






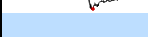






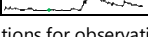
- Fed extends emergency programs by three months, to end-2020 ([link](#))
- Fitch lowers Japan's sovereign debt outlook to negative ([link](#))
- Argentina's main bondholder groups claim to represent over half of total bonds ([link](#))
- Consumer confidence falls more than expected in France and the US ([link](#))
- US HY spreads fall on the back of renewed inflows ([link](#))
- **SPECIAL FEATURE: EM Capital Flows Monitor** (see attached email)

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## Investors await clues of Fed policy shift

**The dollar is continuing its slide this morning ahead of this afternoon's Fed statement and press conference.** Equity markets and the dollar are slightly lower over the last 24 hours, while Treasuries led global government bond yields slightly tighter, in part reflecting concern over the lack of legislative momentum for a new COVID stimulus bill in the US. The key focus for investors today will be the Fed meeting, where investors will be scrutinizing how the US central bank plans to react to rising virus-related uncertainty in the economy. No major policy changes are expected, but investors will be focused on clues about new policies that may be introduced in the coming months. Many analysts now see the introduction of a new forward guidance regime as most likely, perhaps as early as the September FOMC.

Key Global Financial Indicators

Last updated: 7/29/20 8:35 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
<b>Equities</b>			%				%
S&P 500		3218	-0.6	-1	5	7	0
Eurostoxx 50		3309	0.2	-2	2	-6	-12
Nikkei 225		22397	-1.1	-1	2	4	-5
MSCI EM		43	0.7	-1	8	3	-3
<b>Yields and Spreads</b>			bps				
US 10y Yield		0.58	-3.6	-2	-5	-149	-134
Germany 10y Yield		-0.51	0.2	-2	-4	-12	-32
EMBIG Sovereign Spread		444	-3	2	-35	116	151
<b>FX / Commodities / Volatility</b>			%				
EM FX vs. USD, (+) = appreciation		56.0	0.1	0	3	-11	-9
Dollar index, (+) = \$ appreciation		93.7	0.0	-1	-4	-4	-3
Brent Crude Oil (\$/barrel)		43.7	1.2	-1	5	-31	-34
VIX Index (% change in pp)		24.9	-0.6	1	-7	12	11

