






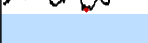







- President Trump's toned-down rhetoric sends stocks higher ([link](#))
- European bond issuance sets new single day record ([link](#))
- China will open-up oil and gas exploration to private and foreign companies ([link](#))
- Argentina signals further interest rate cuts ([link](#))
- Poland's central bank leaves rates unchanged as expected ([link](#))

[US](#) | [Europe](#) | [Other Mature](#) | [Emerging Markets](#) | [Market Tables](#)

## Relief rally sends stocks higher

**The early year roller coaster continues as markets rebound following a backing off of military tensions between the US and Iran.** President Trump's toned-down rhetoric with regard to Iran eased fears of escalating tensions in the Middle East. Iran's Tuesday night missile attack on US bases in Iraq is believed to be the end of open hostilities for now. Following Trump's remarks yesterday, equity markets rallied, and oil prices fell. The price of Brent crude is now below where it was before the US/Iran hostilities ignited. European equity markets this morning have surpassed their recent highs, and, if US stock futures hold their gains, the S&P 500 is on track to hit a new all-time high today. JP Morgan's index of EM currencies rose 0.65% on Wednesday, its biggest 1-day gain since October, but is slightly lower this morning. Despite the recent geopolitical tensions, bond issuance remains strong, as is typical at the beginning of the year. Yesterday, European debt markets set a new single day issuance record with €32.7bn, led by sovereign issuers.

Key Global Financial Indicators

Last updated: 1/9/20 8:11 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
S&P 500		3253	0.5	1	4	26	1
Eurostoxx 50		3794	0.6	0	3	24	1
Nikkei 225		23740	2.3	0	1	16	0
MSCI EM		45	1.4	0	6	12	0
<b>Yields and Spreads</b>			bps				
US 10y Yield		1.87	5.6	-1	5	-85	-5
Germany 10y Yield		-0.20	0.4	2	10	-48	-2
EMBIG Sovereign Spread		292	-2	-3	-26	-102	-1
<b>FX / Commodities / Volatility</b>			%				
EM FX vs. USD, (+) = appreciation		61.3	-0.1	0	1	-3	0
Dollar index, (+) = \$ appreciation		97.4	0.1	1	0	2	1
Brent Crude Oil (\$/barrel)		65.6	0.2	-1	2	7	-1
VIX Index (% change in pp)		13.2	-0.3	1	-3	-7	-1

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

## United States

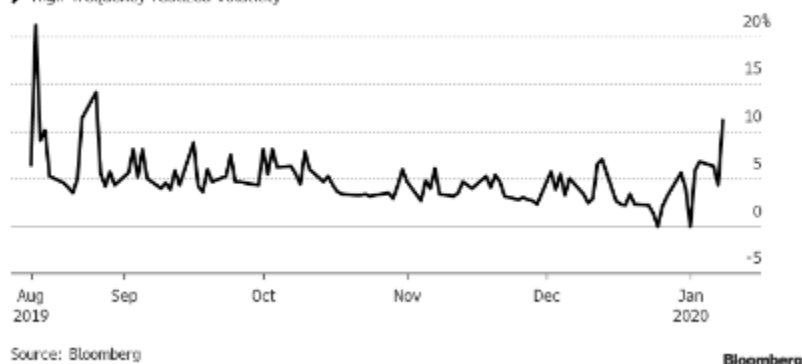
[back to top](#)

**U.S. stocks rose and Treasuries fell after President Trump toned down rhetoric against Iran, suggesting further military force is not needed.** The rally faded into the close however after fresh reports that rockets hit the Green Zone in Iraq's capital. The haven trade drove the 10-year yield as much as 11 bps lower during Asia trading yesterday after Iran fired a volley of missiles on U.S.-Iraqi airbases the prior night. Correspondingly, high-frequency realized volatility for dollar-yen rose sharply. However, that flight-to-safety move gave way to a relief rally Wednesday morning on hopes of a de-escalation, pushing the 10-yr yield up by 6 bps to this week's high, of 1.87%. The S&P 500 closed up 0.5%, and VIX declined by 0.3 pts to 13.45. The Nasdaq indexes also notched all-time intraday highs as tech led the advance in equities. The dollar advanced, while WTI futures declined by more than 4% to below 60. Among key releases on Monday, December ADP employment rose 202K sharply outperforming consensus expectations of a rise of 160k.

### Broader Range

Dollar-yen has its choppiest day since August

High-frequency realized volatility



**Analysts continue to look toward the expected signing of the US/China trade deal next week.** The trade tariff escalation was very significant last year but seems to have peaked out per a CS report. Goldman analysts highlighted that the impact of trade war on GDP growth in US and China – and the world economy more broadly – should become less negative in 2020. **This is also reflected in world equity prices, where the sectors exposed to trade tensions had underperformed significantly from Jan-Sep 2019 but have been broadly inline since then.**

Figure 3: The trade war de-escalates?

