




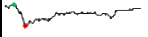
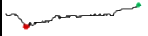


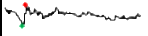
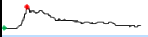
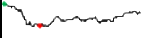



- US banks' Q4 earnings supported by sizable release in loan loss reserves ([link](#))
- The recovery in global M&A continues ([link](#))
- Premier Conte is expected to survive today's no-confidence vote at Italy's Senate ([link](#))
- BOJ reportedly considers allowing a greater fluctuation of bond yields ([link](#))
- EM fund inflows remain strong, particularly in equities and local currency bonds ([link](#))
- Chinese stock markets underperform on COVID-19 worries ([link](#))

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## Risk sentiment improves ahead of Yellen's hearing

**Risky assets advanced this morning ahead of US Treasury secretary nominee Janet Yellen's confirmation hearing, in which she is expected to call for "acting big".** In prepared remarks obtained by the press, Yellen is expected to say that with rates being low, congress should spend now and worry about deficits later. US equity futures and Asian stocks gained, while moves in European bourses were more muted. Ten-year Treasury yields rose 3 bps, climbing back to 1.12%, at the upper end of their recent trading range. The dollar weakened while the VIX fell 1.5 percentage points on the improving risk sentiment. Chinese stocks bucked the trend, underperforming on recent COVID-19 developments. Elsewhere, EM equity and local currency bond funds recorded strong flows last week despite a temporary recovery in the US dollar, underscoring the strength of investor appetite for higher yielding EM assets.

Key Global Financial Indicators

Last updated: 1/19/21 8:09 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
<b>Equities</b>			%				%
S&P 500		3768	-0.7	-1	2	13	0
Eurostoxx 50		3610	0.2	0	2	-5	2
Nikkei 225		28633	1.4	2	7	19	4
MSCI EM		54	-1.4	-1	7	18	5
<b>Yields and Spreads</b>			bps				
US 10y Yield		1.12	3.2	-1	17	-71	20
Germany 10y Yield		-0.52	1.2	-5	6	-30	5
EMBIG Sovereign Spread		357	5	13	-2	63	6
<b>FX / Commodities / Volatility</b>			%				
EM FX vs. USD, (+) = appreciation		57.7	0.3	1	0	-5	0
Dollar index, (+) = \$ appreciation		90.5	-0.3	0	1	-7	1
Brent Crude Oil (\$/barrel)		55.4	1.1	-2	6	-15	7
VIX Index (% change in pp)		22.9	-1.5	-1	1	11	0

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

**In the week ahead**, the US Presidential inauguration takes place on Wednesday, while investors are expected to remain focused on the continuing negotiations of the newly proposed fiscal package. Fed officials will enter the quiet period ahead of the January 27<sup>th</sup> FOMC meeting, which is largely expected to be a non-event. The rest of the US economic calendar is rather light, with housing and PMI data due this week. In Europe, ECB and Norges Bank will announce policy decisions on Thursday (no change expected), and the flash PMIs as well as the ECB's bank lending survey are due as well. Elsewhere, policy decisions are due from several major central banks throughout the week, including Malaysia, Canada, Brazil, Indonesia, Japan, Turkey, and South Africa, with consensus pointing to a cut in Malaysia and unchanged for the rest.

## United States

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**US stocks closed down on Friday amid disappointing economic data and mixed results from major banks.** Sentiment was weak from the overnight session as the \$1.9 tn newly proposed Covid relief plan came under scrutiny while the vaccine rollout continues to hit snags. The much weaker than expected retail sales report (December -0.7% mom, November revised down to -1.4%) also weighed on market sentiment. The banking sector dropped 3.4% weighed by Wells Fargo (-7.8%) and Citi (-6.9%) after their earnings report fell short of heightened expectations. The energy sector (-2.3%) also lagged following the decline in oil prices (-2.7%) as well as news that Exxon (-4.8%) is under investigation for misconduct. Treasury yields closed lower and the curve flattened, with short rates steady and long rates down 4 bps.

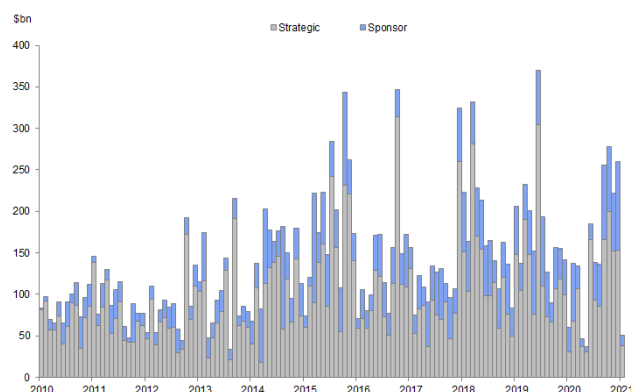
**A sizable release in loan loss reserves helped US banks beat EPS expectations in Q4.** JPMorgan (JPM), Citi, Wells Fargo (WFC), and PNC reported Q4 EPS at \$3.86, \$2.08, \$0.79, \$3.26, respectively, all above expectations. Meanwhile, JPM and PNC also beat revenue expectations, while Citi and WFC disappointed. An overview of the key earnings drivers:

