



- **BoE unexpectedly eases ahead of budget announcement** ([link](#))
- **EU leaders agree on €25 bn investment fund and flexibility of stability rule** ([link](#))
- **European governments begin formulating bank relief measures** ([link](#))
- **Signs of liquidity stockpiling emerge in US money markets** ([link](#))
- **Capital flows to emerging markets plummet, according to IIF** ([link](#))
- **Large US banks' oil & gas exposures and stress losses appear manageable** ([link](#))
- **Argentina announces a restructuring of \$69 billion foreign-law sovereign debt** ([link](#))
- **Reports of Saudi Aramco plans to boost production to 13 mn barrels per day** ([link](#))

[US](#)

| [Europe](#)

| [Other Mature](#)

| [Emerging Markets](#)







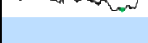


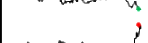
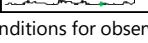
| [Market Tables](#)

Sharp market swings as investor anxiety prevails

Markets swung sharply yesterday as participants seemed unsure about how to position themselves in the current environment. Risk assets spiked in early trading as investors initially took comfort in expected government actions to contain the spread of the virus and mitigate the economic impact through fiscal and monetary measures. However, risk sentiment soon turned sour again sending stocks sharply lower with European equities ending the day in negative territory. In a further testament to the erratic trading, US stocks regained their footing by the end of the day to ended the session up 5%. The VIX index, though slightly lower than at the beginning of the week, remained very elevated at 52. Moreover, higher volatility is no longer restricted to risk assets and commodities as the MOVE index, a measure of interest rate volatility, is now nearing its highest level in 10 years. It is notable that the 10-year treasury yield has moved by more than 10 bps for five sessions in a row. In the absence of any clear view as to the scale and scope of the potential impact of the COVID-19 shock, investors seem to be at pains to put a fair price on risk. As an analyst put it, what markets seem to be currently experiencing is a case of greater “uncertainty” rather than simply higher “risks”. In other words, investors seem to have a decent understanding of the spectrum of potential outcomes but are unable to attach specific probabilities to any of them. And it is this uncertainty that is fueling price volatility and fostering the recent violent market moves.

Overnight, European markets were supported by the apparent greater assertiveness of policy makers to deal with the COVID-19 epidemic. The Bank of England cut rates by 50 bps and announced further measures to ease credit and funding conditions. Moreover, on the fiscal front, Italy announced a €28 bn stimulus package to mitigate the impact of the novel coronavirus and the UK government is expected to announce a package later on today. At the same time, and in addition to agreement by EU leaders on a €25 bn investment fund to deal with impact of the epidemic, the head of the ECB has called for a coordinated European response to the epidemic without further delay. These developments seemed to provide some initial support for risk sentiment in Europe with equity markets rising by about 1% so far today. The picture was somewhat different in the US where the government has yet to announce details about the stimulus package it promised at the beginning of the week. S&P 500 futures are trading down by about 3% this morning. Brent crude prices are also down by about 5% on news of a continued rise in US oil inventories and of a potentially more aggressive increase in Saudi oil production than what previously reported.

Key Global Financial Indicators

Last updated: 3/11/20 8:55 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		2882	4.9	-4	-14	4	-11
Eurostoxx 50		2920	0.3	-15	-24	-12	-22
Nikkei 225		19416	-2.3	-8	-18	-8	-18
MSCI EM		39	-0.1	-4	-11	-7	-12
Yields and Spreads			bps				
US 10y Yield		0.69	26.2	-36	-91	-195	-122
Germany 10y Yield		-0.77	2.1	-13	-38	-84	-59
EMBIG Sovereign Spread		468	13	111	162	125	175
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		57.0	-0.5	-2	-5	-10	-7
Dollar index, (+) = \$ appreciation		96.0	-0.4	-1	-3	-1	0
Brent Crude Oil (\$/barrel)		35.7	-3.7	-30	-34	-46	-46
VIX Index (% change in pp)		54.4	7.2	22	39	40	41

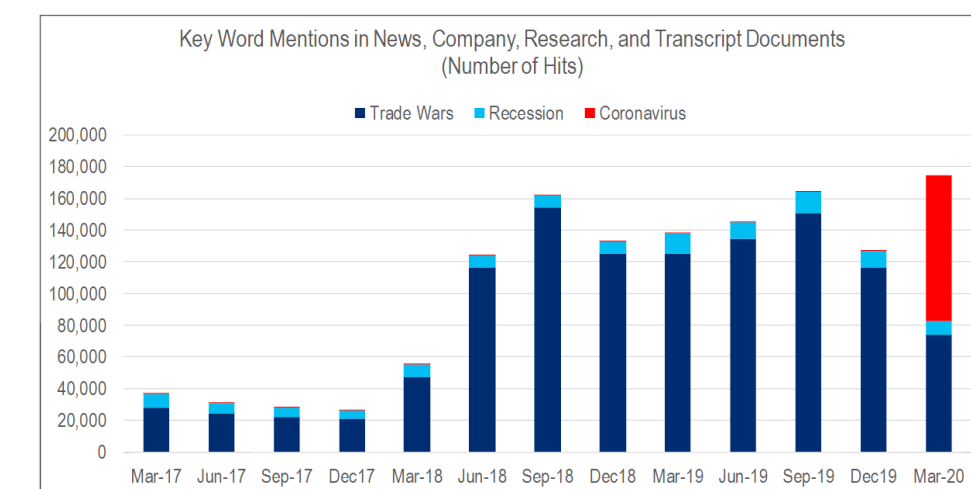
Colors denote **tightening/easing** financial conditions for observations greater than ± 1.5 standard deviations. Data source: Bloomberg.

