# Global Markets Monitor

GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

THURSDAY, JULY 2, 2020

- **Euro area activity indicators continue to recover** (link)
- **US energy sector remains vulnerable as banks reduce credit lines** (link)
- **US leveraged loan issuance continues to struggle despite improved sentiment** (link)
- **India's largest bank to run a fund to purchase bonds from shadow lenders** (link)
- **China's local governments to use bond proceeds to buy small banks' bonds** (link)

US | Europe | Other Mature | Emerging Markets | Market Tables

## Markets Advance on Improved Investor Sentiment

**Global risk assets gained on the back of positive news on the vaccine front and expectations of continued policy support in the near-term.** Asian stocks are up across the board, with Chinese equities 2.1% higher, while European equities have risen by about 1.2% so far today and US equities future are pointing to a strong start. The positive move in global equities came on the back of favorable news concerning trial results on an experimental new Covid-19 vaccine. This helped mitigate increasing investor concerns about a slowdown in the rollback of lockdown measures in a number of US states amid a spike in new virus cases. Investors also took solace in the dovish tone struck by FOMC members in the minutes of their June meeting, in which they seemed to emphasize the need to maintain an accommodative stance for "some time". US Non-Farm Payroll data and initial jobless claims data exceeded investor expectations, with 4.8 mn jobs added in June (vs. 3.06 mn exp.) and the unemployment rate declining to 11.1% (vs. 12.5% exp.) US Treasuries traded slightly weaker on the news – 10-Year yields increasing by about 2 bps.

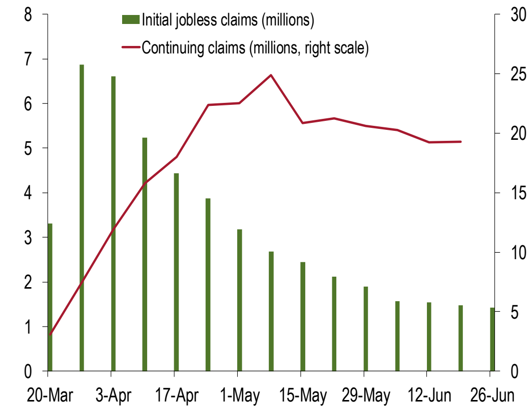
**Key Global Financial Indicators**

| Last updated: 7/2/20 8:13 AM | Level | | Change from Market Close | | | | |
|---|---|---|---|---|---|---|---|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | YTD |
| **Equities** | | | | | % | | % |
| S&P 500 | | 3116 | 0.5 | 2 | 1 | 5 | -4 |
| Eurostoxx 50 | | 3286 | 1.8 | 2 | 4 | -6 | -12 |
| Nikkei 225 | | 22146 | 0.1 | -1 | -1 | 2 | -6 |
| MSCI EM | | 40 | 2.2 | 0 | 2 | -6 | -10 |
| **Yields and Spreads** | | | | | bps | | |
| US 10y Yield | | 0.68 | 2.0 | -1 | -1 | -130 | -124 |
| Germany 10y Yield | | -0.41 | -1.9 | 5 | 0 | -5 | -23 |
| EMBIG Sovereign Spread | | 465 | -3 | -7 | -33 | 124 | 172 |
| **FX / Commodities / Volatility** | | | | | % | | |
| EM FX vs. USD, (+) = appreciation | | 55.0 | 0.4 | | -1 | -13 | -10 |
| Dollar index, (+) = $ appreciation | | 96.9 | -0.3 | 0 | -1 | 0 | 1 |
| Brent Crude Oil ($/barrel) | | 42.4 | 1.0 | 3 | 7 | -32 | -36 |
| VIX Index (%, change in pp) | | 27.9 | -0.7 | -4 | 1 | 15 | 14 |

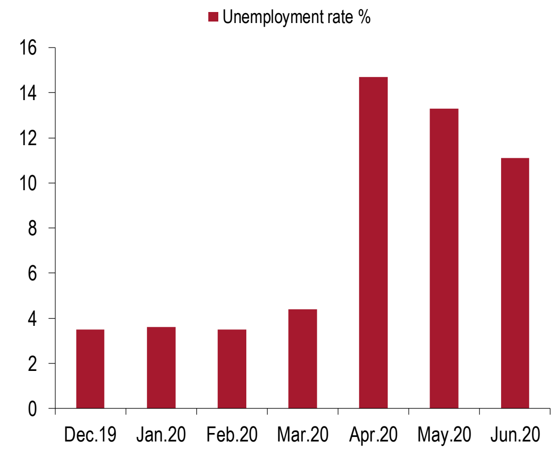
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

## United States back to top

**Labor market data comes in strong.** Nonfarm payrolls added 4.8 million jobs (vs 3.2 million consensus), delivering an unemployment rate of 11.1% (vs 12.5%), down from May's 13.3% figure. Meanwhile, initial jobless claims came in close to expectations at 1.4 million, down from a 1.5 million last week, while continuing claims were 19.3 million (vs 19 million). There were several media reports earlier in the week that continuing claims may be double counted in some states, inflating the overall number, while conversely, the unemployment rate could be a bit higher due to misclassification errors. S&P futures were up about 0.8% prerelease and rallied to +1.3%. The 10-year Treasury yield jumped about 2 bps.

