GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

THURSDAY, JUNE 25, 2020

- **Markets pricing increased volatility around US elections** (link)
- **ECB introduces new repo facility for central banks outside euro area** (link)
- **Fitch takes away Canada's AAA** (link)
- **Survey finds global investors are pessimistic despite market recovery** (link)
- **Turkey unexpectedly stays on hold** (link)
- **Central bank of Philippines cuts more than expected** (link)
- **Q2 sees record US corporate bond supply** (link)
- **Emerging markets ramp up bond sales** (link)

US | Europe | Other Mature | Emerging Markets | Market Tables

Virus fears rattle markets

Markets are trading warily after Wednesday's large virus-related selloff. Stocks were down in Asia and Europe and US index futures have also opened lower, with the dollar stronger on safe haven buying. Earlier optimism on the ending of lockdowns is starting to fade as the US sees a spike in new cases and even Germany is grappling with a new outbreak. Brazil, India and Russia are also experiencing a relentless rise in infections. Meanwhile, worries about volatility around the US election are starting to appear in markets. With valuations stretched after the strong rebound since the March lows and the prospect of the next earnings season just around the corner, investors are starting to question current market levels of risk assets and reassess their risk appetite. The latest survey data shows that global institutional investors have remained pessimistic despite the recovery in markets. However, the corporate bond market remains in robust health with record issuance and emerging market bond issuance has also ramped up as borrowers lock in cheap funding to strengthen their balance sheets to face the challenges that undoubtedly lie ahead in the second half of the year.

Key Global Financial Indicators

Last updated: 6/25/20 8:18 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities				%			%
S&P 500		3050	-2.6	-2	3	5	-6
Eurostoxx 50		3193	-0.1	-2	7	-7	-15
Nikkei 225		22260	-1.2	0	7	5	-6
MSCI EM		40	-1.3	1	11	-4	-10
Yields and Spreads				bps			
US 10y Yield		0.66	-1.6	-5	0	-132	-125
Germany 10y Yield		-0.47	-2.8	-6	3	-14	-28
EMBIG Sovereign Spread		475	4	4	-58	126	182
FX / Commodities / Volatility				%			
EM FX vs. USD, (+) = appreciation		54.5	-0.1	0	1	-13	-11
Dollar index, (+) = $ appreciation		97.6	0.4	0	-2	1	1
Brent Crude Oil ($/barrel)		39.8	-1.2	-4	12	-39	-40
VIX Index (%, change in pp)		36.0	2.1	3	8	20	22

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

United States

back to top

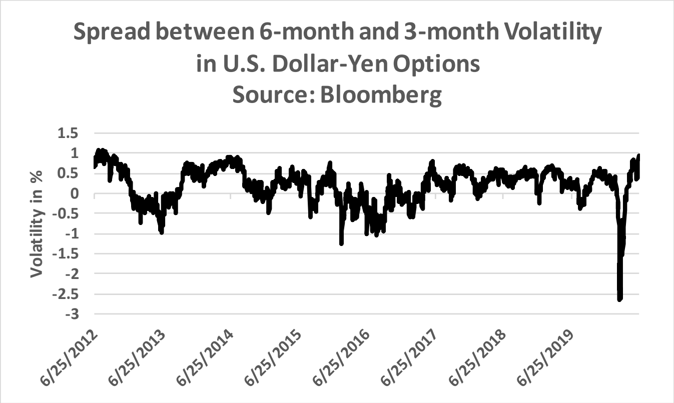
Growing fears of resurging infections caused US markets to sell off sharply on Wednesday, following even larger losses in Europe. News that New York, New Jersey and Connecticut are calling for 14-day quarantines for visitors from severely affected states underscored the growing crisis as Texas and California were among the states experiencing a spike in new infections. The IMF's downbeat assessment of the world economy also weighed on sentiment. Sectors that benefited from earlier optimism such as travel stocks were among the hardest hit, and even the surging Nasdaq took a loss for the first time in nine sessions. Treasuries rallied amidst the equity selloff, but the benchmark 10-year yield remained in the 0.65%-0.75% range that has prevailed in recent weeks.

US markets received a flood of important economic data this morning. Initial jobless claims were higher than expected and continuing claims slightly lower than expected. With virus hotspot states accounting for one-third to half of GDP, the worry is that continuing claims may remain near 20 mn for some time. The market ignored the strong rebound in durable goods and appeared to focus more on the initial claims number, with equity futures selling off further after the data and Treasury yields higher.

Key US Data Releases 8.30am June 25
Source: Bloomberg

		Consensus forecast
Initial jobless claims	1480K	1335K
Continuing claims	19522K	20 million
Durable goods orders	+15.8%	+10.1%
Durable goods ex-transport	+4.4%	+2.1%
Q1 GDP	-5.0%	-5%
Personal consumption	-6.8%	-6.8%

Fears of turmoil in the US elections are appearing in the foreign exchange market. The spread of volatility between three month and six month options to buy dollar-yen options has spiked, as short term volatility is expected to remain low but volatility in the period covering the election and early 2021 is being rapidly priced higher. Options that mature in November and December are now much more expensive than options that mature in October. Worries about recounts and court challenges are causing investors to seek ways to buy insurance against the market disruptions that are likely to occur in a contested election. With absentee ballots expected to play a much higher role this year, election results are likely to be delayed as physical ballots take longer to count. New York announced that it will not begin counting the votes from Tuesday's Democratic primary until July 1 because of the need to verify county records.

