






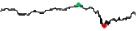





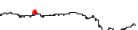

- US equities tumbled yesterday, the most since mid-March ([link](#))
- US Treasury yield curve continues to flatten ([link](#))
- The VIX remains low relative to the level of economic uncertainty ([link](#))
- Analysts expect an allotment of up to €1.3 tn in next week's ECB June TLTRO ([link](#))
- Japan's parliament passes second fiscal stimulus package ([link](#))
- China to ease IPO rules for tech-heavy Chinext by year-end ([link](#))

[US](#) | [Europe](#) | [Other Mature](#) | [Emerging Markets](#) | [Market Tables](#)

## Markets recover after Thursday's sell-off

European bourses and US equity futures recovered this morning, following yesterday's sell-off when the S&P 500 suffered its largest daily loss since mid-March. The sell-off was driven by concerns about a slower-than-expected economic recovery and reports of coronavirus infection rates increasing in parts of the US. Profit-taking may have also contributed to yesterday's losses as market participants paused and re-assessed their investment themes after a strong rally in risky assets since late March. Those sectors that underperformed yesterday-autos, banks and travel- were among the outperformers this morning. Other risky assets also bounced back, with European high yield cross-over spreads tightening 13 bps while the VIX was down 3.3 ppts at 37.5 this morning. US Treasury yields rose and the dollar weakened slightly. Emerging markets were mixed with EMEA currencies outperforming, the South African rand (+0.9%) and Russian ruble (+0.9%) in particular.

Key Global Financial Indicators

| Last updated:<br>6/12/20 8:01 AM     | Level   |        | Change from Market Close |        |         |      | YTD  |
|--------------------------------------|---|--------|--------------------------|--------|---------|------|------|
|                                      | Last 12m  | Latest | 1 Day                    | 7 Days | 30 Days | 12 M |      |
| <b>Equities</b>                      |   |        | %                        |        |         |      | %    |
| S&P 500                              |  | 3002   | -5.9                     | -4     | 5       | 4    | -7   |
| Eurostoxx 50                         |  | 3189   | 1.4                      | -6     | 11      | -6   | -15  |
| Nikkei 225                           |  | 22305  | -0.7                     | -2     | 10      | 6    | -6   |
| MSCI EM                              |  | 39     | 0.5                      | -2     | 7       | -6   | -13  |
| <b>Yields and Spreads</b>            |   |        | bps                      |        |         |      |      |
| US 10y Yield                         |  | 0.70   | -5.7                     | -19    | 4       | -142 | -121 |
| Germany 10y Yield                    |  | -0.42  | -0.6                     | -14    | 9       | -18  | -24  |
| EMBIG Sovereign Spread               |  | 483    | -1                       | 22     | -90     | 125  | 190  |
| <b>FX / Commodities / Volatility</b> |   |        | %                        |        |         |      |      |
| EM FX vs. USD, (+) = appreciation    |  | 55.6   | 0.5                      | -1     | 5       | -10  | -9   |
| Dollar index, (+) = \$ appreciation  |  | 96.7   | -0.1                     | 0      | -3      | 0    | 0    |
| Brent Crude Oil (\$/barrel)          |  | 38.9   | 1.0                      | -8     | 30      | -35  | -41  |
| VIX Index (% change in pp)           |  | 37.5   | -3.3                     | 13     | 4       | 22   | 24   |

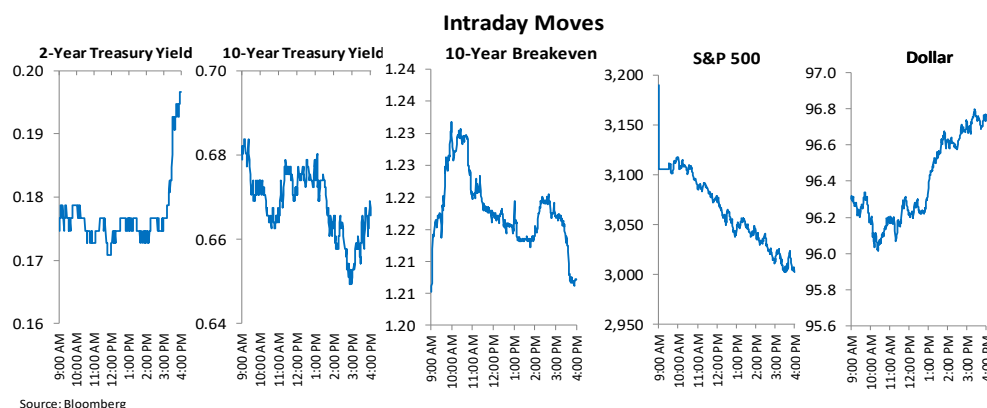
Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations. Data source: Bloomberg.

