GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

WEDNESDAY, MARCH 25, 2020

- **US commercial paper spreads widen as USD funding pressures persist** (link)
- **US commercial MBS spreads continue to widen to post-GFC high** (link)
- **Japanese repo rate falls as investors borrow JGBs for collateral at BoJ USD auctions** (link)
- **ESM's Enhanced Conditions Credit Line may be offered to help fight virus** (link)
- **South Africa announces QE and additional rand repo** (link)
- **Bank of England launches Contingent Term Repo Facility** (link)

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

Price action moderates overnight, but growth outlook and liquidity remain poor

Equities posted modest gains overnight on reports that the US congress has come to an agreement on a $2 tn fiscal stimulus package. However, market participants remain focused on funding markets and broader trading liquidity. South Africa became the latest EM to roll out additional repo funding to address domestic liquidity concerns. USD funding condition appear to have eased substantially in Europe, with the 3-month EUR-USD swap basis turning positive for the first time in a year. However, cross-currency swap bases remain deeply negative across much of Asia, suggesting that investors are still paying a substantial premium to access dollars. Meanwhile, US investment grade corporate credit spreads continue to narrow in the wake of the creation of 2 new Federal Reserve facilities designed to ease corporate credit conditions. Market contacts noted strong demand overnight from Asian accounts to purchase US investment grade credit at all tenors even as US dollar funding remains problematic across much of Asia.

Key Global Financial Indicators

Last updated: 3/25/20 8:27 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		2447	9.4	-3	-22	-13	-24
Eurostoxx 50		2727	0.4	14	-24	-17	-27
Nikkei 225		19547	8.0	15	-14	-7	-17
MSCI EM		33	0.3	-3	-20	-22	-27
Yields and Spreads					bps		
US 10y Yield		0.85	6.0	-35	-51	-155	-107
Germany 10y Yield		-0.30	2.7	-6	22	-27	-11
EMBIG Sovereign Spread		635	-34	-14	307	277	342
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		53.4	0.0	1	-9	-15	-13
Dollar index, (+) = $ appreciation		101.5	-0.5	0	3	5	5
Brent Crude Oil ($/barrel)		26.3	-3.3	6	-52	-61	-60
VIX Index (%, change in pp)		66.7	5.0	-10	39	50	53

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

United States

back to top

The Dow Jones Industrial Average surged the most since 1933 on hopes for the $2 tn stimulus deal. The major indices rose 8-11%, with the energy sector gaining 16%, and 5 other sectors posting gains in excess of 10%. Implied volatility was little changed at 61, though the VIX term structure has been increasingly less inverted. Treasury yields rose on soaring risk appetite, with the yield curve flattening. The largest US IG ETF LQD pulled in $1 bn inflow of on Monday. The ETF has gained 12% this week, and the massive inflows has pushed the share price to 3% over its net asset value, just shy of the record set during the GFC. This marks a sharp reversal from last week when the share price was trading at a deep discount (-5%) relative to net asset value, due to illiquidity in the underlying assets.

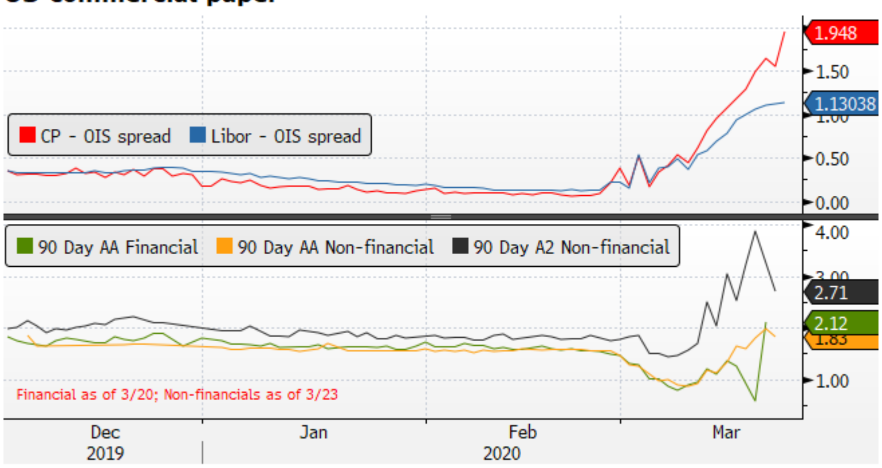
The 2-year Treasury note auction was very weak. The notes were awarded at 0.3985%, almost 1 bp above the when-issued rate. The bid-to-cover ratio was among the weakest of the past decade at 2.36x. Investor take-down improved to 55%, but dealers were left with 36% of the sale.