- Provisions were well below expectations across all 4 banks, resulting in sizable releases in loan loss reserves. In aggregate, reserves fell \$5 bn to \$81 bn, but still well above the 4Q19 level of \$50 bn (adjusted for CECL). The reserve release at JPM and Citi mostly came from corporate loan portfolios, while WFC was due to sale of its student loan portfolio. NPL ratio was stable at low levels (<0.5%), and net charge-offs continues to fall, helped by government stimulus programs and payment deferrals. That being said, net charge-offs continues to increase in covid-sensitive sectors such as CRE.
- Net interest income and loan growth were mixed, but the contraction in net interest margin was universal (JPM -2 bps, Citi -3 bps, WFC stable, PNC -7 bps), relative to Q3. Looking forward, JPM expects net interest income to increase around 2% y/y in 2021, with improvement throughout the year, while the other three banks expect to see declines between 2-5% y/y.
- Capital markets revenues were strong again in Q4. Trading revenues increased 20% yoy at JPM and 14% y/y at Citi. In particular, revenues from equities surged 32% y/y at JPM and 57% yoy at Citi, driven by strong client activity in cash equities and derivatives. Investment banking fees increased 34% y/y at JPM, but fell 5% y/y at Citi.
- Overall profitability continues to improve. RoA inched up across all banks, with RoE rising at JPM (11.3%) and WFC (1.04%), and slightly down at Citi (5.9%) and PNC (14.6%).
- Capital positions remain healthy, with CET1 ratios up at WFC (11.6%) and PNC (12.1%), stable at JPM (13.1%), and slight down at Citi (11.8%). JPM (up to \$4.5bn), Citi (up to \$1.8bn) and WFC (up to \$0.6bn) all intend to resume buybacks in Q1.

**The recovery in M&A activity continues.** M&A volumes in December were elevated for a seasonally slow period, with a combined \$260 bn announced by North American and European firms, marking the second-

highest December print since the GFC. The heightened pace continued the recovery that began in Q3, after an exceptionally weak Q2. In the first week of 2021, more than \$50 bn of deals have been announced, concentrating in healthcare, gaming, technology and real estate sectors. Analysts expect M&A to remain robust in 2021, as the COVID disruption has accelerated corporate managements' efforts to achieve business diversification.

North American and European announced M&A volumes by month, for deals valued at \$1 billion or more at announcement



Source: Dealogic, Goldman Sachs Global Investment Research

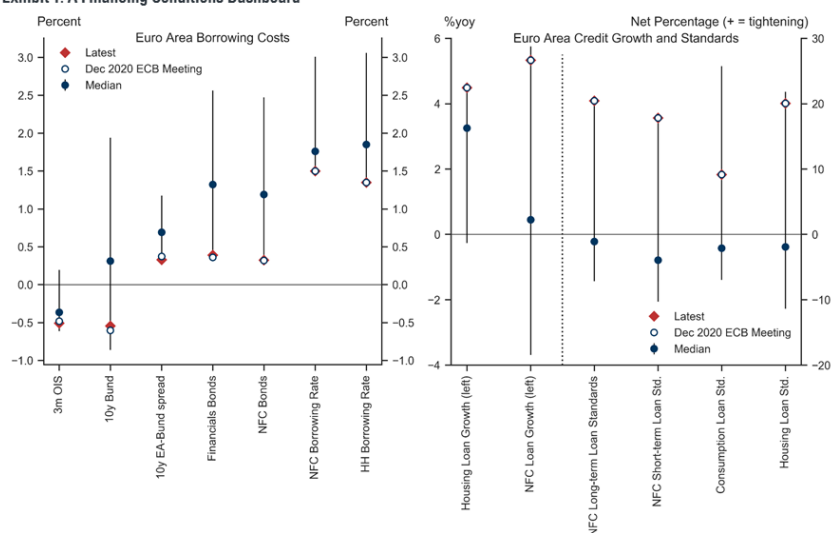
## Europe

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**Equity markets were mixed within a very tight range.** DAX (+0.2%), CAC 40 (flat), EuroStoxx 600 (-0.1%), Italy's Titans 30 (+0.3%), and Spanish Ibex (-0.3%). The FTSE 100 gained 0.2% on the day. Bank stocks (-1.1%) underperformed as fears of prolonged lockdowns raise concerns over a further deterioration of credit quality.

**European financing conditions remain relatively accommodative ahead of the ECB's meeting later this week.** Goldman Sachs research shows that borrowing costs across various asset classes are now close to "post-2014 lows and credit growth at the top-end of the post-2014 distribution." That said, reportedly, bank credit standards have tightened for new lending since 2020-Q3.