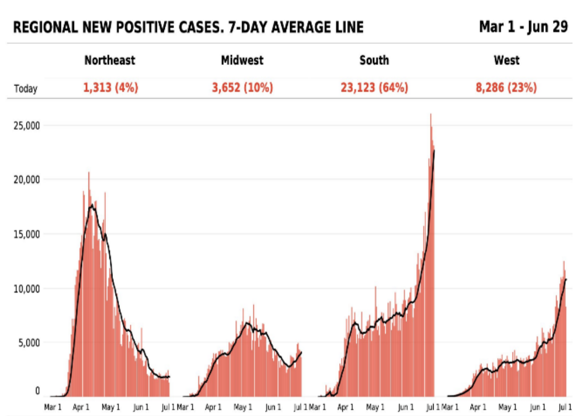


Source: Bloomberg, date axis corresponds to measurement period, not release date

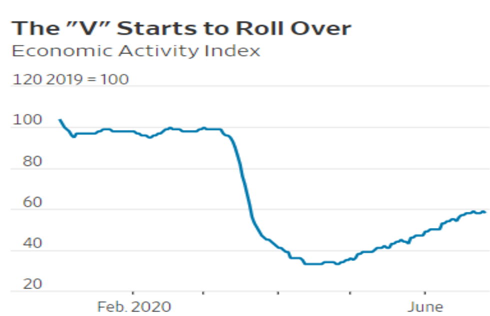



**Yesterday, markets endured a choppy day of headlines to eke out modest gains** after mixed news on Covid-19 and a positive ISM manufacturing print. The S&P 500 edged up 0.5%, while the Nasdaq gained 1.0%. Treasuries sold off, with yields up 1-2 bps, after the FOMC meeting minutes cast some doubt on the likelihood of yield curve control. Otherwise, FOMC participants noted significant uncertainty about the outlook, with concern that an initial rebound in economic activity could fade. Pfizer reported encouraging results from an experimental vaccine, while infection and hospitalization figures continue to deteriorate in certain areas of the country. ISM manufacturing surveys for June beat expectations, with the headline index surpassing 50 at 52.6 for the first time since February, signaling expansion.

**Renewed regional outbreaks are weighing on V-shaped recovery.** Economic activity indices have stalled out in recent weeks as the infections and hospitalizations have surged in the South and West. On a regional basis, economists say economic activity has contracted in recent weeks in hotspots like Texas, Arizona, and Florida, while continuing to trend higher in the Northeast. Consumer facing businesses such as McDonalds and Apple have either delayed reopening or closed certain locations in recent weeks.

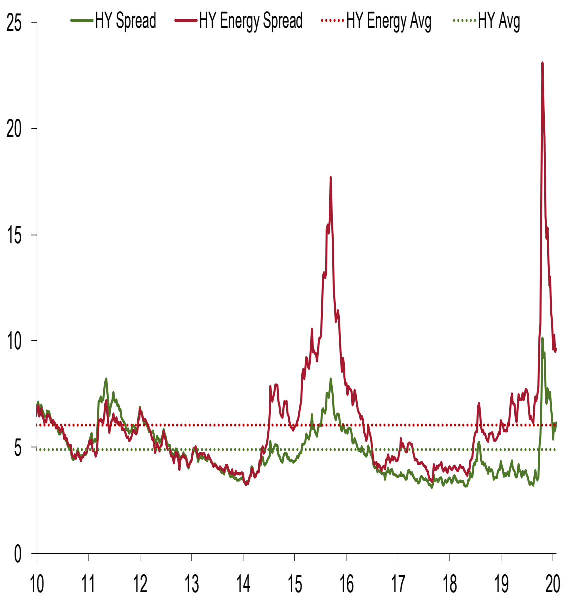


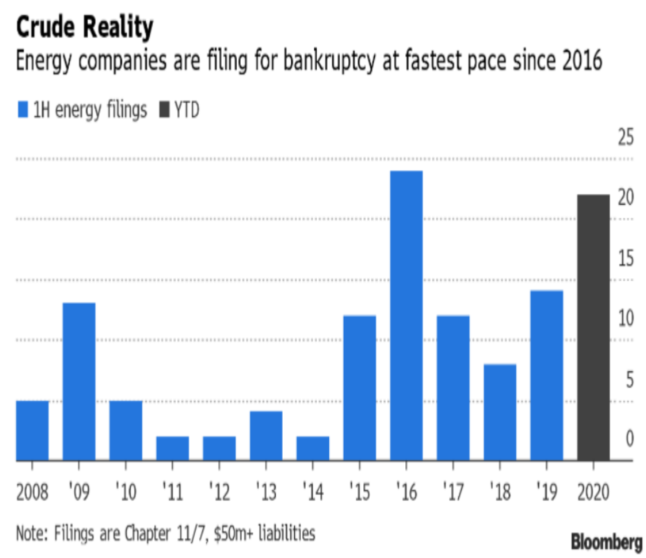
Source: The COVID Tracking Proje..