The flash US PMI reports showed the service sector plunging to 39 in March while the manufacturing sector held up better, declining to 49.2. New home sales fell by a more-than-expected 4.4% m/m to 765K in February, but January's reading was revised up significantly to 10.5% m/m and 800K, indicating solid housing activity ahead of the virus-related disruptions.

Demand for US dollar funding soared again on Tuesday while the dollar weakened 0.3% against major currencies in the spot market. The BoJ's dollar swap auction saw almost $90 bn allotted to banks, pushing the total borrowed funds over the past week to over $150 bn. Similarly, in Europe, seven banks took $4.1 bn from ECB, compared to $20 mn on Monday, while $3.6 bn was taken from BoE vs $5 mn on Monday. The yen-dollar basis widened again to -104, while euro- and pound-dollar basis have mostly stabilized.

Pressure in the commercial paper market resurfaced after a brief pause on Monday. The 3-month CP-OIS spread rose 40 bps to 194 bps, while the 3-month Libor-OIS spread inched up 2 bps to 113 bps. Some investors advocate to expansion of the CPFF to include Tier 2 issuers, and to include Tier 2 companies' CP as eligible collateral in the MMLF, as short-term funding cost for lower-rated firms remain elevated.

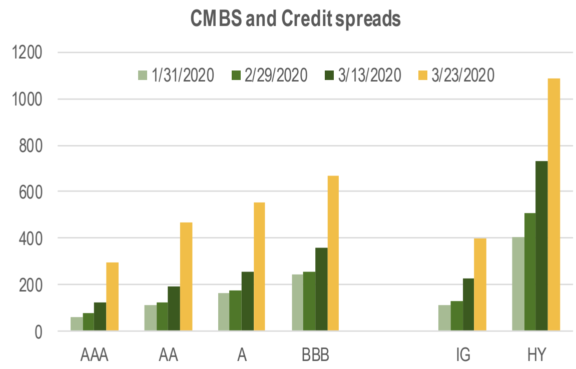
US commercial paper

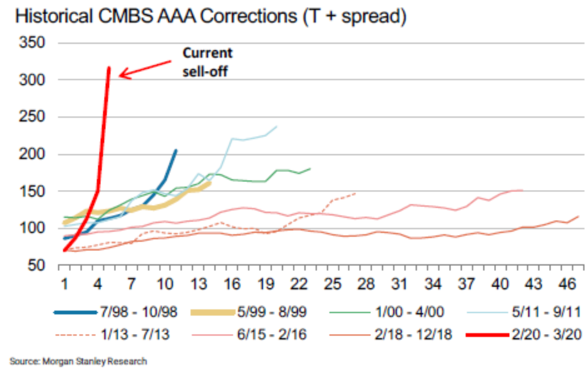


Source: Bloomberg

A New York State directive ordering banks to provide temporary relief on mortgages and loans inadvertently put some banks at risk in volatile market conditions. The executive order requires banks regulated by New York State to provide 90 days of forbearance to individuals and business affected by the pandemic. But the order as it stands, also applies to financial contracts, such as repo, margin loans and hedging trades using derivatives. Bloomberg reported that several banks were already met with threats of litigation if they close out certain trades or demand collaterals, which would be in violation of the order. Firms potentially affected include subsidiaries of major foreign banks which are state regulated, while other big US international banks are federally chartered, hence not affected.

CMBS spreads continues to widen to post-crisis high. The OAS spreads across tranches in various ratings have jumped by 173 to 313 over the last week and are 230 to 430 bps wider since their YTD low. Over the same period, IG credit spread widened 302 bps while HY credit widened 750 bps. The correction is now the most severe one outside of the GFC. Analysts note that in every one of the past correction episodes, IG spread tightening has been the necessary condition for CMBS AAA spread to begin tightening.





Europe

back to top

Equity markets continue to rally modestly today after the US Congress approved $2 tn of support measures. The EuroStoxx 600 is 0.1% higher while the UK's FTSE 100 added a further 1.1% today, following yesterday's +9% close. S&P500 futures, however, are 2% higher, pointing to another rally session in the US.

Sovereign bond also rallied today, pushing German 10-year yields 2 bps lower to -0.34%; French OATs to 0.16% (-4 bps); and Italian to 1.54% (-3 bps).

The preliminary estimate for **Germany's IFO Expectations survey for March came in at 79.7, down from 82.0 in February**. The IFO Business Climate gauge also plummeted, reaching 86.1 from 96.0.

Companies across the world are drawing heavily from credit lines in a bid to build cash buffers and stay afloat. As economic prospects collapse further and borrowing costs soar higher, over 130 corporations in Europe and the US have already drawn an estimated $124 bn this month, according to FT research. Analysts fear, such figure is just a fraction of the real cash drawdown by companies.

