







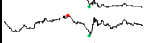
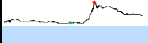


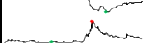
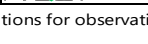

- S&P 500 hits 5-month high while market liquidity indicators still not fully recovered ([link](#))
- Euro approaches two-year high as positioning points to further appreciation ([link](#))
- Australia's budget update sees a deficit at nearly 10% of GDP ([link](#))
- Korea's economy slid into worst recession since the Asian crisis ([link](#))
- Turkish central bank holds policy rate at 8.25%, as expected ([link](#))
- Central bank of Ukraine leaves policy rate unchanged ahead of Eurobond issuance ([link](#))
- Mexican government presents pension system reform ([link](#))

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## Global risk assets grind higher on earnings and stimulus optimism

Sentiment continues to receive a boost from news on potential vaccines, upside corporate earnings surprises, and further US fiscal stimulus, but geopolitical tensions involving China and the US remains simmering in the background. Yesterday, equity markets in the US advanced for the fourth straight session on the back of hopes for a new spending bill, corporate earnings, and optimism on a vaccine for COVID-19. About a fifth of S&P 500 constituents have reported so far with almost 80% of the firms beating EPS estimates and tracking above the five-year average for earnings beats. However, gains have been limited by tensions between the US and China, and markets have been choppy overnight with stocks in Asia mixed, while major bourses in Europe are slightly higher following some stronger earnings announcements. Core sovereign bonds seem to remain immune to the extended rally in risk assets as yields have been little changed to slightly lower and have sustained that trend this morning. The US dollar remains under pressure with the broad index testing its most recent low in early-March, while the euro has maintained its strengthening trend following the conclusion of the EU council talks earlier this week, approaching \$1.16 and its strongest level since 2018. In EM central bank decisions this morning, both Turkey and Ukraine left their policy rates unchanged, while broader EM assets are posting modest gains.

Key Global Financial Indicators

Last updated: 7/23/20 8:19 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
S&P 500		3276	0.6	2	5	9	1
Eurostoxx 50		3386	0.4	1	3	-4	-10
Nikkei 225		22752	-0.6	-1	1	5	-4
MSCI EM		44	0.3	1	7	2	-3
<b>Yields and Spreads</b>			bps				
US 10y Yield		0.58	-1.5	-3	-13	-150	-134
Germany 10y Yield		-0.49	0.2	-2	-8	-13	-30
EMBIG Sovereign Spread		439	-3	-24	-25	111	146
<b>FX / Commodities / Volatility</b>			%				
EM FX vs. USD, (+) = appreciation		55.8	-0.3	1	1	-11	-9
Dollar index, (+) = \$ appreciation		95.0	0.0	-1	-2	-3	-1
Brent Crude Oil (\$/barrel)		44.1	-0.4	2	4	-31	-33
VIX Index (% change in pp)		24.0	-0.3	-4	-7	11	10

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 rose for a 4<sup>th</sup> day to a 5-month high, as concerns about escalating US-China tension were offset by hopes of stimulus package and vaccines.** The US administration is reportedly discussing a short-term extension of the unemployment insurance. Defensive sectors outperformed (utilities and real estate), supported by the news of a strong rebound in US existing home sales in June (+20.7% m/m), while contacts report that investors are leaning into high dividend stocks as Treasury yields continued to edge lower, though remain in tight ranges. Energy and financial sector stocks retreated after rallying yesterday, with the energy sector also weighed down by an EIA report showing crude oil inventories rising by 5 mn barrels. **On earnings, nearly 20% of S&P 500 have reported. Results are generally tracking ahead of low bar estimates, with 78% of firms beating on EPS.** Revenues dropped 6.4% y/y and earnings tanked 52.2% y/y, but both are well above expectations. The Treasury curve flattened with short-maturity rates marginally up and the ultra-long rates 2 bps lower. The 30-year yield fell as much as 4 bps intraday amid renewed US-China tensions and a WSJ report discussing the possibility for the Fed to lengthen the maturity of its Treasury purchases. Yields backed up later following the fairly weak auction of \$17 bn in 20-year bonds (cleared 1 bp below when-issued rate; cover ratio down to 2.4x).

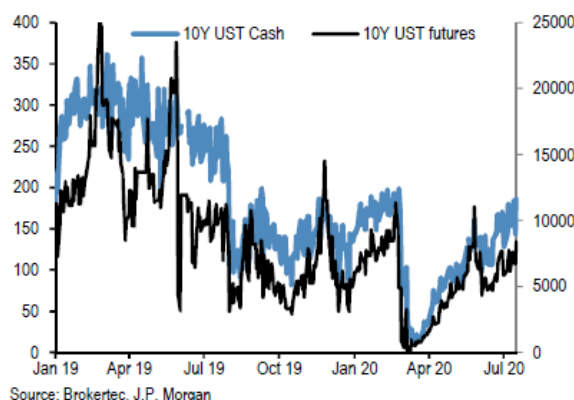
**In economic data this morning, initial jobless claims increased for the first time since March and came in at 1.42 mn last week, compared to the prior reading of 1.31 mn.** Continuing claims fell by 1.2 mn to 16.2 mn 2 weeks ago. S&P 500 futures remain higher following the report while Treasuries are little changed.

**Unlike the bond market, US equity markets have only seen a partial recovery in liquidity conditions.** In the futures market, the market depth in the S&P 500 E-mini contracts has only recovered to 1/3 of its pre-pandemic level, while price impact measures show larger improvements, albeit still worse than where it was in February. In the cash or spot market, the average trade size for shares listed on NYSE and NASDAQ has retraced only half of its deterioration, in part driven by an explosion in online trading platforms for retail investors.

