



- **More public companies embrace the “Bitcoin Treasury” strategy** ([link](#))
- **ECB officials emphasize need for prudent approach** ([link](#))
- **Pound sterling and UK gilt yields decline on slowing wages and job growth** ([link](#))
- **Argentina’s central bank loosens FX restrictions to boost dollar reserves** ([link](#))
- **Major Taiwan life insurers’ losses multiplied following TWD’s historic May rally** ([link](#))
- **Special Feature: Climate Finance Monitor Q1 2025** ([attached](#))

[Mature Markets](#)



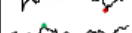



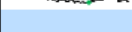



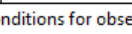
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Markets Subdued as Traders Await Outcome of US-China Meeting

In the absence of incremental news, global investors were cautious, and markets remained mostly quiet amid a second round of talks in London between Chinese and US authorities. Reports indicate positive signals from US officials, with suggestions that there may be a compromise involving US easing of tech export controls in return for Chinese lifting of rare earth restrictions. However, details on progress so far have been limited. As traders hope for a positive outcome, global bourses were mostly flat, with US equity futures slightly higher and European bourses trading sideways. Onshore and offshore Chinese equities gave up earlier gains, though Japanese and Korean stocks ended their sessions higher. Sovereign bond yields were modestly lower across jurisdictions, except for notably UK gilts, which fell by as much as 9 bps on softer-than-expected data, including cooler jobs and wage growth. US Treasuries, meanwhile, continued to trade in a tight range seen yesterday. Elsewhere in the US, the New York Fed’s Survey of Consumer Expectations, which showed a decline in 1yr and 5yr inflation expectations, was seen by contacts as a positive indicator ahead of tomorrow’s closely watched CPI report, which may give the markets direction.

Key Global Financial Indicators

Last updated: 6/10/25 8:38 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		6006	0.1	1	6	12	2
Eurostoxx 50		5416	-0.1	1	2	8	11
Nikkei 225		38212	0.3	2	2	-2	-4
MSCI EM		47	0.9	3	5	12	13
Yields and Spreads			bps				
US 10y Yield		4.44	-3.2	-1	6	-2	-13
Germany 10y Yield		2.53	-3.8	0	-3	-14	16
EMBIG Sovereign Spread		320	3	-12	-25	-65	-4
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		46.0	0.1	1	1	0	7
Dollar index, (+) = \$ appreciation		99.0	0.1	0	-1	-6	-9
Brent Crude Oil (\$/barrel)		67.5	0.7	3	6	-17	-10
VIX Index (% change in pp)		17.2	0.1	0	-5	4	0

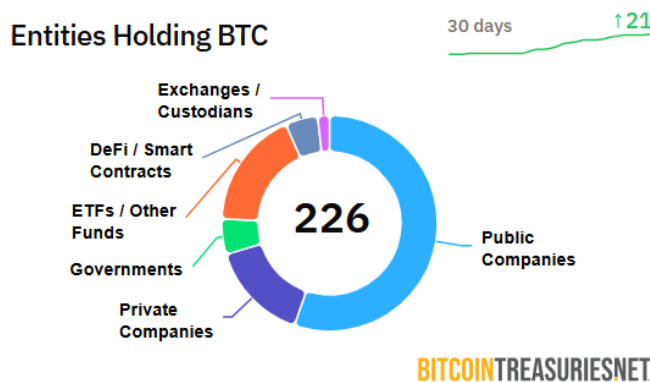
Colors denote **tightening/easing** financial conditions for observations greater than ± 1.5 standard deviations. Data source: Bloomberg.

