GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

WEDNESDAY, MARCH 18, 2020

- **Fed starts commercial paper funding facility (CPFF), US administration announces further fiscal measures** (link)
- **Fed establishes primary dealer credit facility** (link)
- **Oil collapse driving distress in the energy corporate bond sector** (link)
- **Euro-area sovereign bond yields increase, peripheral spreads continue to widen** (link)
- **Australia injects the most liquidity since 2013 to ease funding stress** (link)
- **Chinese manufacturers face parts shortages due to supply chain disruptions** (link)
- **Korea eases banks' FX restrictions to boost dollar liquidity** (link)
- **Philippines foreign exchange market reopens, USD bond yield rise sharply** (link)
- **National Bank of Poland cuts its policy rate by 50 bps** (link)

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Markets rout continues with equities and sovereign bonds selling off in tandem

Global markets remain under pressure amid rising risk aversion with both equities and bonds selling off this morning. This was despite a series of Fed and US administration announcements yesterday that provided support to US equities before close. This morning, however, Chinese and Japanese equities fell about 2% and European indices were trading 6% lower. Worryingly, German and French ten-year sovereign bond yields rose by 15 bps, with contacts pointing to confusing ECB communication even this morning. Peripheral spreads widened further, with 10-year Italian sovereign spreads to bunds widening an additional 19 bps to 297 bps, surpassing the highs in May last year. US Treasury yields were little changed this morning, with 10-year yields at 1.08%. Credit spreads continued to widen, with the European Itraxx crossover index 77 bps wider this morning at 690 bps. In emerging markets, equities, currencies and bonds remained under pressure. Contacts commented that liquidity conditions continue to worsen further, amid wider bid-ask spreads and lower trading volumes, while there is speculation that banks are unwilling to lend cross-border and are hoarding liquidity.

Key Global Financial Indicators

Last updated: 3/18/20 8:32 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities			%				%
S&P 500		2529	6.0	-12	-25	-11	-22
Eurostoxx 50		2379	-6.0	-18	-38	-30	-36
Nikkei 225		16727	-1.7	-14	-28	-23	-29
MSCI EM		34	-7.2	-14	-23	-22	-25
Yields and Spreads			bps				
US 10y Yield		1.06	36.0	19	-50	-154	-86
Germany 10y Yield		-0.28	15.4	46	13	-36	-10
EMBIG Sovereign Spread		609	33	133	305	266	316
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		53.8	-2.1	-4	-10	-15	-12
Dollar index, (+) = $ appreciation		100.0	0.5	4	1	4	4
Brent Crude Oil ($/barrel)		27.4	-4.7	-23	-53	-59	-59
VIX Index (%, change in pp)		75.9	-6.8	22	61	63	62

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

United States

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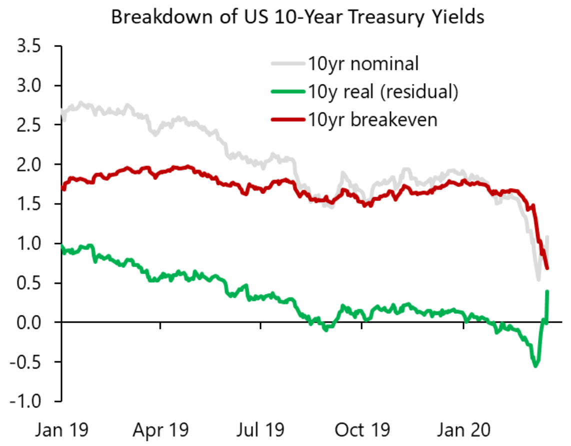
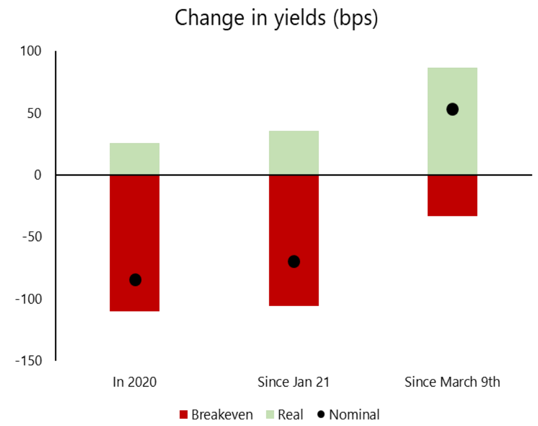
U.S. stocks rebounded from the biggest rout since 1987, as the S&P gained 6% (before jumping as much as 7% intra-day) and VIX declined by 9 percentage points to 73.5. The recovery yesterday was driven by concerted policy responses by the US government and the Fed - what some analysts termed as “exponential growth in the policy response to the exponential growth in the spread of the virus”. **The US Fed introduced the much-discussed commercial-paper funding facility** to provide liquidity to the credit markets -details below. The **US administration also announced that they were looking at giving direct cash payments to citizens (in as soon as two weeks), along with a targeted stimulus for affected industries as part of a massive economic stimulus package of reportedly around $1-1.2 tn.**

10-year US treasury yields rose sharply by 36 bps to 1.08% yesterday which compares with the trough levels of 0.54% on March 9. The yield curve steepened across the surface–as market participants likely priced in the impact of the fiscal package for Treasury issuance. The rise of 54 bps since March 9 was entirely driven by the rise in real yields (calculated as a residual of the nominal yield vs the breakeven rates) as inflation expectations in the US continue to go down. 10-year breakeven rates have now declined to 0.69% which is equivalent to a 105 bps reduction since Jan 21. The dollar index rose sharply by 1.5% as well, recouping all the losses in the last month.





In terms of repo operations, **the Fed increased the maximum offering of the morning o/n repo operations** to $500bn (from $175bn earlier), and announced it plans to conduct additional o/n repo operations of $500 bn in the afternoon for the rest of the week. The o/n operation yesterday saw a demand of $142.65 bn (vs cap of $175 bn), the 14-d repo saw a demand of $45 bn, while the 1-d repo elicited very little demand of $10.1 bn (vs a cap of $500 bn). Among key data releases, industrial production for Feb was reported at 0.6% mom, better than expectations of a 0.4% mom rise.