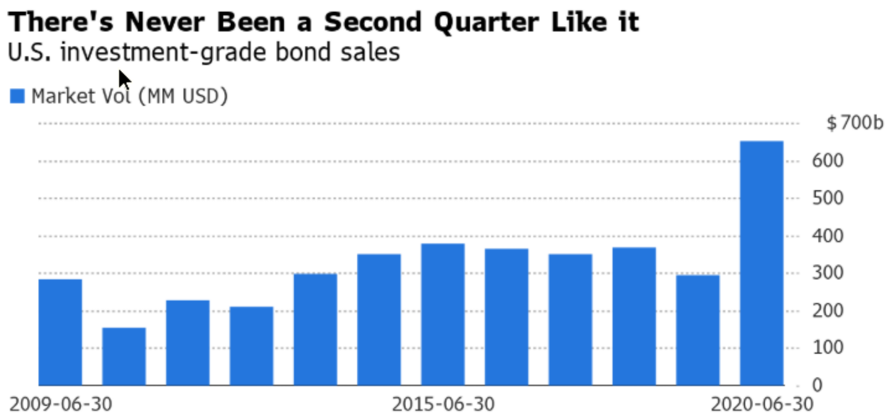


Survey data shows that global investors remain pessimistic despite the strong market recovery after the selloff in March. The S&P 500 is up 38% from the March 23 low and credit spreads have tightened across the board, but the VIX index remains very high by historical standards and the data show that short positions in S&P 500 futures are more than two standard divisions above the historical norm. Contacts report great uneasiness with current valuation levels, especially due to the bad news on the COVID-19 front globally and the resurgence of infection in the US where the death toll has crossed 124K. They point out that the S&P 500 has yet to regain the level reached on June 10 after which the index fell by 5.9% on June 11. The poll by Citi found that weak growth and earnings per share disappointments were the largest concerns among investors. Interestingly, very few are worried about higher interest rates or tighter financial conditions, suggesting that investors trust central banks to continue their accommodative policies. Meanwhile, the upcoming Q2 earnings season will be especially important in guiding investor expectations in the weeks ahead.

Citi Investor Poll
June 24, 2020

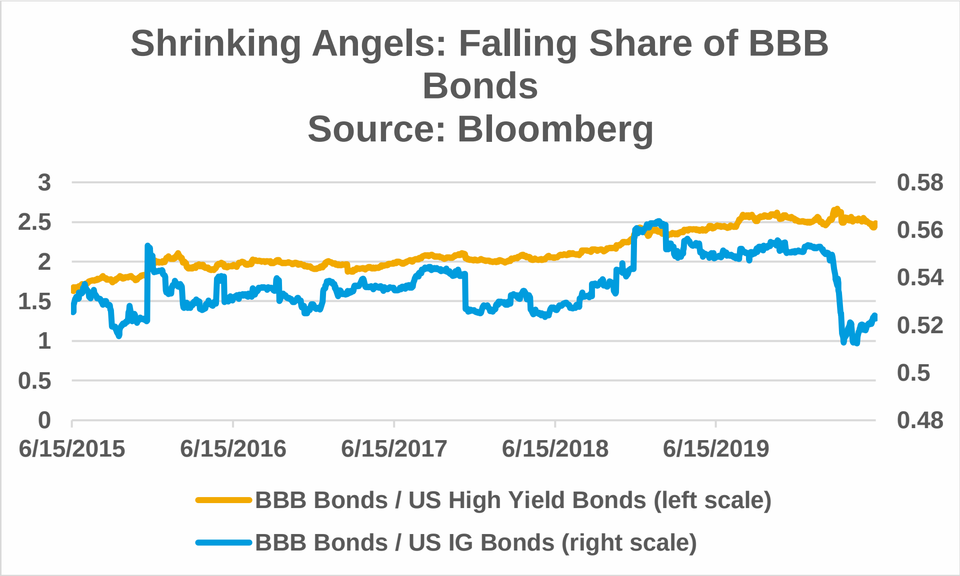
Weak growth/EPS disappointments	34.7%
Higher interest rates/tighter financial conditions	2.41%
National Politics/Populism	14.57%
Geopolitical tensions	7.51%
Complacency/Valuations	15.77%
All of the above	21.93%
Not worried/Markets feel pretty safe	3.12%

Q2 2020 will set an all-time record for US corporate bond issuance, with $1 tn in total new bond issuance so far this year. The Bloomberg Barclays Corporate Bond Index has grown to $6.5 tn in market value, up from $5.8 tn at the end of 2019 and up from $5.2 tn at the market low of March 2020, according to Bloomberg. Despite the magnitude of the economic crisis, corporate debt has ballooned, a testament to the size and speed of the Fed's market interventions. Contacts expect the volume of issuance to decline in the second half of the year, but the pace of new deals is expected to remain brisk as companies scramble to lock in low funding costs to strengthen their balance sheets. The junk bond market is also seeing a flood of issuance, with June marking a new all-time record of $46.7 bn with three trading days remaining in the month, beating the previous record of $46.4 bn set in September 2013. Year-to-date volume is pushing $200 bn, up 66% from H1 2019.



