



- Markets rally after the Federal Reserve delivers second 75 bps hike ([link](#))
- US GDP much weaker-than-expected ([link](#))
- Quantitative tightening could end earlier than Fed expects ([link](#))
- Euro area confidence falls to 17-month low ([link](#))
- Analysts are divided on the magnitude of the anticipated BoE August hike ([link](#))
- Japanese yen appreciates amid speculation of hedge fund liquidation of short yen exposures ([link](#))
- Chinese equities underperformed on concerns about growth slowdown and property market turmoil ([link](#))
- Kenya unexpectedly leaves interest rate unchanged ([link](#))

[Mature Markets](#)







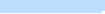




[Emerging Markets](#)

[Market Tables](#)

## Markets cautious post FOMC

European bourses stalled and US equity futures signaled a weak opening following yesterday's strong gains post FOMC. US tech stocks had their biggest single day gain yesterday since November 2020 after markets interpreted that the Fed opened the door for more moderate rate hikes and rallied in relief. This morning, however, markets traded in a cautious tone with the dollar strengthening. Some analysts cautioned that a market rally can only ensure more hikes. Indeed, this is the third consecutive time that stocks surge following a large Fed hike, with the previous two episodes—June 15 and May 4—followed by even bigger selloffs, as investors recalibrated expectations on the likely path of policy moves. US Treasury yields fell following a much weaker-than-expected GDP data release this morning, with 2-year yields plunging over 10 bps immediately after the release. Elsewhere, the euro weakened (-0.8%), reversing opening gains, after the euro area July economic sentiment fell to 17-month low. In contrast, the Japanese yen appreciated (+0.7%) amid speculation that hedge funds started to liquidate their long dollar/short yen positions. In emerging markets, Chinese equities underperformed on concerns about growth slowdown and property market turmoil.

Key Global Financial Indicators

| Last updated:<br>7/28/22 8:09 AM    | Level   |        | Change from Market Close |        |         |      | YTD | Since<br>23-Feb-22 |
|-------------------------------------|---|--------|--------------------------|--------|---------|------|-----|--------------------|
|                                     | Last 12m  | Latest | 1 Day                    | 7 Days | 30 Days | 12 M |     |                    |
| Equities                            |   |        | %                        |        |         |      | %   |                    |
| S&P 500                             |  | 4024   | 2.6                      | 2      | 5       | -9   | -16 | -5                 |
| Eurostoxx 50                        |  | 3618   | 0.3                      | 1      | 2       | -12  | -16 | -9                 |
| Nikkei 225                          |  | 27815  | 0.4                      | 0      | 4       | 0    | -3  | 5                  |
| MSCI EM                             |  | 40     | 1.9                      | 2      | -1      | -23  | -18 | -16                |
| Yields and Spreads                  |   |        | bps                      |        |         |      |     |                    |
| US 10y Yield                        |  | 2.76   | -2.9                     | -12    | -42     | 152  | 125 | 76                 |
| Germany 10y Yield                   |  | 0.93   | -1.6                     | -29    | -70     | 138  | 111 | 70                 |
| EMBIG Sovereign Spread              |  | 554    | 1                        | -3     | 50      | 196  | 187 | 141                |
| FX / Commodities / Volatility       |   |        | %                        |        |         |      |     |                    |
| EM FX vs. USD, (+) = appreciation   |  | 50.2   | -0.4                     | 0      | -3      | -11  | -5  | -6                 |
| Dollar index, (+) = \$ appreciation |  | 107.0  | 0.5                      | 0      | 2       | 16   | 12  | 11                 |
| Brent Crude Oil (\$/barrel)         |  | 108.8  | 2.0                      | 5      | -8      | 46   | 40  | 12                 |
| VIX Index (% change in pp)          |  | 23.2   | -0.1                     | 0      | -5      | 5    | 6   | -8                 |

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

## Mature Markets

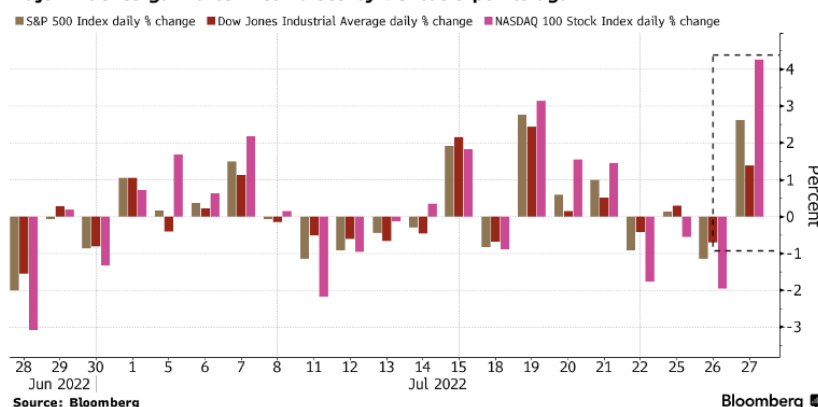
[back to top](#)