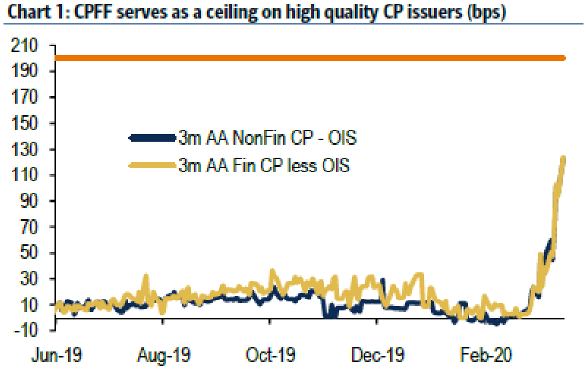
Selected Asset Moves, March 17, 2020

	Daily Move	Move since 2020 peak / trough	Worst since
S&P 500	+6.0%	-25.3%	December 2018
Stoxx 600 Europe	+2.3%	-32.9%	August 2013
iShares EM ETF	+6.9%	-27.0%	June 2016
VIX	- 7 points to 75.9	From 12 to 76	November 2008
MOVE	-15 points to 109.9	From 50 to 110	July 2013
US Libor-OIS	+15 bps to 93 bps	From 12 bps to 93 bps	May 2009
US FRA-OIS	+6 bps to 36 bps	From 11 bps to 36 bps	December 2019
3-month euro-dollar basis swap	+40 bps to -42 bps	-55 bps (dollars more expensive)	December 2018
3-month dollar-yen basis swap	+35 bps to -85 bps	-75 bps (dollars more expensive)	December 2017

Source: Bloomberg

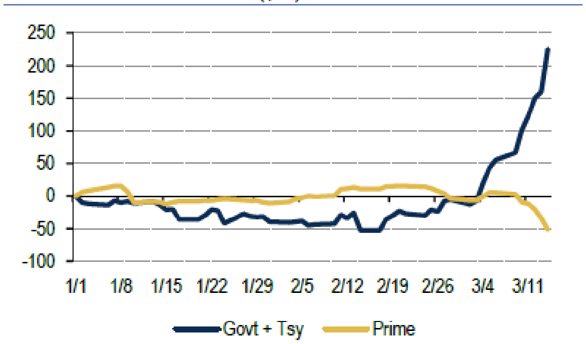
The Fed announced yesterday a commercial paper funding facility (CPFF) intended to provide liquidity support to credit markets. It will allow commercial paper (CP) issuers to sell directly to the Fed and serves as a funding backstop to facilitate the issuance of term CP. The US Treasury will provide $10 bn of credit protection to the Fed as part of the facility, through its exchange stabilization. While the announcement was widely expected, some analysts praised the Fed for showing their willingness to address higher CP rates and expect this should help unclog the CP market. This is especially relevant as market contacts indicated that there were signs of pre-emptive liquidity hoarding, as reflected through a sharp decline in the prime fund balances along with a rise in the institutional government-only fund balances in money market funds (RHS chart). However, contacts also commented on two challenges that may affect the effectiveness of the policy: 1) the purchase rate of OIS + 200bps, might be on the higher end given that AA indices have been trading in the 3m OIS + 120 bps range (LHS). 2) The program is directed at new issuers, but the currently bloated holdings remain an issue. Treasury Secretary Mnuchin said today that the facility could buy as much as $1 tn in commercial paper if needed, though he doubted it would be necessary. Analysts highlighted that the $10 bn protection against losses already provided should be sufficient relative to the size of the eligible paper outstanding (slightly above $500 bn), and even if more protection is needed the Treasury would be expected to provide additional funds. For reference, in 2008, peak usage of the CPFF reached $350 bn.

Chart 1: CPFF serves as a ceiling on high quality CP issuers (bps)



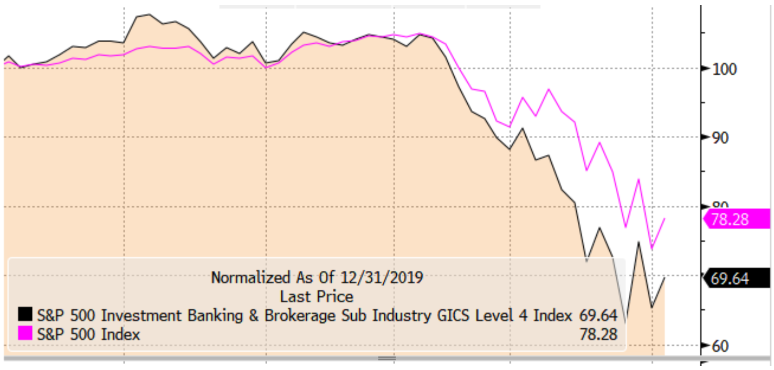
Source: Bloomberg

Chart 2: Cumulative MMF flows ($bn)

