GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

TUESDAY, MARCH 3, 2020

- **Coronavirus drives divergence in credit markets** (link)
- **Funding pressures ease in Europe credit markets, but worries remain** (link)
- **RBA reduced the cash rate by 25 bps to 0.5%, a record low** (link)
- **Work resumption in China picks up pace as domestic carriers add seats** (link)
- **Bank Negara Malaysia reduced the overnight policy rate by 25 bps to 2.5%** (link)
- **South African economy slides back in recession** (link)

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G-7 response somewhat disappoints after strong market rebound

After rallying significantly on expectations of a coordinated G-7 response to the COVID-19 effects, markets gave up some gains upon the release of the statement. Market participants had anticipated an announcement of concrete actions but were left mostly disappointed by the statement which only affirmed that finance ministers are “ready to take action” to aid in the response and central banks “will continue to fulfill their mandate.” Markets have thus far managed to hold onto most of the prior gains, but equities fell off their highs. European equity markets had risen by as much as 3% earlier in the day, following a 4.6% gain in the S&P 500 yesterday. European markets pared about 1% after the announcement. Sovereign bond yields are also somewhat higher on the day, with the 10-year treasury at 1.13%, 10 bps higher than its intraday low hit yesterday. Markets continue to price more than one full cut at the upcoming March 18th meeting.

Key Global Financial Indicators

Last updated: 3/3/20 8:23 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		3090	4.6	-4	-5	10	-4
Eurostoxx 50		3386	1.4	-5	-8	2	-10
Nikkei 225		21083	-1.2	-7	-8	-2	-11
MSCI EM		41	0.8	-1	-3	-2	-8
Yields and Spreads					bps		
US 10y Yield		1.13	1.5	-22	-40	-163	-79
Germany 10y Yield		-0.60	2.5	-9	-16	-78	-41
EMBIG Sovereign Spread		359	-4	31	44	23	66
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		58.4	-0.4	-1	-3	-8	-5
Dollar index, (+) = $ appreciation		97.6	0.2	-1	0	1	1
Brent Crude Oil ($/barrel)		52.8	1.8	-4	-3	-19	-20
VIX Index (%, change in pp)		34.8	1.4	7	17	21	21

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

United States

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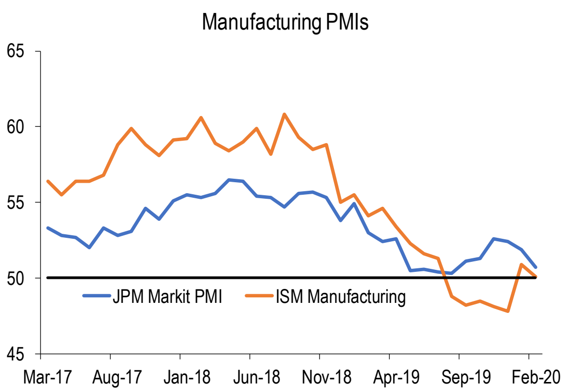
US equities bounced back in a big way on the first trading day of March to gain 4.6% after the S&P 500 fell 11% last week with 5 consecutive days of losses. The Dow jumped almost 1300 points, or 5.1%, for its largest gain since 2009. Markets surged in the last hour of trading, while Treasuries ended the day mostly unchanged from Friday's close after yields were down almost 10 bps earlier this morning. Despite some choppy trading, most world equity markets ended the Monday trading session in the green as well. Market sentiment improved alongside media reports that suggested G-7 finance ministers and central bankers would speak on Tuesday to discuss a possible coordinated fiscal and/or monetary response to the Covid-19 outbreak. Elsewhere, on Monday, the New York Fed, as administrator of the Secured Overnight Financing Rate (SOFR), began publishing 30-, 90-, and 180-day SOFR Averages as well as a SOFR Index, in order to support the ongoing transition away from U.S. dollar LIBOR.

After a week of panicky selling, market commentary is increasingly turning towards the damage to real economic activity around the world as more up to date reports and data about February trickle in. Many institutions, including investment banks and the OECD, have lowered their forecasts for 2020 GDP growth for both the US and the world, while also projecting more aggressive monetary easing over the next year. Goldman Sachs is now expecting a cumulative 100bps in rate cuts each from the Fed and Bank of Canada, as well as 50 bps of cuts in the UK, Australia and India, and 10 bps from the ECB and Swiss National Bank. BNP and Barclays, among others, now expect a 50 bp cut by the Fed at the March 18 FOMC. Analysts have focused on China's brutal February PMI at 37.6, while **US manufacturing survey data for February came in weak, but not atrocious.** The JPMorgan IHS Markit PMI slipped to 50.7, from 51.8, with some survey respondents reporting optimism on future orders, despite issues with supply chain delays and weak sales in the near term. ISM US Manufacturing fell to 50.1 from 50.9 previously, though there was a big spike in supplier delivery times that normally is seen as positive for economic activity, but many analysts viewed as being linked to coronavirus. The global Markit PMI slumped to 47.2 in February, its lowest since May 2009, but excluding China, it was a 50.0.