Mature Markets

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United States

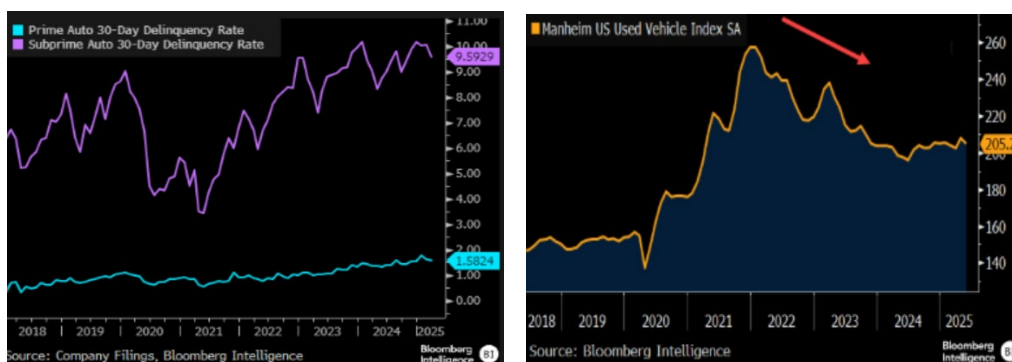
Some public companies are expanding their Bitcoin holdings despite market volatility. Many public companies, including those with no visible ties to the crypto industry, are now adopting a “Bitcoin treasury strategy,” according to Standard Chartered, citing data from [BitcoinTreasuries.net](#). This includes companies in software, marketing, and healthcare services, motivated by the belief that holding crypto assets could enhance their equity valuations. Major investors include pioneers like Tesla, MicroStrategy, and BlackRock, as well as prominent names such as Reddit and GameStop. While the Bitcoin treasury strategy positions companies to benefit from crypto gains, it also exposes them to market volatility, which has become increasingly evident in recent months. These holdings could also amplify Bitcoin selloffs and volatility during periods of turbulence. According to Standard Chartered, if Bitcoin were to decline below \$90,000—just 15% lower than its current high of \$106,000—the crypto holdings of approximately 30 public companies out of the 125 currently invested Bitcoin would be underwater, posing significant financial risks.



Source: BitcoinTreasuries.net

Subprime auto delinquencies continue to climb as tax-related tailwinds diminish and tariff-driven price increases take a toll. The 30-day delinquency rate among subprime borrowers has been steadily rising over the past three years, increasing from around 7% in 2022 to nearly 10% in April 2025, despite a substantial drop in used car prices. Delinquencies among prime borrowers have remained stable at around 1.6%. The recent uptick in subprime delinquencies may reflect both seasonal trends, particularly the fade of a temporary boost from tax refunds, and the mounting impact of higher living costs associated with new tariffs. Looking ahead, analysts note that a rise in the unemployment rate or substantial cuts in government benefits could add further pressures for these borrowers.

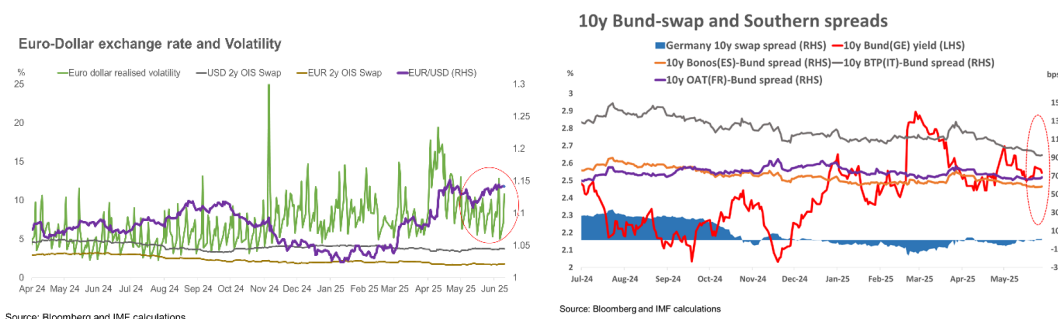
30-Day Prime and Subprime Delinquency Rates vs Used Car



Euro Area

European equities traded sideways this morning, Euro area sovereign yields were little changed, and the euro was steady against the dollar. The Stoxx 600 index was little changed with mixed performances across sectors. The energy sector outperformed (+1.2%) on the back of higher oil prices (Brent + 0.5% at \$67.32/barrel) while the banking sector underperformed (-0.7%). European bourses were marginally down, with the DAX index falling the most in Germany by -0.5%. The euro traded steady against the dollar at \$1.1419/€. ECB officials, including Governing Council member Villeroy de Galhau, stated that the ECB is in a “favorable zone” though he cautioned that the central bank would remain data-driven and agile. Officials also stressed that heightened uncertainty remains, underlying the importance of meeting-by-meeting decisions, though indications were also given that the ECB is near the end of its rate-cutting cycle. Government bond yields were lower by about 3 bps across tenors, with the 2y Bund yield at 1.84% and the 10y yield trading at around 2.54%. Southern spreads were a touch higher this morning, with the Italian-German 10y yield spread (+1bps) at around 93bps and the French-German spread at 69bps.

