




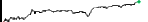
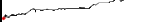
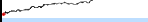
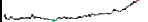
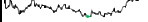


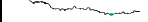
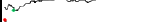
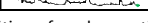
- US bank regulators to allow SLR relief measures to expire at end of March ([link](#))
- Banks with exposure to Turkey drive underperformance in European bank stocks ([link](#))
- Bank of Japan emphasizes it has no plan to sell ETF holdings ([link](#))
- Turkish lira plunges following surprise removal of central bank governor ([link](#))
- Emerging market hard currency debt issuance expected to pick up led by high yield ([link](#))
- PBOC reshuffles MPC members to focus on jobs; leaves loan prime rates unchanged ([link](#))

[US](#) | [Europe](#) | [Other Mature](#) | [Emerging Markets](#) | [Market Tables](#)

Global markets mixed while Turkish assets face tense start to the week

This week, market focus should shift back to relative growth and fundamentals, with near-term divergent fiscal, vaccination and infection trajectories testing the narrative of a synchronized recovery. With major advanced economy central banks clarifying last week that there is no rush to tighten policy, investors are hoping the market can shift its focus from the rise in core rates to the increasingly optimistic growth outlook. Markets closed last week in a calmer fashion with the S&P 500 little changed and tech stocks posting moderate gains. US bank stocks have underperformed (-2%) following an announcement from US regulators that the SLR exemption would be discontinued at the end of the month. Bond markets were relatively benign to end the week, and core yields are slightly lower this morning with the benchmark 10-year Treasury yield now back down to 1.69%. Asian and European stocks have traded mixed overnight and this morning, while caution continues to prevail across European markets due to concerns surrounding the rollout of vaccines. In EM, local Turkish assets have been the notable underperformer following the surprise removal of the central bank governor last Friday. The lira has tumbled 9% to start the week and is approaching the low reached last November, but with so far limited signs of spillovers to the broader EM complex as the JPM EM FX index has weakened a more modest 1%.

Key Global Financial Indicators

| Last updated: 3/22/21 8:04 AM | Level | | Change from Market Close | | | | YTD |
|--------------------------------------|---|--------|--------------------------|--------|---------|------|-----|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | |
| Equities | | | % | | | | % |
| S&P 500 |  | 3913 | -0.1 | -1 | 1 | 70 | 4 |
| Eurostoxx 50 |  | 3839 | 0.1 | 0 | 4 | 51 | 8 |
| Nikkei 225 |  | 29174 | -2.1 | -2 | -3 | 76 | 6 |
| MSCI EM |  | 54 | 1.2 | 0 | -3 | 72 | 5 |
| Yields and Spreads | | | bps | | | | |
| US 10y Yield |  | 1.69 | -3.4 | 8 | 32 | 84 | 77 |
| Germany 10y Yield |  | -0.31 | -1.1 | 3 | 3 | 2 | 26 |
| EMBIG Sovereign Spread |  | 345 | -2 | -10 | 1 | -345 | -5 |
| FX / Commodities / Volatility | | | % | | | | |
| EM FX vs. USD, (+) = appreciation |  | 56.8 | -0.8 | 0 | -2 | 7 | -2 |
| Dollar index, (+) = \$ appreciation |  | 91.8 | -0.1 | 0 | 2 | -11 | 2 |
| Brent Crude Oil (\$/barrel) |  | 64.6 | 0.1 | -6 | -1 | 139 | 25 |
| VIX Index (% change in pp) |  | 20.9 | -0.1 | 1 | -3 | -45 | -2 |

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

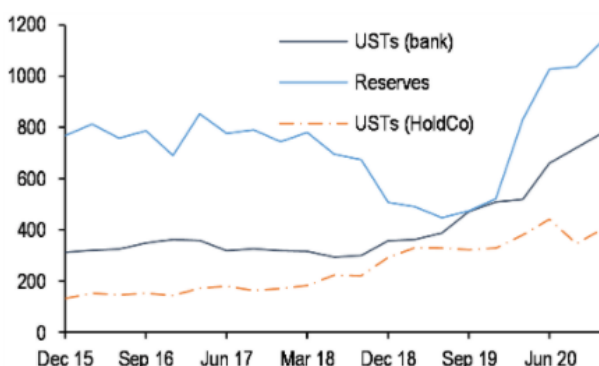
United States

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On Friday, US markets remained mostly sidelined: the S&P 500 closed almost unchanged, the US dollar and HY and IG credit spreads moved sideways. 10-year US Treasury yields were little changed and remain at a one year high of 1.73%.

US regulators announced that temporary supplementary leverage ratio (SLR) exemptions will expire as scheduled on March 31, 2021. The temporary measure was introduced last year and removed US Treasury bonds and deposits with Federal Reserve banks from the denominator of SLR: this measure allowed banks to absorb more losses, take more risk through lending, and continue increasing its reserves and US Treasury holdings during the COVID-19 crisis (chart below). The end of the temporary measure was disappointing for banks, but it was not a complete surprise and should not lead to immediate consequences as banks are not immediately constrained by the new binding leverage ratio. The Federal Reserve Board stated it will review adjusting the SLR to an environment of higher reserves to prevent strains for economic growth and financial stability. Some analysts hope that reserves will ultimately be excluded from SLR calculation.