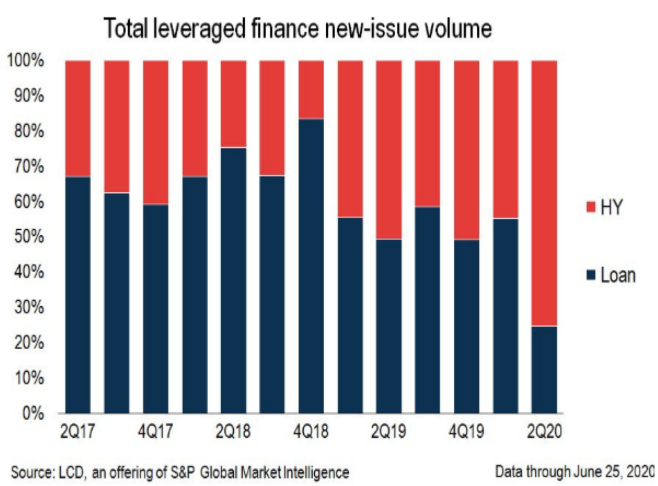
Note: Index components: public transit ridership, traffic congestion, flight activity, foot traffic at discretionary verticals, state unemployment web traffic, online job listings, small business hours, restaurant bookings
Source: Jefferies

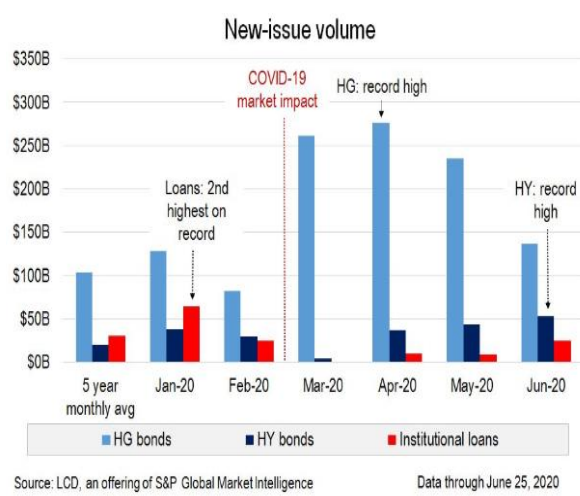
**Energy sector remains epicenter of bankruptcies as banks reduce credit lines.** Energy lenders tend to reassess their energy profile twice a year, and are reportedly reducing credit lines, tightening underwriting standards, and revaluating collateral (crude reserves in many cases). S&P reported that the average borrowing base for over 30 upstream companies was cut by nearly 25% this spring, with 80% of these companies now having their elected commitments equal their borrowing base—effectively limiting their future available liquidity. Energy bankruptcies hit the highest level since 2016 through June, and most analysts think oil at $40 per barrel will drive more bankruptcies in the second half of the year; $50 is seen as a critical threshold. Although higher rated companies may benefit from the Fed's ETF and corporate bond purchases, where energy is overweight in the Fed's index, the **high yield energy spreads remain well above their 10 year average.**




**Leveraged loan issuance has struggled amid high yield bond resurgence**. Leveraged loan volume slumped badly in the second quarter even as June saw record high yield bond issuance of over $50 bn. Total institutional loan volume (excluding those bought by banks) in Q2 fell to a 4-year low of $43.7 billion



(through June 25), albeit with some improvement over the last week. While cash poured into high yield ETFs in late April and May ahead of Fed purchases, loan demand fell apart as CLO origination stalled during the crisis and has recovered more slowly. Due to the divergence between high yield bonds and loans, only 48% of speculative grade issuers relied solely on loans year to date, compared to a 66% average over the last 5 years.

## Europe back to top

**Euro area**

Equities (+1.4%) gained as real-time economic activity indicators continue to improve across the euro area.

**Bank stocks (+4%) are sharply higher after the ECB communicated that it did not want capital requirements to hinder sustainable integration plans.** The ECB also published a guide for consultation on its supervisory approach on bank consolidation (comments due by 1 October 2020). The ECB plans to make use of its supervisory tools in order to facilitate sustainable consolidation projects. Such projects must be based on a credible business and integration plan, help improve the sustainability of the business model, and respect high standards of governance and risk management.

**The euro gained +0.3% against the U.S. dollar.** 10-yr bund yields are 2 bps lower at -0.41%.

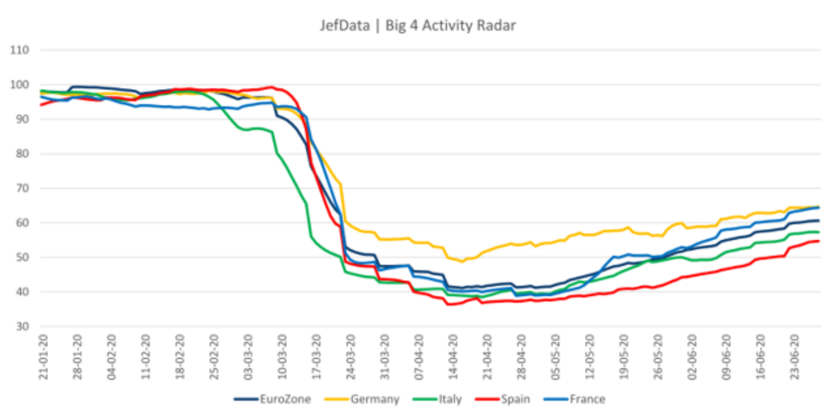
**Greek 10-yr spreads (at 157 bps) and Italian 10-yr spreads (-1 bps to 166 bps) were little changed**, consolidating at lower levels.