Source: Bloomberg

OECD forecast revisions

		2020	
GDP	2019	New Forecast	Difference from Nov.
World	2.9%	2.4%	-0.5%
G20	3.1%	2.7%	-0.5%
Australia	1.7%	1.8%	-0.5%
Canada	1.6%	1.3%	-0.3%
Euro area	1.2%	0.8%	-0.3%
Germany	0.6%	0.3%	-0.1%
France	1.3%	0.9%	-0.3%
Italy	0.2%	0.0%	-0.4%
Japan	0.7%	0.2%	-0.4%
South Korea	2.0%	2.0%	-0.3%
Mexico	-0.1%	0.7%	-0.5%
Turkey	0.9%	2.7%	-0.3%
United Kingdom	1.4%	0.8%	-0.2%
United States	2.3%	1.9%	-0.1%

Coronavirus drives divergence in credit markets. The flight to safety over the last month amid the large downturn in equities exposed a clear divide in performance between investment-grade and junk for corporate debt. The gap between BBB and BB corporate bond spreads widened to the largest level since 2016 as market turbulence accelerated amid the coronavirus shock. Moreover, certain investment grade issuers more exposed to coronavirus (due to supply chains, China exposure, or commodities) also saw their spreads widen relative to the broader index, based on Bank of America research. High-yield ETFs have seen net flows of -8.4% year to date (as a % of AUM), while "high grade" funds are up 2.2%.

Figure 8: IG issuers sensitive to Coronavirus have underperformed

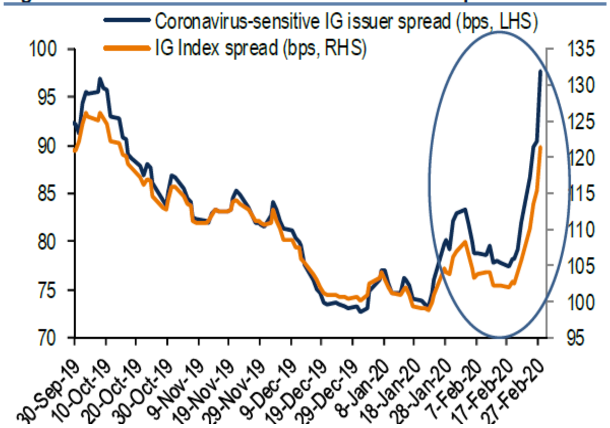
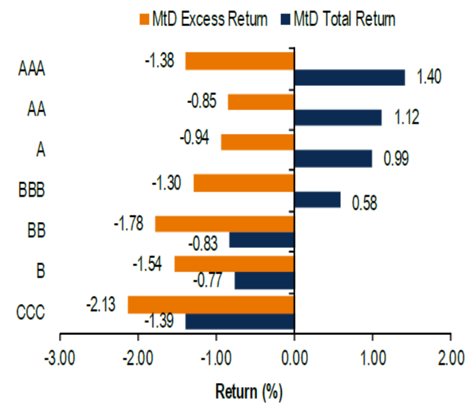


Figure 32: Month to date credit returns by rating



Source: ICE Data Indices, LLC, BofA Global Research

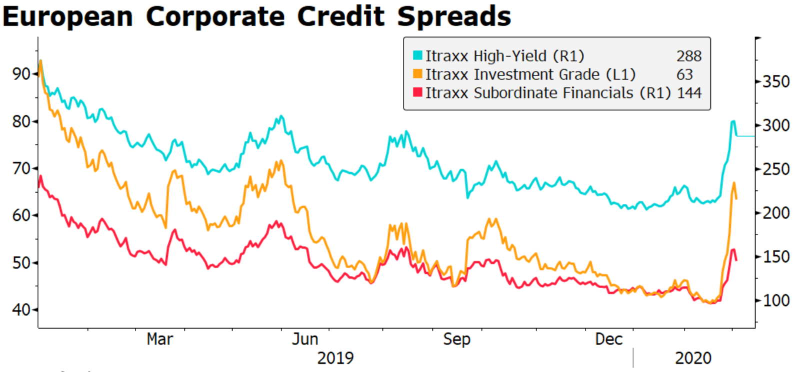
Europe back to top

European equities are posting gains spurred by hopes of a decisive response to the coronavirus by G7 authorities. The DAX (+1.9%), CAC 40 (+1.6%), and EuroStoxx 600 (+2.2%) all gained ahead of the conference call among G7 leaders scheduled for today. Bank stocks (+1.6%) are performing in line with broad indices.

Sovereign debt markets retraced some of the risk-off moves of recent days. German 10-year yields gained 4 bps to -0.59% and French OATs traded at -0.28% (+2 bps). Italian yields are at 1.07% (+7 bps); and Spanish at 0.24% (+4 bps).