Source: Bloomberg

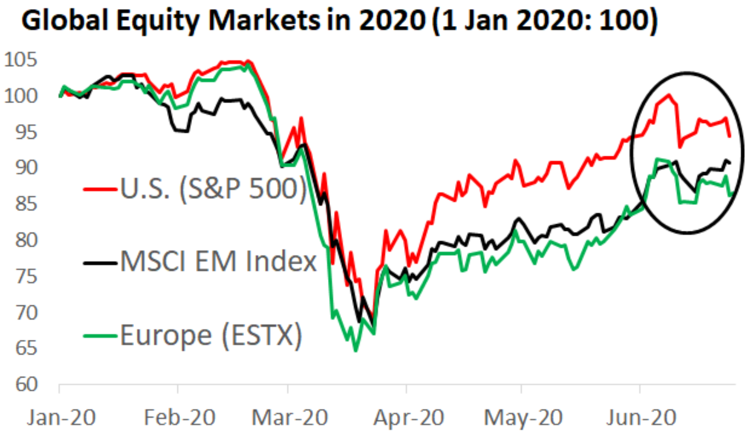
Worries about fallen angels or companies downgraded from investment grade (IG) to junk status have eased as the flood of downgrades of companies such as Ford could not prevent credit spreads from tightening in the high yield (HY) sector. More than $100 bn of fallen angels in the Bloomberg Barclays High Yield Index were rated IG as recently as January, and although more fallen angels are expected, the average spread on the index has fallen to 575 bps from 1100 in March. These new fallen angels lost 31% in March but have since gained by 36%. In addition, the volume of IG issuance was so high that the share of BBB rated bonds in the IG index has shrunk through the course of the year. However, investors are still nervous about airline companies and energy companies, which are expected to bear the brunt of future downgrades.



Europe

back to top

European equities were mostly lower and have lost over 3% in the past 5 trading days. Bank stocks are little changed today but are 4% lower over the past 5 days.



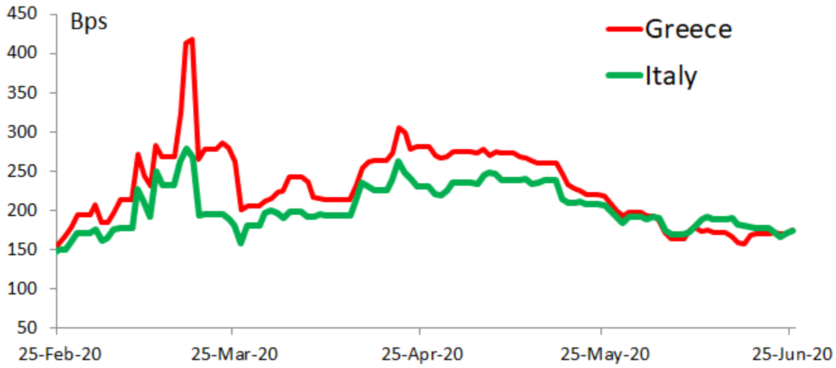
Source: Bloomberg and IMF

The euro (-0.3% to $1.1193) edged lower after [the ECB introduced a new Eurosystem repo facility for non-euro area central banks] (EUREP). The facility will serve as a precautionary backstop to address pandemic-related euro liquidity needs outside the euro area and will be available until June 2021. EUREP will allow a broad set of central banks to borrow euro against euro-denominated debt issued by euro area central governments and supranational institutions. EUREP complements the ECB's bilateral swap and repo lines. The pricing on the facility "is chosen in a way that makes it attractive inly under adverse market conditions." Details on amounts are not yet available.

10-yr bund yields are 2 bps lower at -0.46%. French yields are also 2 bps lower at -0.12%. Demand for longer-dated core debt remains strong as Austria sold €2 bn of its second ever centennial bond at a yield of 0.88% yesterday. The order book exceeded €17 bn and initial yield guidance was higher at 0.95%.

Greek and Italian 10-yr spreads traded 3-4 bps higher today. Italian FM Gualtieri said that the government will approve a third emergency decree by end-July and will ask parliament for extra deficit to provide further financial support to municipalities and regions and guarantee essential public services.