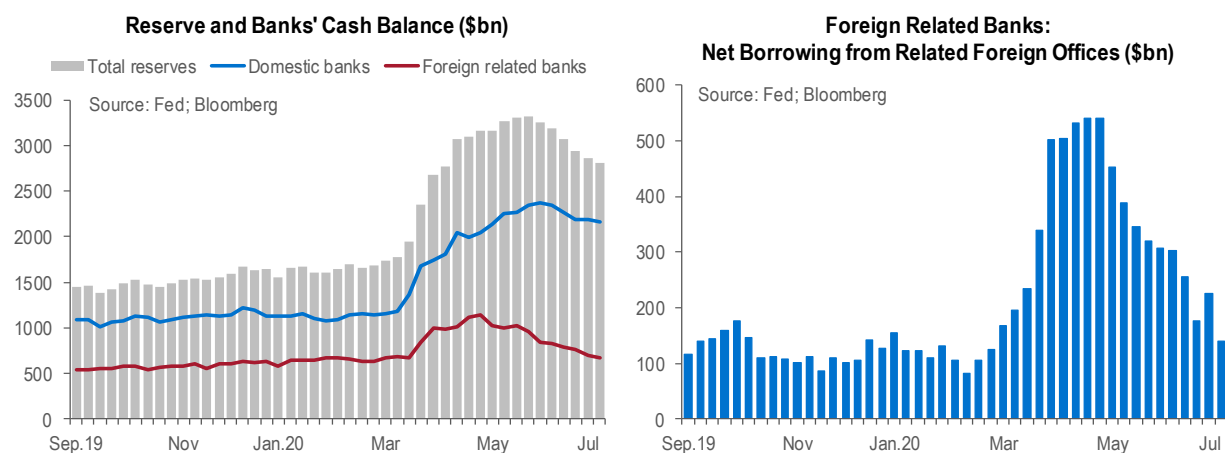
**Figure 3: Market depth of S&P 500 E-mini futures (ES1)**  
Average number of contracts on the Bid/Ask in ES1 (S&P 500 E-mini futures). 3-day moving averages using daily data of bid/ask under 1-second sampling.



**Figure 7: Market depth for 10y cash and futures USTs**  
Average size of tightest three bids and asks each day, \$mn.



**The decline in bank reserves is more pronounced in non-US banks.** Bank reserves have fallen by \$570 bn since its peak in early June, given the slowdown in the expansion of the Fed's balance sheet and a large increase in the Treasury's General Account balance (see Tuesday's GMM). The rundown is more pronounced in non-US banks, as their cash holdings started to fall in April by a total \$460 bn to the current level of \$670 bn. In contrast, cash holdings at US domestic banks continued to rise steadily until June before falling \$200 bn to \$2.1 tn. This likely indicates that non-US banks have effectively returned the cash their parent banks borrowed through the Fed's FX swap line facilities, as well as other market borrowing. Indeed, non-US banks' net borrowing from related foreign offices jumped more than \$400 bn in March and April before retracing to normal levels. The Fed's FX swap line has shrunk by \$300 bn from its peak to \$155 bn.



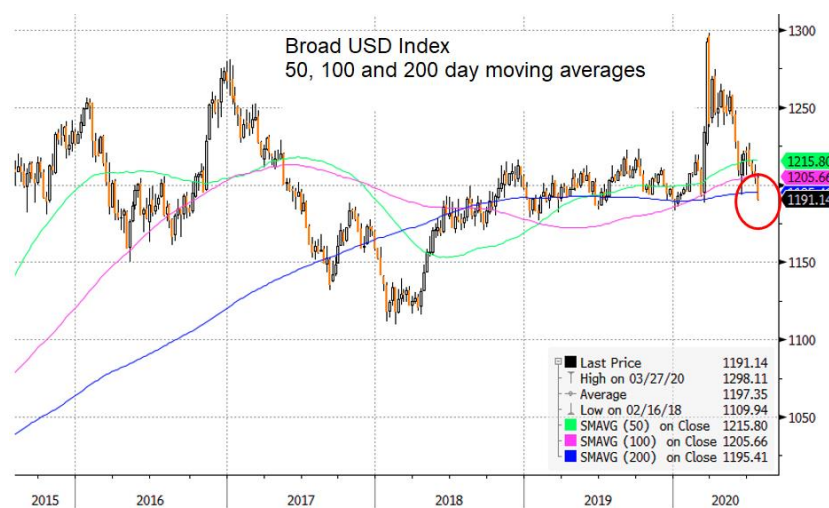
## Europe

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**European equities broadly recovered from yesterday's losses** with the German Dax (+0.7%), French CAC40 (+0.7%) as well as the UK FTSE (+0.7%) trading in green. The sentiment was supported by consumer good and industrial sectors through better than expected Q2 results. The Dutch-British consumer goods firm Unilever (+8%) as well as German car manufacturer Daimler (+5.5%) beat analyst estimates benefiting from the pent-up demand.

**German bund yields are unchanged while Southern European spreads are tighter with Greece (-6 bps) and Italy (-4 bps)** outperforming as the market continues to digest the position impact of the EU recovery deal but also news around further stimulus in Italy and the cooling of the recent Greece-Turkey spat.

