



- Global investment funds decrease cash holdings as optimism builds for recovery ([link](#))
- ECB bank lending survey shows tightening in lending conditions expected for Q3 ([link](#))
- Bank of Japan keeps monetary policy unchanged; maintains cautious outlook ([link](#))
- US ends Hong Kong SAR's preferential trade status ([link](#))
- Central bank of Poland leaves rates unchanged, downgrades growth outlook ([link](#))
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## Vaccine hopes drive global risk assets higher

Sentiment remains risk-on driven by headlines that progress is being made towards developing a vaccine, with the encouraging news outweighing US-China tensions related to Hong Kong SAR. An early risk-off tone in yesterday's US trading session gave way to a rally to end the day with the S&P 500 closing up over 1%, its highest level in over a month, and futures gaining further this morning. US bank stocks have underperformed (-1%) as investors digested Q2 earnings releases that showed banks building large reserves to prepare for an uncertain credit outlook, while energy sector shares outperformed (+3%) on news OPEC members moved closer to compliance with agreed-upon production limits and forecasted global oil demand to return to pre-crisis levels in 2021. Overnight, Asian equities have also posted gains, with the exception of China, which suffered from the latest episode of tension with the US related to Hong Kong SAR's special status and sanctions. Major European indices are also advancing close to 2% amid the boost in risk sentiment. Elsewhere, core sovereign bond yields are slightly higher, while the US dollar index has depreciated to its weakest level since March. The euro has appreciated to \$1.14, a five-month high, and EM currencies are also broadly stronger led by South Africa (+1.3%) and Mexico (+0.8%).

Key Global Financial Indicators

Last updated: 7/15/20 8:14 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
<b>Equities</b>			%				%
S&P 500		3198	1.3	2	4	6	-1
Eurostoxx 50		3386	1.9	3	8	-3	-10
Nikkei 225		22946	1.6	2	7	6	-3
MSCI EM		43	1.1	1	9	1	-4
<b>Yields and Spreads</b>			bps				
US 10y Yield		0.65	2.6	-1	-7	-144	-127
Germany 10y Yield		-0.43	1.6	1	2	-18	-25
EMBIG Sovereign Spread		465	-3	5	-17	130	172
<b>FX / Commodities / Volatility</b>			%				
EM FX vs. USD, (+) = appreciation		55.4	0.5	1	0	-12	-10
Dollar index, (+) = \$ appreciation		95.9	-0.4	-1	-1	-1	-1
Brent Crude Oil (\$/barrel)		43.4	1.1	0	9	-35	-34
VIX Index (% change in pp)		28.2	-1.3	0	-6	16	14

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

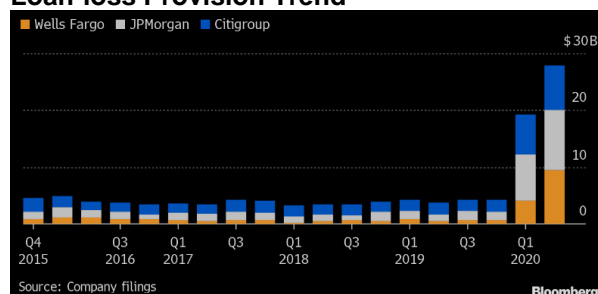
## United States

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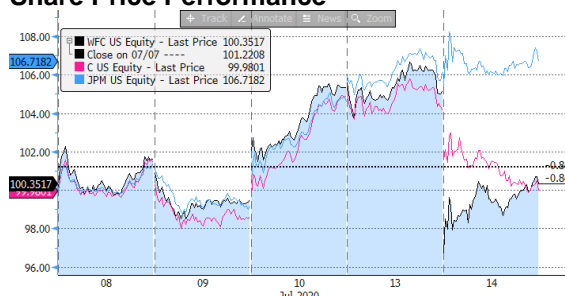
**US stocks closed higher today, recovering from a late-day sell-off on Monday, with Caterpillar and Exxon Mobil helping lift the market.** The Dow Jones led equities indexes, paced by gains in the energy sector after OPEC members said they intend to comply with promised oil-production cuts, while tech shares continued to lag the broader index. US Treasury yields rose in the latter part of the trading session, and ended up broadly unchanged across the curve, while the US dollar weakened to an almost 5-month low. Federal Reserve Governor Lael Brainard said the central bank should pivot its forward guidance and asset purchases toward providing longer-run accommodation. President Trump ordered an end to Hong Kong's special status with the U.S. and signed legislation that would sanction Chinese officials responsible for cracking down on political dissent in the city. Moderna Inc. surged almost 20% after the close of trading Tuesday as data showed the biotechnology company's COVID-19 vaccine produced antibodies in all patients tested in an initial safety trial.