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

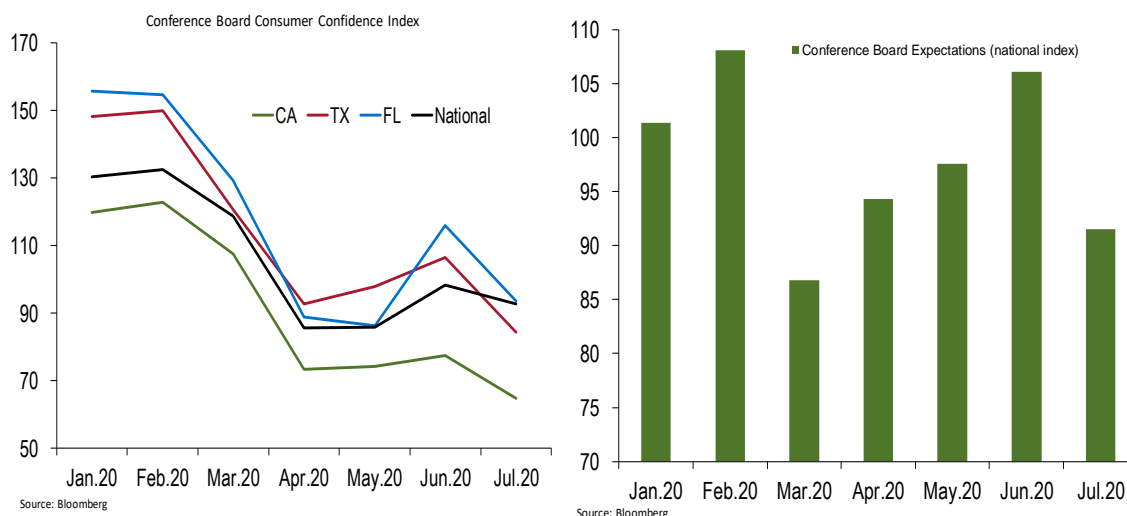
## United States

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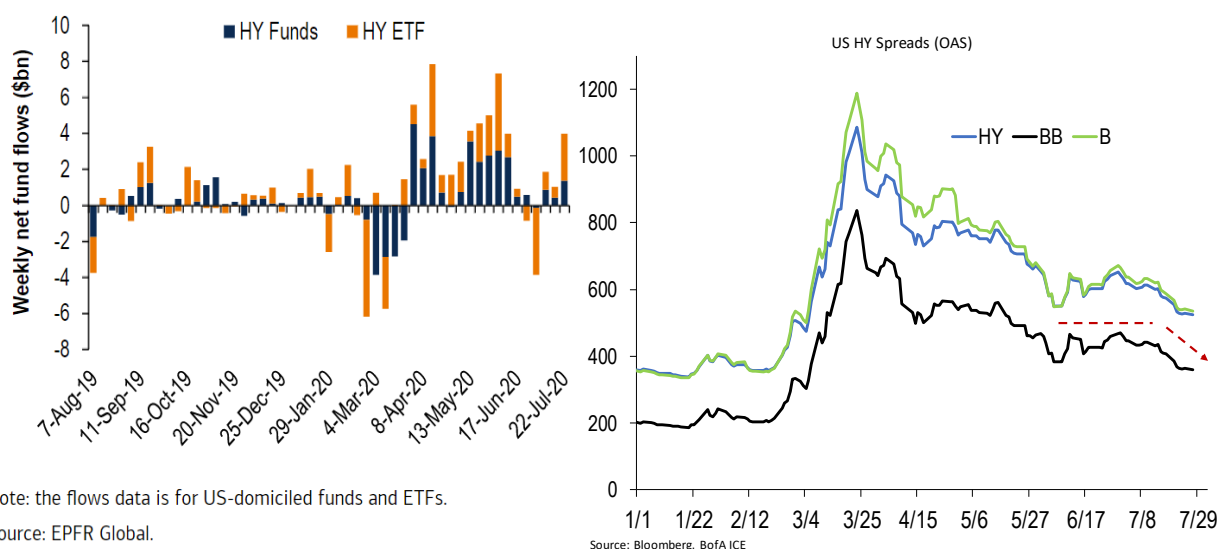
**Risk-off sentiment prevailed as markets digested the large gap between the GOP and Democratic proposals for the next stimulus package.** With expanded unemployment benefits set to expire within days, big areas of contention include direct aid to state and local governments, liability protections, and the amount of unemployment benefits to extend. Equities dipped lower, with the S&P 500 down 0.6% and the Nasdaq falling 1.3%, while Treasuries rallied with 10- and 30-year yields down about 4 bps.

**The Federal Reserve announced it will extend its emergency programs by three months, to the end of the year.** The extension applies to seven programs of the nine new programs; the Municipal Liquidity Facility and the Commercial Paper Funding Facility were already set to expire at the end of the year or later. The announcement was made at the start of the Fed's two-day FOMC meeting, with a concluding statement and press conference set for later today. No major policy changes are expected but analysts will be looking for signals that new forward guidance language may be introduced potentially as early as the September meeting.

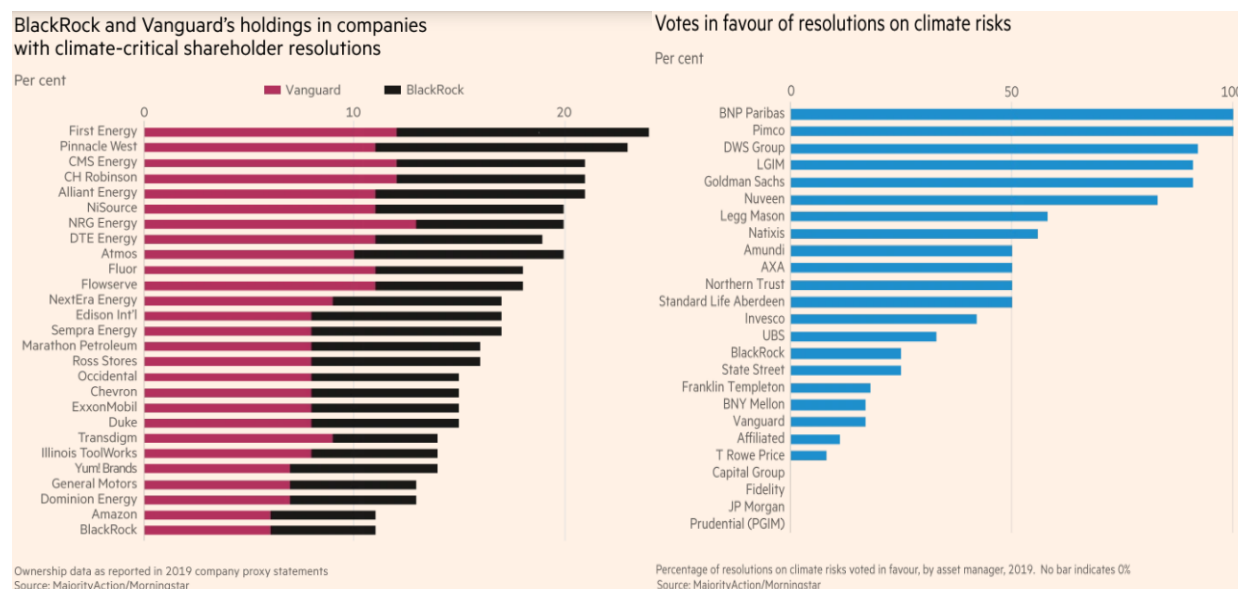
**Consumer confidence missed expectations and slipped lower in July as Covid-19 hotspots posted sharp declines.** The Conference Board's Consumer Confidence index fell to 92.6 (vs consensus 95) in July as California, Texas, and Florida underperformed with significant declines from June. At the national level, future expectations reversed after 3 months of upward momentum and slipped to 91.5 from 106.1 previously