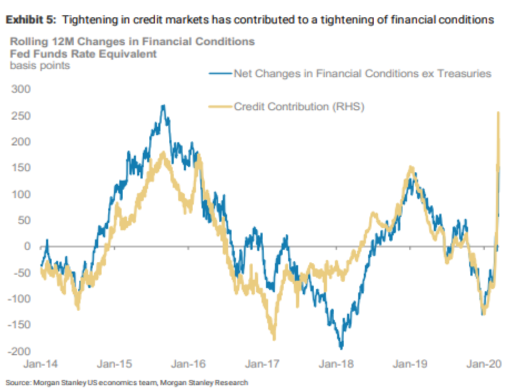


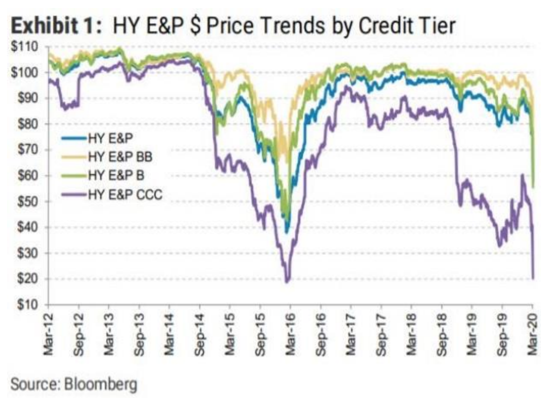
Source: Crane Data

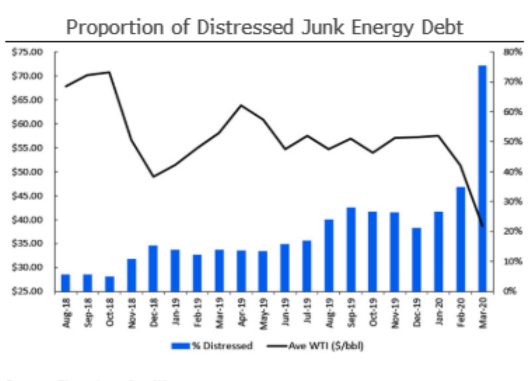
The Fed also opened an emergency lending program for primary dealers on Tuesday. The Primary Dealer Credit Facility will offer overnight and term funding with maturities up to 90 days and will be available on March 20, 2020. The Fed's statement also highlighted that the facility will run for at least six months and may be extended. In terms of pricing, the funds will be lent at the discount rate – which was cut to 0.25% over the weekend. Equities for investment banks and brokers are down 31% this year, underperforming the broader index by 9 percentage points.



The sharp decline in oil prices – driven in part by the Covid-19 induced economic slowdown, as well as the oil price war between Saudi Arabia and Russia - has contributed to increase stress in the US credit sector. US IG spreads have risen by 150 bps to 250 bps yesterday, and HY spreads have risen by 440 bps to 850 bps – both surpassing the 2016 peak levels. Morgan Stanley analysts highlighted that **credit has contributed to almost two-thirds of the tightening in the overall financial conditions for the US**. The stress is particularly evident for shale oil producers with a sharp drop for issuers across ratings. Bloomberg analysis shows that almost 76% of the debt is trading at distressed levels in the Bloomberg Barclays HY energy index now, vs just 35% in Feb last week.

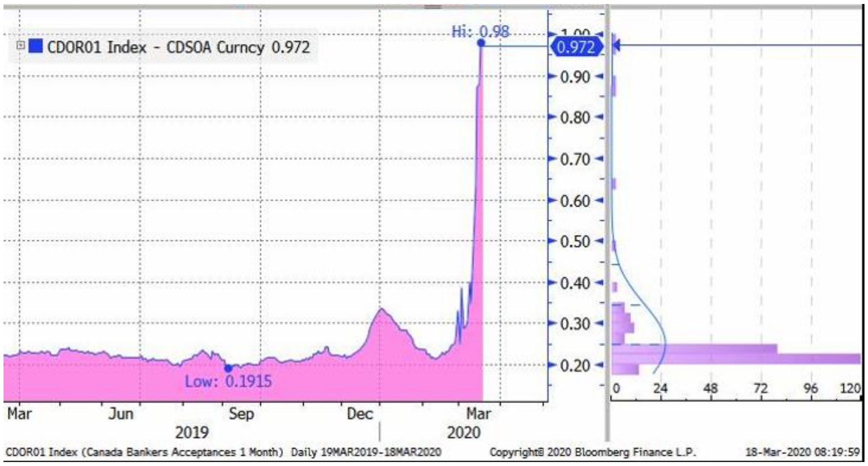






Canada

The Bank of Canada announced that the first operation of the newly created Bankers Acceptance Purchase Facility will take place on March 23. The BoC will purchase up to CAD10 bn in 1-month Banker Acceptance notes with a reserve rate of OIS plus 20 bps. The Bankers Acceptance market is one of Canada's core funding markets and a key source of financing for small- and medium-size corporate borrowers. The spread between 1-month Bankers Acceptances and 1-month OIS has widened dramatically in recent days.

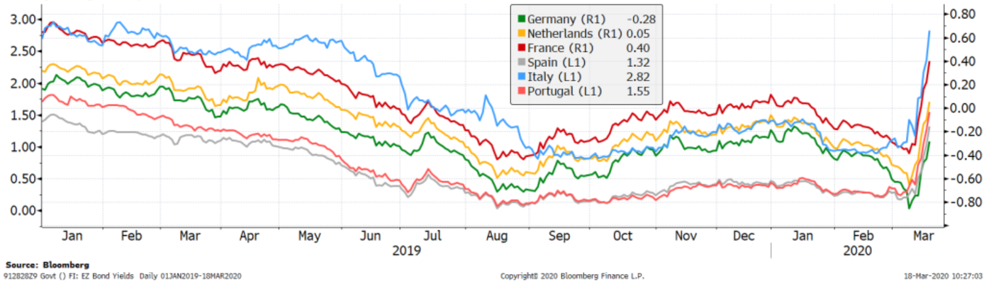


Europe back to top

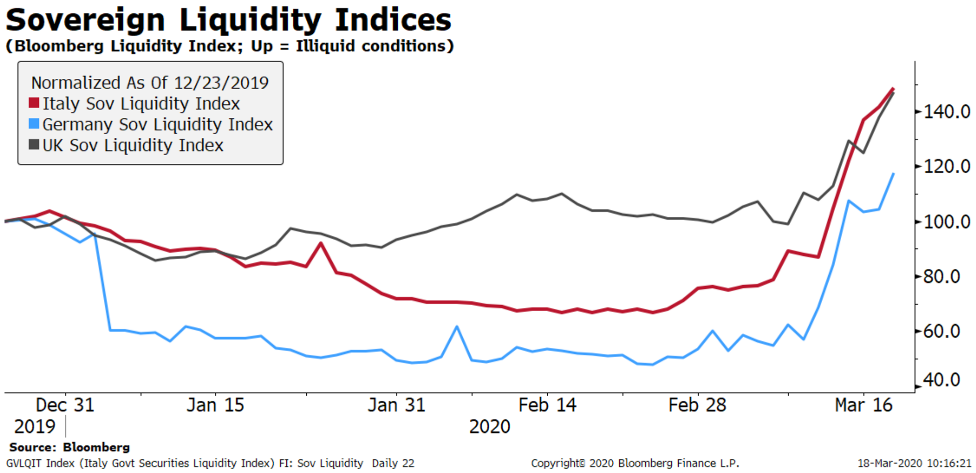
Equity markets took another leg down, even as fiscal and financial support measure across the globe. DAX (-5.0%), CAC 40 (-5.5%), EuroStoxx 600 (-4.3%), Italy's Titans 30 (-2.6%), and Spanish Ibex (-4.7%). Bank stocks (-4.4%) are performing in line with main indices.