**The market is absorbing the difficult credit outlook embedded in the initial earnings announcements by large US banks.** Results and management comments by JPMorgan, Citi and Wells Fargo yesterday highlight the challenges US banks will continue to face over the next several quarters. The three banks' loan-loss provisions totaled \$28 bn, the most since 2008. The bulk of this was 'reserves build' as banks prepare for losses that have not yet materialized. (JPMorgan's CEO: "You will see the effect of this recession. You're just not going to see it right away because of all the stimulus.") The share prices of JPMorgan and Citi emerged unscathed in part because both banks delivered record trading results – JPMorgan's exceeded their previous quarterly record by more than \$2 bn; Citi's were 68% above the highest analyst estimates –, reflecting helpful market conditions that may not persist. **This morning, Goldman Sachs's reported 2Q20 earnings, coming in 58% above consensus, and also reflects the mix of very strong capital market conditions.** After its initial positive response (both JPM and Citi were up in pre-market trading), Citi's share price traded down yesterday, WFC's fell sharply, and JPM's stabilized after sharply beating earnings expectations. Goldman's share price is up nearly 5% in pre-market trading

### Loan-loss Provision Trend

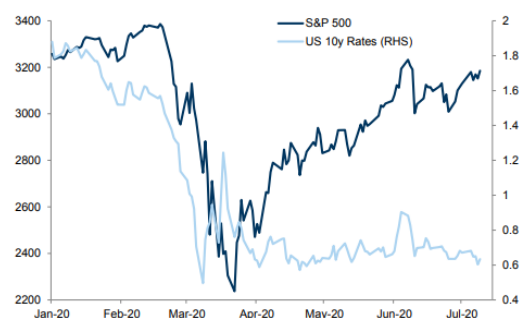


### Share Price Performance



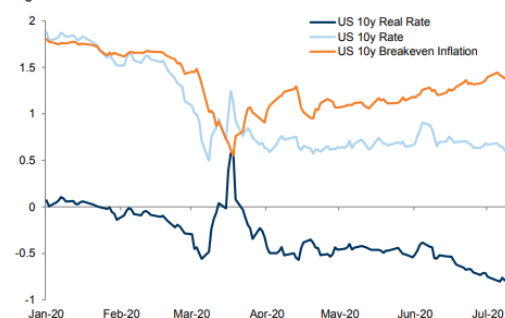
**Since March, nominal rates have been flat despite the strong equity rally – which Goldman analysts attributing this trend to enhanced forward guidance by the Fed. However, despite nominal rates being so stable, their composition has materially changed since the end of March, with breakeven rates higher and real rates falling to new multi-year lows.** In the last few decades, inflation has been highly correlated with economic growth and market inflation expectations have mirrored the performance of pro-cyclical assets per Goldman analysis. This is also reflected in Figure 3, where cyclical sectors have outperformed the defensive sectors by more than 10 ppts since March 23<sup>rd</sup>.

Exhibit 1: Since March, nominal rates have been flat despite the strong equity rally...

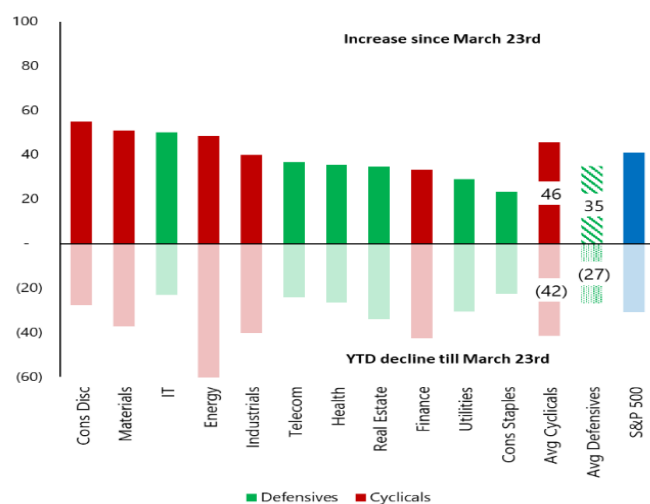


Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 2: ...but the composition of nominal rates has materially changed, with breakevens higher and real rates lower