United States

[back to top](#)

Markets staged a partial recovery after Monday's market shock on hopes that governments worldwide will act aggressively with fiscal measures to offset the effects of the virus. Oil rebounded by 10% and equities also posted strong gains, especially in the US. Press reports here mentioned a payroll tax cut, help for companies in sectors such as energy and airlines that have been especially hard hit, and a temporary extension of paid leave benefits, among other measures. Nevertheless, uncertainty remains the dominant sentiment and the exaggerated nature of recent moves, whether positive or negative, underlines the inherent fragility of the market. Headlines about the virus will continue to dominate the market. Covid-19 now tops all other concerns in the news narrative.

Figure 1. Coronavirus Fears Now Outweigh Prior Concerns About Trade Wars, Recession



Source: Alphasense and Citi Research estimates.

Several sectors almost managed to post round trips on Tuesday, almost completely retracing their moves from the day before. The moves in equities and Treasuries were especially noteworthy. Trading volume remained robust as the markets continued to function relatively smoothly, although contacts reported anecdotal complaints about pockets of illiquidity from time to time. Equity trading volumes were very large even in comparison to the previous day. This reassured those who had worried about the first major historical test of liquidity in the era of high frequency trading and reinforced the conclusion that triggering the circuit breaker when the market fell 7% on Monday was successful in re-establishing control over the market. The major exception to the rebound was the corporate credit sector, where both investment grade (IG) and high yield (HY) credit default swap (CDS) spreads remained at elevated levels. However, the primary market was back in action with \$5.2 bn of new bonds for sale, including Starbucks (BBB+/Baa1) selling \$2.25 bn. Although the issuers had to offer higher new-issue concessions (NICs), the deals went smoothly.

Selected Market Moves, 4pm March 10, 2020

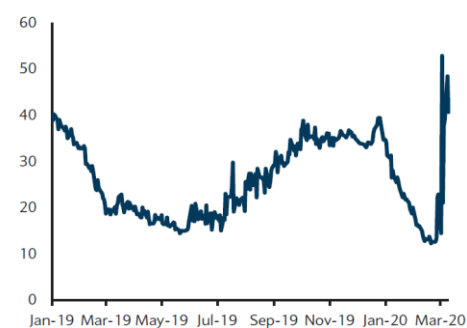
Source: Bloomberg

	Move on Monday	Move on Tuesday
Brent	-24.1%	+10.04%
S&P 500	-7.6%	+4.94%
iShares Emerging Market ETF	-6.83%	+5.08%
Euro Stoxx 600	-7.44%	-1.14%
10-year Treasury	-22 bps (-45 bps intra-day)	+15 bps
10-Year Bund	+15 bps	-7 bps
VIX	+29.85%	-13.15%
MOVE int. rate volatility index	+30.74%	-24.42%
Dollar-Yen	-2.88% (dollar weaker)	+3.13% (dollar stronger)
Euro-dollar	+1.47% (dollar weaker)	-1.45% (dollar stronger)
CDX HY CDS Spread	+ 50 bps (vs. March 5, two days)	-1 bps
CDX IG CDS Spread	+29 bps	-3 bps

There are early signs of liquidity stockpiling in US money markets, but analysts think the levels of anxiety are still quite low. Barclays points out that the Libor-overnight index swap (OIS) spread has widened by 40 bps since mid-February, but that has been mainly driven by the collapse in OIS after the Fed's 50 bps rate cut on March 3. Still, this is a traditional measure of credit risk and its rise could have an element of risk aversion. The swelling of institutional government-only money market fund (MMF) balances by \$55 bn between March 4 and March 7 is a sign that institutional investors are getting nervous. These MMF balances should increase further if fears of recession intensify. However, commercial paper (CP) balances remain stable and borrowers have managed to extend the maturities of their CP despite the recent turmoil. The repo market is functioning normally and benchmark overnight general collateral (GC) overnight repo rate has been well behaved, trading at 1.16% on Monday and 1.18% on Tuesday compared to 1.15% on Friday.

FIGURE 1

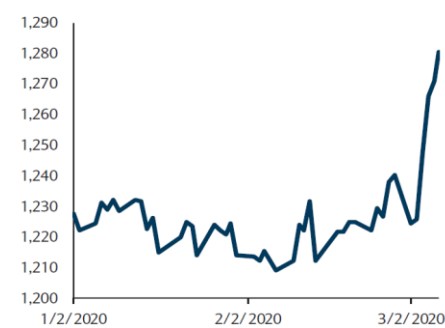
LOIS 3m (bp)



Source: Bloomberg, Barclays Research

FIGURE 2

Institutional gov-only balances (\$bn)



Source: Crane's Data, Barclays Research

US CPI came in slightly stronger than expected at 0.1% versus the consensus forecast of a flat number. Core CPI was on target at 0.2%. The annualized numbers were 2.3% (vs.2.2%) and 2.4% (vs 2.3%) respectively. The market response was muted.