Funding pressures have eased somewhat in European credit and money markets. Corporate spreads tightened about 4 to 8 baps on the day, while dollar funding pressures in cross-currency basis swaps also eased. Analysts at Goldman Sachs worry, however, that the **virus-related headwinds on earnings will (i) limit companies' ability to deleverage from their highly indebted positions, and (ii) increase the risk of financial distress of many companies at the low end of the quality spectrum.**

European Corporate Credit Spreads



Source: Bloomberg
ITRXEXE Curncy (MARKIT ITRX EUR XOVER 12/24) Credit: Itraxx indices Daily 01JAN Copyright© 2020 Bloomberg Finance L.P. 03-Mar-2020 09:40:44

Cross-Currency Basis Swaps (3 mo)

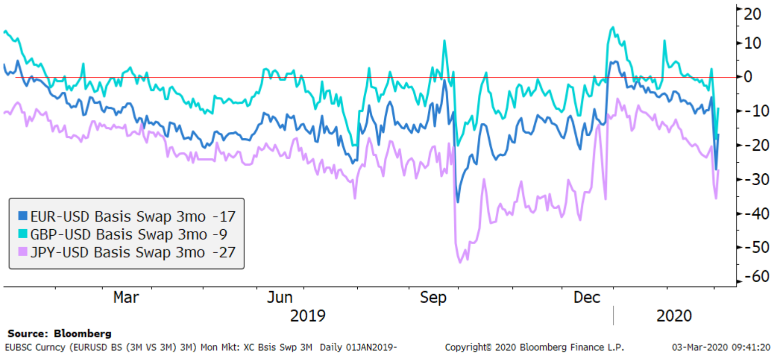
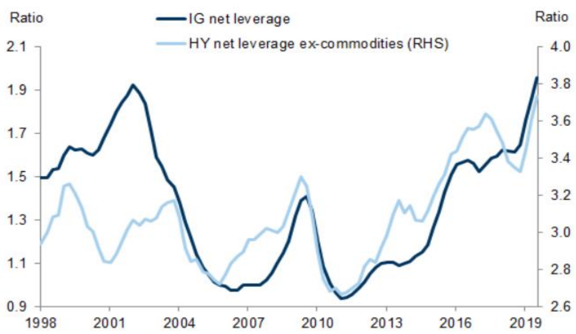
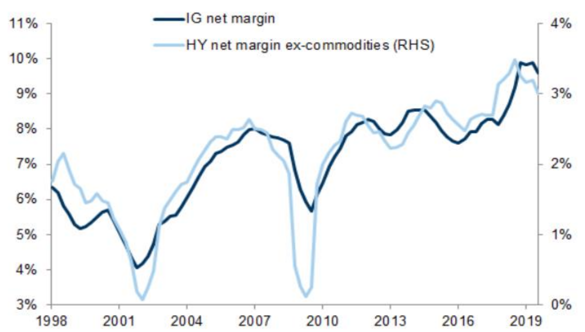


Exhibit 1 : Net leverage ratios for IG and HY non-financial issuers are at post-crisis highs …



Source: Bloomberg, FactSet, Goldman Sachs Global Investment Research

Exhibit 2 : … and profit margins have also recently shown signs of deterioration, albeit from high levels



Source: Bloomberg, FactSet, Goldman Sachs Global Investment Research

News outlets report that **an increasing number of European financial firms are developing contingency trading plans** in case the virus spreads further. Major financial firms are setting up alternative trading facilities away from headquarters, as well as encouraging non-traders to telecommute. According to financial regulations, traders cannot work from home but can operate collectively in off-site locations. **British regulator FCA has said to be in close contact with firms regarding their contingency plans in order to ensure operational continuity in financial markets.**