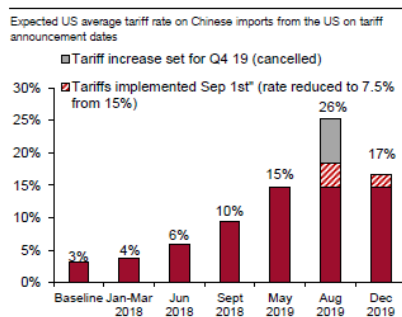
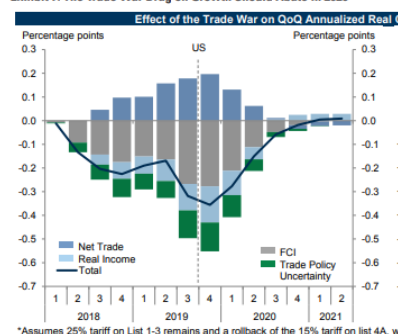
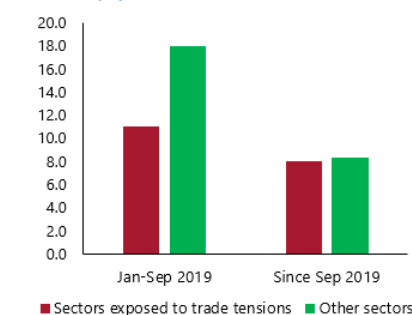


Exhibit 7: The Trade War Drag on Growth Should Abate in 2020



MSCI World Equity Prices



**Leveraged exposures into low volatility portfolios performed well over 2019, with short-duration bonds doing better than the long-duration ones** on a volatility -adjusted basis. As can be seen below, cumulative returns were monotonically decreasing in duration. Goldman analysts also highlighted that

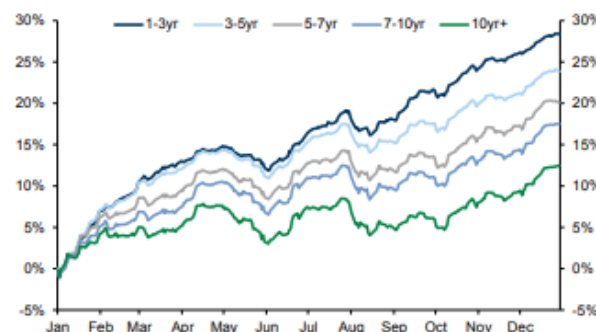
outside of recession years, short-duration bonds generally deliver the highest Sharpe ratio across the maturity spectrum.

The IG risk factor is the cumulative return on a long-short low risk vs. high risk bonds. Risk is defined as duration-times-spread. Returns are rates-hedged and volatility-adjusted.



Source: iBoxx, Goldman Sachs Global Investment Research

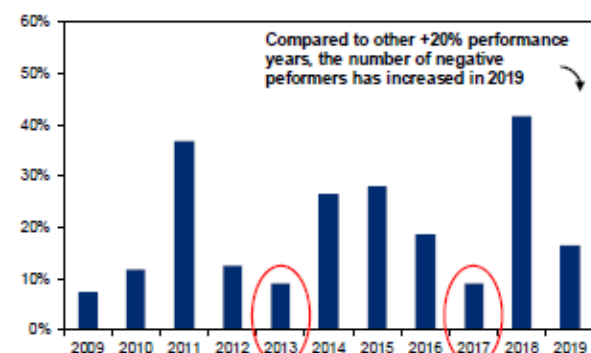
BBB-rated volatility-adjusted cumulative excess returns across the maturity spectrum.



Source: iBoxx, Goldman Sachs Global Investment Research

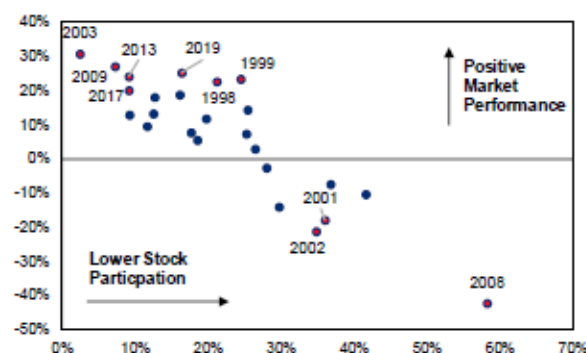
While 2019 was a strong year for most assets globally, the performance breadth showed signs of narrowing, per analysis by Citi analysts. Compared to other +20% performance years over the last decade (2013, 2017), the number of negative performing stocks has increased to 16% - likely reflecting that the breath of the global bull market is narrowing (Chart 1). However, it is still not at a level of 1998/1999 (Chart 2; extreme performance years are highlighted in red).