Reserves (all bank) and Treasuries (split into bank and other) held by GSIBs; \$bn



Note: HoldCo is aggregate Treasury holdings net of those held by the bank subsidiaries.

Source: J.P. Morgan

GSIBs have been wary of deposits in anticipation of the cancellation of SLR exemption. Without the temporary SLR measures, the cost of SLR to GSIBs increases with the size of both reserves and Treasury bond holdings in banks' assets. Any reduction of the exposure on the asset side should be accompanied by a corresponding reduction on the liability side. Some market participants are concerned that GSIBs may attempt to reduce reserves via shrinking deposit holdings. JPMorgan analysts point out that the 4Q2020 earnings calls of major GSIBs highlighted their reluctance to increase some categories of deposits in anticipation of the SLR forbearance removal (table below). Anecdotally, conversations also suggest some GSIBs have been active in trying to not accept as many deposits or to shed them, either by repricing them or reallocating them to liquidity alternatives. However, GSIBs are not immediately leverage constrained and no immediate outflow of deposits is expected.

Selected commentary from 4Q earnings calls

| GSIB | Commentary |
|------------|---|
| BNY | "Any valuable deposits we will take on. But if they are just short-term with very little benefit to them, we'll discourage that." "Finally, we are currently planning for average deposits for the year to be slightly lower than our fourth quarter average as we help our clients redeploy liquidity into more efficient investments on our platform." |
| BAC | "We're not bidding for CDs, and money markets on the consumer side. You can see that \$108bn of the \$160bn was checking account balance growth." "We are not out in the market taking short-term deposits from people...haven't been" |
| C | "We have seen a significant increase in deposits. That does impact a number of important metrics...We are managing to that SLR relief going away at the end of the first quarter. So we're aware of that. We're managing accordingly to that." |
| GS | "On the forward, you should expect a more moderated level growth in deposits" |
| JPM | "The bigger decisions on that which we have a lot of leeway on is out of the investment bank. It's repo, deposits, corporate clients, trade finance, all of those things.... This is managed very, very closely." |
| MS | "As we invest these [e*TRADE] deposits and shed higher costs wholesale funding, we would expect to realize 80% of our revised higher funding benefits in NII in 2021." |
| STT | "We're assuming that we're going to stay at least at these fourth quarter level of average deposits, with probably a little bit edging up." |
| WFC | "We are not limiting on consumer deposits...we have pulled back on our nonconforming corresponding business for a period of time. On our wholesale business, they have been more impacted by actions that we've taken. I think on the commercial side, we try to be very very smart.....about operational versus nonoperational where our customers have other choices and they understand the position we are in and the same thing on the corporate investment banking side." |

Source: J.P. Morgan, company earnings transcripts

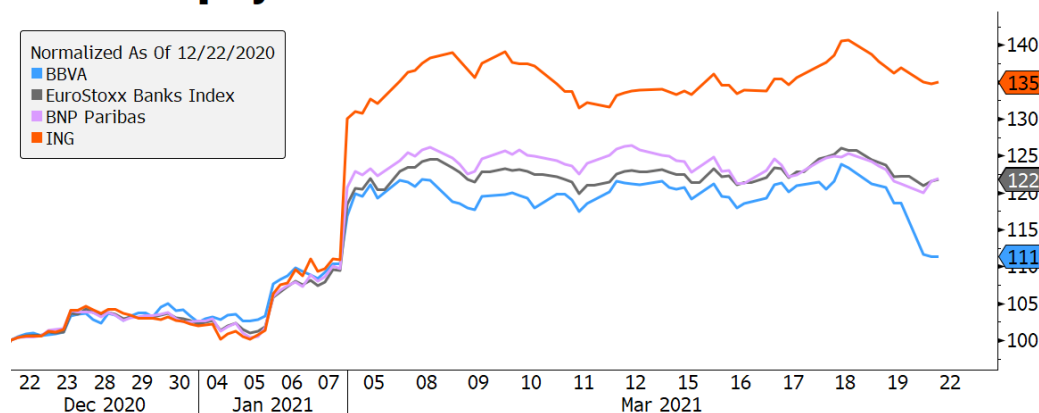
Europe

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Equity markets are mixed: DAX (+0.2%), CAC 40 (-0.2%), EuroStoxx 600 (+0.1%), Italy's Titans 30 (+0.3%). The Spanish Ibex (-1.5%) severely underperformed, dragged down by tourism stocks and BBVA. **European sovereign yields are unchanged today across countries:** German 10-year yields at -0.31% (-2 bps) and French OATs are at -0.06% (-1 bps).

