



- **US Fed cut rates by 100 bps, and announces a series of policy actions** ([link](#))
- **Market liquidity remains stretched across multiple asset classes** ([link](#))
- **European corporate bond spreads reach multi-year highs** ([link](#))
- **BoJ increases asset purchases, does not cut rates in emergency meeting** ([link](#))
- **EM bond and equity fund outflows increase** ([link](#))
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### Market sentiment sinks despite additional central bank stimulus

**Financial markets sold-off despite the Fed's shock-and-awe package yesterday.** The Fed announced a very comprehensive package on Sunday, which included a 100 bps-rate cut, \$700 bn QE purchases and dollar swap lines with other central banks. This followed the passing of an economic relief plan by the US House of Representatives on Saturday to deal with the spreading coronavirus. The package included a series of measures including free testing, two weeks of paid sick leave, enhanced jobless benefits, increased food aid, and higher funding for Medicaid benefits. This morning, the BoJ increased asset purchases including ETFs and corporate bonds, while leaving the negative policy rate unchanged. However, investors are struggling to keep track of containment measures and to price the damage of Covid, with contacts noting that fears of economic recession are rising fast. European and Asian stocks suffered large losses and oil prices dropped 10% this morning. US Treasury yields fell sharply, with 10-year yields declining 20 bps to 0.77%. While cross-currency spreads have been reduced thanks to recent central bank support actions, market liquidity remains stretched across many asset classes. Elsewhere, EM assets sold-off with Asian and EMEA equities falling and currencies depreciating the the dollar.

Following a highly volatile start to March, this week will see a host of data releases and central bank actions that is likely to keep the markets busy. Amongst the major central banks, US Fed preponed its FOMC meeting to Sunday from Wednesday (details below), but markets will look forward to Fed commentary and any further statements. In Emerging markets, rate cuts are expected for Brazil (Wednesday; by 25 bps to 4.0%), South Africa (Thursday; by 25 bps to 6.0%), Indonesia (Thursday; 7d reverse repo rate by 8 bps to 4.63%), and Philippines (Thursday; by 25 bps to 3.50%). Amongst key data releases, US Industrial Production (Tuesday) is expected at 0.4% mom. Initial jobless claims in the US (Thursday) are expected to rise marginally to 219k. US retail sales (Tuesday) are expected to rise 0.2% mom. Japan is expected to report a trade balance in Feb (Tuesday; 916b yen) and CPI at 0.5% yoy (Wednesday).

## Key Global Financial Indicators

Last updated: 3/16/20 8:08 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
S&P 500		2711	9.3	-9	-20	-4	-16
Eurostoxx 50		2358	-8.8	-20	-39	-30	-37
Nikkei 225		17002	-2.5	-14	-28	-21	-28
MSCI EM		36	-6.5	-10	-18	-16	-19
<b>Yields and Spreads</b>			bps				
US 10y Yield		0.77	15.6	22	-82	-182	-115
Germany 10y Yield		-0.53	1.8	33	-13	-61	-34
EMBIG Sovereign Spread		566	45	105	264	219	273
<b>FX / Commodities / Volatility</b>			%				
EM FX vs. USD, (+) = appreciation		55.3	-1.3	-3	-7	-13	-10
Dollar index, (+) = \$ appreciation		97.8	-0.9	3	-1	1	2
Brent Crude Oil (\$/barrel)		30.2	-10.7	-12	-47	-55	-54
VIX Index (% change in pp)		57.8	-17.6	3	44	45	44

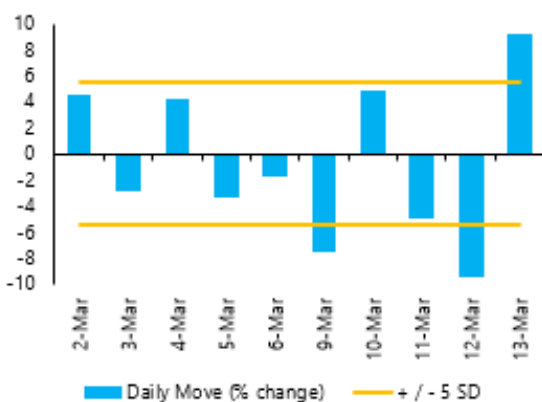
Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations. Data source: Bloomberg.

## United States

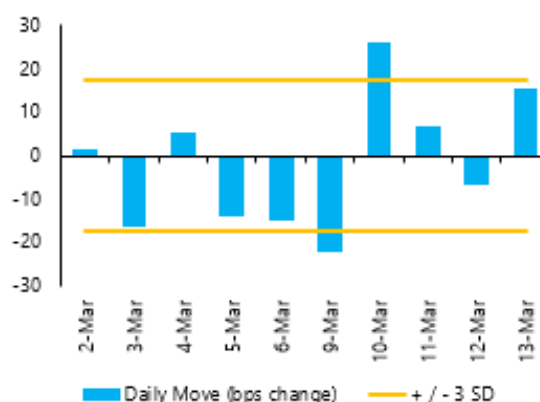
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Markets continued to be volatile last week, as investors grappled with the collapse in oil prices amid the economic damage from the COVID-19 outbreak. Interestingly, **almost every move in the S&P 500 in the last week was equivalent to a 5 standard deviation move over the last 30 years**. The US President's announcements on the government's new health initiatives seemed to have a very positive impact on market sentiment on Friday as the S&P 500 soared from under 4% before the TV broadcast to over 9% by the market close— thus rounding off a highly volatile week on an optimistic tone. The rally on Friday was led by the banking sector. US 10-year yields also closed up 16 bps to 96 bps and VIX index declined by 17 pts to 58 pts. This follows governments and central banks around the world, which implemented a variety of fiscal and monetary measures to address the growing impact of Covid-19.