Exhibit 1: A Financing Conditions Dashboard



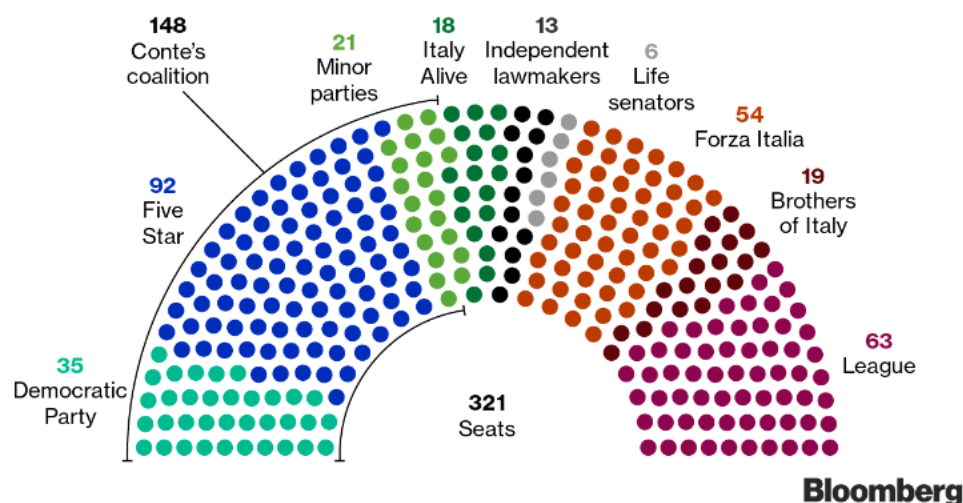
Bars around the median show the max-min range. All summary statistics are calculated since 2014. Borrowing costs in the left exhibit are daily except for bank borrowing rates, which are compiled at monthly frequency by the ECB (latest: November 2020). Loan growth in the right exhibit is monthly (latest: November 2020), credit standards are calculated as net percentages of banks tightening versus easing standards as per the ECB's Bank Lending Survey (latest: 2020Q3).

Source: Haver Analytics, ECB, Goldman Sachs Global Investment Research

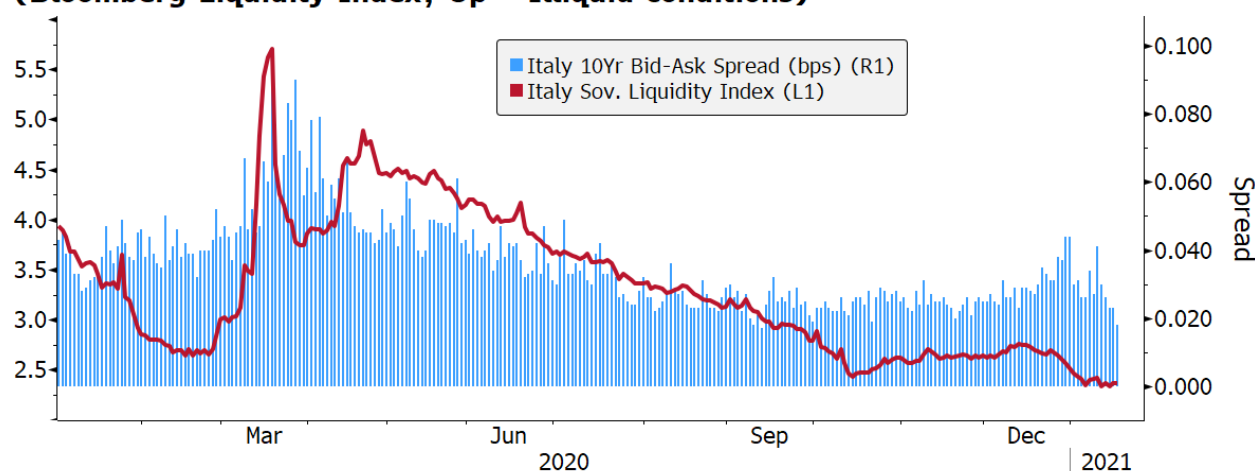
**Sovereign yields traded sideways for the day.** German 10-year yields at -0.52% (+1 bps); French OATs are at -0.61% (flat); and Spanish at 0.07% (-1 bps).

**Italian sovereign yields (-1 bp to 0.62% for the 10-yr bond) traded orderly ahead of today's confidence vote for premier Conte in the senate.** Mr. Conte has passed a similar vote in Italy's lower chamber but needs now to receive the backing of senators to avoid resignation. Reportedly, Mr. Conte will likely obtain at least 155 support votes, while the 18 senators from Italia Viva (Italy Alive) have announced their abstention. To pass, the no confidence motion needs 161 votes out of the 321 seats. **Despite an 8-bps increase in 10-year sovereign yields since last week, trading conditions remain orderly.** The bid-ask spread on Italian paper has narrowed since end-Dec and liquidity conditions appear better than before the pandemic.

Premier Conte needs fresh support after Italy Alive quit his coalition



## Bid-Ask Spread on Italy's 10Yr Bond (Bloomberg Liquidity Index; Up = Illiquid conditions)



Source: Bloomberg

ZR343798 Corp (BTPS 1.35 04/01/30) FI: Italy Bid-Ask Daily 31DEC2019-19JAN2021

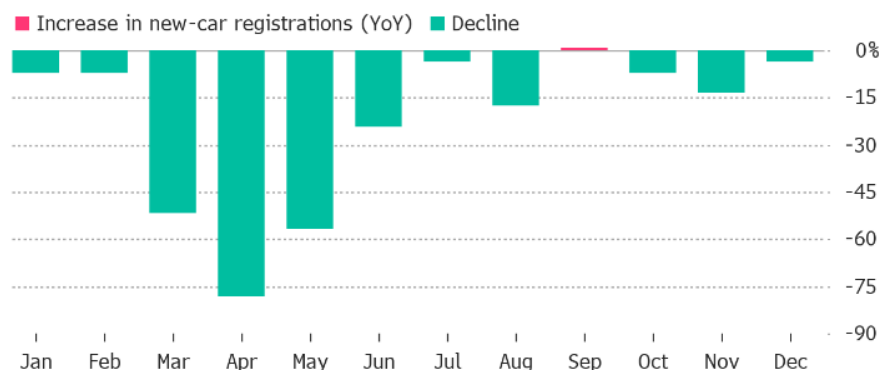
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**Macroeconomic data continued to show weakness in Germany.** CPI inflation for December came in at -0.3% y/y (+0.5% m/m). The ZEW survey of Current Situation printed at -66.4 for January, from -66.5 the

month prior, while the survey on Expectations improved to 61.8 from 55.0. For Europe as a whole, indicators for the car industry also show lackluster demand, although there are some signs of improvement.