The Eurogroup suggests that members could rely on the ESM's Enhanced Conditions Credit Line (ECCL) for additional support to fight the economic damage of Covid-19. The size of the instrument is about 2% of the member's GDP. In addition, the European Investment Bank (EIB) has proposed a €25 bn pan-European credit guarantee. The proposal is still under discussion at the Eurogroup for approval.

The Bank of England launched **yesterday its Contingent Term Repo Facility**. The CTRF will run from March 26th to April 2nd, for the time being. They'll have an unlimited size and be priced at the fixed rate of

Bank Rate plus 15bps for a 3-month term. The opening of the facility follows a heavily over-bid repo operation by the BoE yesterday, in which banks asked for £11 bn and the Bank allotted £7 bn.

The new Fed facilities to purchase corporate bonds appear to have modeled upon existing European programs. While all the details of the Fed program are not yet known, there are some key differences.

	ECB	**BoE**	**Fed**
Full name	Corporate Sector Purchase Programme (CSPP)	Corporate Bond Purchase Scheme (CBPS)	Primary Market Corporate Credit Facility (PMCCF) and Secondary Market Corporate Credit Facility (SMCCF)
Date of program	CSPP originally ran from June 2016 to December 2018. Relaunched in November 2019	CBPS originally ran from September 2016 to April 2017. Relaunched in March 2020	Purchases to begin soon. Current end date is September 2020 "unless the Facility is extended"
Rating requirements	Highest rating must be IG	IG at one agency & subject to BoE assessment	Majority IG if issuer has more than 1 rating & subject to review by the Fed
Seniority requirements	Senior only	Senior only	We presume senior only
Domicile	Issuing entity domiciled in Eurozone	Material contribution to economic activity in the UK	Material operations in the US for individual issuers and headquartered in the US for primary. ETFs that provide broad exposure to US IG credit
Sector	Banks excluded	Non-financials only	Appears to include financials
Primary vs Secondary	Primary & Secondary	Secondary only	Dedicated programme for primary & secondary
Maturity restrictions	6m - <31yrs residual maturity	At least 12m residual maturity; no perps	<4yr for primary and <5yr for secondary. No restriction for ETFs
Issuer limits	<70% per ISIN. Public undertakings capped at 30% per ISIN. Additional limits per issuer group to ensure diverse allocation of purchases across issuers	The BoE seeks to avoid over concentration in particular sectors or issuers	In primary, rating dependent, but in any case >110% of an issuer's max debt over the last year. In secondary, <10% of an issuer's max debt over last year, but no limit at bond level. No more than 20% of any ETF
How purchases are allocated	Debt bought according to issuers' market weight in eligible debt benchmark	Debt bought such that holdings represent each sector's share – in terms of the face value of bonds outstanding – within the list of eligible bonds	No explicit commitment to buying according to market weight. Companies that are expected to receive direct financial assistance under pending federal legislation are excluded

How purchases are conducted	Direct primary and secondary market purchases	Purchases in secondary market through reverse auction operations	Fed finances SPVs that conduct purchases. Primary facility buys bonds & makes loans. Secondary facility buys bonds and ETFs
Amount	Owns €200bn already. Monthly run rate was €5-6bn from Nov-Feb. Now likely to hit €10-20bn	Originally £10bn. We estimate a total envelope of c. £20bn for new programme - "completed as soon as operationally possible"	C. $200bn across primary & secondary (including ETFs), with potential to increase
Program size vs Market Size	ECB owns c.20% of eligible universe (c. 8% of € IG). We estimate it could reach 35-40% of eligible universe (13-15% of € IG) by year-end	Original £10bn CBPS bought c.10% of eligible universe and 3% of £ IG. Another £20bn would add c. 15-20% of the eligible universe and c. 5% of £ IG	$200bn equates to c.10% of eligible universe and c.2.5% of $ IG