Figure 14. Negative Return Generating Stocks Over the Past Decade



Source: Citi Research

Figure 15. Stock Participation in Previous 'Extreme' Markets



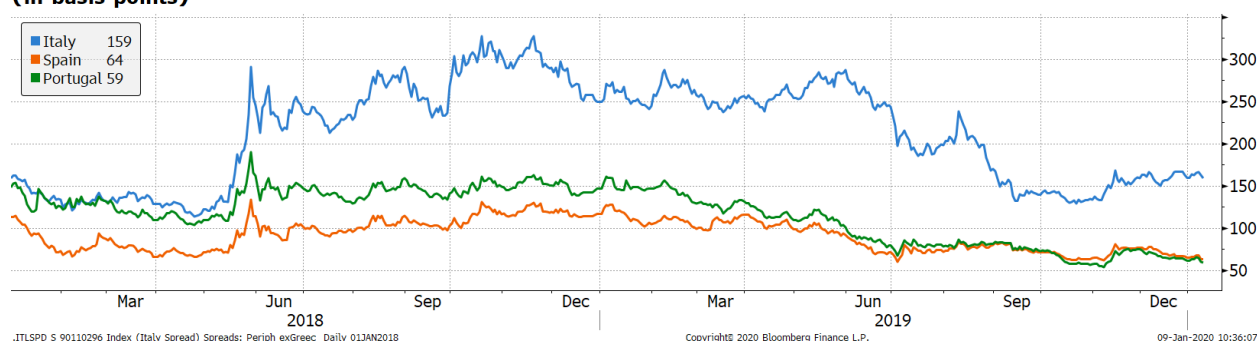
Source: Citi Research

## Europe [back to top](#)

**European bourses are moving higher as Middle East tensions ease.** All major European indices are higher this morning, led by the German DAX (1.1%); CAC 40 (+0.3%), EuroStoxx 600 (+0.4%), Titans 30 (+0.7%), Ibex 35 (+0.4%). Bank stocks (+0.7%) were broadly in line with other sectors.

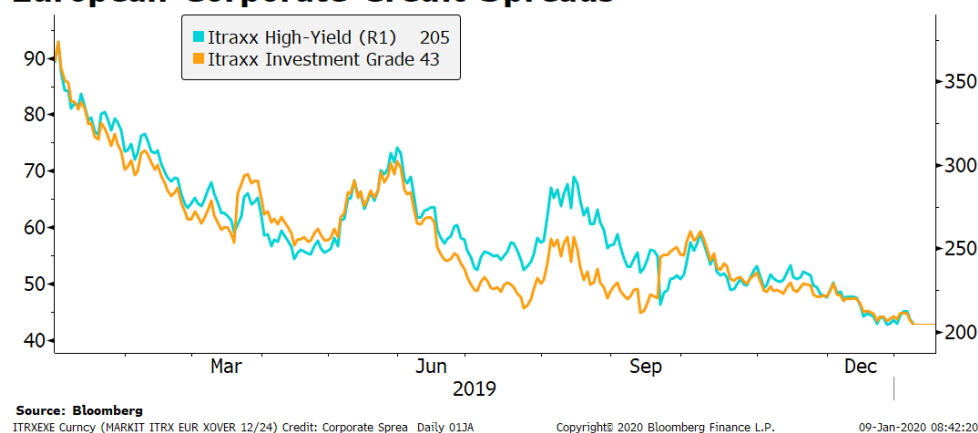
**Core sovereign debt markets are steady.** German 10-year yields at -0.19% (+1 bp) and French OATs at 0.05% (+1 bp). Italian yields at 1.39% (-2 bps). **Spanish yields traded in line with peers as the new left-leaning PSOE-Podemos coalition government takes shape.** The 10-year yield is at 0.44% (+1 bp) and the 2-year at -0.37% (+1 bp).

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



**European bond issuance set a record high yesterday**, as a combination of sovereigns and corporations successfully placed a combined \$36 bn. Among the largest issuers yesterday were the Portuguese and Irish sovereigns (\$4 bn) and lenders BNG Bank (\$2.2 bn), Santander (\$1.1 bn), and UniCredit (\$1.1 bn). Analysts note that the bumper issuance is consistent with issuers' eagerness to front-load funding in early 2020 amid continued tight credit spreads and the risk of an escalation of geopolitical tensions around the world.

### European Corporate Credit Spreads



With only 22 days until the Brexit date, EC president Mrs. **Von Der Leyen** sees as **“basically impossible”** for the UK and the EU to forge a deal covering all aspects of their future relation before the end of the transition period in **December 2020**. Von Der Leyden added that “all will change” regarding the current arrangement for financial services between the EU and the UK. Nonetheless, British premier Johnson has reiterated his government's commitment not to seek an extension to Brexit. **UK financial assets traded in line with European peers today**, including the pound (-0.1%) which was stable at \$1.31.

### Other Mature Markets

[back to top](#)

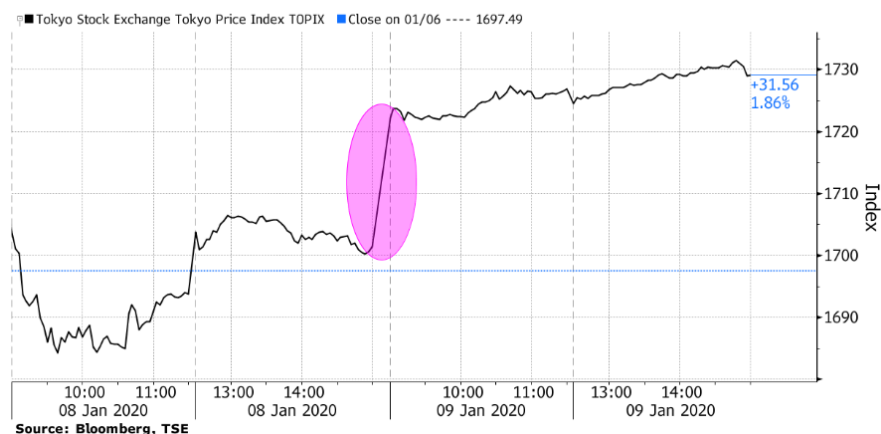
#### Japan

**Equities (+1.6%) surged as investor concerns over US-Iran tensions faded.** All sectors gained, except for energy, which fell alongside oil prices. Separately, a central bank survey showed that Japanese household confidence worsened to a five-year low of -29.8 in December. The ratio of households that

expect prices to rise a year from now fell to 73.3%, the lowest level since September 2017. **The yen weakened -0.2% while the 10-year JGB yield rose 1.3 bps to -0.009%.**