**The market is increasingly focused on the U.S. dollar weakness and the performance of the euro as the broad dollar index breaks through the 2-year trend line**, a technical signal broadly followed by the FX. traders. Market contacts suggested that appreciation of the euro above 1.15 against the dollar after the EU recovery fund deal was broadly anticipated, but **the move to test 1.16 came as a surprise and is most likely attributed to options related hedging demand from investment banks**. Contacts noted that there has been an increase in demand from European corporates for options to protect them against further euro strength. These options contacts have been mostly struck in the range of 1.16 to 1.18, which triggers an increase in hedging activity in the form of euro buying as prices approach those core levels.



Beyond the technical support factors, market contacts suggest that despite the recent increase in market positioning as indicated by the CFTC data, **mutual fund allocation to both European stocks and fixed income remain at historically low levels** after a decade of strong performance out of the US. Contacts noted that they have seen **recent signs of increased interest from US investors towards European equities**, especially given the uncertainty associated with the upcoming US election and its implication on tax reform.

Exhibit 1: Investors Covered Euro-Funded Carry Trades in March

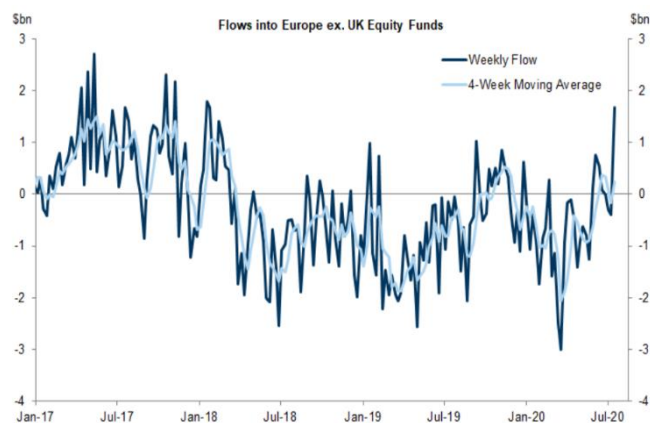


Source: CFTC, Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 3: Mutual Fund Investors Underweight Euro Area



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

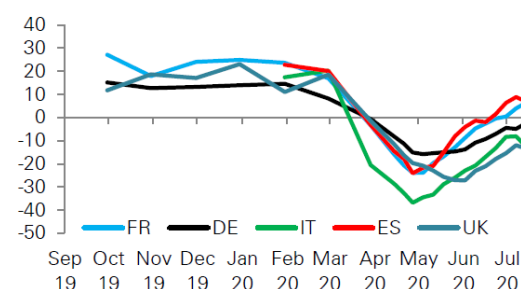


Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

**The Italian government approved additional fiscal stimulus of €25 bn (1.5% of GDP).** Once approved by the parliament, the package will increase the total COVID stimulus measures to €100 bn. The funds will be primarily used to support business employee retention as the ban on collective dismissal is set to expire on the 17<sup>th</sup> of August.

**European household economic activity normalization remains mixed** as suggested by the Deutsche Bank DIG household survey. The employment activity is returning to last-year's levels in France and Germany with more than half of the respondents returning to their workplace. Italy and the UK continue to lag on that front with only 30% of UK's respondents back at their workplace. On the spending front, the survey suggest that **average household spending has recovered to pre-COVID levels in France and Germany.** However, underlying spending patterns reveal that shopping for clothing and luxury goods remains 10-20% below normal for all countries.

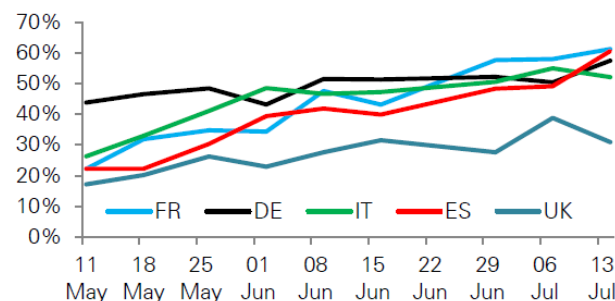
Figure 3: Net percentage working more hours than in the same month last year



Source : Deutsche Bank's dbDIG household survey

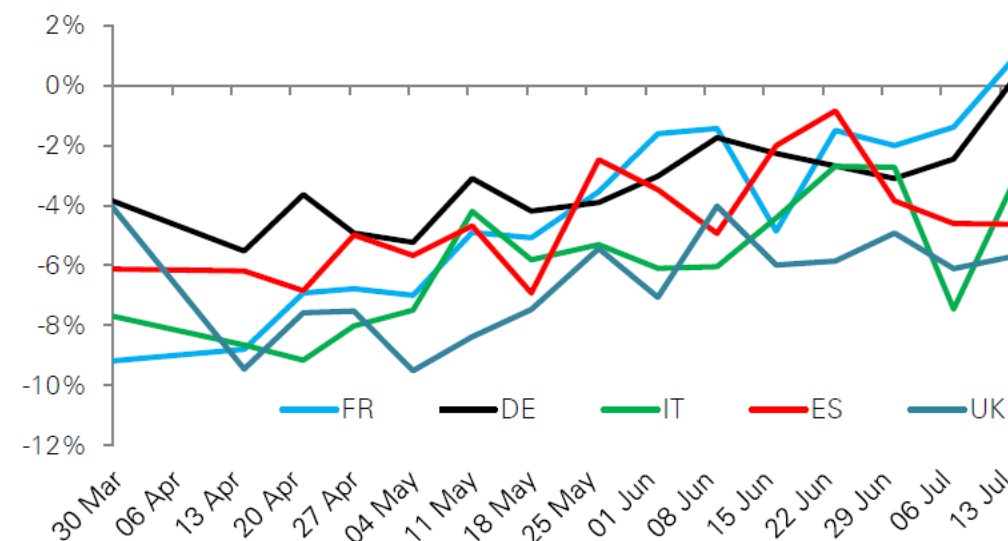
Notes: Net percentage is defined as the share of those expecting to work more minus the share of those expecting to work less. Results prior to March 2020 are monthly aggregates of survey waves. Results from March 2020 are computed as a four-week rolling average.

