GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

MONDAY, MARCH 9, 2020

- **Crude oil markets tanked on price war prospects** (link)
- **Italian spreads widen sharply as the govenrment expands travel ban** (link)
- **Japanese yen surges on haven demand, equities tumble** (link)
- **Lebanon cancels $1.2 bn Eurobond repayment due today** (link)
- **Markets price in more than 50 bps in additional cuts for upcoming Fed meeting** (link)
- **S&P expects downgrade pressure on lower-rated and certain oil-producing EMs** (link)

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Adding oil to the mix…

Global financial markets, already shaken by the Novel Coronavirus epidemic, have been further roiled by a sharp decline in oil prices following the breakdown of negotiations amongst OPEC+ countries. Failure to agree on further production cuts and the potential breakdown of an agreement that had provided much stability to oil prices since 2016 threw oil markets into turmoil, with some analysts projecting an all-out price war in the competition for market share. Brent crude prices dropped by around 30%, as Saudi Arabia cut its oil export prices and was reported to be ready to raise production by more than 2 mn bbl/day, if needed. **On the Covid-19 front, the virus has so far infected 105,000 individuals worldwide and killed 3,500.** The most affected countries include China, South Korea, Iran and Italy. The latter, in a drastic measure to contain the spread of the virus, has effectively placed around 16 million people under quarantine yesterday.

Global risk assets have been hammered by these developments. GCC equity markets were among the first to react to the news, with Saudi and UAE indices dropping by about 8% yesterday. The market rout continued today, with European equities trading 6% lower and emerging markets across Asia and EMEA similarly hit. Currencies of oil-intensive economies also sold-off, as the Canadian dollar (-1.6%), Mexican peso (-5.6%), Russian rubble (-1.4%) and the Norwegian krone (-2.6%) all weakened against the greenback. Meanwhile, safe haven assets continued to be well-bid, with yields on 10-Year Bunds (-0.86%) and OATs (-0.4%) dropping to new record lows, and that of 10-Year Treasuries sliding below 0.5% for the first time ever.

Over the coming week, we believe that the novel coronavirus and oil developments will continue to dominate, as economic data are overshadowed by the disease. Markets looked past Friday's very strong US unemployment report and focused more on the infection statistics and the emerging oil price was as the global selloff and Treasury yield decline continued. The ECB meeting on Thursday will be an important milestone for the week with many expecting it to take a variety of quantitative measures to support markets and possibly lowering its policy rate by 10 bps to -0.60%, although analysts are divided on the latter. The economic calendar is relatively light and will probably have limited impact on markets. The US reports CPI on Wednesday and PPI on Thursday. Euro area GDP data will come out tomorrow and industrial production on Thursday.

Key Global Financial Indicators

Last updated: 3/9/20 8:43 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities			%				%
S&P 500		2972	-1.7	1	-11	8	-8
Eurostoxx 50		2981	-7.8	-11	-22	-9	-20
Nikkei 225		19699	-5.1	-8	-17	-6	-17
MSCI EM		40	-6.2	-1	-7	-3	-11
Yields and Spreads			bps				
US 10y Yield		0.45	-15.0	-72	-114	-218	-147
Germany 10y Yield		-0.87	-15.7	-24	-48	-94	-68
EMBIG Sovereign Spread		468	70	105	160	122	175
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		56.8	-1.9	-3	-5	-10	-7
Dollar index, (+) = $ appreciation		95.2	-0.8	-2	-4	-2	-1
Brent Crude Oil ($/barrel)		34.8	-23.1	-33	-36	-47	-47
VIX Index (%, change in pp)		41.9	2.3	9	26	26	28

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

United States

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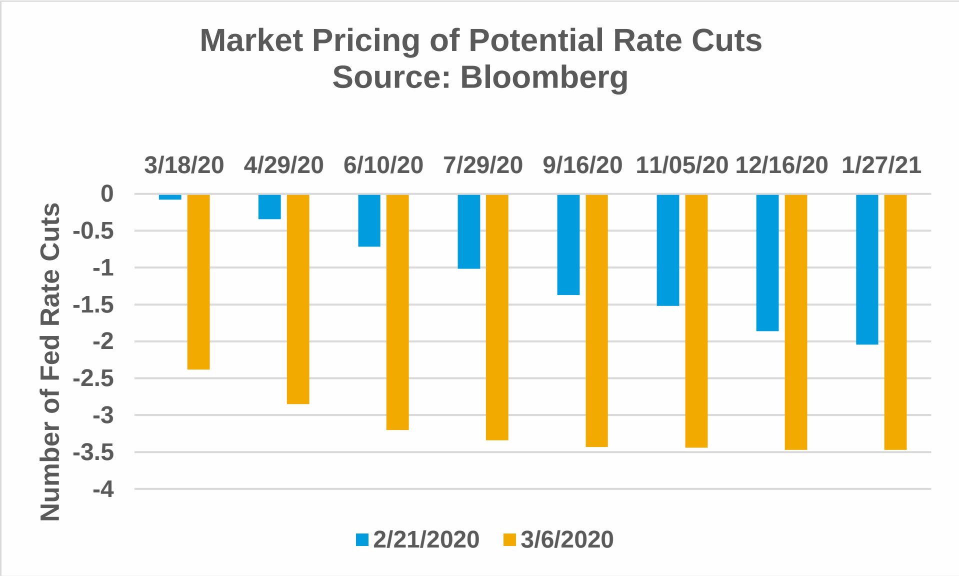
The Covid-19 selloff continued on Friday as risk assets fell and safe havens saw steady inflows. The US 10-year Treasury and long bonds set all-time intraday lows of 0.657% and 1.18% respectively. The five-year set a record low of 0.489%. The German 10-year bund set an intraday record low of -75 bps. The VIX went as high as 52 before falling back, its highest level since the global financial crisis. The MOVE interest rate volatility index hit 125, its post-crisis high. The Treasury yield curves flattened dramatically, with the two-year/ten year down nearly 10 bps over Thursday and Friday. The five-year/30-year spread fell by 22 bps. This occurred despite the expectations of imminent further rate cuts from the Fed, due to the speed of the yield decline. The weekly decline in the 10-year yield of 40 bps was also the largest since 2008. However, the mood among contacts was relatively calm despite the volatility. Stocks bounced off their lows to end with losses that were moderate by recent standards and the S&P 500 actually posted a gain of nearly 1% for the week. Presidential advisor Larry Kudlow said the government was considering “timely and targeted micro-measures” to help the economy deal with the impact of the virus.