#### Europe's car sales declined in all but one month last year



Source: European Automobile Manufacturers Association

Note: Data are for European Union, European Free Trade Association and the U.K.

Bloomberg

## Other Mature Markets

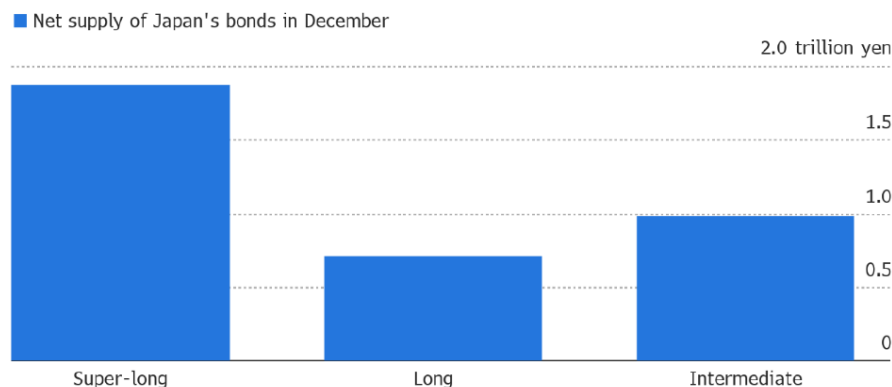
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### Japan

The Bank of Japan (BOJ) is reportedly considering allowing a greater fluctuation of bond yields. The BOJ's current yield curve control aims to keep 10-year government bond yields at zero. Over the weekend, the BOJ reportedly may allow the yield to move more than the current 0.2 ppt of either side of zero. The yield has fluctuated in the range between -0.05% and 0.05% since April 2020. Some analysts noted that any widening of the yield band would require a decrease in the BOJ's bond purchases, which could be seen as de facto tapering. **Government bond yields were little changed today after rising yesterday** (10-year: +1.1 bps; 30-year: +1.2 bps). Market participants generally expected no major policy changes from the policy meeting this week given the ongoing BOJ's policy review. The **Japanese yen depreciated (-0.3%)** to the dollar amid the risk-on sentiment; **equities gained (NIKKEI: +1.4%)**.

### Where Are Bonds?

BOJ purchases decrease supply of long-term bonds in the market



Sources: Bloomberg, Bank of Japan, Ministry of Finance

NOTE: Net supply is computed by subtracting BOJ buying from issuance

Bloomberg

## Australia








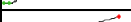


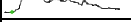


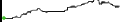
**Australian equities gained (+1.2%) and the Australian dollar appreciated (+0.3%)** on a rebound in risk appetite. Some analysts have started to project when and how the Reserve Bank of Australia will unwind its QE program.

## Emerging Markets

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**Most Asian stock markets gained, +1.7% on net**, led by Hong Kong (+2.7%) and Korean (+2.6%) equities. Chinese equities declined (CSI 300: -1.5%). **In Korea**, foreign institutional investors reportedly snapped up 'cyclical' stocks that would benefit more from the economic upcycle. **Most Asian currencies appreciated**. The Thai baht appreciated (+0.3%), while the Indonesian rupiah was flat. **In Thailand**, the cabinet approved a cash handout program that will benefit 31 million people. **In EMEA, equities were mixed**. Shares fell in Poland (-0.5%) but traded higher in Israel (+0.9%) and South Africa (+0.4%). The South African rand (+1.4%) outperformed peers as the government expect that covid-19 infections may have passed a second peak. The Russian ruble and Turkish lira appreciated 0.4% and 0.5%, respectively. **Latin American equity markets** saw losses last Friday but generally recovered yesterday. Brazil underperformed last Friday (-2.5%), followed by Chile (-1.5%) and Argentina (-1.1%). On Monday, Mexico outperformed (+1.2%) followed by Chile (+1.1%) and Brazil (+0.7%), while Argentinean equities (-0.6%) continued to underperform. Local currencies were generally weaker on Friday, as the Brazilian real depreciated 1.8% against the dollar and the Colombian peso weakened 0.7%. Currencies were mixed on Monday but mainly traded in narrow ranges. 10-year government bond yields dropped 11 bps in Brazil and were mixed in other countries.