European bank stocks (-0.4%) underperformed main indices, dragged down largely by Spanish banks. Notably, **BBVA (-6%) dropped markedly on mounting concerns over its exposure to Turkish Garanti, after president Erdogan fired the central bank governor this weekend.** Dutch ING (-1.5%) also lost on worries about its Turkish subsidiary. BBVA has a \$60 bn exposure to Garanti, equivalent to 8% of BBVA's total assets and 16% of gross income. BNP's and ING's exposures are about \$11 bn and \$10 bn, respectively. BNP equity traded 0.3% higher today.

Selected Equity Prices



Foreign ownership of Turkish banks



| Turkish entity | Foreign owner | Country | Stake (%) | Asset market share (%) |
|------------------------------|---------------------|---------|-----------|------------------------|
| ① Türkiye Garanti Bankası AŞ | BBVA | Spain | 49.85 | 8.00 |
| ② Yapı ve Kredi Bankası AŞ | UniCredit | Italy | 20.00 | 7.80 |
| ③ QNB Finansbank AŞ | Qatar National Bank | Qatar | 99.88 | 3.80 |
| ④ DenizBank AŞ | Emirates NBD | UAE | 99.85 | 3.30 |
| ⑤ Türk Ekonomi Bankası | BNP Paribas | France | 72.20 | 2.20 |
| | | | | 25.10 |

Data as of September 2020.

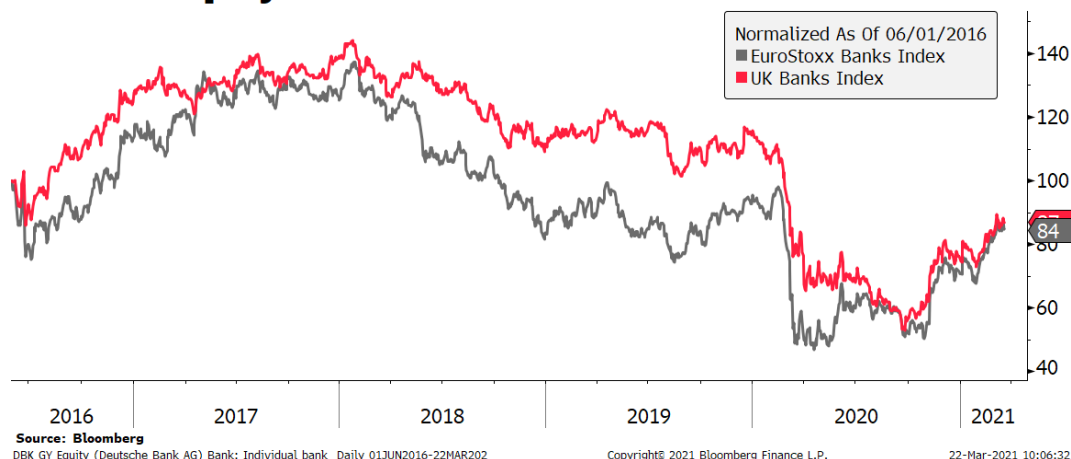
Credit: Arleigh Andes

Sources: Türkiye Garanti Bankası AŞ; Turkey's Banking Regulation and Supervision Agency

The Italian government has approved a €32 bn package to help businesses against the impact of the pandemic. Premier Draghi noted that the package is “only the first step” and that “now is not the time to look at debt levels”. Of the €32 bn, €11 bn will be injected into the economy in April or May. PM Draghi also pledged to accelerate the vaccination rate across the country, where only 3.8% of the population have been fully immunized. Italian 10-year bonds traded in line with peers, with yields unchanged at 0.66%.

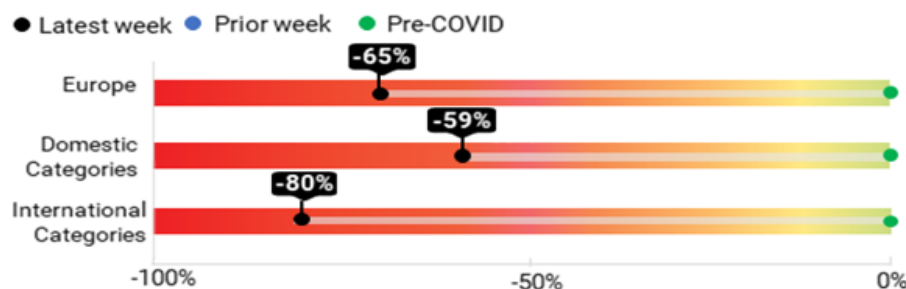
In Brexit news, the FT [reports](#) that **the EU and the UK are close to agreeing on a “stable and durable” cooperation framework for financial services.** The main elements of the cooperation agreement will be delineated in a memorandum of understanding to be agreed “imminently”, according to the FT. However, EU commissioner McGuinness noted that the MoU will not recreate “the conditions of the single market for the UK because the UK chose to leave.” Compared to just before the Brexit referendum (June 2016), **equity valuations of UK and European banks have oscillated notably and stand now about 15 lower than pre-Brexit.**

Selected Equity Prices



According to Goldman Sachs research, **high-frequency indicators suggest that the reopening rate of European economies has slowed down.** Various EU nations are in fact re-imposing or considering new restrictions as infections rise again.