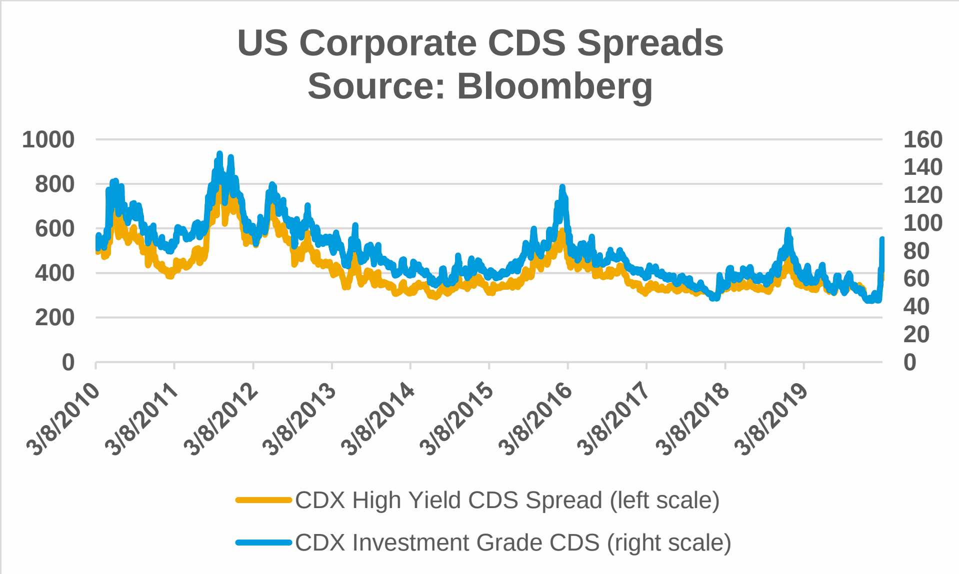
Selected Markets as of 4pm March 6, 2020
Source: Bloomberg

	Market Move	Comments
10-year US Treasury	-96 bps	Since January 17
10-year Bund	-49 bps	Since January 17
Oil (Brent)	-30%	Since January 17
MSCI Emerging Market Stocks	-9.4%	Since January 17
US TIPS 5-year Yield	-94 bps	Since January 17
S&P 500 Index	-10.6%	Since February 19 record close
Europe Stoxx 600 Equities Index	-12.2%	Since February 19 record close
China CSI Equity Index	+1.2%	Since January 17

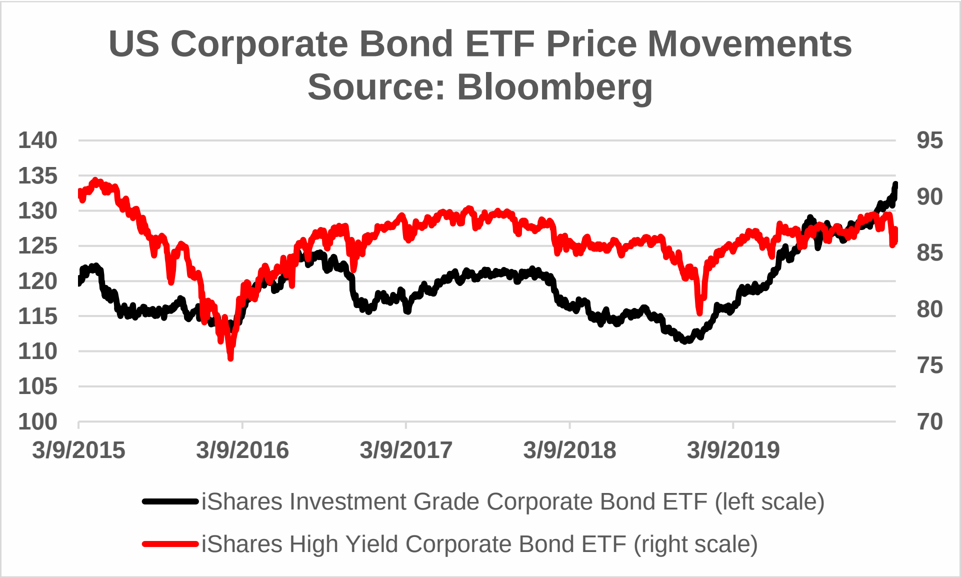
Markets are forecasting much more aggressive rate cuts from the Fed. Despite the inter-meeting 50 bps cut on March 4, Fed Funds futures are predicting more than 50 bps of additional cuts at the upcoming FOMC meeting on March 18. After that, the markets predict the equivalent of another 1 ½ cuts by September. If this happens, the Fed will be close to the zero lower bound (ZLB) for its policy rate. There is lively debate about whether the Fed will also restart its large scale asset purchases (LSAPs) after the ZLB is reached. Other policies such as increasing the size of the Fed repo facilities and broadening the range of eligible repo counterparties is also being discussed.



US corporate CDS spreads saw their largest one day jump since the European crisis in 2011. Both investment grade and high yield CDS spreads were on the move. However, conditions in the corporate bond markets have remained orderly despite the selloff. There are initial signs of investor outflows but they remain moderate so far. Contacts report that longer horizon investors such as insurance companies and pension funds are looking for bargains but few are willing to sell at these levels. Shorter horizon investors such as hedge funds and mutual funds have been hedging their portfolios to offset mark-to-market losses rather than selling.