In Italy, today's data on industrial production surprised to the upside, as output grew in April by 0.3%/y (vs. est. -1.1%/y) from prior -1.8%. Analysts at ING see today's release as showing that the Italian industry had a good start to the second quarter, which should support GDP growth. However, analysts warn that recent business surveys hint at very limited improvement in May, with 2Q growth of industrial output ultimately linked to tariffs developments.



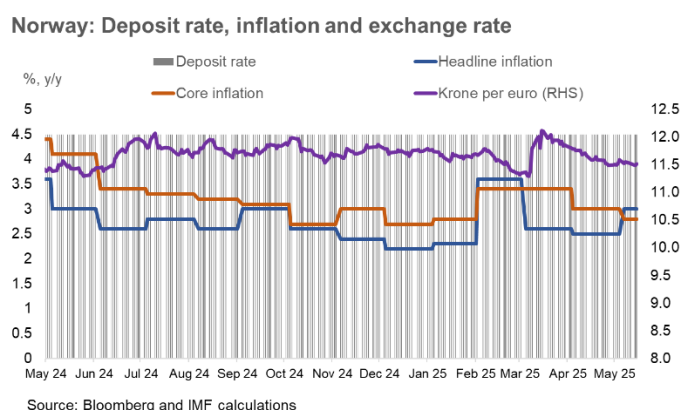
United Kingdom

Data prints in the UK showed wages growing slightly less than expected along with a cooling job market in April. Following the release, the pound sterling edged lower (-0.4%) against the dollar this morning, trading at \$1.3489/£. Gilt yields were lower by about 9 bps lower across tenors, while equities were up by 0.3%. Data showed that regular weekly wages (excl. bonuses) grew by 5.2%/y (vs. est. 5.3%) in the three months to April, from prior 5.5%/y. Regular wage growth in the private sector, reportedly the measure most closely tracked by the Bank of England (BOE), declined to 5.1%/y from 5.5%/y in March. The unemployment rate rose to 4.6% in the three months to April from a prior 4.5%, with the number of employees on payrolls dropping by 109,000 in May (vs. est. 20,000). Some contacts believe that today's data increases the chances that the BOE will resume its rate cuts in August and November, ultimately taking the bank rate to 3.5% next February (from the current level of 4.25%). Deutsche Bank expects the bank rate to reach a terminal level of 3.25% in 1Q 26 when wages growth will return to near 3%/y, consistent with the BOE's 2% inflation target. ING also views the fall in wage growth continuing in 2025. Money markets have scaled up today expectations of rate cuts from the BOE, pricing-in -48bps of easing by December and -65bps by April 2026.

Norway

Norway's May core inflation figure released today came slightly lower than expected this morning. Following the release, the krone weakened by 0.2% against the euro and 0.4% against the dollar while

government bond yields edged slightly lower. Core inflation printed at 2.8%/y/y in May (vs. est. 2.9%), from 3%/y/y in April, while headline inflation rose to 3%/y/y (vs. est. 2.7%) from prior 2.5%/y/y. Handelsbanken continues to expect the Norges Bank to hold its policy rate at 4.50% at the next MPC meeting on June 19 but to then cut rates in September, noting that core inflation has been lower than the 3.1% predicted by the central bank in May. The Norges Bank kept the benchmark rate unchanged at the last MPC meeting in May, when policymakers said that easing could begin “in the course of 2025”. Money markets marginally scaled up expectations of rate cuts in 2025, pricing-in -34bps of easing by November against -29bps priced-in last Friday.