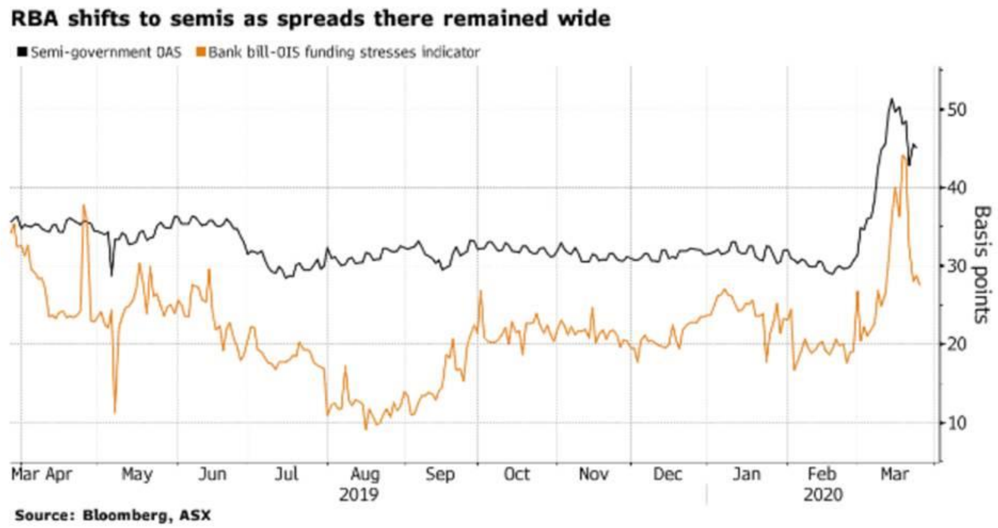
Source: Citi

Other Mature Markets

back to top

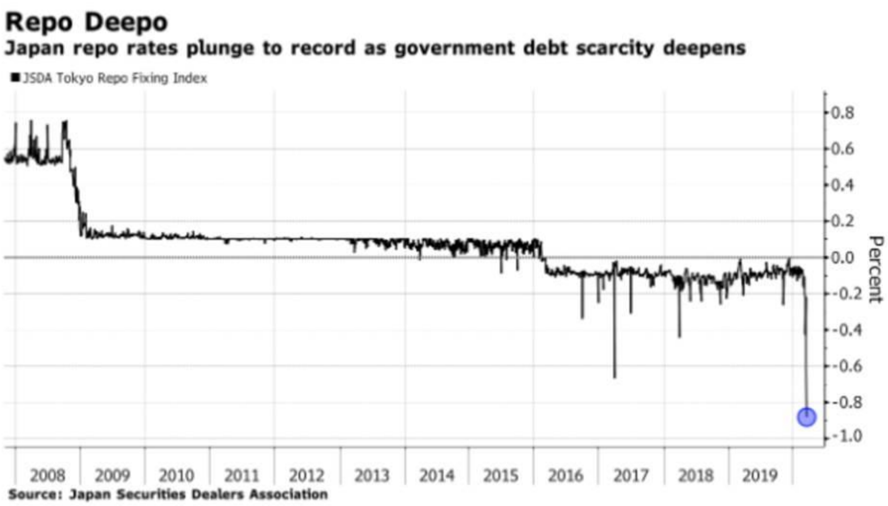
Australia

The Reserve Bank of Australia (RBA) is planning to buy as much as AUD2 bn of state government debt. The RBA took this step as spreads on state-level debt remain elevated. In the previous three days, the RBA bought a total of AUD13 bn in face value of federal government bonds. **The central bank also said that it will offer $10 bn in US dollar on March 26 drawing on its new swap line with the Fed.** The loan on offer will be for 84 days. 10-year bond yield rose +8bps, the Australian dollar appreciated +1.7%, and equities rallied +5.5%.



Japan

Stocks surged on global stimulus. The Nikkei gained 8% and the broder Topix 6.9%. The market shrugged off the Olympics postponement which was widely expected. **In Japan's repo market, the cost to obtain JGBs has surged**. The repo rate dropped to -0.88% on Tuesday before the BoJ stepped in with repo operations. A negative rate means that the buyer of the repo--the investor lending the cash for bonds--ends up paying interest. The strong demand for JGBs is related to the use of JGBs as collateral in the BoJ's USD provision through its swap line with the Fed. Japanese banks have so far borrowed $150 bn through the swaps which is much cheaper than dollar funding in markets. **The dollar-yen basis widened slightly despite the BoJ's large USD provision.**



Emerging Markets

back to top

Asian equities rallied for a second day on stimulus optimism (+4.6%). Currencies were mixed with strong gains in the Korean won (+1.6%) and the Malaysian ringgit (+1.2%), but a weaker RMB. **Latin American equity and currency markets have seen a rebound yesterday.** Equities in Brazil (9.7%), Mexico (4.3%), Peru (1.4%) and Colombia (0.4%) have advanced. The Mexican peso (2.4%), Chilean peso (2.0%), Colombian peso (1.5%), Brazilian real (0.8%) and Peruvian sol (0.3%) have appreciated against the dollar.