## United States

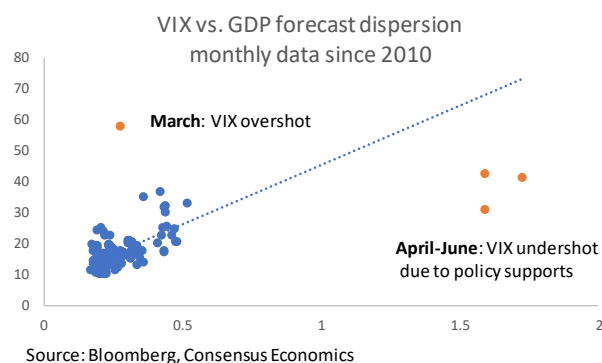
[back to top](#)

**US stocks tumbled yesterday, the most since mid-March** on second wave virus fears, as all risky assets were sharply weaker yesterday. Equities sank in the morning, with virus case counts increasing at an alarming rate in many states, including Arizona, California, Florida, and Texas. More than two million people in the US have been infected so far. Treasury Secretary Mnuchin said on CNBC that the US should not shut down the economy even if there is another surge in coronavirus cases. On the economic data front, the weekly initial jobless claims remained stubbornly high. The S&P 500 and Nasdaq both plummeted by more than 5%. Cyclical, such as banks, energy, and airlines underperformed, with the KBW bank index down 9%. The VIX rose sharply by 13 pts to 40 and the dollar strengthened by 0.8% against major currencies.

**The US Treasury yield curve continued to flatten as lack of inflation pressures and discussions of potential yield curve control pushed the long-end even lower.** Yields fell by 11 bps at 30-year maturities, while 2-years rose by 3 bps on Thursday. The 10-year yield was down 6 bps to 0.67%. Short-term rates went higher in the afternoon following an announcement by the NY Fed that it would increase the minimum bid rate on its operations for overnight and term repo through July 13. The Treasury conducted a 30-year auction, which came in cheaper to pre-auction levels as investors did not show a strong appetite.



**The VIX remains low relative to the level of economic uncertainty.** In recent years, the level of the VIX has been, to some extent, explained by the dispersion of GDP growth forecasts, a proxy for economic uncertainty. However, the relationship broke in March, as the VIX shot up in response to the coronavirus crisis before forecast dispersion increased significantly. After that, the VIX undershot relative to the forecast dispersion, and it remained low even after yesterday's spike. A potential factor explaining the gap is the strong monetary and fiscal policy support, which might have boosted investors' confidence and pushed risk premium lower. This may also explain some of the ongoing divergence between fundamentals and asset valuations.



## Europe

[back to top](#)

### Euro area

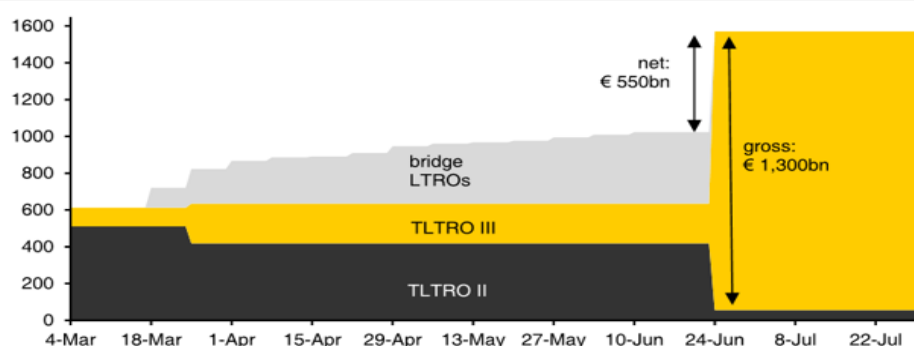
**European equities (+1.4%) rose. Bank shares were 2.6% stronger.** The euro was little changed at \$1.13. **10-year bund yields are little changed at -0.41%.** French yields are also little changed around zero after President Macron denies reports that he may resign to trigger snap elections.