Figure 5: Share of employed respondents who report they are already back at their place of work



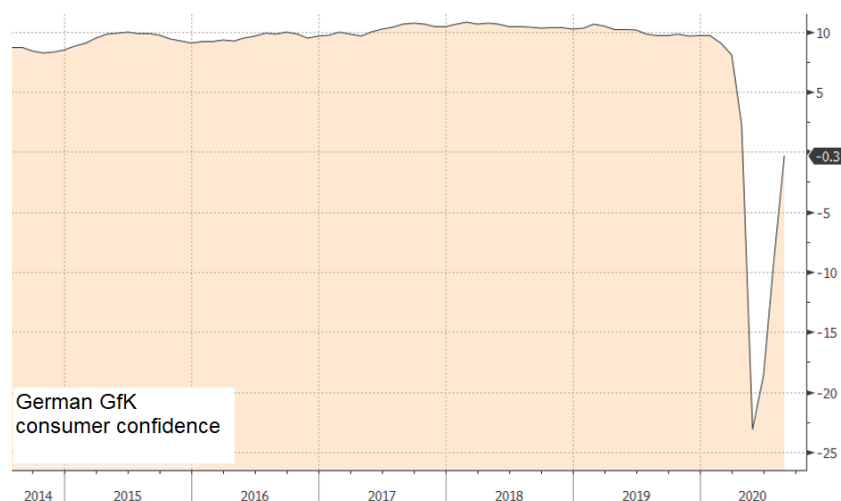
Source : Deutsche Bank's dbDIG household survey

Figure 7: Average percentage spending relative to normal



Source : Deutsche Bank's dbDIG household survey

The recovery in household activity is also confirmed by the **German consumer confidence indicator (GfK)**, which **rebounded more than expected** (-0.3 reading against -5 expected). The GfK institute suggested that the German consumers were increasingly confident in the economic recovery and were planning to use the July temporary VAT cut to make major purchases.



## Other Mature Markets

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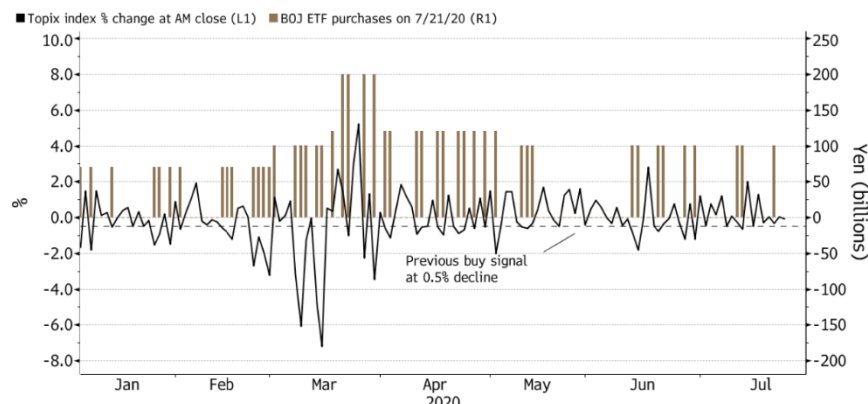
### Japan

Equities declined (NIKKEI: -0.6%); Japanese yen was little changed.

**The Bank of Japan (BOJ) may have a new pattern for its stock purchases.** The consensus of market participants is that the BOJ purchases ETFs when the Topix index falls at least 0.5% during the morning session. However, more recently, the bar for ETF purchases seems to be lowered to 0.25% on a day when the Topix index has declined for a second consecutive session. In March 2020, the BOJ increased its annual target for ETF purchases to ¥12 tn as part of its monetary stimulus.

### New Normal?

#### BOJ seems to have a new standard for when it buys ETFs



Source: Tokyo Stock Exchange, Bank of Japan, Bloomberg calculations

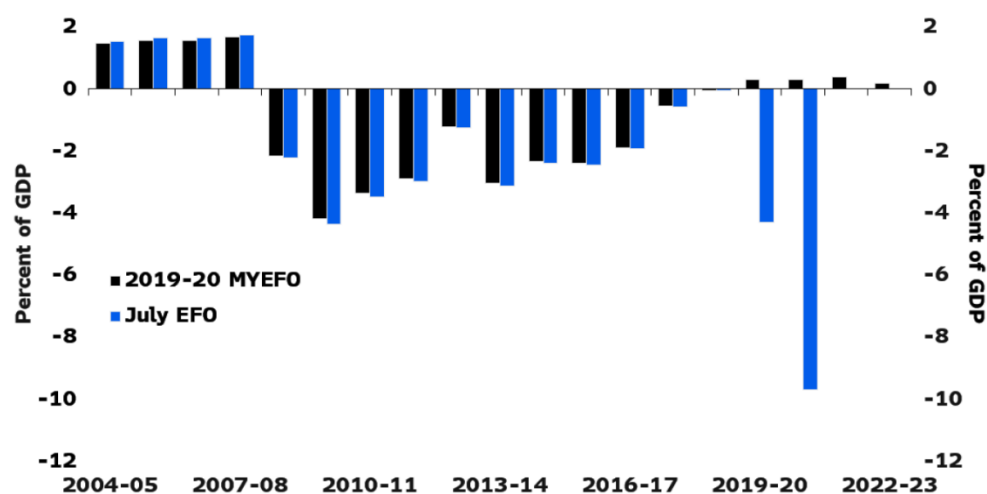
Bloomberg

Source: Bloomberg.