Key Emerging Market Financial Indicators

Last updated:	Level		Change				
3/25/20 8:29 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks			%				%
MSCI EM Equities		32.91	0.9	-3	-20	-22	-27
MSCI Frontier Equities		20.89	6.3	-3	-26	-27	-31
EMBIG Sovereign Spread (in bps)		635	-34	-14	307	277	342
EM FX vs. USD		53.45	0.0	1	-9	-15	-13
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		7.10	-0.5	-1	-1	-5	-2
Indonesian Rupiah		16500	0.5	-8	-16	-14	-16
Indian Rupee		76.10	0.3	-2	-5	-9	-6
Argentine Peso		63.77	-0.3	-1	-3	-36	-6
Brazil Real		5.10	0.0	0	-14	-24	-21
Mexican Peso		24.60	1.0	-4	-22	-23	-23
Russian Ruble		78.48	-0.2	3	-17	-18	-21
South African Rand		17.40	0.7	-2	-13	-18	-20
Turkish Lira		6.44	-0.2	1	-5	-14	-8
EM FX volatility		13.26	0.0	-0.4	6.1	4.8	6.7

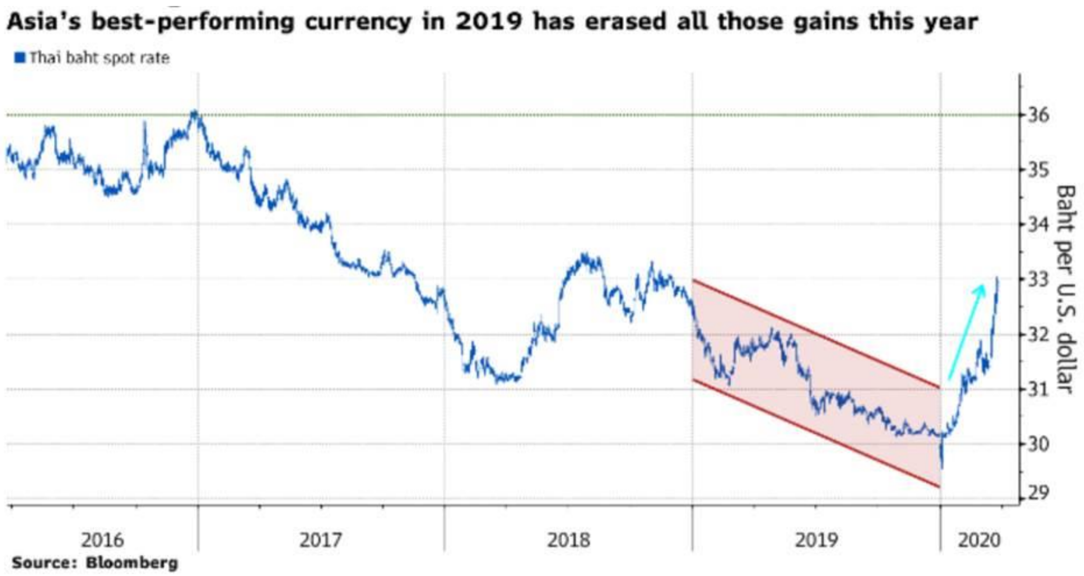
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

South Africa

South African government bond yields tumbled after the announcement of QE and additional provisions of local currency repo. The South African Reserve Bank (SARB) did not provide much detail on the scope of its bond purchases, simply stating that it would conduct operations across the curve and that the amount and maturity of the bond purchases will be at their discretion. SARB also added additional rand repo operations via its main refinancing operations and will now add term liquidity for terms up to 12 months. After trading to its highest level since March 2002, the announcement of QE and investors' subsequent rush to buy catalyzed a 68 bp decline in the yield on the 3-year note to 6.87% while the 10-year note fell by 107 bps to 11.27%. Demand at government bond auctions had been weakening while orders from primary dealers -- required to buy the debt on offer and provide market making services to clients – had fallen to the lowest level in more than five months amid heightened risk aversion. Analysts noted that rates higher than 13% for the 10-year note would make it too expensive for the government to finance its debt. The National Treasury's annual budget review from February indicated that the government's budget deficit is expected to expand to 6.8% in the fiscal year through February 2021, the highest since 1992-93. In its Quarterly Bulletin released on Tuesday, the central bank noted that the economy has entered its 76th month of a weakening cycle in March, as the nationwide lockdown to curb the virus outbreak will exert further pressure on the struggling economy. The South African rand strengthened 0.8% on the day to ZAR 17.38/dollar but remains near its all-time weakest level of ZAR 17.83 seen on Monday.

