



- Emerging markets underperform as infection rates climb ([link](#))
- Japanese stock market halted as equities fall sharply ([link](#))
- European equities down 7% over past five days ([link](#))
- ECB TLTRO results due on Thursday ([link](#))
- Retail investors buoy US equity markets ([link](#))
- US insurance companies could pull back from BBB bonds as downgrades spike ([link](#))

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Fear of second wave unsettles markets

Markets are lower across the globe as news of fresh outbreaks in the US, China, Japan and Korea weigh on sentiment. The Japanese stock market triggered a circuit breaker as it saw its biggest one-day loss in ten weeks. The dollar, yen and Swiss Franc are appreciating on safe haven buying and US Treasury yields are lower. There is debate about whether the rise in cases is due to more widespread testing or whether the rate of infection is going up. Oil prices are under pressure again as they are down for a third consecutive day. Southern European spreads are stable with speculation intensifying that Italy, Spain and Portugal may request Pandemic Crisis Support from the ESM in July.

This is shaping up to be a busy week. UK PM Johnson and the EC President are to meet later today as the June 30 deadline for a potential Brexit extension draws nearer. Fed Chair Powell will make his semi-annual appearances before Congress tomorrow and Wednesday. The Euro area leaders meet later this week to discuss the EU recovery fund. The US data calendar features retail sales tomorrow and housing starts on Wednesday. In the euro area, the ZEW sentiment indicator and CPI data are due from Germany tomorrow and euro area CPI will come out on Wednesday. The ECB Economic Bulletin is due on Thursday. In the UK, unemployment data will be released tomorrow and CPI/PPI on Thursday. The Bank of Japan meeting began earlier today, and the policy statement will be released tomorrow. Analysts expect strengthened forward guidance and further yield curve control. Japan also reports CPI data on Thursday. The Bank of England is expected to increase its asset purchases on Thursday and the central bank of Brazil will meet on Wednesday. As of Friday, the Brazilian futures market was assigning a probability of 83.9% to a 25 bps cut. Central banks in Indonesia and Russia are also expected to cut rates this week.

Key Global Financial Indicators

Last updated: 6/15/20 8:03 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		3041	1.3	-5	6	5	-6
Eurostoxx 50		3125	-0.9	-7	13	-8	-17
Nikkei 225		21531	-3.5	-7	7	2	-9
MSCI EM		40	2.1	-3	11	-2	-11
Yields and Spreads			bps				
US 10y Yield		0.67	-3.8	-21	2	-141	-125
Germany 10y Yield		-0.46	-2.0	-14	7	-20	-27
EMBIG Sovereign Spread		494	13	39	-84	132	201
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		55.2	-0.5	-2	5	-11	-10
Dollar index, (+) = \$ appreciation		97.1	-0.2	0	-3	-1	1
Brent Crude Oil (\$/barrel)		38.4	-1.0	-6	18	-38	-42
VIX Index (% change in pp)		41.3	5.2	16	9	26	28