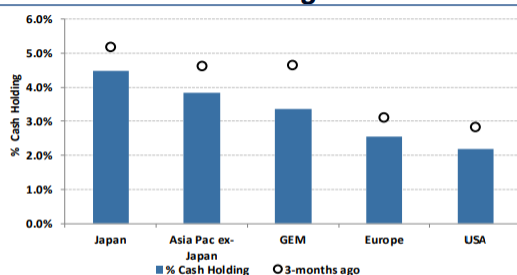


Source: Bloomberg, Goldman Sachs Global Investment Research



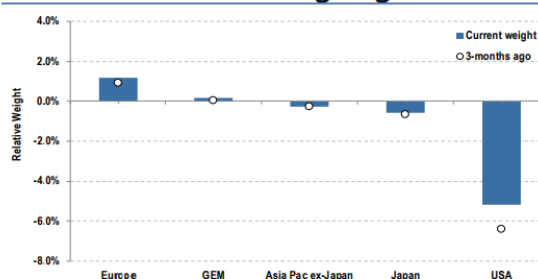
**BAML analysis highlights that global funds have reduced their cash holdings across regions over the last three months, reflecting the optimism post the sharp recovery.** Within regions, US looks to have the largest negative relative weight, but it has also improved the most in the last three months. Analysts also highlighted that funds' largest sector underweights include Energy, Materials and Financials and this has the potential to magnify a cyclical rotation if and when the global cycle eventually troughs.

Chart 5: Global Positioning: Cash



Source: BofA Global Quantitative Strategy, MSCI, FTSE, Factset, Bloomberg, 13F Filings, Benchmark Indices, Country Stock Exchanges

Chart 3: Global Positioning: Regions



Source: BofA Global Quantitative Strategy, MSCI, FTSE, Factset, Bloomberg, 13F Filings, Benchmark Indices, Country Stock Exchanges

## Europe

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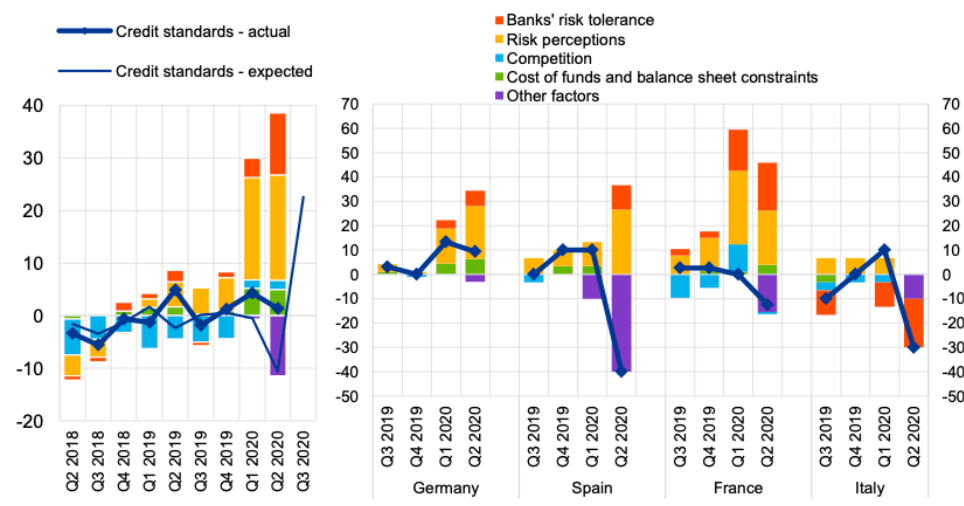
**European equities rebounded strongly, offsetting yesterday's losses.** The French CAC40 (+1.3%), German Dax (1.0%) and Italian FTSE (+1.0%) are all above Monday's closing levels. Industrial and construction material sectors are outperforming with indices up 2.5%.

**Yields in Germany and France are 1-2 bps lower, while Southern European spreads are wider by 1-2 bps as some European leaders tapered expectations for an agreement on the EU recovery fund to be reached this weekend.** The British pound is 0.6% stronger while the euro is extending its rally from yesterday by another 0.3%, trading close to this year's highs.