Thailand

The Bank of Thailand (BoT) kept its policy rate unchanged at 0.75% following a 25bp rate cut at an unscheduled meeting last week. The decision was not unanimous, with two members voting to cut the rate to 0.50%. The BoT now expects the Thai economy to contract by 5.3% in 2020. **Separately, the government announced a second fiscal stimulus package worth THB117 bn (0.7% of GDP) to cushion the impact from COVID-19.** The package will include cash handouts for households, additional soft loans for both households and businesses and some tax relief. The Ministry of Finance said that it plans to announce more measures between April and July. Prime Minister Prayut Chan-o-cha announced a state of emergency, effective March 26 and to last for a month. This comes amid an increase in total confirmed covid-19 cases to 934 as of March 25. **Equities rose +4.8% and the Thai baht was stable.**

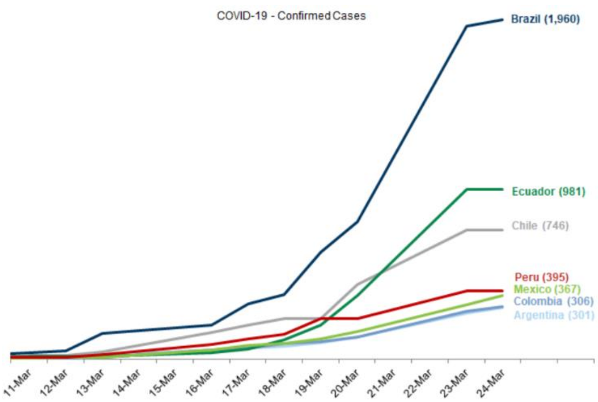


China

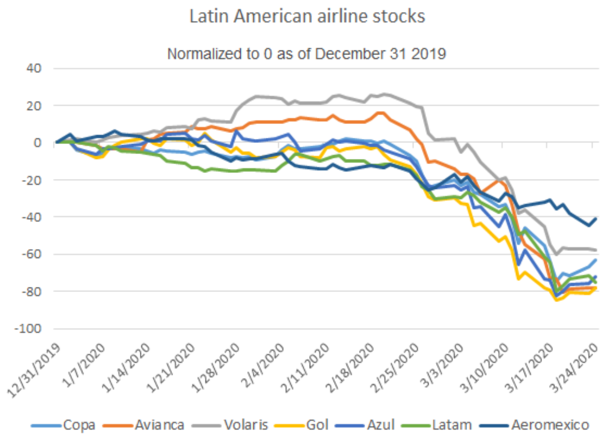
China and the US are making progress on the agriculture-related provisions of the phase-one trade deal. In a joint statement the US Department of Agriculture and US Trade Representative listed a number of steps taken that would boost US exports of beef, poultry and other farm products to China. China has made large agricultural purchases, importing 6.1 mn tonnes of soybeans from the US in the first two months of 2020, jumping 485% from a year ago. **Equities (Shanghai +2.2%; Shenzhen +2.9%) rose, the onshore and offshore RMB depreciated -0.5%, and 10-year bond yield was stable.**

Coronavirus in Latin America

There have been several actions by Latin American governments and central banks amid increasing numbers of confirmed cases. The Argentine government announced a 10,000 peso payment to low-income households in April. The payment would cover around 3.5 million households, including unemployed people, informal workers and other low-income groups, based on the official statement. In Mexico, to address the economic consequences of the coronavirus, the government will provide low-interest loans to small businesses in the country, as President Lopez Obrador said. The Colombian central bank announced new measures such as purchases of corporate debt bonds issued by credit companies, and also purchases of local government bonds (TES). As the governments and central banks have been taking economic measures, the number of cases has continued to increase in Latin American countries, relative to the numbers of as last week. Confirmed cases are now 2-4 times higher. Brazil has the highest number of confirmed cases, whereas Argentina and Colombia have the lowest. However, relative to the population, Ecuador (57 cases per million people) has the largest share. With such a rapid spread of the virus since March across the region, stocks of large Latin American airlines, one of the most-affected sectors worldwide, have also seen large losses.



Source: Johns Hopkins University



Data source: Bloomberg

List of GMM Contributors

Global Markets Analysis Division, MCM Department

Anna Ilyina
Division Chief

Will Kerry
Deputy Division Chief

Evan Papageorgiou
Deputy Division Chief

Sergei Antoshin
Senior Economist

John Caparusso
Senior Financial Sector Expert

Sally Chen
Senior Economist

Yingyuan Chen
Senior Research Officer

Han Teng Chua
Economic Analyst

Fabio Cortés
Senior Economist

Reinout De Bock
Economist

Dimitris Drakopoulos
Financial Sector Expert

Mohamed Jaber
Senior Financial Sector Expert

David Jones
Senior Financial Sector Expert

Sanjay Hazarika
Senior Financial Sector Expert

Frank Hespeler
Senior Financial Sector Expert

Rohit Goel
Financial Sector Expert

Henry Hoyle
Financial Sector Expert

Thomas Piontek
Financial Sector Expert

Patrick Schneider
Research Officer

Jochen Schmittmann
Senior Economist

Can Sever
Economist (Economist Program)