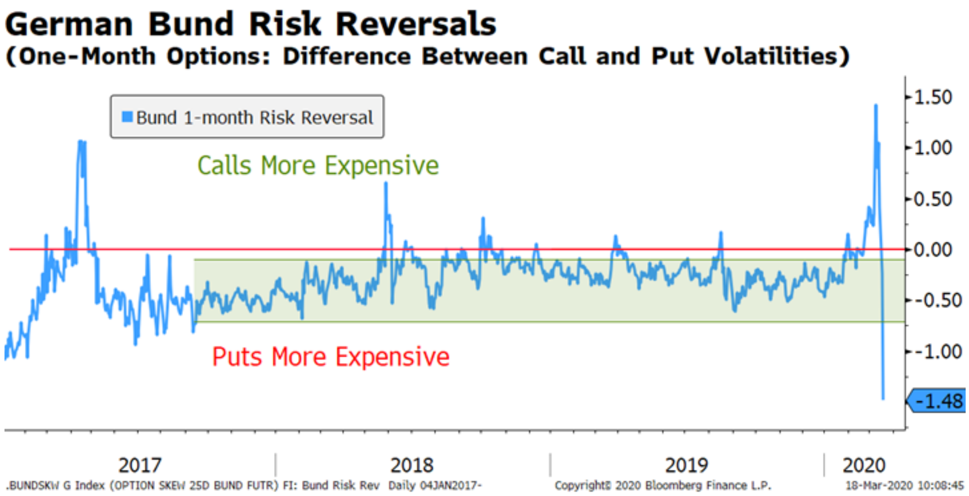
Ten-year sovereign debt yields rose 13-37 bps across countries. The German 10-year yield climbed to -0.29% (+15 bps); French OATs to 0.36% (+15 bps); Italian at 2.69% (+34 bps); and Spanish at 1.29% (+26 bps). Contacts report that liquidity conditions in an increasing number of market segments are becoming increasingly difficult. The outlook for German bunds has turned deeply bearish, according to one-month risk reversals, which plummeted to -1.48.

Government Bond Yields
(10-year yields, in %)

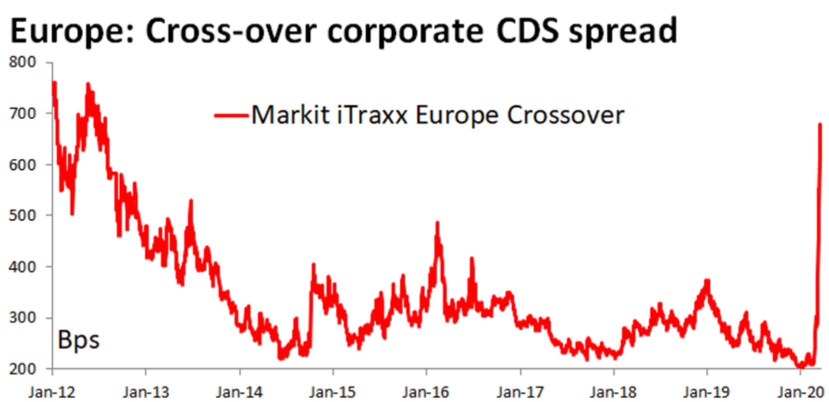


Source: Bloomberg





Cross-over high-yield CDS widened another 77 bps to 690 bps today (from 207 bps end 2019) with contacts expecting outflows from bond funds to continue amid persistent financial stress. Investment-grade CDS also rose 18 bps to 136 bps (from 44 bps end 2019).

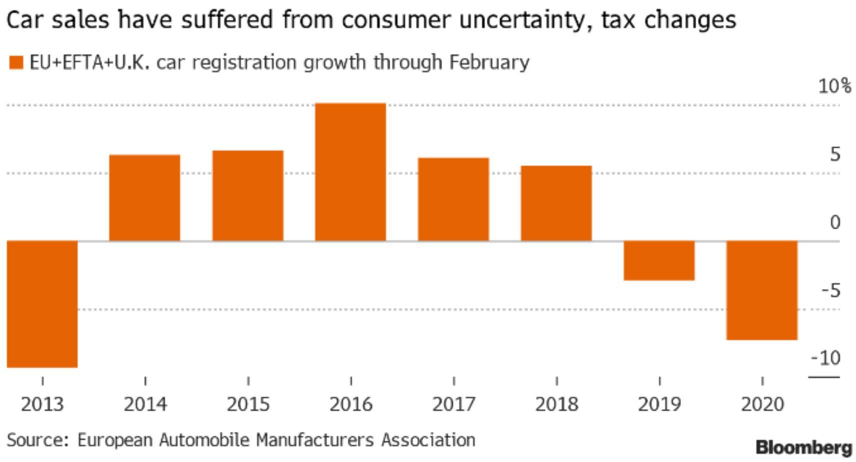


Note: Markit iTraxx Europe Crossover index comprises 75 equally weighted credit default swaps on the most liquid sub-investment grade European corporate entities.
Source: Bloomberg, and IMF staff