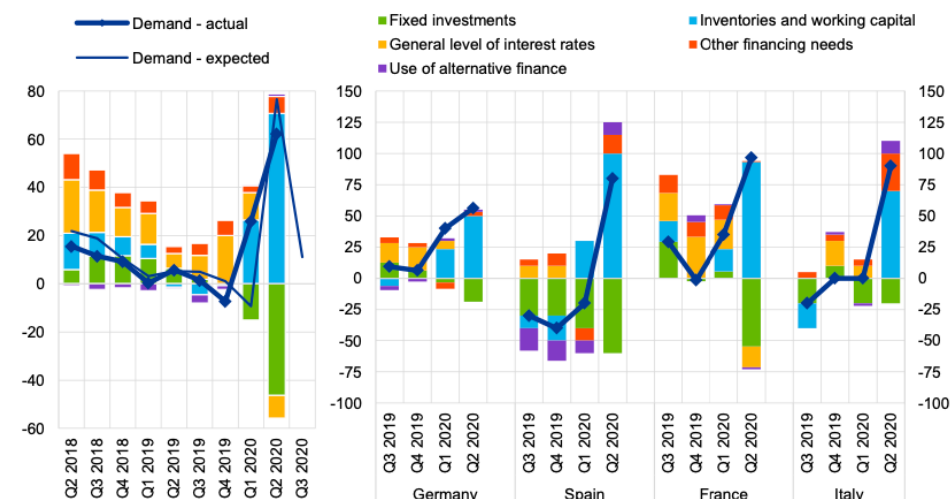


**The ECB bank lending survey shows that a significant tightening in enterprise lending conditions is expected for Q3, after lending condition remained broadly unchanged in Q2.** The primary driver of this tightening would be the expiration of state-guarantee schemes. The corporate demand for loans in the second quarter was primarily driven by working-capital related emergency liquidity needs. On the consumer lending front, credit standards tightened considerably in Q2 for both housing and consumer credit, a trend that is likely to persist in Q3. **While the demand for corporates loans is expected to slow in Q3, banks expect a strong recovery in mortgage and consumer loans, with high rejection rates posing headwinds to the economic recovery.**

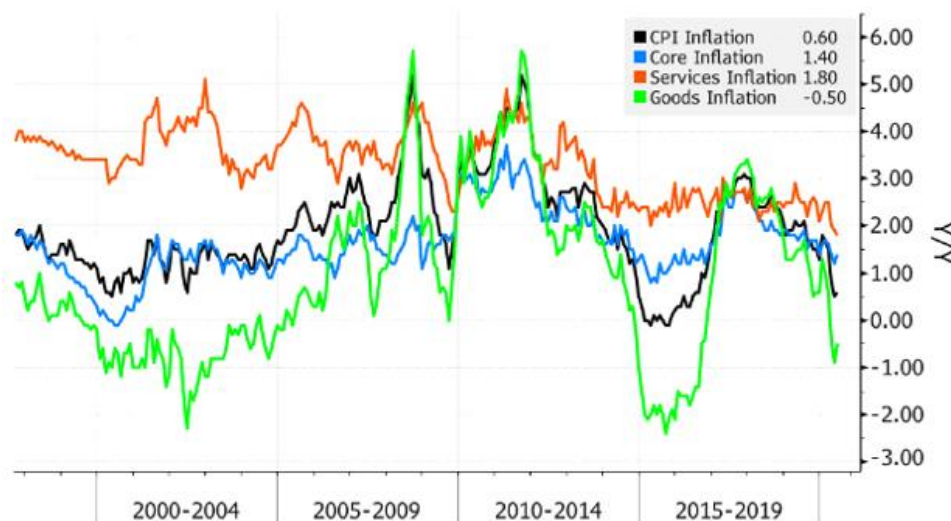
(net percentages of banks reporting a tightening of credit standards and contributing factors)



(net percentages of banks reporting an increase in demand and contributing factors)



**U.K. June inflation surprised to the upside with headline CPI at 0.6% y/y and core CPI at 1.4% y/y (Consensus: 0.4% and 1.2%).** The increase was mostly driven by apparel and computer game prices. The statistics office suggested this is likely to be a product of COVID-related seasonality pattern and supply related disruptions. Market contacts see the uptick as temporary and expect the overall outlook to remain disinflationary given the VAT-cut for the hospitality industry and downside risks to growth.

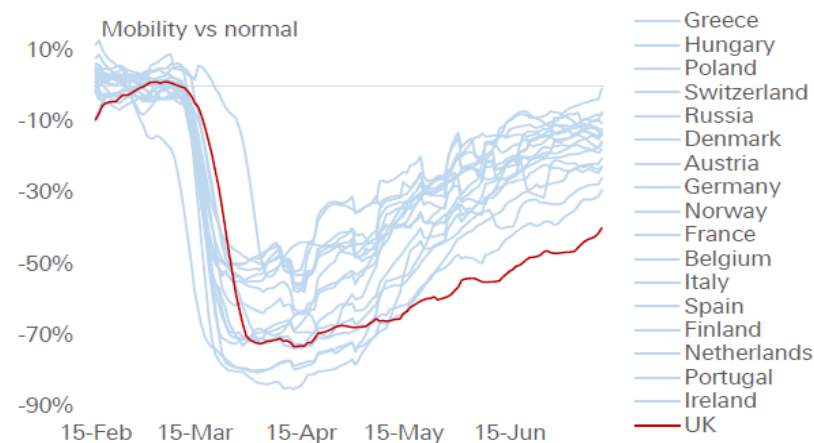


Source: ONS

**Investors are increasingly expecting the BoE to cut rates into negative territory as well as boost its bond purchases program by up £100 bn by end 2020.** This position is likely to be reinforced by today's comments by the BOE MPC member Sylvana Tenreyro, who suggested that the UK economy is likely to follow an 'interrupted V-shaped' recovery and that she is ready to support more stimulus.