### United States

**Markets rallied after the Fed delivered a 75 bps hike yesterday.** US equities gained following another “unusually large” rate hike from the Federal Reserve. US tech stocks outperformed, with the Nasdaq (+4.1%) having its largest single day gain since November 2020. The US Treasury yield curve became less inverted, the dollar weakened and high yield CDS spreads tightened by over 20 bps. In the press conference, Chair Powell warned that forward guidance would be “less clear” and suggested that future rate decisions would be data dependent. He also considered to be likely appropriate to slow rate increases at some point. Markets interpreted that the Fed opened the door for more moderate rate hikes and rallied in relief. Nevertheless, market analysts cautioned that this is the third consecutive time that stocks surge following a large Fed hike, with the previous two episodes—June 15 and May 4—followed by even bigger selloffs, as investors recalibrated expectations on the likely path of policy moves. Some analysts also echoed remarks from former NY Fed President Dudley, who considered the upside for the markets “very much capped” as the Fed needs tighter financial conditions to tame inflation and reminded that the dot-plot remains more hawkish compared to what markets are pricing. Relatedly, some market analysts fret that a market rally can only ensure more hikes.

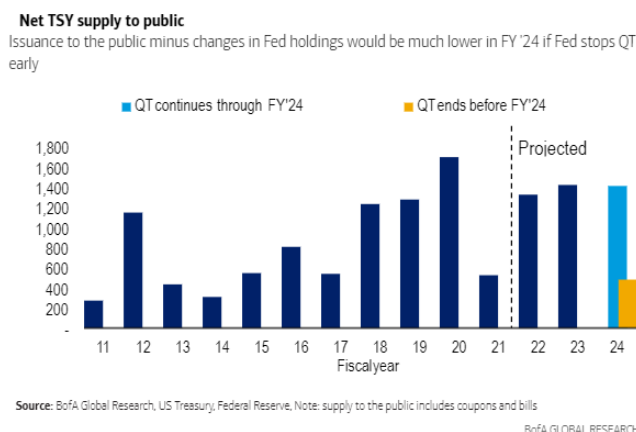
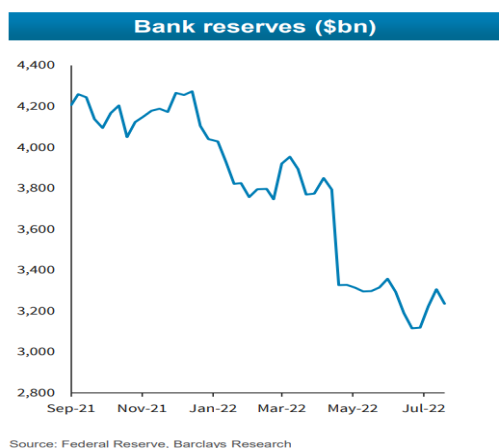
#### Stocks Rally

Major indexes gain after Fed raises by 75 basis points again



This morning, **US GDP shrunk by an annualized 0.9% in the second quarter, well below median market expectations for a modest 0.4% growth**, following a 1.6% drop in the first quarter. In contrast, consumer spending held up in positive territory (it slowed to a 1% annualized growth rate from 1.8% for the first quarter). US Jobless claims fell slightly, by 5k to 256k (median estimate for 250k), indicating some ongoing moderation in the job market. Treasury yields fell sharply and US stock futures extended losses by a bit immediately after the report.

**Quantitative tightening (QT) could end earlier than Fed expects.** In his press conference Chair Powell revealed that, according to Fed models, it will take 2–2.5 years to reach an equilibrium size for the balance sheet. Nevertheless, markets consider it could be much faster. The considerable drop in reserve balances in the past months, already before the start of the QT process, and the expectation that the fast decline is likely to continue, led market analysts to also expect a relatively short QT cycle. The latest Barclays estimates see QT ending in early 2023. In addition, currently markets price in a rate cut by mid-2023. QT is then also likely to cease, in line with Fed actions back in July 2019, when the easing cycle began. An earlier end to QT could leave the Fed balance sheet far from its equilibrium size and would likely lead to lower Treasury issuance and lower net supply of Treasuries to the public.