The fixed-income exchange traded funds (ETF) market is also functioning without sign of distress. Although prices are lower, the declines have been limited and prices remain very high by historical standards. In addition, the fund discounts to their net asset values (NAVs) have remained moderate as the underlying liquidity remains robust. For example, the $15 bn market cap benchmark iShares high yield ETF (HYG) had a discount on Friday of just 34 bps while the SPDR BBG Barclays high yield bond fund (JNK) actually had a premium to NAV of 25 bps. Many of the investment grade ETFs also had premiums to their NAV. Although credit spreads have widened, the sharp fall in Treasuries has pulled the overall yield level lower for all bonds, cushioning the impact of wider spreads. However, if sentiment continues to get worse, a tipping point is likely to arise when higher spreads will translate to lower prices and more pain for investors.



Europe

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Euro area

European equities (-6%) traded lower on concerns that containment measures in Italy and other countries may not work and fears that lower oil prices will put further downward pressures on core rates and the energy sector. Bank stocks (-10%) underperformed. Greek equities (-9%) continue to underperform, **with YTD losses for Greek bank stocks rising to 50%.**

European governments have been taking further measures to contain the spread of the Covid-19 virus, but the feeling is one of too little too late. Italy expanded a travel ban to include the whole of Lombardy (20%GDP) and 14 other provinces until 3 April, but analysts worry whether the ban can be enforced. **German FM Scholz pledged that Germany is prepared to do everything needed to stabilize the economy** as the country took the first steps to help companies and workers affected by the virus.

10-yr German yields fell 16 bps to a record low of -0.87%. **30-yr German yields fell 25 bps to -0.53%.** In contrast, 10-yr French yields fell a still noteworthy but more contained 6 bps to -40 bps. 30-yr French yields are 13 bps lower at 0.20%.

Southern European 10-yr spreads have widened sharply. Italian 10-yr spreads rose 46 bps to 217 bps. Greek 10-yr spreads also trade 46 bps higher at 259 bps.

The euro (+1.2% to $1.142) **gained** as **contacts believe that the ECB will struggle to provide the monetary easing required to lean against further economic weakness**. **Analysts expect the ECB to cut its deposit rate by 10 bps and announce other measures at Thursday's meeting**. HSBC argues that the ECB may cut its depo rate by 20 bps to surprise markets. Oxford Economics argues that the ECB will increase corporate bond purchases by at least €5 bn/m to bring monthly asset purchases to €25bn to protect credit conditions. Some contacts also believe that the ECB may increase its monthly QE purchases to around €40 bn/m including government bond purchases.

Italian lenders underperformed peers, with equity drops between 10% to 17%. Monte dei Paschi (-17%) and Unicredit (-15%) fell most in a panic-driven trading session. Intesa fell 9%, in line with Europe's main banking index. Since the rapid spread of Covid-19 through northern Italy, stocks in the main Italian lenders have lost over 20% in value.

Selected European Banks: Equity Price

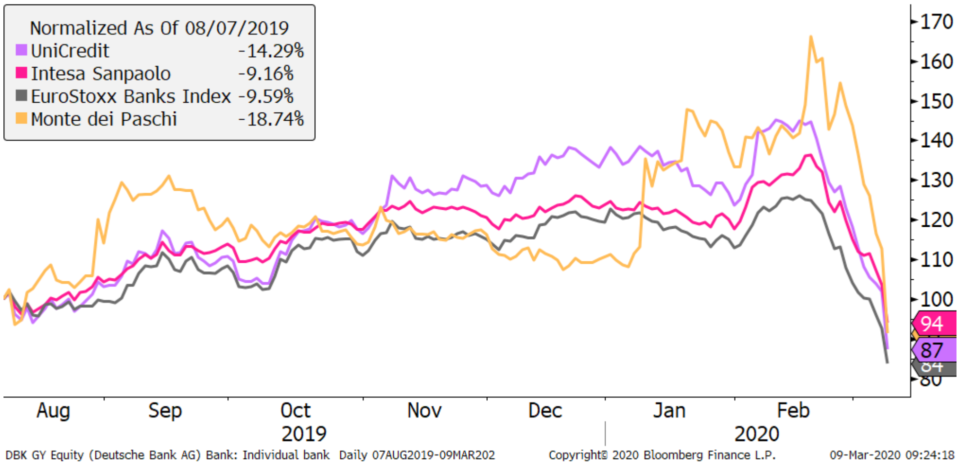
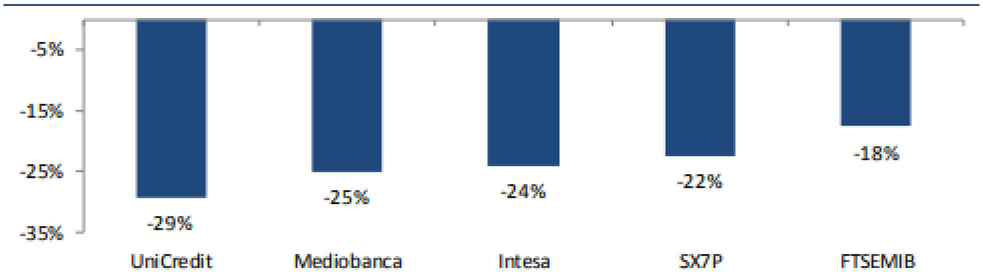


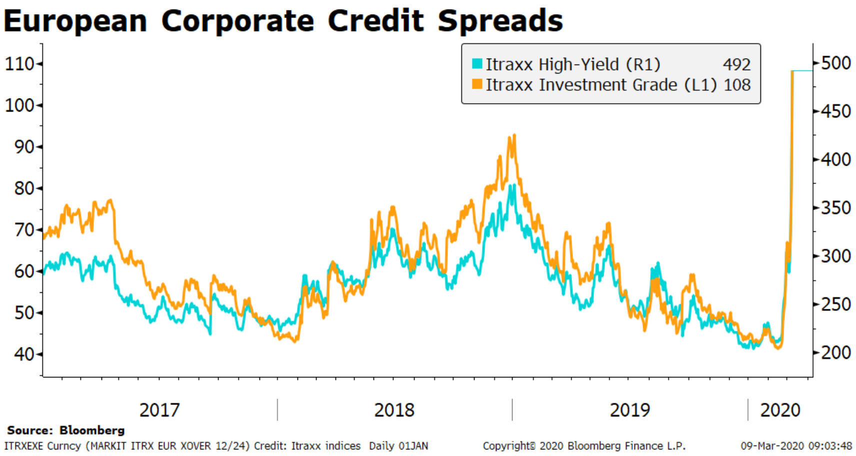
Chart 1: Share price performance since 18/02/2020



Source: Bloomberg

European Credit Markets

European credit markets were roiled on Monday morning, as spreads widened dramatically. The Itraxx high-yield corporates index skyrocketed to almost 500 bps from 383 bps on Friday. Investment grade credit costs also surged 30 bps, to 108 bps from 80 bps last week.