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



Source: Bloomberg and IMF staff

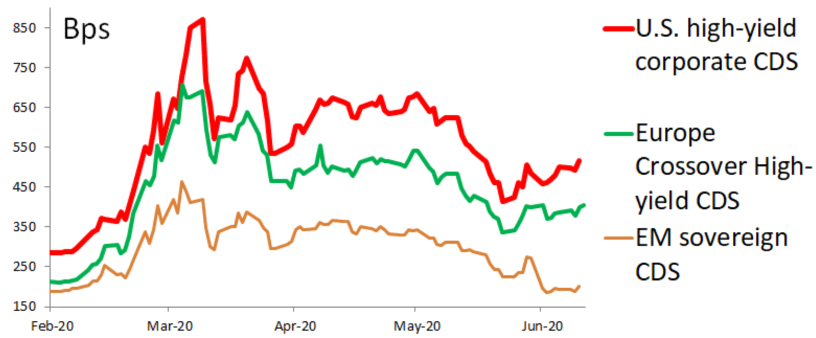
Yesterday, Italy's finance ministry approved a €6.3 bn credit facility for Fiat. The financing will be used exclusively for the carmaker's Italian activities. The company will use the funds for workers' salaries, to pay suppliers and for investments at domestic facilities. **Fiat shares are 0.8% higher today and have been outperforming** with a 4.3% gain in the past 5 days.

On Tuesday **Moody's signaled that the EU's credit rating (AAA stable) would be little changed despite a significant debt increase as outlined in the EC's proposal for the EU Recovery Fund**. Some analysts had worried that rating agencies would struggle to evaluate the plan's implications with budget commitments that could last over 37 years. Analysts also believe that Moody's view that the recovery fund is "supportive for member states hard hit by pandemic" could be supportive for euro area credit.

The ECB has agreed to handover unpublished documents to the German central bank to address objections raised in a ruling last month by the country's Constitutional Court. According to news reports, Bundesbank President Weidmann could then present these documents to the German parliament and government. The documents were previously provided to the European Court of Justice when it discussed and approved the ECB's PSPP QE program.

Crossover high-yield spreads rose 7 bps to 406 bps. Investment-grade CDS spreads are little changed at 7 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

Other Mature Markets back to top

Australia

Australia posted its biggest one-day spike in COVID-19 cases in two months, heightening concerns that the country may be entering a second wave of infections. There were 42 new reported cases on the day. Data on job vacancies showed a 43% decline in 3 months to May, the largest drop over the 40 years of the survey. Equities declined (-2.5%); Australian dollar depreciated (-0.1%).

Canada

Canada lost its AAA rating from Fitch as the agency downgraded the country to AA+. A much higher deficit associated with the pandemic response resulting in higher debt/GDP was cited as the main reason for the downgrade. The outlook for the current rating is stable. Earlier, the Canadian Parliamentary Budget Officer predicted that the deficit will hit 12.7% of GDP from just 1.1% last year, the largest deficit since the 1960s. It also forecasted that GDP will shrink by 12%, compared to the worst GDP print of modern times of -3.2% in 1982. Canada retains its AAA/Aaa1 ratings from S&P and Moody's respectively. The downgrade was widely expected and had limited impact on the markets. S&P downgraded the US to AA+ in August 2011 at the height of the debt ceiling crisis, leaving just nine countries with AAA ratings from all three agencies.

Japan

Equities fell (NIKKEI: -1.2%) following the increased global risk-off sentiment; Japanese yen depreciated (-0.1%). Data release showed that All Industry Activity Index declined 6.4% m/m, slightly better than estimates; tertiary activity fell 6% m/m; manufacturing activity fell 9.8% m/m.

Emerging Markets back to top

EMEA equities are mostly lower amid subdued global risk sentiment. Indices were notably down in Russia (-1.2%), South Africa (-0.8%) and Poland (-0.4%). **EMEA currencies were broadly weaker** with the Hungarian forint (-0.9%) and the Russian ruble (-0.7%) underperforming. **Asian equities also retreated,** led by Korea (-2.3%) and Singapore (-1.9%), following the intensified global risk-off sentiment. Currencies mostly depreciated, led by Korean won (-0.4%) and Thai baht (-0.2%). Government bond yields fell in Asian most countries. Markets were closed in China for holidays. **Latin American markets also sold off in step with US markets, with Brazilian stocks and the real the hardest hit.**

Key Emerging Market Financial Indicators

Last updated:	Level		Change				
6/25/20 8:22 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks			%				%
MSCI EM Equities		40.26	-0.5	1	11	-4	-10
MSCI Frontier Equities		24.18	0.6	2	4	-18	-20
EMBIG Sovereign Spread (in bps)		475	4	4	-58	126	182
EM FX vs. USD		54.50	-0.2	0	1	-13	-11
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		7.08	-0.3	0	1	-3	-2
Indonesian Rupiah		14175	-0.3	-1	4	0	-2
Indian Rupee		75.67	0.1	1	0	-8	-6
Argentine Peso		70.10	-0.1	-1	-3	-39	-15
Brazil Real		5.37	-0.4	0	1	-28	-25
Mexican Peso		22.90	-0.4	-1	-2	-16	-17
Russian Ruble		69.44	0.2	1	3	-9	-11
South African Rand		17.40	-0.1	0	1	-18	-20
Turkish Lira		6.85	0.0	0	-1	-15	-13
EM FX volatility		10.52	0.0	-0.3	-0.5	2.3	3.9

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

Emerging Market Bond Issuance

EM corporate primary markets posted $17.5 bn in gross supply last week, which is the highest figure since late January and the 16th highest on record, indicating a strong recovery. June's monthly issuance stands at $42 bn MTD (vs historical average of $30 bn). Issuance continues to be concentrated in the IG segment which is at a record pace with YTD issuance of $167 bn vs $141 bn YTD for 2019. HY issuance has been relatively subdued at $75 bn YTD vs $106 bn YTD for 2019, though there has been a pick-up recently. Regionally, Asia has been leading this year so far with issuance of $156 bn YTD. According to JP Morgan analysts, the record issuance can be attributed to these issuers' ability to tap the market and the need to secure funding sooner rather than later due to the potential macro risks lurking later in the year.