US Equities Daily % change



US 10 year Treasury yield - Daily bps change



Source: Bloomberg Note: Standard deviations are corresponding to daily changes over the last 30 years

## Selected Asset Moves, March 13, 2020

	Daily Move	Move since 2020 peak / trough	Worst since
S&P 500	+9.3%	-20.0%	January 2019
Stoxx 600 Europe	+1.4%	-31.1%	August 2013
iShares EM ETF	+7.2%	-21.9%	Januray 2017
VIX	-18 points to 57.83	From 12 to 58	November 2008
MOVE	-15 points to 138.4	From 50 to 138	July 2009
US Libor-OIS	+11 bps to 69 bps	From 12 bps to 69 bps	May 2009
US FRA-OIS	+13 bps to 79 bps	From 11 bps to 79 bps	March 2009
3-month euro-dollar basis swap	-31 bps to -51 bps	-64 bps (dollars more expensive)	December 2017
3-month dollar-yen basis swap	-17 bps to -79 bps	-69 bps (dollars more expensive)	Data availability (2011)

Source: Bloomberg

**The key surprise was the Fed's preponement of its FOMC meeting to Sunday evening and announcing a series of actions** to facilitate a smooth market functioning and limit the economic and financial risks.

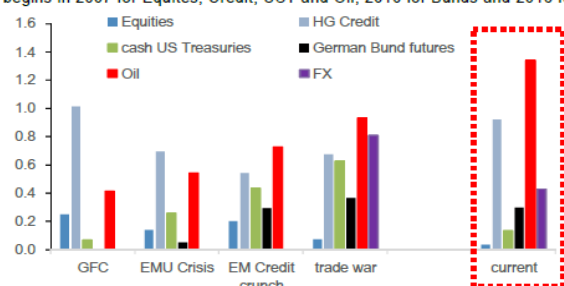
- **Rate cut:** The FOMC cut the fed funds rate by 100 bps to a range of 0-0.25 percent, and set the IOER at 10 bps. Amongst the key post-FOMC conference discussions, Chair Powell described negative rates not likely “to be an appropriate policy response.” Chair Powell repeated that the Fed will utilize forward guidance and asset purchases rather than negative rates.
- **Balance sheet support:** The FOMC also announced asset purchases of “at least” \$700bn over the next few months, with \$500 bn in Treasury securities and \$200 bn in mortgage-backed securities. Chair Powell made it clear in the press conference that the Fed is taking a different approach to asset purchases, and there is “no bound” in the form of weekly or monthly limits.
- **Coordinated central bank actions:** The Fed also announced coordinated actions with major global central banks to enhance the provision of liquidity via the standing US dollar liquidity swap arrangements. The global central banks have agreed to lower the pricing on the standing U.S. dollar liquidity swap arrangements by 25 bps.
- Highlighting the shift to an ample reserves regime, the Fed also reduced the **reserve requirements for banks** to 0% to support the credit. The Fed also lowered the primary credit rate by 150 bps to 0.25%, in order to facilitate a more active usage of the discount window by banks to meet unexpected funding needs. Following the announcement, eight biggest US banks indicated to stop buying back shares through Q2 2020, and focus on lending.

**The overall market sell-off is also accompanied by a severe deterioration in market liquidity.** JP Morgan's analysts highlight that market depth in several core asset classes like US Equities and Treasuries is thinner than in any previous high-stress period of the past 12 years (LHS chart). The lack of market depth has also resulted in a spike in the transaction costs in the inter-dealer markets. RHS chart shows that roughly two-thirds of the volume in 30-year US treasuries in interdealer markets last week was filled wider than the minimum price increment. Barclays analysts see a similar trend for equities where the normalized

volumes in S&P 500 cash, futures and options increased by 3-4x in the last week of February but have declined over the past week.

**Chart 5: US Equity and Treasury liquidity as bad as during GFC**

Minimum value for of JPM preferred market depth measure for each asset class relative to its long-term average. Proxies for liquidity: US Equities (average number of contracts on the bid/offer in ES1), US HG Credit (Trace daily value as % of market outstandings), US Treasuries (average of top 3 bids and offers on BrokerTec), German Bunds (average of the top 5 bids and offers), FX (average of top 5 bid and offer levels of the order book for USD/JPY and EUR/USD), and Oil (Brent and WTI front contract volume as % of daily physical production). Sample begins in 2007 for Equities, Credit, UST and Oil, 2010 for Bunds and 2016 for FX.

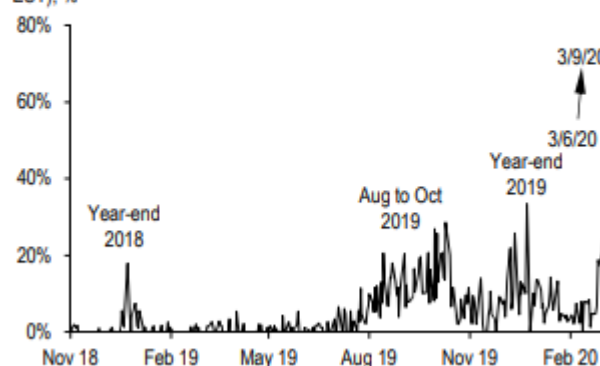


J.P. Morgan

Source:

**Exhibit 2: Transaction costs in interdealer markets for even benchmark Treasuries spiked this week at the long end**

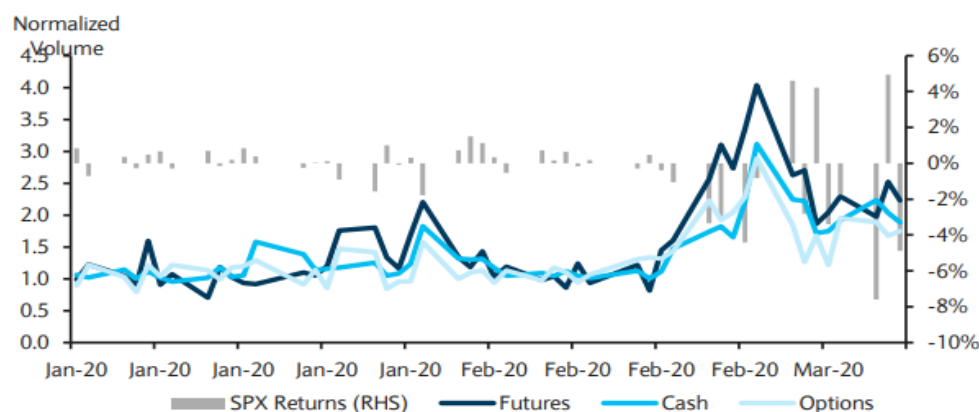
Fraction of \$100mn gross flows in 30-year Treasuries executed at an effective bid/offer in excess of 0.5 ticks during the New York session (8:30am to 3:00pm EST); %