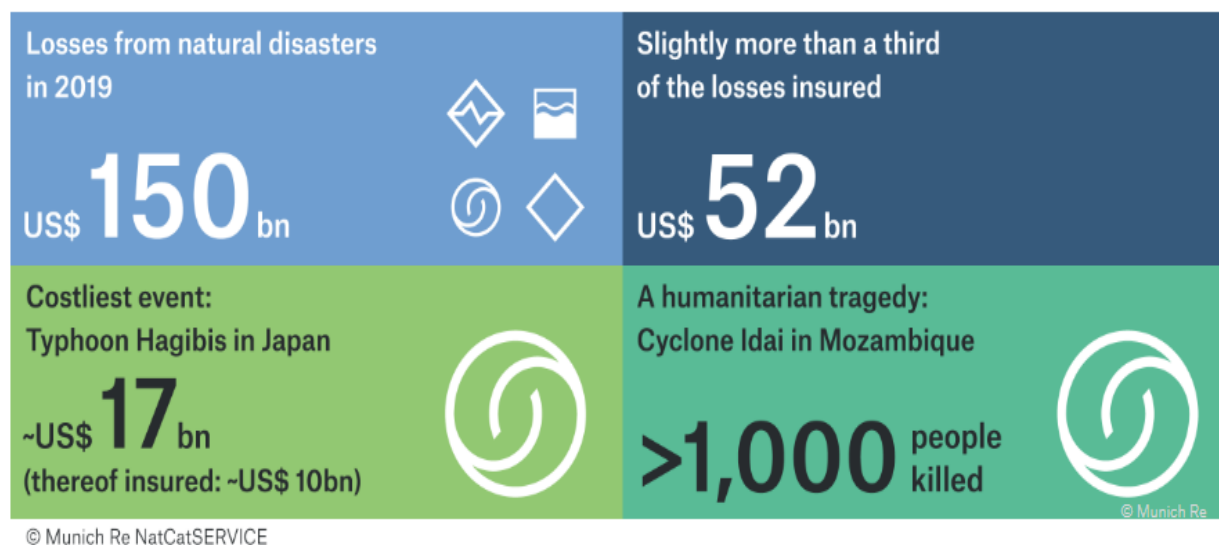
### Taking a Breather

Topix rebounds after U.S., Iran step back from conflict



### Climate change

**Natural catastrophe losses in 2019 amounted to around \$150 bn, in line with the inflation-adjusted average of the last 30 years**, according to Munich Re. Of the total 2019 losses, only \$52 bn (35%) were insured. In terms of human loss, there were about 9,000 deaths due to 820 natural catastrophe events in 2019, compared to 15,000 deaths in 2018 and 52,000/year average over the past 30 years.



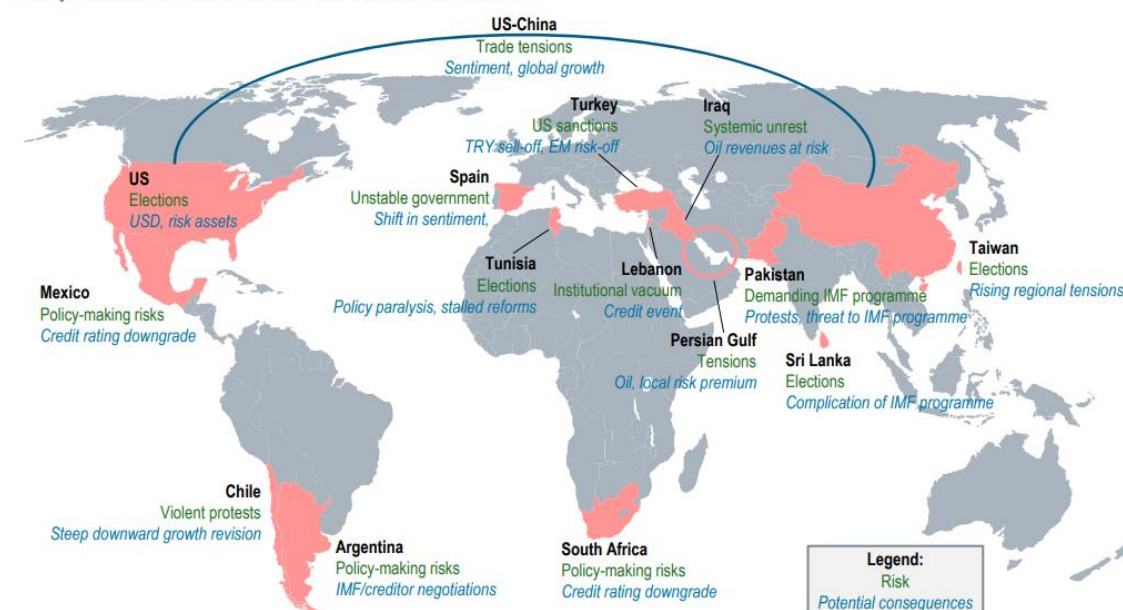
### Geopolitics

Tension between the US and Iran has seemingly dialed down after president Trump backed away from further open military engagement yesterday. **Brent oil (flat) traded at \$65/barrel and WTI (+0.1%) at \$60/barrel today.** Continuing tensions in US-China relations and the Persian Gulf, and uncertainties surrounding the US election are the top geopolitical concerns of most investors for 2020.