Emerging Markets

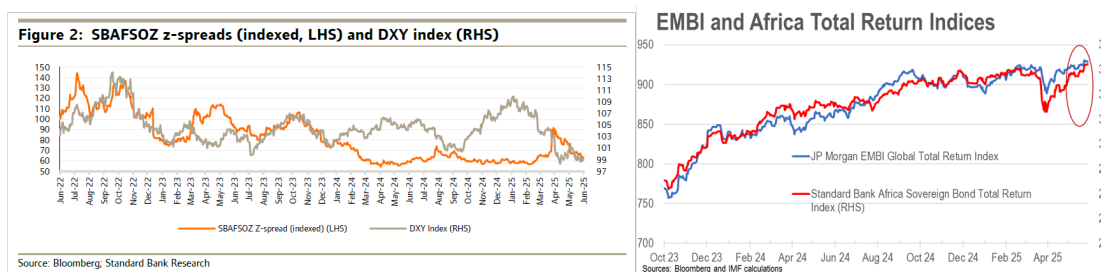
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Asian markets were mostly quiet as China-US trade discussions slipped into a second day, with Chinese stocks erasing earlier gains. The Hang Seng index fell by as much as 0.9% before ending slightly lower, while the CSI 300 Index onshore also flipped to a loss (-0.5%). The yen held steady following comments from Governor Ueda who noted that inflation is still below the Bank of Japan’s target, signaling that the next rate hike is some ways off. The Korean won underperformed (-0.8%) as local stocks also erased earlier gains on the day (+0.6%), though the Kospi Index has gained about 25% since its recent low in early April, making Korea one of the outperformers in the region. **EMEA equities and currencies were mixed.** In CEE, equities in Poland were outperforming (+0.9%) while the Polish zloty was marginally stronger against the euro (+0.2%) ahead of tomorrow’s scheduled vote of no confidence. Bloomberg reports that Hungary is increasing its foreign-currency debt issuance target by roughly €3bn. Meanwhile, the South African rand was little changed against the dollar while the Turkish lira was marginally stronger (+0.2%). On the central bank front a 50bps rate cut is expected in Kenya later today. **Latin American markets were mixed** as equities slipped in Mexico and Brazil, while inching higher in Chile. The Mexican peso appreciated modestly, the Chilean peso weakened, and the Brazilian real was unchanged. Colombian assets declined amid heightened political uncertainty following Sunday’s assassination attempt of a presidential candidate, with stocks down 0.5% and the peso losing 0.7%.

Africa Eurobonds

African Eurobonds remained resilient despite recent global macroeconomic volatility. According to Standard Bank analysts, the z-spread on the Standard Bank Africa Sovereign Bond index (SBAFSOZ index)—which comprises all the USD Eurobonds issued by African governments, except South Africa—currently stands at approximately 530bps, around 50bps tighter than levels observed immediately prior to the US tariff announcements on April 2. This level is roughly one standard deviation below the three-year average. Analysts attribute the resilience of spreads to its historical relationship to the USD, noting that the broader trend of dollar weakness resulting in tighter African spreads has persisted despite the transitory tariff shock period between April 4 and 11, when the dollar index declined by roughly 3.5% and SBAFSOZ

spreads widened by about 160bps. Over the past week the SBAFSOZ index rallied by 1.4%w/w (with Benin, Kenya and Ghana outperforming), while the Emerging Markets Bond Index (EMBI) posted a 0.4% w/w gain.