Key Emerging Market Financial Indicators

Last updated: 1/19/21 8:13 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
<b>Major EM Benchmarks</b>			%				%
MSCI EM Equities		54.35	1.6	-1	7	18	5
MSCI Frontier Equities		29.73	-0.2	1	5	-5	5
EMBIG Sovereign Spread (in bps)		357	5	13	-2	63	6
EM FX vs. USD		57.72	0.4	1	0	-5	0
<b>Major EM FX vs. USD</b>			%, (+) = EM currency appreciation				
China Renminbi		6.48	0.2	0	1	6	1
Indonesian Rupiah		14065	0.0	0	0	-3	0
Indian Rupee		73.17	0.2	0	1	-3	0
Argentine Peso		86.08	0.0	-1	-3	-30	-2
Brazil Real		5.27	0.6	1	-3	-21	-1
Mexican Peso		19.60	0.4	1	2	-5	2
Russian Ruble		73.74	0.4	0	1	-16	0
South African Rand		14.94	1.4	2	-2	-3	-2
Turkish Lira		7.44	0.5	0	3	-20	0
EM FX volatility		10.39	0.0	-0.2	0.1	4.4	-0.4

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

## EM Fund Flows

**Inflows to EM bond funds and EM equity funds accelerated last week, with numbers printing at +\$2.9 bn and +\$7.7 bn, respectively.** Inflows to local currency bond funds reached a multi-year high (+\$2.1 bn), while hard currency bond funds saw inflows at a slower pace (+\$801 mn). EM equity funds saw the greatest inflows in years, marginally above the inflows seen after the 2020 U.S. elections. From a regional perspective, inflows to Asia ex-Japan equity funds increased to the highest level in six weeks at +\$2 bn,

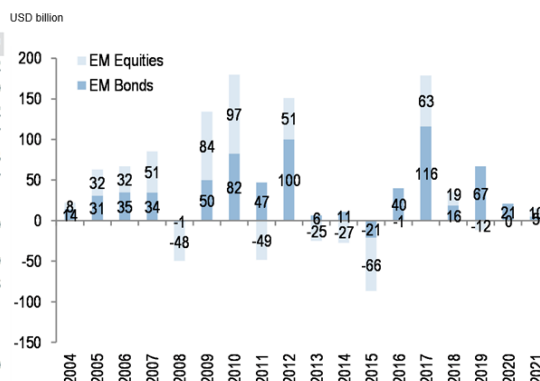


followed by Latin America (+\$202 mn) and EMEA (+\$48 mn). Year-to-date flows to EM bonds and equities were +\$4.9 bn and +\$10.3 bn, respectively.

Exhibit 1: Weekly Cross-Asset Flows

Asset	8w flows (8w ago → current)	This wk	YTD
<b>EM Bonds and Equities</b>		<b>10.6</b>	<b>15.2</b>
<b>EM Bonds</b>		<b>2.9</b>	<b>4.9</b>
Hard Ccy		0.8	2.2
Local Ccy		2.1	2.7
<b>EM Equities</b>		<b>7.7</b>	<b>10.3</b>
US HG		4.8	10.7
US HY		-0.9	-1.1
Global Equities		7.2	11.9
<b>EM Bond and Equity ETFs</b>		<b>4.7</b>	<b>6.9</b>
EM Bond ETFs		0.3	0.8
EM Equity ETFs		4.4	6.1
<b>Non-resident EM flows*</b>		<b>7.3</b>	<b>10.1</b>
EM Local Bonds		-0.1	1.0
EM Equities		7.4	9.2

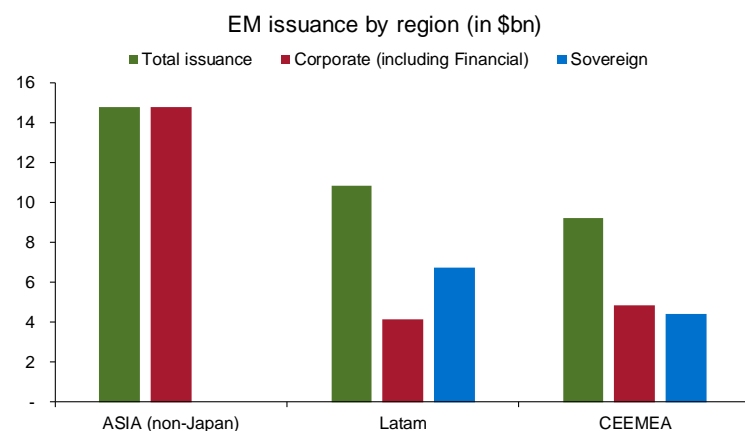
Exhibit 2: Annual EM bond and equity fund flows



\*Using high frequency non-resident EM portfolio flow data where available. Source – All charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg Finance L.P.

## EM Bond Issuance

**EM corporate issuance (including financial issuance) last week slightly declined to \$23.8 bn, from \$25.9 bn the week before, and EM sovereign issuance increased to \$11.1 bn last week, from \$9.7 bn the week before.** The year-to-date total issuance of \$70.4 bn was around 10% higher than the 2020 issuance over the same period (\$64.1 bn). From a regional perspective, China was the largest EM corporate debt issuer last week, accounting for 34% (\$8.2 bn) of the total, followed by Korea (\$4.0 bn), Brazil (\$2.7 bn), and Singapore (\$1.7 bn). Last week's sovereign issuance was placed by EMEA and Latin American countries – Oman (\$3.2 bn), Dominican Republic (\$2.5 bn), Mexico (\$2.1 bn), Colombia (\$2.1 bn), and the Republic of Benin (\$1.2 bn). The month-to-date corporate issuance and sovereign issuance were \$49.6 bn and \$20.8 bn, respectively.