Figure 4: The UK remains Europe's laggard despite the government easing official measures



Source : Deutsche Bank, Google & Apple Community Mobility Report

**French President Emmanuel Macron announced a fresh stimulus package worth €100 bn (4.3% of GDP) over 18-24 month period.** Further details will be provided by the Prime Minister Jean Castex later today, but the outline suggests that the focus will be on young workers support and a green investment plan. This will bring the total COVID-related fiscal stimulus to €210 bn (9.0% GDP). The President ruled out tax hikes with the extra spending financed by debt, which will be ring-fenced into a special entity like the current social debt CADES.

## Other Mature Markets

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### Japan

**The Bank of Japan (BOJ) left its monetary policy settings unchanged, in line with expectations.** The BoJ updated its economic forecasts, expecting growth to contract -4.7% in FY2020 (12 months through March 2021) and rebound by 3.3% in FY2021. BOJ Governor Kuroda said that the recovery starting from H2 will be slow. Inflation less fresh food is projected at -0.5% in FY2020 and 0.3% in FY2021. The July Reuters Tankan survey showed that sentiment of large manufacturers remained depressed at -44 in July versus -46 in June. Separately, Tokyo will raise its COVID-19 warning level to the highest level of the four-point scale. **Equities (+1.6%) gained while the yen and JGB yields were little changed.**

### Median forecasts of BoJ Board members

%oya

	BoJ's new forecast		Previous BoJ's fcst:	
	Jul 20		Apr 20	
	Real GDP	Core CPI <sup>12</sup>	Real GDP	Core CPI <sup>12</sup>
FY2020	-4.7	-0.5	-5.0 - -3.0	-0.7 - -0.3
FY2021	3.3	0.3	2.8 - 3.9	0.0 - 0.7
FY2022	1.5	0.7	0.8 - 1.6	0.4 - 1.0













Source: JP Morgan

## Emerging Markets

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**Asian equities rose +0.7% on net with wide dispersion across the region.** The Philippines (-2.5%) and China (Shanghai -1.6%; Shenzhen -2.1%) lagged while India (+1.3%) and Singapore (+1.2%) outperformed. Regional currencies were broadly stronger except for weakness in the Indonesian rupiah (-1% to a seven-week low) ahead of Bank Indonesia's policy rate decision tomorrow. **EMEA equities traded higher, in line with European markets.** Stocks outperformed in Israel (+2.4%) and South Africa (+1.3%). Currencies also firmed against the U.S. dollar. The South African rand stands out with a gain of 1.3% whereas the Hungarian forint gained 0.6% against the euro. The Turkish lira and Russian ruble were little changed. **Latin American markets were mostly higher on Tuesday.** Argentina and Brazil outperformed as both the equity indices rose 1.8%, followed by Chile (+1.6%). Local currencies were mixed but mainly traded in tight ranges, except for the Mexican peso (+1.4%). 10-year government bond yields were higher in Brazil and Colombia but were lower in Chile and Mexico.

Key Emerging Market Financial Indicators

Last updated: 7/15/20 8:18 AM	Level		Change				
	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks			%				%
MSCI EM Equities		43.01	1.1	1	9	1	-4
MSCI Frontier Equities		24.08	-0.1	0	2	-20	-21
EMBIG Sovereign Spread (in bps)		465	-3	5	-17	130	172
EM FX vs. USD		55.42	0.5	1	0	-12	-10
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.99	0.3	0	1	-2	0
Indonesian Rupiah		14588	-0.9	-1	-3	-5	-5
Indian Rupee		75.15	0.4	0	1	-9	-5
Argentine Peso		71.29	-0.1	-1	-3	-41	-16
Brazil Real		5.32	0.8	0	-3	-29	-24
Mexican Peso		22.27	0.8	2	0	-15	-15
Russian Ruble		70.85	0.0	0	-2	-12	-13
South African Rand		16.52	1.4	2	3	-16	-15
Turkish Lira		6.87	0.0	0	-1	-17	-13
EM FX volatility		9.81	0.0	-0.1	-0.5	2.8	3.2

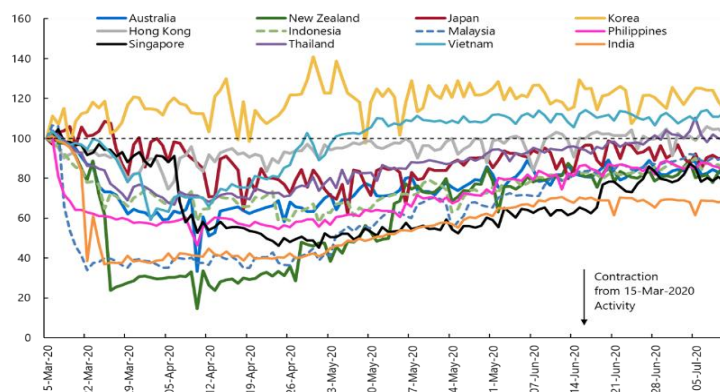
Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations. Data source: Bloomberg.