**News reports from the Eurogroup acknowledged "constructive discussions" but also existing "divergences of views" among member states on the recovery fund.** HSBC expects long and tough negotiations on the recovery fund, with a likely deal in October. The Eurogroup also "discussed a possible euro area dimension to the recovery facility" via the European Semester. The Eurogroup is scheduled to elect a new president at its meeting in July 2020.

**Analysts expect an allotment of up to €1.3 tn in next week's ECB June TLTRO** (results will be published on 18 June, settlement is 24 June), given that **banks will potentially be able to borrow money from the ECB at -1.00% until June 2021 with a net lending threshold of 0%.** Bank analysts estimate that the TLTRO could translate into a c.10% benefit to profits for the group of Southern European banks.

### ECB Refinancing Operations expected to rise sharply on 18 June

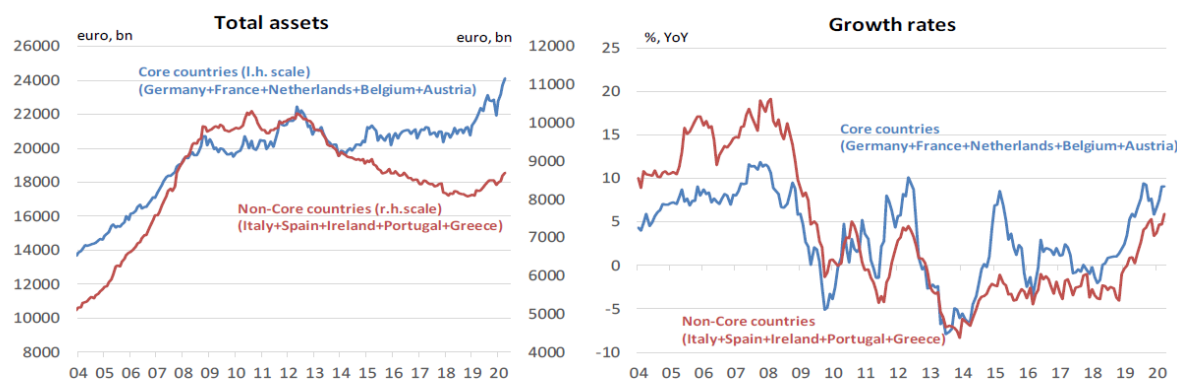
Extraordinary open market operations, outstanding amounts in € bn, Commerzbank estimates after 10 June



Source: ECB, Commerzbank Research

Unlike previous recessions, **euro area bank lending has increased since the start of 2020.** To some extent, this likely reflects corporates using their standing facilities with banks to draw on existing credit lines.

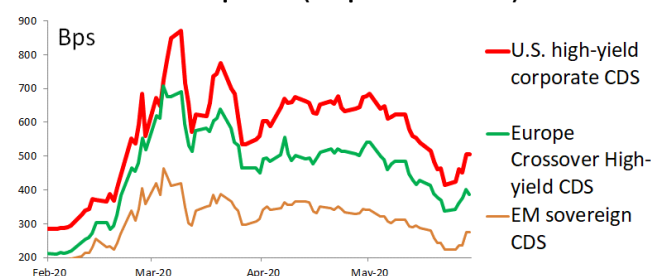
### Size of bank assets in the euro area



Source: ECB and Jefferies International

**Crossover high-yield spreads were 13 bps lower at 388 bps.** Investment-grade CDS spreads were 2 bps lower at 69 bps.

#### Global CDS Credit spreads (Corporate and EM)



Note: Europe Crossover high-yield index comprises 75 equally weighted credit default swaps on the most liquid sub-investment grade European corporate entities.  
 U.S. high-yield is composed of 100 non-investment grade corporates (B and BB).  
 EM CDS covers 18 sovereign issuers.  
 Source: Bloomberg, and IMF staff

#### United Kingdom

The pound (+0.2%) was little changed following reports that **U.K. Cabinet Minister Michael Gove will formally rule out extending the Brexit transition period in talks with EU officials today** and that the UK is planning to introduce temporary light-touch customs regime at border with EU from January 2021.