**US high yield (HY) corporate spreads have narrowed to post-crisis lows on the back of renewed inflows, but analysts disagree on whether the bankruptcy cycle has ended.** HY spreads have narrowed about 120 bps in July after moving sideways in a narrow range in June. HY ETF and fund inflows have resumed over the last 3 weeks after disappearing in late June, when ETF flows turned sharply negative. BofA analysts believe the market has moved away from the high-default phase, with over half of its cyclical indicators pointing in the right direction, including normalizing HY spread curves, HY bid/ask spreads, and the breadth of fund inflows. Conversely, Pimco, Goldman Sachs, and the rating agencies among others are more pessimistic, with S&P expecting the speculative grade 12-month trailing default rate to rise to 12.5% in March 2021. Some expressed concern that fiscal support will fade even as the slump in demand is drawn out absent more significant improvement in the pandemic.



**Asset managers are starting to play a significant role in ESG shareholder resolutions.** Investors and climate advocacy groups are increasingly demanding that their fund managers play a more active role on climate issues, as activists drive shareholder resolutions at global firms on issues from greater disclosures to emissions reductions. Industry giants Vanguard and BlackRock had traditionally stayed away from climate resolutions, but in 2019 they supported 16.7% and 13.8% of such measures, up from effectively zero in 2015, according to Proxy Insight. In contrast, BNP Paribas and Pimco voted in favor of nearly all shareholder resolutions related to climate risks. Generally, European asset managers have been more proactive on making ESG a core part of their investment process, though BlackRock revealed a new climate change action plan in January. **ESG products have also performed well amid the recent market volatility.** According to Morningstar (via the FT), sustainable funds in Europe pulled in nearly €30 bn in net inflows in Q1, even as the broader European fund universe saw outflows approaching €150 bn.



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**Equities in Europe are trading mostly unchanged** with stocks slightly higher in France (+0.6%) and lower in Italy (-0.8%).

**German and Southern European yields are mostly unchanged** while the euro (+0.3%) and the sterling (+0.3%) resume their appreciation against the dollar.

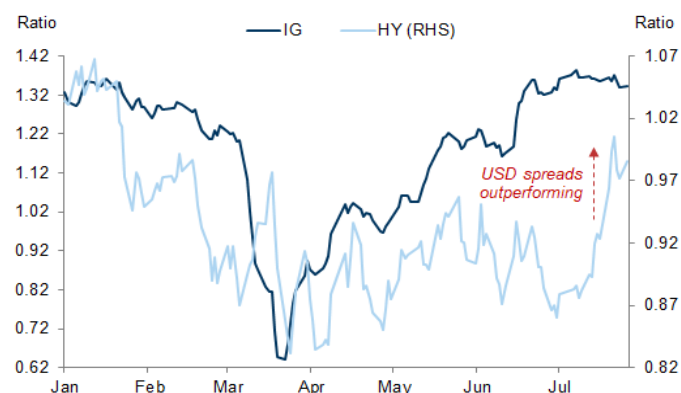
**French consumer confidence unexpectedly falls in July** to 94 from a 97 reading in June (consensus at 99). The underlying data suggest that the sentiment has started to flip as the initial post-lockdown sentiment dissipates with households worried about their financial situation and employment prospects. There has been also a **strong increase in savings intentions, raising questions around how much households can support the recovery momentum in the second half of 2020.**

Chart 1: The household saving ratio is expected to remain elevated in the coming quarters



**In the corporate bond markets, the underperformance of European investment grade and high yield issuers as compared to the U.S. peers has been puzzling investors.** While the credit spreads have continued to tighten across both sides of the Atlantic, Goldman Sachs analyst suggest that the outperformance of the U.S. is likely to have been driven by technical factors. The latter includes normalization of liquidity premia after the Federal Reserve announced its Corporate Credit Facilities. Importantly, going forward, **analysts expect an outperformance by European corporate credit markets that enjoy better fundamentals including a swifter economic recovery.** Market contacts suggested that the outperformance of Europe as compared the U.S. is also a theme that is gaining momentum in the equity markets with potential further impact on the cross-border portfolio allocation and inflows into Europe.