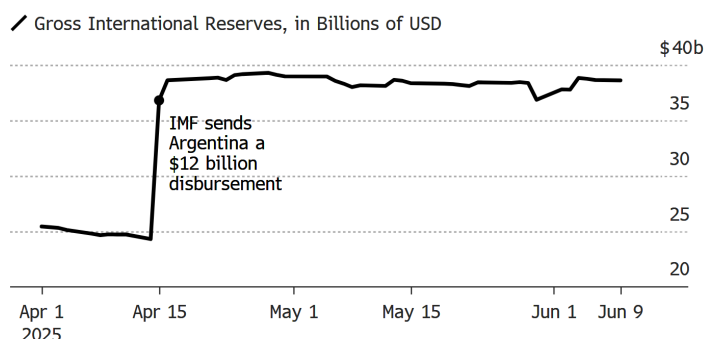


Argentina

Argentina's central bank announced new measures to bolster dollar reserves by \$4.4 bn ahead of a June 13 deadline under its recent IMF agreement. Officials will reportedly allow local currency bonds to be purchased with US dollars and eliminate minimum holding periods for foreign investors. The central bank also plans to secure a second repo agreement with international lenders, worth \$2 bn, on Wednesday. These steps aim to boost dollar holdings without expanding the money supply, a key to President Milei's anti-inflation strategy ahead of October's midterm elections. The shift also reflects Milei's broader goal of cleaning up the central bank's balance sheet and defending the peso.

After IMF Deal, Argentina's Reserves See Little Growth

Foreign reserves remain little changed since first IMF disbursement in April



Source: Bloomberg, Banco Central de la República Argentina

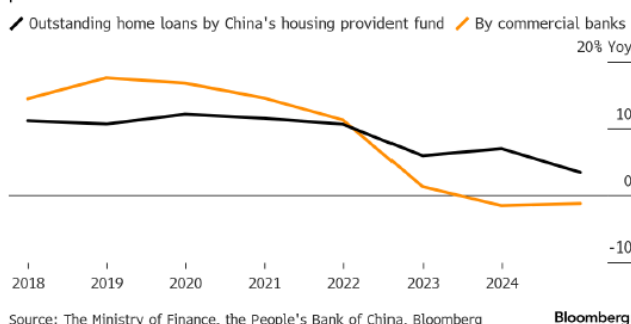
Bloomberg

China

A government savings program is being tapped to help stabilize the housing market. The Housing Provident Fund, a government savings program worth RMB 10.9 trn (or USD 1.5 trn), is increasingly being used to help with mortgage financing. The program, established three decades ago, requires employees and employers to contribute monthly into a pool that can be used for mortgages. Usage conditions for the Provident Fund, which has historically been restricted, have been relaxed since last year, according to China Index Holdings. The average Provident Fund mortgage rate is 2.5%, roughly 100 bps below banks' benchmark 5-year loan prime rate, a reference rate for household mortgages. In 2024, outstanding home loans financed by the fund grew 3.4%, y/y, compared to a decline of 1.3%, y/y, for home loans at commercial banks, where low margins and slow profit growth have curtailed their risk appetite.

Provident Fund Loan Growth Outpaces Commercial Banks

Many local governments have relaxed rules for taking out mortgages from the provident fund



Mexico

Mexico's annual inflation accelerated to 4.4% y/y in May, above expectations. The print exceeds Banxico's 2–4% target range, potentially complicating expectations for another half-point rate cut on June 26. Core inflation also rose to 4.06% y/y from 3.93%. Six- and one-year forward contract rates rose slightly following the data prints. Growth remains sluggish as the country narrowly avoided a technical recession earlier this year amid US tariff policy uncertainty. Market contacts remain cautiously optimistic, however, noting that weaker activity should limit upward price pressures and reduce the impact of new shocks. They also highlight that the lagged inflationary impact from last year's weaker peso is likely to reverse following the currency's appreciation since December.

Taiwan Province of China

Major life insurers' losses multiplied amid Taiwan dollar rally in May. Taiwan Life Insurance Co. posted a loss of NT\$2.83 bn (\$94.5 mn) in May, more than double its loss in April. The loss follows the Taiwan dollar's record appreciation over a two-day period in May. Analysts expect other insurers to pose similarly large losses given their unhedged dollar exposures. Approximately 70% of Taiwan's life insurers' assets are in foreign currency, typically in US dollar-denominated bonds, according to Fitch. These insurers' foreign-exchange valuation reserves have been depleted by the Taiwan dollar's sharp appreciation in May. In response to the currency market volatility, insurers including Cathay Life and Fubon Life have increased their currency hedging. Regulators are also considering allowing insurers to use a rolling average for exchange-rate levels when reporting results, reducing the impact of sudden swings.