US Banks

Large banks' oil & gas exposures and estimated stress losses appear manageable. Barclays analysts subjected the six largest US banks' energy sector exposures to a stress loss scenario and concluded that the exposures are bearable from a capital solvency perspective (after-tax charge/risk-weighted assets in the table below) but could impose meaningful downgrades to 2020 consensus pretax earnings. The six banks' current exposures total \$192 bn, or 2% of total loans, lower than in 2015 (on the eve of the last oil & gas stress episode), and the mix may have shifted away from exploration and production, the most heavily affected segment. The severe stress scenario assumes oil prices drop to \$20 per barrel over the next three years, default rates around 75-80% and loss-given-default of 70% for E&P exposures and similarly severe for other oil and gas activities. Estimated losses are less severe than estimated in 2016 on the same methodology. Regional banks' exposures were not tested but appear to be manageable as well, the analysts conclude. Based on more manageable exposures as well as stronger capital, liquidity and earnings than in 2016, Barclays upgraded their rating on U.S. banks. Separately, reviews of large European banks' much more limited disclosure of energy exposures suggests a similar conclusion: manageable hit to capital but potentially significant earnings downside.

Large-Cap US Banks: Oil & Gas Exposures and Stress Losses

	Exposures USDbn	Stress Scenario				Severe Stress Scenario			
		Losses USDbn	After-tax charge/ CET1	After-tax charge/ RWA	After-tax charge/ FY20 pretax	Losses USDbn	After-tax charge/ CET1	After-tax charge/ RWA	After-tax charge/ FY20 pretax
BAC	36.3	1.7	0.9%	0.10%	6.9%	6.8	3.4%	0.38%	26.4%
C	55.4	2.5	1.5%	0.18%	1.5%	10.7	6.3%	0.75%	60.7%
WFC	34.6	3.1	1.8%	0.20%	8.9%	10.6	6.3%	0.70%	65.7%
JPM	41.6	2.3	1.0%	0.13%	7.1%	9	3.9%	0.48%	27.5%
GS	14.8	0.9	1.0%	0.13%	10.4%	3.1	3.3%	0.44%	34.9%
MS	9.5	0.5	0.6%	0.10%	5.6%	1.6	2.0%	0.33%	18.9%

Source: Barclays

Europe

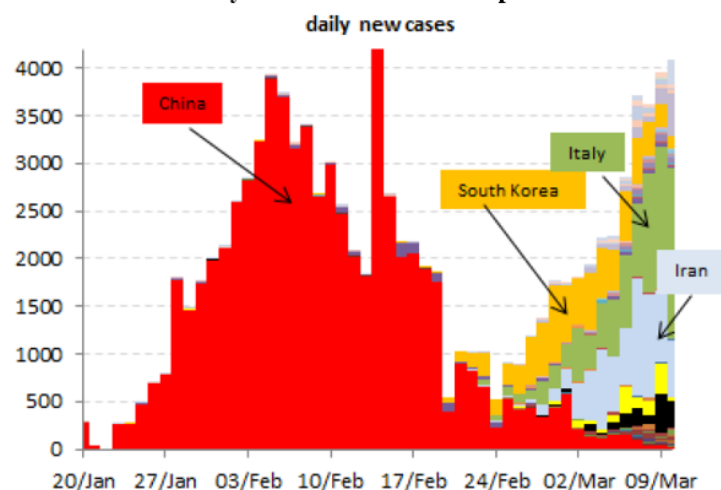
[back to top](#)

COVID-19 Spread

Confirmed infections rose to 119,357 and the death toll to 4,290 globally. Infections in Italy rose to 10,149 with 631 deaths. The U.K.'s health minister became the first British MP to test positive for the virus. A sharp

increase in cases in South Korea reversed a previously declining trend, contributing to risk-off sentiment in Asian trading.

Covid-19 Cases: Daily new cases now exceed peak in China



Source: CEIC, WHO, UBS

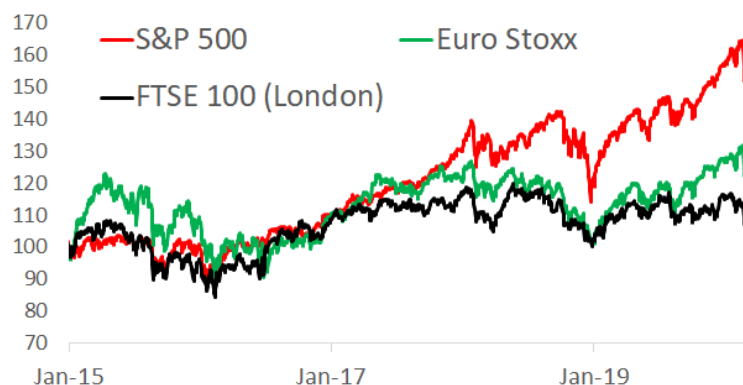
United Kingdom

The British pound (+0.2% to \$1.29) rose and 10-yr U.K. gilt yields are up 6 bps at 0.30% **after the BoE unexpectedly cut its policy rate by 50bps to 0.25%** ahead of the Budget later today. **The BoE also announced a package of other measures to help “businesses and households bridge”** the economic disruption likely to be associated with Covid-19. U.K. equities (+0.8%) ticked higher.