GS Reopening Scale (Europe), % change vs. pre-Covid baseline (week ending March 14)



Source: Goldman Sachs Global Investment Research.

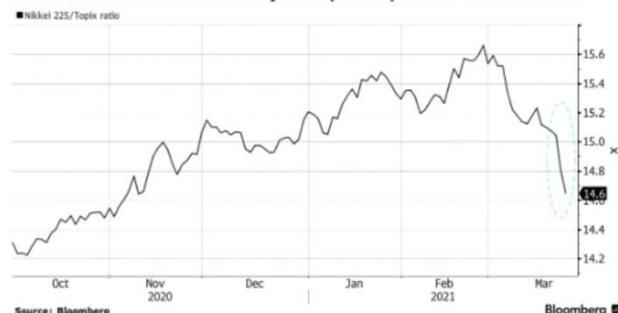
Other Mature Markets

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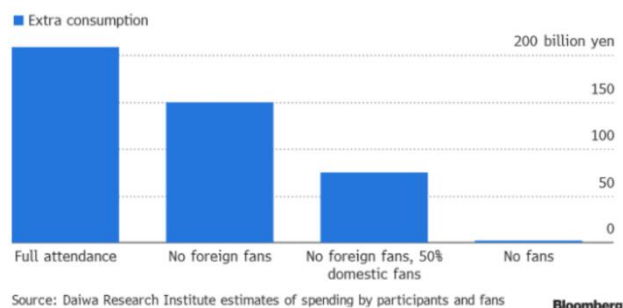
Japan

Equities fell -1.1%, the biggest drop since falling -3.2% on February 26. Bank of Japan (BOJ) Governor Kuroda said that the central bank will manage government bond yields to avoid causing any big negative impact on equity prices, according to Bloomberg. Bloomberg also reported Kuroda mentioning that the Topix is a broader index compared to the Nikkei, and the BOJ has been dialing back its purchases of Nikkei ETFs for years and has been increasing the purchases of Topix ETFs, which already account for almost 85% of ETF purchases. He said that there is no plan to sell holdings of exchange-traded funds (ETFs) at this point. **Japan will ban foreign spectators from the Tokyo Olympics for fear of the COVID-19 spread.** Analysts' estimates of the negative impact from this decision are wide. Daiwa estimates that the games could bring in ¥207.9 bn (\$1.9 bn) in spending if they were held in normal conditions and would drop to around ¥140 to 150 bn without foreign spectators. Bloomberg Economics meanwhile estimates that the likely impact could reach ¥600 bn after factoring in weakening future interest in visiting Japan. **10-year JGB yield fell -2.8bps while the yen appreciated +0.2%.**

The NT ratio of the Nikkei divided by the Topix slumped after the BOJ decision



Crowd size will affect likely spending boost from Tokyo Olympics



Emerging Markets

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Emerging markets have been mixed, with country-specific developments driving local asset prices. **Turkish assets sold off sharply** after President Erdogan replaced the central bank governor, but markets were mixed elsewhere in the EMEA region. **In Latin America, the Brazilian real has been the best performing EM currency** since the BCB adopted a more hawkish than expected stance last week. In Mexico 2-year swap rates increased by 25 bps between Thursday and Friday as **the market expects Banxico to take a more hawkish stance this week** following the rate hikes by other major EM central banks last week. **Asian equities were little changed on net.** China (Shanghai +1.1%, Shenzhen +1.3%) outperformed while India (-0.8%) lagged. Philippines (-0.6%) also fell amid tightening of social restrictions.