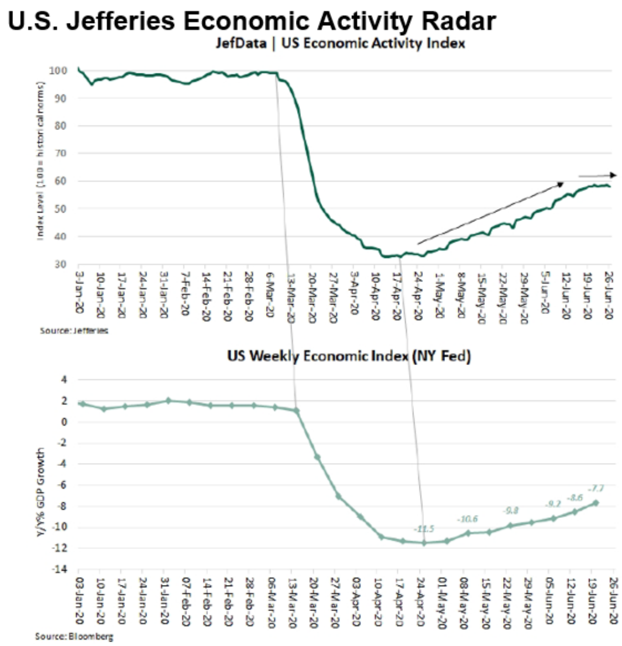
**The Bundestag will reportedly conclude today that the Bundesbank and ECB have fulfilled the German constitutional court's conditions** to continue buying government bonds.

**Analysts argue that ECB communication has become somewhat less dovish pointing to yesterday's comments** by ECB GC board member Schnabel that further expanding the PEPP QE program was 'not likely' and that the full PEPP envelope might not be needed.

**Jefferies' European Economic Activity Radar has moved up to 61% of pre-COVID levels**, from 58% last week. An increase in public transport usage and a rise in hiring activity drove the pick-up. Spain bounced 5 ppts to 55% of normal levels, while Germany continues to lead the recovery among the big four euro area countries at 65%. **In contrast, Jefferies writes that their Economic Activity Index for the U.S. has stagnated recently, at 58% last week** and virtually unchanged since 17 June.

**Euro area: Jefferies Economic Activity Radar**






**Three web-traffic indices for the euro area have also bounced higher.** Across the big four countries, visits to Accommodation sites are now at 100% of normal levels, up from 96% last week; Auto Dealer site visits are 3% above normal, whereas visits to Property Portal sites are now 20% above normal observable levels.

The **euro area's unemployment rate rose less than expected to 7.4% in May** (7.7% expected from 7.3% in April) but analysts believe that official unemployment numbers are understating labor market stress. **Recent data on furlough schemes show that the peak of the emergency is over but with strong divergences across countries**. Workers listed in the German Kurzarbeit applications scheme went down to 0.3 mn in June, from 8 mn in March. In Spain, on the other hand, 1.5 mn workers remain under the ERTE scheme, roughly half from the peak of the crisis. Italy and France have not yet reported net numbers,

**Dutch PM Rutte said that negotiations on the EU recovery plan will be "tough,"** reiterating his views that a system based on loans would be more logical.

## Other Mature Markets back to top

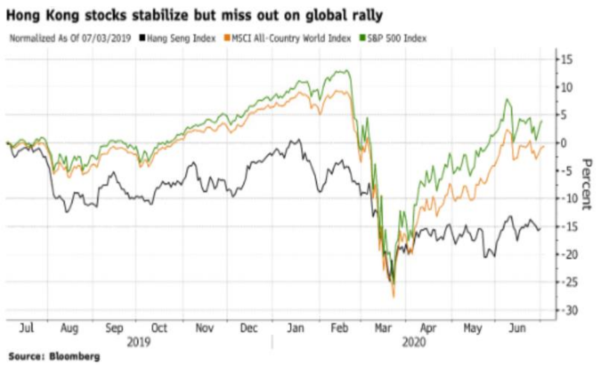
**Japan**

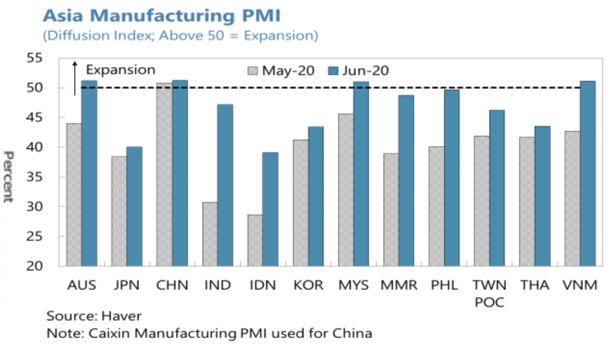
**Equities (+0.3%) rose slightly, the yen was unchanged and 10-year JGB yield fell 2 bps.** On COVID-19, Tokyo reported 107 new cases on Thursday, the highest since May 2. Around 40% of the infections in the past week have come from host clubs and other nighttime entertainment venues. The medical system is not under strain, recording only 280 COVID-19 related hospitalizations as of Wednesday.