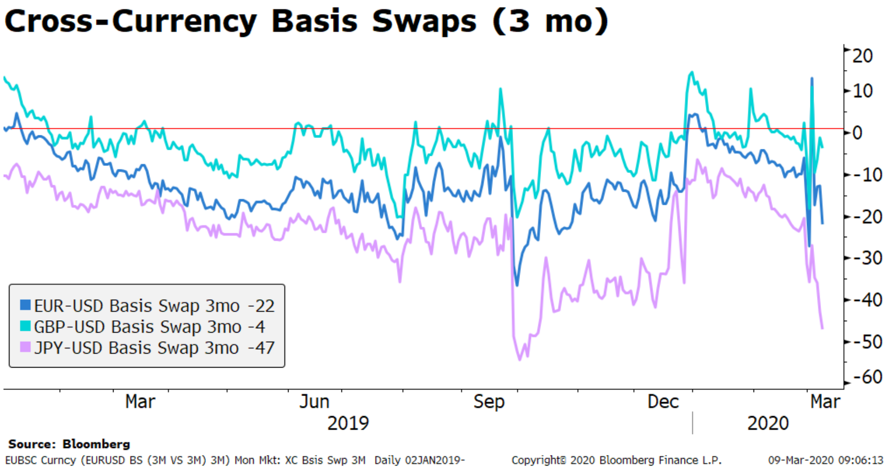


United Kingdom

The U.K. government is holding an emergency meeting today to discuss a more restrictive approach.

Money markets

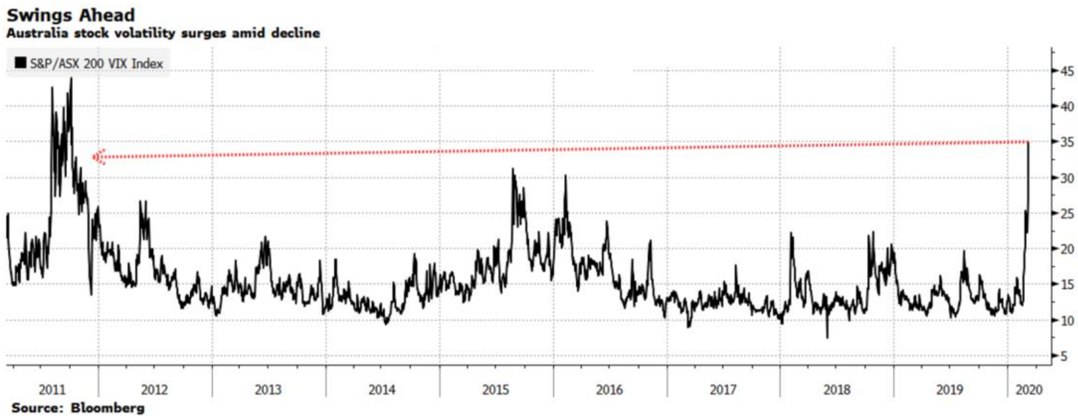
Cross-currency basis swaps widened further, especially for the yen-dollar pair which reached -47 bps. Dollar-funding pressures are also increasing in the euro-dollar market, with spreads at -22 bps.



Other Mature Markets back to top

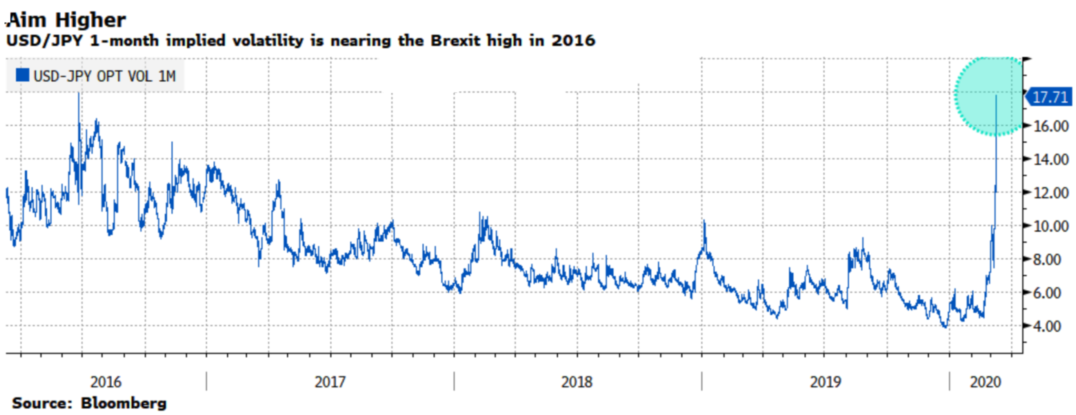
Australia

The Australian and New Zealand dollar plunged close to 5% in minutes in early trading, the biggest declines since 2008. The currencies recovered quickly thereafter closing 0.75% (AUD) and 0.55% (NZD) lower against the US dollar. The flash crash was attributed to algorithms across multiple banks selling AUD and NZD in search for liquidity, according to Bloomberg. **Australian equities plunged 7.3% and volatility reached levels last seen in 2011.** Stocks in energy (-20%), materials (-9.5%), and financials (-7.6%) underperformed. Analysts increasingly forecast a recession in Australia. The Reserve Bank of Australia is expected to engage in quantitative easing, likely in the form of BoJ style yield curve control, in the next months.