The BoE’s bank package includes a new >£100bn Term Funding Scheme to support banks’ SME lending (TFSME). The FPC also cut the banks’ counter-cyclical capital buffer requirement from 1% to 0%. Standing repo facilities were unchanged.

Incoming governor Bailey commented that the BoE has used around half of its outstanding policy space, adding that continued coordination remained key. Analysts at Citi expect the BoE to cut the Bank rate to 5 bps and restart QE for a total of £60 bn of asset purchases by August if the economy takes a deep hit in Q2 due to the virus impact.

Equities: UK versus euro area and U.S. (Jan 2015: 100)



Source: Bloomberg and IMF

Euro area

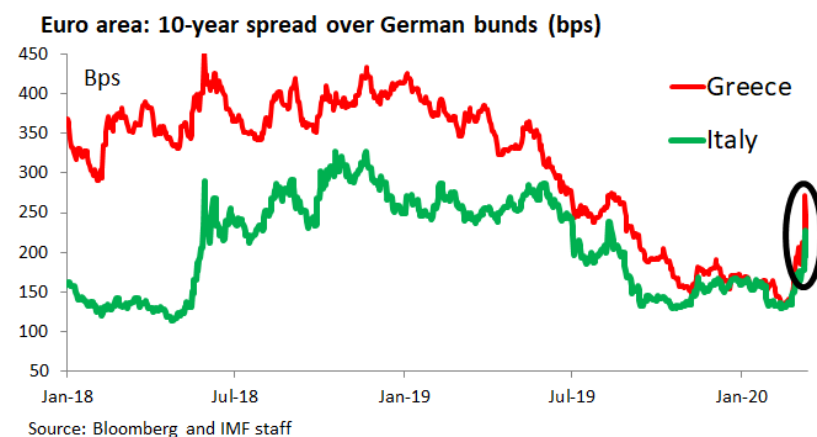
Following a three-hour virtual summit yesterday, **EU leaders have agreed to establish a €25 bn investment fund from existing resources and to make "full use of flexibility" under stability rules** to deal with the impact of COVID-19. **ECB President Lagarde has warned EU leaders of a 2008-like crisis**, asking for rapid fiscal expansion. Contacts doubt that fiscal stimulus will arrive quickly after Chancellor Merkel reportedly argued in favor of liquidity measures rather than fiscal support (even though Chancellor Merkel iterated willingness to be flexible with the EU Stability Pact in a press conference today). Following the summit, **Italy announced that it would double the size of its stimulus package to €16 bn euros**.

The euro (+0.4% to \$1.13) gained as the ECB starts its regular 2-day monetary policy meeting today. Several council members including the central bank presidents of Italy and Portugal can only join remotely (missing tonight's dinner). **Contacts expect the ECB to cut its depo rate 10 bps tomorrow and announce other measures to support corporate lending but generally believe that a 'whatever it takes' sentiment looks misplaced.**

Equities (+1.3%) traded higher on further stimulus hopes. Bank stocks (+3.3%) outformed. In contrast, Greek equities (-1%) edged lower.

10-yr German yields rose 3 bps to -0.76% as did 10-yr French yields.

Southern European 10-yr spreads have tightened. Italian 10-yr spreads fell 15 bps to 197 bps and Greek 10-yr spreads trade 19 bps lower at 225 bps.



European Banks

European governments begin formulating bank relief measures. As the coronavirus spread and its economic consequences intensify, governments in Europe have begun articulating measures to relieve pressures on banks and support the provision of credit through two channels: supporting borrower repayment capacity and lowering bank capital requirements. The Italian government is considering steps to inject money directly into companies. The Italian Banking Association has announced a voluntary plan to allow borrowers to suspend medium- and long-term loan repayments, including mortgages; has extended agreements with major industry associations to suspend or extend repayment schedules; and is advocating a national and European suspension of rules forcing banks to identify past-due loans as being in default. France reportedly encouraged regulators to relax supervisory standards over banks facing customer repayment stresses. The UK's biggest banks have announced 'payment holidays' for stressed mortgage borrowers, and the UK government is considering plans to provide tax relief to small companies and perhaps to create a 'hardship fund' to provide cash directly to businesses. On bank capital relief, the Bank of England today announced that banks can lower their countercyclical capital buffer to 0%, reversing an

earlier decision raise it from 1% to 2% by end-2020, Sweden's financial authorities today announced that it stands ready to lower the countercyclical capital buffer if needed, and German authorities reportedly also may do so. The European Central Bank may consider broader relief measures when it meets today. Large European bank stocks are mostly trading higher today, except in Germany.

Other Mature Markets

[back to top](#)

Australia

Australian equities declined 3.6%, entering bear-market territory (>20% decline). Banks and commodity stocks declined the most. Meanwhile, PM Morrison announced a \$1.6bn package to support health care efforts to deal with covid-19. Covid-19 cases have risen sharply in Australia from 27 in early March to 112 today. The PM said that details on an “economic response” to the virus will be given tomorrow. Reserve Bank of Australia Deputy Governor Debelle hinted at forthcoming QE targeting maturities below 5 years. **Australian 10-year bond yields fell 11 bps and 30-year yields declined 7 bps. The Australian dollar appreciated 0.4%.**

Crashing Down

Australian stocks took 14 days to enter bear-market territory from record

■ S&P/ASX 200



Japan

Equities declined (-1.5%) and the yen appreciated (+0.4%) on continued covid-19 concerns. The recent stock market declines have pushed both the Topix and the Nikkei indices below book value. **PM Abe is facing calls for more aggressive fiscal stimulus as Japan is facing recession.** Two rounds of stimulus have already been announced including interest-free loans to affected companies and support for some workers. However, these measures are drawing on previously budgeted funds, not new fiscal resources. The JGB yield curve bear flattened with short rates rising, while long-term JGB yields declined.