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

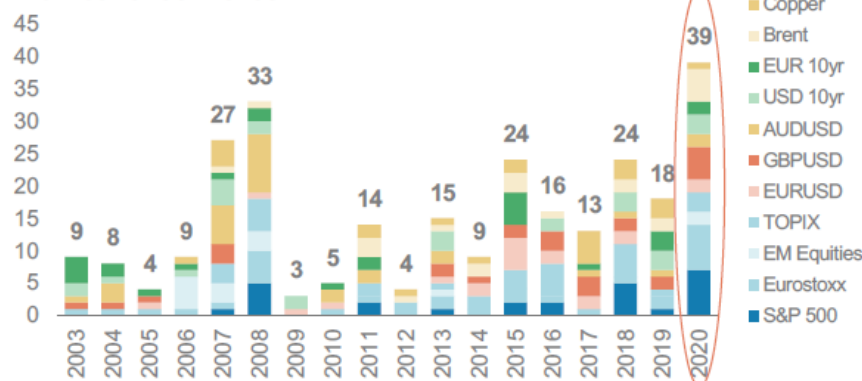
United States

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United States

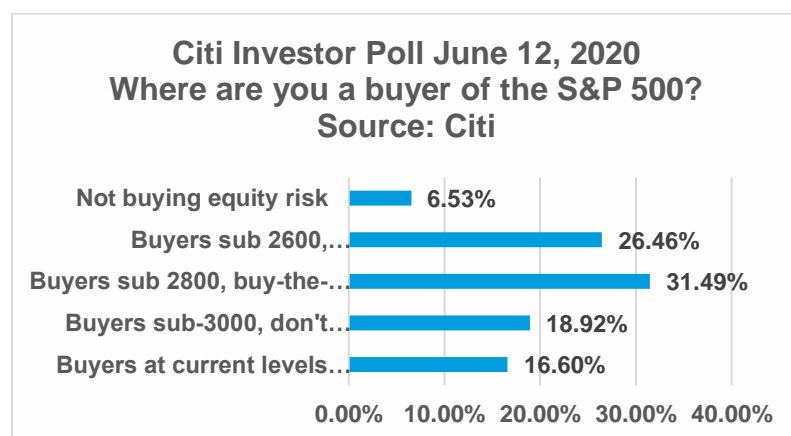
Friday saw more market volatility as a strong morning rally gave way to an afternoon selloff which was then followed by a late day recovery which enabled the major indexes to finish with decent gains. The Treasury market was also volatile as the 10-year yield fell from 0.72% in the morning to 0.67% as equities gave up their gains before coming nearly all the way back. The S&P 500 finished the week down by 5%. The trading range has been wider in the past few days, amid deteriorated market liquidity conditions. According to CME, market depth, measured by the order book's quantity, has decreased, and the bid-ask spreads increased significantly after the surprisingly strong job report a week ago. The massive selloff on Thursday and the extreme intra-day swings on Friday highlight the extreme volatility that has accompanied the COVID-19 crisis. As of June 12, the year 2020 has already experienced the largest number of three-sigma moves since 1998. In other news, the University of Michigan consumer survey for June was stronger than expected at 78.9 versus the consensus forecast of 75, and well above the June print of 72.3. However, the index remains well below the 101 level in February.

Exhibit 1: 2020 has now seen the largest number of 3-sigma cross-asset moves since 1998, even though it's only June

Number of 3 σ Moves

Source: Bloomberg, Morgan Stanley Research; Note: σ defined as one-day move relative to 3m implied vol on the previous day. 2020 number shows YTD numbers.

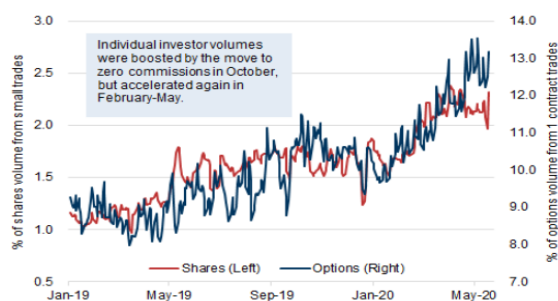
Despite the recent volatility, contacts were fairly sanguine about how the market has reacted, pointing out that many professional investors thought the rally had gone too far. Many of them blamed smaller retail investors for much of the move. However, they remain confident that the US economy will rebound in the second half of the year and sentiment remains quite positive. A Citi poll taken on Friday found that when asked at what level would investors be willing to step in to buy the S&P 500, only 33% were looking at levels below 2600 or were staying out of the equity market altogether. Unlike many economists, most investors have been unfazed by the market rally from the March lows as the economic data have recovered as predicted and the lockdowns were lifted as expected. Sentiment remains very vulnerable to bad news on the virus front but barring any unexpected developments they expect the rally to continue albeit from lower levels.



US retail investors may have played a role in the strong rally that began after markets reached their 2020 lows on March 23. Online brokers reported strong growth in new account openings in Q1 and analysts expect the trend to have continued in Q2 as the markets kept rising. Goldman monitored the volume of trades of \$2000 or less in the largest 100 stocks by market capitalization and the volume of one contract trades for options of the 50 largest companies, finding that small trades are accounting for more volume. Their share was already growing in 2019 after the abolition of brokerage fees by many brokers last October but it kept rising in 2020 (based on data through May). The trend is especially notable for the options market where one contract trades accounted for 13% of total trading volume, although small dollar trades are still limited. Nevertheless, options trading is a big driver of price movements in the underlying equity market and small dollar trades are making a significant impact overall. This is especially true for a number of technology stocks.

Exhibit 4 : Individual investors are trading more actively in shares and options

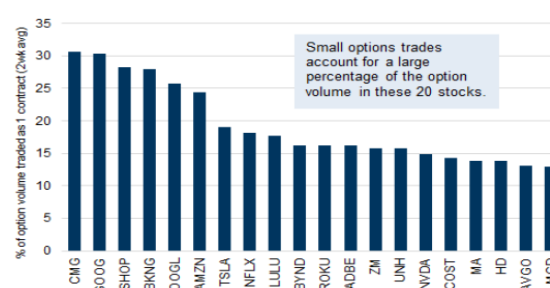
% of volume from small trade sizes for shares and options