This monitor is prepared under the guidance of Jason Wu (Assistant Director), Charles Cohen (Advisor), Caio Ferreira (Deputy Division Chief) and Sheheryar Malik (Deputy Division Chief). Fabio Cortes (Senior Economist), Timothy Chu (Financial Sector Expert-New York Representative), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Senior Financial Sector Expert-London Representative), Johannes S. Kramer (Senior Financial Sector Expert), Benjamin Mosk (Senior Financial Sector Expert), Sonal Patel (Senior Financial Sector Expert-London Representative), Patrick Schneider (Financial Sector Expert), and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are John Caparusso (Senior Financial Sector Expert), Mustafa Oguz Caylan (Research Officer), Sally Chen (IMF Resident Representative in Hong Kong), Yingyuan Chen (Financial Sector Expert), Andrew Ferrante (Research Analyst), Deepali Gautam (Senior Research Officer), Zixuan Huang (Economist – EP), Harrison Kraus (Research Analyst), Yiran Li (Senior Research Analyst), Xiang-Li Lim (Financial Sector Expert), Corrado Macchiarelli (Economist), Kleopatra Nikolaou (Senior Financial Sector Expert), Francesco de Rossi (Senior Financial Sector Expert-London Representative), Lawrence Tang (Senior Economist), Dmitry Yakovlev (Senior Research Officer), Akihiko Yokoyama (Senior Financial Sector Expert), and Jing Zhao (Economic Analyst). Javier Chang (Senior Administrative Coordinator), Lauren Kao (Administrative Coordinator), and Srujana Tyler (Administrative Coordinator) are responsible for the word processing and production of this monitor.

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Global Financial Indicators

6/10/25 8:38 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		6,012	0.1	0.7	6.2	12.1	2
Europe		5,416	-0.1	0.7	2.0	8.0	11
Japan		38,212	0.3	2.0	1.9	-2.4	-4
China		3,865	-0.5	0.3	0.5	9.1	-2
Asia Ex Japan		81	0.9	3.5	6.4	13.1	12
Emerging Markets		47	0.9	3.2	5.4	11.9	13
Interest Rates			basis points				
US 10y Yield		4.4	-3	-1	6	-2	-13
Germany 10y Yield		2.5	-4	0	-3	-14	16
Japan 10y Yield		1.5	1	-2	11	43	38
UK 10y Yield		4.5	-9	-10	-3	22	-3
Credit Spreads			basis points				
US Investment Grade		129	0	-1	-15	9	9
US High Yield		351	0	-9	-44	0	23
Exchange Rates			%				
USD/Majors		99.0	0.1	-0.2	-1.3	-5.8	-9
EUR/USD		1.14	0.1	0.5	3.1	6.2	10
USD/JPY		144.6	0.0	0.4	-2.6	-8.0	-8
EM/USD		46.0	0.1	0.6	1.3	-0.3	7
Commodities			%				
Brent Crude Oil (\$/barrel)		67.5	0.7	2.8	6.4	-12.4	-7
Industrials Metals (index)		144.2	-0.4	0.1	1.8	-6.4	3
Agriculture (index)		56.3	0.2	1.0	-1.5	-5.2	-1
Gold (\$/ounce)		3339.5	0.4	-0.4	3.2	44.5	27
Bitcoin (\$/coin)		109474.7	0.6	8.9	6.1	57.3	17
Implied Volatility			%				
VIX Index (% change in pp)		17.2	0.1	-0.5	-4.7	4.5	-0.1
Global FX Volatility		8.4	0.0	-0.4	-0.8	1.2	-0.8
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		71	1	-2	-9	-39	-14
Italy		92	0	-5	-13	-48	-23
France		69	1	2	-2	13	-14
Spain		58	0	0	-6	-19	-11

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

Data source: Bloomberg.