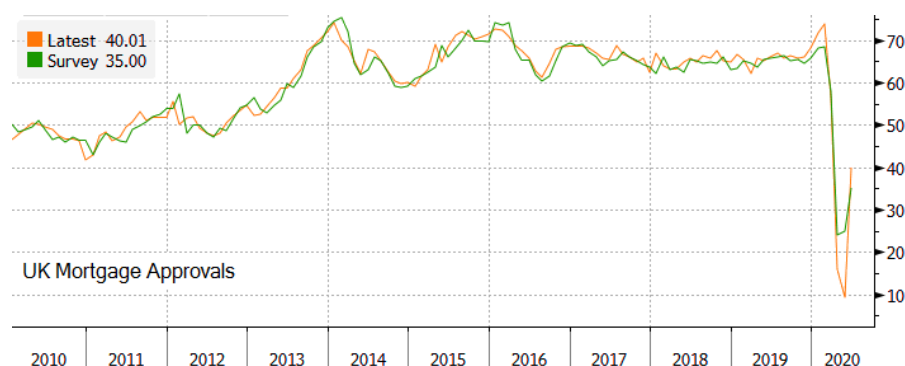
EUR/USD IG and HY cash spread ratios



Source: iBoxx, Bloomberg-Barclays, Goldman Sachs Global Investment Research



**Mortgage approvals in the UK recovered more than expected to 40k in June from the historic lows of 9k in May.** The pick-up in mortgage demand is likely to have further accelerated in July after the announcement of Stamp Duty holidays for mortgages up to £500k. That said, supply factors are likely to remain a constraint as the recent bank lending surveys suggest that lenders have tightened their borrowing conditions and increased the minimum LTV ratios.

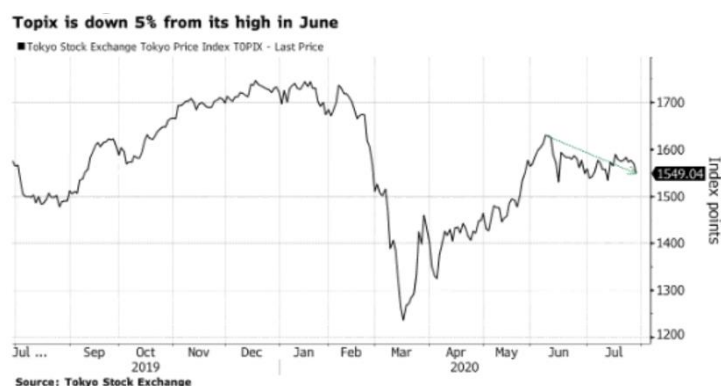


## Other Mature Markets

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### Japan












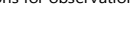


**Japan's sovereign debt rating outlook was lowered to negative from stable by Fitch.** The rating agency maintained the sovereign rating unchanged at A. Fitch said that Japan would face a sharp economic contraction of -5% in 2020 before rebounding 3.2% in 2021 but GDP would not return to its pre-COVID-19 levels until Q421. The rating outlook revision reflects the challenge of placing the debt ratio on a downtrend over the medium-term due to COVID-19 related spending needs and downside risks to growth. **Equities fell -1.3%, the yen and JGB yields were little changed.**



## Emerging Markets [back to top](#)

**Asia equity markets were mixed for a small net gain across the region of 0.2%.** China (Shanghai +2.1%, Shenzhen +2.9%), Hong Kong SAR (+0.5%) and Korea (+0.3%) led while Vietnam (-2.8%) and India (-1.4%) underperformed. Asian currencies appreciated led by the Thai baht (+0.8%). On economic data, Singapore's unemployment rate rose to a decade high of 2.9% in Q2 from 2.4% in Q1 but remained below the peaks experienced during the global financial crisis and SARS. Hong Kong SAR's Q2 GDP (advance reading) contracted by -9% y/y in Q2, worse than consensus expectations of -8.3% and -8.9% in Q1. **EMEA bourses are mostly lower so far today**, led by losses in Kuwait (-1.3%) and Turkey (-0.6%). Other equity index also saw smaller losses, including Poland (-0.2%); Czech Republic (-0.2%); Hungary (-0.4%); and the UAE (-0.3%). Stocks in South Africa (+0.6%) and Russia (+0.4%) bucked the trend and advanced. Currencies appreciated by about 0.1% to the US dollar. In **Latin America** yesterday, assets experienced losses though the price moves were modest. Stocks in Argentina (-1%) and the Colombian peso (-1.3%) fell most.

Key Emerging Market Financial Indicators

Last updated: 7/29/20 8:32 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
<b>Major EM Benchmarks</b>			%				%
MSCI EM Equities		43.45	0.7	-1	8	3	-3
MSCI Frontier Equities		24.05	1.0	1	0	-21	-21
EMBIG Sovereign Spread (in bps)		444	-3	2	-35	116	151
EM FX vs. USD		55.99	0.1	0	3	-11	-9
<b>Major EM FX vs. USD</b>			%, (+) = EM currency appreciation				
China Renminbi		7.00	0.0	0	1	-2	-1
Indonesian Rupiah		14543	-0.1	1	-2	-4	-5
Indian Rupee		74.80	0.1	0	1	-8	-5
Argentine Peso		72.14	-0.1	-1	-2	-39	-17
Brazil Real		5.13	0.5	0	5	-26	-22
Mexican Peso		21.89	0.2	2	5	-13	-14
Russian Ruble		72.47	0.1	-2	-3	-12	-15
South African Rand		16.50	0.1	0	5	-14	-15
Turkish Lira		6.97	-0.5	-2	-2	-19	-15
EM FX volatility		10.00	0.0	0.4	-0.7	3.0	3.4