Source: J.P. Morgan, BrokerTec

**FIGURE 2**

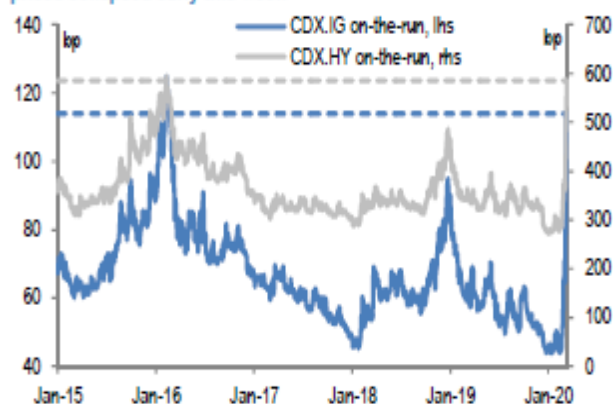
**Liquidity across equity products has decreased even as moves have become larger**



Source: Barclays Research, Bloomberg

**A collapse in oil prices has amplified concerns in the US credit sector that was already under stress due to the Covid-19 outbreak.** Investment grade (CDX.IG) and high yield (CDX.HY) bond spreads have widened by 41bps and 190 bps respectively in March 2020 so far. The tail risk in the indices has also increased and is close to 1Q16 levels driven primarily by the energy sector, as per JPM analysts. GS analysis also indicates that the sell-off is quite broad-based in nature with a lack of differentiation between ratings. Despite rising default and downgrade risks, BBB and CCC-rated bonds have been performing in-line with their historical betas to the high end of the IG and HY quality spectrums.

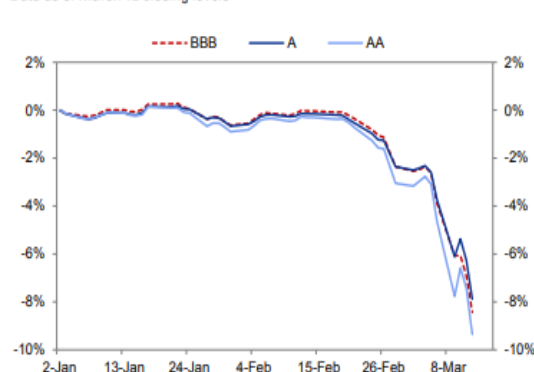
CDX.IG and CDX.HY are trading close to their 1Q16 levels after the oil prices collapsed early this week



Source: J.P. Morgan.

Exhibit 4: Surprisingly, the IG performance across the rating spectrum has shown little differentiation

Data as of March 12 closing levels



Source: Bloomberg Barclays, Goldman Sachs Global Investment Research

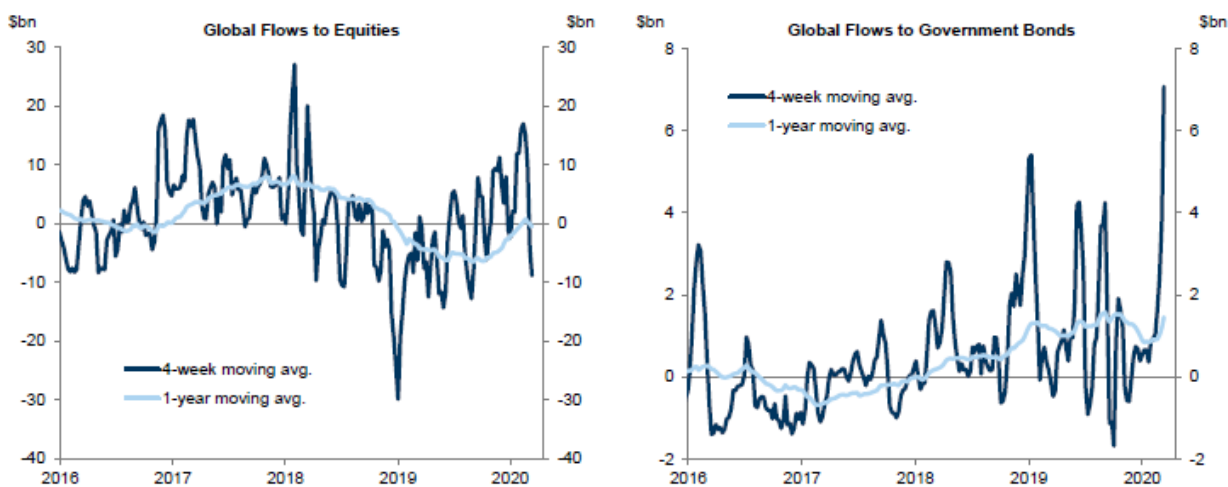
## Global Flows

The asset price reaction across global markets was also reflected in global flows. Global equity funds saw net outflows of \$1.8 bn in the week ending March 11, adding to sizable outflows over the prior two weeks. Fixed income funds experienced outflows of \$25.9 bn, led by outflows in credit, and partly offset by inflows into government bonds. Outflows from US investment grade funds spiked up from the previous week (-\$6 bn) while US high yield bond funds continued to suffer from outflows (-\$5.5 bn).

	Global Fund Flows Summary			
	Millions USD		% AUM	
	4wk sum	11-Mar	4wk avg	11-Mar
Equity	-35,393	-1,818	-0.07	-0.02
Fixed Income	-7,508	-25,896	-0.03	-0.42
of which: EM	-9,334	-6,964	-0.43	-1.31
FX Flows*	-49,040	-28,320	-0.17	-0.39

\*Cross-border fund flows, excluding hard currency and FX-hedged funds

Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research



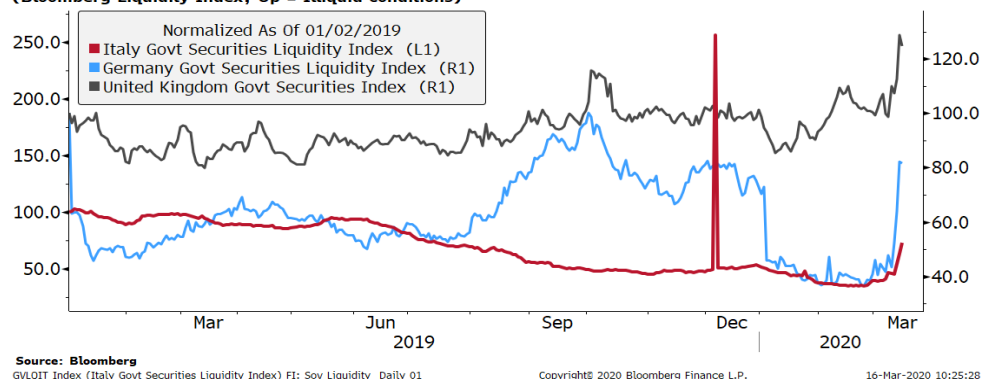
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**Equity markets slipped further despite authorities' efforts at containing market turbulence.** European stocks opened the week with large losses again: DAX (-8.1%), CAC 40 (-9.5%), EuroStoxx 600 (-8.3%), Titans 30 (-8.9%), Ibex 35 (-8.3%). Bank stocks (-11.4%) underperformed again.