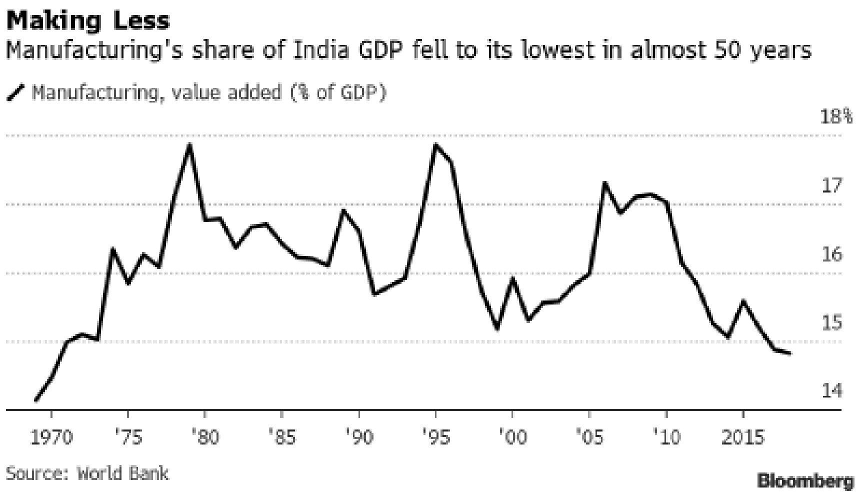
EM corporate external bond issuance ($ bn)

	23-Jun	WTD	MTD	YTD
All	2.2	6.4	41.9	243.6
IG Corporate	1.3	5.0	31.7	168.6
HY Corporate	0.9	1.5	10.2	74.9
Asia	0.9	4.3	30.5	156.0
Latin America	0.0	0.7	3.2	44.3
Emerging Europe	1.0	1.0	2.9	19.9
Middle East & Africa	0.3	0.5	5.3	23.5

Source: JP Morgan, Bloomberg, Bondradar.

India

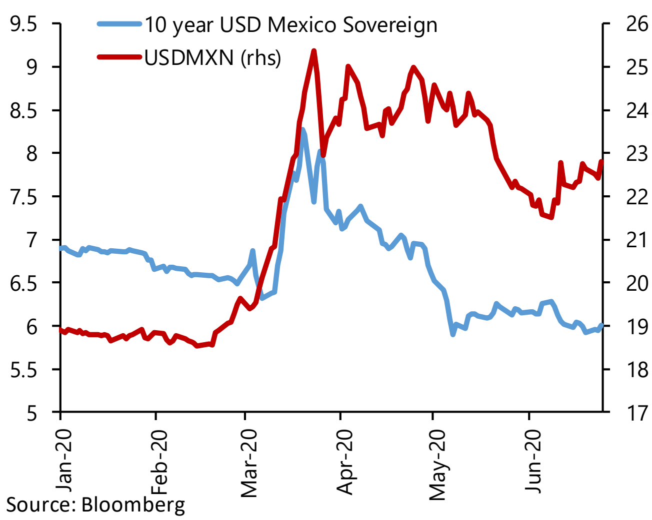
India plans to impose stringent quality control measures and higher tariffs on imports from China. The state-run Bureau of Indian Standards is finalizing tougher norms for at least 370 products to ensure items that can be locally produced would not be imported. Amid the government's push for local manufacturing, the Finance Ministry is assessing the possibility of raising import duties, while the Trade Ministry is evaluating non-tariff measures, such as more inspections, product testing, and enhanced quality certification requirements, to avoid falling foul of WTO rules. China is India's biggest source of imports. The push for import substitution started after disruptions to raw material supplies from China in the wake of the pandemic. PM Modi's earlier 'Make in India' initiative (in 2014) to boost domestic manufacturing had limited success. Strict local-content rules under that initiative backfired by raising production costs for Indian firms. The share of manufacturing to GDP remains stagnant at about 15%. Equity prices declined (-0.6%); the rupee appreciated (+0.1%).



Source: Bloomberg.