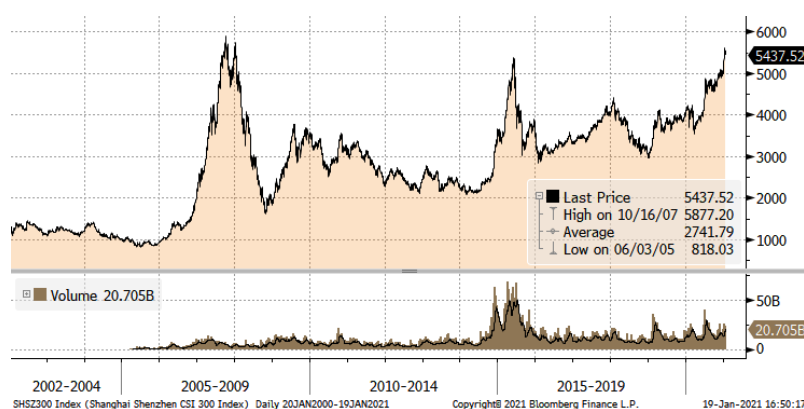


Source: Bond Radar, Bloomberg

## China and Hong Kong SAR

**Chinese stock markets retreated on concerns about recent COVID-19 developments.** Share prices dropped (Shanghai Comp: -0.8%; Shenzhen Comp: -1.0%), with consumer discretionary and materials stocks leading the decline. China is battling the worse outbreak of COVID-19 since March 2020. This reversed yesterday's gains, when share prices rose 1.1% on the news of stronger-than-expected Q4 GDP growth. **The World Health Organization issued a report, which identified failures in China's handling of the COVID-19 outbreak** when it was first detected in Wuhan a year ago. The **RMB appreciated (+0.1%)**.

## Chinese Share Prices: CSI 300



Source: Bloomberg.

**Evergrande plans to redeem its \$2 bn convertible bonds early.** Its share price surged (+15.7%) on the news. Evergrande, one of China's largest and most leveraged property developers, faced significant stress last year. Analysts noted that the move shows the firm can pass a liquidity test and may be able to sustainably reduce its debt.

**The Hong Kong stock market benefited from continued inflows from mainland Chinese investors.** Inflows from mainland China into Hong Kong stocks via the Stock Connect were poised for another record day, reaching \$3.5 bn. Mainland investors have recently poured money to buy Chinese firms (listed on the Hong Kong exchange) that had been sold off on U.S. sanctions. Equities rose (+2.7%) while the Hong Kong dollar remained on the strong side of the band.

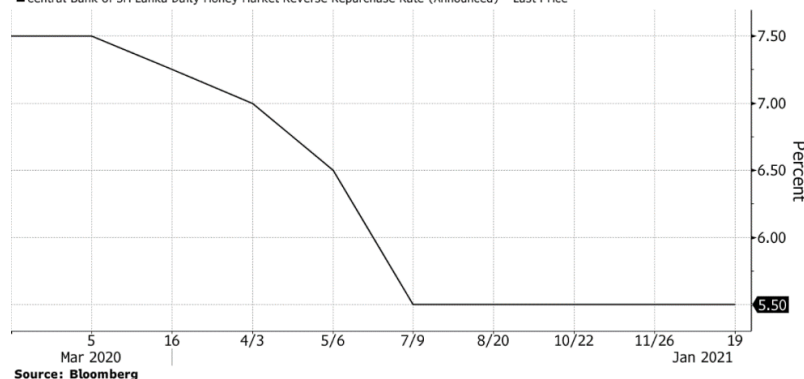
## Sri Lanka

**The Central Bank of Sri Lanka kept key rates unchanged.** The standing lending facility rate was maintained at 5.5%, while the standing deposit facility rate was held at 4.5%. The central bank noted that inflation is expected to remain within the targeted range (4%-6%), allowing a continuation of its easy monetary policy stance. Meanwhile, the recent progress on vaccines is helping brighten the economic outlook. Sri Lanka rupee depreciated (-0.3%) while equities declined (-1.9%).

## Accommodative

## Sri Lanka central bank holds key rates for fourth meeting

■ Central Bank of Sri Lanka Daily Money Market Reverse Repurchase Rate (Announced) - Last Price

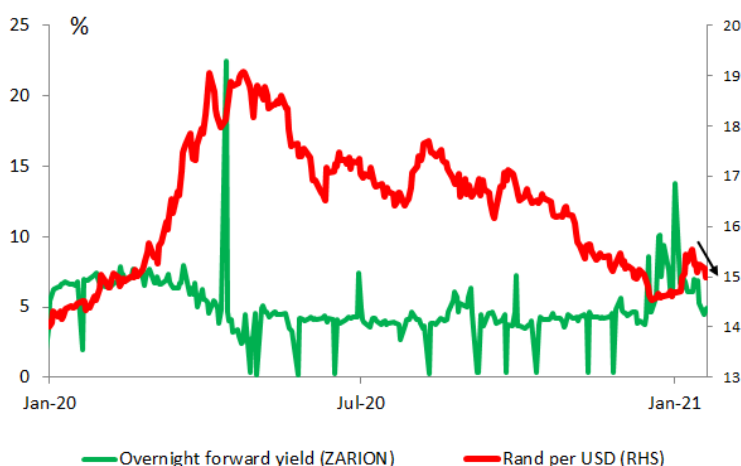




### South Africa

The South African rand (+1.3%) appreciated as the government said that covid-19 infections may have passed a second peak. Contacts reported that strong demand at today's weekly auction of local government bonds (with a bid-to-cover ratio of 3.5x for bonds due in the 2030s) also boosted sentiment. Newspapers report that the government is considering raising taxes as one of several possible mechanisms to fund the vaccination drive against covid-19. The department of health has reportedly estimated a maximum cost of R20 bn (\$1.3 billion) to vaccinate the entire country, with lower estimates done by the Treasury. Traders have priced out a hike at Thursday's policy meeting.

