South Africa, the rand appreciated against a broadly weaker dollar at ZAR15.99/\$, while rising gold prices supported equities (+1.2%). Stock markets in Türkiye rallied (+1.0%), led by the banking sector which is up around 23% year-to-date.

Asian currencies strengthened and equities rebounded in a broad-based move. Asian currencies strengthened broadly (EM Asia: +0.2%) as the dollar weakened following the US Supreme Court ruling. Philippine peso (+1.0%) and Taiwanese dollar (+0.6%) appreciated the most. Asian equities also rebounded broadly (EM Asia: +1.1%), led by Hong Kong SAR (Hang Seng: +2.5%) and Indonesia (Jakarta Composite: +1.5%).

Last Friday, Latin American assets rallied. Stocks led in Colombia (+1.3%), Peru (+1.1%), and Brazil (+1.1%). Versus the dollar, the Brazilian real (+0.8%) and the Mexican peso (+0.7%) led currency gains.

Emerging Market Bond and Equity Flows

Flows into emerging market bonds strengthened last week, while equity inflows declined. Emerging Markets bond funds saw higher inflows last week (+\$2.9bn, from +\$1.6bn), mainly driven by increased hard-currency fund inflows (+\$1.9bn, from +\$587mn), while local-currency fund inflows increased slightly (+\$1.0bn, from +\$998mn). Bond ETFs saw higher inflows (+\$890mn, from +\$201mn). Bond non-ETFs inflows also rose (+\$2.0bn, from +\$1.4bn). EM equity funds inflows decreased (+\$5.8bn, from +\$8.5bn). Equity ETFs inflows decreased (+\$4.4bn, from +\$6.4bn) as well as non-ETFs (+\$1.4bn, from +\$2.1bn). Across regional equity funds, there were inflows in Asia ex-Japan (+\$479mn), EMEA (+\$309mn), and Latam (+\$657mn). The year-to-date flows currently stand at +\$14.8bn for EM bonds and +\$65.3bn for EM equities, respectively.

Figure 1: Weekly cross-asset flows

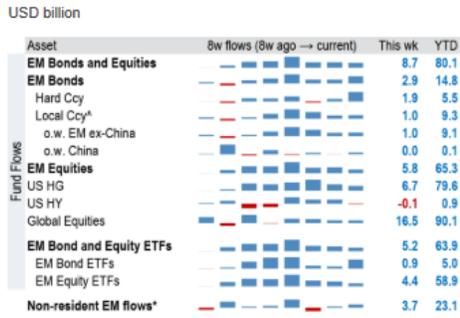
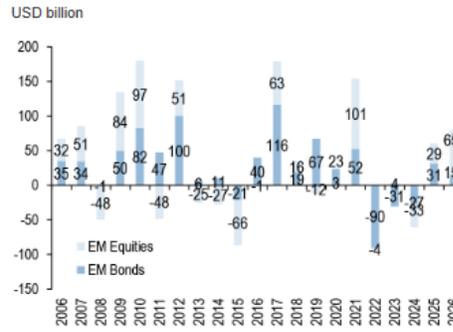