Mexico

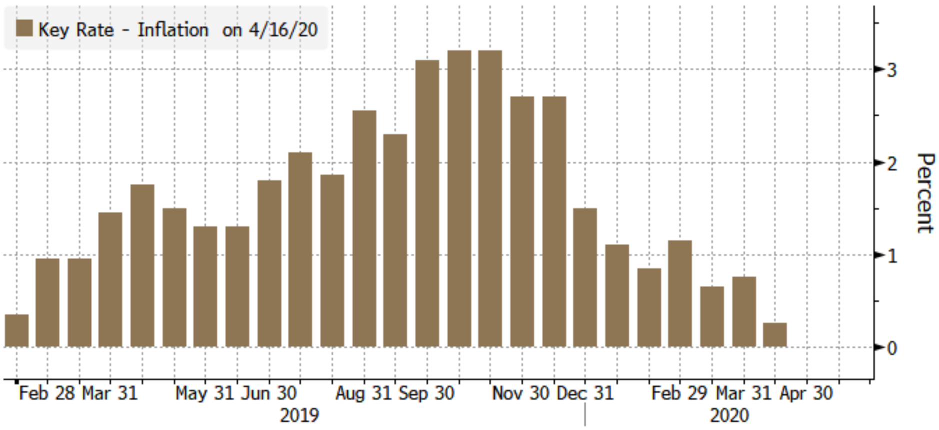
CPI increased more than expected at 3.2% (vs. the 2.2% consensus forecast), driven by higher gasoline prices, supporting the view that the interest rate easing cycle is nearing the end. The deep recession and further widening of the output gap should help to keep inflation in check by reducing pricing power and limiting the pass-through from a weaker peso to higher final consumer prices, according to Goldman Sachs analysts. TIIE swap rates jumped on Wednesday, up 5-7bps across the curve after the CPI print, and the peso (-1.6%) weakened against the dollar. The market is pricing in 50 bps of rate cuts to be announced today and roughly 70 bps of easing is priced in for the second half of 2020. 10-year dollar sovereign bond yields rose by 4 bps while local bond yields rose by 5 bps yesterday.



Philippines

The central bank of the Philippines lowered its benchmark interest rate by 50 bps to 2.25%, a bigger-than-expected cut to support the economy. With limited fiscal support, the central bank is taking on the bulk of the stimulus burden. In addition to the reduction in interest rates by 175 bps this year, the central bank has lowered reserve ratios for banks and pumped liquidity into the financial system. Earlier this month, Governor Benjamin Diokno signaled his preference for keeping real interest rates above zero. With inflation at 2.1% in May (within the target range of 2-4%), the inflation-adjusted interest rate is now 0.15%. Equities fell (-1.1%); the Philippine peso depreciated (-0.1%).

Near Zero
Philippines real interest rate shows aggressive easing this year



Source: Data compiled by Bloomberg
PPCBON Index (Central Bank of Philippines Overnight Reverse Repurchase Agreement Copyright© 2020 Bloomberg Finance L.P. 25-Jun-2020 04:27:15

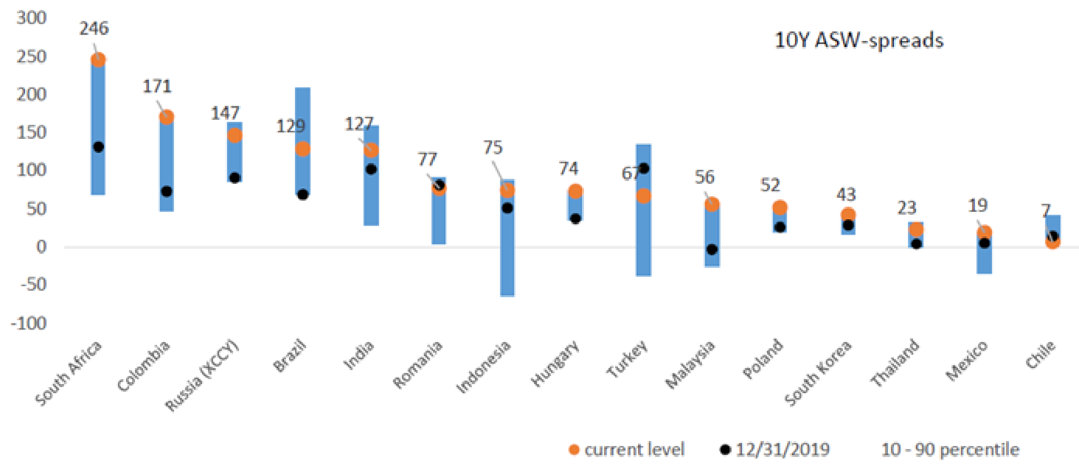
Source: Bloomberg

South Africa

The Ministry of Finance presented its supplementary budget revising the 2020/21 deficit from 6.8% to 15.7% of GDP. The debt to GDP ratio is expected to increase to 81.8% this year and peak at 87.4% in 2023/24, lower that the 113% figure circulated last Friday. The debt stabilization hinges on an ambitious consolidation program and achievement of a primary surplus by 2024. Further details around consolidation were postponed to the release of the October medium term budget update. **The financing package foresees a large increase in domestic borrowing with a shift to shorter bond maturities as well as increased bill issuance**. While the headline numbers where somewhat worse than expected, the market was already positioned accordingly. The market reaction was relatively muted with the currency depreciating by 0.5%, local bonds yields lower by 10 bps and credit spreads wider by 25 bps**. Market contacts suggested that appetite from non-resident investors for local bonds is likely to remain limited as the government increasingly relies on local investor demand**. The South African asset swap spread, a measure of the risk premium of holding government bonds over interest rate swaps, remains the highest among EM peers.