Staying Low

Nikkei 225 trades below book value

■ Japan Price/Book Ratio Nikkei 225 - Mid Price










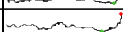





Emerging Markets

[back to top](#)

Asian equities (-1.1%) fell on surging covid-19 cases outside of China. Korea (-2.8%) and Southeast Asian bourses including Vietnam (-3.1%), Thailand (-1.7%), Singapore (-1.7%) and Indonesia (-1.3%) underperformed. Malaysia and India bucked the trend, rising +0.9% and +0.7%, respectively. Regional currencies were mixed, with the Indian rupee (+0.5%) appreciating while the Indonesian rupiah (-0.2%) and the Taiwanese dollar (-0.2%) weakened. **EMEA stocks were mixed**, with Saudi Arabia (-2.7%) and Poland (-2.8%) leading declines, while Turkey (+1.4%) and Qatar (+2.1%) paced gains. Regional currencies traded relatively steady, with moves within a $\pm 0.2\%$ corridor. The Russian ruble (-0.4%) weakened the most in the region. **Latin American markets rebounded Tuesday.** Equities partly recovered roughly half the heavy losses incurred in the prior session, supported by global markets and less depressed oil prices. Brazil and Mexico gained 7.0% and 2.5%, respectively. The Brazilian and Colombian currencies appreciated 1.6% and 1.4%, respectively, while the Mexican peso weakened 0.4%. Spreads on 10-year local-currency and USD sovereign debt generally narrowed, including a 35 bp tightening in Brazil, except Colombia (+57 bps).

Key Emerging Market Financial Indicators

Last updated: 3/11/20 8:54 AM	Level		Change				
	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks			%				%
MSCI EM Equities		39.29	-0.1	-4	-11	-7	-12
MSCI Frontier Equities		24.75	3.6	-10	-18	-13	-18
EMBIG Sovereign Spread (in bps)		468	13	111	162	125	175
EM FX vs. USD		56.98	-0.5	-2	-5	-10	-7
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.95	0.1	0	0	-3	0
Indonesian Rupiah		14374	-0.2	-2	-5	-1	-4
Indian Rupee		73.64	0.6	-1	-3	-5	-3
Argentine Peso		62.59	-0.1	0	-3	-34	-4
Brazil Real		4.67	-0.6	-2	-7	-18	-14
Mexican Peso		21.13	-1.4	-8	-12	-8	-10
Russian Ruble		71.91	-0.8	-8	-12	-8	-14
South African Rand		16.12	-1.1	-5	-8	-11	-13
Turkish Lira		6.20	-0.6	-2	-3	-12	-4
EM FX volatility		9.71	0.0	1.7	2.9	1.6	3.1

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

EM Capital Flows

According to the IIF, **capital flows to emerging markets have plummeted recently** damaging economic prospects. Commodity exporters, especially to China, Japan, and Korea, are expected to take the worst hit from the ongoing crisis. Analysts also warn that **the window to issue Eurobonds may be closing for most African sovereigns** given the recent surge in spreads. For instance, JP Morgan's EMBIG diversified Africa sovereign spread to US treasuries has surged about 300 bps since the beginning of the year.

Exhibit 1. Capital flows to EM have taken a hit.

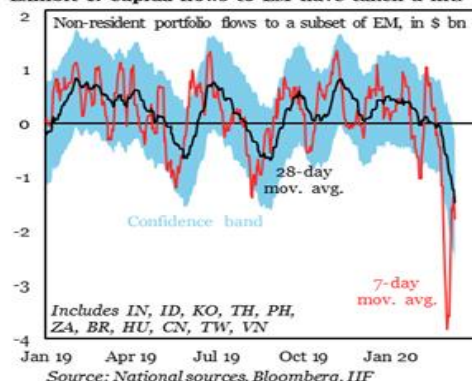
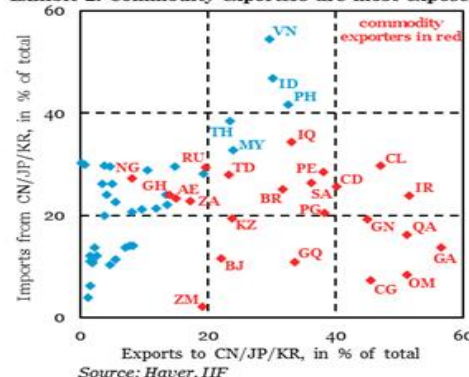
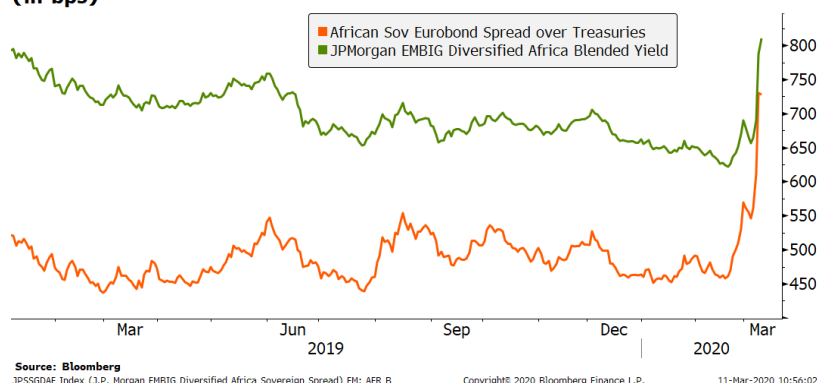


Exhibit 2. Commodity exporters are most exposed.