Key Emerging Market Financial Indicators

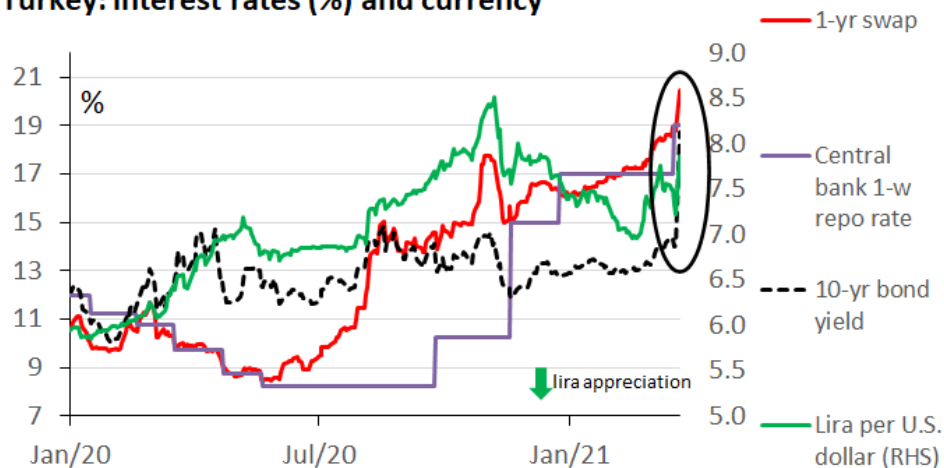
| Last updated: 3/22/21 8:08 AM | Level | | Change | | | | YTD |
|----------------------------------|----------|-------|-----------------------------------|--------|---------|------|------|
| | Last 12m | index | 1 Day | 7 Days | 30 Days | 12 M | |
| Major EM Benchmarks | | | % | | | | % |
| MSCI EM Equities | | 54.08 | 0.0 | 0 | -3 | 72 | 5 |
| MSCI Frontier Equities | | 29.60 | 0.7 | -1 | 1 | 45 | 4 |
| EMBIG Sovereign Spread (in bps) | | 345 | -2 | -10 | 1 | -345 | -5 |
| EM FX vs. USD | | 56.76 | -0.9 | 0 | -2 | 7 | -2 |
| Major EM FX vs. USD | | | %, (+) = EM currency appreciation | | | | |
| China Renminbi | | 6.51 | 0.0 | 0 | -1 | 9 | 0 |
| Indonesian Rupiah | | 14403 | 0.0 | 0 | -2 | 15 | -2 |
| Indian Rupee | | 72.37 | 0.2 | 0 | 0 | 5 | 1 |
| Argentine Peso | | 91.35 | -0.1 | -1 | -2 | -30 | -8 |
| Brazil Real | | 5.51 | -0.4 | 2 | -1 | -7 | -6 |
| Mexican Peso | | 20.67 | -0.8 | 0 | 0 | 23 | -4 |
| Russian Ruble | | 74.49 | -0.5 | -2 | 0 | 7 | 0 |
| South African Rand | | 14.73 | -0.1 | 1 | 0 | 21 | 0 |
| Turkish Lira | | 7.91 | -8.8 | -5 | -11 | -17 | -6 |
| EM FX volatility | | 10.42 | 0.9 | -0.1 | 0.4 | -4.0 | -0.3 |

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

Turkey

The lira sold off and interest rates rose sharply after Turkish President Erdogan replaced the governor of the central bank two days after the central bank delivered a higher-than-expected rate hike of 200 bps. The new governor Kavcioglu is the third governor in two years and is considered a significantly more dovish appointment. Governor Kavcioglu is a professor of banking at Marmara University in Istanbul and a columnist at the pro-government Yeni Safak newspaper, which has been critical of recent policy rate hikes. The lira opened 15% weaker against the U.S. dollar but is currently trading 9% weaker with contacts citing substantial support from state banks. Contacts point to especially noteworthy moves in interest rates, with the benchmark 10-yr government bond up 492 bps. The 1-yr rate for borrowing in lira against the U.S. dollar jumped 12 points to 30%, its biggest one-day increase ever. Equities (-9%) are also under pressure, triggering circuit breakers. **Traders expect conditions to remain volatile ahead of the ruling party's congress on Wednesday 24 March.**

Turkey: Interest rates (%) and currency

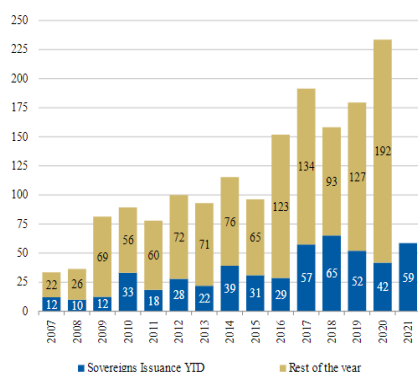


Source: Bloomberg and IMF staff

Emerging Market Hard Currency Debt Issuance

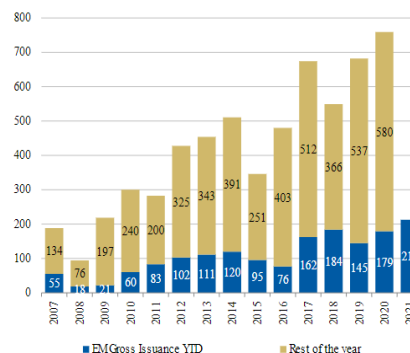
There was no hard currency issuance by EM issuers last week, largely due to the high uncertainty surrounding the FOMC meeting. **External credit spreads have been resilient to the recent market turmoil in EM local markets and analysts expect issuance to pick up this week led by high yield issuers.** Ghana has indicated that it would issue up to \$5 bn over the coming days, and Laos is trying to issue over \$300 mn with a coupon above 10% - this would mark the third attempt by Laos to issue since December. According to analysts, other potential issuance candidates for the coming weeks include Kenya and Pakistan. Corporate issuance remained strong last week including Quasi's such as RURAIL and Petronas. **YTD corporate issuance has been the highest on record.**

Exhibit 16: EM sovereign credit supply (US\$bn)



Source: Bloomberg, Bond Radar, Morgan Stanley Research

Exhibit 17: EM gross supply (US\$bn)