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

## EM Corporate Bonds

**EM corporate bond supply is at \$292 bn YTD, which is slightly below the run rate from last year, according to JP Morgan reports.** By region, the YTD supply is similar or lower compared to 2019 except for Latin America (\$53 bn YTD) which is more than \$10 bn ahead of last year. Issuance has been running ahead of expectations in quasi-sovereign corporates as well as IG corporate segments, which are the main drivers of the increase. The unscheduled cashflows from tender/buyback/calls has declined meaningfully from 2019 at only \$9bn YTD. While call activity has continued, issuers look to be focusing on conserving cash and refinancing instead of outright reduction in debt given the COVID-19 related uncertainties.

EM corporate external bond issuance (\$ bn)

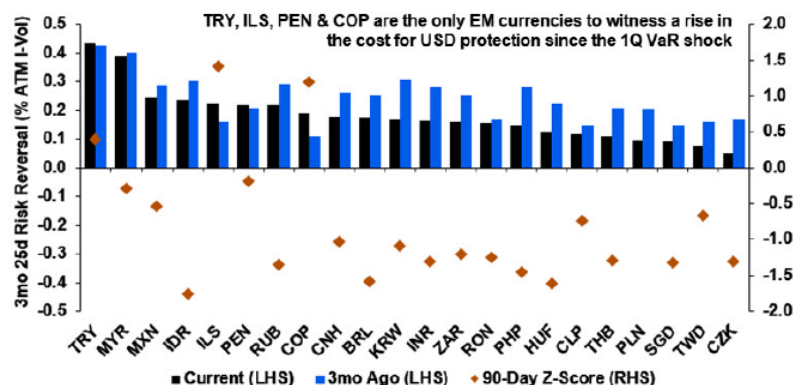
	27-Jul	WTD	MTD	YTD
All	1.4	1.4	38.4	292.2
IG Corporate	1.0	1.0	23.9	196.4
HY Corporate	0.4	0.4	14.5	95.8
Asia	1.4	1.4	27.4	187.0
Latin America	0.0	0.0	5.0	52.6
Emerging Europe	0.0	0.0	4.8	25.6
Middle East & Africa	0.0	0.0	1.3	27.0

Source: JP Morgan, Bloomberg, Bondradar.



**US dollar weakness may be reducing demand for EM currency hedge protection, causing EM risk reversals to flatten across the volatility surface.** Risk reversals measure the difference between FX call- and put-option volatility, a proxy for investor positioning against depreciation (with higher figures indicating greater demand for protection from local currency depreciation). Put-call option skew has declined in 18 of 22 EM currency pairs over the past three months, according to Bloomberg analysts, as foreigners reduce exposure amid lower yields, higher valuations and weaker fundamentals. Among the 22 volatility-adjusted EM risk reversals in the analysis, 14 have a z-score more than one standard deviation below the 90-day average.

### 3-Month 25-Delta Risk Reversal (% ATM Implied Vol)

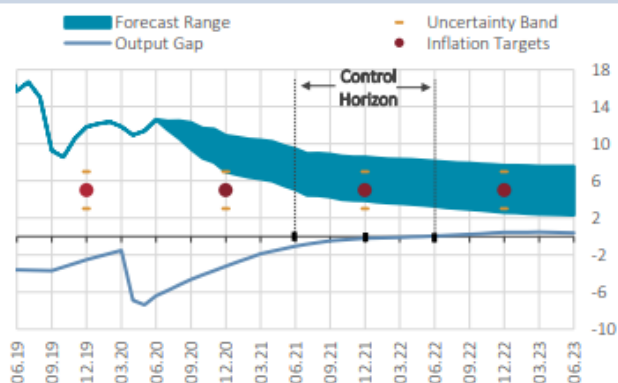


Source: Bloomberg Intelligence

## Turkey

**The Central Bank of Turkey (CBRT) increased its end-2020 inflation forecast to 8.9% from 7.4%.** In its latest [Inflation Report](#) published today, the CBRT noted that “compared with the April Inflation Report projections, the effect of supply-side factors on inflation was somewhat stronger. This was mainly due to supply chain disruptions as well as capacity constraints imposed in certain sectors under gradual normalization”. The CBRT also wrote “inflation rose and materialized above the forecast range on the back of the increase in unit costs driven by the pandemic despite weak aggregate demand conditions.” Headline inflation for end-2021 has also been lifted to 6.2% from 5.4%. Separately, [data](#) showed a narrowing of the trade deficit to \$2.9 bn in June, compared to a forecasted deficit of \$3.1 bn. The deficit is thus 17% smaller compared to June 2019. **The lira continued to depreciate against the US dollar (-0.4%) and the euro (-0.8%). Equities in Istanbul lost 0.6% on the day.**

Chart 1.1.3: Inflation and Output Gap Forecasts\*



Sources: CBRT, TURKSTAT.