South Africa: Overnight forward yield and rand per USD

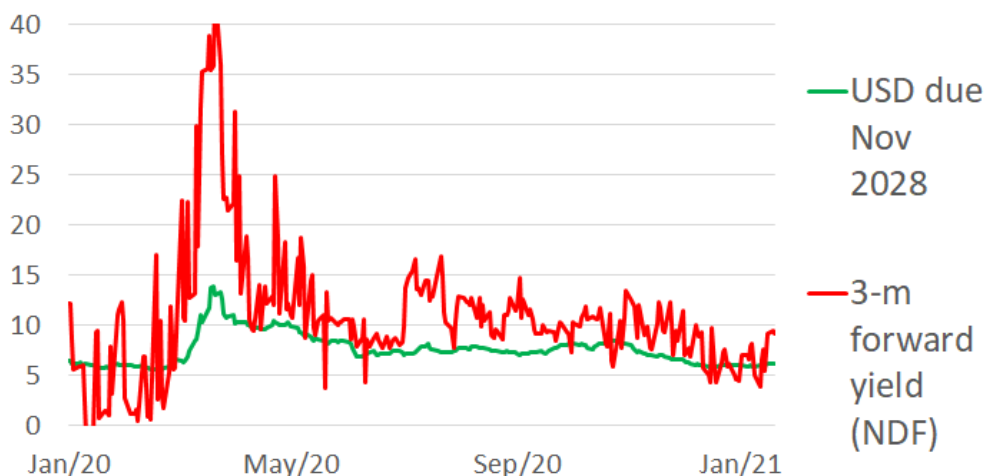


Note: ZARION is the overnight yield implied by forwards with U.S. dollar collateral.  
Source: Bloomberg and IMF staff

### Ukraine

The yield on 3-m non-deliverable forwards, fell 35 bps but remains elevated at 9.14% (compared to 4.55% at the start of 2020) after the government decided to impose a temporary cap on gas tariffs for households. The cap would start on February (at 6.99 hryvnia per cubic meter) and be in place for two to two-and-a-half months during a period of covid-related restrictions. Forward yields rose sharply after last week's decision. Yields on dollar bonds due 2028 are up 19 bps ytd but fell 3 bps today.

Ukraine: Yields on forwards and U.S. dollar bonds (%)



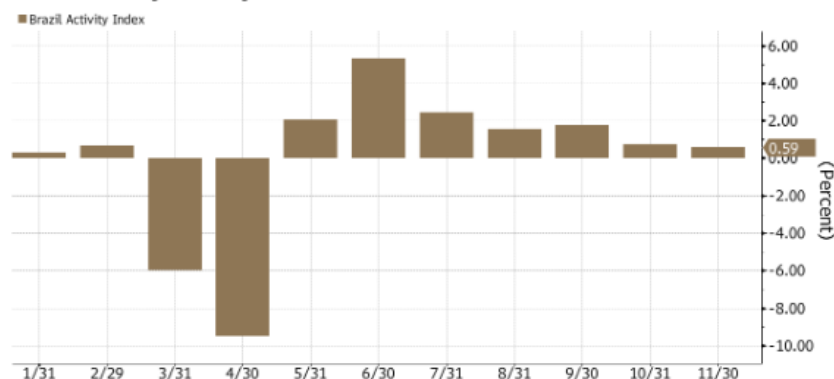
Source: Bloomberg and IMF

## Brazil

**Brazil's economic activity continued to slow in November, as the government trimmed emergency cash handouts to informal workers.** According to the central bank, the economic activity index printed at +0.59% m/m (-0.83% y/y in annual terms). Analysts widely expect the central bank to keep its Selic rate unchanged at 2% on Wednesday. Markets did not react much to the data release, with the equity index 0.7% higher and the real little changed yesterday.

### Slowing Down

**Brazil's activity recovery lost steam at the end of 2020**



Source: Brazil central bank

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## Global Financial Indicators