## Euro-area

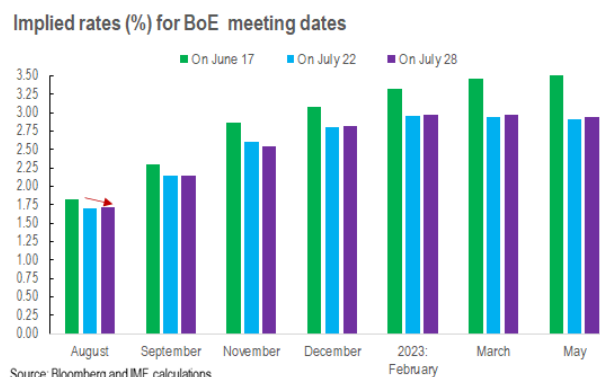
**European equities were little changed** with the basic resources sector (+3%) outperforming after upbeat corporate earnings results from mining companies. **The euro weakened (-0.8%), reversing opening gains, after euro area July economic sentiment fell to the lowest level since February 2021** (99 vs expected 102 from 103.5). Both industrial and services confidence declined while consumer confidence remains muted. ING analysts highlighted that signs of a weakening labor market are also emerging, pointing to the fifth monthly decline in the employment expectations indicator. **ECB's Governing Council (GC) member Visco said that the magnitude of the ECB's hike in September would depend on price and real economy developments, adding that real economy developments are rather grim.** Visco also made reassuring remarks on the Transmission Protection Instrument (TPI), dismissing concerns that the GC discretion in the TPIs activation could add to market uncertainty or prevent the TPI's activation.

**Sovereign yields increased after some regional data in Germany showed prices pressures picking up in July.** Markets are focused on the national German inflation data due later today with consensus expecting Germany's preliminary EU harmonized measure to ease to 8.1% y/y from 8.2%. Euro area preliminary inflation for July is due tomorrow, with consensus expecting inflation to increase to 8.7% y/y from 8.6%. **German 10-year bund yields were edging higher (+2 bps) while 10-year Italian spreads decreased slightly (-2 to 236 bps).**

## United Kingdom

**The pound reversed opening gains this morning (-0.4%), with analysts arguing that the pound will continue to move in line with risk appetite and seeing a limited impact from domestic political developments.** The pound is trading roughly 11% weaker than at the start of the year. **Ahead of the BoE meeting next week there were mixed views on the magnitude of the hike.** Some analysts—including JPMorgan and Barclays—expected a 50 bps hike, pointing to recent hawkish rhetoric from the BoE together with relatively resilient macroeconomic data.

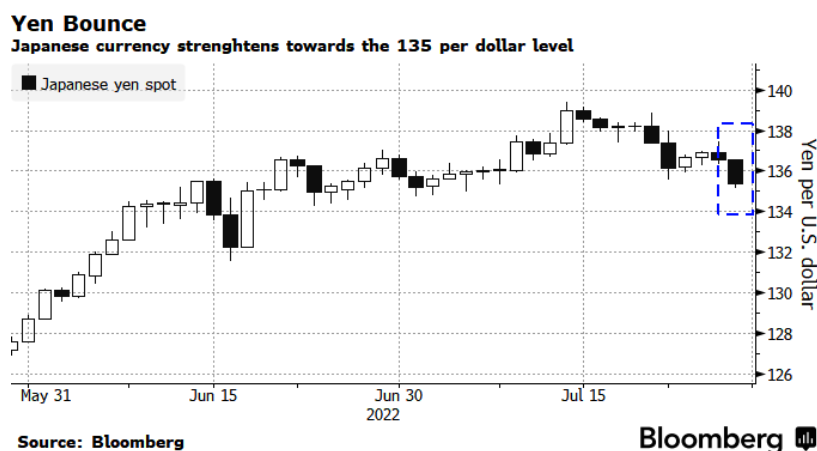
Other analysts argued that signs that the Fed could be less hawkish could remove pressure from the BoE to hike by 50 bps. Analysts expect the BoE to revise near-term inflation expectations upwards, and growth forecasts downward. **Markets have fully priced in a 25 bps hike with a roughly 84% chance of a 50 bps hike.**



**The BoE is also set to provide an update on a strategy for gilt sales at next week's meeting.** Earlier this month Governor Bailey commented that the BoE is considering a total reduction in gilt stocks—including sales and redemptions—of around £50- £100 bn in the 'first year'. JP Morgan analysts have pointed out that it remains unclear what period 'first year' references, as this could either be seen as February when gilt reinvestments were stopped, or the first year after gilt sales start—which is expected in September.