#### Other Mature Markets

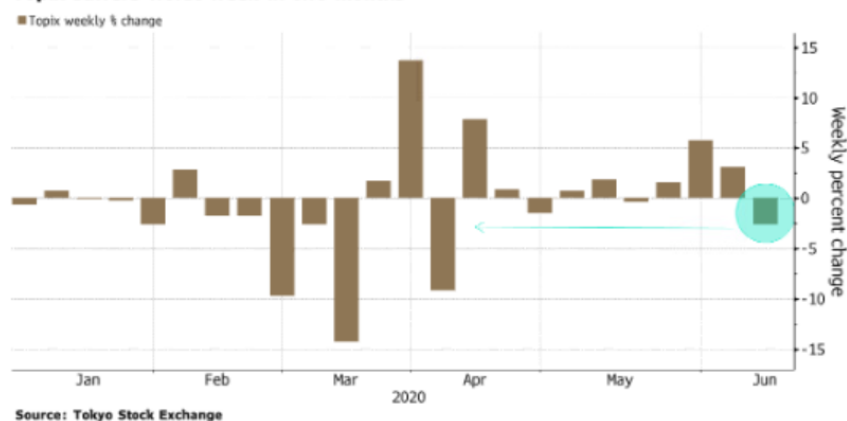
[back to top](#)

##### Japan

**Japan's parliament passed a second fiscal stimulus package for FY2020 worth JPY31.9 tn** (around 5.8% of annual GDP). The package was previously approved by the cabinet on May 27. Measures include loans for small businesses, rent subsidies, support for medical facilities, and employment subsidies.

**Ratings agency S&P revised Japan's sovereign rating outlook to stable from positive this week.** The agency said that a sharp slowdown in trend growth would be the most likely trigger of a downgrade. **On COVID-19, Tokyo lifted the city's virus alert and moved to the next and final phase of reopening.** All economic and social activities can be carried out but companies are encouraged to continue promoting remote work and staggered hours. Tokyo saw 25 new confirmed cases on Friday from 22 yesterday. **Equities (-1.1%) fell, capping their worst week in two months.** The yen weakened -0.6% and 10-year JGB yields rose 0.2bps.

#### Topix suffers worst week in two months


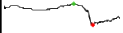

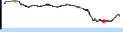

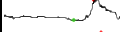







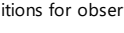


Source: Tokyo Stock Exchange

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

**Asian equities fell (-0.9%) following yesterday's sell-off in the US and Europe.** Korea (-2%) lagged while China (Shanghai flat; Shenzhen +0.3%) outperformed for a second day. Currencies were weaker with the Indonesian rupiah depreciating -0.8%. Bank Indonesia said that it plans to intervene in the spot, domestic non-deliverable forward and bond markets to ensure rupiah stability. **On COVID-19, Thailand said that it will scrap most of its remaining lockdown.** More businesses and some schools will be allowed to reopen from June 15. The government also plans to create travel bubbles with some countries to be initially limited to business visitors or those seeking medical services. In EMEA, equities fell in Poland (-2.4%) but gained in most local bourses, with South Africa (+0.5%), Hungary (+1.1%) and Romanian (+1.7%) stocks outperforming. The South African rand (+0.9%) and Russian ruble (+0.9%) appreciated in line with the improving global risk sentiment this morning. **In Latin America,** equity markets were heavily hit by the global risk off yesterday, declining by 3-4% across the region. The Mexican peso underperformed depreciating by 4% partly due to its proxy hedge status and 24/7 liquidity but also due to weak activity data. Brazil's local market was closed which perhaps also drove some additional hedging flows to the Mexican peso.