Last updated: 1/19/21 8:10 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
United States		3779	-0.7	-1	2	13	1
Europe		3610	0.2	0	2	-5	2
Japan		28633	1.4	2	7	19	4
China		3566	-0.8	-1	5	16	3
Asia Ex Japan		95	-1.1	0	8	24	6
Emerging Markets		54	-1.4	-1	7	18	5
<b>Interest Rates</b>			basis points				
US 10y Yield		1.12	3.2	-1	17	-71	20
Germany 10y Yield		-0.52	1.2	-5	6	-30	5
Japan 10y Yield		0.06	0.2	2	5	5	4
UK 10y Yield		0.30	1.3	-5	5	-33	10
<b>Credit Spreads</b>			basis points				
US Investment Grade		94	-0.8	-2	-6	-5	-1
US High Yield		370	-3.0	-7	-24	-18	-9
Europe IG		50	-1.2	0	-2	7	2
Europe HY		254	-4.1	-9	-9	46	12
EMBIG Sovereign Spread		357	4.9	13	-2	63	6
<b>Exchange Rates</b>			%				
USD/Majors		90.50	-0.3	0	1	-7	1
EUR/USD		1.21	0.4	-1	-1	9	-1
USD/JPY		104.0	-0.3	0	-1	6	-1
EM/USD		57.7	0.3	1	0	-5	0
<b>Commodities</b>			%				
Brent Crude Oil (\$/barrel)		55	1.1	-2	6	-15	7
Industrials Metals (index)		135	-0.2	0	-2	16	2
Agriculture (index)		51	0.0	4	13	25	6
<b>Implied Volatility</b>			%				
VIX Index (%, change in pp)		22.9	-1.5	-1.2	1.3	10.8	0.1
US 10y Swaption Volatility		59.5	1.2	-3.8	-0.7	3.5	-0.6
Global FX Volatility		7.8	0.0	-0.1	-0.4	2.6	-0.3
<b>EA Sovereign Spreads</b>			10-Year spread vs. Germany (bps)				
Greece		120	-2.1	4	-2	-43	0
Italy		113	-3.0	1	-1	-46	2
Portugal		53	-1.5	2	-8	-18	-7
Spain		59	-1.4	1	-3	-9	-2

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

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## Emerging Market Financial Indicators

Last updated: 1/19/2021 8:15 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		6.48	0.2	-0.2	1	6	1		3.3	2.2	1	-9	17	1
Indonesia		14065	0.0	0.5	0	-3	0		6.3	2.5	3	28	-68	23
India		73	0.2	0.1	1	-3	0		6.0	1.6	7	7	-84	10
Philippines		48	0.0	0.0	0	6	0		3.6	0.0	-3	-2	-64	-2
Thailand		30	0.3	0.0	0	1	0		1.4	-2.2	4	3	-23	7
Malaysia		4.05	0.0	0.2	0	0	-1		2.6	0.9	-6	1	-74	-1
Argentina		86	0.0	-0.7	-3	-30	-2		52.1	7.1	-63	-463	-176	-408
Brazil		5.27	0.6	1.0	-3	-21	-1		6.3	-5.0	-4	54	14	73
Chile		731	0.4	-0.6	0	5	-3		2.8	0.1	-5	5	-49	4
Colombia		3457	0.4	0.6	-1	-4	-1		5.1	-0.1	3	-2	-63	2
Mexico		19.60	0.4	1.0	2	-5	2		5.6	-2.5	-8	3	-130	2
Peru		3.6	0.0	-0.1	-1	-8	0		3.7	-0.2	-8	18	-70	12
Uruguay		42	0.1	0.7	0	-12	0		7.2	0.0	-2	1	-346	-3
Hungary		296	0.8	-0.5	0	2	0		1.6	-0.1	-3	12	33	10
Poland		3.74	0.5	-1.0	-2	2	0		0.6	-1.5	-4	-11	-151	-8
Romania		4.0	0.4	-0.7	-1	7	-1		2.5	-1.0	-9	-19	-140	-23
Russia		73.7	0.4	-0.4	1	-16	0		5.9	2.8	16	27	-8	17
South Africa		14.9	1.4	2.0	-2	-3	-2		9.8	-2.2	1	22	24	11
Turkey		7.44	0.5	0.2	3	-20	0		13.6	1.7	19	48	314	47
US (DXY; 5y UST)		91	-0.3	0.5	1	-7	1		0.47	1.9	-3	9	-115	11

	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		5438	-1.5	-3	9	31	4		207	-2	-1	1	34	-1
Indonesia		6322	-1.1	-1	4	0	6		179	-2	-5	-6	17	-8
India		49398	1.7	0	5	18	3		158	1	4	4	33	7
Philippines		7198	-0.1	-1	-1	-7	1		96	-2	-9	-10	25	-9
Malaysia		1602	-0.5	-1	-3	0	-2		116	-1	-3	4	13	6
Argentina		50220	-0.6	-1	-4	19	-2		1443	-9	27	79	-389	75
Brazil		121242	0.7	-2	3	2	2		267	-2	6	17	57	17
Chile		4653	1.1	1	10	-5	11		139	-3	-3	-3	-1	-5
Colombia		1455	0.1	0	2	-12	1		219	-3	2	14	51	14
Mexico		46458	1.2	0	6	1	5		379	-3	5	-4	84	19
Peru		21461	0.0	-1	4	4	3		133	-2	-3	-2	24	1
Hungary		44588	-0.4	1	7	0	6		78	-2	0	-16	-13	-18
Poland		58297	-1.0	-1	5	-1	2		-13	-1	-1	-15	-33	-12
Romania		10264	0.8	1	6	2	5		202	5	5	-8	24	-1
Russia		3465	-0.2	0	6	8	5		158	-5	-7	-1	20	-8
South Africa		63881	0.3	1	7	8	8		386	-6	-4	10	57	6
Turkey		1574	1.1	2	12	30	7		463	-5	-1	9	93	18
Ukraine		499	0.0	0	-2	-1	0		494	-9	-9	8	138	3
EM total		54	1.6	-1	7	18	5		421	0	17	-10	97	128

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

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