Juan Solé
Senior Economist

Jeffrey Williams
Senior Financial Sector Expert

Akihiko Yokoyama
Senior Financial Sector Expert

Piyusha Khot
Research Assistant

Xingmi Zheng
Research Assistant

Global Financial Indicators

Last updated: 3/25/20 8:28 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities			%				%
United States		2447	9.4	-3	-22	-13	-24
Europe		2727	0.4	14	-24	-17	-27
Japan		19547	8.0	15	-14	-7	-17
China		2782	2.2	2	-8	-9	-9
Asia Ex Japan		58	7.0	-2	-16	-17	-22
Emerging Markets		33	0.3	-3	-20	-22	-27
Interest Rates			basis points				
US 10y Yield		0.85	6.0	-35	-51	-155	-107
Germany 10y Yield		-0.30	2.7	-6	22	-27	-11
Japan 10y Yield		0.05	0.9	-3	15	13	6
UK 10y Yield		0.47	-1.1	-33	-5	-52	-35
Credit Spreads			basis points				
US Investment Grade		340	-4.8	53	222	215	243
US High Yield		1074	-4.1	153	612	635	681
Europe IG		91	-6.8	-47	41	22	47
Europe HY		553	-41.7	-154	299	270	346
EMBIG Sovereign Spread		635	-34.0	-14	307	277	342
Exchange Rates			%				
USD/Majors		101.55	-0.5	0	3	5	5
EUR/USD		1.08	0.2	-1	-1	-4	-4
USD/JPY		111.4	-0.1	-3	-1	-1	-2
EM/USD		53.4	0.0	1	-9	-15	-13
Commodities			%				
Brent Crude Oil ($/barrel)		26	-3.3	6	-52	-61	-60
Industrials Metals (index)		91	-0.5	-2	-13	-24	-20
Agriculture (index)		38	0.1	7	-3	-8	-8
Implied Volatility			%				
VIX Index (%, change in pp)		66.7	5.0	-9.8	38.8	50.3	52.9
10y Treasury Volatility Index		8.1	-1.4	-7.3	2.6	2.9	4.0
Global FX Volatility		12.0	0.0	-1.5	5.8	4.6	6.0
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		272	-6.8	-145	114	-108	107
Italy		188	-0.9	-79	38	-65	28
Portugal		132	-8.0	-37	57	-1	69
Spain		114	-6.1	-31	42	1	49

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

back to top

Emerging Market Financial Indicators

Last updated:	Exchange Rates							Local Currency Bond Yields (GBI EM)						
3/25/2020	Level		Change (in %)					Level		Change (in basis points)				
8:30 AM	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		7.10	-0.5	-0.7	-1	-5	-2		2.8	-3.3	0	-15	-38	-38
Indonesia		16500	0.5	-8.0	-16	-14	-16		8.0	-10.3	57	140	30	90
India		76	0.3	-2.4	-5	-9	-6		6.6	-9.0	5	3	-84	-25
Philippines		51	-0.4	-0.1	0	3	-1		4.9	75.8	75	71	-57	57
Thailand		33	-0.1	-0.6	-3	-4	-9		1.8	-9.2	35	53	-84	17
Malaysia		4.38	1.1	-0.2	-3	-7	-7		3.6	-11.4	48	65	-29	25
Argentina		64	-0.3	-1.4	-3	-36	-6		69.2	0.0	1575	1577	4536	659
Brazil		5.10	0.0	0.2	-14	-24	-21		8.2	31.3	145	236	2	195
Chile		847	-0.2	2.5	-4	-20	-11		3.7	8.0	70	3	-47	44
Colombia		4081	2.4	1.2	-16	-23	-19		8.4	0.0	-18	292	229	246
Mexico		24.60	1.0	-3.6	-22	-23	-23		7.8	21.8	15	117	-26	85
Peru		3.5	0.4	0.7	-3	-6	-6		5.9	35.7	22	167	50	134
Uruguay		44	0.6	1.4	-14	-25	-16		12.8	173.5	209	319	231	189
Hungary		328	0.3	-1.2	-5	-15	-10		2.0	-17.7	-24	37	10	78
Poland		4.23	0.9	-2.5	-6	-10	-10		1.4	-14.8	-42	-43	-84	-49
Romania		4.5	0.3	-0.5	-1	-6	-5		4.5	-43.0	-42	102	49	52
Russia		78.5	-0.2	3.1	-17	-18	-21		7.4	-11.8	-44	160	-59	124
South Africa		17.4	0.7	-1.7	-13	-18	-20		12.7	67.8	162	329	312	314
Turkey		6.44	-0.2	0.7	-5	-14	-8		12.9	20.9	85	121	-442	121
US (DXY; 5y UST)		102	-0.5	0.4	3	5	5		0.43	2.3	-31	-78	-181	-126