Source: Goldman Sachs Global Investment Research, Bloomberg

Exhibit 5 : Stocks where small trades account for a large percentage of options volume

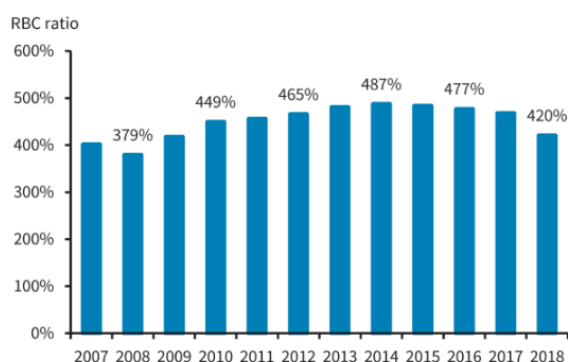
% of options volume from 1 contract trades



Source: Goldman Sachs Global Investment Research, Bloomberg

The fast pace of US corporate credit downgrades is likely to pressure life insurance companies to concentrate new purchases of corporate bonds on higher rated companies. Lower rated bonds have higher pre-tax capital requirements, creating a disincentive to hold such bonds unless strong positive returns are expected. They probably cut their holdings of high yield bonds (rated below BBB-/Baa3) earlier in the year, although they still have significant holdings of these securities. Barclays forecasts that Risk Based Capital ratios were above 400% at the end of 2019 but the volume of downgrades could push RBCs lower in 2020, leading the companies to compensate by moving up the credit spectrum. Life insurance companies are among the biggest buyers of US corporate bonds and the change in their strategy could create another headwind for the US investment grade (IG) bond market, where BBB bonds predominate. Barclays estimates that insurance company holdings of IG bonds stood at 40% of their portfolios at the end of 2019.

Figure 5. Life Insurance Industry Aggregate RBC Ratio Trend



Ratio stated on a company action-level basis. The NAIC has yet to publish the industry's RBC ratio for YE19, but we believe it likely remains above 400%.

Source: NAIC, Barclays Research

Figure 6. Regulatory Capital Requirements by Rating Category

Designation	Ratings	Capital Charge	Life Sector Allocation
NAIC 1	AAA, AA, A	0.39%	52%
NAIC 2	BBB	1.26%	42%
NAIC 3	BB	4.46%	3.6%
NAIC 4	B	9.70%	1.7%
NAIC 5	CCC	22.3%	0.6%
NAIC 6	D	30.0%	0.1%

The capital charges are pre-tax, and the allocation represents corporate bonds and bank loans held by the sector as of YE19.

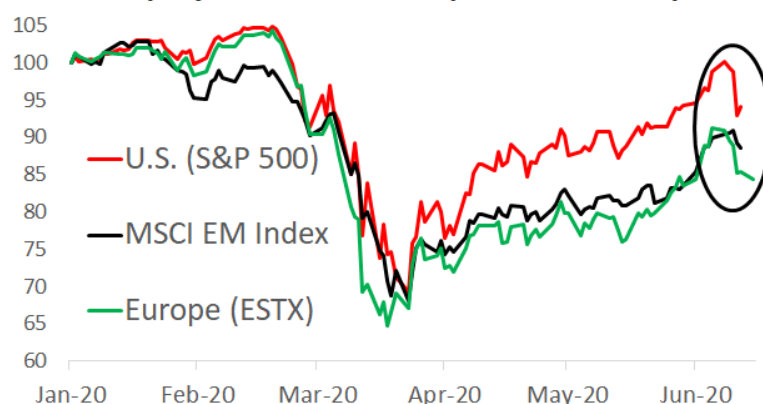
Source: SNL Financial, Barclays Research

Europe

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European equities (-0.8%) recovered from sharper losses but are still down on concerns about a resurgence of COVID-19 cases in China, Japan and the U.S. Equities have lost 7% in the past 5 trading days even as French President Macron said that the pace of emergence from nationwide lockdowns will accelerate. France has lifted most of its remaining coronavirus restrictions.

Global Equity Markets in 2020 (1 Jan 2020: 100)