## US-China trade talks, Persian Gulf tensions and US elections are the three main global geopolitical risks in 2020

### Geopolitical risks in 2020 – A 'known unknown'



Standard  
Chartered









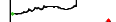


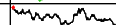


Source: Standard Chartered Research

## Emerging Markets

[back to top](#)

**Asian equities (+1.5%) rallied on easing US-Iran tensions.** China (Shenzhen) (+1.8%), Hong Kong (+1.7%) and Korea (+1.6%) led gains. Regional currencies strengthened, with the Korean won (+1%) outperforming. **Turning to EMEA, Turkish stocks (+3.6%) outperformed for a gain of 2.2% ytd.** The lira (+0.6%) also firmed. Latin American shares traded in narrow ranges, except for Mexico (+0.7%). Local currencies were generally stronger. The Chilean peso strengthened 1%, followed by the Colombian peso (+0.8%).

### Key Emerging Market Financial Indicators

Last updated: 1/9/20 8:13 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
Major EM Benchmarks			%				%
MSCI EM Equities		45.05	1.4	0	6	12	0
MSCI Frontier Equities		30.27	0.2	0	1	11	0
EMBIG Sovereign Spread (in bps)		292	-2	-3	-26	-102	-1
EM FX vs. USD		61.30	-0.1	0	1	-3	0
Major EM FX vs. USD			% (+) = EM currency appreciation				
China Renminbi		6.93	0.2	0	2	-2	0
Indonesian Rupiah		13854	0.3	0	1	2	0
Indian Rupee		71.22	0.7	0	0	-1	0
Argentine Peso		59.82	0.0	0	0	-38	0
Brazil Real		4.07	-0.1	-1	2	-9	-1
Mexican Peso		18.78	0.2	0	2	2	1
Russian Ruble		61.28	0.0	1	4	9	1
South African Rand		14.21	-0.3	-1	3	-2	-1
Turkish Lira		5.88	0.5	1	-1	-7	1
EM FX volatility		6.69	0.0	0.1	-0.1	-2.9	0.1

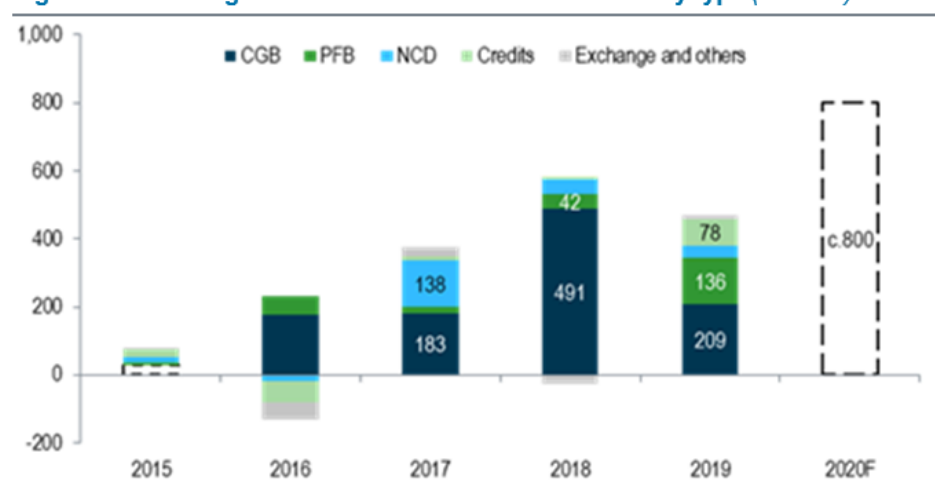
Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations. Data source: Bloomberg.

## China

**China announced that it will open-up oil and gas exploration to private and foreign companies.** The reform would allow companies with net assets of at least CNY300 mn to apply for licenses in the sector which previously was limited to state-owned firms. **Equities rose 1.8% in Shenzhen and 0.9% in Shanghai on receding geopolitical fears in the Middle-East while the RMB appreciated marginally.**

**China's onshore bond market saw a decline in foreign inflows in 2019.** Total foreign inflows (excluding inflows to exchange-traded bonds in Q4) stood at CNY470 bn in 2019, down -16% y/y, according to Standard Chartered. However, foreign inflows have become more diversified. Standard Chartered highlighted that foreign inflows are likely to rebound to CNY800 bn in 2020, driven by China's index inclusion, improved FX outlook, and attractive valuation. Inclusion in the Global Aggregate Bond Index and Global Bond Index-Emerging Markets is expected to lead to monthly passive inflows of around USD 8bn between February and November 2020.