Key Emerging Market Financial Indicators

| Last updated:<br>6/12/20 8:03 AM | Level   |       | Change                            |        |         |      | YTD |
|----------------------------------|---|-------|-----------------------------------|--------|---------|------|-----|
|                                  | Last 12m  | index | 1 Day                             | 7 Days | 30 Days | 12 M |     |
| <b>Major EM Benchmarks</b>       |   |       | %                                 |        |         |      | %   |
| MSCI EM Equities                 |    | 39.04 | 0.5                               | -2     | 7       | -6   | -13 |
| MSCI Frontier Equities           |    | 23.60 | -3.8                              | -3     | 6       | -22  | -22 |
| EMBIG Sovereign Spread (in bps)  |    | 483   | -1                                | 22     | -90     | 125  | 190 |
| EM FX vs. USD                    |    | 55.63 | 0.5                               | -1     | 5       | -10  | -9  |
| <b>Major EM FX vs. USD</b>       |   |       | %, (+) = EM currency appreciation |        |         |      |     |
| China Renminbi                   |   | 7.08  | -0.2                              | 0      | 0       | -2   | -2  |
| Indonesian Rupiah                |  | 14133 | -0.8                              | -2     | 5       | 1    | -2  |
| Indian Rupee                     |  | 75.85 | -0.1                              | 0      | 0       | -9   | -6  |
| Argentine Peso                   |  | 69.32 | -0.1                              | -1     | -3      | -36  | -14 |
| Brazil Real                      |  | 4.98  | -0.1                              | 0      | 18      | -22  | -19 |
| Mexican Peso                     |  | 22.50 | 1.2                               | -4     | 8       | -15  | -16 |
| Russian Ruble                    |  | 69.52 | 0.9                               | -1     | 6       | -7   | -11 |
| South African Rand               |  | 17.01 | 0.9                               | -1     | 8       | -13  | -18 |
| Turkish Lira                     |  | 6.83  | 0.2                               | -1     | 2       | -15  | -13 |
| EM FX volatility                 |  | 9.77  | 0.0                               | 0.3    | -2.0    | 1.4  | 3.2 |

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

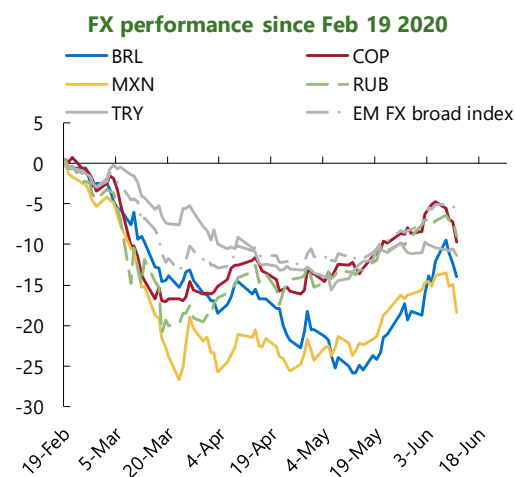
### China

**China plans to ease rules for initial public offerings (IPO) on its tech-focused Chinext bourse.** Regulators will release new rules by the end of June and implement them this year according to a statement by the State Council. The proposal, announced in April, could cut the review period for listing to months from years, and would scrap limits on price moves for the first five trading days. Equities and the RMB were little changed.

### Mexico

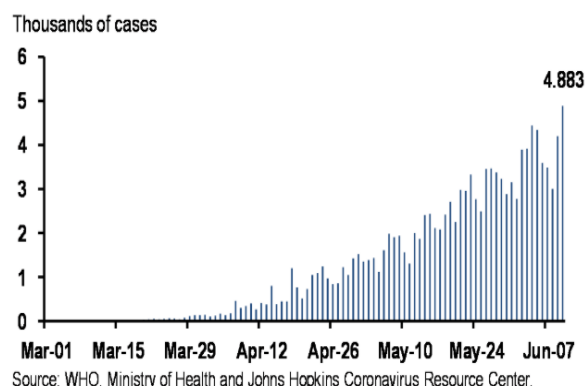
**The Mexican peso underperformed during the sell-off on Thursday while domestic releases came in weaker than expected.** Before Thursday's depreciation (-4%), the peso has been one of the top performing EM currencies (along with the Brazilian real) since early May. In terms of data, April IP print was worse than expected falling by a record 25.1% m-o-m (consensus: -15.1%). In response, JP Morgan revised their growth forecast from -8.6% to -10.5% in 2020. Additionally, even though the official number of accumulated COVID-19 cases has moderated in recent weeks, numbers have started to deteriorate again

over the last few days. On Wednesday, the number of deaths and the number of active cases both jumped by 5%.