## Asia COVID-19 Update

**Normalization of people's mobility has flat-lined lately**, with India where case numbers remain high lagging the rest of Asia. China, which has not reported any local cases in nine days, further eased restrictions on domestic tourism. Tourism sites will allow 50% of their daily visitor capacity, an increase from 30%, while interprovince group tours will resume.

### Asia Google COVID-19 Mobility Activity

(Percent from Baseline; 15-Mar-2020)



Sources: Google COVID-19 Community Mobility Reports, IMF staff calculation  
Note: Average of Retail & Recreation, Grocery & Pharmacy, Parks, Transit Stations, Workplaces

## China

**US President Trump signed an order ending Hong Kong SAR's preferential trade treatment and a bill that would sanction Chinese officials and entities.** These were in retaliation over China's national security law imposed on Hong Kong. According to Bloomberg, banks are granted a year-long grace period to stop doing business with entities and individuals that could be determined by the US to be 'primary offenders' of undermining Hong Kong's autonomy. After the grace period, potential penalties that the US Treasury Department can impose include barring top executives from entering the US and restricting engagement in USD-denominated transactions, according to Pat Toomey, a Republican who co-sponsored the bill. **China said that it would impose countermeasures including sanctions on US individuals and entities without specifying targets.** China also urged the US to 'correct its wrongdoings' and to stop interfering in Hong Kong affairs. **Equities (Shanghai -1.6%; Shenzhen -2.1%) fell while the RMB strengthened 0.3%.**

## Poland

Yesterday, the zloty closed 0.4% stronger against the euro **after the central bank (NBP) left rates on hold at 0.10% (as expected) but substantially downgraded GDP projections for 2020.** The NBP now expects GDP growth for 2020 of -5.7% y/y (from +3.2% in March), below the range of [-5%, -1.8%] predicted in analyst surveys. Analysts have little doubt that the NBP will ease further if the economy disappoints as the MPC statement reiterated that any recovery in activity may be limited given the lack of visible exchange rate adjustment to the pandemic-driven shock and NBP easing. **The MPC also added that the NBP will continue purchases of government securities and government guaranteed debt in the secondary market as part of the structural open market operations.**

### Poland: Central bank projections for growth and inflation (yoy)

#### NBP projections

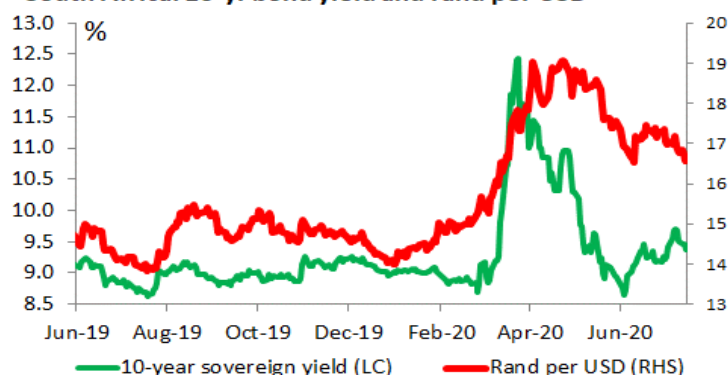
	2020	2021	2022
GDP			
projection from Jul-20	-5.7	4.35	3.95
projection from Mar-20	3.2	3.0	2.75
CPI			
projection from Jul-20	3.25	1.25	1.75
projection from Mar-20	3.65	2.65	2.35

Source: NBP

## South Africa

**10-year local yields fell 7 bps to 9.38% as inflation in May was lower than expected.** Headline inflation fell to 2.1% y/y (2.2% expected, from 3% previously), **below the lower end of the central bank's target range of 3% to 6% y/y** in headline CPI. The slowdown was driven by a decrease in the fuel price in May. The cost of gasoline was 27% lower y/y. Higher food costs added to the headline number, with price growth accelerating to 4.8% from 4.6%. **Core inflation fell to 3.1% y/y** (3.2% expected, from 3.2% previously) or -0.2% m/m (0% m/m expected).