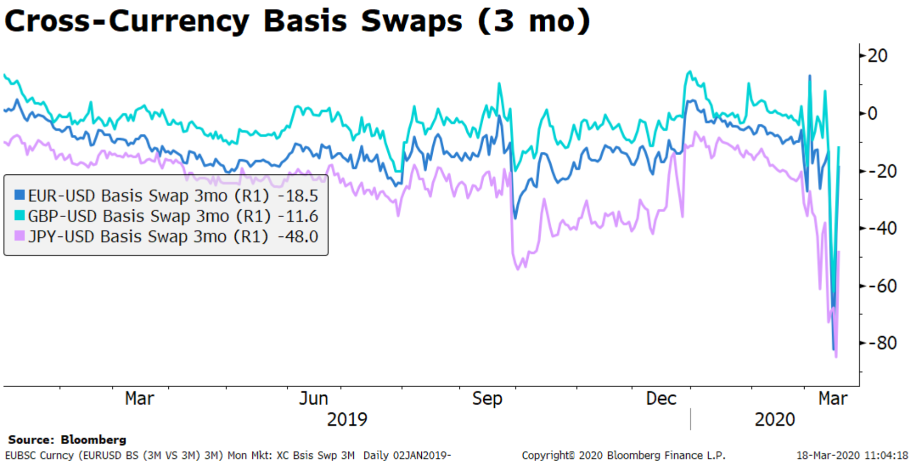
The UK government unveiled yesterday a package of a further £350 bn ($421 bn) to support the economy. The measures include government guarantees for bank loans to businesses for £330 bn and £20 bn of direct financial assistance to struggling businesses. Chancellor Sunak also announced one-year moratoriums on various tax payments for small businesses. This latest package comes on top of emergency measures announced previously worth about £12 bn.

European banks' cash withdrawals at the ECB and BoE facilities soared yesterday. About 110 Eurozone banks tapped the ECB facility to draw around $120 bn. The funds UK-based banks drew $4.5 bn from the BoE's weekly liquidity operation – 10 times above the average over the past three months. Banks reportedly used level C collateral that includes RMBS, Abs, and covered bonds. This is the lowest quality admissible in the operation. **The ECB also allotted $75.8 bn in its 84-day dollar auction and $36.3 bn in its 7-day auction.**

Macro data released today revealed EU car registrations contracting by 7.2% in February, after a similar drop in January. Car registrations are down 7.3% for the year. Various manufacturers across the continent have announced the closure of production plants.



Cross-currency basis levels have retraced sharply, with 3-month JPY basis tightening back to -74 bps (from -130 bps last Friday) and 3-month EUR basis at -9 bps (from -67 bps last Friday). The tightening suggests that substantial liquidity injections from the Fed have helped to reduce USD funding pressures.



Other Mature Markets

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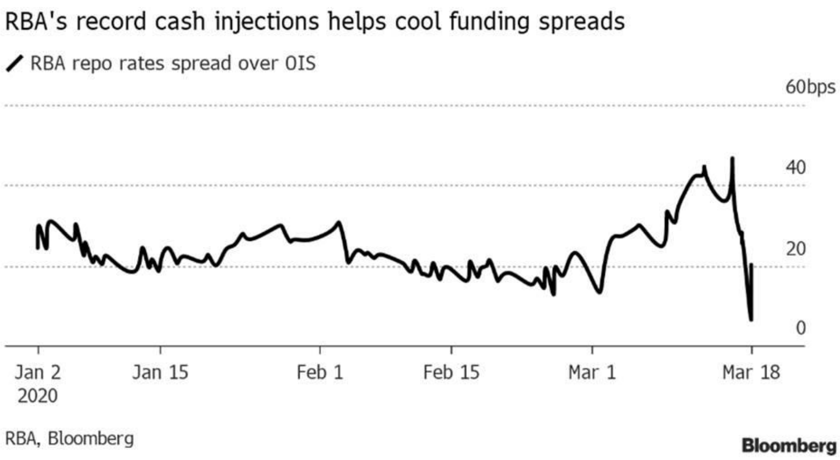
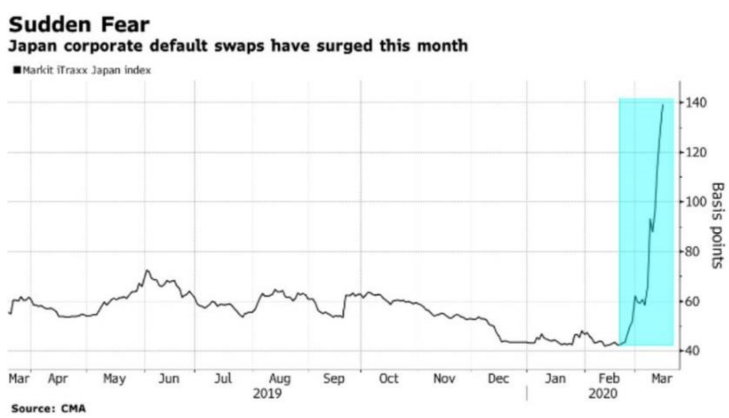
Australia

The Reserve Bank of Australia (RBA) injected AUD10.7 bn to ease funding stress. Meanwhile, domestic banks piled up a record amount of excess cash (AUD14.35 bn) on their accounts held with the RBA signalling transmission issues. **The spread between the three-month bank-bill rate and overnight indexed swaps fell to below 20bps after widening to above 40bps for the first time in a year.** The mortgage-backed security market has also effectively shut down, with seven deals in the pipeline likely to be pulled. The government took further containment measures, advising Australians not to leave the country. **Equities (-6.4%) fell, the Australian dollar depreciated (-1%) and the 10-year bond yield rose +17bps.**



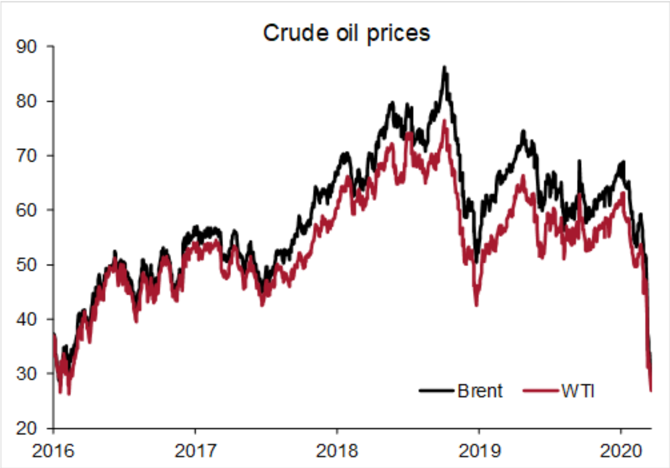
Japan

Market pricing of corporate default risk continues to rise sharply. Japanese coporate default swaps have more than tripled since late February. **Equities posted small gains (+0.2%)** with consumer staples rallying. Analysts attribute the recent outperformance of Japanese stocks to intensivied BoJ equity ETF buying. The BoJ doubled its annual ETF buying target to $112bn last week. **JGB yields rose 4.4bps to 0.05%, their highest in 15 months.** Analysts attribute the rise in yields to expected large scale fiscal stimulus and a preference for cash amid poor liquidity in JGBs. The yen appreciated 0.3%. **Cross currency swap spreads narrowed for a second day** after the BoJ provided banks with $32 bn dollar liquidity through its swap line with the Fed.