**Figure 1: Net foreign inflows to China's onshore bonds by type (CNY bn)**



Source: PBoC, CCDC, SHC, Standard Chartered Research

## Poland

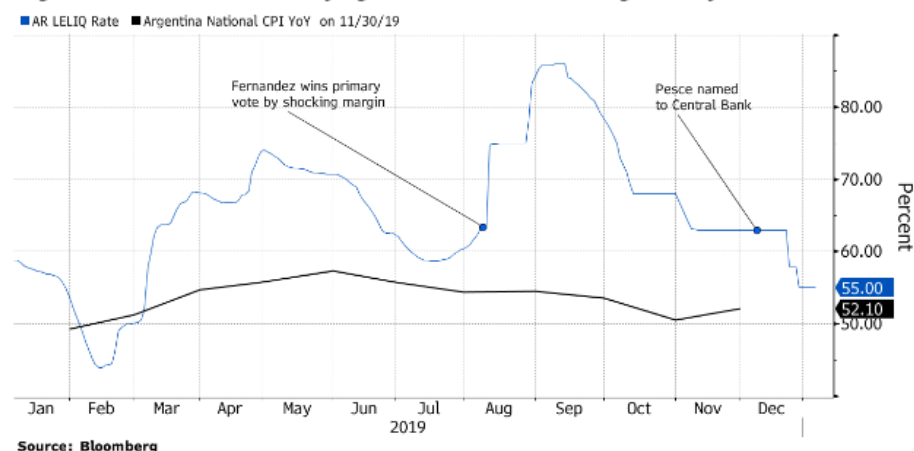
**Yesterday, the central bank left its policy rate unchanged at 1.50%, as expected.** Governor Glapinski reiterated his intention to keep interest rates on hold till the end of his term in 2022 given a still slowing economy even though inflation was substantially higher than expected in December at 3.4% yoy. The zloty is little changed so far in 2020, with stocks up 0.9% ytd.

## Argentina

**Argentina's central bank seeks further interest rate cuts to boost the domestic economy.** The new central bank president stated that he expects the key rate floor to fall again in January and will continue with the "descending rate path". With a high-level unemployment rate, an above-50% inflation rate, and declining foreign reserves, Argentina is expected to contract for the 3<sup>rd</sup> consecutive year. Mr. Pesce also mentioned he wouldn't promise to keep positive real interest rates. The market didn't react much to those statements, with domestic equities finishing slightly lower and the peso unchanged.

## Wild Ride

Argentina's central bank is trying to lower the world's highest key rate

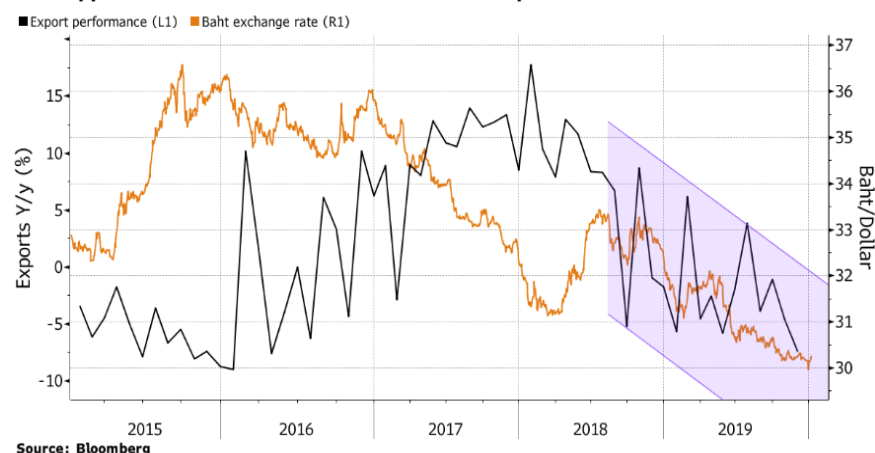


## Thailand

**Thailand is planning additional steps to ease capital outflow restrictions to curb baht strength over the coming months.** Bank of Thailand (BoT) Governor Veerathai said that the BoT plans to increase the amount of proceeds exporters can hold overseas, liberalize foreign-currency deposit accounts and enable insurers to invest more abroad. The central bank imposed measures to counter short-term inflows in July and relaxed rules to spur outflows in November. Governor Veerathai added that the BoT does not target a specific level for the baht but seeks to ensure the currency moves in line with regional and emerging market peers. The baht appreciated 0.1% after weakening -0.5% yesterday following the comments. **Over the last 12 months the baht has appreciated 5.7% against the dollar, the most among Asian currencies.**

## Export Woe

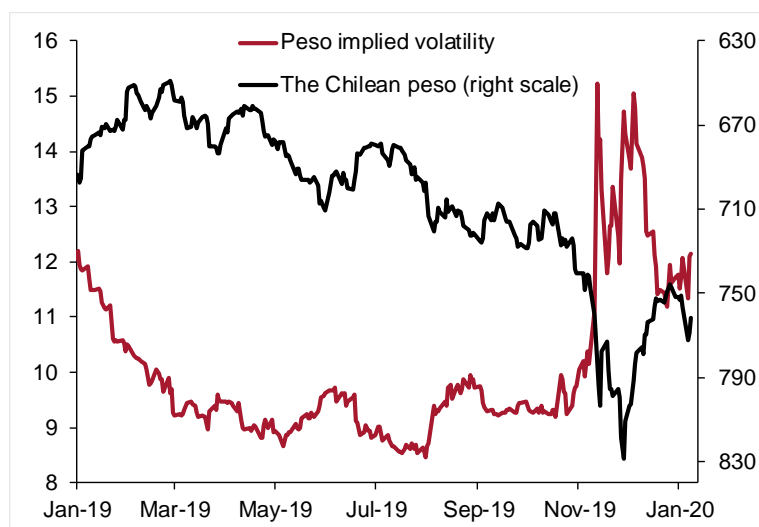
Baht appreciation stoked a contraction in Thai shipments



## Chile

**Chile's inflation ended 2019 at 3% y/y, hitting the target for the first time since Q3 2016.** Monthly consumer prices rose at 0.1% m/m in December, below Bloomberg consensus and market expectations at 0.2%. The increase was mainly driven by transportation (1.7% m/m), while food and nonalcoholic beverages was the major drag (-0.5% m/m). Analysts expected further rate cuts ahead to support economic activities. According to press reports, Chile's social crisis lowered its fiscal income by \$3 billion. The peso was 1% stronger against the dollar while the implied volatility edged up higher yesterday.