## Emerging Markets back to top

**In Latin America,** equity markets were mixed on Wednesday. Argentina outperformed as the equity index rose 3%, followed by Chile (+2%) and Brazil (+1.2%), while Mexico and Colombia saw losses. Local currencies were mostly stronger. The Brazilian real was the best performer, appreciating 2.7% against the dollar, followed by the Mexican peso (+1.3%) and the Colombian peso (+1.1%). 10-year government bond yields fell 13 bps in Brazil and were mixed in other countries. **In EMEA,** equities traded on the stronger side with Poland (+1.5%), Russia (+1.3%) and South Africa (+1.5%) outperforming. EMEA currencies generally appreciated apart from the Ukrainian hryvna (-1.2%). **In Asia,** equities saw a broad-based rally (+2%). Hong

Kong SAR (+2.9%) outperformed, with property stocks leading on the first trading day after China's national security law was imposed on the city. Regional currencies were mixed, with strength in the Indian rupee (+0.8%) and weakness in the Indonesian rupiah (-0.7%) and Thai baht (-0.4%). **June PMIs improved across Asia, but most remained below the expansion mark except for China, Malaysia and Vietnam**. On COVID-19, Indonesia's capital, Jakarta, extended the transition period to exit from a partial lockdown by two weeks. The government will step up surveillance and enforcement of social distancing rules in 300 traditional markets and in public transport services.




**Key Emerging Market Financial Indicators**

| Last updated: | Level | | Change | | | | |
|---|---|---|---|---|---|---|---|
| 7/2/20 8:17 AM | Last 12m | index | 1 Day | 7 Days | 30 Days | 12 M | YTD |
| **Major EM Benchmarks** | | | | | % | | % |
| MSCI EM Equities | | 40.44 | 2.2 | 0 | 2 | -6 | -10 |
| MSCI Frontier Equities | | 24.15 | -0.2 | 0 | 1 | -19 | -20 |
| EMBIG Sovereign Spread (in bps) | | 465 | -3 | -7 | -33 | 124 | 172 |
| EM FX vs. USD | | 55.00 | 0.4 | | -1 | -13 | -10 |
| **Major EM FX vs. USD** | | | | | %, (+) = EM currency appreciation | | |
| China Renminbi | | 7.07 | 0.1 | 0 | 0 | -3 | -1 |
| Indonesian Rupiah | | 14378 | -0.7 | -1 | 0 | -2 | -4 |
| Indian Rupee | | 75.01 | 0.8 | 1 | 0 | -8 | -5 |
| Argentine Peso | | 70.51 | -0.1 | -1 | -3 | -40 | -15 |
| Brazil Real | | 5.28 | 0.8 | 2 | -1 | -27 | -24 |
| Mexican Peso | | 22.60 | 0.5 | 0 | -4 | -16 | -16 |
| Russian Ruble | | 70.35 | 1.2 | -2 | -2 | -10 | -12 |
| South African Rand | | 16.90 | 0.9 | 1 | 2 | -17 | -17 |
| Turkish Lira | | 6.86 | -0.1 | 0 | -2 | -17 | -13 |
| EM FX volatility | | 10.32 | 0.0 | -0.3 | 0.0 | 2.5 | 3.7 |

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

## China

**China will allow local governments to use part of the proceeds from special bond issuance to buy bank bonds.** According to the State Council, local governments can buy convertible bonds issued by small and medium-sized banks. The authorities did not specify how much debt will be used for the purpose. Small and medium-sized banks are viewed as a weak spot in the financial system and have been particularly affected by COVID-19 through their lending to SMEs. Local governments are allowed to sell RMB3.75 tn ($530.8 bn) worth of special bonds this year and analysts estimate that there is a remaining quota of

RMB1.53 tn to be fulfilled in H220. **Equities (Shanghai +2.1%; Shenzhen +1.3%) rose while the RMB was little changed.**

**Chinese regulators have issued new guidelines to better tackle bond defaults.** The regulators seek to build a framework for addressing defaults by focusing on the role played by trustees and meetings with creditors according to the statement. The regulators aim to crack down on borrowers "who maliciously avoid" debt repayment and poorly written prospectuses. Chinese companies have defaulted on CNY38 tn ($5.4 bn) worth of local bonds (down 35.5% y/y) and $4 bn in dollar bonds (up 150% and already higher than the total for 2019), according to Bloomberg.