Source: Bloomberg

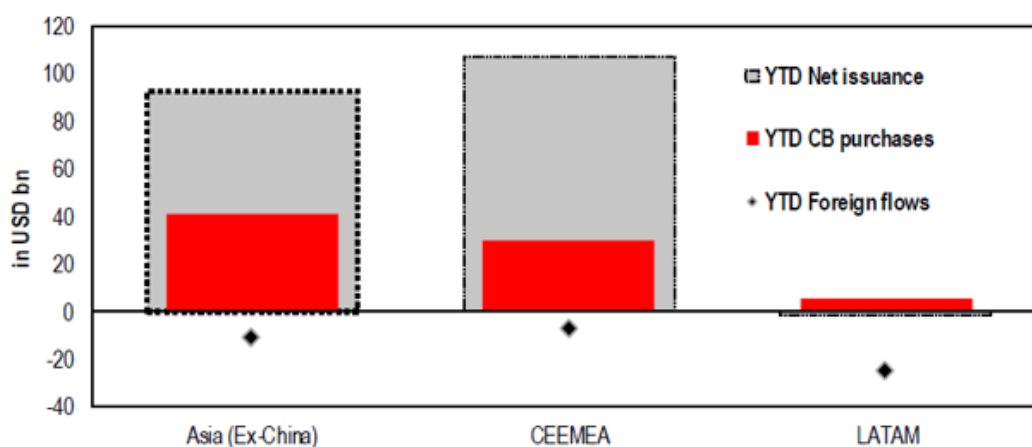
**New COVID-19 cases confirmed in Mexico**



### EMEA Local Debt Markets

**Regional demand for some local currency debt has been strong with record bond auctions in Russia and large bid-to-cover ratios in the Czech Republic and South Africa.** HSBC estimates that the Czech Republic, Poland and Hungary have financed around 100%, 60%, and 50% of net financing for 2020 while **Turkey, South Africa and Russia are around 30% funded. The pace of central bank purchases has been slowing.** In Poland, the central bank has bought over 4%GDP of Treasury or government-backed bonds. There were no purchases in Hungary last week. Central bank purchases remain modest in South African and Romanian bonds, while the Bank of Israel has purchased around 40% (ILS19.2bn) of the program size (ILS50bn).

**EM net local debt supply and EM central bank purchases (U.S. dollar equivalent, from HSBC)**



Source: Bloomberg, HSBC

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## Global Financial Indicators

| Last updated:<br>6/12/20 8:01 AM | Level    |        | Change                           |        |         |      | YTD  |
|----------------------------------|----------|--------|----------------------------------|--------|---------|------|------|
|                                  | Last 12m | Latest | 1 Day                            | 7 Days | 30 Days | 12 M |      |
| <b>Equities</b>                  |          |        | %                                |        |         |      | %    |
| United States                    |          | 3002   | -5.9                             | -4     | 5       | 4    | -7   |
| Europe                           |          | 3189   | 1.4                              | -6     | 11      | -6   | -15  |
| Japan                            |          | 22305  | -0.7                             | -2     | 10      | 6    | -6   |
| China                            |          | 2920   | 0.0                              | 0      | 1       | 0    | -4   |
| Asia Ex Japan                    |          | 67     | -4.9                             | -2     | 4       | 0    | -9   |
| Emerging Markets                 |          | 39     | 0.5                              | -2     | 7       | -6   | -13  |
| <b>Interest Rates</b>            |          |        | basis points                     |        |         |      |      |
| US 10y Yield                     |          | 0.70   | -5.7                             | -19    | 4       | -142 | -121 |
| Germany 10y Yield                |          | -0.42  | -0.6                             | -14    | 9       | -18  | -24  |
| Japan 10y Yield                  |          | 0.01   | 0.2                              | -4     | 1       | 12   | 2    |
| UK 10y Yield                     |          | 0.22   | 2.2                              | -13    | -3      | -65  | -60  |
| <b>Credit Spreads</b>            |          |        | basis points                     |        |         |      |      |
| US Investment Grade              |          | 160    | 10.4                             | 4      | -49     | 32   | 63   |
| US High Yield                    |          | 613    | 37.1                             | 24     | -140    | 172  | 220  |
| Europe IG                        |          | 69     | -1.8                             | 11     | -14     | 8    | 25   |
| Europe HY                        |          | 392    | -10.1                            | 55     | -111    | 119  | 185  |
| EMBIG Sovereign Spread           |          | 483    | -1.0                             | 22     | -90     | 125  | 190  |
| <b>Exchange Rates</b>            |          |        | %                                |        |         |      |      |
| USD/Majors                       |          | 96.68  | -0.1                             | 0      | -3      | 0    | 0    |
| EUR/USD                          |          | 1.13   | 0.1                              | 0      | 4       | 0    | 1    |
| USD/JPY                          |          | 107.3  | -0.4                             | 2      | 0       | 1    | 1    |
| EM/USD                           |          | 55.6   | 0.5                              | -1     | 5       | -10  | -9   |
| <b>Commodities</b>               |          |        | %                                |        |         |      |      |
| Brent Crude Oil (\$/barrel)      |          | 39     | 1.0                              | -8     | 30      | -35  | -41  |
| Industrials Metals (index)       |          | 102    | 0.3                              | 0      | 6       | -8   | -11  |
| Agriculture (index)              |          | 35     | 0.0                              | -1     | 1       | -15  | -15  |
| <b>Implied Volatility</b>        |          |        | %                                |        |         |      |      |
| VIX Index (% change in pp)       |          | 37.5   | -3.3                             | 13.0   | 4.4     | 21.6 | 23.7 |
| 10y Treasury Volatility Index    |          | 4.7    | -0.3                             | 0.0    | -0.6    | 0.0  | 0.6  |
| Global FX Volatility             |          | 8.3    | 0.0                              | 0.7    | -0.6    | 1.6  | 2.4  |
| <b>EA Sovereign Spreads</b>      |          |        | 10-Year spread vs. Germany (bps) |        |         |      |      |
| Greece                           |          | 172    | -3.0                             | 8      | -95     | -127 | 6    |
| Italy                            |          | 188    | -3.1                             | 19     | -51     | -79  | 28   |
| Portugal                         |          | 99     | -3.1                             | 17     | -44     | 9    | 36   |
| Spain                            |          | 101    | -3.1                             | 18     | -28     | 20   | 36   |