Crude Oil

Oil prices fell yesterday to the lowest level since 2016 amid ongoing fears of global recession and widening gaps between oil demand and supply. Brent contracted 4.4% to $28.7 per barrel, and the price of WTI fell 6.1%, closing at $27per barrel. Analysts commented that the worldwide lockdowns incurred by the coronavirus and the price war between Saudi Arabia and Russia have created an extremely challenging environment for oil markets ahead. According to reports, Goldman Sachs has downgraded its Brent forecast for Q2 to $20 per barrel.



Source: Bloomberg

Emerging Markets

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Asian equities fell -4.1%. India (-6%) and Korea (-4.9%) underperformed, with losses gathering pace during the last hour of trading. Vietnam and Thailand managed to post small gains. **Sovereign yields** increased across the board on higher US rates and expectations for more fiscal stimulus. Yields spiked 63 bps on the Philippines USD bonds and 32 bps on Indonesian USD bonds. **Spot FX** depreciated, although the Philippine peso appreciated 0.7% as trading resumed today following a market shutdown yesterday. **Cross currency swap spreads for 1y widened** for the Malaysian ringgit, Hong Kong dollar, and Korean won. **Shares and currencies remain under pressure in EMEA.** Stocks are 4-5% lower in Hungary, Russia, and South Africa. The Russian ruble (-4% to $78.5) weakened sharply as the South African rand (-2.3%) and Turkish lira (-1%) also depreciated. **Latin American markets were mixed on Tuesday.** Brazil was the best performer as domestic equities rallied nearly 5%, followed by Chile (+1.2%), while Mexico underperformed (-3.2%). Local currencies were mixed as well but mainly traded in narrow ranges, except for the Colombian peso (+1.7%). 10-year government bond yields rose 16 bps in Mexico but dropped 14 bps in Chile.

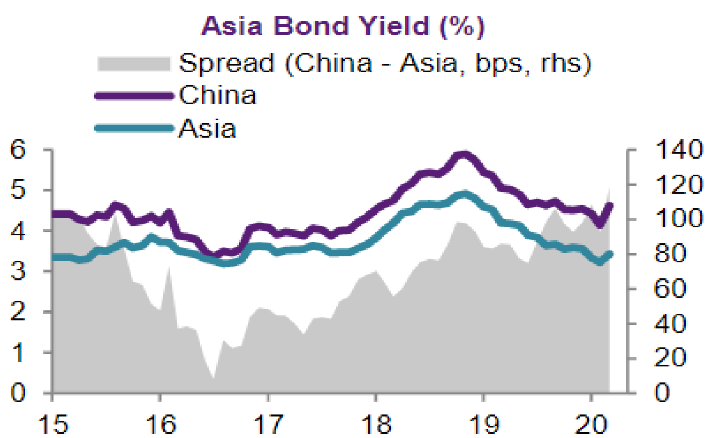
Key Emerging Market Financial Indicators

Last updated: 3/18/20 8:33 AM	Level Last 12m	index	Change 1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks			%				%
MSCI EM Equities		33.81	-7.2	-14	-23	-22	-25
MSCI Frontier Equities		21.46	4.9	-13	-28	-26	-29
EMBIG Sovereign Spread (in bps)		610	34	134	306	267	317
EM FX vs. USD		53.81	-2.1	-4	-10	-15	-12
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		7.03	-0.3	-1	0	-4	-1
Indonesian Rupiah		15223	-0.3	-6	-10	-6	-9
Indian Rupee		74.23	0.0	-1	-4	-8	-4
Argentine Peso		63.18	-0.2	-1	-3	-37	-5
Brazil Real		5.16	-2.9	-7	-15	-27	-22
Mexican Peso		23.99	-4.3	-11	-22	-21	-21
Russian Ruble		79.17	-4.8	-7	-19	-19	-22
South African Rand		17.03	-2.4	-5	-12	-15	-18
Turkish Lira		6.47	-1.1	-4	-6	-15	-8
EM FX volatility		13.09	0.0	2.9	6.6	5.3	6.5

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

China

Chinese offshore bond yields continued to widen. They have widened to 4.62% in mid-march from 4.15% in February, while spreads with the rest of Asia have increased to 119bps, higher than the peak in 2015, according to Natixis. Property developers account for the majority of Chinese offshore high yield and private corporate bonds and were the largest issuers over the past few years. Contacts are expressing concerns over the ability of Chinese borrowers to roll over offshore borrowing as large maturities come due. **Equities (Shanghai -1.8%; Shenzhen -1.6%) fell, while the onshore and offshore RMB depreciated -0.2%.**



N.B. Included non-government bonds. Data as of 13 March 2020.
Source: Natixis, Bloomberg

Chinese factories are facing component shortages, despite gradually resuming work. The American Chamber of Commerce said that all 237 foreign and Chinese companies that it surveyed between March 9 and 14 were suffering from business disruptions. One-third of them were facing component and material shortages caused by transport and logistics disruptions due to the virus. 80% expect the shortages to last for three months.