## Japan

**The Japanese yen appreciated (+0.7%) post FOMC, as markets dialed back more hawkish bets on US rate hikes and hedge funds reportedly liquidated their long dollar/short yen positions.** Analysts noted that the popular short yen trade started to hit the limit as investors assessed how US recession risks may affect the Fed's monetary tightening. Equities gained (NIKKEI: +0.4%). Long-end JGB yields edged up (10-year: +0.6 bps; 30-year: +4.8 bps), with the 10-year yield at 0.199%.



## Emerging Markets

[back to top](#)

**Asian markets gained post FOMC.** Asian equities were led by Philippine (+2.3%), Indian (+1.7%) and Malaysian (+1.1%) equities. However, the rally of Asian equities was more muted compared with US equities yesterday due to concerns about weak local earnings and China's slowdown. Asian currencies appreciated, led by Korean won (+1.0%) and Indonesian rupiah (+0.5%). Long-end government yields dropped in most markets, with 10-year yields falling in Philippines (-13.7 bps) and Indonesia (-8.2 bps). In **Indonesia**, analysts warned that Bank Indonesia's plan to reduce its bond holding could give headwinds to government bonds going forward. In **India**, analysts noted that the Reserve Bank of India's persistent FX interventions have withdrawn liquidity, leading excess banking liquidity to fall to the lowest level since 2019. **Equities in EMEA were mixed while currencies mostly depreciated.** The **Hungarian** forint underperformed (-1.2% against the euro) after the central bank increased its one-week deposit rate by 100 bps to 10.75%, in line with expectations. **Most Latin American equities and currencies rallied yesterday.** Spurred by gains in export commodities, equities advanced especially in Argentina (+5.3%), Brazil (+1.7%), and Chile (1%). Currencies outperformed in Brazil (+2%) and Chile (+1.6%), particularly after the 75 bps hike in the US policy rate. Meanwhile the region's treasury hard and local currency yield curves slid down, except for the Chilean local currency curve (2-year yield up by 17 bps to 9.1%). The Colombian yield curve has extended its 10–20 bps downward shift over the last week, as some analysts are assessing the country's dollar debt as comparatively cheap. El Salvadorian 2023 and 2025 dollar bonds, featuring a combined principal of \$1.6 bn, gained sharply after Tuesday's announcement of buyback plans: the 2023 bond closed up 11 cents at 87 cents on the dollar, and the 2025 bond advanced 13 cents to 49 cents on the dollar.

## China

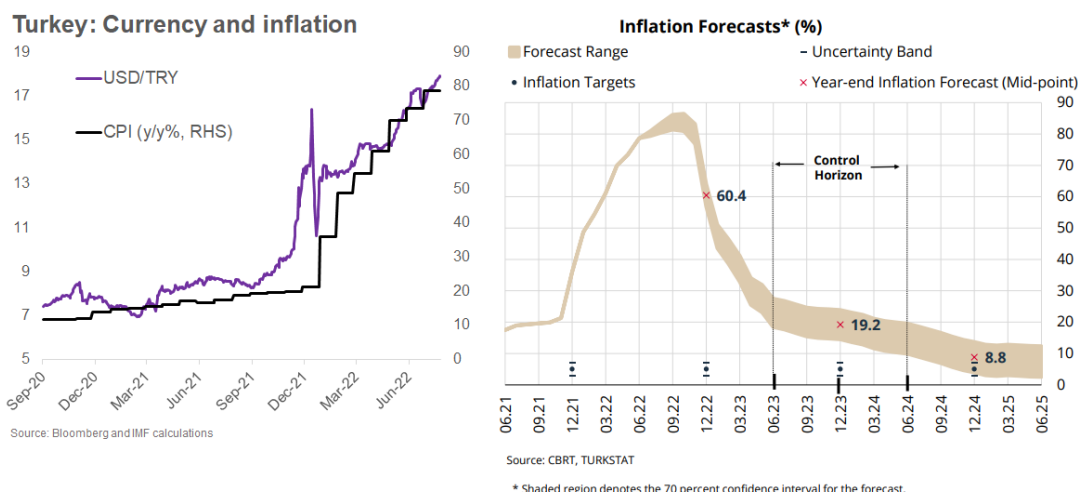
**Chinese equities underperformed regional peers** (CSI 300: flat; HKSAR-listed: -0.2%) as markets are concerned about China's economic slowdown and its property market turmoil. In particular, market sentiment toward tech stocks remained fragile. Alibaba's gain on the news of its plan to seek a Hong Kong primary listing was wiped out as markets expected Alibaba to report its first-ever negative quarterly revenue growth amid the growth slowdown. **President Xi called on the Communist Party to plan for risks in the next five years and beyond** against the backdrop of accelerating global changes unseen in a century, as well as more complex risks and challenges. The RMB appreciated (+0.2%). Separately, **authorities reportedly seek to mobilize up to 1 tn RMB (\$148 bn) of loans for stalled property development projects**. The People's Bank of China will provide funding at 1.75% interest rate to state-owned banks in an amount of 200 bn RMB (\$30 bn), with a hope that banks could leverage this up to lend to stalled property development projects in a total amount of 1 tn RMB (\$148 bn). Share prices of real estate firms did not react favorably (onshore: flat; HKSAR-listed: -0.2%).