## Australia

The government issued an economic and fiscal update showing a budget deficit of 9.7% of GDP, the largest deficit in the post-war era. There were no new policy measures announced, with the update detailing the cost of existing measures, including the JobKeeper program which was adjusted and extended until March 2021. Government debt is expected to reach 45% of GDP in 2021. As Australia still has substantial policy space, some market analysts expect a further fiscal stimulus package when a full budget is released in October. S&P said that Australia's AAA rating can absorb the growing budget deficit, while Moody's similarly expects Australia's Aaa rating to remain resilient. Equities gained (+0.3%); Australian dollar appreciated (+0.2%); 10-year government bond yields edged down (-2 bps).

## Virus Impacts and Response Measures Have Taken Significant Fiscal Toll



Source: Bloomberg

## Emerging Markets

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**Asian stock markets traded mixed today.** Some markets were hit by negative sentiment following the escalating tensions between China and the United States. Chinese equities declined almost 2% before recovering from the initial loss. Elsewhere, share prices declined in Korea (-0.6%) and the Philippines (-0.6%), while they advanced in Malaysia (+1.2%) and Singapore (+0.9%). **Currencies were also mixed**, with Indonesian rupiah appreciating (+0.4%) while Korean won depreciating (-0.2%). In Singapore, headline CPI declined 0.5% y/y in June in line with market expectations. Core CPI inflation also declined -0.2% y/y. Government bond yields were little changed. **EMEA equities generally traded higher, in line with European markets.** Stocks outperformed in Turkey (+1.1%) and South Africa (+1.0%). **Currencies were mixed.** The South African rand fell 0.4% against the U.S. dollar whereas the Hungarian forint (+0.3%) and the Polish Zloty (+0.2%) appreciated against the euro. The Turkish lira remains little changed against the U.S. dollar after the central bank left rates unchanged whereas the hryvnia reversed some earlier losses after the central bank unexpectedly left rates at 6%. **Latin American equities generally gained yesterday, while currencies printed mixed and the gap between US and local sovereign yield curves narrowed for most sovereigns.** Most of the region's equity indexes advanced: 4% in Argentina, 1.5% in Chile and Mexico, and 0.6% in Peru. Currencies appreciated in Brazil (+1%) and Chile (+0.7%) and depreciated in Colombia (-0.4%) and Peru (-0.4%). Spreads of hard currency sovereign bonds narrowed across the region, while local currency sovereign debt spreads widened in Brazil and Colombia and narrowed elsewhere.

## Key Emerging Market Financial Indicators

Last updated: 7/23/20 8:25 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
<b>Major EM Benchmarks</b>			%				%
MSCI EM Equities		43.53	0.3	1	7	2	-3
MSCI Frontier Equities		23.71	-0.5	-1	-1	-21	-22
EMBIG Sovereign Spread (in bps)		439	-3	-24	-25	111	146
EM FX vs. USD		55.75	-0.3	1	1	-11	-9
<b>Major EM FX vs. USD</b>			%, (+) = EM currency appreciation				
China Renminbi		7.01	-0.1	0	1	-2	-1
Indonesian Rupiah		14580	0.5	0	-3	-4	-5
Indian Rupee		74.77	0.0	1	1	-8	-5
Argentine Peso		71.77	-0.1	-1	-3	-41	-17
Brazil Real		5.15	-0.7	3	0	-27	-22
Mexican Peso		22.45	-0.4	0	0	-15	-16
Russian Ruble		71.40	-0.4	0	-4	-12	-13
South African Rand		16.62	-0.8	1	4	-16	-16
Turkish Lira		6.85	0.0	0	0	-17	-13
EM FX volatility		9.57	0.0	0.0	-0.9	2.6	3.0

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

## China

**China vowed retaliation after the United States ordered the closure of the Chinese consulate in Houston.** The Chinese Foreign Ministry also said that China would retaliate if the decision on Houston was not reversed. Some media outlets speculate that China may move to close the US consulate in Wuhan or Chengdu or may cut US diplomatic staff at the US consulate in Hong Kong SAR. Chinese equities declined almost 2% before recovering from the initial loss.

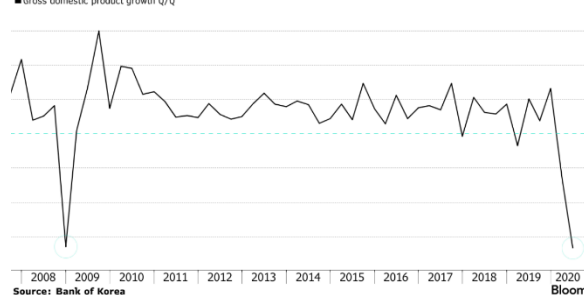
## Korea

**Korea's economy slid into the worst recession since the Asian crisis.** Real GDP declined 3.3% q/q in 2020Q2, larger than expected (2.4% decline). From a year earlier, the economy contracted 2.9%—the worst since 1998. The economy took a big hit as global commerce collapsed during the pandemic, with exports falling by more than 20% in April and May. Plummeting exports hurt profits of the country's key industries from automobiles to refineries. Local equities were slightly lower (-0.6%) and the Korean won slightly weaker (-0.2%) on the day.