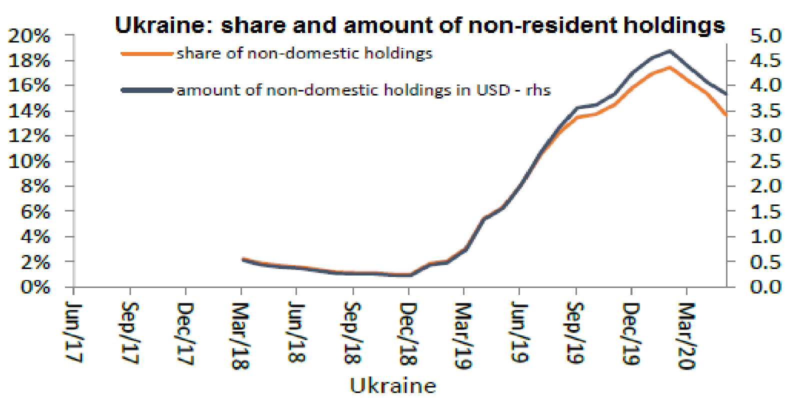
**The US House of Representatives unanimously passed a bill that would impose sanctions on banks that conduct business with Chinese officials involved in the national security bill for Hong Kong SAR.**

**India**

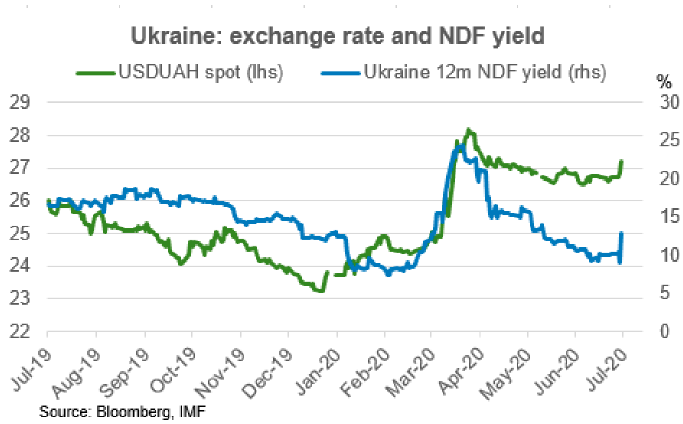
**India's central bank released guidelines for a special liquidity facility to support non-bank financial institutions (NBFCs).** SBI Capital Markets, a unit of State Bank of India, will set up a fund to purchase investment-grade commercial paper and non-convertible bonds with a residual maturity of three months or less from eligible NBFCs. Purchases will be made until September 2020 and the shadow lenders will use the money to repay existing obligations. The Reserve Bank of India (RBI) did not mention how much money will be poured into the fund. The plan for this facility was first announced in May. The plan was for the fund to receive a small equity injection from the government ($700k) and raise INR300 bn ($4 bn) by issuing interest-bearing and government-guaranteed securities to the RBI. **Equities rose +1.2% and the Indian rupee appreciated 0.8%.**

## Ukraine

**The resignation of Yakiv Smoliy, the Governor of the National Bank of Ukraine (NBU), surprised markets.** Governor Smoliy cited pressure on the central bank's independence. The President of Ukraine accepted Governor Smoliy's resignation but also reassured investors of his support for central bank independence. Authorities also cancelled the $1.75bn Eurobond placement that was already priced on Wednesday. Market participants viewed this as a positive development as contacts seemed concerned about the Mr. Smoliy's replacement, especially as NBU Deputy Governor Oleg Chury wrote a column over the weekend that explicitly pointed to pressures on the NBU over its FX and monetary policy. The Ukrainian hryvna weakened 1.2% on the open, but traders suggested that the NBU may be supporting the onshore spot market. The local bond market was mostly frozen due to lack of liquidity but off-shore 1-year NDF yields were 300 bps higher. Overall investor positioning in the Ukraine market has lightened up since the on-set of Covid-19, with non-residents continuing to hold about $3.5 bn of local debt.

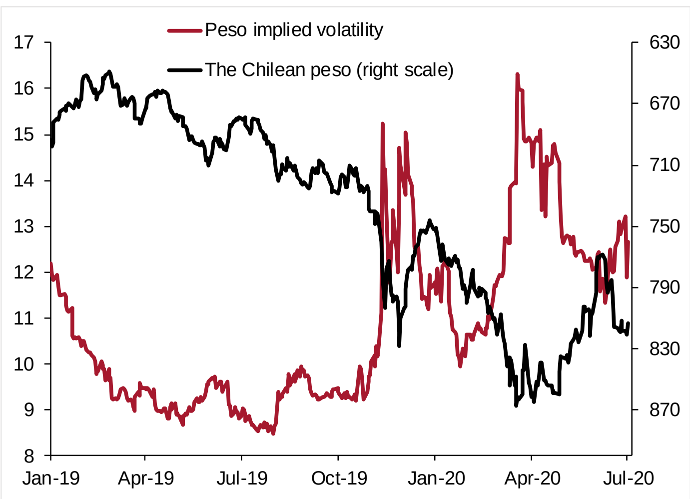



*Source : Deutsche Bank, Haver Analytics*




**Chile**

**Chile's economic activity contracted the most on record in May, as the government implemented stricter lockdowns amid surging confirmed coronavirus cases.** The Imacec economic activity index plunged 15.3% y/y in May (-3.4% m/m), reaching the lowest level in history. The non-mining activity was the main drag, contracting 17.0% /in May and offsetting the gains posted by mining activity (+1.2% y/y). BoA's analysts have downgraded their 2020 GDP forecast to -5.9% (-4.2% before) but still expected the economy to recover in the third quarter of this year. Despite the disappointing economic data, Chilean assets saw gains yesterday. The domestic equities rose 2%, and the peso appreciated 1% against the dollar. Yet the peso implied volatility rose 6.6%, indicating increasing uncertainties from investors.