**Sovereign debt markets were on risk-off mode this morning.** German 10-year yields traded at -0.55% (-1 bp); French OATs were at 0.06% (+4 bps); Italian at 1.92% (+14 bps); and Spanish at 0.74% (+12 bps). Market contacts have reported a tightening of liquidity conditions and widening of bid-ask spreads for European sovereign bond markets.

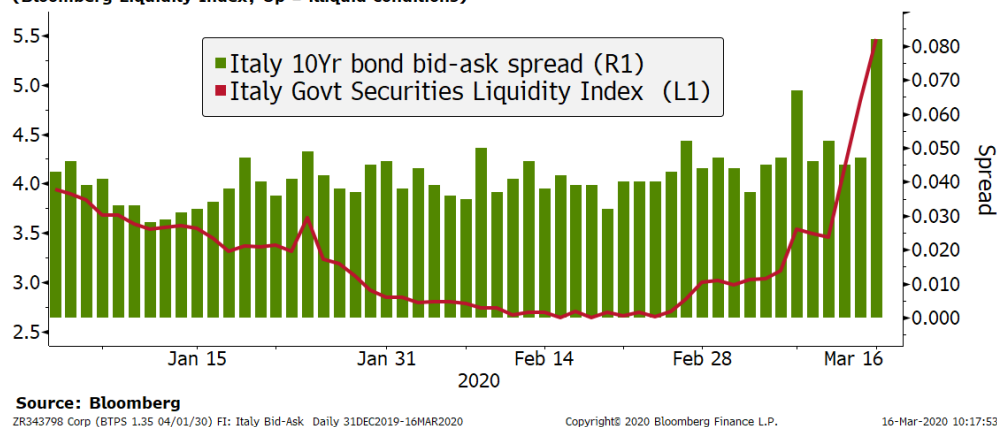
### Sovereign Liquidity Indices

(Bloomberg Liquidity Index; Up = illiquid conditions)



### Bid-Ask Spread on Italy's 10Yr Bond

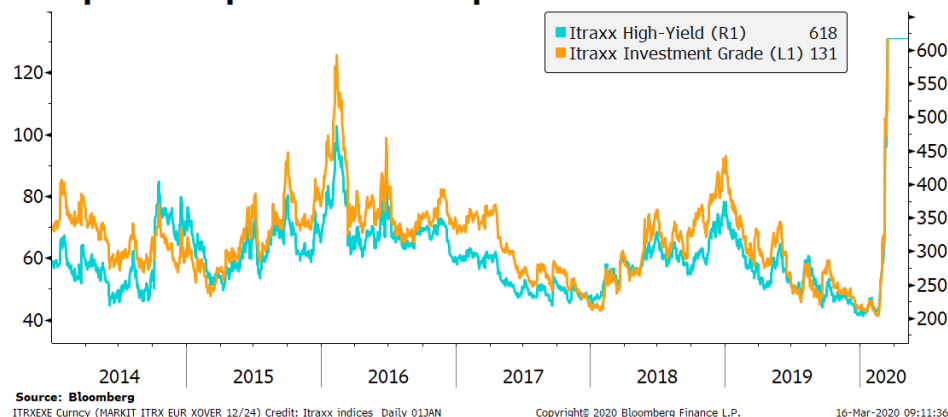
(Bloomberg Liquidity Index; Up = illiquid conditions)



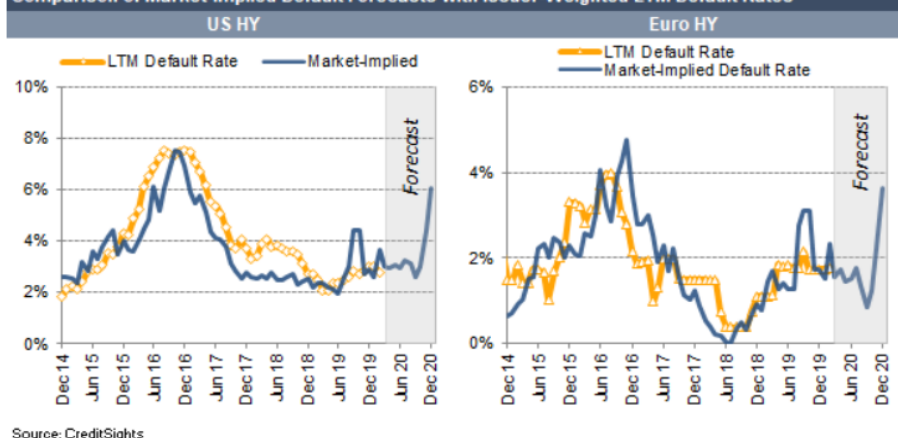
In credit markets, **corporate bond spreads reached new multi-year highs**. High-yield spreads traded at about 620 bps and investment grade were at 130 bps. According to CreditSight analysts, **current funding conditions in corporate credit will result in a sharp spike in defaults within the next 9 months, especially in the high-yield space** (second chart below). Their analysis forecasts that the market-implied default rates by end-2020 will spike to over 6.1% and 3.6% in US and Euro HY respectively, compared to the peak levels of 7.6% and 4% seen during the 2016 commodity crisis.