## Big Drop

South Korea's economy contracts as pandemic pummels its exports

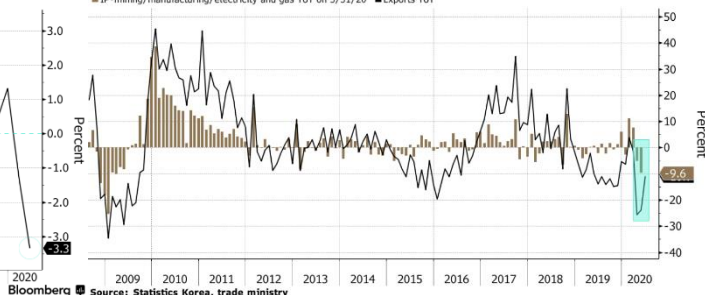
■ Gross domestic product growth Q/Q



## Tough Times

Slump in exports, production weighed on economy in 2Q

■ IP-mining/manufacturing/electricity and gas YOY on 5/31/20 ■ Exports YOY



Source: Bloomberg.

### Central and Eastern Europe

**ING expects that regional currencies could appreciate further following the outcome of the new EU recovery fund** as EU transfers into Central and Eastern Europe (CEE) will rise in the 2021-27 period versus prior budget. Individual CEE countries will receive between 4% to 8% of its 2018 GDP in “grants”. Taking the grants and loans together, the support from the New Generation EU budget in a 3-yr horizon ranges from 11% to 16% of GDP for the CEE region. Since late May, the Czech koruna gained 1.1% against the euro whereas the Polish zloty fell 0.6% and the Hungarian forint 2.5% against the euro. All three currencies gained against the U.S. dollar.

EU Recovery Fund 2020 (2018 constant prices, EUR bn)						
	EU	CZ	HU	PL	RO	SK
Grant	390	8.7	9.8	29.5	16.8	7.5
Loans	<b>360</b>	15.4	9.0	30.6	16.7	6.8
<b>Total</b>	<b>750</b>	<b>24.1</b>	<b>18.8</b>	<b>60.1</b>	<b>33.5</b>	<b>14.3</b>
Share on 2018 GDP in %						
Grant	2.9	4.1	7.3	5.9	8.2	8.4
Loans	2.7	7.3	6.7	6.1	8.2	7.6
<b>Total</b>	<b>5.6</b>	<b>11.4</b>	<b>14.1</b>	<b>12.1</b>	<b>16.4</b>	<b>16.0</b>
<b>GDP 2018 (EUR bn)</b>	<b>13498</b>	<b>211</b>	<b>134</b>	<b>498</b>	<b>205</b>	<b>90</b>

Source: Bloomberg, ING, national sources

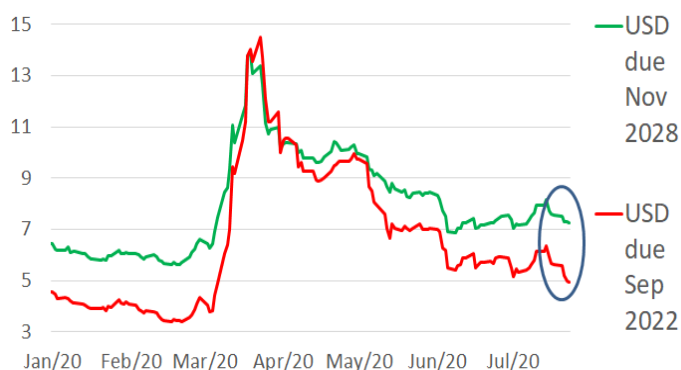
### Turkey

**As expected, the central bank of Turkey left its one-week repo rate unchanged at 8.25%.** The lira is little changed today as local stocks (+1.1%) outperformed peers today. **Bloomberg also reports that authorities have asked banks to use futures contracts to hedge growing FX liabilities to respond to a surge in U.S. dollar demand.** Future contracts are settled in cash, so banks do not need U.S. dollars. Nevertheless, the central bank is expected to have to take an active role given the lack of liquidity in the futures market.

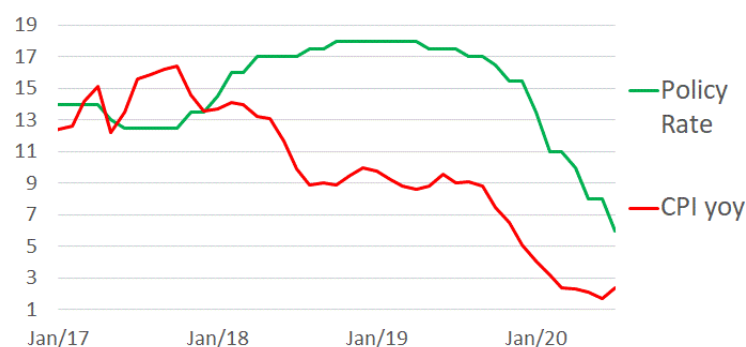
### Ukraine

**Yields on U.S. dollar denominated bonds fell after the Ukrainian government relaunched a Eurobond issue yesterday.** According to media reports, the **new 12-yr U.S. dollar benchmark bond could price at a yield around 7.75%.** The yield on the U.S. dollar bond due Sep 22 is trading at 4.96%, 22 bps below Tuesday's close. Earlier in July, the government was forced to postpone a \$1.75 bn sale following the surprise resignation of the central bank governor. Ukraine also plans to announce an exchange program for outstanding Eurobonds due 2021 and 2022. **The central bank left its key policy rate unchanged at 6% today. In contrast, Bloomberg consensus was for a 25 bp cut** as y/y CPI inflation remains below the official target of 5% (at 2.4% in July), and newly appointed Governor Shevchenko had pledged to cut the benchmark rate further. **The hryvnia reversed earlier losses after the rate announcement.**