## Kenya

**Kenya unexpectedly left its key interest rate unchanged yesterday at 7.5%, while markets had expected a 50 bps hike**. This follows a 50 bps hike in May, the first hike since mid-2015. Headline inflation increased to +7.9% y/y in June amid higher food and fuel costs. In the monetary policy statement, the committee said that near term inflation pressures are expected to ease, taking into consideration the May hike, fiscal measures to limit price increases on certain items, and a backdrop of easing commodity prices. **JPMorgan analysts expect the central bank to hike its policy rate by 50 bps in September, with the rate seen at 8% at the end of the year**.

## Turkey

**The central bank of Turkey revised its end-2022 inflation forecast to 60.4% (from 43% in April), pointing to higher food and import costs and a weaker lira**. According to the media reports the governor expects inflation to slow to around 19% at the end of 2023 and said that the lira-ization strategy is progressing well. Headline inflation increased to +78.6%yoy in June, while the lira has weakened by roughly 26% this year. **This morning the lira was trading -0.3% weaker**.



## Mexico

**The peso weakened following a disappointing trade balance but later appreciated following the US monetary policy announcement**. June's trade balance came in at a larger than expected \$-4 bn, as imports expanded stronger than exports, with the oil sector being the largest contributor. J.P. Morgan

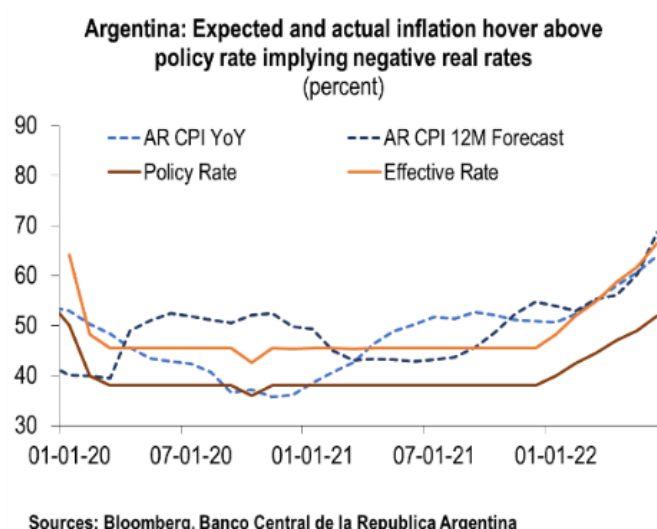


analysts reacted by adjusting their projection for Mexico's 2022 current account deficit by -1 ppt to -2.1% of GDP. Consistent with this assessment the peso depreciated yesterday morning up to -0.6%, before reverting in the early afternoon, closing 0.3% stronger.

## Argentina

### The pricing of yesterday's new treasury issuance could potentially hint at future policy rate hikes.
















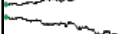


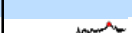




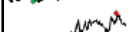

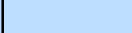


Argentina issued yesterday \$3.9 bn in local currency treasuries, with a yield of 70% y/y on the tranche issued as a 3-month treasury note. Markets understand this yield currently as the ceiling of the central bank's reference corridor for the monetary policy rate, potentially hinting rate hikes ahead. Reports that economy minister Batakis agreed that the country would need higher interest rates to combat inflation, just projected by J.P. Morgan analysts for July 2022 to 71% y/y, appear to support such notion. Meanwhile, Argentine stocks may have benefited from the temporary access to a preferential exchange rate the central bank granted to soy farmers, outperforming peers, with the Merval up 5.3% yesterday.