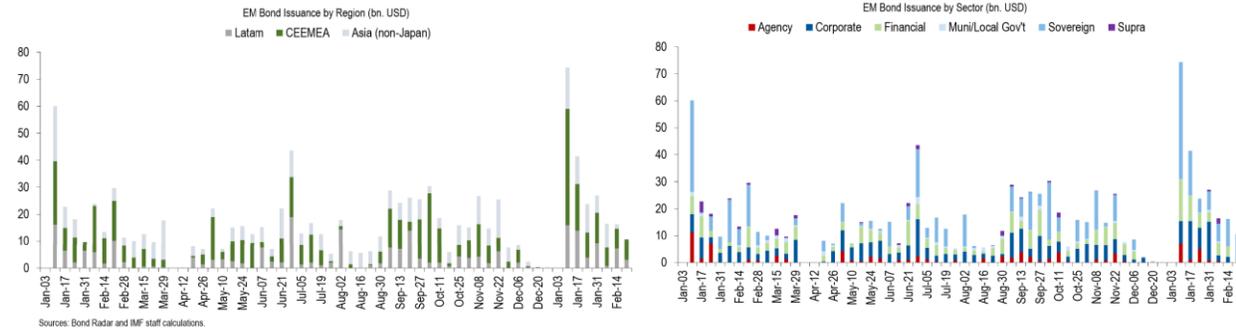
Figure 2: EM bond and equity fund flows



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

Emerging Market Bond Issuance

Sovereigns dominated the emerging market primary calendar last week, with a clear split across regions and credit quality. EM bond issuance reached \$10.6 bn in the week ending February 20, lifting Year-to-date supply to \$209.8 bn. CEEMEA sovereign issuers offered higher yields in dollars, with Kenya pricing long-dated bonds at 8.10% (2034) and 8.5% (2039), while Ivory Coast's 2041 bond yields 7.13%. In contrast, Panama's dollar bonds were issued at much lower yields of 5.23% (2034) and 5.67% (2038). Although activity was lower than in the same week last year, year-to-date supply remains up +18% versus the same point a year ago.

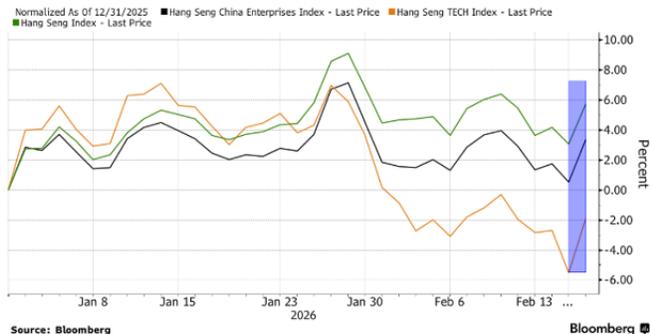


China

Hong Kong-listed China stocks rebounded as the US tariff ruling lifted sentiment.

Goldman Sachs analysts argue that China, along with India and Brazil, could be among the clearer relative winners from lower effective US tariff rates after the ruling. On their estimates, China stands out: removing the "reciprocal" and "fentanyl" tariffs and replacing them with a temporary 15% global tariff would cut the effective US tariff rate on Chinese imports by 6.6 ppt (to 14.3% from 20.9%). That would leave some other exporters, including Australia and Japan, relatively worse off under the new mix. Today, the Hang Seng rose (+2.5%), led by large tech names such as Alibaba and Tencent. Tourism and casino stocks also gained in Hong Kong, helped by Ministry of Commerce data pointing to solid growth in consumer spending over the first four days of the Lunar New Year holiday.

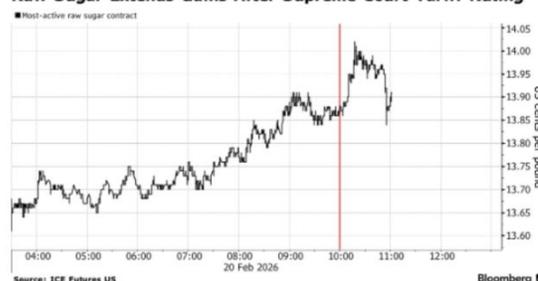
China Stocks in Hong Kong Stage Broad Rally



Brazil

Raw sugar futures climbed to a two-week high last Friday. The most active contract in New York surged (+2.3%) after the Supreme Court struck down President Donald Trump's global tariffs. The move was seen as supportive for Brazilian ethanol exports to the United States, which could encourage mills to divert more cane into ethanol rather than sugar, tightening sugar supply and lifting prices. Analysts noted any pickup in shipments would likely show up later this year. Meanwhile, New York cocoa futures rebounded (+3.1%), trimming sharp weekly losses tied to ample supply and weak buying.

Raw Sugar Extends Gains After Supreme Court Tariff Ruling

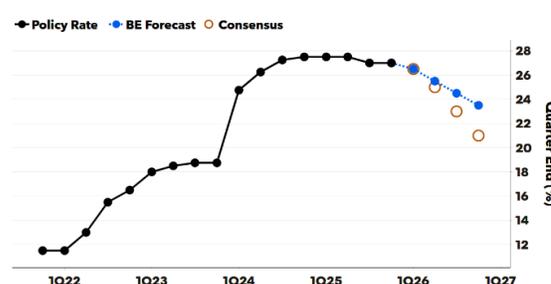


Nigeria

Decelerating inflation is expected to open the door to rate cuts, though views differ on the pace.