Other Mature Markets

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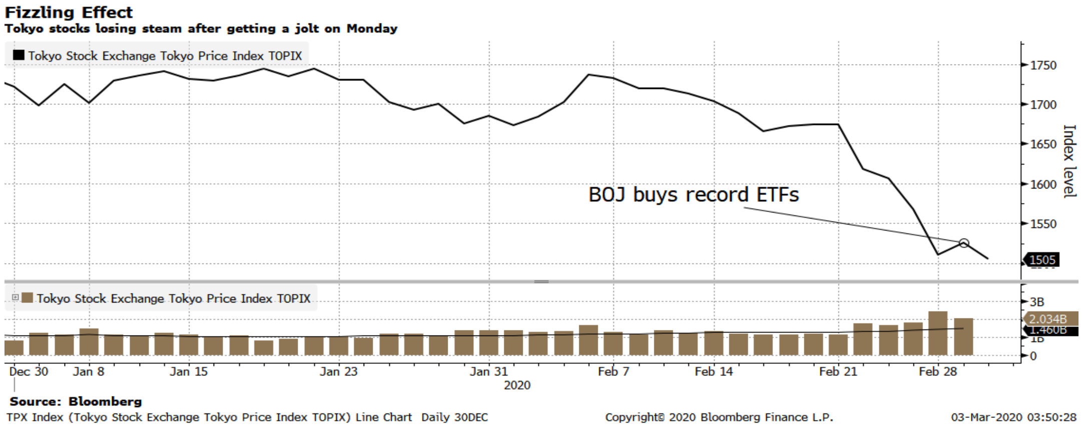
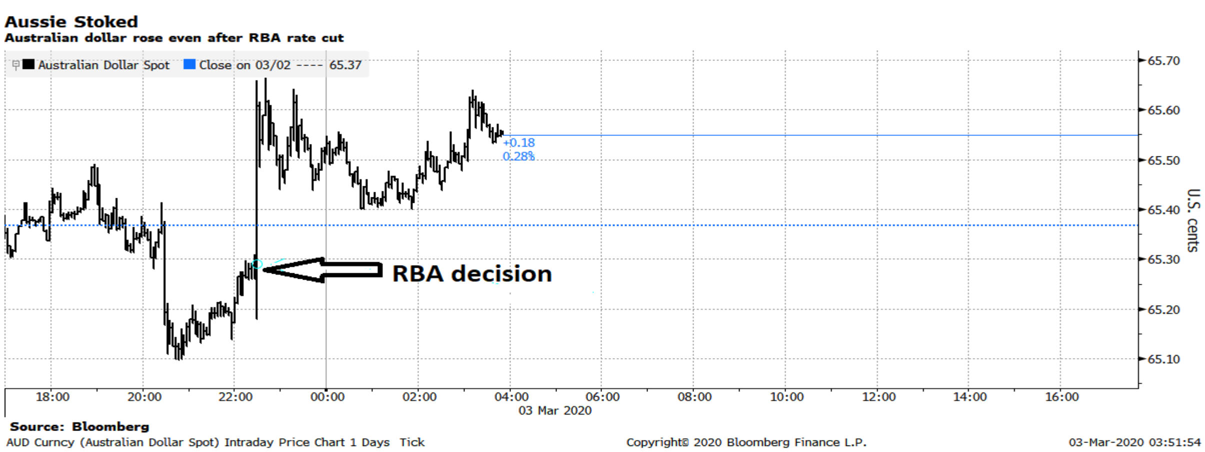
Japan

The yen appreciated amid safe-haven buying ahead of the G7 meeting on virus response **while equities lost ground**. The prospect of an interest rate cut in the U.S. boosted the yen and weighed on the outlook for export-driven earnings. The yen strengthened against the dollar (+0.4%) as investors moved to price in about 50 bps of Fed rate cuts this month. The Topix lost 1.4%, erasing the 1% gain on Monday following the BOJ's surprise purchase of a record amount of ETFs as investors questioned the efficacy of such purchases amid a broadening virus impact and an uncertain outlook. The BOJ bought ¥101.4 bn ($940 mn) of ETFs, the most since it began its fund purchases in 2010. In addition, the BoJ conducted unscheduled debt buying operations for two consecutive days. The auction of 10-year JGBs today drew a bid-to-cover ratio of 3.20, the weakest since August 2016, suggesting weak investor demand as yields have continued to dip on weak growth outlook. **JGB yields rose 1 to 2 bps across the curve**, with the 2-year note 1 bp higher at -0.25% and the 10-year note 2.5 bps higher at -0.11%.

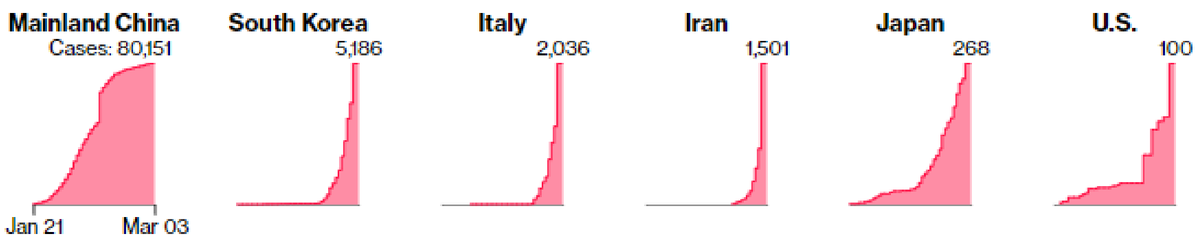


Australia

In line with expectations, the RBA reduced the cash rate by 25 bps to 0.5%, a new record low. Governor Lowe said he's prepared to ease further as the virus outbreak is having "a significant effect" on Australia's economy, which had already faced sizable headwinds before the virus outbreak. Australia is the most China-reliant economy in the developed world, with about a third of its exports to China while students from China make up over 30% of its foreign students. Despite the rate cut, the Australian dollar gained as much as 0.5% immediately after the decision and ended the day at USD 0.6564 (+0.4%) as the widely expected 50 bps rate cut by the Fed weighed on the US dollar. Meanwhile, Australia's 4 biggest banks are passing on the central bank's latest interest-rate cut in full. Within minutes of the RBA's decision, both Westpac and Commonwealth Bank of Australia said they would be passing on all of the 25 basis-point cut to mortgage customers, and Australia & New Zealand Banking Group and National Australia Bank soon followed suit.