EM Eurobond Yields (in bps)



China

Wuhan, the epicenter of the virus outbreak, has begun to gradually resume work as new covid-19 cases slow. The government of Hubei Province announced that businesses in the city with great significance for national and global industrial chains can resume work after fully implementing virus prevention measures and gaining government approval. Other businesses that are not involved in essential industries must not restart work until March 21 and schools are to remain closed until further notice. Hubei previously said that March 11 was the earliest business could resume work in the province. China meanwhile reported 24 new cases (10 were imported) as of March 10 compared with 19 the previous day. **Equities (Shanghai -0.9%; Shenzhen -1.5%) fell while the onshore and offshore RMB strengthened (+0.2%) slightly.**

China will recapitalize Jinzhou Bank, a troubled lender in Northeastern China, with RMB12.1 bn. According to Bloomberg, two state-run entities, including one backed by China's central bank, will purchase a combined 6.2 bn new shares at RMB1.95 each. The proceeds will be used to replenish the bank's core Tier-1 capital. This adds to the bailout last year, which saw Industrial & Commercial Bank of China and two other state-owned firms buy a 17%+ stake in Bank of Jinzhou.

Taiwan Province of China

Regulators are considering potential measures to stabilize equities if needed. According to Bloomberg, the Financial Supervisory Commission (FSC) is monitoring the market closely and measures mentioned include banning the short-selling of stocks. The FSC last implemented a temporary ban on short-selling in August 2015. **Equities fell -1.0% while the Taiwanese dollar weakened -0.2%.**

Indonesia

Equities declined (-1.3%), bringing year-to-date losses to -18.3%, one of the worst performances in Asia. To further prevent speculation and panic-selling, the stock exchange tightened trading-halt rules. Starting March 11, the bourse will suspend trading for 30 minutes if the Jakarta Composite Index falls more than 5% and another 30 minute will be implemented should it drop more than -10%. The market will be closed for the day if the gauge declines more than 15%. **Separately, Bank Indonesia reiterated its commitment to purchasing government bonds from the secondary market to maintain rupiah**

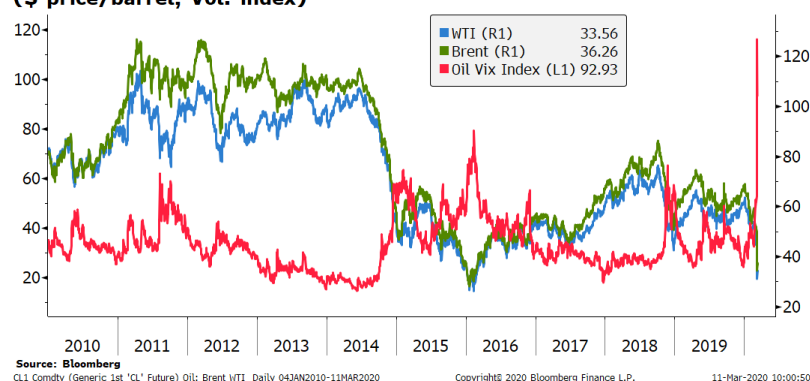
stability and ensure market confidence. Local currency-denominated 10-year bond yields fell -2.6 bps while the rupiah depreciated -0.3%.

Saudi Arabia

Oil continued to trade downwards amid decade-high record volatility. Brent (-2.7%) and WTI (-2.4%) reached \$36/barrel and \$34/barrel respectively as the main gauge of the crude market's volatility remains well-above any level seen in the last decade. Crude prices were buffeted today by further news that Saudi Aramco plans to boost production to 13 mn barrels per day, from 12 mn. Analysts note, however, that Saudi Arabia will have to surmount substantial operational challenges before it can bring on stream the extra 1 mn barrels/day promised. Local news also report that **Saudi authorities have instructed government agencies to plan for expenditure cuts of between 20% to 30% in the 2020 budget.**

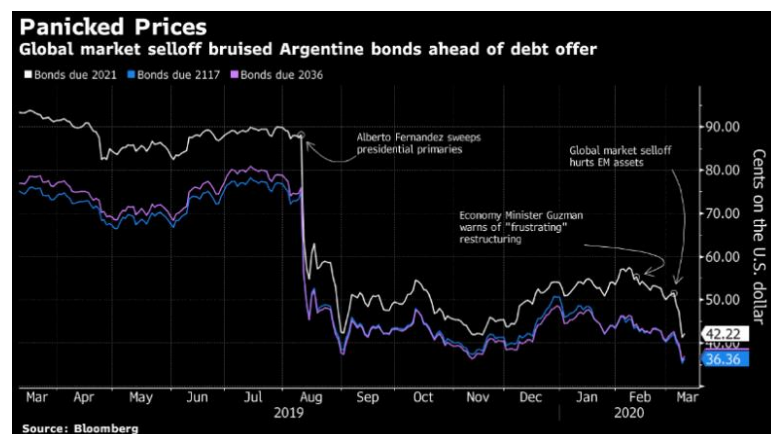
Oil Markets: Selected Indicators

(\$ price/barrel, Vol. index)