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

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

## Global Financial Indicators

| 7/28/22 8:08 AM             | Level   |        | Change                           |        |         |      | YTD  | Since<br>23-Feb-22 |
|-----------------------------|---|--------|----------------------------------|--------|---------|------|------|--------------------|
|                             | Last 12m  | Latest | 1 Day                            | 7 Days | 30 Days | 12 M |      |                    |
| <b>Equities</b>             |   |        | %                                |        |         |      | %    | %                  |
| United States               |    | 4014   | 2.6                              | 0      | 5       | -9   | -16  | -5                 |
| Europe                      |    | 3618   | 0.3                              | 1      | 2       | -12  | -16  | -9                 |
| Japan                       |    | 27815  | 0.4                              | 0      | 4       | 0    | -3   | 5                  |
| China                       |    | 4226   | 0.0                              | 0      | -4      | -13  | -14  | -9                 |
| Asia Ex Japan               |    | 69     | 1.8                              | 1      | -2      | -22  | -17  | -13                |
| Emerging Markets            |    | 40     | 1.9                              | 2      | -1      | -23  | -18  | -16                |
| <b>Interest Rates</b>       |   |        | basis points                     |        |         |      |      |                    |
| US 10y Yield                |    | 2.76   | -2.9                             | -12    | -42     | 152  | 125  | 76                 |
| Germany 10y Yield           |    | 0.93   | -1.6                             | -29    | -70     | 138  | 111  | 70                 |
| Japan 10y Yield             |    | 0.21   | 0.5                              | -3     | -4      | 19   | 13   | 1                  |
| UK 10y Yield                |    | 1.97   | 0.8                              | -8     | -50     | 139  | 100  | 49                 |
| <b>Credit Spreads</b>       |   |        | basis points                     |        |         |      |      |                    |
| US Investment Grade         |    | 170    | 0.9                              | 0      | -3      | 80   | 58   | 27                 |
| US High Yield               |    | 523    | 1.8                              | -3     | -14     | 189  | 185  | 116                |
| Europe IG                   |    | 108    | -1.6                             | 0      | -6      | 62   | 61   | 37                 |
| Europe HY                   |    | 547    | -4.2                             | 11     | -13     | 312  | 306  | 196                |
| <b>Exchange Rates</b>       |   |        | %                                |        |         |      |      |                    |
| USD/Majors                  |    | 106.96 | 0.5                              | 0      | 2       | 16   | 12   | 11                 |
| EUR/USD                     |    | 1.01   | -0.8                             | -1     | -4      | -15  | -11  | -10                |
| USD/JPY                     |   | 135.6  | -0.7                             | -1     | 0       | 23   | 18   | 18                 |
| EM/USD                      |  | 50.2   | -0.4                             | 0      | -3      | -11  | -5   | -6                 |
| <b>Commodities</b>          |   |        | %                                |        |         |      |      |                    |
| Brent Crude Oil (\$/barrel) |  | 109    | 2.0                              | 5      | -4      | 60   | 45   | 22                 |
| Industrials Metals (index)  |  | 151    | 1.1                              | 4      | -5      | -6   | -13  | -19                |
| Agriculture (index)         |  | 66     | 0.8                              | 5      | -6      | 13   | 8    | -6                 |
| <b>Implied Volatility</b>   |   |        | %                                |        |         |      |      |                    |
| VIX Index (% change in pp)  |  | 23.2   | -0.1                             | 0.0    | -5.2    | 4.9  | 5.9  | -7.9               |
| US 10y Swaption Volatility  |  | 116.5  | 1.5                              | 0.1    | -12.4   | 36.5 | 37.5 | 22.2               |
| Global FX Volatility        |  | 10.9   | 0.0                              | -0.2   | 0.4     | 4.1  | 3.5  | 3.5                |
| <b>EA Sovereign Spreads</b> |   |        | 10-Year spread vs. Germany (bps) |        |         |      |      |                    |
| Greece                      |  | 210    | 0.7                              | -24    | -16     | 102  | 58   | -30                |
| Italy                       |  | 236    | -2.1                             | 4      | 43      | 129  | 101  | 65                 |
| Portugal                    |  | 110    | -2.6                             | -8     | 2       | 46   | 45   | 18                 |
| Spain                       |  | 117    | -2.3                             | -10    | 7       | 45   | 43   | 14                 |

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

Data source: Bloomberg.