\* Shaded area denotes the 70% confidence interval for the forecast.

Export, Import and Balance, June 2020



## Russia

**Russian markets outperformed regional peers as the economy continues to recover.** Equities in Moscow and the ruble gained about 0.5% today, even as Covid-19 infections remain high. Nonetheless, measures of lockdown stringency, high-frequency indicators, and oil production show a gradual return of economic activity.

High-Frequency Indicators		Mar 20	Mar 27	Apr 3	Apr 10	Apr 17	Apr 24	May 1	May 8	May 15	May 22	May 29	Jun 5	Jun 12	Jun 19	Jun 26	Jul 3	Jul 10	Jul 17	Jul 24
Virus	Cases, Weekly <sup>1</sup>	208	783	3,113	7,768	20,091	36,614	45,809	73,428	74,984	63,605	61,175	61,633	61,505	57,531	51,644	47,005	45,922	45,138	41,498
	Deaths, Weekly <sup>1</sup>		4	30	60	179	342	554	554	695	831	1,125	1,146	1,185	1,126	939	1,074	1,156	1,106	920
	Containment Stringency <sup>2</sup>	68.1	69.9	87.0	85.2	85.2	85.2	85.2	85.2	78.2	78.2	78.2	74.5	74.5	74.5	72.7	72.7	72.7	62.5	51.4
Economy	National Self Isolation <sup>3</sup>	1.3	1.6	3.2	3.1	2.9	2.8	2.6	2.5	2.3	2.0	2.0	1.5	1.5	1.4	1.5	1.4	1.2	1.2	1.3
	Traffic Congestion <sup>4</sup>	-9.6	-27.3	-79.3	-76.9	-80.6	-80.9	-78.7	-79.6	-68.0	-58.4	-56.1	-36.7	-41.7	-23.3	-32.1	-24.7	-27.4	-22.1	-29.1
	Shopping Index <sup>5</sup>	-15.9	-35.1	-73.3	-68.8	-74.2	-70.0	-67.1	-67.3	-64.4	-63.5	-62.2	-41.5	-35.5	-30.5	-28.0	-22.6	-20.6	-18.8	-23.3
	Electricity Demand <sup>6</sup>	0.0	-0.9	-6.1	-5.9	-6.3	-7.6	-6.4	-2.5	-6.3	-7.6	-3.4	-2.8	-2.5	-2.7	-2.0	-1.3	-0.1	-0.6	-1.6
	Whole-Economy Payments <sup>7</sup>			-22.3	-13.4	-18.5	-19.4	-14.0	-5.4	-1.6	-11.3	-6.6	-12.3	-10.6	-11.8	-2.7	7.9	-3.3	-4.6	
	Inflation, Weekly Difference <sup>8</sup>	0.2	0.2	0.3	0.1	0.1	0.0	0.0	-0.1	-0.1	0.0	0.1	0.0	0.1	0.0	-0.2	0.2	0.1	-0.1	
Markets	Oil Price, % Change <sup>9</sup>	-24.9	-6.1	-5.4	24.9	-13.2	-14.4	13.0	30.6	3.7	16.5	2.5	10.5	1.2	4.5	2.4	0.7	0.0	0.7	0.6
	Ruble, % Change <sup>10</sup>	-5.9	-0.8	0.5	4.2	1.4	-2.2	1.9	0.1	0.6	2.6	1.3	2.9	-0.4	-0.9	0.6	-2.2	-0.5	-0.1	0.0
	3M Implied Key Rate Change <sup>11</sup>	1.3	0.4	0.2	-0.2	-0.5	-0.9	-0.7	-0.6	-1.0	-1.1	-0.8	-0.8	-0.7	-0.6	-0.3	-0.3	-0.3	-0.2	-0.2

Notes: <sup>1</sup>Confirmed new Covid-19 cases and deaths, compiled by Bloomberg News and Johns Hopkins. <sup>2</sup>Oxford Covid-19 Government Response Tracker, zero to 100. <sup>3</sup>Yandex Self-Isolation Index, weekly average for Russia's largest cities, zero to 5. <sup>4</sup>Peak traffic index for Moscow region from location-technology company TomTom, year-over-year change. <sup>5</sup>Statom Shopping Index of average daily visitors to 150 retail shopping centers in Moscow, weekly average of YoY % differences, data through following Sunday. <sup>6</sup>Weekly consumption in Central and Northwest Federal Districts versus weather- and calendar-adjusted forecast, % difference. <sup>7</sup>Inflows into Bank of Russia payments system, % normal, weighted by industry GDP shares, excluding oil/government activity. Figures prior to April 24 reflect earlier methodology. <sup>8</sup>Week-over-week inflation versus same period of 2019, ppt differences. <sup>9</sup>Urals oil price, weekly average % change in 3M contract. <sup>10</sup>Ruble/dollar, weekly average % change. <sup>11</sup>Change in Russia's policy rate implied by 3M ruble forward, weekly average in bps.