## European Corporate Credit Spreads

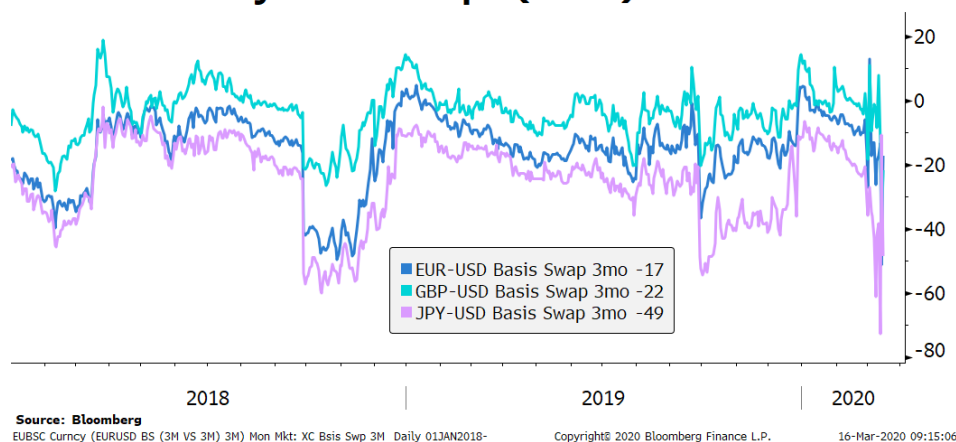


## Comparison of Market-Implied Default Forecasts with Issuer-Weighted LTM Default Rates

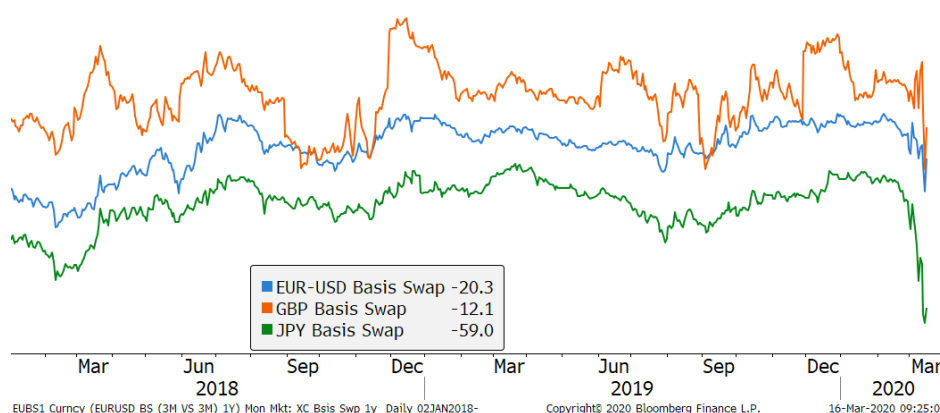


**Pricing in cross-currency money markets is increasingly volatile reflecting uncertain future dollar funding conditions.** However, spreads have been reduced closer to historical averages thanks to recent central bank support actions. The 3-month yen-dollar pair has tightened somewhat to -49 bps today, while EUR-USD and GBP-USD are at -20 bps. At the one-year maturity, the widening of the yen-dollar has not been closed, however.

## Cross-Currency Basis Swaps (3 mo)



## Cross-Currency Basis Swaps (1yr)



## Other Mature Markets

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### Japan

**The BoJ increased asset purchases including ETFs and corporate bonds, while leaving the negative policy rate unchanged.** The BoJ doubled its annual ETF purchase target to Yen12 tn and its REIT purchase target to Yen180 bn. It increased purchases of commercial paper and corporate bonds by Yen 2 tn to support financing of large corporates. The BoJ also introduced a new lending program, the special funds supplying operations, to facilitate corporate financing. **Japanese equities performed better than most markets on the measure, falling only 2%.** JGB yields rose marginally. **Spot yen appreciated 1.5% and the USDYEN cross-currency basis, an indicator of USD funding demand, narrowed after the Fed's strengthening of central bank swap lines including with the BoJ.**

### Australia

**Stocks fell the most on record (-9.7%) despite reports that the government and the RBA plan more stimulus.** Consumer staples and telecoms were the only sectors without double digit declines. Australia tightened covid-19 containment measures yesterday, requiring everybody who enters the country to enter quarantine. **The RBA said that it stands ready to purchase government bonds and that it will announce further measures on Thursday.** The Australian dollar depreciated 0.7% and sovereign yields dropped 10 bps.

### New Zealand

**The Reserve Bank of New Zealand cut the policy rate by 75bps to 0.25%.** The RBNZ also said that it is working on an asset purchase program and that it will delay the start date for increased capital requirements for banks to support lending. Over the weekend, the government introduced stringent measure to control the spread of covid-19 including quarantine requirements for everybody entering the country. Government bond yields dropped 20 bps, the NZ dollar depreciated 1.5%, and the equities fell 3.6%.

## Emerging Markets

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**The Fed's easing package along with more accommodation from other central banks (BoJ, Bank of Korea, RBNZ) failed to stem a further deterioration in emerging markets as covid-19 cases continue to rise rapidly and data releases shed light on the economic damage. Asian markets sold-off with equities dropping 5.1%.** Philippine equities slumped 8% as the lockdown of metro Manila came into effect and cities country-wide imposed curfews. Chinese equities were not spared despite few new covid-19 cases



as February activity data showed the extent of economic slowdown (Shenzhen -4.8%, Shanghai -3.4%). Asian sovereign yields were mostly lower with the notable exception of the Philippines (+21bps). Sovereign CDS spreads, however, continued to rise. Corporate credit spreads continued to increase. ASEAN spot FX depreciated although the RMB was stable. Cross currency swap spreads mostly narrowed, notably in the Korean won. **Equities also sold-off in EMEA with most currencies depreciating** to the dollar and the Russian ruble (-3.2%) and the South African rand (-2.4%) underperforming. Shares fell sharply in South Africa (-10%), Hungary (-9.6%) and Turkey (-7.3%). In line with US trading, **Latin American** equity markets were mostly higher on Friday. Brazil outperformed as the equity index rallied nearly 14%, followed by Mexico (+4%) and Chile (+1%). Local currencies were mixed. The Colombian peso (+1.1%) and the Chilean peso (+0.7%) saw gains, while the Brazilian real weakened against the dollar (-0.9%).