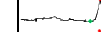

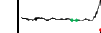







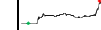



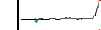

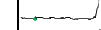



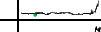





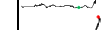
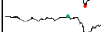





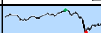


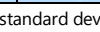
Colors denote **tightening**/**easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations.  
Data source: Bloomberg.

[back to top](#)



## Emerging Market Financial Indicators

| Last updated:<br>6/12/2020<br>8:04 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                                 |                | 7.08   | -0.2                  | 0.1    | 0       | -2   | -2       |  | 2.9                                 | -0.4  | 2                        | 34      | -39  | -26   |     |
| Indonesia                             |                | 14133  | -0.8                  | -1.8   | 5       | 1    | -2       |  | 7.3                                 | -3.4  | 4                        | -72     | -51  | 19    |     |
| India                                 |                | 76     | -0.1                  | -0.4   | 0       | -9   | -6       |  | 6.1                                 | 0.1   | -1                       | -13     | -106 | -79   |     |
| Philippines                           |                | 50     | 0.0                   | -0.7   | 0       | 4    | 1        |  | 4.1                                 | -1.0  | -7                       | -47     | -91  | -18   |     |
| Thailand                              |                | 31     | 0.4                   | 1.8    | 4       | 1    | -4       |  | 1.4                                 | 0.7   | -7                       | 10      | -96  | -19   |     |
| Malaysia                              |                | 4.26   | -0.4                  | 0.1    | 2       | -2   | -4       |  | 2.9                                 | -3.5  | 3                        | 9       | -85  | -49   |     |
| Argentina                             |                | 69     | -0.1                  | -0.6   | -3      | -36  | -14      |  | 49.2                                | 6.5   | 283                      | 777     | 1823 | -1343 |     |
| Brazil                                |                | 4.98   | -0.1                  | -0.3   | 18      | -22  | -19      |  | 5.2                                 | 0.0   | -1                       | -60     | -199 | -103  |     |
| Chile                                 |                | 787    | -1.9                  | -2.0   | 5       | -12  | -4       |  | 2.7                                 | -1.7  | 4                        | -2      | -75  | -61   |     |
| Colombia                              |                | 3773   | -2.6                  | -4.9   | 3       | -14  | -13      |  | 5.9                                 | 30.7  | 47                       | 13      | -2   | -8    |     |
| Mexico                                |                | 22.50  | 1.2                   | -4.1   | 8       | -15  | -16      |  | 6.2                                 | -6.0  | -6                       | 9       | -154 | -71   |     |
| Peru                                  |                | 3.5    | -1.0                  | -0.8   | -1      | -4   | -4       |  | 4.4                                 | 4.7   | -4                       | 3       | -67  | -16   |     |
| Uruguay                               |                | 43     | -0.4                  | -0.2   | 2       | -18  | -13      |  | 10.1                                | -0.1  | 2                        | -140    | -99  | -77   |     |
| Hungary                               |                | 306    | 0.0                   | -0.4   | 6       | -7   | -3       |  | 1.6                                 | -10.2 | 2                        | -5      | -13  | 45    |     |
| Poland                                |                | 3.93   | 0.8                   | 0.0    | 7       | -4   | -3       |  | 0.9                                 | 0.0   | 1                        | -22     | -125 | -100  |     |
| Romania                               |                | 4.3    | 0.1                   | 0.3    | 4       | -2   | 0        |  | 3.7                                 | 0.0   | -8                       | -27     | -40  | -28   |     |
| Russia                                |                | 69.5   | 0.9                   | -1.2   | 6       | -7   | -11      |  | 5.4                                 | 0.0   | 1                        | -31     | -211 | -73   |     |
| South Africa                          |                | 17.0   | 0.9                   | -0.8   | 8       | -13  | -18      |  | 10.0                                | 2.4   | 38                       | -5      | 66   | 52    |     |
| Turkey                                |                | 6.83   | 0.2                   | -0.9   | 2       | -15  | -13      |  | 10.8                                | 6.8   | 17                       | -108    | -830 | -92   |     |
| US (DXY; 5y UST)                      |                | 97     | -0.1                  | -0.3   | -3      | 0    | 0        |  | 0.33                                | 0.8   | -13                      | 1       | -154 | -136  |     |