## Argentina

**Argentina's main bondholder groups say they now represent more than 50% of the country's overseas debt, potentially strengthening their bargaining power in the country's bond restructuring.** A group of creditors seeking to extract better terms from the government in its \$65 bn debt restructuring says they have added large funds to their bloc, reports Bloomberg. Thirty investment funds, some of them part of the Ad Hoc Bondholder group, the Exchange Bondholder group and the Argentina Creditor Committee, sent a letter to Economy Minister on Monday saying they hope to reach a consensual agreement. The move boosts the creditors' position as the government aims to reduce its outstanding foreign debt after defaulting for the 9th time in its history. While government officials have repeated that the last offer is the best the country can do in financial terms, reports hold they may support "adjustments" to the legal terms of the contracts. The deadline for its proposal is August 4. The country's overseas dollar notes due in 2028 were little changed, slipping 0.4 cents to 42.4 cents on the dollar.



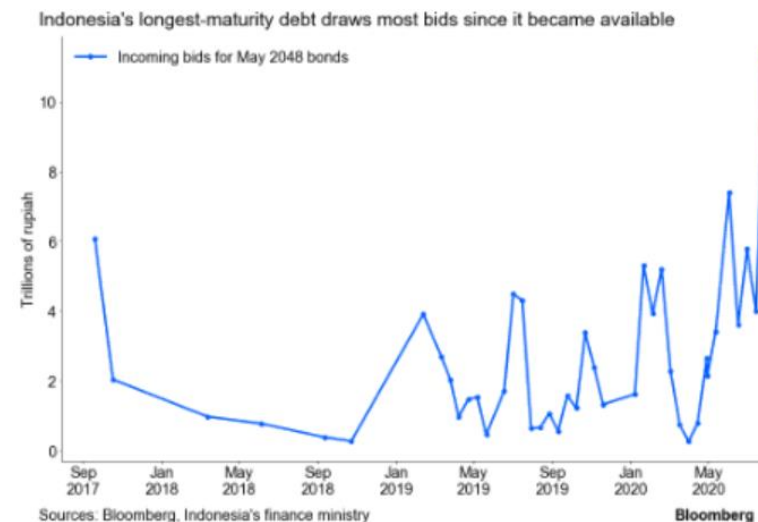
## End in Sight?

Argentina's bonds hovered around 40 cents in weeks before latest debt offer



## Indonesia

**Indonesia's long-dated bond auction garnered strong investor demand.** A sale of debt due in May 2048, the longest tenor on offer, attracted IDR11.3 tn (\$774 mn) of bids, the most since the securities became available in 2017, according to Bloomberg. Including the bond sale of other maturities, the government raised IDR22 tn, exceeding its target of IDR20 tn. **10-year bond yields, the Indonesian rupiah and equities were stable.**



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## Global Financial Indicators

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Europe		3309	0.2	-2	2	-6	-12
Japan		22397	-1.1	-1	2	4	-5
China		3295	2.1	-1	11	12	8
Asia Ex Japan		75	-0.8	-1	7	8	1
Emerging Markets		43	0.7	-1	8	3	-3
<b>Interest Rates</b>			basis points				
US 10y Yield		0.58	-3.6	-2	-5	-149	-134
Germany 10y Yield		-0.51	0.2	-2	-4	-12	-32
Japan 10y Yield		0.02	0.0	0	1	17	3
UK 10y Yield		0.11	0.0	-1	-5	-55	-71
<b>Credit Spreads</b>			basis points				
US Investment Grade		132	0.0	1	-22	15	34
US High Yield		546	-2.3	-8	-102	114	152
Europe IG		60	-0.1	2	-10	11	16
Europe HY		365	-0.9	22	-31	119	158
EMBIG Sovereign Spread		444	-3.0	2	-35	116	151
<b>Exchange Rates</b>			%				
USD/Majors		93.68	0.0	-1	-4	-4	-3
EUR/USD		1.17	0.1	1	4	5	5
USD/JPY		105.1	0.0	2	2	4	3
EM/USD		56.0	0.1	0	3	-11	-9
<b>Commodities</b>			%				
Brent Crude Oil (\$/barrel)		44	1.2	-1	5	-31	-34
Industrials Metals (index)		113	0.7	2	8	-2	-2
Agriculture (index)		36	0.1	-1	3	-11	-14
<b>Implied Volatility</b>			%				
VIX Index (% change in pp)		24.9	-0.6	0.6	-6.9	12.1	11.1
10y Treasury Volatility Index		#N/A N/A	#N/A N/A	#N/A N/A	#N/A N/A	#N/A N/A	#N/A N/A
Global FX Volatility		8.3	0.0	0.8	-0.2	1.7	2.3
<b>EA Sovereign Spreads</b>			10-Year spread vs. Germany (bps)				
Greece		158	-0.4	-4	-15	-85	-7
Italy		151	-0.8	-2	-26	-46	-9
Portugal		86	-1.9	2	-9	4	23
Spain		85	-1.3	3	-9	10	20