Key Emerging Market Financial Indicators

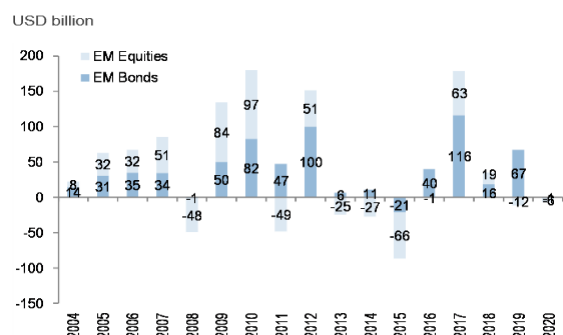
Last updated: 3/16/20 8:11 AM	Level		Change				YTD
	Last 12m	Index	1 Day	7 Days	30 Days	12 M	
<b>Major EM Benchmarks</b>			%				%
MSCI EM Equities		36.14	-6.6	-10	-18	-16	-19
MSCI Frontier Equities		22.75	4.1	-17	-24	-21	-25
EMBIG Sovereign Spread (in bps)		566	45	105	264	219	273
EM FX vs. USD		55.29	-1.3	-3	-7	-13	-10
<b>Major EM FX vs. USD</b>			%, (+) = EM currency appreciation				
China Renminbi		7.01	-0.1	-1	0	-4	-1
Indonesian Rupiah		14933	-1.0	-4	-9	-5	-7
Indian Rupee		74.27	-0.5	0	-4	-8	-4
Argentina Peso		62.90	-0.3	-1	-2	-34	-5
Brazil Real		4.90	-1.2	-4	-12	-23	-18
Mexican Peso		22.55	-2.8	-8	-18	-15	-16
Russian Ruble		74.81	-3.2	0	-15	-14	-17
South African Rand		16.65	-2.2	-3	-10	-13	-16
Turkish Lira		6.40	-1.0	-4	-6	-15	-7
EM FX volatility		12.33	-1.0	1.7	5.7	4.5	5.7

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

## EM Fund Flows

**EM bond and equity funds suffered significant outflows last week, at -\$7.2 bn and -\$4.4bn, respectively.** Of the EM bond funds, both hard currency ETFs (-\$1.4 bn) and local currency ETFs (-\$1.5 bn) saw the largest outflows in over three years. From a regional perspective, Asia ex-Japan equity funds saw redemptions for the 7<sup>th</sup> consecutive week (-\$2.3bn), while local bond funds in Hungary saw inflows for the 3<sup>rd</sup> week. Year to date flows to EM bonds and equities were -\$0.8bn and -\$5.9bn, respectively.

Exhibit 2: Annual EM bond and equity fund flows

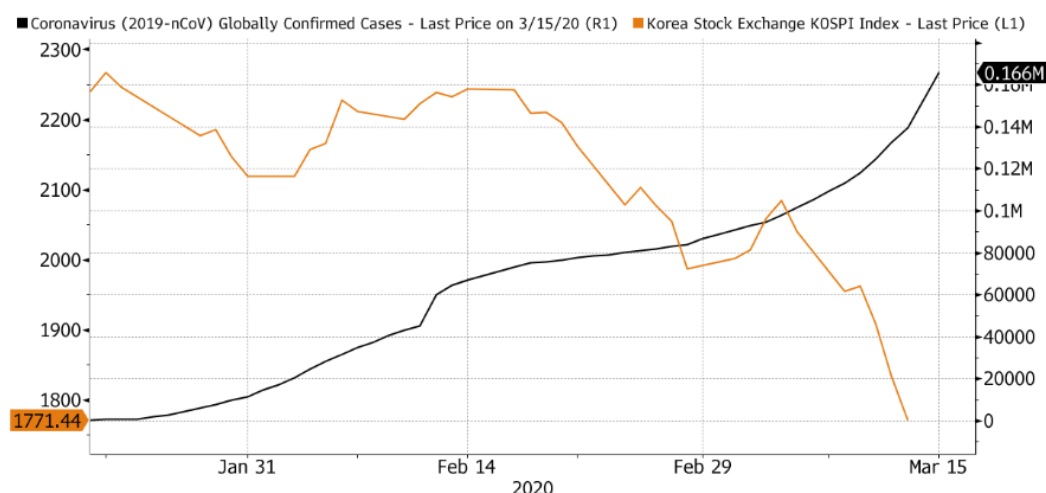


\*Using high frequency non-resident EM portfolio flow data where available. Source – All charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg

## Korea

The Bank of Korea (BoK) cut its policy rate by 50bps to a record low of 0.75% in an emergency meeting. This marked the first emergency board meeting since the global financial crisis. The BoK's statement said that it will also lower interest rates for its loan facility for small companies and enhance liquidity by adding bonds issued by banks to its open market operations. The government is separately seeking a swift parliament approval for KRW11.7 tn extra budget to cushion the damage from covid-19, according to Bloomberg. **The authorities reported 74 cases nationwide on March 16, down from a high of 909 cases on February 29.** However, a new cluster of 40 cases has been detected at a church in Seongnam, a city southeast of Seoul. **Equities (-3.2%) fell prior to the emergency meeting while the won and 10-year bond yield declined -0.5% and -7.6bps, respectively. The cross-currency swap spread (5y) narrowed 28 bps to -119bps, despite the BoK not having a swap arrangement with the Fed.**

### South Korea's stocks slide as virus cases abroad rise



## China

**Equities (Shanghai -3.4%; Shenzhen -4.8%) fell following disappointing economic data.** Fixed asset investment (-24.5% y/y), industrial production (-13.5% y/y) and retail sales (-20.5% y/y) for January and February plunged due to lockdowns, travel restrictions and slow resumption of work. The sharp decline in investment was broad-based across property (-16.3% y/y), manufacturing (-31.5% y/y) and infrastructure (-30.3% y/y). Meanwhile, **new covid-19 cases remain low and business resumption continues.** The authorities reported 16 new covid-19 cases nationwide (from 20 the previous day), of which 12 was imported. Close to 100% of trade-related enterprises in 19 key provinces including Zhejiang, Jiangsu and Shanghai have resumed businesses as of March 13, according to the State Council. Hainan Airlines has resumed all flights departing from Hainan province. The central bank injected RMB100 bn via its one-year medium-term lending facility at an unchanged rate of 3.15%. **The onshore and offshore RMB were unchanged.**