Emerging Market Financial Indicators

Last updated: 6/10/2025 8:38 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		7.18	-0.1	0.1	0.3	0.9	1.6		1.7	0	-2	3	-52	4
Indonesia		16273	0.0	0.1	1.5	0.0	-1.1		6.7	0	-5	-8	-16	-33
India		86	0.0	0.0	-0.3	-2.5	0.0		6.8	2	14	-1	-47	-51
Philippines		56	0.0	-0.2	-0.6	5.3	3.6		4.9	-1	-2	-4	-61	5
Thailand		33	0.0	0.5	1.1	12.7	4.4		1.9	-1	-9	-12	-97	-47
Malaysia		4.24	-0.2	0.2	1.5	11.4	5.5		3.5	1	1	-1	-34	-28
Argentina		1185	0.0	-0.4	-4.9	-23.9	-13.0		27.3	-87	-188	-212	-1739	-183
Brazil		5.56	0.0	1.5	2.1	-3.7	11.2		14.2	-8	4	29	241	-174
Chile		936	0.2	0.6	1.2	-1.6	6.3		5.6	1	-2	0	-18	-12
Colombia		4142	-0.6	0.5	2.0	-5.0	6.4		12.4	7	31	50	167	57
Mexico		19.05	0.0	1.0	3.1	-4.2	9.3		9.2	-2	-13	-15	-110	-112
Peru		3.6	0.5	-0.4	0.5	4.0	2.9		6.9	#####	36	34	-21	26
Uruguay		41	0.0	0.5	0.8	-5.4	6.2		9.0	-1	-30	-47	-15	-63
Hungary		351	0.3	1.2	4.1	4.1	13.3		6.7	0	4	17	2	31
Poland		3.73	0.4	0.9	2.7	7.8	10.8		5.2	4	20	22	-32	-41
Romania		4.4	0.2	0.9	4.4	4.9	9.0		7.4	0	0	-88	79	16
Russia		78.6	0.7	0.7	3.0	13.0	44.4							
South Africa		17.7	0.2	1.0	3.3	5.8	6.5		10.4	6	-14	-38	-157	-6
Türkiye		39.22	0.2	-0.2	-1.1	-17.5	-9.9		33.7	0	-29	-109	502	400
US (DXY; 5y UST)		99	0.1	-0.2	-1.3	-5.8	-8.7		4.05	-3	3	5	-43	-33

	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	7 Days	30 Days	12 M	
								basis points					
China		3,865	-0.5	0.3	0.5	9.1	-1.8		104	-5	-12	-30	8
Indonesia		7,231	1.6	0.8	5.8	5.5	2.1		96	-6	-14	4	5
India		82,392	-0.1	2.0	3.7	7.8	5.4		102	-5	-22	10	16
Philippines		6,348	-0.9	-0.1	-1.7	-1.0	-2.8		78	-5	-9	-4	-1
Thailand		1,139	0.3	-0.9	-5.9	-13.4	-18.6						
Malaysia		1,517	-0.2	0.9	-1.9	-5.9	-7.6		76	-6	-13	-2	6
Argentina		2,111,197	-2.1	-4.3	-0.2	33.9	-16.7		693	12	5	-895	56
Brazil		135,699	-0.3	-0.8	-0.6	12.4	12.8		217	-7	-8	-3	-30
Chile		8,173	0.0	0.7	-0.7	23.4	21.8		112	-5	-8	-7	-1
Colombia		1,636	-0.9	-0.5	-0.6	15.8	18.6		346	9	-22	45	20
Mexico		57,813	-0.4	0.2	2.2	8.8	16.8		288	-11	-30	-20	-24
Peru		32,498	-0.5	2.0	6.1	10.0	12.2		130	-2	-9	-22	-11
Hungary		96,855	0.3	0.7	3.0	37.9	22.1		146	-10	-13	1	-9
Poland		102,126	1.8	2.2	-1.1	20.4	28.3		107	-7	-2	13	-5
Romania		18,693	-0.7	0.8	13.4	4.6	11.8		227	-35	-87	43	-8
South Africa		97,001	0.6	2.2	5.6	27.3	15.3		296	-22	-35	-42	3
Türkiye		9,616	1.4	6.6	2.4	-3.8	-2.2		302	-17	-16	20	43
EM total		47	0.3	3.2	5.4	11.9	13.2		373	-10	-19	-9	9

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

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