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



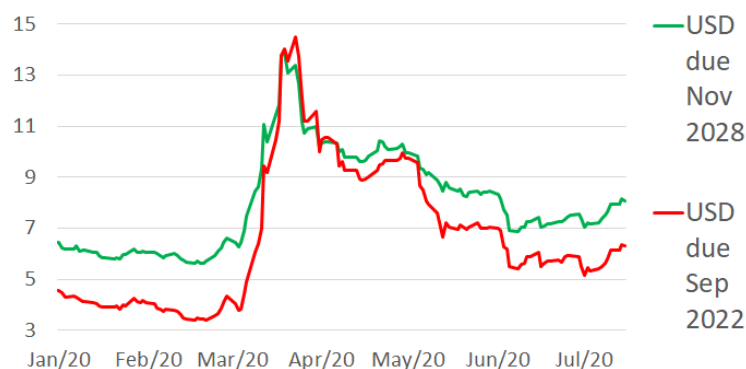
Source: Bloomberg and IMF staff



## Ukraine

**Yields on U.S. dollar denominated bonds traded 6-8 bps lower as Ukrainian president Zelenskiy said that the new central bank governor will be an independent technocrat.** Former central bank governor Smoliy told local media that the president pushed for his immediate exit so that parliament could approve a replacement before the summer recess starts on 17 July. 5-year CDS spreads were little changed at 574 bps, compared to a 2020 high of 1173 bps on 24 March. The Ukrainian hryvnia depreciated 0.2% to 27 per U.S. dollar.

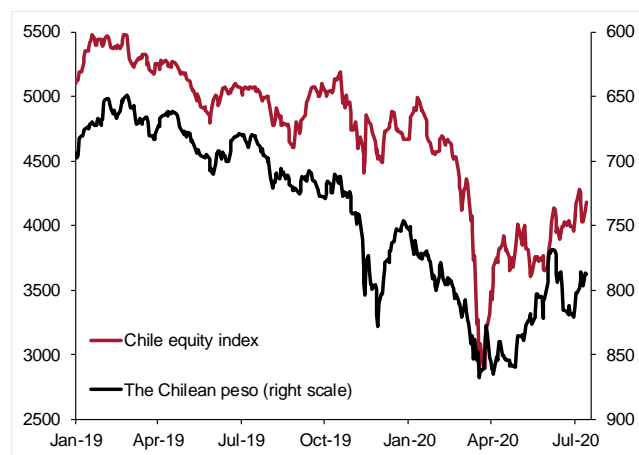
### Ukraine: Yields on U.S. dollar bonds (%)



Source: Bloomberg and IMF

## Chile

**Chile's government pledged a "profound reform" of the local pension system and promised more aid for mid-class workers.** The decision came as the government sought support to block an opposition-backed pension bill that would allow people to withdraw up to 10% from pension savings to weather the current economic crisis. President Pinera said that he would work with the Finance minister and the Labor minister to come up with a "national consensus" reform bill to improve pensions. At the same time, he promised a 500,000-peso grant for the middle class, cheap loans for the better-off and a six-month moratorium on mortgage payments. Chilean assets were mixed yesterday, with the domestic equities up 1.6% and the peso slightly weaker.



Source: Bloomberg

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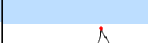







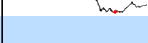



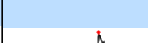






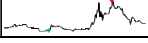
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## Global Financial Indicators

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<b>Equities</b>			%				%
United States		3198	1.3	2	4	6	-1
Europe		3386	1.9	3	8	-3	-10
Japan		22946	1.6	2	7	6	-3
China		3361	-1.6	-1	16	14	10
Asia Ex Japan		75	0.0	1	11	7	2
Emerging Markets		43	1.1	1	9	1	-4
<b>Interest Rates</b>			basis points				
US 10y Yield		0.65	2.6	-1	-7	-144	-127
Germany 10y Yield		-0.43	1.6	1	2	-18	-25
Japan 10y Yield		0.04	0.2	0	3	15	5
UK 10y Yield		0.19	3.8	1	-2	-61	-63
<b>Credit Spreads</b>			basis points				
US Investment Grade		140	-0.8	-2	-14	20	43
US High Yield		604	-3.1	-11	-11	171	210
Europe IG		60	-1.9	-3	-11	11	16
Europe HY		358	-15.8	-7	-46	115	151
EMBIG Sovereign Spread		465	-3.0	5	-17	130	172
<b>Exchange Rates</b>			%				
USD/Majors		95.88	-0.4	-1	-1	-1	-1
EUR/USD		1.14	0.4	1	1	2	2
USD/JPY		106.8	0.4	0	0	1	2
EM/USD		55.4	0.5	1	0	-12	-10
<b>Commodities</b>			%				
Brent Crude Oil (\$/barrel)		43	1.1	0	9	-35	-34
Industrials Metals (index)		111	0.2	3	10	-3	-3
Agriculture (index)		35	0.4	-2	0	-15	-15
<b>Implied Volatility</b>			%				
VIX Index (% change in pp)		28.2	-1.3	0.2	-6.2	15.6	14.5
10y Treasury Volatility Index		57.2	-2.1	-1.0	-12.2	-5.3	-4.8
Global FX Volatility		7.6	0.0	0.0	-1.3	1.5	1.6
<b>EA Sovereign Spreads</b>			10-Year spread vs. Germany (bps)				
Greece		171	-1.6	17	5	-85	6
Italy		164	-1.8	0	-26	-26	4
Portugal		86	-0.3	1	-13	2	23
Spain		85	-0.2	0	-15	9	20





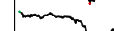

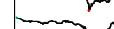























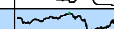







Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations.