Japan

The yen surged 2.9% against the dollar. Implied currency volatility spiked to levels last reached in 2016. As the yen approaches the level of 100 against the dollar, expectations are mounting that the BoJ will take action against the yen's strength. Analysts expect the BoJ to act at its next policy meeting on March 18. Most predict quantity measures, but a rate cut deeper into negative territory is also a possibility. **10-year JGB yields fell 6 bps to -0.2%**. Meanwhile, the BoJ already stepped up its equity ETF purchases, acquiring $1bn today and Friday. **Equities dropped 5.7%**. Financials led losses declining close to 9%. **A revised Q4 GDP print showed the extent of weakness in the Japanese economy before the impact of covid-19**. In the second estimate, real GDP contracted 7.1% q/q, saar in 19Q4, down from the first estimate at -6.3%. Weakness in Q4 was mainly due to the fall in domestic private demand; private consumption and residential investment contracted close to 10% annualized and capex tumbled 17%.



Emerging Markets

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Asian equities (-5%) plunged across the board on risk-off sentiment from the spread of covid-19 globally and the collapse in oil prices. Southeast Asian bourses were the hardest hit with large drops in Thailand (-7.7%), the Philippines (-6.8%), Indonesia (-6.6%), Vietnam (-6.3%), and Singapore (-6%). Chinese equities sold off as well but outperformed other markets on a bleak day (Shanghai -3.0%; Shenzhen -3.8%). Regional currencies depreciated, led by losses in the South Korean won, Malaysian ringgit and Indonesian rupiah (all -1%). Sovereign yields dropped significantly across Asia, with the notable exception of a sharp rise in higher yielding Indonesia (+35bps). To a lesser extent yields also rose in

Malaysia which is a net oil and gas exporter and large producer of palm oil. **Asian credit spreads widened to the highest since the start of 2019, with index yields on Asian dollar high-yield debt reaching 5.9%. EMEA stocks plummeted, with equities in the GCC falling the most**: Kuwait (-10.3%), UAE (-8.3%), Saudi Arabia (-7.1%), Qatar (-9.7%), and Bahrain (-5.8%). Other regional bourses also sunk: Romania (-6.2%), Bulgaria (-7.1%), Poland (-5.6%), and Turkey (-3.8%). Currencies were mixed within a ±0.7% corridor, except the **Russian ruble (-8.5%), which plummeted on the back of oil's downslide. Latin American** markets declined on Friday. Stocks plunged following the US markets, notably in Brazil (-4.1%) and Mexico (-2.3%). Regional currencies broadly weakened, particularly in Colombia (-1.3%) and Mexico (-1.3%), and several currencies reached record or multi-year lows. Changes in bond yields of the region's large economies were modest. In contrast, Ecuador bond prices plummeted to historical lows (second figure) reportedly on concerns about the IMF's disbursement, based on Bloomberg reporting. The Ecuador notes were the worst-performing EM sovereign debt on Friday

Key Emerging Market Financial Indicators

Last updated:	Level		Change				
3/9/20 8:44 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		40.13	-6.1	-1	-7	-3	-11
MSCI Frontier Equities		27.44	0.1	0	-9	-3	-10
EMBIG Sovereign Spread (in bps)		468	70	105	160	122	175
EM FX vs. USD		56.81	-1.9	-3	-5	-10	-7
Major EM FX vs. USD					%, (+) = EM currency appreciation		
China Renminbi		6.95	-0.2	0	1	-3	0
Indonesian Rupiah		14393	-1.0	-1	-5	-1	-4
Indian Rupee		74.09	-0.4	-2	-4	-6	-4
Argentine Peso		62.48	-0.1	0	-3	-35	-4
Brazil Real		4.75	-2.5	-6	-9	-19	-15
Mexican Peso		21.16	-5.0	-8	-12	-8	-11
Russian Ruble		68.57	-1.4	-2	-8	-4	-10
South African Rand		15.92	-1.5	-3	-6	-10	-12
Turkish Lira		6.11	-0.4	1	-2	-11	-3
EM FX volatility		8.62	0.2	0.3	1.7	0.4	2.0

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

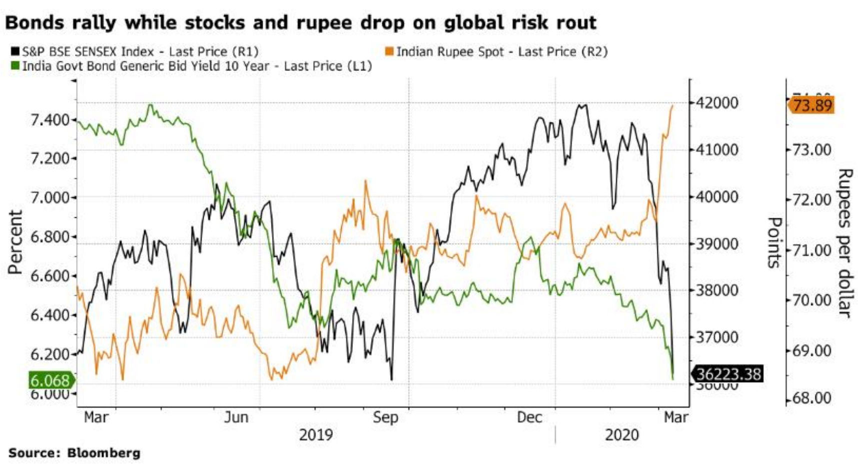
China

Equities (Shanghai -3.0%; Shenzhen -3.8%) fell sharply but outperformed regional peers amid slowing virus infections and business activity normalization. New virus cases nationwide continued to moderate, falling to 40 on March 8 from 44 on March 7. New cases in Hubei province, the epicentre of the virus outbreak, dropped to 36. Over 90% of large industrial enterprises in major provinces outside Hubei have restarted work last week, according to the Ministry of Industry and Information Technology. Daily coal consumption of major electricity producers shows that industrial production has recovered to around 70% of levels prior to the Chinese New Year holidays. This was despite a slower restart rate for small and medium enterprises at 52%. While resumption of businesses is gradually normalizing, demand indicators remain weak. Chinese trade data showed a fall in export growth to -17.2% y/y in January-February from 7.9% in December and a drop in import growth to -4.0% y/y from 16.5% y/y in the same period. **The onshore and offshore RMB (-0.3%) depreciated modestly, but the 12-month offshore forward has steepened relative to the 1-month rate.**