Bloomberg's economists expect the Central Bank of Nigeria to restart easing at tomorrow's Monetary Policy Committee meeting, arguing that recent downside inflation surprises give policymakers room to cut. They look for a -50bps cut, taking the policy rate to 26.5%, after headline inflation eased to 15.1% y/y in January. The economists also expect inflation to keep moderating throughout the year, helped by a stronger currency and lower energy prices, but their call is smaller than consensus expectations for a -100bps cut.

Nigeria to Resume Rate Cuts in February



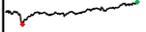
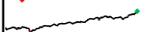
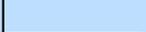
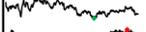
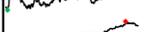
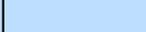
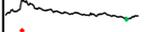
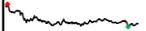
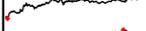
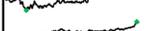
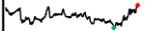
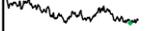
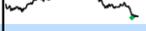
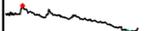
Source: Bloomberg Economics, Central Bank of Nigeria

Standard Chartered analysts expect -900bps of cumulative rate cuts over the next two years, but stress a measured path given fiscal risks ahead of the 2027 elections, rising food prices, and downside risks to oil revenues.

This monitor is prepared under the guidance of Jason Wu (Assistant Director), Charles Cohen (Advisor), Caio Ferreira (Deputy Division Chief), Sheheryar Malik (Deputy Division Chief), and Saad Siddiqui (Deputy Division Chief). Fabio Cortes (Senior Economist), Timothy Chu (Financial Sector Expert-New York Representative), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Senior Financial Sector Expert), 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 Sally Chen (IMF Resident Representative in Hong Kong), Yingyuan Chen (Financial Sector Expert), Andrew Ferrante (Research Analyst), Deepali Gautam (Senior Research Officer), Zixuan Huang (Economist – EP), Harrison Kraus (Research Analyst), Yiran Li (Senior Research Analyst), Xiang-Li Lim (Financial Sector Expert), Corrado Macchiarelli (Economist), Kleopatra Nikolaou (Senior Financial Sector Expert), Silvia L. Ramirez (Senior Financial Sector Expert), Francesco de Rossi (Senior Financial Sector Expert-London Representative), Lawrence Tang (Senior Economist), Dmitry Yakovlev (Senior Research Officer), Akihiko Yokoyama (Senior Financial Sector Expert), and Jing Zhao (Economic Analyst). Jeremie Benzaken (Administrative Coordinator), Olivia Marr (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

2/23/26 8:29 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		6,896	0.7	0.9	-0.3	14.7	1
Europe		6,126	-0.2	2.5	3.0	11.9	6
Japan		56,826	-1.1	-0.2	5.5	46.5	13
China		4,660	-1.3	0.4	-0.9	17.4	1
Asia Ex Japan		106	2.2	2.6	5.9	38.5	14
Emerging Markets		62	2.1	2.4	5.5	38.8	14
Interest Rates			basis points				
US 10y Yield		4.1	-1	2	-16	-37	-10
Germany 10y Yield		2.7	0	-2	-17	26	-12
Japan 10y Yield		2.1	0	-9	-14	69	6
UK 10y Yield		4.3	0	-6	-17	-23	-14
Credit Spreads			basis points				
US Investment Grade		112	0	0	10	-2	4
US High Yield		344	1	-3	32	24	8
Exchange Rates			%				
USD/Majors		97.7	-0.1	0.8	0.1	-8.3	-1
EUR/USD		1.18	0.1	-0.5	-0.3	12.7	0
USD/JPY		154.7	-0.2	0.8	-0.6	3.3	-1
EM/USD		47.6	-0.1	-0.3	0.4	7.0	2
Commodities			%				
Brent Crude Oil (\$/barrel)		71.9	0.2	4.7	10.5	2.1	19
Industrials Metals (index)		168.8	-0.1	0.8	-2.3	13.8	3
Agriculture (index)		53.7	-0.5	0.4	0.0	-12.2	1
Gold (\$/ounce)		5149.2	0.8	3.1	3.2	74.4	19
Bitcoin (\$/coin)		66218.3	-2.0	-0.1	-25.8	-30.9	-24
Implied Volatility			%				
VIX Index (% change in pp)		20.5	1.3	-0.1	4.4	2.3	5.6
Global FX Volatility		7.5	0.1	0.1	0.8	-0.5	0.6
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		60	0	0	0	-24	1
Italy		61	0	-1	0	-48	-9
France		56	0	-3	-3	-19	-15
Spain		41	0	3	5	-21	-2