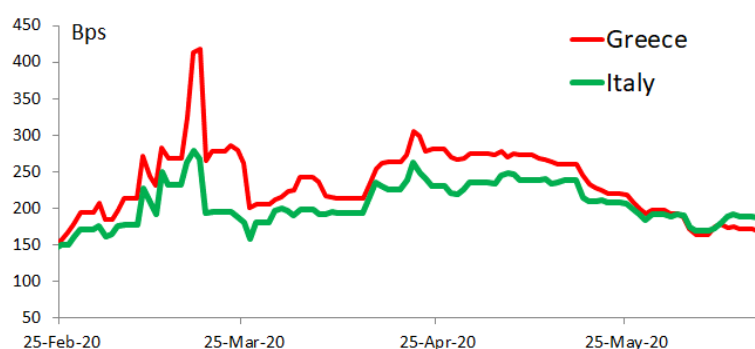


Source: Bloomberg and IMF

European bank stocks (-1.3%) are lower. Banks shares have lost 13% in the past 5 trading days. **ECB Vice President de Guindos said that it is too early to discuss the possibility of a bad bank to deal with a rise in euro area NPLs.** Last week Reuters reported that ECB officials had drafted a plan to deal with potentially hundreds of billions of euros in NPLs stemming from the coronavirus crisis with the European Stability Mechanism (ESM) as a potential guarantor.

10-yr bund yields are little changed at -0.45%. French yields are also little changed around -0.05%. The euro (-0.1% to \$1.125) edged lower. Other country spreads fell 2-3 bps as speculation intensified that Italy, Spain and Portugal may request Pandemic Crisis Support from the ESM in July. As a benchmark, program access was set at 2% of the respective member states' GDP as of end-2019. In addition to the ESM cost of funding, a country will have to pay a margin of 10 bps (0.1%) annually, a one-off up-front service fee of 25 bps (0.25%), and an annual service fee of 0.5 bps (0.005%).

Euro area: 10-year spread over German bunds (bps)



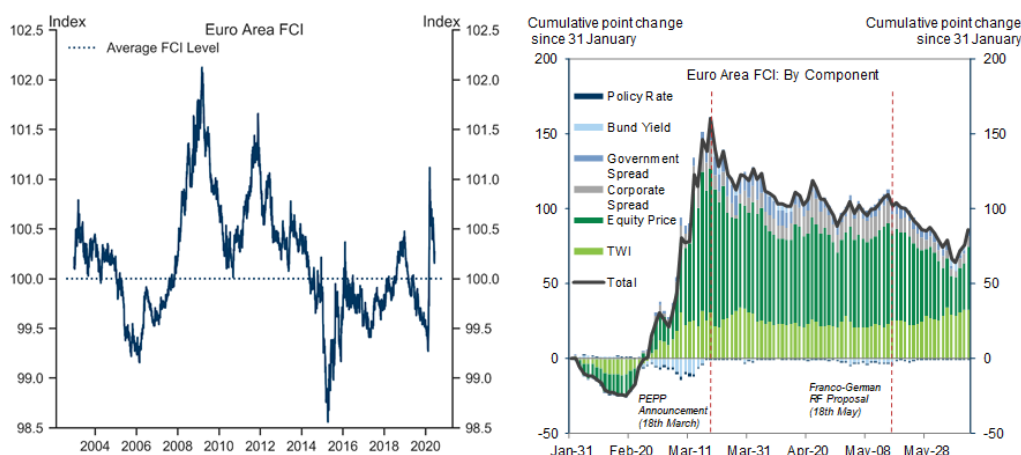
Source: Bloomberg and IMF staff

The ECB will publish results on the June TLTRO on Thursday 18 June (settlement is 24 June). **Some contacts believe that an allotment above €1 tn will support sentiment on Southern European bonds as banks are expected to buy higher-yielding euro area sovereign debt.** The June TLTRO will potentially allow banks to borrow money from the ECB at -1.00% until June 2021 with a net lending threshold of 0%. Even with a gross allotment over €1 tn, the net liquidity injection will be significantly lower than the headline gross number as banks are expected to roll over existing operations into the new TLTRO.

10-yr Italian yields are 3 bps lower as the Repubblica reports that Italy may request up to €36 bn in credit lines from the ESM by the end of July. FM Gualtieri said that the Italian government wants to complete discussions on the EU recovery fund before deciding on ESM credit lines, adding that the interest rate of the ESM's Pandemic Crisis Support is close to zero and there are no conditions attached.

Goldman Sachs expects that the ECB will not hike rates until 2024 as the ECB Governing Council will want to see core inflation up into the 1.5-1.75% range. The bank expects the ECB to end its pandemic PEPP QE program in mid-2021 but points out that substantial asset purchases will be still be required for the ECB to fulfill its inflation mandate. The analysts expect asset purchases to be stepped up and to run until mid-2023, likely requiring an increase in the 33% sovereign issue/issuer limits on QE purchases. **Analysts also argue that financial conditions in the euro area have eased since mid-March but remain significantly tighter than before the COVID-19 crisis.**

Euro area: GS Financial Conditions have remained relatively tight



Source: Goldman Sachs

United Kingdom

The pound (-0.1% to \$1.25) edged lower ahead of **a meeting between U.K. PM Johnson with European Commission President Ursula von der Leyen later today**. The U.K. has formally rejected the option to extend the post-Brexit transition period beyond the end of 2020, although the EU delegation remains open to such an extension. According to some news reports, the U.K. may plan a 6-month delay of full EU border checks. On Thursday, the Bank of England is expected to increase QE its QE portfolio by £100 bn (to £745 bn) but leave its policy rate unchanged at 0.1%.