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



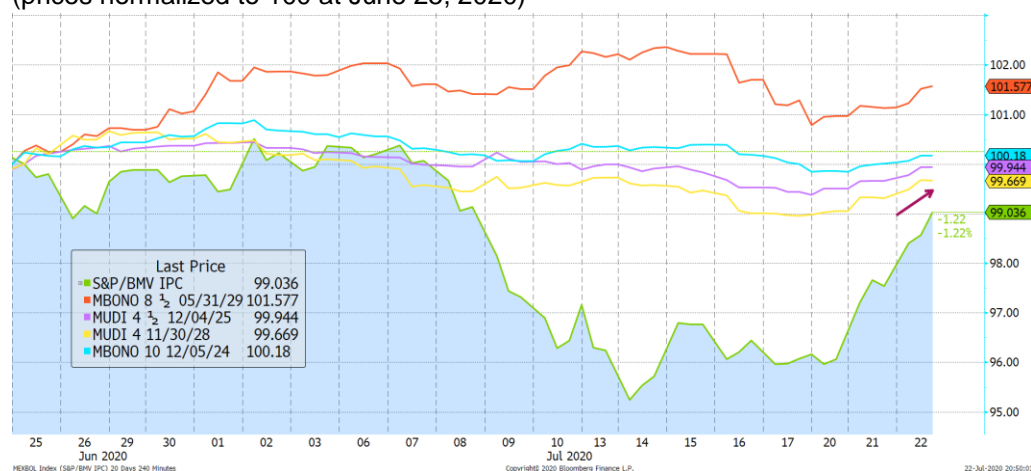
Source: Bloomberg and IMF

**Ukraine: CPI (%yoy) and policy rate (%)**

Source: Bloomberg and IMF

**Mexico**

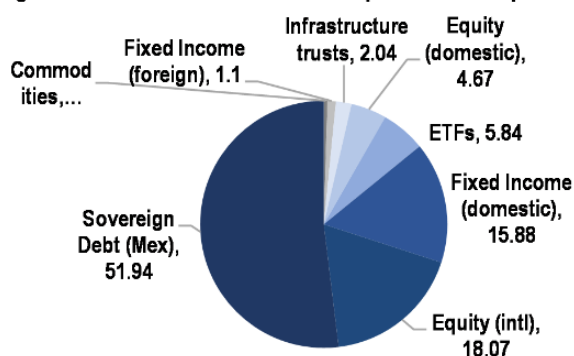
**Announcement of plans for pension system reforms may have inspired local asset prices.** The Mexican government announced yesterday reform plans for the country's private pension system. The plans include an increase in employers' contribution, stretched over 8 years, from 5.2% to 13.9% percent of salaries – workers contribute 1.1% of their salaries – and a reduction in employee's minimal contribution period from 25 to 15 years. The government will redirect its contribution to pensions of low-income workers, with the fiscal impact of the reform to be neutral. Pension fund managers may be compelled to lower management fees but will enjoy more flexibility in their portfolio allocations. Goldman Sachs analysts acknowledged that the reform proposal would increase the assets managed by private pension funds and hence most likely investments as well, but also warn that the increase in employers' contributions may push up labor costs with potentially negative effects on employment in the formal sector and inflation. Meanwhile Mexico's retail sales declined in May by 23.7% y/y, 3.7% more than expected and virtually the same as in April, while consumer confidence increased modestly. Despite the sobering activity data local-currency sovereign bonds and equities gain yesterday, pointing to the markets' appreciation for the reform plans as well as for those assets relevant to pension funds' portfolios.

**Mexican equities and sovereign peso bonds registered gains over the day**  
 (prices normalized to 100 at June 25, 2020)


Source: Bloomberg.

## Equities and local sovereign bonds dominate in Mexican pension funds' portfolios

Figure 3: Pension funds' investment portfolio's composition



Source: Consar.

Source: J.P. Morgan

## Argentina

**The Merval advanced despite the continued stalling of economic activity.** Despite some improvement compared to April (-26.4%), May's print for the Argentine economic activity index was -20.6% y/y, and below the -20% expected by market consensus. As the June leading business indicator came in at -2.46% m/m, weaker than May's value of -1.7%, chances for an immediate recovery appear limited, even if continued gains in the Merval indicated yesterday that investors have so far preserved their optimism.

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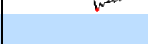

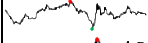



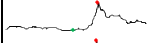
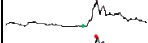



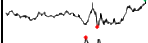












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## Global Financial Indicators