Korea

The Korean won (-0.2%) weakened while the cross-currency swap (1y) widened sharply by 76 bps. The 5y cross currency swap basis which is used more by asset managers narrowed in contrast, suggesting funding pressure with banks seeking shorter maturity dollar funding. To addess dollar funding pressures the authorities will ease the cap on banks' FX forward positions by 25% from March 19, according to Bloomberg. Additional USD liquidity measures are reportedly planned including further easing of FX forward position caps, using FX reserves to supply dollar liquidity and tweaking FX liquidity coverage ratios. **Separately, the National Assembly approved a supplementary budget worth KRW11.7 tn (around 0.6% of GDP) to help contain covid-19 and cushion the economic fallout.** The government plans to execute at least 75% of its spending within two months from its approval date. 93 additional confirmed covid-19 cases have been reported as of March 18, up from 84 the previous day, as new clusters emerged. As many as 60 patients at a nursing home in Daegu have been infected. **Equities (-4.9%) fell and 10-year bond yield rose 7 bps.**

The Philippines

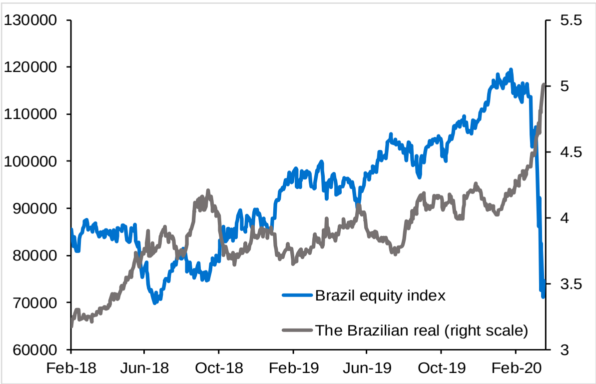
The Philippines peso appreciated (+0.7%) as onshore FX trading resumed, while dollar bond yields blew up (+63 bps). The stock market will reopen tomorrow. Finance Secretary Carlos Dominguez said that the government had included trading in the list of essential services exempted from strict home quarantine in Luzon island. The stock exchange will be reopened with shortened hours and logistical requirements of brokers including transportation will be sorted out so that trading can resume tomorrow.

Poland

National Bank of Poland lowered its policy rate by 50 bps to offset economic damages wrought by the virus outbreak. In its first rate cut in 5 years, the NBP reduced its benchmark rate by 50 bps to 1%, lowered the lombard rate by 1 ppt to 1.5% and the re-discount rate by 70 bps to 1.05%. Moreover, the MPC reduced banks' required reserve ratios to 0.5% from 3.5%. These measures followed the NBP's announced plans to boost banking sector liquidity on Monday and offered "large-scale" purchases of government bonds as part of its open-market operations. Following the decision, the benchmark 10-year yield fell 46 bps to 1.80%, while the 2-year yield fell 34 bps to 0.84% -- a record low. The zloty, after weakening to PLN 4.07/dollar, a 3-year low, ended the day 0.5% stronger against the dollar. The government is widely expected to announce fiscal support measures within days.

Brazil

The government announced a fiscal stimulus package of R$147 bn (c. 2% of GDP) to mitigate the impact of the coronavirus and boost the economy. The package aims to achieve three major objectives – protecting the most vulnerable population (R$83.4bn), supporting domestic companies (R$59.4bn), and increasing investments in healthcare (R$4.5bn). Analysts expected the government to focus more on this emergency fiscal package than the reform agenda. Market reaction to the measures was optimistic, with domestic equities up nearly 5% and the real was little changed.



Source: Bloomberg

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Global Financial Indicators

Last updated: 3/18/20 8:31 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities			%				%
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Europe		2379	-6.0	-18	-38	-30	-36
Japan		16727	-1.7	-14	-28	-23	-29
China		2729	-1.8	-8	-9	-12	-11
Asia Ex Japan		59	5.7	-13	-19	-17	-20
Emerging Markets		34	-7.2	-14	-23	-22	-25
Interest Rates			basis points				
US 10y Yield		1.06	36.0	19	-50	-154	-86
Germany 10y Yield		-0.28	15.4	46	13	-36	-10
Japan 10y Yield		0.08	6.3	15	14	12	9
UK 10y Yield		0.67	11.6	37	6	-53	-15
Credit Spreads			basis points				
US Investment Grade		270	13.8	83	164	152	173
US High Yield		867	9.6	190	449	458	473
Europe IG		139	21.4	36	97	81	95
Europe HY		694	80.3	214	479	427	486
EMBIG Sovereign Spread		609	33.0	133	305	266	316
Exchange Rates			%				
USD/Majors		100.04	0.5	4	1	4	4
EUR/USD		1.10	-0.3	-3	2	-3	-2
USD/JPY		107.5	0.2	-3	2	4	1
EM/USD		53.8	-2.1	-4	-10	-15	-12
Commodities			%				
Brent Crude Oil ($/barrel)		27	-4.7	-23	-53	-59	-59
Industrials Metals (index)		94	-2.5	-8	-12	-22	-18
Agriculture (index)		35	0.4	-6	-11	-13	-15
Implied Volatility			%				
VIX Index (%, change in pp)		75.9	-6.8	22.0	61.1	62.8	62.1
10y Treasury Volatility Index		10.3	0.7	-0.7	5.7	6.7	6.1
Global FX Volatility		12.6	0.0	2.5	7.2	5.9	6.6
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		436	22.7	205	298	70	271
Italy		298	19.3	106	164	61	138
Portugal		182	11.5	66	113	64	119
Spain		157	10.7	57	88	50	92

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Emerging Market Financial Indicators