Other Mature Markets

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Japan

The yen gained on safe haven buying while equities plunged as concerns over a second wave of coronavirus cases sapped risk appetite. The yen gained as much as 0.5% against the dollar before ending the day unchanged. Meanwhile, stocks posted their biggest losses (-3.5%) in over 10 weeks and triggered a circuit breaker that halted trading for 10 minutes. The Nikkei closed below 22,000 for the first time in over two weeks though it remained 30% above the level seen in March. Local media reported that Tokyo found at least 48 new cases of the virus on Monday; this followed reports of 47 infections found on Sunday, which was the highest daily total since May 5.

Emerging Markets

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Asian currencies weakened against the dollar and stocks tumbled as concerns over a second virus wave weighed on investor sentiment. A fresh outbreak in Beijing prompted a partial lockdown in the city. The Korean won underperformed other Asian currencies (-1.02%) on concerns over a new wave of coronavirus infections and tensions with the North. Over the weekend, Kim Yo Jong, the sister of North Korea's leader threatened military action against South Korea; the threat was considered sufficiently credible that South Korea convened an emergency security meeting on Sunday. In **India**, wholesale prices in May fell 3.2%, y/y, more than expected. The RBI, which considers the inflation outlook in its policy deliberation, has lowered borrowing costs by 115 bps this year, and pledged to ease more to support growth. **Latin America equities printed higher, while currencies depreciated.** Brazil was the exception as more bad news on COVID-19 sent the Bovespa down by 2%. Lower than expected job losses provided support for Mexican markets. **In EMEA, equities are 1.5-2% lower in Poland, Russia, and South Africa.** The South African rand (-0.8%), Russian ruble (-0.7%) and Turkish lira (-0.3%) depreciated against the U.S dollar. Analysts expect the National Bank of Poland to keep policy unchanged at 0.10% (Tuesday) whereas the Central Bank of Russia is expected to cut its policy rate 50-100 bps (from 5.5% currently) on Friday.

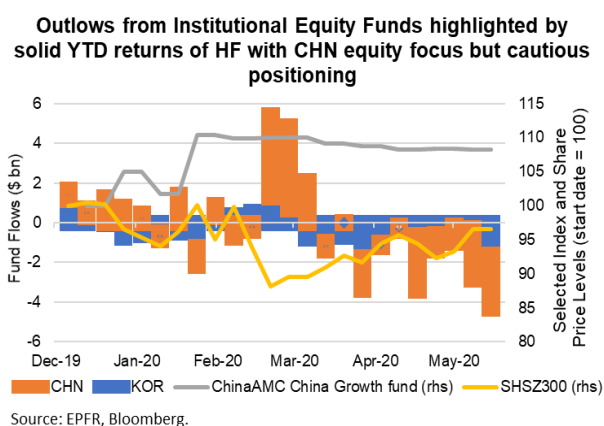
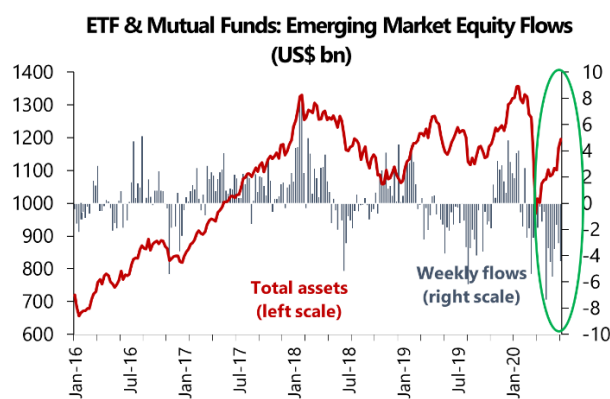
Key Emerging Market Financial Indicators