## Emerging Market Financial Indicators

| Last updated:<br>7/28/2022<br>8:11 AM | Exchange Rates |         |               |                      |         |      |     | Local Currency Bond Yields (GBI EM) |          |        |                          |        |         |       |      |                    |
|---------------------------------------|----------------|---------|---------------|----------------------|---------|------|-----|-------------------------------------|----------|--------|--------------------------|--------|---------|-------|------|--------------------|
|                                       | Level          |         | Change (in %) |                      |         |      | YTD | Since<br>23-Feb-22                  | Level    |        | Change (in basis points) |        |         |       | YTD  | Since<br>23-Feb-22 |
|                                       | Last 12m       | Latest  | 1 Day         | 7 Days               | 30 Days | 12 M |     |                                     | Last 12m | Latest | 1 Day                    | 7 Days | 30 Days | 12 M  |      |                    |
|                                       |                | vs. USD |               | (+)= EM appreciation |         |      |     |                                     |          | % p.a. |                          |        |         |       |      |                    |
| China                                 |                | 6.75    | 0.1           | 0.2                  | -1      | -4   | -6  | -6                                  |          | 2.9    | 2.5                      | 1      | -12     | -20   | 1    | 0                  |
| Indonesia                             |                | 14922   | 0.6           | 0.8                  | -1      | -3   | -4  | -4                                  |          | 7.3    | -11.5                    | -24    | -5      | 94    | 87   | 76                 |
| India                                 |                | 80      | 0.2           | 0.2                  | -1      | -7   | -7  | -7                                  |          | 6.3    | 0.0                      | 0      | 9       | ##### | 0    |                    |
| Philippines                           |                | 56      | -0.2          | 1.0                  | -2      | -10  | -9  | -8                                  |          | 5.7    | 0.0                      | 0      | 0       | 170   | 118  | 68                 |
| Thailand                              |                | 37      | 0.1           | 0.2                  | -4      | -10  | -9  | -12                                 |          | 2.4    | -3.5                     | -22    | -44     | 86    | 59   | 22                 |
| Malaysia                              |                | 4.45    | 0.1           | 0.1                  | -1      | -5   | -6  | -6                                  |          | 4.0    | -0.2                     | -9     | -26     | 81    | 38   | 30                 |
| Argentina                             |                | 131     | -0.2          | -1.2                 | -5      | -26  | -22 | -18                                 |          | 67.9   | -52.7                    | -72    | 818     | 2327  | 1737 | 1998               |
| Brazil                                |                | 5.27    | -0.5          | 4.4                  | 0       | -3   | 6   | -5                                  |          | 13.2   | 1.9                      | -34    | 19      | 383   | 255  | 171                |
| Chile                                 |                | 912     | 1.3           | 1.5                  | 1       | -16  | -7  | -13                                 |          | 6.7    | 0.0                      | -30    | 25      | 243   | 126  | 77                 |
| Colombia                              |                | 4424    | 0.5           | -1.9                 | -7      | -11  | -8  | -12                                 |          | 9.5    | -15.0                    | -37    | 44      | 372   | 306  | 159                |
| Mexico                                |                | 20.44   | -0.1          | 0.9                  | -2      | -3   | 0   | -1                                  |          | 8.4    | 0.0                      | -38    | -56     | 154   | 89   | 57                 |
| Peru                                  |                | 3.9     | -0.1          | -0.8                 | -4      | 0    | 2   | -5                                  |          | 8.2    | 5.5                      | -35    | 46      | 276   | 230  | 220                |
| Uruguay                               |                | 41      | 0.4           | 0.8                  | -5      | 5    | 7   | 2                                   |          | 11.2   | 0.0                      | -38    | 62      | 331   | 250  | 307                |
| Hungary                               |                | 403     | -1.8          | -3.5                 | -6      | -24  | -19 | -21                                 |          | 8.6    | 16.0                     | -6     | 30      | 600   | 408  | 378                |
| Poland                                |                | 4.74    | -1.0          | -1.7                 | -6      | -18  | -15 | -14                                 |          | 5.5    | 6.3                      | -37    | -144    | 393   | 199  | 162                |
| Romania                               |                | 4.9     | -0.9          | -1.1                 | -4      | -15  | -11 | -10                                 |          | 8.2    | -16.1                    | -80    | -59     | 521   | 338  | 305                |
| Russia                                |                | 60.6    | 0.5           | -6.0                 | -12     | 21   | 24  | 35                                  |          | 8.3    | 3.3                      | -37    | 10      | 120   | -48  | -289               |
| South Africa                          |                | 16.8    | -0.6          | 1.5                  | -4      | -12  | -5  | -10                                 |          | 8.8    | -10.0                    | -22    | -16     | 162   | 139  | 123                |
| Turkey                                |                | 17.92   | -0.2          | -1.3                 | -7      | -52  | -26 | -23                                 |          | 17.8   | 37.0                     | 37     | -148    | 9     | -652 | -462               |
| US (DXY; 5y UST)                      |                | 107     | 0.5           | 0.0                  | 2       | 16   | 12  | 11                                  |          | 2.80   | -4.1                     | -18    | -43     | 209   | 154  | 90                 |