India

Equities (-5.2%) tumbled and sovereign bond yields fell -17bps to 6% as the oil rout added to investor concerns after the authorities' seizure of Yes Bank. The Reserve Bank of India (RBI) announced a reconstruction scheme for Yes Bank. State Bank of India (SBI), the nation's largest lender, will buy a 49% stake of Yes Bank and new shares will be alloted to a consortium led by SBI. SBI is in talks with investors including Blackstone, Brookfield, Carlyle, TPG, KKR and Goldman Sachs, according to the Economic Times. The authorities also said that additional Tier 1 capital issued by Yes Bank, worth INR108 bn, would be written off. Separately, IndusInd Bank, a Mumbai-based bank, has canceled plans to sell additional tier one and tier two bonds, following the seizure of Yes Bank, citing current market conditions and its adequate capital. **The Indian rupee (-0.2%) depreciated to its weakest level since late-2018.**

Correction from March 6 GMM: Yes Bank is the fourth largest private sector bank in India, but the tenth largest in terms of assets (as of March 2019) including public sector banks (state-owned banks).



Indonesia

Indonesian assets sold off amid risk aversion. Equities plunged -6.6% to their lowest level since late-2016 while local and USD-denominated bond yields rose sharply by approximately 30 bps. The rupiah depreciated -1% to its weakest level since May, while implied yields on offshore non-deliverable forwards relative to onshore forwards jumped to 12%, close to levels experienced in September 2018 when US-China trade tensions escalated. **Bank Indonesia is increasing its intervention in spot currency and non-deliverable forwards and purchasing bonds from the secondary market**, according to Governor

Perry Warjiyo. He added that the central bank would continue to coordinate closely with the government and financial services authority to stabilize the market.

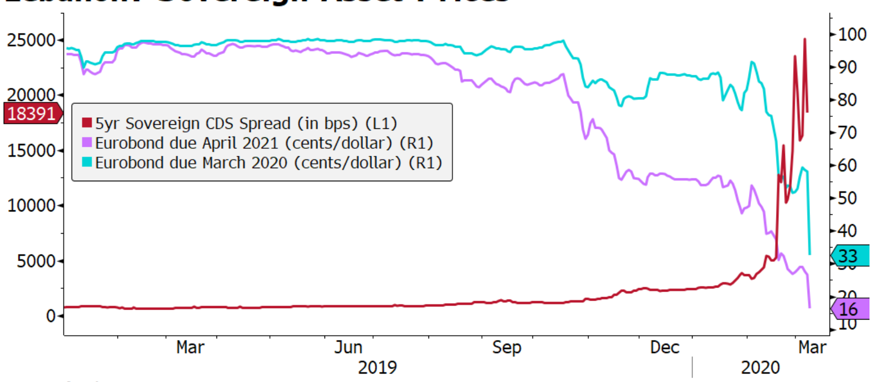
Plunge in oil price adds to pressure from coronavirus crisis

Source: Bloomberg

Lebanon

The Lebanese authorities announced this weekend that it won't repay the $1.2 bn Eurobond tranche due today. The authorities also said they are seeking a restructuring agreement directly with bondholders, with formal negotiations expected to start in two weeks time. The March 2020 Eurobond plummeted to 33 cents/dollar on Monday following the announcement; the April 2021 bond is at 19 cents/dollar. According to news outlets, Iran-backed Hezbollah, which has representation in Lebanon's parliament and government, has rejected the possibility of an IMF program for the country.

Lebanon: Sovereign Asset Prices

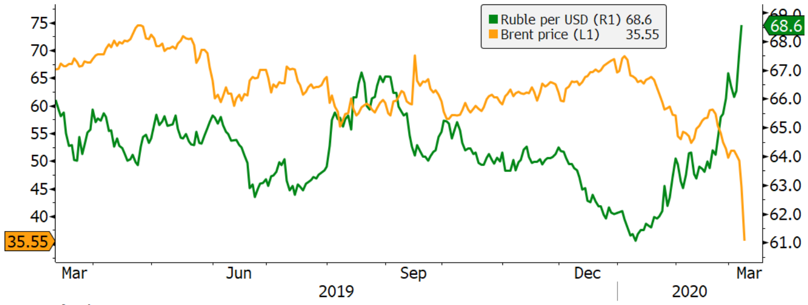


Source: Bloomberg
EJ244854 Corp (LEBAN 6 1/4 06/12/25) EM: Lebanon Daily 01JAN2019-09MAR2020 Copyright© 2020 Bloomberg Finance L.P. 09-Mar-2020 10:45:45

Russia

The Russian ruble dropped over 8% to the dollar as crude prices plummeted. The Russian currency was pressured down by the prospective OPEC price war that seemingly broke out over the weekend. Against the background of volatile FX and commodities markets, the **Central Bank of Russia announced the halting of foreign currency purchases for 30 days** in order to stabilize the ruble. The Finance Ministry stated that reserves at the National Wellbeing Fund stand at $150 bn and are "sufficient to cover lost revenue if oil prices drop to $25-$30/barrel for six to ten years," according to Bloomberg.