Last updated: 7/23/20 8:21 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
United States		3276	0.6	2	5	9	1
Europe		3386	0.4	1	3	-4	-10
Japan		22752	-0.6	-1	1	5	-4
China		3325	-0.2	4	12	15	9
Asia Ex Japan		75	-0.8	0	6	7	2
Emerging Markets		44	0.3	1	7	2	-3
<b>Interest Rates</b>			basis points				
US 10y Yield		0.58	-1.5	-3	-13	-150	-134
Germany 10y Yield		-0.49	0.2	-2	-8	-13	-30
Japan 10y Yield		0.02	0.0	-1	1	16	3
UK 10y Yield		0.11	-1.0	-3	-10	-58	-71
<b>Credit Spreads</b>			basis points				
US Investment Grade		131	0.0	-7	-17	13	33
US High Yield		554	0.4	-38	-44	116	160
Europe IG		58	-0.3	-4	-7	10	14
Europe HY		339	-4.2	-28	-39	96	132
EMBIG Sovereign Spread		439	-3.0	-24	-25	111	146
<b>Exchange Rates</b>			%				
USD/Majors		94.99	0.0	-1	-2	-3	-1
EUR/USD		1.16	0.0	2	2	4	3
USD/JPY		107.1	0.0	0	-1	1	1
EM/USD		55.8	-0.3	1	1	-11	-9
<b>Commodities</b>			%				
Brent Crude Oil (\$/barrel)		44	-0.4	2	4	-31	-33
Industrials Metals (index)		111	0.6	1	8	-3	-3
Agriculture (index)		36	-0.2	1	3	-11	-13
<b>Implied Volatility</b>			%				
VIX Index (% change in pp)		24.0	-0.3	-4.0	-7.4	11.4	10.2
10y Treasury Volatility Index		54.0	0.3	-0.1	-10.1	-8.1	-8.0
Global FX Volatility		7.5	0.0	0.1	-1.0	1.1	1.5
<b>EA Sovereign Spreads</b>			10-Year spread vs. Germany (bps)				
Greece		155	-7.4	-16	-15	-86	-11
Italy		148	-4.7	-17	-19	-48	-12
Portugal		81	-2.8	-8	-8	-1	18
Spain		80	-2.5	-7	-8	5	15





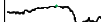






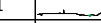










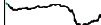



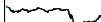











Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations.

Data source: Bloomberg.

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## Emerging Market Financial Indicators

Last updated: 7/23/2020 8:25 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					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		7.01	-0.1	-0.2	1	-2	-1		3.0	-2.3	-9	9	-16	-10
Indonesia		14580	0.5	0.3	-3	-4	-5		7.0	-8.1	-14	-33	-28	-15
India		75	0.0	0.6	1	-8	-5		5.9	-0.2	1	-15	-73	-96
Philippines		49	0.0	0.4	2	4	3		3.8	-6.2	-11	-36	-94	-54
Thailand		32	-0.2	-0.1	-2	-2	-5		1.4	-1.2	-5	-6	-67	-22
Malaysia		4.26	-0.2	0.2	0	-3	-4		2.5	-1.6	-8	-35	-111	-86
Argentina		72	-0.1	-0.6	-3	-41	-17		45.7	-7.9	-33	77	1575	-1687
Brazil		5.15	-0.7	3.5	0	-27	-22		5.3	3.5	-2	-10	-138	-97
Chile		769	0.6	2.6	6	-10	-2		2.7	-5.8	-3	26	-43	-59
Colombia		3638	-0.4	-0.4	3	-13	-10		5.2	4.4	3	-26	-37	-72
Mexico		22.45	-0.4	0.0	0	-15	-16		5.9	-5.6	7	-20	-169	-104
Peru		3.5	-0.4	-0.4	0	-6	-6		4.1	-4.2	-17	-29	-35	-46
Uruguay		43	1.1	2.9	-1	-18	-12		9.5	-0.1	-12	-59	-59	-137
Hungary		300	0.3	3.4	3	-3	-2		1.5	-3.5	-21	-16	7	29
Poland		3.82	0.2	3.2	3	0	-1		0.8	-1.0	-4	-5	-110	-109
Romania		4.2	0.0	1.8	2	1	2		3.8	-6.0	-5	4	-9	-25
Russia		71.4	-0.4	0.2	-4	-12	-13		5.4	-0.1	-8	9	-175	-73
South Africa		16.6	-0.8	0.9	4	-16	-16		10.1	-13.2	-11	-3	104	60
Turkey		6.85	0.0	0.1	0	-17	-13		11.3	5.7	-21	81	-469	-42
US (DXY; 5y UST)		95	0.0	-1.4	-2	-3	-1		0.26	-1.3	-1	-7	-157	-143

	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		3325	-0.2	4	12	15	9		215	-1	-6	-13	37	39	
Indonesia		5145	0.7	1	5	-20	-18		245	-1	-14	-8	78	89	
India		38140	0.7	5	8	0	-8		240	-9	-13	6	103	115	
Philippines		6029	-0.6	-2	-4	-27	-23		141	-1	-18	-17	75	75	
Malaysia		1606	1.2	2	7	-3	1		168	0	-9	-17	51	56	
Argentina		48634	4.0	8	19	24	17		2238	-35	-104	-232	1453	469	
Brazil		104290	0.0	2	9	1	-10		331	-1	-34	-32	124	116	
Chile		3945	1.5	-2	-2	-21	-16		192	-1	-13	-14	64	59	
Colombia		1169	0.2	2	2	-27	-30		250	0	-28	-43	82	87	
Mexico		37447	1.5	2	-2	-9	-14		488	1	-31	-24	160	196	
Peru		17243	0.6	3	2	-17	-16		158	0	-16	-19	43	51	
Hungary		35605	0.5	1	-5	-14	-23		160	-2	-7	0	71	74	
Poland		52222	0.1	2	2	-14	-10		33	-3	-5	-21	-1	15	
Romania		8559	-0.2	2	-2	-6	-14		280	-2	-12	-4	91	106	
Russia		2854	0.7	3	2	6	-6		207	-2	-5	10	20	76	
South Africa		56316	0.9	1	2	-3	-1		503	-7	-26	9	237	183	
Turkey		119420	1.1	1	4	16	4		576	-11	-37	-2	116	175	
Ukraine		500	0.0	0	0	-8	-2		625	-3	-31	-4	182	205	
EM total		44	0.3	1	7	2	-3		439	-3	-24	-25	111	146	

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

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