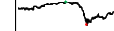

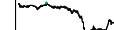



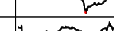











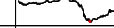

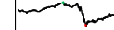













Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations.

Data source: Bloomberg.

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## Emerging Market Financial Indicators

Last updated: 7/29/2020 8:32 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		7.00	0.0	0.0	1	-2	-1		3.0	1.1	-5	3	-18	-13	
Indonesia		14543	-0.1	0.7	-2	-4	-5		6.9	-5.0	-20	-36	-40	-27	
India		75	0.1	-0.1	1	-8	-5		5.9	0.6	3	-12	-81	-93	
Philippines		49	0.0	0.3	1	4	3		3.7	-4.8	-14	-42	-96	-61	
Thailand		31	0.1	0.5	-2	-2	-6		1.4	0.0	0	0	-60	-20	
Malaysia		4.24	0.2	0.2	1	-3	-4		2.5	-1.2	-5	-37	-114	-90	
Argentina		72	-0.1	-0.6	-2	-39	-17		44.6	-72.2	-122	-108	1416	-1801	
Brazil		5.13	0.5	-0.2	5	-26	-22		5.1	3.4	-11	-19	-148	-111	
Chile		760	0.9	1.1	8	-8	-1		2.6	-1.3	-15	6	-43	-68	
Colombia		3726	-1.3	-2.8	1	-12	-12		5.2	-1.2	-2	-44	-41	-79	
Mexico		21.89	0.2	2.2	5	-13	-14		5.9	-1.3	-9	-19	-175	-107	
Peru		3.5	0.6	-0.3	0	-6	-6		4.0	0.0	-14	-40	-50	-56	
Uruguay		42	0.1	1.6	-1	-19	-12		9.1	-0.7	-43	-114	-69	-180	
Hungary		296	0.1	1.7	7	-1	0		1.5	0.5	-3	0	14	29	
Poland		3.77	-0.1	1.4	5	2	1		0.8	-1.9	-2	-3	-106	-110	
Romania		4.1	0.1	1.4	5	3	4		3.7	1.0	-13	0	-3	-32	
Russia		72.5	0.1	-1.9	-3	-12	-15		5.5	2.9	6	9	-166	-67	
South Africa		16.5	0.1	-0.1	5	-14	-15		10.1	6.8	-19	1	62	55	
Turkey		6.97	-0.5	-1.7	-2	-19	-15		11.9	50.4	67	151	-337	19	
US (DXY; 5y UST)		94	0.0	-1.4	-4	-4	-3		0.26	-0.3	-1	-1	-159	-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		3295	2.1	-1	11	12	8		214	0	-2	-14	38	38
Indonesia		5111	0.0	0	4	-19	-19		236	-6	-10	-27	69	80
India		38071	-1.1	1	9	1	-8		239	4	-10	-1	105	114
Philippines		5966	0.7	-2	-2	-27	-24		133	-7	-9	-33	65	67
Malaysia		1611	0.1	2	8	-2	1		160	0	-8	-29	45	48
Argentina		48934	-1.0	5	21	14	17		2258	-1	-15	-229	1476	489
Brazil		104109	-0.4	0	9	1	-10		335	-3	3	-46	133	120
Chile		4056	-0.2	3	2	-19	-13		193	-1	0	-23	66	60
Colombia		1171	-0.8	0	5	-26	-30		262	0	12	-43	92	99
Mexico		37771	0.1	2	0	-8	-13		500	-2	13	-38	178	208
Peru		17701	0.0	3	6	-14	-14		160	-2	2	-25	46	53
Hungary		34733	-0.1	-2	-5	-15	-25		155	0	-7	-18	64	69
Poland		52115	-0.1	0	4	-13	-10		29	-4	-7	-20	-7	11
Romania		8613	0.0	0	0	-4	-14		267	2	-14	-25	86	93
Russia		2909	0.5	3	5	7	-4		215	-2	6	1	29	84
South Africa		56626	0.2	1	5	-2	-1		515	-1	5	-20	221	195
Turkey		1143	-0.8	-99	-1	11	0		629	8	42	32	185	228
Ukraine		500	0.0	0	0	-7	-2		648	1	20	-15	181	228
EM total		43	0.7	-1	8	3	-3		444	-3	2	-35	116	151

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

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