Source: Bloomberg

**Mexico**

**The year-to-date public sector deficit printed at 0.7% of GDP up to May, better than market expectations.** According to reports, the deficit was mostly driven by Pemex (-0.7% of GDP) and the federal government (-0.5% of GDP), which were partially offset by the surplus in social security institutes (0.4% of GDP). Though the lockdowns had a negative impact on economic activity since April, the year-to-date tax revenue rose by 2.1% y/y. Yet, according to the survey published by the central bank yesterday, Mexico's economists lowered their 2020 GDP forecast to -8.97% (-8.16% before). Mexican local markets were mixed yesterday, with domestic equities closing slightly lower and the peso appreciating by 1.3% against the dollar.

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## Global Financial Indicators

| Last updated: 7/2/20 8:14 AM | Level: Last 12m | Level: Latest | Change: 1 Day | Change: 7 Days | Change: 30 Days | Change: 12 M | YTD |
|---|---|---|---|---|---|---|---|
| **Equities** | | | | | **%** | | **%** |
| United States | | 3116 | 0.5 | 2 | 1 | 5 | -4 |
| Europe | | 3286 | 1.8 | 2 | 4 | -6 | -12 |
| Japan | | 22146 | 0.1 | -1 | -1 | 2 | -6 |
| China | | 3091 | 2.1 | 4 | 6 | 2 | 1 |
| Asia Ex Japan | | 70 | 1.0 | 0 | 3 | -1 | -5 |
| Emerging Markets | | 40 | 2.2 | 0 | 2 | -6 | -10 |
| **Interest Rates** | | | | | **basis points** | | |
| US 10y Yield | | 0.68 | 2.0 | -1 | -1 | -130 | -124 |
| Germany 10y Yield | | -0.41 | -1.9 | 5 | 0 | -5 | -23 |
| Japan 10y Yield | | 0.04 | -1.1 | 2 | 2 | 18 | 5 |
| UK 10y Yield | | 0.20 | -1.1 | 5 | -2 | -52 | -62 |
| **Credit Spreads** | | | | | **basis points** | | |
| US Investment Grade | | 146 | -1.2 | -7 | -20 | 27 | 48 |
| US High Yield | | 637 | -1.9 | 15 | 11 | 199 | 243 |
| Europe IG | | 64 | -1.2 | -6 | -3 | 14 | 20 |
| Europe HY | | 366 | -3.9 | -32 | -24 | 121 | 159 |
| EMBIG Sovereign Spread | | 465 | -3.0 | -7 | -33 | 124 | 172 |
| **Exchange Rates** | | | | | **%** | | |
| USD/Majors | | 96.95 | -0.3 | 0 | -1 | 0 | 1 |
| EUR/USD | | 1.13 | 0.3 | 1 | 1 | 0 | 1 |
| USD/JPY | | 107.4 | 0.0 | 0 | 1 | 0 | 1 |
| EM/USD | | 55.0 | 0.4 | | -1 | -13 | -10 |
| **Commodities** | | | | | **%** | | |
| Brent Crude Oil ($/barrel) | | 42 | 1.0 | 3 | 7 | -32 | -36 |
| Industrials Metals (index) | | 105 | 0.4 | 2 | 5 | -5 | -8 |
| Agriculture (index) | | 36 | 0.1 | 5 | 4 | -11 | -13 |
| **Implied Volatility** | | | | | **%** | | |
| VIX Index (%, change in pp) | | 27.9 | -0.7 | -4.3 | 1.1 | 15.0 | 14.2 |
| Global FX Volatility | | 8.1 | 0.0 | -0.4 | 0.3 | 1.8 | 2.1 |
| **EA Sovereign Spreads** | | | | | **10-Year spread vs. Germany (bps)** | | |
| Greece | | 160 | 2.8 | -17 | -33 | -95 | -5 |
| Italy | | 165 | -1.5 | -12 | -26 | -56 | 5 |
| Portugal | | 85 | -1.4 | -8 | -7 | 12 | 23 |
| Spain | | 88 | -1.9 | -5 | -10 | 22 | 22 |

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

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# Emerging Market Financial Indicators