Last updated: 6/15/20 8:04 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
Major EM Benchmarks			%				%
MSCI EM Equities		39.87	-2.2	-3	11	-2	-11
MSCI Frontier Equities		23.79	0.8	-3	7	-20	-22
EMBIG Sovereign Spread (in bps)		494	13	39	-84	132	201
EM FX vs. USD		55.17	-0.5	-2	5	-11	-10
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		7.10	-0.2	0	0	-2	-2
Indonesian Rupiah		14115	0.1	-2	5	2	-2
Indian Rupee		76.03	-0.2	-1	-1	-8	-6
Argentine Peso		69.38	-0.1	-1	-3	-37	-14
Brazil Real		5.14	-1.8	-6	14	-24	-22
Mexican Peso		22.58	-1.4	-5	6	-15	-16
Russian Ruble		70.12	-0.4	-3	5	-8	-12
South African Rand		17.18	-0.6	-3	8	-14	-18
Turkish Lira		6.84	-0.4	-1	1	-14	-13
EM FX volatility		10.15	0.5	0.7	-1.3	1.7	3.6

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

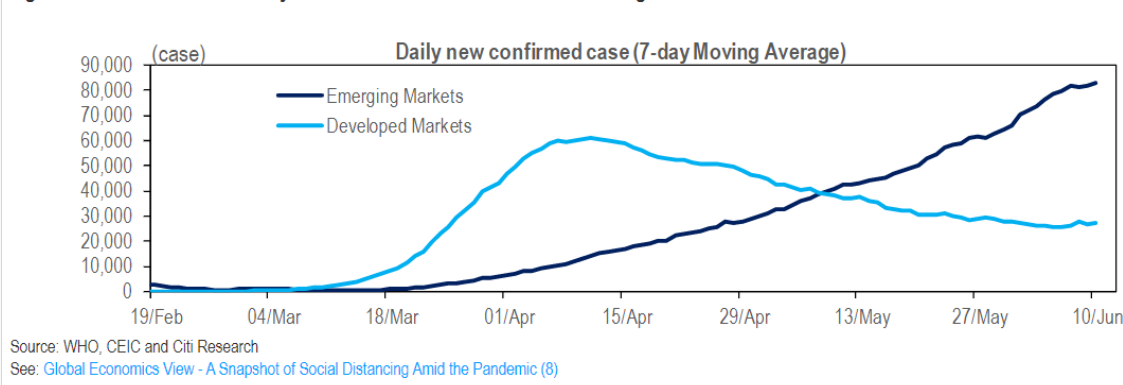
Emerging Market Fund Flows

Investors continued to retreat from EM equity funds. EM equity funds faced increased outflows of \$4.4 bn over the week, mainly due to a massive retreat of institutional investors from funds, primarily ETFs, focused on China and South Korea (\$-4.3 bn). EM bond funds fared better, as institutional and retail investors infused a total of \$2.2 bn into the industry. The continued withdrawal of equity fund investors from China probably reflects fears over further escalation in political tensions with the US. According to Bloomberg, the ChinaAMC China Growth fund, a prominent investor in Chinese equities with a high reputation for spotting China related risks, cut its Chinese equity exposures back in February and currently holds around 60% of its portfolio in cash, signaling a cautious position.



A pronounced divergence in new COVID-19 cases has emerged between EM and DM countries, with the curve flattening in DM and rising in EM. Countries such as Brazil, Mexico, India and several African countries are among those experiencing the sharpest increases. Investors are worried that these countries will face more severe recessions as a result, as well as a slower recovery. Stock markets in these countries have underperformed other EM peers as well as DMs. Although their currencies have recovered from their worst levels of the year, they still lag other EMs. Although positive signs in the US and China are a source for optimism, the global economy is unlikely to experience the hoped-for V-shaped recovery if many large EMs are unable to bend their infection curves in the near future.

Figure 1. 'Chart of the Week': Daily New Confirmed Cases in DM and EM Diverge



China

May Economic data indicated a smaller-than-expected bounce back in economic activities. IP growth rose to 4.4% from 3.9% in April, y/y, while the contraction in retail sales narrowed from -7.5% previously to -2.8% in May, y/y; both trailing expectations. Over the weekend, about 100 COVID cases were reported in Beijing and in a near-by city, raising concerns for further setbacks to China's recovery. Both the onshore and the offshore RMB weakened by 0.2% against the dollar while the Shanghai Composite lost 1% on the day. **The authorities announced reforms to its IPO approval process.** Companies can apply for IPOs on Shenzhen's ChiNext board – a tech heavy, Nasdaq-style subsidiary of the Shenzhen Stock Exchange – under a streamlined application process. Moreover, daily price movements for the first 5 days of trading will no longer be subject to price limits. In addition, ChiNext will double the daily price limits for all stocks to 20%, echoing similar moves by the STAR board, which focuses on startups, in Shanghai. The ChiNext index rose as much as 2.3% before ending the day 0.6% higher. Analysts expect the regulatory changes to boost returns for IPOs, judging by the performance of the Shanghai STAR board. On the STAR, more than 80 IPOs gained by an average 132% in their first month of trading.