Russian Ruble and Brent Crude
(Ruble per USD)



Source: Bloomberg
AZN Curncy (Azerbaijan Manat New Spt) EM FX: Ruble and Oil Daily 10MAR2019-09MA Copyright© 2020 Bloomberg Finance L.P. 09-Mar-2020 11:27:59

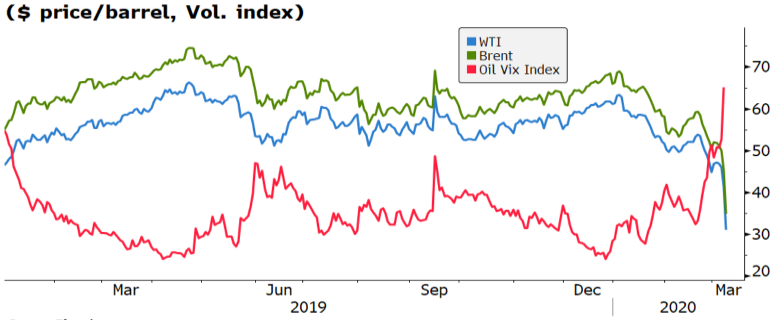
EM Credit Ratings

S&P expects lower-rated emerging market economies and some oil producers will see the largest downgrade pressures from the coronavirus. S&P analysts said that B-rated (speculative-grade) countries would be particularly vulnerable, based on Reuters reporting. The credit rating agency said that several factors are especially important for emerging markets: the ability of their health system to withstand a significant increase in the number of coronavirus cases and their dependency on tourism or on commodities, such as oil. Another potential vulnerability is a country's FX-denominated debt which would be more difficult to service in an environment of depreciating EM currencies. S&P is reportedly focusing on **Turkey** which currently has a B+ rating with a stable outlook. S&P said Turkey's tourism sector (13% of the economy) would likely be under pressure because of the virus. In addition, the country's banks would reportedly need to refinance $61.5 billion (8% of GDP) in the next 12 months. The sovereign has only $5 billion to refinance this year, but the three large state-owned banks may reportedly need support in a crisis situation, S&P said. **Oil-producing economies** with higher extraction costs are also susceptible to the risk of downgrade given a 50% drop in oil prices this year. S&P contrasted the EMs under pressure with **Italy**—which has the highest number of coronavirus cases in Europe and the largest debt-to-GDP ratio among the region's large economies but is reportedly expected to weather the outbreak, as Italy's downward revisions to GDP growth are largely offset by recent declines in interest costs.

Commodities

Oil prices crashed almost 20% on Monday as panic over coronavirus spread and Saudi Arabia launched a price war with OPEC partners. Saudi authorities announced their unilateral decision to offer large price discounts and increase crude production in a bid to expand their share of global demand. Reportedly, Saudi Aramco – the kingdom's state-owned largest producer – intends to raise production to about 10-12 million barrels per day. Oil markets were roiled by the decision and traded with wild price gyrations through the session. **Brent (-20%) and WTI (-21%) are now at $36/barrel and $33/barrel, respectively**. Price volatility in crude markets has been increasing since the onset of the coronavirus in China and is at levels not seen since 2018.

Oil Markets: Selected Indicators
($ price/barrel, Vol. index)



Source: Bloomberg
CL1 Comdty (Generic 1st 'CL' Future) Oil: Brent WTI Daily 01JAN2019-09MAR2020 Copyright© 2020 Bloomberg Finance L.P. 09-Mar-2020 08:25:57

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Global Financial Indicators

Last updated: 3/9/20 8:43 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
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Europe		2981	-7.8	-11	-22	-9	-20
Japan		19699	-5.1	-8	-17	-6	-17
China		2943	-3.0	-1	2	-1	-4
Asia Ex Japan		68	-1.3	0	-5	0	-7
Emerging Markets		40	-6.2	-1	-7	-3	-11
Interest Rates			basis points				
US 10y Yield		0.45	-15.0	-72	-114	-218	-147
Germany 10y Yield		-0.87	-15.7	-24	-48	-94	-68
Japan 10y Yield		-0.16	-4.2	-5	-13	-13	-15
UK 10y Yield		0.10	-13.3	-30	-47	-109	-72
Credit Spreads			basis points				
US Investment Grade		141	4.8	12	35	21	44
US High Yield		586	32.1	57	159	164	192
Europe IG		113	33.4	46	70	51	69
Europe HY		498	114.5	194	284	215	291
EMBIG Sovereign Spread		468	70.0	105	160	122	175
Exchange Rates			%				
USD/Majors		95.20	-0.8	-2	-4	-2	-1
EUR/USD		1.14	1.3	3	5	2	2
USD/JPY		102.3	3.0	6	7	9	6
EM/USD		56.8	-1.9	-3	-5	-10	-7
Commodities			%				
Brent Crude Oil ($/barrel)		35	-23.1	-33	-36	-47	-47
Industrials Metals (index)		101	-2.3	-3	-4	-15	-12
Agriculture (index)		37	-2.4	-4	-6	-7	-10
Implied Volatility			%				
VIX Index (%, change in pp)		41.9	2.3	8.5	26.5	25.9	28.2
10y Treasury Volatility Index		13.6	3.8	7.1	9.1	10.0	9.5
Global FX Volatility		8.5	0.0	0.9	2.9	1.2	2.5
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		213	0.0	6	69	-158	48
Italy		222	43.5	46	89	-22	62
Portugal		120	24.1	22	50	-8	57
Spain		110	17.3	19	43	11	44

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: 3/9/2020 8:45 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		6.95	-0.2	0.2	1	-3	0		2.8	-2.7	-8	-13	-42	-38
Indonesia		14393	-1.0	-0.9	-5	-1	-4		6.9	28.5	-16	16	-103	-20
India		74	-0.4	-1.8	-4	-6	-4		6.4	-3.5	-14	-28	-111	-47
Philippines		51	0.1	0.1	0	3	0		4.1	1.2	-2	-7	-138	-20
Thailand		32	-0.3	-0.4	-1	1	-5		1.1	-4.2	-14	-33	-152	-50
Malaysia		4.22	-1.1	-0.3	-2	-3	-3		2.8	-1.2	-5	-33	-116	-57
Argentina		62	-0.1	-0.4	-3	-35	-4		47.8	6.3	-430	-1072	2617	-1479
Brazil		4.75	-2.5	-5.7	-9	-19	-15		5.8	1.2	-13	-22	-248	-48
Chile		842	-1.8	-3.4	-5	-20	-11		3.2	-0.8	-45	-20	-115	-7
Colombia		3586	-1.8	-1.6	-6	-13	-9		5.6	10.4	-14	3	-78	-34
Mexico		21.16	-5.0	-8.4	-12	-8	-11		6.5	-0.4	-44	-27	-178	-48
Peru		3.5	-0.3	-1.8	-3	-5	-5		4.1	-2.8	-36	-19	-149	-43
Uruguay		41	-1.6	-4.5	-8	-20	-8		10.3	0.0	39	1	3	-52
Hungary		294	0.8	3.0	5	-5	0		1.3	-3.8	-22	1	-76	16
Poland		3.78	0.8	2.6	3	1	0		1.5	-3.5	-14	-42	-85	-42
Romania		4.2	1.1	2.4	4	0	1		3.6	6.0	-17	-22	-49	-45
Russia		68.6	-1.4	-2.4	-8	-4	-10		6.3	28.6	1	29	-185	13
South Africa		15.9	-1.5	-3.4	-6	-10	-12		9.6	7.8	-9	18	13	4
Turkey		6.11	-0.4	1.1	-2	-11	-3		11.3	21.5	-145	106	-470	-44
US (DXY; 5y UST)		95	-0.8	-2.3	-4	-2	-1		0.33	-28.3	-62	-108	-210	-136