ASW-spreads across EM

Figure 37: 10Y ASW-spreads across EM

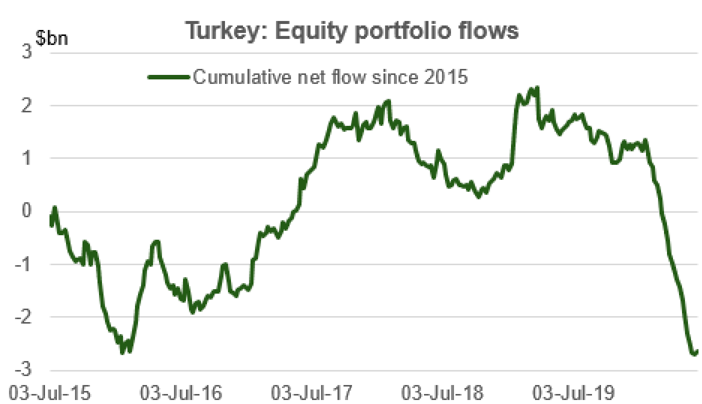


Source : Deutsche Bank

Turkey

The central bank of Turkey surprised the market by keeping its policy rate unchanged at 8.25%. The central bank statement was cautious on the increase in the trend of core inflation indicators. The market was expecting a continuation of the easing cycle with a 25 bps rate cut this meeting. Due to regulatory restrictions, interest rates in the offshore funding market for instruments in Turkish lira have been higher than the policy rate. The market reaction to the decision was muted.

MSCI warned that Turkey could be removed from the Emerging Market index and potentially be reclassified into the Frontier Market index. The warning comes due to official bans on short-selling and stock lending that were further tightened in February this year. **Industry contacts estimate that there is about $8 bn of investor holdings in the MSCI Turkey** and the exclusion from the EM index is likely to lead to further portfolio outflows. Non-resident investors have been net sellers of Turkish stocks with $2.9 bn of outflows year to date. Despite that, Turkey's equity market has been outperforming other emerging markets on the back of local demand, with the main Borsa Istanbul index flat year to date.



Source: Bloomberg, IMF

List of GMM Contributors

Global Markets Analysis Division, MCM Department

Anna Ilyina
Division Chief

Will Kerry
Deputy Division Chief

Evan Papageorgiou
Deputy Division Chief

Sergei Antoshin
Senior Economist

John Caparusso
Senior Financial Sector Expert

Sally Chen
Senior Economist

Yingyuan Chen
Financial Sector Expert

Han Teng Chua
Economic Analyst

Fabio Cortés
Senior Economist

Reinout De Bock
Economist

Dimitris Drakopoulos
Financial Sector Expert

Mohamed Jaber
Senior Financial Sector Expert

Phakawa Jeasakul
Senior Economist

Sanjay Hazarika
Senior Financial Sector Expert

Frank Hespeler
Senior Financial Sector Expert

Rohit Goel
Financial Sector Expert

Henry Hoyle
Financial Sector Expert

Dmitri Petrov
Financial Sector Expert

Thomas Piontek
Financial Sector Expert

Patrick Schneider
Research Officer

Jochen Schmittmann
Senior Economist

Can Sever
Economist (Economist Program)

Juan Solé
Senior Economist

Jeffrey Williams
Senior Financial Sector Expert

Akihiko Yokoyama
Senior Financial Sector Expert

Piyusha Khot
Research Assistant

Xingmi Zheng
Research Assistant

Global Financial Indicators

Last updated: 6/25/20 8:20 AM	Level Last 12m	Level Latest	Change 1 Day	Change 7 Days	Change 30 Days	Change 12 M	YTD
Equities					%		%
United States		3050	-2.6	-2	3	5	-6
Europe		3193	-0.1	-2	7	-7	-15
Japan		22260	-1.2	0	7	5	-6
China		2980	0.3	1	6	0	-2
Asia Ex Japan		70	-1.0	1	11	1	-5
Emerging Markets		40	-1.3	1	11	-4	-10
Interest Rates					basis points		
US 10y Yield		0.66	-1.6	-5	0	-132	-125
Germany 10y Yield		-0.47	-2.9	-6	3	-14	-28
Japan 10y Yield		0.02	0.0	0	1	17	3
UK 10y Yield		0.15	-4.3	-8	-3	-65	-68
Credit Spreads					basis points		
US Investment Grade		152	0.6	3	-31	25	55
US High Yield		615	2.8	22	-69	168	222
Europe IG		70	1.7	4	-9	15	26
Europe HY		403	10.3	22	-76	142	197
EMBIG Sovereign Spread		475	4.0	4	-58	126	182
Exchange Rates					%		
USD/Majors		97.54	0.4	0	-2	1	1
EUR/USD		1.12	-0.4	0	3	-1	0
USD/JPY		107.4	-0.3	0	0	0	1
EM/USD		54.5	-0.2	0	1	-13	-11
Commodities					%		
Brent Crude Oil ($/barrel)		40	-1.2	-4	12	-39	-40
Industrials Metals (index)		102	-0.4	-1	6	-10	-11
Agriculture (index)		34	-0.5	-1	0	-18	-17
Implied Volatility					%		
VIX Index (%, change in pp)		35.7	1.9	2.8	7.5	19.4	21.9
10y Treasury Volatility Index		4.7	-0.3	0.0	0.0	-0.3	0.6
Global FX Volatility		8.5	0.0	-0.3	0.1	1.6	2.5
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		176	4.9	7	-42	-105	11
Italy		176	5.5	-2	-31	-73	16
Portugal		94	3.7	3	-27	12	31
Spain		93	2.4	1	-17	22	28