Argentina

Argentina plans to restructure \$68.8 billion of sovereign bonds issued under foreign law. This is the first time President Fernandez's government formally quantified the amount of debt owned by foreigners it intends to restructure, based on Bloomberg reporting. The announcement came after Argentine bonds took heavy losses on Monday and reached historical lows (figure). The government provided the list of all the bonds to be restructured, without bond-specific values. The planned restructuring is expected to be complex, as the bonds issued abroad are denominated in four hard currencies. Argentina's major investors include BlackRock and Pimco. Separately, Argentina has hired HSBC, Citigroup, and Bank of America to lead the restructuring of sovereign debt (\$68.8 billion) and regional debt (at least \$7 billion), based on Bloomberg reporting.



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Global Financial Indicators

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Europe		2920	0.3	-15	-24	-12	-22
Japan		19416	-2.3	-8	-18	-8	-18
China		2969	-0.9	-1	2	-2	-3
Asia Ex Japan		67	3.9	-2	-8	-3	-8
Emerging Markets		39	-0.1	-4	-11	-7	-12
Interest Rates			basis points				
US 10y Yield		0.69	26.2	-36	-91	-195	-122
Germany 10y Yield		-0.77	2.1	-13	-38	-84	-59
Japan 10y Yield		-0.07	-1.8	6	-1	-3	-6
UK 10y Yield		0.30	5.8	-7	-27	-88	-53
Credit Spreads			basis points				
US Investment Grade		181	12.4	51	75	62	83
US High Yield		660	12.3	141	242	243	266
Europe IG		104	4.7	40	62	42	60
Europe HY		477	21.0	184	266	194	270
EMBIG Sovereign Spread		468	13.0	111	162	125	175
Exchange Rates			%				
USD/Majors		96.03	-0.4	-1	-3	-1	0
EUR/USD		1.13	0.5	2	4	1	1
USD/JPY		104.5	1.1	3	5	6	4
EM/USD		57.0	-0.5	-2	-5	-10	-7
Commodities			%				
Brent Crude Oil (\$/barrel)		36	-3.7	-30	-34	-46	-46
Industrials Metals (index)		103	-0.3	-2	-4	-14	-10
Agriculture (index)		38	-0.3	-3	-4	-5	-9
Implied Volatility			%				
VIX Index (% change in pp)		54.4	7.2	22.4	39.2	40.0	40.6
10y Treasury Volatility Index		10.6	0.2	4.8	6.2	6.9	6.5
Global FX Volatility		9.8	0.0	3.0	4.4	2.6	3.8
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		213	0.0	28	71	-152	48
Italy		200	-12.1	35	64	-50	40
Portugal		119	-8.5	31	49	-6	56
Spain		105	-8.7	23	39	-4	39

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: 3/11/2020 8:54 AM	Exchange Rates						YTD	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		6.95	0.1	-0.4	0	-3	0		2.7	3.2	-14	-15	-46	-44
Indonesia		14374	-0.2	-1.8	-5	-1	-4		7.0	-22.8	12	25	-103	-11
India		74	0.6	-0.6	-3	-5	-3		6.3	-0.1	-21	-31	-117	-55
Philippines		51	-0.1	0.0	0	3	0		4.1	10.6	1	-3	-133	-17
Thailand		31	0.0	-0.3	-1	1	-5		1.0	6.6	-20	-36	-158	-57
Malaysia		4.23	0.1	-1.3	-2	-3	-3		2.9	1.2	2	-19	-107	-50
Argentina		63	-0.1	-0.5	-3	-34	-4		49.2	-46.2	-34	-912	2742	-1340
Brazil		4.67	-0.6	-2.0	-7	-18	-14		6.0	-12.6	36	-1	-222	-29
Chile		837	-0.1	-2.4	-5	-20	-10		3.1	-0.1	-42	-39	-125	-24
Colombia		3796	-0.1	-8.9	-9	-16	-14		6.2	7.1	67	69	-9	29
Mexico		21.13	-1.4	-7.5	-12	-8	-10		6.7	1.7	23	7	-149	-20
Peru		3.5	0.2	-2.3	-3	-6	-5		4.3	2.6	15	8	-122	-19
Uruguay		43	-0.9	-8.3	-13	-23	-14		10.3	0.0	-5	28	-10	-53
Hungary		296	0.4	2.0	5	-5	0		1.3	11.2	-15	3	-75	13
Poland		3.81	0.4	1.1	2	0	0		1.4	5.5	-12	-46	-90	-51
Romania		4.3	0.6	1.5	3	-1	0		3.7	0.0	-1	-5	-36	-35
Russia		71.9	-0.8	-7.9	-12	-8	-14		6.8	53.0	82	85	-131	66
South Africa		16.1	-1.1	-5.3	-8	-11	-13		9.7	2.4	25	23	31	21
Turkey		6.20	-0.6	-1.9	-3	-12	-4		11.3	-27.3	-17	52	-484	-39
US (DXY; 5y UST)		96	-0.4	-1.3	-3	-1	0		0.56	-10.6	-22	-86	-188	-113