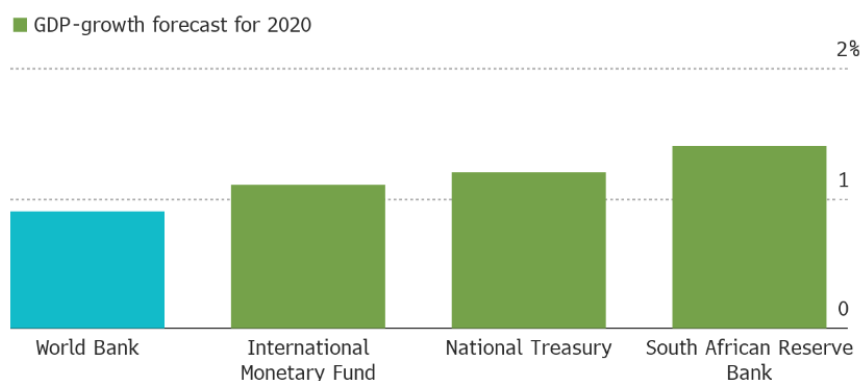
Source: Bloomberg

### South Africa

The World Bank cut its growth forecast to 0.9% for 2020 as incoming data releases do little to assuage any growth concerns. Manufacturing production fell 1.5% mom in November, compared to -0.1% mom expected, and business confidence remains at a multi-decade low. In addition, electricity provider ESKOM resumes rolling blackouts earlier than expected. 5-yr swap rates traded 3 bps lower to 7.64% as contacts reported demand from hedge funds, with some speculating that the South African Reserve Bank may cut rates on 16 Jan (current policy rate: 6.50%). The South African rand edged lower and is 1.4% weaker against the USD so far in 2020.

### Sluggish Economy

The World Bank sees South Africa's economy growing less than 1% in 2020



Source: World Bank, International Monetary Fund, National Treasury, South African Reserve Bank

Bloomberg

## List of GMM Contributors

*Global Markets Analysis Division, MCM Department*

---

<b>Anna Ilyina</b> <i>Division Chief</i>	<b>Dimitris Drakopoulos</b> <i>Financial Sector Expert</i>	<b>Jochen Schmittmann</b> <i>Senior Economist</i>
<b>Peter Breuer</b> <i>Deputy Division Chief</i>	<b>Mohamed Jaber</b> <i>Senior Financial Sector Expert</i>	<b>Can Sever</b> <i>Economist (Economist Program)</i>
<b>Will Kerry</b> <i>Deputy Division Chief</i>	<b>David Jones</b> <i>Senior Financial Sector Expert</i>	<b>Juan Solé</b> <i>Senior Economist</i>
<b>Evan Papageorgiou</b> <i>Deputy Division Chief</i>	<b>Sanjay Hazarika</b> <i>Senior Financial Sector Expert</i>	<b>Jeffrey Williams</b> <i>Senior Financial Sector Expert</i>
<b>Sergei Antoshin</b> <i>Senior Economist</i>	<b>Frank Hespeler</b> <i>Senior Financial Sector Expert</i>	<b>Akihiko Yokoyama</b> <i>Senior Financial Sector Expert</i>
<b>John Caparusso</b> <i>Senior Financial Sector Expert</i>	<b>Rohit Goel</b> <i>Financial Sector Expert</i>	<b>Martin Edmonds</b> <i>Senior Data Mgt Officer</i>
<b>Sally Chen</b> <i>Senior Economist</i>	<b>Henry Hoyle</b> <i>Financial Sector Expert</i>	<b>Yingyuan Chen</b> <i>Senior Research Officer</i>
<b>Fabio Cortés</b> <i>Senior Economist</i>	<b>Thomas Piontek</b> <i>Financial Sector Expert</i>	<b>Piyusha Khot</b> <i>Research Assistant</i>
<b>Reinout De Bock</b> <i>Economist</i>	<b>Patrick Schneider</b> <i>Research Officer</i>	<b>Xingmi Zheng</b> <i>Research Assistant</i>