COVID 19 cases in most affected countries



Emerging Markets

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Asian currencies suffered broad-based depreciation against the dollar as risk sentiment ebbs once again. The Indian rupee underperformed (-0.6%), taking its losses against the dollar to 0.8% so far this week as more virus cases are reported there. The Thai baht also underperformed (-0.5%) as it halted its two-day gain. Exchange data showed that foreign investors continued to pull money out of Thai assets, offloading a net THB 2.1 bn ($67 mn) of Thai bonds last Friday and a total of $672 mn in February while global funds sold a net $9.6 mn in local equities and a total of $627 mn over the same period, respectively. In Indonesia, the authorities are planning to roll out a second stimulus package, expected to be larger than the IDR 10.3 tn ($725 mn) announced last week, The new fiscal package would include spending not included in the budget, and could push the budget deficit to widen from an original target of 1.76% of GDP. The government now estimates that growth would slow to 4.7% in the first quarter from a year earlier, which would be the weakest pace since 2009. The rupiah lost 0.1% against the dollar. By contrast, equity bourses were generally higher with China, Korea, Singapore, Indonesia and Malaysia all up on the day **Shares gained about 2-4% in EMEA even though currency markets were mixed.** In particular, the South African rand fell 1% after GDP data disappointed and confirmed that the country entered into its second recession since 2018. The Israeli shekel gained +0.5% and stocks (+1.7%) gained after Prime Minister Netanyahu's Likud party likely won the election though his coalition could still fall short of the seats needed for a majority in the Knesset. **Latin American markets followed U.S. markets higher Monday.** With the exception of Colombia where stocks receded by 0.7%, markets printed higher at yesterday's market close: Chile (3.9%), Argentina (3.7%), Brazil (2.3%), Mexico (2.5%) and Peru (1.3%). Currencies moved overwhelmingly in the same direction, appreciating 1.8% in Colombia, 1.1% in Mexico, 1% in Chile and 0.4% in Peru while staying flat in Argentina and Brazil. The region's sovereign debt spreads to the US decreased across tenors, with 2 year and 5-year Chilean and 10-year Peruvian local currency debt being the only exceptions, as respective yields increased by 6 bps, 2 bps and 5 bps.

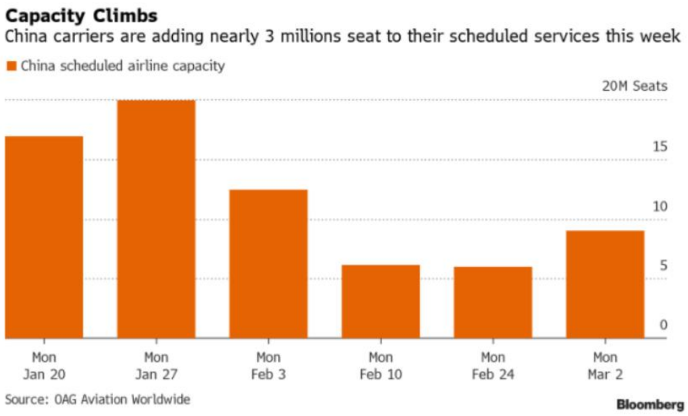
Key Emerging Market Financial Indicators

Last updated:	Level		Change				
3/3/20 8:26 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		41.40	0.8	-1	-3	-2	-8
MSCI Frontier Equities		27.91	1.6	-3	-8	-2	-8
EMBIG Sovereign Spread (in bps)		359	-4	31	44	23	66
EM FX vs. USD		58.36	-0.4	-1	-3	-8	-5
Major EM FX vs. USD				%, (+) = EM currency appreciation			
China Renminbi		6.98	-0.2	1	1	-4	0
Indonesian Rupiah		14283	-0.1	-3	-4	-1	-3
Indian Rupee		73.30	-0.8	-2	-3	-3	-3
Argentine Peso		62.26	0.0	-1	-3	-36	-4
Brazil Real		4.50	-0.6	-2	-6	-16	-11
Mexican Peso		19.52	-0.6	-2	-4	-1	-3
Russian Ruble		66.54	-0.4	-2	-4	-1	-7
South African Rand		15.59	-1.4	-2	-5	-9	-10
Turkish Lira		6.17	0.2	0	-3	-13	-3
EM FX volatility		8.34	0.0	1.2	1.6	0.1	1.7