	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		2969	-0.9	-1	2	-2	-3		200	-1	18	30	26	24
Indonesia		5154	-1.3	-9	-13	-19	-18		259	9	58	93	68	103
India		35697	0.2	-8	-13	-3	-13		208	-4	31	71	44	83
Philippines		6353	0.6	-7	-15	-18	-19		153	7	43	82	66	87
Malaysia		1444	0.9	-3	-7	-13	-9		169	12	41	62	46	57
Argentina		32832	8.1	-9	-18	-3	-21		2867	62	656	869	2135	1098
Brazil		92215	7.1	-13	-20	-6	-20		292	7	69	85	61	77
Chile		4070	0.9	-7	-13	-23	-13		240	7	68	99	114	107
Colombia		1360	1.2	-12	-17	-11	-18		281	15	91	117	99	118
Mexico		39565	2.2	-7	-12	-6	-9		503	16	147	204	199	211
Peru		17751	2.5	-4	-11	-14	-14		191	7	51	76	62	84
Hungary		36735	-4.3	-15	-18	-10	-20		206	5	31	99	99	120
Poland		42925	-4.7	-17	-26	-28	-26		119	5	21	86	74	101
Romania		8552	-2.0	-12	-15	8	-14		258	-33	17	70	58	84
Russia		2466	-1.3	-13	-20	0	-19		243	2	72	102	36	112
South Africa		49165	-0.6	-7	-14	-12	-14		486	7	99	153	194	166
Turkey		99087	-1.9	-11	-17	-2	-13		527	4	74	139	103	126
Ukraine		533	0.0	-1	1	-4	5		759	24	263	388	113	339
EM total		39	-0.1	-4	-11	-7	-12		468	13	111	162	125	175

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

[back to top](#)

Coronavirus (Covid-19) Dashboard						
	Latest	Change or relative change				
		1 Day	7 Days	YTD	Since global intensification (Feb 19)	Since Chinese intensification (Jan 20)
Equity Markets	Index	Relative change (in %) except VIX				
China						
CSI 300 (Large Cap/Main Equity Index)	4028	-1.3	-2.1	-1.7	-0.6	-3.8
CSI 500 (Mid-Cap Index)	5590	-1.5	-2.2	6.1	-0.2	0.0
CSI 1000 (Small-Cap Index)	6123	-1.3	-1.7	10.0	1.7	2.8
Japan (Nikkei)	19416	-2.3	-8.0	-17.9	-17.0	-19.4
Korea (Kospi)	1908	-2.8	-7.3	-13.2	-13.7	-15.7
United States (S&P 500)	2882	4.9	-4.0	-10.8	-14.9	-13.4
Europe (Eurostoxx 600)	335	-0.1	-13.2	-19.4	-22.7	-20.9
MSCI Global	491	2.7	-8.3	-13.1	-15.2	-15.1
MSCI Asia ex. Japan	625	1.5	-4.6	-9.2	-9.2	-12.2
Asia Pacific Airlines	125	-0.1	-1.1	-18.6	-8.8	-16.4
Luxury Goods	620	0.0	-10.3	-19.9	-17.8	-21.9
Hotels Restaurants & Leisure	311	4.2	-8.0	-19.4	-19.7	-22.1
Volatility Index (VIX, change in pp)	54	7.2	22.5	40.7	40.1	42.4
Interest Rates	Percent	Change (in basis points)				
US 10y Yield	0.69	-11	-36	-122	-87	-113
Germany 10y Yield	-0.77	2	-14	-59	-36	-56
Eurodollar - March 2020	0.74	4	24	99	-93	-100
Eurodollar - June 2020	0.40	7	31	129	-115	-129
Eurodollar - December 2020	0.41	6	25	121	-102	-120
Exchange Rates	Level	Relative change (in %) (+) = Appreciation				
Chinese Renminbi (per USD)	6.95	0.1	-0.4	0.2	0.7	-1.2
Japanese Yen (per USD)	104.4	1.2	3.0	4.0	6.2	5.2
Euro (in USD)	1.13	0.5	1.8	1.2	-5.0	-2.2
Dollar Index	96.1	-0.4	-1.3	-0.3	-3.7	-1.6
EM FX index	57.0	-0.5	-2.5	-7.2	-4.0	-6.4
EM Bond Spreads on USD Debt	Basis points	Change (in basis points)				
EMBI Global Diversified	452	-18	87	162	150	162
EMBI Asia	254	-21	32	77	81	79
EMBI Latam	481	-17	98	173	158	171
China	200	-1	18	24	32	27
Local Currency Bond Yields (GBI EM)	Percent	Change (in basis points)				
China	2.70	3	-14	-44	-21	-40
Mexico	6.74	2	23	-20	14	-17
Brazil	5.97	-13	36	-29	21	-20
South Africa	9.72	2	25	21	28	25
Turkey	11.31	-27	-17	-39	-8	80
Commodities	Dollars	Relative change (in %)				
Brent Crude Oil (per ton)	35.8	-3.8	-29.9	-45.7	-39.4	-45.1
Gold (per troy ounce)	1664.2	0.9	1.7	9.7	3.3	6.6