## India

**Troubled Yes Bank has received investments of INR100 bn from State Bank of India (SBI) and several financial institutions.** SBI invested INR60.5 bn, while other investors include private-sector lenders such as ICICI Bank, Axis Bank and mortgage lender Housing Finance Development Corporation. Investors that hold more than 100 Yes Bank shares cannot sell 75% of their holdings for at least three years, while SBI cannot reduce its stake below 26% before three years from March 14. Deposits at Yes Bank have declined -17% from the start of the year, following a -26% y/y fall for the quarter ending December. Yes Bank reported a large loss of INR186 bn for the quarter ending December on a surge in

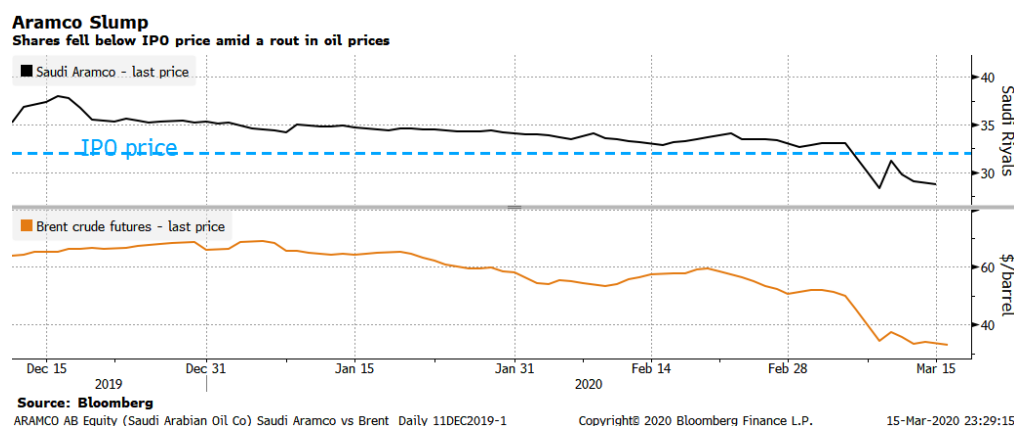
provisioning, with gross non-performing loan ratio rising to 18.9% from 2.1% a year earlier. Yes Bank shares rose over 40%. **Equities (-5.5%) fell, the Indian rupee (-0.5%) depreciated, and sovereign yields declined 19bps.**

## Russia

**Russia's budget balance is expected to turn to a deficit amid the coronavirus outbreak and the decline in oil prices.** Finance minister Anton Siluanov told lawmakers on Saturday that the budget balance is expected to turn to a deficit of 0.9% to 1% if oil prices remain at current levels; the Finance Ministry had previously expected a budget surplus of 0.8% of GDP. Meanwhile, by some analysts' estimates, Russia's growth could fall to 0% if oil prices stay at \$35/barrel. The crude oil future contract was trading at \$30.5/barrel this morning. The Bank of Russia is due to hold its policy deliberation on March 20.

## Saudi Arabia

**Saudi Aramco is reducing planned spending this year amid plunging oil demand.** Aramco indicated that capital expenditure will be between \$25 - \$30 bn in 2020; these figures are a drastic reduction from the planned \$35 - \$40 bn announced in its IPO prospectus and \$32.8 bn spent in 2019.



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<b>Equities</b>			%				%
United States		2711	9.3	-9	-20	-4	-16
Europe		2361	-8.7	-20	-39	-30	-37
Japan		17002	-2.5	-14	-28	-21	-28
China		2789	-3.4	-5	-4	-8	-9
Asia Ex Japan		63	6.3	-8	-14	-11	-15
Emerging Markets		36	-6.4	-10	-18	-16	-19
<b>Interest Rates</b>			basis points				
US 10y Yield		0.76	15.6	22	-83	-183	-116
Germany 10y Yield		-0.53	1.3	33	-13	-62	-35
Japan 10y Yield		0.02	-3.7	18	4	5	3
UK 10y Yield		0.37	-4.1	21	-26	-84	-45
<b>Credit Spreads</b>			basis points				
US Investment Grade		225	7.7	69	120	107	128
US High Yield		765	20.5	132	352	355	372
Europe IG		127	18.3	21	85	68	82
Europe HY		612	93.8	147	402	346	405
EMBIG Sovereign Spread		566	45.0	105	264	219	273
<b>Exchange Rates</b>			%				
USD/Majors		97.89	-0.9	3	-1	1	2
EUR/USD		1.12	0.8	-2	3	-1	0
USD/JPY		105.8	1.7	-3	4	5	3
EM/USD		55.4	-1.0	-3	-7	-13	-10
<b>Commodities</b>			%				
Brent Crude Oil (\$/barrel)		30	-10.7	-12	-47	-55	-54
Industrials Metals (index)		99	-2.5	-4	-8	-18	-14
Agriculture (index)		36	-1.7	-4	-9	-12	-13
<b>Implied Volatility</b>			%				
VIX Index (%, change in pp)		57.8	-17.6	3.4	44.2	45.0	44.1
10y Treasury Volatility Index		9.6	-4.1	-4.6	5.3	5.8	5.4
Global FX Volatility		11.8	-0.1	0.7	6.4	5.0	5.9
<b>EA Sovereign Spreads</b>			10-Year spread vs. Germany (bps)				
Greece		301	88.1	30	167	-70	136
Italy		247	13.8	19	114	6	87
Portugal		150	13.9	26	81	28	87
Spain		129	12.2	17	59	18	63

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

Data source: Bloomberg.

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## Emerging Market Financial Indicators