Data source: Bloomberg.

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## Emerging Market Financial Indicators

Last updated: 7/15/2020 8:18 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		6.99	0.3	0.2	1	-2	0		3.2	-0.1	6	34	-4	3	
Indonesia		14588	-0.9	-1.2	-3	-5	-5		7.1	0.1	-6	-21	-7	1	
India		75	0.4	-0.2	1	-9	-5		5.9	2.7	-4	-17	-74	-95	
Philippines		49	0.1	0.0	2	3	2		3.9	-8.9	-9	-23	-84	-41	
Thailand		32	0.2	-0.9	-1	-2	-5		1.5	0.7	-2	4	-66	-14	
Malaysia		4.26	0.2	0.2	0	-4	-4		2.6	-0.1	-11	-29	-105	-79	
Argentina		71	-0.1	-0.6	-3	-41	-16		45.9	64.0	103	-294	1646	-1669	
Brazil		5.32	0.8	0.3	-3	-29	-24		5.3	1.3	0	5	-136	-97	
Chile		788	-0.2	0.6	0	-14	-5		2.6	-3.3	11	-7	-71	-67	
Colombia		3623	-0.1	0.1	4	-12	-10		5.2	1.0	-7	-47	-50	-72	
Mexico		22.27	0.8	1.8	0	-15	-15		5.8	-1.2	-14	-41	-188	-115	
Peru		3.5	0.0	1.1	-1	-6	-5		4.3	-1.2	-14	-12	-41	-25	
Uruguay		44	-0.4	-0.6	-2	-20	-15		9.8	0.0	-11	-38	-55	-110	
Hungary		309	1.0	1.4	-1	-6	-4		1.6	-0.8	2	-2	6	45	
Poland		3.91	0.5	1.1	0	-3	-3		0.8	-1.8	3	-2	-116	-104	
Romania		4.2	0.4	0.9	1	-1	1		3.8	-1.0	6	8	-18	-18	
Russia		70.9	0.0	0.4	-2	-12	-13		5.4	2.3	-10	5	-177	-68	
South Africa		16.5	1.4	2.5	3	-16	-15		10.3	2.1	-23	19	109	77	
Turkey		6.87	0.0	-0.1	-1	-17	-13		11.5	7.0	24	78	-595	-21	
US (DXY; 5y UST)		96	-0.4	-0.6	-1	-1	-1		0.30	1.1	0	-4	-154	-139	

	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		3361	-1.6	-1	16	14	10		223	2	0	-6	47	47
Indonesia		5076	-0.1	0	5	-21	-19		262	-1	4	-7	89	106
India		36052	0.1	-1	8	-7	-13		250	-1	4	12	113	125
Philippines		6017	-2.5	-4	-2	-28	-23		161	-1	1	-1	90	95
Malaysia		1586	-0.8	0	6	-5	0		180	3	2	-18	65	68
Argentina		44002	1.8	11	1	7	6		2370	-10	57	-223	1602	601
Brazil		100440	1.8	3	9	-3	-13		370	-4	4	-3	158	155
Chile		4181	1.6	0	7	-18	-10		206	-1	3	-7	76	73
Colombia		1145	-0.1	-1	0	-29	-31		289	-3	9	-1	116	126
Mexico		36191	-0.5	-4	-3	-16	-17		518	-7	12	14	195	226
Peru		16575	-0.4	-2	-2	-20	-19		175	-2	2	-11	61	68
Hungary		35361	0.8	-2	-5	-13	-23		163	-1	-3	-1	73	77
Poland		51043	1.2	1	4	-16	-12		42	1	0	-17	2	24
Romania		8477	0.7	-1	-1	-7	-15		295	3	17	-1	107	122
Russia		2758	0.5	-2	1	0	-9		214	1	3	0	23	83
South Africa		56317	1.4	1	8	-2	-1		526	-6	4	8	251	206
Turkey		117741	0.0	-1	7	21	3		612	-3	14	15	120	211
Ukraine		499	0.0	0	0	-7	-2		695	-19	42	51	175	275
EM total		43	1.1	1	9	1	-4		465	-3	5	-17	130	172

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

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