EMEA

BNP Paribas points out that sentiment (measured via positioning in derivatives markets) on several currencies had improved substantially ahead of last week's sell-off. Options suggest that sentiment remains bearish on the Turkey but that traders had been positioning to gain from further ruble strength. Sentiment on the South African rand has reversed to neutral, after traders had been extremely bearish on the currency in April.

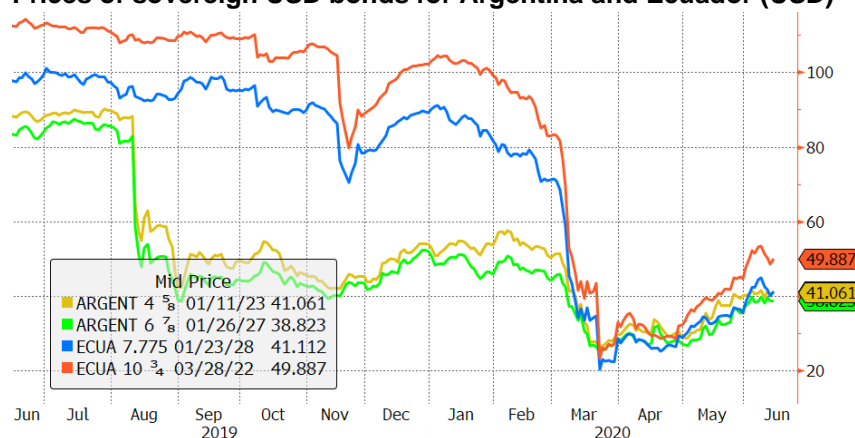
Latin America

Debt restructuring discussions in Argentina and Ecuador

Debt restructuring negotiations continue in Ecuador and Argentina, while slightly higher bond prices indicate some relaxation in investors' pessimism. Argentina extended the deadline for its initial proposal to restructure around \$65 bn of its USD debt, for which \$503 mn of debt service payments are in arrears, to June 19. Earlier in the week finance minister Guzman hinted at potential improvements in the final version of the proposal, for which J.P. Morgan analysts expect an increase in the implicitly offered recovery rate from 40 cents on the dollar to slightly above 50 cents. In Friday's settling of CDS contracts on bonds in default since last month, the securities were valued at 31.5 cent per dollar invested. For Ecuador, the deadline for a restructuring deal on nearly \$20 bn of its international debt with delayed coupons of \$811 mn looms on August 15. According to Bloomberg, analysts expect negotiations to be more difficult than in Argentina, as Ecuador is more dependent on capital flows and the supply of US dollars. An initial

offer of around 50 cents on the dollar may help to speed up the delivery of the deal, but political opposition could weaken finance minister Martinez and prolong and even endanger the process. Current bond prices of the two countries are comparable, signaling similar risk levels being priced in. Modest price increases highlight marginal improvements in investors' expectations concerning the outcomes of the negotiations, which might have helped to slightly decelerate the Argentine peso's depreciation at the end of last week.

Prices of sovereign USD bonds for Argentina and Ecuador (USD)



Source: Bloomberg.

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Global Financial Indicators

Last updated: 6/15/20 8:05 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		3041	1.3	-5	6	5	-6
Europe		3125	-0.9	-7	13	-8	-17
Japan		21531	-3.5	-7	7	2	-9
China		2890	-1.0	-2	1	0	-5
Asia Ex Japan		68	1.9	-2	8	3	-7
Emerging Markets		40	2.1	-3	11	-2	-11
Interest Rates			basis points				
US 10y Yield		0.67	-3.8	-21	2	-141	-125
Germany 10y Yield		-0.46	-2.0	-14	7	-20	-27
Japan 10y Yield		0.01	-0.4	-4	1	14	2
UK 10y Yield		0.19	-1.8	-14	-4	-66	-63
Credit Spreads			basis points				
US Investment Grade		159	-1.6	13	-46	28	61
US High Yield		620	3.7	73	-119	168	226
Europe IG		71	1.3	10	-19	10	27
Europe HY		409	10.3	68	-132	134	202
EMBIG Sovereign Spread		494	13.0	39	-84	132	201
Exchange Rates			%				
USD/Majors		97.08	-0.2	0	-3	-1	1
EUR/USD		1.13	0.0	0	4	0	0
USD/JPY		107.4	-0.1	1	0	1	1
EM/USD		55.2	-0.5	-2	5	-11	-10
Commodities			%				
Brent Crude Oil (\$/barrel)		38	-1.0	-6	18	-38	-42
Industrials Metals (index)		100	-1.2	-2	6	-8	-12
Agriculture (index)		35	-0.7	-2	1	-17	-15
Implied Volatility			%				
VIX Index (%, change in pp)		41.3	5.2	15.5	9.4	26.0	27.5
10y Treasury Volatility Index		4.7	-0.3	0.0	0.0	-0.7	0.6
Global FX Volatility		8.7	0.0	1.1	-0.2	2.1	2.8
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		168	-4.6	-7	-92	-129	2
Italy		187	-1.3	15	-52	-73	28
Portugal		98	-2.5	14	-43	12	36
Spain		100	-2.9	14	-29	25	35