Last updated: 3/16/2020 8:11 AM	Exchange Rates						Local Currency Bond Yields (GBI EM)							
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
	vs. USD		(+)= EM appreciation					% p.a.						
China		7.01	-0.1	-1.0	0	-4	-1		2.7	1.8	-2	-14	-41	-40
Indonesia		14933	-1.0	-3.6	-9	-5	-7		7.5	4.7	53	78	-46	32
India		74	-0.5	-0.3	-4	-8	-4		6.6	10.0	16	-3	-92	-31
Philippines		52	-1.2	-2.2	-2	2	-2		4.1	0.9	3	-4	-134	-18
Thailand		32	-1.4	-2.1	-3	-1	-8		1.4	18.0	31	3	-119	-19
Malaysia		4.31	-0.7	-2.1	-4	-5	-5		3.1	14.8	33	23	-80	-24
Argentina		63	-0.3	-0.7	-2	-34	-5		53.0	0.6	518	-770	3050	-961
Brazil		4.90	-1.2	-3.6	-12	-23	-18		6.9	-99.1	114	100	-104	65
Chile		850	-1.5	-1.0	-7	-22	-11		3.4	-0.1	13	-12	-94	6
Colombia		4004	-0.8	-10.4	-16	-21	-18		7.8	-11.6	218	224	151	184
Mexico		22.55	-2.8	-7.9	-18	-15	-16		7.6	-5.3	118	98	-54	70
Peru		3.5	0.2	-1.4	-4	-6	-6		5.1	-2.5	102	83	-35	59
Uruguay		44	-0.3	-5.7	-14	-24	-15		10.6	0.0	22	65	7	-31
Hungary		305	-0.1	-3.8	1	-9	-3		1.9	-8.4	56	36	-19	72
Poland		3.93	0.4	-3.9	0	-4	-3		1.8	5.6	37	-13	-44	-5
Romania		4.3	1.0	-2.4	2	-3	-1		4.4	15.0	86	79	30	41
Russia		74.8	-3.2	0.1	-15	-14	-17		7.5	-20.0	125	165	-57	138
South Africa		16.7	-2.2	-3.4	-10	-13	-16		10.4	13.6	85	93	97	90
Turkey		6.40	-1.0	-3.9	-6	-15	-7		11.6	-15.9	34	40	-485	-10
US (DXY; 5y UST)		98	-1.0	3.1	-1	1	1		0.50	-22.0	2	-92	-190	-119

	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		2789	-3.7	-5	-4	-8	-9		230	9	37	61	53	54
Indonesia		4691	-15.3	-9	-20	-27	-26		321	31	55	158	123	165
India		31390	-21.0	-16	-24	-17	-24		255	24	77	125	94	130
Philippines		5335	-23.4	-15	-27	-32	-32		225	39	63	155	126	159
Malaysia		1281	-14.9	-10	-17	-24	-19		223	28	76	119	93	111
Argentina		28448	-2.8	-19	-26	-16	-32		3248	146	459	1219	2524	1479
Brazil		82678	-2.6	-16	-28	-17	-29		374	42	71	179	132	159
Chile		3764	-0.8	-7	-19	-29	-19		302	21	76	162	169	169
Colombia		1174	-2.1	-13	-29	-26	-29		389	59	115	226	200	226
Mexico		38085	-2.6	-8	-15	-10	-13		590	73	85	297	283	298
Peru		15948	-1.8	-8	-20	-24	-22		249	37	51	138	112	142
Hungary		30895	-27.6	-19	-31	-25	-33		208	26	-8	101	87	122
Poland		35959	-29.9	-21	-38	-41	-38		115	11	-8	83	57	97
Romania		7143	-25.3	-18	-29	-9	-28		278	-13	18	100	75	104
Russia		2211	-24.2	-19	-29	-11	-27		303	43	41	163	89	172
South Africa		39170	-26.7	-20	-32	-30	-31		582	62	92	250	278	262
Turkey		88672	-19.7	-14	-26	-14	-23		665	79	106	278	245	264
Ukraine		532	-0.3	-1	1	-6	4		964	92	253	612	339	544
EM total		36	-6.6	-10	-18	-16	-19		566	45	105	264	219	273

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

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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)	3728	-4.3	-6.7	-9.0	-8.0	-10.9
CSI 500 (Mid-Cap Index)	5200	-4.7	-5.9	-1.3	-7.2	-6.9
CSI 1000 (Small-Cap Index)	5658	-4.8	-6.5	1.6	-6.0	-5.0
Japan (Nikkei)	17002	-2.5	-13.7	-28.1	-27.3	-29.4
Korea (Kospi)	1715	-3.2	-12.3	-22.0	-22.4	-24.2
United States (S&P 500)	2711	9.3	-8.8	-16.1	-19.9	-18.6
Europe (Eurostoxx 600)	273	-8.7	-19.6	-34.3	-37.1	-35.6
MSCI Global	451	5.3	-5.7	-20.2	-22.2	-22.1
MSCI Asia ex. Japan	582	-0.5	-5.5	-15.4	-15.4	-18.2
Asia Pacific Airlines	111	-2.3	-10.6	-28.0	-19.2	-26.0
Luxury Goods	540	3.1	-13.0	-30.2	-28.4	-32.0
Hotels Restaurants & Leisure	270	3.8	-9.4	-30.0	-30.2	-32.3
Volatility Index (VIX, change in pp)	58	-17.6	3.4	44.1	43.5	45.7
Interest Rates	Percent	Change (in basis points)				
US 10y Yield	0.77	-19	22	-115	-80	-106
Germany 10y Yield	-0.52	2	34	-34	-10	-30
Eurodollar - April 2020	0.73	-2	-13	98	-90	-99
Eurodollar - June 2020	0.45	5	-1	124	-110	-124
Eurodollar - December 2020	0.37	4	6	125	-106	-124
Exchange Rates	Level	Relative change (in %) (+) = Appreciation				
Chinese Renminbi (per USD)	7.01	-0.1	-1.0	-0.7	-0.2	-2.1
Japanese Yen (per USD)	105.8	1.7	-3.2	2.7	5.0	4.0
Euro (in USD)	1.12	0.8	-2.2	-0.2	-3.6	-0.9
Dollar Index	97.7	-1.0	3.0	1.4	-2.0	0.1
EM FX index	55.3	-1.3	-3.1	-10.0	-6.9	-9.2
EM Bond Spreads on USD Debt	Basis points	Change (in basis points)				
EMBI Global Diversified	524	-13	122	234	222	234
EMBI Asia	313	19	74	136	140	138
EMBI Latam	550	-23	128	242	227	240
China	230	9	37	54	62	57
Local Currency Bond Yields (GBI EM)	Percent	Change (in basis points)				
China	2.74	2	-2	-40	-17	-36
Mexico	7.64	-5	118	70	104	73
Brazil	6.90	-99	114	65	114	74
South Africa	10.41	14	85	90	97	94
Turkey	11.59	-16	34	-10	20	108
Commodities	Dollars	Relative change (in %)				
Brent Crude Oil (per ton)	30.6	-9.7	-11.0	-53.7	-48.3	-53.1
Gold (per troy ounce)	1471.3	-3.8	-12.4	-3.0	-8.7	-5.7