---

**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: 1/9/20 8:11 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>							
			%				%
United States		3253	0.5	1	4	26	1
Europe		3794	0.6	0	3	24	1
Japan		23740	2.3	0	1	16	0
China		3095	0.9	0	6	22	1
Asia Ex Japan		74	0.2	0	6	13	0
Emerging Markets		45	1.4	0	6	12	0
<b>Interest Rates</b>							
			basis points				
US 10y Yield		1.87	5.6	-1	5	-85	-5
Germany 10y Yield		-0.20	0.4	2	10	-48	-2
Japan 10y Yield		0.01	1.2	2	1	-2	2
UK 10y Yield		0.79	-2.7	0	3	-47	-3
<b>Credit Spreads</b>							
			basis points				
US Investment Grade		105	0.0	6	-7	-37	8
US High Yield		396	0.2	3	-47	-56	3
Europe IG		43	-0.4	-1	-4	-39	-1
Europe HY		205	-2.5	0	-16	-129	-2
EMBIG Sovereign Spread		292	-2.0	-3	-26	-102	-1
<b>Exchange Rates</b>							
			%				
USD/Majors		97.37	0.1	1	0	2	1
EUR/USD		1.11	0.1	-1	0	-4	-1
USD/JPY		109.4	-0.2	-1	-1	-1	-1
EM/USD		61.3	-0.1	0	1	-3	0
<b>Commodities</b>							
			%				
Brent Crude Oil (\$/barrel)		66	0.2	-1	2	7	-1
Industrials Metals (index)		116	0.1	0	4	4	1
Agriculture (index)		41	0.5	-1	3	-4	-1
<b>Implied Volatility</b>							
			%				
VIX Index (% change in pp)		13.2	-0.3	0.7	-2.7	-6.8	-0.6
10y Treasury Volatility Index		4.2	-0.1	0.1	-0.5	-0.1	0.1
Global FX Volatility		5.8	0.0	-0.1	-0.2	-2.8	-0.2
<b>EA Sovereign Spreads</b>							
			10-Year spread vs. Germany (bps)				
Greece		159	-1.4	-6	-11	-244	-7
Italy		157	-4.8	-6	-1	-103	-2
Portugal		59	-0.7	-5	-11	-90	-3
Spain		64	-0.5	-3	-13	-58	-2

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

[back to top](#)

## Emerging Market Financial Indicators

Last updated: 1/9/2020 8:13 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
	vs. USD		(+)= EM appreciation					% p.a.						
China		6.93	0.2	0.5	2	-2	0		3.1	0.3	0	-9	4	0
Indonesia		13854	0.3	0.3	1	2	0		7.1	-0.3	-2	-9	-106	-2
India		71	0.7	0.2	0	-1	0		6.9	0.5	4	-8	-63	-1
Philippines		51	0.3	0.1	0	3	0		4.3	0.6	-3	2	-197	-3
Thailand		30	0.2	-0.4	0	5	-2		1.5	-0.3	-10	-17	-116	-10
Malaysia		4.09	0.3	0.0	2	1	0		3.3	-0.6	-6	-11	-77	-6
Argentina		60	0.0	0.0	0	-38	0		54.6	-214.3	-796	-3661	3239	-796
Brazil		4.07	-0.1	-1.0	2	-9	-1		6.2	-4.4	-5	8	-186	-5
Chile		764	-0.3	-1.8	1	-11	-2		3.4	6.0	8	-41	-107	8
Colombia		3251	-0.1	0.1	5	-4	1		5.9	-6.9	-9	-5	-61	-9
Mexico		18.78	0.2	0.3	2	2	1		6.9	0.0	-1	-11	-172	-1
Peru		3.3	0.2	-0.1	2	1	0		4.5	3.0	-5	-7	-124	-5
Uruguay		37	0.1	-0.4	1	-13	0		10.8	-1.0	-7	-42	13	-7
Hungary		299	-0.4	-1.6	0	-7	-1		1.2	2.2	-2	12	-101	-2
Poland		3.82	-0.2	-0.6	1	-2	-1		2.0	1.6	7	17	-37	7
Romania		4.3	0.0	-0.5	0	-6	-1		4.0	-1.0	-5	-20	-17	-5
Russia		61.3	0.0	0.7	4	9	1		6.1	-2.5	-2	-15	-229	-2
South Africa		14.2	-0.3	-0.8	3	-2	-1		9.5	-1.7	1	-15	2	1
Turkey		5.88	0.5	1.3	-1	-7	1		11.7	-6.8	2	-23	-554	2
US (DXY; 5y UST)		97	0.1	0.6	0	2	1		1.66	-0.7	-1	0	-89	-3

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
								basis points						
China		3095	0.9	0	6	22	1		176	0	0	-6	-14	0
Indonesia		6274	0.8	0	1	0	0		159	1	-3	-14	-58	3
India		41452	1.6	0	2	14	0		123	-3	-2	-3	-71	-2
Philippines		7798	0.8	1	0	-2	0		71	1	-3	-11	-37	5
Malaysia		1596	0.4	0	2	-4	0		105	0	-8	-17	-56	-7
Argentina		41016	-0.2	-2	13	21	-2		1900	2	64	-291	1184	131
Brazil		116247	-0.4	-2	5	24	1		213	-2	-3	-17	-40	-2
Chile		4910	-0.1	2	3	-7	5		137	-3	2	-14	-15	4
Colombia		1657	-0.4	0	3	20	0		166	-1	0	-13	-34	3
Mexico		44471	0.7	2	6	2	2		291	-2	-5	-22	-43	-1
Peru		20382	-0.5	-1	3	4	-1		108	-1	-5	-16	-50	1
Hungary		45087	0.3	-2	1	11	-2		88	0	-1	-7	-50	2
Poland		58347	1.3	1	4	-2	1		19	0	0	-4	-46	1
Romania		9937	0.8	0	0	33	0		168	-6	-5	-19	-41	-5
Russia		3121	0.3	2	6	29	2		139	-2	1	-10	-87	8
South Africa		57185	-0.2	-1	3	7	0		310	-2	-12	-39	-23	-10
Turkey		116860	3.5	1	7	28	2		393	-2	-3	-36	-57	-8
Ukraine		510	0.0	0	0	-9	0		373	-8	-23	-87	-401	-47
EM total		45	1.4	0	6	12	0		292	-2	-3	-26	-102	-1

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

[back to top](#)