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

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Emerging Market Financial Indicators

Last updated: 6/15/2020 8:06 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		7.10	-0.2	-0.3	0	-2	-2		2.8	-5.8	-8	27	-47	-31		
Indonesia		14115	0.1	-1.6	5	2	-2		7.4	3.5	7	-57	-46	23		
India		76	-0.2	-0.6	-1	-8	-6		6.1	0.6	-2	-15	-103	-78		
Philippines		50	-0.4	-0.9	1	4	1		4.1	0.0	-6	-49	-91	-18		
Thailand		31	-0.2	1.1	3	1	-4		1.4	0.3	-9	10	-94	-18		
Malaysia		4.28	-0.4	-0.3	2	-2	-4		2.9	-0.4	-4	4	-86	-50		
Argentina		69	-0.1	-0.6	-3	-37	-14		48.9	-31.6	215	793	1863	-1375		
Brazil		5.14	-1.8	-6.2	14	-24	-22		5.2	0.5	-8	-86	-202	-102		
Chile		794	-0.8	-3.1	4	-12	-5		2.7	1.3	-6	4	-74	-60		
Colombia		3779	-0.2	-5.4	3	-14	-13		5.7	-17.0	30	0	-17	-25		
Mexico		22.58	-1.4	-4.8	6	-15	-16		6.2	-2.9	-23	12	-158	-74		
Peru		3.5	-0.2	-1.0	-1	-4	-4		4.4	2.7	1	4	-58	-13		
Uruguay		43	0.9	0.1	3	-17	-12		10.2	5.2	5	-135	-94	-72		
Hungary		308	-0.1	-1.3	6	-7	-4		1.7	1.3	-5	-4	-10	46		
Poland		3.94	0.2	-0.6	7	-4	-4		0.9	-2.2	-8	-16	-126	-102		
Romania		4.3	0.0	-0.3	4	-2	-1		3.7	2.0	-6	-24	-38	-26		
Russia		70.1	-0.4	-2.7	5	-8	-12		5.4	0.0	-6	-23	-211	-73		
South Africa		17.2	-0.6	-2.9	8	-14	-18		10.1	5.8	24	8	68	58		
Turkey		6.84	-0.4	-0.7	1	-14	-13		10.7	-7.8	5	-111	-772	-99		
US (DXY; 5y UST)		97	-0.2	0.5	-3	-1	1		0.31	-1.8	-14	0	-152	-138		

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
								basis points						
China		2890	-1.0	-2	1	0	-5		230	1	2	-21	49	54
Indonesia		4816	-1.3	-5	7	-23	-24		278	12	32	-54	83	122
India		33229	-1.6	-3	7	-16	-19		238	3	-10	-88	85	113
Philippines		6164	-4.8	-5	9	-23	-21		171	12	30	-13	88	105
Malaysia		1499	-3.1	-4	7	-9	-6		202	8	27	-48	69	90
Argentina		43417	0.8	-4	10	7	4		2608	35	136	-229	1757	839
Brazil		92795	-2.0	-1	20	-5	-20		391	14	63	-58	145	176
Chile		3982	1.0	-4	10	-21	-15		223	7	28	-45	86	90
Colombia		1143	1.9	-5	8	-25	-31		307	11	44	-54	115	144
Mexico		37679	2.3	-3	6	-13	-13		536	17	74	-81	191	244
Peru		16824	1.3	-2	11	-17	-18		196	6	32	-46	67	89
Hungary		37315	-0.2	-2	10	-8	-19		171	4	19	-46	71	85
Poland		49069	-2.2	-5	11	-17	-15		61	4	7	-33	8	43
Romania		8556	-2.0	-3	5	1	-14		296	-3	12	-49	107	122
Russia		2698	-1.7	-3	2	-2	-11		226	10	31	-23	13	95
South Africa		52251	-2.6	-4	5	-10	-8		536	15	73	-88	217	216
Turkey		109921	0.1	0	10	21	-4		605	22	64	-85	64	204
Ukraine		499	0.0	0	0	-10	-2		652	20	75	-78	94	232
EM total		40	-2.2	-3	11	-2	-11		494	13	39	-84	132	201

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

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