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

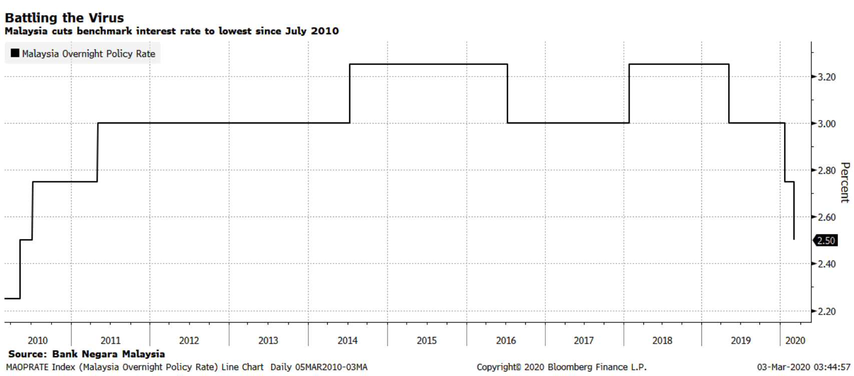
China

Economic activity is gradually resuming in China as work resumption picks up pace. Foxconn, Apple's main iPhone assembler, said more than 50% of its seasonal workforce has already restarted work and that it would resume normal production in mainland China by the end of this month. Other key tech and Apple suppliers with major Chinese operations, such as Quanta Computer, Inventec and LG Display are also gradually bringing their factories back online. Meanwhile, in a sign that domestic transportation is expected to rebound amid work resumption, Chinese carriers are adding nearly 3 million seats, mostly in domestic routes, back into scheduled services this week, according to OAG Aviation Worldwide. While China's overall capacity is still only around half the 16.9 million seats available as of January 20th, before the virus outbreak became public, the recovery this week restores its rank as the second-biggest market in the world. Both the onshore and offshore RMB shed about 0.2% on the day and continue to hover right below the RMB 7/dollar level. Equities extended increases from yesterday with the Shanghai Composite up 0.7% and Shenzhen up 1.0% on the day.



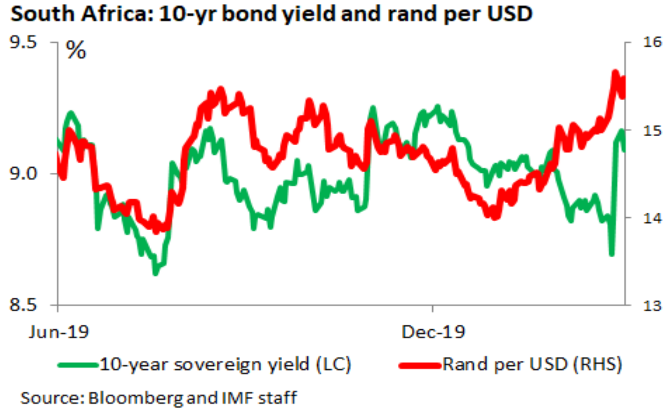
Malaysia

Bank Negara Malaysia reduced the overnight policy rate by 25 bps to 2.5%, its second rate cut for the year while analysts predict more easing to come. The key interest rate is now at its lowest level since July 2010. The policy easing follows last week's announcement of a MYR 20 bn ($4.8 bn) fiscal stimulus package to counter the impact of the virus outbreak. The rate cut pushes the real interest rate moves closer to zero, with the inflation-adjusted key rate at 0.9%. The ringgit lost 0.1% after the rate decision and government bonds were little changed. The FTSE Bursa Malaysia KLCI Index rose 0.8%, for its first gain in 3 days.



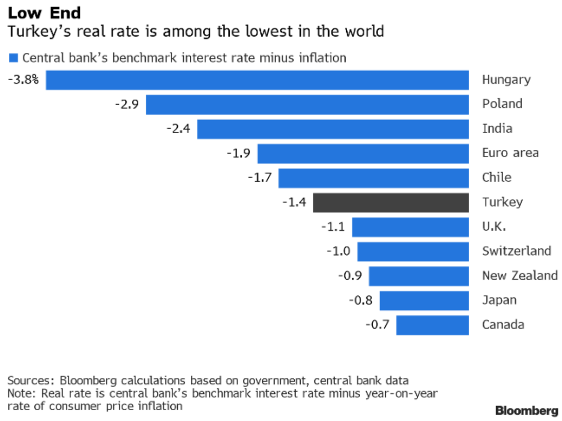
South Africa

The rand (-1.2% to 15.6) weakened and 10-yr rates fell 7 bps to 9.09% as data confirmed that **the South African economy entered its second recession since 2018**. GDP contracted an annualized 1.4% qoq (-0.2% expected) and shrank 0.5% yoy from 2018Q4 (contraction of 0.2% had been expected). In separate news, contacts point out that news flow from trade union negotiations points to a rather tight deadline for the implementation of the spending cuts proposed in the annual budget.



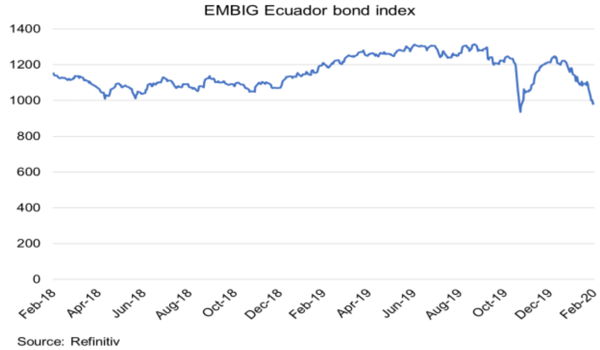
Turkey

The Turkish lira was little changed after Turkish inflation was slightly lower than expected at 12.37% yoy (12.70% expected) or 0.35% mom (0.65% expected). Contacts expect the central bank to continue easing, with a cut at the 19 March meeting. Equities (+2.4%) gained, in line with global markets.