	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		2943	-3.0	-1	2	-1	-4		200	15	22	30	30	24
Indonesia		5137	-6.6	-4	-14	-20	-18		283	52	82	112	92	127
India		35635	-5.2	-7	-13	-3	-14		178	6	3	44	14	53
Philippines		6313	-6.8	-6	-16	-19	-19		177	40	73	102	90	111
Malaysia		1424	-4.0	-3	-8	-15	-10		153	20	28	43	30	41
Argentina		35222	-4.2	1	-15	7	-15		2792	383	558	917	2038	1023
Brazil		97997	-2.6	-6	-14	3	-15		321	67	80	106	85	106
Chile		4229	-2.2	-1	-10	-20	-9		218	20	40	76	93	85
Colombia		1503	-2.8	-2	-9	0	-10		280	66	80	111	96	117
Mexico		41389	-2.3	0	-7	0	-5		491	95	132	188	181	199
Peru		18286	-2.3	0	-8	-11	-11		192	30	46	73	61	85
Hungary		38386	-6.8	-8	-14	-5	-17		230	28	67	121	123	144
Poland		45801	-7.1	-9	-21	-23	-21		136	22	56	101	91	118
Romania		8801	-6.8	-7	-12	12	-12		260	27	21	82	65	86
Russia		2720	0.0	-2	-12	10	-11		277	67	90	125	70	146
South Africa		49146	-5.6	-5	-14	-11	-14		509	70	115	175	214	189
Turkey		104623	-4.5	-3	-14	3	-9		574	67	82	193	147	173
Ukraine		537	0.0	1	4	-4	5		706	101	234	328	42	286
EM total		40	-6.1	-1	-7	-3	-11		468	70	105	160	122	175

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

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Coronavirus (Covid-19) Dashboard						
		Change or relative change				
	Latest	1 Day	7 Days	YTD	Since global intensification (Feb 19)	Since Chinese intensification (Jan 20)
Equity Markets	**Index**	**Relative change (in %) except VIX**				
China						
CSI 300 (Large Cap/Main Equity Index)	3997	-3.4	-1.8	-2.4	-1.3	-4.5
CSI 500 (Mid-Cap Index)	5526	-4.1	-2.3	4.9	-1.4	-1.1
CSI 1000 (Small-Cap Index)	6050	-3.9	-1.0	8.7	0.5	1.6
Japan (Nikkei)	19699	-5.1	-7.7	-16.7	-15.8	-18.2
Korea (Kospi)	1955	-4.2	-2.4	-11.1	-11.6	-13.6
United States (S&P 500)	2972	-1.7	0.6	-8.0	-12.2	-10.7
Europe (Eurostoxx 600)	342	-6.8	-9.1	-17.8	-21.3	-19.4
MSCI Global	515	-2.0	-2.6	-8.9	-11.2	-11.1
MSCI Asia ex. Japan	647	-2.5	0.3	-6.0	-6.0	-9.1
Asia Pacific Airlines	124	-0.5	-2.1	-19.4	-9.7	-17.2
Luxury Goods	658	-2.2	-2.9	-15.0	-12.8	-17.2
Hotels Restaurants & Leisure	321	-0.9	-5.7	-16.9	-17.2	-19.7
Volatility Index (VIX, change in pp)	42	2.3	8.5	28.2	27.6	29.8
Interest Rates	**Percent**	**Change (in basis points)**				
US 10y Yield	0.43	-33	-73	-149	-113	-139
Germany 10y Yield	-0.87	-16	-25	-69	-45	-65
Eurodollar - March 2020	0.73	20	50	100	-93	-101
Eurodollar - June 2020	0.45	17	48	124	-109	-123
Eurodollar - December 2020	0.44	13	41	119	-99	-117
Exchange Rates	**Level**	**Relative change (in %) (+) = Appreciation**				
Chinese Renminbi (per USD)	6.95	-0.2	0.2	0.2	0.7	-1.2
Japanese Yen (per USD)	102.3	3.0	5.9	6.2	8.2	7.2
Euro (in USD)	1.14	1.3	2.6	1.9	-5.7	-3.0
Dollar Index	95.1	-0.8	-2.3	-1.3	-4.6	-2.5
EM FX index	56.8	-1.9	-3.0	-7.5	-4.3	-6.7
EM Bond Spreads on USD Debt	**Basis points**	**Change (in basis points)**				
EMBI Global Diversified	402	33	29	111	100	112
EMBI Asia	239	22	21	62	66	64
EMBI Latam	422	29	32	114	99	112
China	200	15	22	24	32	27
Local Currency Bond Yields (GBI EM)	**Percent**	**Change (in basis points)**				
China	2.76	-3	-8	-38	-15	-34
Mexico	6.46	0	-44	-48	-14	-45
Brazil	5.77	1	-13	-48	1	-40
South Africa	9.56	8	-9	4	12	8
Turkey	11.25	22	-145	-44	-14	74
Commodities	**Dollars**	**Relative change (in %)**				
Brent Crude Oil (per ton)	34.9	-22.9	-32.8	-47.1	-41.0	-46.5
Gold (per troy ounce)	1676.7	0.2	5.5	10.5	4.0	7.4