Source: Bloomberg, Bond Radar, Morgan Stanley Research

EM Fund Flows

Between March 11 and March 17, EM debt fund flows were muted at just \$96 mn (0.02% of AUM) following large outflows of \$3 bn during the week before. Flows remain positive year-to-date (YTD) despite negative returns. Returns stand at -4.3% and -5.2% for hard currency and local currency, respectively, while year-to-date flows stand at +\$15 bn.

| Fund Flows (US\$bn) | Current Week | Last Week | Last 4w | YTD | YTD A 21 vs 20 |
|---------------------|--------------|-----------|---------|--------|----------------|
| Hard Currency | 12 | -2,395 | -4,461 | 4,768 | -24,977 |
| Global Mandate | -284 | -2,608 | -5,633 | -137 | -22,192 |
| Regional/Country | 297 | 213 | 1,175 | 4,925 | -2,785 |
| ETF | 339 | -1,412 | -2,185 | -511 | -6,616 |
| NON-ETF | -326 | -963 | -2,275 | 5,279 | -18,361 |
| Local Currency | 102 | -799 | 392 | 8,697 | -7,914 |
| Global Mandate | -298 | -848 | -1,330 | 1,909 | -9,030 |
| Regional/Country | 400 | 49 | 1,722 | 6,788 | 1,117 |
| ETF | -179 | 24 | 589 | 3,073 | -5,369 |
| NON-ETF | 281 | -823 | -197 | 5,625 | -2,545 |
| Blended Currency | -19 | 41 | 1,873 | 3,885 | -2,491 |
| Global | -585 | -3,403 | -5,265 | 5,302 | -33,100 |
| Regional/Country | 682 | 250 | 3,071 | 12,071 | -2,212 |
| AsxJ | 773 | 127 | 3,588 | 11,798 | 338 |
| LatAm | -236 | -30 | -610 | -132 | -2,349 |
| CEEMEA | 145 | 154 | 93 | 425 | -201 |
| ETF | 162 | -1,379 | -1,570 | 2,609 | -11,971 |
| Non-ETF | -66 | -1,775 | -626 | 14,741 | -23,411 |
| Total | 96 | -3,154 | -2,196 | 17,350 | -35,382 |

Source: EPFR

China

China's central bank reshuffled its Monetary Policy Committee (MPC). Cai Fang and Wang Yiming will replace Liu Wei and Ma Jun, who have been on the People's Bank of China (PBOC) committee since 2018. Their replacements are in line with standard practice which sees expert members of the panel replaced after three years. Cai and Wang reportedly have expertise in the labor market and population, according to Bloomberg, suggesting a focus on jobs. **The PBOC kept its loan prime rates unchanged, as expected.** Over the weekend PBOC Governor Yi Gang said that monetary policy is within the normal range and the authorities have ample tools to moderate interest rates. He also mentioned that China's financial policy framework will take into account climate change, while its foreign exchange reserves will invest more in green bonds and cap high-carbon assets. The European Union meanwhile is expected to introduce sanctions on China over alleged human rights abuses in Xinjiang, according to Bloomberg. **Equities (Shanghai +1.1%, Shenzhen +1.3%) rose while the RMB was little changed.** Equities saw the most net buying since March 3 through the Shanghai and Shenzhen stock connects today, with overseas investors net purchasing RMB7.2 bn (\$1.1 bn) of Chinese shares.

People's Bank of China's Monetary Policy Committee

| | |
|--------------------|--|
| Yi Gang | Governor of the People's Bank of China |
| Ding Xuedong | Deputy Secretary General of the State Council |
| Lian Weiliang | Vice Chairman of National Development and Reform Commission |
| Zou Jiayi | Vice Minister of Ministry of Finance |
| Chen Yulu | Deputy Governor of the People's Bank of China |
| Liu Guoqiang | Deputy Governor of the People's Bank of China |
| Ning Jizhe | Commissioner of the National Bureau of Statistics |
| Guo Shuqing | Chairman of China Banking and Insurance Regulatory Commission |
| Yi Huiman | Chairman of China Securities Regulatory Commission |
| Pan Gongsheng | Administrator of the State Administration of Foreign Exchange |
| Tian Guoli | Chairman of China Banking Association |
| Liu Shijin | Vice President of Development Research Center of the State Council |
| Cai Fang | Chief Expert of the Chinese Academy of Social Sciences's National Institute for Global Strategy |
| Wang Yiming | Vice President of the China Center for International Economic Exchanges |

Source: People's Bank of China

Bloomberg


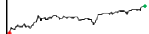

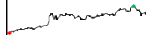

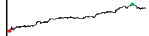




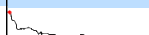




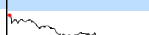



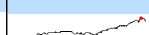


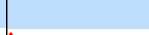


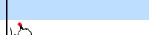

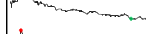
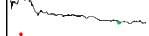
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Global Financial Indicators



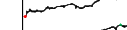

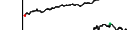
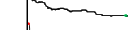