	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		2782	1.6	2	-8	-9	-9		268	-3	30	98	92	92
Indonesia		3990	0.0	-15	-32	-39	-37		422	35	98	259	226	266
India		25981	2.7	-17	-37	-32	-37		412	40	157	281	247	287
Philippines		4743	5.3	-17	-36	-41	-39		304	23	75	232	205	238
Malaysia		1260	3.5	-2	-18	-24	-21		338	19	119	236	209	226
Argentina		23890	0.0	-16	-38	-27	-43		4207	-305	595	2136	3439	2438
Brazil		63570	9.7	-11	-44	-32	-45		458	-20	87	253	206	243
Chile		2898	-0.1	-11	-35	-44	-38		381	-7	49	240	246	248
Colombia		920	0.4	-8	-44	-42	-45		465	-22	81	296	277	302
Mexico		32964	4.9	-13	-25	-22	-24		687	-45	95	378	385	395
Peru		14051	1.4	-8	-27	-33	-32		362	-12	98	244	221	255
Hungary		32056	0.0	2	-28	-24	-30		202	-4	23	78	75	116
Poland		40464	0.0	1	-27	-33	-30		128	-2	21	81	64	110
Romania		7278	0.0	-4	-26	-9	-27		414	34	90	239	214	241
Russia		2397	0.0	8	-23	-4	-21		309	-31	33	163	87	178
South Africa		41040	0.0	-1	-25	-27	-28		764	-14	175	416	450	444
Turkey		87830	0.0	1	-23	-12	-23		760	-15	95	331	280	359
Ukraine		523	0.0	-1	-1	-6	3		1140	-72	152	742	504	720
EM total		33	0.9	-3	-20	-22	-27		635	-34	-14	307	277	342

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

back to top

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)	3723	2.7	2.4	-9.1	-8.1	-11.1
CSI 500 (Mid-Cap Index)	5217	2.4	1.9	-1.0	-6.9	-6.6
CSI 1000 (Small-Cap Index)	5647	2.3	1.6	1.4	-6.2	-5.2
Japan (Nikkei)	19547	8.0	14.9	-17.4	-16.5	-18.8
Korea (Kospi)	1705	5.9	7.1	-22.4	-22.9	-24.7
United States (S&P 500)	2447	9.4	-3.2	-24.2	-27.7	-26.5
Europe (Eurostoxx 600)	307	1.1	9.9	-26.1	-29.2	-27.5
MSCI Global	416	8.4	3.4	-26.4	-28.2	-28.1
MSCI Asia ex. Japan	528	5.3	0.6	-23.3	-23.3	-25.9
Asia Pacific Airlines	106	6.5	1.1	-30.8	-22.4	-28.9
Luxury Goods	547	10.9	12.7	-29.3	-27.5	-31.1
Hotels Restaurants & Leisure	246	13.5	17.8	-36.2	-36.4	-38.3
Volatility Index (VIX, change in pp)	66	4.4	-10.4	52.3	51.7	54.0
Interest Rates	**Percent**	**Change (in basis points)**				
US 10y Yield	0.85	0	-34	-107	-72	-97
Germany 10y Yield	-0.29	3	-6	-11	12	-8
Eurodollar - April 2020	1.11	-10	-29	60	-52	-61
Eurodollar - June 2020	0.61	-7	-8	108	-94	-108
Eurodollar - December 2020	0.41	-2	8	121	-102	-120
Exchange Rates	**Level**	**Relative change (in %) (+) = Appreciation**				
Chinese Renminbi (per USD)	7.10	-0.5	-0.7	-1.9	-1.4	-3.4
Japanese Yen (per USD)	111.3	-0.1	-2.9	-2.4	0.0	-1.0
Euro (in USD)	1.08	0.2	-0.9	-3.6	-0.1	2.5
Dollar Index	101.5	-0.5	0.3	5.3	1.8	4.0
EM FX index	53.4	0.0	0.7	-13.0	-10.0	-12.2
EM Bond Spreads on USD Debt	**Basis points**	**Change (in basis points)**				
EMBI Global Diversified	690	-31	112	399	388	400
EMBI Asia	459	-11	115	282	286	284
EMBI Latam	734	-41	120	426	411	424
China	252	-19	6	76	84	79
Local Currency Bond Yields (GBI EM)	**Percent**	**Change (in basis points)**				
China	2.74	-3	-5	-41	-18	-36
Mexico	7.96	17	16	102	136	105
Brazil	7.80	-41	149	155	204	163
South Africa	12.61	-5	153	310	317	314
Turkey	12.49	-42	42	79	110	197
Commodities	**Dollars**	**Relative change (in %)**				
Brent Crude Oil (per ton)	26.2	-3.4	5.4	-60.3	-55.6	-59.8
Gold (per troy ounce)	1609.5	-1.4	8.3	6.1	-0.1	3.1