|              | Equity Markets |        |               |        |         |      |       | Bond Spreads on USD Debt (EMBIG) |          |        |                          |         |      |      |           |
|--------------|----------------|--------|---------------|--------|---------|------|-------|----------------------------------|----------|--------|--------------------------|---------|------|------|-----------|
|              | Level          |        | Change (in %) |        |         |      | Since |                                  | Level    |        | Change (in basis points) |         |      |      | Since     |
|              | Last 12m       | Latest | 1 Day         | 7 Days | 30 Days | 12 M | YTD   | 23-Feb-22                        | Last 12m | Latest | 7 Days                   | 30 Days | 12 M | YTD  | 23-Feb-22 |
|              |                |        |               |        |         |      |       | basis points                     |          |        |                          |         |      |      |           |
| China        |                | 4226   | 0.0           | 0      | -4      | -13  | -14   | -9                               |          | 219    | 12                       | 23      | 5    | 16   | 11        |
| Indonesia    |                | 6957   | 0.8           | 1      | 0       | 14   | 6     | 1                                |          | 213    | -9                       | 22      | 23   | 48   | 28        |
| India        |                | 56858  | 1.9           | 2      | 7       | 8    | -2    | -1                               |          | 201    | -3                       | 24      | 42   | 69   | 47        |
| Philippines  |                | 6379   | 2.3           | 2      | 1       | -2   | -10   | -13                              |          | 148    | -9                       | 11      | 28   | 47   | 11        |
| Thailand     |                | 1576   | 0.0           | 2      | -1      | 3    | -5    | -7                               |          | 0      | 0                        | 0       | 0    | 0    | 0         |
| Malaysia     |                | 1491   | 1.4           | 3      | 3       | -1   | -5    | -6                               |          | 144    | 0                        | 16      | 0    | 27   | 11        |
| Argentina    |                | 126362 | 5.3           | 18     | 43      | 90   | 51    | 38                               |          | 2678   | -101                     | 225     | 1093 | 998  | 941       |
| Brazil       |                | 101438 | 1.7           | 3      | 1       | -20  | -3    | -9                               |          | 345    | 2                        | 5       | 60   | 34   | 14        |
| Chile        |                | 5251   | 1.0           | 1      | 5       | 26   | 22    | 20                               |          | 182    | -1                       | 15      | 22   | 42   | 8         |
| Colombia     |                | 1300   | 0.4           | 1      | -6      | 5    | -8    | -14                              |          | 419    | -6                       | -2      | 133  | 71   | 27        |
| Mexico       |                | 46843  | 0.4           | -1     | -3      | -9   | -12   | -9                               |          | 437    | -4                       | 2       | 74   | 105  | 67        |
| Peru         |                | 19294  | -0.1          | 3      | 3       | 3    | -9    | -18                              |          | 199    | -11                      | 5       | 23   | 49   | 9         |
| Hungary      |                | 42135  | 1.2           | 0      | 4       | -11  | -17   | -12                              |          | 235    | -9                       | 21      | 92   | 111  | 82        |
| Poland       |                | 53344  | 0.9           | 0      | -2      | -21  | -23   | -15                              |          | 9      | -17                      | -67     | -29  | -23  | -7        |
| Romania      |                | 12511  | 1.0           | 3      | 0       | 6    | -4    | -5                               |          | 327    | -19                      | 15      | 129  | 134  | 94        |
| Russia       |                | 2190   | -0.3          | 7      | -9      | -42  | -42   | -29                              |          | 3411   | -577                     | 938     | 3228 | 3234 | 2897      |
| South Africa |                | 69320  | 1.3           | 2      | 2       | 1    | -6    | -8                               |          | 506    | 5                        | 69      | 153  | 151  | 117       |
| Turkey       |                | 2567   | 0.9           | 2      | 3       | 89   | 38    | 27                               |          | 794    | 77                       | 190     | 314  | 216  | 231       |
| Ukraine      |                | 519    | 0.0           | 0      | 0       | -1   | -1    | 0                                |          | 6591   | -414                     | 2004    | 6061 | 5832 | 5118      |
| EM total     |                | 40     | -0.3          | 2      | -1      | -23  | -18   | -16                              |          | 464    | 1                        | 34      | 90   | 77   | 6         |

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

[back to top](#)