Last updated: 3/18/2020 8:35 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		7.03	-0.3	-1.0	0	-4	-1		2.8	1.9	8	-12	-37	-36
Indonesia		15223	-0.3	-5.6	-10	-6	-9		7.6	11.1	60	96	-22	50
India		74	0.0	-0.8	-4	-8	-4		6.6	6.4	24	-1	-90	-31
Philippines		51	1.6	-1.2	-1	3	-1		4.1	-0.6	-1	-1	-130	-18
Thailand		32	-0.7	-2.9	-4	-2	-8		1.5	6.9	41	13	-118	-15
Malaysia		4.37	-0.5	-3.2	-5	-7	-6		3.2	12.9	39	36	-66	-11
Argentina		63	-0.2	-0.9	-3	-37	-5		56.5	302.0	725	-344	3323	-615
Brazil		5.16	-2.9	-6.6	-15	-27	-22		6.3	-44.5	35	52	-168	6
Chile		859	-1.2	-2.7	-7	-22	-12		3.0	-0.7	-3	-52	-125	-27
Colombia		4129	-1.2	-8.9	-18	-25	-20		7.9	-67.3	168	241	168	197
Mexico		23.99	-4.3	-10.8	-22	-21	-21		7.8	15.9	106	119	-39	86
Peru		3.5	0.3	-1.2	-5	-7	-7		5.6	-7.9	123	130	18	104
Uruguay		45	-0.8	-4.1	-16	-26	-17		10.8	9.9	42	89	23	-11
Hungary		320	-1.1	-6.5	-3	-13	-8		2.0	-21.1	68	28	-13	81
Poland		4.11	-0.9	-6.5	-4	-8	-8		1.4	-37.2	7	-50	-85	-44
Romania		4.4	-0.1	-3.2	0	-5	-3		5.2	26.0	155	162	109	120
Russia		79.2	-4.8	-7.5	-19	-19	-22		7.8	0.3	102	199	-25	168
South Africa		17.0	-2.4	-4.9	-12	-15	-18		11.1	4.6	136	161	164	157
Turkey		6.47	-1.1	-4.0	-6	-15	-8		12.1	0.5	75	100	-463	37
US (DXY; 5y UST)		100	0.6	3.8	1	4	4		0.67	-7.2	-3	-73	-174	-102

	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		2729	-1.8	-8	-9	-12	-11		244	6	44	76	67	68
Indonesia		4331	-2.8	-16	-26	-33	-31		347	38	102	187	155	191
India		28870	-5.6	-19	-29	-24	-30		291	16	83	159	130	166
Philippines		5335	0.0	-15	-27	-32	-32		247	30	104	178	153	181
Malaysia		1239	-1.4	-14	-19	-27	-22		266	30	96	163	138	154
Argentina		25823	0.5	-21	-32	-26	-38		3864	252	889	1800	3141	2095
Brazil		74617	4.8	-19	-35	-25	-35		388	17	79	192	151	173
Chile		3271	1.2	-18	-28	-39	-30		336	4	83	196	204	203
Colombia		1001	0.3	-23	-40	-38	-40		415	31	122	252	228	252
Mexico		36863	-3.2	-5	-18	-13	-15		638	46	115	345	337	346
Peru		15403	1.2	-13	-21	-27	-25		282	18	80	171	147	175
Hungary		30031	-4.7	-18	-34	-29	-35		178	-1	-17	69	58	92
Poland		39691	-0.6	-7	-31	-35	-31		111	4	2	77	56	93
Romania		7134	-5.7	-15	-30	-10	-28		302	-22	44	127	102	128
Russia		2129	-4.4	-15	-31	-14	-30		310	34	72	170	99	179
South Africa		39082	-6.0	-20	-32	-31	-32		648	59	166	315	346	328
Turkey		86089	-0.8	-15	-28	-18	-25		676	11	129	287	260	275
Ukraine		527	-0.7	-1	0	-6	3		1107	119	331	748	492	687
EM total		34	-7.2	-14	-23	-22	-25		610	34	134	306	267	317

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

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Coronavirus (Covid-19) Dashboard						
		Change or relative change				
	Latest	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)	3636	-2.0	-9.7	-11.2	-10.2	-13.1
CSI 500 (Mid-Cap Index)	5119	-1.8	-8.4	-2.8	-8.6	-8.4
CSI 1000 (Small-Cap Index)	5556	-1.5	-9.3	-0.2	-7.7	-6.7
Japan (Nikkei)	16727	-1.7	-13.9	-29.3	-28.5	-30.5
Korea (Kospi)	1591	-4.9	-16.6	-27.6	-28.0	-29.7
United States (S&P 500)	2529	6.0	-12.2	-21.7	-25.3	-24.0
Europe (Eurostoxx 600)	277	-4.7	-16.8	-33.3	-36.1	-34.6
MSCI Global	424	3.5	-10.4	-24.9	-26.8	-26.7
MSCI Asia ex. Japan	545	-1.0	-11.6	-20.8	-20.8	-23.4
Asia Pacific Airlines	105	-2.9	-15.9	-31.6	-23.3	-29.7
Luxury Goods	511	2.2	-14.1	-33.9	-32.2	-35.6
Hotels Restaurants & Leisure	227	-3.1	-21.5	-41.1	-41.4	-43.1
Volatility Index (VIX, change in pp)	76	-6.8	22.0	62.1	61.5	63.8
Interest Rates	**Percent**	**Change (in basis points)**				
US 10y Yield	1.06	-1	19	-85	-50	-76
Germany 10y Yield	-0.27	16	47	-9	15	-5
Eurodollar - April 2020	0.69	6	-15	102	-94	-103
Eurodollar - June 2020	0.44	3	-1	126	-111	-125
Eurodollar - December 2020	0.41	2	2	121	-102	-120
Exchange Rates	**Level**	**Relative change (in %) (+) = Appreciation**				
Chinese Renminbi (per USD)	7.03	-0.4	-1.0	-0.9	-0.4	-2.4
Japanese Yen (per USD)	107.4	0.3	-2.7	1.1	3.5	2.5
Euro (in USD)	1.10	-0.2	-2.7	-2.2	-1.5	1.1
Dollar Index	100.1	0.5	3.7	3.8	0.4	2.5
EM FX index	53.8	-2.1	-4.4	-12.4	-9.3	-11.6
EM Bond Spreads on USD Debt	**Basis points**	**Change (in basis points)**				
EMBI Global Diversified	578	-8	125	287	276	288
EMBI Asia	344	1	90	167	171	169
EMBI Latam	614	-13	133	306	291	304
China	243	5	43	67	75	70
Local Currency Bond Yields (GBI EM)	**Percent**	**Change (in basis points)**				
China	2.79	2	8	-36	-13	-31
Mexico	7.80	16	106	86	120	89
Brazil	6.31	-45	35	6	55	15
South Africa	11.09	5	136	157	164	161
Turkey	12.06	1	75	37	67	155
Commodities	**Dollars**	**Relative change (in %)**				
Brent Crude Oil (per ton)	27.5	-4.4	-23.2	-58.4	-53.5	-57.9
Gold (per troy ounce)	1507.4	-1.4	-7.8	-0.7	-6.5	-3.4