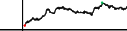



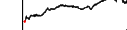
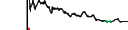
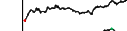
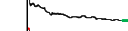
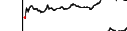
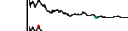
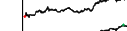


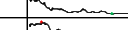















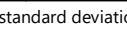
| Last updated: 3/22/21 8:06 AM | Level | | Change | | | | YTD |
|----------------------------------|---|--------|----------------------------------|--------|---------|-------|------|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | |
| Equities | | | % | | | | % |
| United States |  | 3923 | -0.1 | -1 | 1 | 70 | 4 |
| Europe |  | 3839 | 0.1 | 0 | 4 | 51 | 8 |
| Japan |  | 29174 | -2.1 | -2 | -3 | 76 | 6 |
| China |  | 3443 | 1.1 | 1 | -5 | 25 | -1 |
| Asia Ex Japan |  | 94 | 0.9 | 0 | -4 | 71 | 5 |
| Emerging Markets |  | 54 | 1.2 | 0 | -3 | 72 | 5 |
| Interest Rates | | | basis points | | | | |
| US 10y Yield |  | 1.69 | -3.4 | 8 | 32 | 84 | 77 |
| Germany 10y Yield |  | -0.31 | -1.1 | 3 | 3 | 2 | 26 |
| Japan 10y Yield |  | 0.08 | -3.0 | -3 | -4 | 0 | 6 |
| UK 10y Yield |  | 0.83 | -0.8 | 3 | 15 | 27 | 63 |
| Credit Spreads | | | basis points | | | | |
| US Investment Grade |  | 98 | -3.3 | -4 | 11 | -227 | 3 |
| US High Yield |  | 363 | -2.2 | 9 | 17 | -624 | -17 |
| Europe IG |  | 55 | 7.8 | 7 | 6 | -59 | 7 |
| Europe HY |  | 272 | 28.5 | 28 | 21 | -419 | 30 |
| EMBIG Sovereign Spread |  | 345 | -2.0 | -10 | 1 | -345 | -5 |
| Exchange Rates | | | % | | | | |
| USD/Majors |  | 91.79 | -0.1 | 0 | 2 | -11 | 2 |
| EUR/USD |  | 1.19 | 0.2 | 0 | -2 | 11 | -2 |
| USD/JPY |  | 108.7 | -0.1 | 0 | 3 | -2 | 5 |
| EM/USD |  | 56.8 | -0.8 | 0 | -2 | 7 | -2 |
| Commodities | | | % | | | | |
| Brent Crude Oil (\$/barrel) |  | 65 | 0.1 | -6 | -1 | 139 | 25 |
| Industrials Metals (index) |  | 147 | 0.7 | 1 | -2 | 59 | 11 |
| Agriculture (index) |  | 52 | -0.1 | -1 | -1 | 40 | 8 |
| Implied Volatility | | | % | | | | |
| VIX Index (%, change in pp) |  | 20.9 | -0.1 | 0.9 | -2.6 | -45.2 | -1.9 |
| US 10y Swaption Volatility |  | 87.6 | -0.3 | -0.7 | 8.9 | -64.3 | 27.5 |
| Global FX Volatility |  | 7.8 | 0.1 | -0.2 | 0.3 | -6.2 | -0.2 |
| EA Sovereign Spreads | | | 10-Year spread vs. Germany (bps) | | | | |
| Greece |  | 122 | 0.4 | 6 | -1 | -157 | 2 |
| Italy |  | 97 | 1.2 | 4 | 3 | -98 | -14 |
| Portugal |  | 53 | 0.7 | 2 | -3 | -74 | -7 |
| Spain |  | 65 | 0.5 | 1 | -2 | -41 | 3 |

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

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Emerging Market Financial Indicators