Ecuador

Ecuador's bond market was particularly strongly hit in the recent risk-off episode. The country's EMBIG bond index lost 14.2% of its value in February, predominantly in the last third of the month. The country's 10Y sovereign bond followed almost the same pattern printing yesterday at 77.7 cents on the $, down from 90 cents at the beginning of February. Investors reacted to imprecise press reports about a statement of finance minister Martinez on the country's strategy to deal with its outstanding debt, sell advice of some investment banks, as well as the spread of COVID-19 to the country. While JP Morgan analysts do not perceive immediate default risks, they point to next year's presidential election as a key determinant of future debt service capacity, which would require continuity in fiscal consolidation.



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Global Financial Indicators

Last updated: 3/3/20 8:24 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		3090	4.6	-4	-5	10	-4
Europe		3386	1.4	-5	-8	2	-10
Japan		21083	-1.2	-7	-8	-2	-11
China		2993	0.7	-1	9	0	-2
Asia Ex Japan		69	1.4	0	-1	0	-6
Emerging Markets		41	0.8	-1	-3	-2	-8
Interest Rates					basis points		
US 10y Yield		1.13	1.5	-22	-40	-163	-79
Germany 10y Yield		-0.60	2.5	-9	-16	-78	-41
Japan 10y Yield		-0.11	1.0	0	-5	-10	-10
UK 10y Yield		0.42	1.2	-10	-10	-88	-40
Credit Spreads					basis points		
US Investment Grade		130	1.2	12	22	11	33
US High Yield		530	1.6	68	87	133	137
Europe IG		64	-2.4	14	18	3	20
Europe HY		293	-11.0	39	65	16	86
EMBIG Sovereign Spread		359	-4.0	31	44	23	66
Exchange Rates					%		
USD/Majors		97.57	0.2	-1	0	1	1
EUR/USD		1.11	-0.3	2	0	-2	-1
USD/JPY		107.8	0.5	2	1	4	1
EM/USD		58.4	-0.4	-1	-3	-8	-5
Commodities					%		
Brent Crude Oil ($/barrel)		53	1.8	-4	-3	-19	-20
Industrials Metals (index)		104	-0.6	0	0	-14	-9
Agriculture (index)		39	0.5	0	0	-5	-6
Implied Volatility					%		
VIX Index (%, change in pp)		34.8	1.4	7.0	16.9	21.3	21.0
10y Treasury Volatility Index		6.6	0.0	1.0	1.5	2.7	2.4
Global FX Volatility		7.6	0.0	1.4	1.9	0.5	1.6
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		189	-18.6	31	25	-158	23
Italy		170	-5.8	20	31	-85	10
Portugal		96	0.0	21	24	-35	33
Spain		87	-4.1	14	19	-14	22

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: 3/3/2020 8:24 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		6.98	-0.2	0.5	1	-4	0		2.8	-1.4	-7	-20	-33	-32
Indonesia		14283	-0.1	-2.8	-4	-1	-3		7.0	-7.0	33	11	-92	-11
India		73	-0.8	-1.9	-3	-3	-3		6.5	-1.7	-3	-33	-99	-35
Philippines		51	-0.1	0.6	0	2	0		4.1	-4.2	-5	-7	-149	-23
Thailand		32	-0.3	0.6	-2	1	-6		1.2	-2.3	1	-25	-141	-39
Malaysia		4.21	-0.1	0.6	-2	-3	-3		2.8	-1.3	-18	-32	-116	-54
Argentina		62	0.0	-0.7	-3	-36	-4		51.2	-86.2	-217	-708	2972	-1135
Brazil		4.50	-0.6	-2.5	-6	-16	-11		5.7	-23.3	-17	-36	-255	-58
Chile		812	0.1	-0.1	-3	-19	-7		3.6	-4.9	1	20	-76	33
Colombia		3486	-0.7	-1.4	-3	-11	-6		5.7	-7.2	21	10	-75	-28
Mexico		19.52	-0.6	-2.3	-4	-1	-3		6.7	-23.1	8	-4	-166	-28
Peru		3.4	0.4	-1.1	-2	-4	-4		4.3	-15.9	13	-5	-132	-23
Uruguay		40	-0.9	-3.3	-5	-18	-6		10.4	46.6	85	6	15	-45
Hungary		303	0.0	2.7	1	-8	-3		1.5	-8.6	-7	20	-64	29
Poland		3.89	-0.2	1.8	0	-2	-2		1.5	-13.8	-29	-42	-90	-42
Romania		4.3	-0.2	2.1	0	-3	-1		3.7	-2.0	12	-16	-45	-30
Russia		66.5	-0.4	-1.8	-4	-1	-7		6.2	-3.5	45	20	-186	9
South Africa		15.6	-1.4	-2.4	-5	-9	-10		9.6	-1.6	28	17	13	12
Turkey		6.17	0.2	-0.4	-3	-13	-3		12.3	-37.2	18	240	-337	63
US (DXY; 5y UST)		98	0.2	-1.4	0	1	1		0.90	-4.2	-28	-45	-166	-79