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

Emerging Market Financial Indicators

2/23/2026 8:29 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		6.90	0.0	0.4	1.1	5.5	1.2		1.9	0	0	-6	10	-8
Indonesia		16794	0.5	0.3	0.2	-3.1	-0.6		6.2	-1	2	6	-51	20
India		91	0.1	-0.3	1.2	-4.6	-1.1		7.3	0	4	-7	21	19
Philippines		58	1.0	0.7	2.6	0.4	2.2		4.8	-10	0	-5	-37	7
Thailand		31	0.6	0.2	0.6	8.0	1.6		2.0	-1	2	-1	-39	22
Malaysia		3.89	0.3	0.3	3.0	13.4	4.4		3.5	0	0	1	-28	2
Argentina		1378	-0.1	1.6	4.1	-23.0	5.4		35.4	19	142	82	816	305
Brazil		5.17	0.1	1.0	2.2	11.6	5.9		13.1	-6	-5	-53	-169	-46
Chile		868	-0.2	-0.5	-0.2	8.7	3.8		5.2	1	0	-4	-70	-12
Colombia		3711	-0.1	-1.2	-1.8	11.0	1.8		13.2	4	46	111	168	38
Mexico		17.22	-0.5	-0.3	0.8	18.9	4.6		8.7	6	10	-34	-120	-28
Peru		3.4	-0.1	-0.3	-0.1	9.3	0.0		5.8	1		-6	-63	4
Uruguay		38	0.6	1.2	-1.0	11.2	1.4		7.2	-3	-7	-17	-257	-37
Hungary		322	0.3	-1.1	0.5	19.0	1.6		6.3	3	-5	-18	-21	-25
Poland		3.58	0.1	-0.6	-0.5	10.7	0.4		4.3	2	3	-14	-129	-24
Romania		4.3	0.1	-0.5	-0.4	10.0	0.3		6.1	-1	-6	-43	-122	-53
Russia		77.0	-0.3	-0.2	-1.7	13.9	2.2							
South Africa		16.0	0.2	-0.2	0.8	14.9	3.5		8.3	-3	2	-51	-246	-31
Türkiye		43.84	0.0	-0.3	-1.1	-16.9	-2.0		30.2	-17	29	34	173	61
US (DXY; 5y UST)		98	-0.1	0.8	0.1	-8.3	-0.6		3.63	-2	3	-20	-64	-10

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	7 Days	30 Days	12 M		
	basis points													
China		4,660	0.0	0.4	-0.9	17.4	0.7		106	-1	34	13	31	
Indonesia		8,396	1.5	1.6	-6.2	24.4	-2.9		102	-6	12	9	16	
India		83,295	0.6	0.0	2.2	11.9	-2.3		86	-1	-7	-4	-4	
Philippines		6,489	0.4	1.6	2.5	6.4	7.2		82	-6	5	-6	7	
Thailand		1,480	0.0	2.9	12.6	19.8	17.5							
Malaysia		1,758	0.3	0.4	2.2	11.0	4.6		60	-2	0	-12	1	
Argentina			1.2	-4.8	-7.1	21.5	-5.8		527	0	-49	-187	-42	
Brazil		190,534	1.1	0.4	6.5	49.9	18.3		201	-2	6	-20	-2	
Chile		10,834	0.4	-0.7	-5.8	48.2	3.4		92	-5	3	-28	1	
Colombia		2,418	1.3	2.4	-2.6	48.3	16.9		266	3	5	-51	-11	
Mexico		71,437	0.8	-0.1	4.8	32.9	11.1		208	-6	-9	-94	-9	
Peru		3,408	1.4	3.4	5.3	102.3	31.9		112	-2	7	-30	3	
Hungary		126,796	1.0	1.9	1.4	44.1	14.2		131	-6	-5	-16	-8	
Poland		126,149	1.0	1.0	3.1	35.5	7.6		87	-8	0	-24	-4	
Romania		29,229	0.1	3.2	7.7	66.8	19.6		162	-3	-11	-80	-14	
South Africa		124,127	0.9	2.6	1.5	39.6	7.2		229	-3	-1	-76	11	
Türkiye		14,059	0.9	-2.0	8.2	46.4	24.8		254	3	9	-6	20	
EM total		62	0.1	2.4	5.5	38.8	13.9		262	-1	-2	-105	-9	

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

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