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

back to top

Emerging Market Financial Indicators

Last updated: 6/25/2020 8:22 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation						% p.a.					
China		7.08	-0.3	0.1	1	-3	-2		3.0	-2.1	4	41	-26	-16
Indonesia		14175	-0.3	-0.7	4	0	-2		7.3	-0.4	-6	-27	-33	13
India		76	0.1	0.6	0	-8	-6		6.1	2.2	-2	0	-86	-79
Philippines		50	-0.1	0.3	2	3	1		4.1	0.5	-1	-30	-86	-18
Thailand		31	-0.2	0.5	3	-1	-4		1.4	-0.8	-5	13	-84	-17
Malaysia		4.28	-0.1	0.0	2	-3	-4		2.8	-0.3	-2	6	-82	-52
Argentina		70	-0.1	-0.6	-3	-39	-15		45.1	18.1	-289	-162	1633	-1754
Brazil		5.37	-0.4	0.2	1	-28	-25		5.4	11.3	20	-40	-147	-83
Chile		819	-0.1	-2.7	-2	-17	-8		2.4	1.5	-21	16	-98	-87
Colombia		3727	-0.7	0.6	1	-14	-12		5.6	5.1	-16	26	-19	-38
Mexico		22.88	-0.4	-0.6	-1	-16	-17		6.2	4.1	-3	-19	-156	-79
Peru		3.5	0.3	-0.4	-2	-6	-6		4.3	-0.1	-4	12	-44	-18
Uruguay		42	0.1	0.7	3	-17	-11		10.1	0.0	0	-49	-36	-77
Hungary		316	-1.2	-2.4	2	-10	-7		1.5	-7.1	-26	-15	-12	28
Poland		3.99	-0.7	-0.4	4	-6	-5		0.8	-1.5	-10	-20	-118	-104
Romania		4.3	-0.5	-0.1	3	-4	-1		3.7	-1.0	-4	-36	-28	-31
Russia		69.4	0.2	0.7	3	-9	-11		5.3	0.0	0	4	-196	-81
South Africa		17.4	-0.1	0.4	1	-18	-20		10.1	-13.7	-18	17	71	58
Turkey		6.85	0.0	0.0	-1	-15	-13		10.4	-0.6	-5	-87	-633	-125
US (DXY; 5y UST)		98	0.4	0.1	-2	1	1		0.32	0.4	-1	-1	-140	-137

	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	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
								basis points						
China		2980	0.0	1	6	0	-2		228	0	1	-14	50	52
Indonesia		4897	-1.4	-1	8	-23	-22		259	1	2	-31	71	103
India		34842	-0.1	2	14	-12	-16		238	2	-4	-34	87	113
Philippines		6118	-1.1	-4	10	-24	-22		164	2	6	-6	89	98
Malaysia		1489	-0.9	-1	4	-11	-6		185	0	-2	-49	58	73
Argentina		40435	-0.9	-5	-1	0	-3		2518	4	-100	-248	1640	749
Brazil		94377	-1.7	-1	10	-6	-18		375	3	-1	-28	137	160
Chile		4036	0.1	1	8	-21	-14		212	2	2	-21	79	79
Colombia		1125	-1.6	-1	6	-28	-32		303	2	11	0	118	140
Mexico		37908	-0.8	0	6	-13	-13		530	4	24	-21	189	238
Peru		16753	-1.2	-2	9	-19	-18		180	1	-3	-21	54	73
Hungary		36901	-0.7	-2	5	-8	-20		169	2	4	-44	87	83
Poland		50152	-0.7	-1	8	-16	-13		53	2	1	-35	18	35
Romania		8628	-0.2	-1	-1	0	-14		286	1	3	-54	107	112
Russia		2750	-1.5	0	2	0	-10		210	7	3	-4	4	79
South Africa		53753	-1.3	0	7	-8	-6		527	14	30	-46	236	207
Turkey		114112	-0.3	1	11	20	0		600	7	28	-26	108	199
Ukraine		499	0.0	0	0	-9	-2		654	12	33	-77	119	234
EM total		40	-0.5	1	11	-4	-10		475	4	4	-58	126	182

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

back to top