	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		2993	0.7	-1	9	0	-2		181	3	9	9	3	5
Indonesia		5519	2.9	-5	-6	-15	-12		204	3	34	25	15	48
India		38624	1.3	-4	-3	7	-6		164	-11	30	28	-1	39
Philippines		6791	0.6	-6	-5	-11	-13		107	3	28	27	26	41
Malaysia		1479	0.8	-1	-3	-13	-7		127	2	15	15	1	15
Argentina		36253	3.7	-7	-13	7	-13		2219	-15	124	207	1501	450
Brazil		106518	2.4	-6	-7	13	-8		238	-3	27	12	7	23
Chile		4307	3.9	-1	-6	-18	-8		176	-2	28	26	49	43
Colombia		1536	-0.8	-5	-5	1	-8		201	1	23	24	16	38
Mexico		42167	2.0	-4	-4	-1	-3		358	-1	38	48	41	66
Peru		18556	1.6	-3	-6	-10	-10		145	-1	20	23	14	38
Hungary		43203	4.0	0	0	8	-6		164	1	35	49	60	78
Poland		51618	2.9	-4	-9	-14	-11		82	2	27	40	37	64
Romania		9611	1.7	-2	-3	25	-4		239	1	53	45	48	66
Russia		2834	2.5	-6	-8	14	-7		181	-6	26	31	-26	50
South Africa		52720	1.7	-4	-6	-6	-8		390	-4	32	43	108	70
Turkey		109860	2.4	-4	-8	6	-4		476	-16	39	108	76	75
Ukraine		536	0.6	1	5	-3	5		464	-8	51	64	-175	44
EM total		41	0.8	-1	-3	-2	-8		359	-4	31	44	23	66

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						
	Level	Change or relative change				
	Latest	1 Day	7 Days	YTD	Since global intensification (Feb 19)	Since Chinese intensification (Jan 20)
Equity Markets	**Index**	**Change (in %)**				
China						
CSI 300 (Large Cap/Main Equity Index)	4091	0.5	-0.8	-0.1	1.0	-2.3
CSI 500 (Mid-Cap Index)	5710	0.9	-3.2	8.4	1.9	2.2
CSI 1000 (Small-Cap Index)	6196	1.3	-3.3	11.3	3.0	4.0
Japan (Nikkei)	21083	-1.2	-6.7	-10.9	-9.9	-12.5
Korea (Kospi)	2014	0.6	-4.3	-8.4	-8.9	-11.0
United States (S&P 500)	3090	4.6	-4.2	-4.4	-8.7	-7.2
Europe (Eurostoxx 600)	383	1.9	-5.3	-7.9	-11.7	-9.6
MSCI Global	528	3.1	-2.7	-6.5	-8.9	-8.7
MSCI Asia ex. Japan	645	1.0	-2.6	-6.3	-6.3	-9.4
VIX Index (change in percentage points)	34.8	4.2	25.0	21.0	20.4	22.7
Interest Rates	**Percent**	**Change (in basis points)**				
US 10y Yield	1.13	-4	-22	-79	-44	-69
Germany 10y Yield	-0.60	3	-9	-41	-18	-38
Eurodollar - March	1.27	-4	31	46	-40	-47
Eurodollar - June	0.97	-4	37	72	-57	-71
Eurodollar - December	0.88	-4	30	74	-54	-72
Exchange Rates	**Level**	**Change (in %) (+) = Appreciation**				
China (per USD)	6.98	-0.2	0.5	-0.2	0.3	-1.6
Japan (per USD)	107.8	0.5	2.3	0.8	3.2	2.2
Euro (in USD)	1.11	-0.3	2.1	-1.0	-2.8	-0.1
Dollar Index	97.6	0.2	-1.4	1.2	-2.1	0.0
EM FX index	58.4	-0.4	-0.8	-5.0	-1.7	-4.2
EM Bond Spreads on USD Debt (EMBIG)	**Basis points**	**Change (in basis points)**				
China	181	3	9	5	13	8
EMBI Global Diversified	369	-4	50	78	67	79
EMBI Asia	217	-1	35	40	44	42
EMBI Latam	387	-3	45	79	64	77
Local Currency Bond Yields (GBI EM)	**Percent**	**Change (in basis points)**				
China	2.83	-1	-7	-32	-8	-27
Mexico	6.66	-23	8	-28	6	-25
Brazil	5.67	-23	-17	-58	-9	-50
South Africa	9.64	-2	28	12	19	16
Turkey	12	-37	18	63	94	181
Commodity	**Dollars**	**Change (in %)**				
Brent Crude Oil (per ton)	52.8	1.8	-3.9	-20.0	-10.6	-19.0
Gold (per troy ounce)	1601.4	0.8	-2.1	5.5	-0.6	2.6