| Last updated: 3/22/2021 8:09 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 | | 6.51 | 0.0 | -0.1 | -1 | 9 | 0 | | 3.3 | -0.1 | 0 | -2 | 53 | 7 |
| Indonesia | | 14403 | 0.0 | 0.0 | -2 | 15 | -2 | | 6.8 | 4.0 | 1 | 32 | -131 | 76 |
| India | | 72 | 0.2 | 0.1 | 0 | 5 | 1 | | 6.5 | -3.4 | -4 | 15 | -23 | 53 |
| Philippines | | 49 | 0.1 | -0.1 | 0 | 6 | -1 | | 3.8 | -22.8 | 9 | 32 | -33 | 14 |
| Thailand | | 31 | -0.2 | -0.6 | -3 | 7 | -3 | | 2.0 | -2.3 | 2 | 45 | 15 | 70 |
| Malaysia | | 4.12 | -0.1 | -0.1 | -2 | 8 | -2 | | 3.3 | -3.2 | 4 | 41 | -40 | 75 |
| Argentina | | 91 | -0.1 | -0.5 | -2 | -30 | -8 | | 45.7 | 12.5 | 106 | 324 | -2190 | -1040 |
| Brazil | | 5.51 | -0.4 | 1.9 | -1 | -7 | -6 | | 7.7 | 17.1 | 12 | 100 | 0 | 213 |
| Chile | | 715 | 0.2 | 1.2 | -1 | 20 | 0 | | 3.2 | -2.2 | 4 | 32 | -38 | 48 |
| Colombia | | 3552 | 0.5 | 0.5 | 0 | 16 | -3 | | 6.2 | 6.0 | 29 | 92 | -237 | 111 |
| Mexico | | 20.67 | -0.8 | -0.1 | 0 | 23 | -4 | | 6.5 | 5.3 | 25 | 56 | -166 | 92 |
| Peru | | 3.7 | -0.2 | -0.2 | -2 | -4 | -3 | | 4.5 | -7.2 | -8 | 40 | -139 | 89 |
| Uruguay | | 44 | 0.3 | 0.7 | -3 | 3 | -4 | | 7.4 | 0.3 | 12 | 35 | -355 | 10 |
| Hungary | | 308 | 0.4 | 0.1 | -4 | 7 | -3 | | 2.1 | -3.0 | -2 | 25 | -23 | 53 |
| Poland | | 3.87 | 0.3 | -0.5 | -4 | 11 | -3 | | 0.9 | -2.8 | -6 | 12 | -85 | 24 |
| Romania | | 4.1 | 0.2 | 0.0 | -2 | 10 | -3 | | 2.7 | -1.0 | 4 | 6 | -267 | -7 |
| Russia | | 74.5 | -0.5 | -2.2 | 0 | 7 | 0 | | 6.7 | 5.2 | 22 | 40 | -117 | 103 |
| South Africa | | 14.7 | -0.1 | 0.9 | 0 | 21 | 0 | | 10.2 | -11.7 | 7 | 40 | -199 | 54 |
| Turkey | | 7.91 | -8.8 | -4.8 | -11 | -17 | -6 | | 14.6 | 4.8 | -4 | 128 | 152 | 147 |
| US (DXY; 5y UST) | | 92 | -0.2 | -0.1 | 2 | -11 | 2 | | 0.85 | -2.6 | 3 | 26 | 40 | 49 |

| | 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 |  | 5057 | 1.0 | 0 | -10 | 38 | -3 |  | 199 | 0 | -2 | -9 | 30 | -9 |
| Indonesia |  | 6301 | -0.9 | 0 | 1 | 50 | 5 |  | 158 | 0 | -9 | -25 | -5 | -29 |
| India |  | 49771 | -0.2 | -1 | 0 | 66 | 4 |  | 154 | -3 | -6 | 2 | -218 | 3 |
| Philippines |  | 6395 | -0.6 | -2 | -6 | 34 | -10 |  | 83 | 0 | -9 | -17 | 13 | -22 |
| Malaysia |  | 1617 | -0.6 | 0 | 3 | 24 | -1 |  | 113 | 0 | -2 | -3 | 9 | 3 |
| Argentina |  | 48976 | 0.8 | 0 | -1 | 105 | -4 |  | 1459 | 0 | 19 | 8 | -570 | 91 |
| Brazil |  | 116222 | 1.2 | 2 | 3 | 73 | -2 |  | 253 | 0 | 0 | -16 | 58 | 3 |
| Chile |  | 4855 | -0.5 | -1 | 6 | 58 | 16 |  | 126 | 0 | -6 | -16 | -14 | -18 |
| Colombia |  | 1325 | -0.1 | -2 | -2 | 44 | -8 |  | 207 | 0 | -4 | -15 | 44 | 2 |
| Mexico |  | 47028 | -1.1 | -1 | 5 | 37 | 7 |  | 348 | 0 | -9 | -34 | 55 | -12 |
| Peru |  | 22215 | -0.4 | -2 | -4 | 54 | 7 |  | 133 | 0 | -4 | -3 | 22 | 1 |
| Hungary |  | 44075 | 0.1 | 1 | 1 | 42 | 5 |  | 65 | 0 | -6 | -15 | -42 | -31 |
| Poland |  | 58099 | 0.9 | -2 | 0 | 41 | 2 |  | -22 | 0 | -4 | -11 | -54 | -21 |
| Romania |  | 10878 | 0.0 | 1 | 6 | 48 | 11 |  | 189 | -3 | 0 | -2 | -202 | -14 |
| Russia |  | 3487 | 0.3 | -3 | 2 | 50 | 6 |  | 159 | 0 | -5 | -3 | 19 | -7 |
| South Africa |  | 65911 | 0.0 | -3 | -2 | 64 | 11 |  | 357 | 0 | -4 | -35 | 25 | -23 |
| Turkey |  | 1387 | -9.3 | -11 | -11 | 62 | -6 |  | 421 | 0 | -5 | -47 | 34 | -24 |
| Ukraine |  | 517 | 0.0 | 0 | -1 | -1 | 3 |  | 479 | 0 | 12 | -21 | 127 | -12 |
| EM total |  | 54 | 0.0 | 0 | -3 | 72 | 5 |  | 421 | 0 | 17 | -10 | 97 | 128 |

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

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