| Last updated: 7/2/2020 8:16 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 | | 7.07 | 0.1 | 0.2 | 0 | -3 | -1 | | 2.9 | -0.9 | -5 | 25 | -32 | -21 |
| Indonesia | | 14378 | -0.7 | -1.4 | 0 | -2 | -4 | | 7.3 | 2.6 | 0 | -18 | -17 | 12 |
| India | | 75 | 0.8 | 0.9 | 0 | -8 | -5 | | 6.0 | -3.4 | -9 | -11 | -98 | -87 |
| Philippines | | 50 | 0.2 | 0.5 | 1 | 3 | 2 | | 4.0 | 0.8 | -8 | -19 | -82 | -27 |
| Thailand | | 31 | -0.4 | -0.5 | 2 | -1 | -4 | | 1.4 | 3.7 | -1 | 4 | -81 | -18 |
| Malaysia | | 4.29 | 0.0 | -0.2 | 0 | -3 | -5 | | 2.8 | -2.5 | -6 | 1 | -85 | -58 |
| Argentina | | 71 | -0.1 | -0.6 | -3 | -40 | -15 | | 44.4 | -17.1 | -62 | -50 | 1569 | -1817 |
| Brazil | | 5.28 | 0.8 | 1.6 | -1 | -27 | -24 | | 5.3 | -5.4 | -16 | -17 | -155 | -99 |
| Chile | | 814 | 0.9 | 0.7 | -2 | -17 | -8 | | 2.6 | 3.4 | 21 | 25 | -75 | -66 |
| Colombia | | 3716 | 1.1 | 0.3 | 0 | -14 | -12 | | 5.5 | -3.7 | -9 | 11 | -29 | -47 |
| Mexico | | 22.60 | 0.5 | 0.3 | -4 | -16 | -16 | | 5.9 | -10.0 | -28 | -42 | -166 | -107 |
| Peru | | 3.5 | 0.4 | -0.5 | -3 | -7 | -6 | | 4.4 | 0.3 | 4 | 3 | -46 | -14 |
| Uruguay | | 42 | -0.2 | -0.3 | 3 | -17 | -12 | | 10.0 | -14.6 | -9 | -35 | -41 | -86 |
| Hungary | | 311 | 0.7 | 1.4 | -1 | -8 | -5 | | 1.6 | 3.7 | 10 | 1 | -2 | 38 |
| Poland | | 3.96 | 0.3 | 0.1 | -1 | -5 | -4 | | 0.9 | 3.8 | 2 | 8 | -117 | -102 |
| Romania | | 4.3 | 0.5 | 0.7 | 1 | -2 | 0 | | 3.7 | 0.0 | 0 | -7 | -42 | -31 |
| Russia | | 70.3 | 1.2 | -1.9 | -2 | -10 | -12 | | 5.5 | 0.0 | 24 | 26 | -169 | -57 |
| South Africa | | 16.9 | 0.9 | 1.5 | 2 | -17 | -17 | | 10.1 | -1.2 | -1 | 39 | 85 | 57 |
| Turkey | | 6.86 | -0.1 | 0.0 | -2 | -17 | -13 | | 10.6 | 7.5 | 14 | -6 | -594 | -111 |
| US (DXY; 5y UST) | | 97 | -0.3 | -0.5 | -1 | 0 | 1 | | 0.31 | 0.0 | -2 | -1 | -143 | -138 |

| | 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 | | 3091 | 2.1 | 4 | 6 | 2 | 1 | | 228 | 0 | 0 | -10 | 48 | 52 |
| Indonesia | | 4967 | 1.1 | 1 | 2 | -22 | -21 | | 259 | -3 | 1 | -13 | 73 | 103 |
| India | | 35844 | 1.2 | 3 | 6 | -10 | -13 | | 247 | -1 | 9 | -17 | 103 | 122 |
| Philippines | | 6364 | 2.5 | 4 | 6 | -21 | -19 | | 160 | -1 | -2 | -1 | 81 | 94 |
| Malaysia | | 1536 | 1.4 | 3 | 2 | -9 | -3 | | 187 | -3 | 1 | -16 | 61 | 75 |
| Argentina | | 39847 | 3.0 | -1 | -5 | -5 | -4 | | 2503 | -10 | 9 | -76 | 1695 | 734 |
| Brazil | | 96203 | 1.2 | 2 | 6 | -4 | -17 | | 366 | 0 | -7 | -5 | 134 | 151 |
| Chile | | 4037 | 2.0 | 0 | 8 | -19 | -14 | | 209 | 0 | 0 | -10 | 75 | 76 |
| Colombia | | 1110 | -0.2 | -1 | -1 | -28 | -33 | | 286 | -1 | -12 | 9 | 108 | 123 |
| Mexico | | 37620 | -0.3 | -1 | 0 | -13 | -14 | | 520 | -2 | -3 | 5 | 193 | 228 |
| Peru | | 16724 | -0.9 | 0 | 6 | -19 | -19 | | 178 | -1 | 1 | -5 | 56 | 71 |
| Hungary | | 36181 | 2.2 | -2 | 1 | -11 | -21 | | 172 | 0 | 3 | -11 | 81 | 86 |
| Poland | | 50897 | 1.6 | 0 | 4 | -16 | -12 | | 46 | -2 | -3 | -17 | 6 | 28 |
| Romania | | 8627 | -0.7 | 1 | -2 | -2 | -14 | | 287 | -3 | 2 | -29 | 105 | 114 |
| Russia | | 2777 | 1.2 | -1 | 1 | -1 | -9 | | 206 | -2 | 0 | 7 | 3 | 75 |
| South Africa | | 54688 | 1.7 | 1 | 4 | -6 | -4 | | 522 | -3 | -1 | -30 | 241 | 202 |
| Turkey | | 116747 | 1.2 | 2 | 8 | 17 | 2 | | 581 | -4 | -18 | -30 | 117 | 180 |
| Ukraine | | 499 | 0.0 | 0 | 0 | -9 | -2 | | 633 | 28 | -16 | -70 | 114 | 213 |
| EM total | | 40 | 2.2 | 0 | 2 | -6 | -10 | | 465 | -3 | -7 | -33 | 124 | 172 |

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

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