|              | 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        |  | 2920   | 0.0           | 0      | 1       | 0    | -4       |  | 230          | 2     | -2                       | -25     | 50   | 54  |     |
| Indonesia    |  | 4880   | 0.5           | -1     | 6       | -22  | -23      |  | 267          | 2     | 22                       | -63     | 75   | 111 |     |
| India        |  | 33781  | 0.7           | -1     | 8       | -15  | -18      |  | 235          | -3    | -21                      | -91     | 81   | 110 |     |
| Philippines  |  | 6476   | 0.0           | -1     | 15      | -19  | -17      |  | 161          | -1    | 21                       | -18     | 79   | 95  |     |
| Malaysia     |  | 1546   | -0.7          | -1     | 12      | -6   | -3       |  | 196          | 10    | 22                       | -58     | 65   | 84  |     |
| Argentina    |  | 43058  | -7.4          | -1     | 10      | 5    | 3        |  | 2601         | -17   | 62                       | -409    | 1750 | 832 |     |
| Brazil       |  | 94686  | 0.0           | 2      | 20      | -4   | -18      |  | 377          | -10   | 46                       | -44     | 135  | 162 |     |
| Chile        |  | 3944   | -2.9          | -2     | 6       | -22  | -16      |  | 217          | -4    | 22                       | -51     | 83   | 84  |     |
| Colombia     |  | 1122   | -4.8          | -7     | 3       | -26  | -33      |  | 296          | -7    | 30                       | -54     | 107  | 133 |     |
| Mexico       |  | 36827  | -3.8          | -3     | -2      | -16  | -15      |  | 516          | -12   | 43                       | -94     | 185  | 224 |     |
| Peru         |  | 16604  | -4.2          | 0      | 7       | -19  | -19      |  | 189          | -6    | 22                       | -47     | 59   | 82  |     |
| Hungary      |  | 37038  | 1.1           | -2     | 5       | -9   | -20      |  | 167          | 0     | 7                        | -52     | 69   | 81  |     |
| Poland       |  | 50239  | -2.4          | 0      | 12      | -15  | -13      |  | 57           | -6    | 5                        | -36     | 4    | 39  |     |
| Romania      |  | 8670   | 1.7           | -4     | 3       | 1    | -13      |  | 299          | 11    | 5                        | -42     | 110  | 126 |     |
| Russia       |  | 2744   | 0.0           | -1     | 4       | 0    | -10      |  | 222          | -5    | 33                       | -28     | 12   | 91  |     |
| South Africa |  | 53544  | 0.5           | -2     | 6       | -9   | -6       |  | 524          | 3     | 48                       | -119    | 204  | 204 |     |
| Turkey       |  | 109542 | 0.4           | 0      | 10      | 18   | -4       |  | 590          | -8    | 50                       | -89     | 65   | 189 |     |
| Ukraine      |  | 499    | 0.0           | 0      | 0       | -10  | -2       |  | 635          | -4    | 55                       | -89     | 57   | 215 |     |
| EM total     |  | 39     | 0.5           | -2     | 7       | -6   | -13      |  | 483          | -1    | 22                       | -90     | 125  | 190 |     |

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

[back to top](#)