





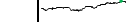
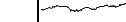
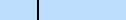

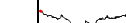




- S&P 500 EPS declines 14% y/y in Q1, the worst pace of growth since 2009 ([link](#))
- US TIC data show foreigners sold a record \$300bn of Treasuries amid stress in March ([link](#))
- Bank of England studies negative rates with greater immediacy ([link](#))
- Japan enters into recession in Q1 but growth shrinks less than expected ([link](#))
- EM bond funds see modest inflows while outflows from equity funds continue ([link](#))
- Largest GCC banks expected to cut dividend but capital positions remain strong ([link](#))
- Indian equities plunge as government extends nationwide lockdown measures ([link](#))

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Market sentiment turns positive amid virus news and reopening momentum

Investors are starting the week balancing headlines between progress in reopening economies and vaccine development, while US-China news remains tilted to the downside. Last week closed with a mixed risk picture as investors remained hesitant amid the US administration's latest salvo against China that has rekindled fears of a trade war, while virus statistics continue to point to incremental improvements and investors debate what a re-opened economy will look like. Despite macro data continuing to skew negative, global equity markets seem to be taking the headlines in stride as the S&P 500 pared last week's losses on Friday (-2.3% w/w) and futures are posting 2.8% gains this morning and look poised to extend the recovery. European and Asian bourses were down over 1% last week, but stocks are trading higher this morning rising up to 3% across the regions, although tech stocks have underperformed on US-China headlines. Benchmark 10-year yields are slightly lower in most of Europe, and the 10-year US Treasury yield is little changed at 66 bps, but is down 8 bps over the week, the most among the G7 countries. In EM, India was the notable outlier to this morning's improvement in risk appetite with equities declining over 3% as the government extended the current lockdown measures. Oil prices sustained their march higher and WTI posted its third consecutive weekly gain as oil market rebalancing continues to gather speed on falling inventories and production, as well as prospects of improving Chinese demand.

Key Global Financial Indicators

Last updated: 5/18/20 8:10 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		2864	0.4	-2	0	0	-11
Eurostoxx 50		2851	2.9	-1	-1	-17	-24
Nikkei 225		20134	0.5	-1	1	-5	-15
MSCI EM		36	1.8	-2	-1	-10	-20
Yields and Spreads			bps				
US 10y Yield		0.66	2.1	-5	2	-173	-126
Germany 10y Yield		-0.53	0.0	-2	-6	-43	-35
EMBIG Sovereign Spread		570	-8	-2	-31	210	277
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		53.0	0.6	1	0	-13	-14
Dollar index, (+) = \$ appreciation		100.3	-0.1	0	0	2	4
Brent Crude Oil (\$/barrel)		34.5	6.0	16	23	-52	-48
VIX Index (% change in pp)		29.4	-2.5	2	-9	13	16

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

After a series of headline data releases last week, this week is lighter on data in the US but market focus will remain on speeches by Fed officials and the latest FOMC meeting minutes will be released on Wednesday. Among data releases, both housing starts (Tuesday) and existing home sales (Thursday) are expected to decline sharply. Initial jobless claims for the week are expected at 2.75 mn (Thursday). Global flash PMIs are expected to continue showing a contractional trajectory. Among key central bank decisions, rate cuts are expected for Indonesia (-25 bps; Tuesday), Thailand (-25 bps; Wednesday), South Africa (-25 bps; Thursday) and Turkey (-50-75 bps; Thursday).

United States

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Markets absorbed a flurry of dismal economic data on Friday but ended the week on a quiet note. Equities eked out modest gains with the S&P 500 up 0.4%, while Treasuries sold-off on the long end of the curve, with the 30-year yield up 3 basis points. Data releases confirmed the depth of the economic recession in April. US retail sales collapsed -16.4% m/m (vs -12.0% consensus), manufacturing production slumped -13.7%, and the empire manufacturing survey came in at -48.5 (an improvement from the March -78.2 reading). The latest consumer sentiment reading from the University of Michigan rose unexpectedly but remains deeply depressed at 68.0. US-China tensions continued to remain high, with the Trump Administration moving to block Huawei from acquiring semiconductors and chips that use US technology, even if manufactured by foreign companies.

The Federal Reserve Board also released the latest [Financial Stability Report](#), iterating that asset prices remain vulnerable to significant price declines should the pandemic take an unexpected course, the economic fallout prove more adverse, or financial system strains reemerge. High financial sector leverage, particularly in the life insurance and hedge fund sector, remains a vulnerability as well and added to the market dislocations in March. Funding markets proved less fragile than the GFC, though strains emerged.

Global fund flows were modestly positive last week, led primarily by the fixed income funds. Net flows into the global equities were marginally positive, though remained concentrated in sector-specific funds, particularly Health Care, Technology, and Commodities. EM equity funds saw net outflows for a 13th consecutive week; outflow from China-specific funds accelerated, possibly reflecting rising tensions with the United States. Flows into AE equity funds and global benchmark products were mixed on the week. Global fixed income flows were net positive, and similar to the average over the prior three weeks. High yield corporate bond funds experienced another week of large net inflows, while flows into bank loan funds remained negative. Net inflows into investment grade corporate bond funds also slowed modestly

	Global Fund Flows Summary			
	Millions USD		% AUM	
	4wk sum	13-May	4wk avg	13-May
Equity	17,974	4,524	0.04	0.04
Fixed Income	48,399	15,751	0.21	0.28
of which: EM	-2,136	502	-0.12	0.11
Money Markets	307,007	35,637	1.30	0.59
FX Flows*	-1,122	-863	0.00	-0.01

*Cross-border fund flows, excluding hard currency and FX-hedged funds

Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

S&P 500 EPS declined by 14% y/y in Q1 2020, slightly worse than the consensus expectations at the start of earnings season. The pace of earnings growth in the first quarter was the slowest since 2009. Just 36% of firms beat consensus EPS estimates by more than one standard deviation (vs. long-term average of 46%) and 20% missed EPS estimates (vs. long-term average of 14%), both the worst rates since the GFC. Analysts highlighted that although earnings actually grew on a y/y basis in 6 of the 11 sectors, the outsized declines in Financials (-41%) and Consumer Discretionary (-48%) weighed on the

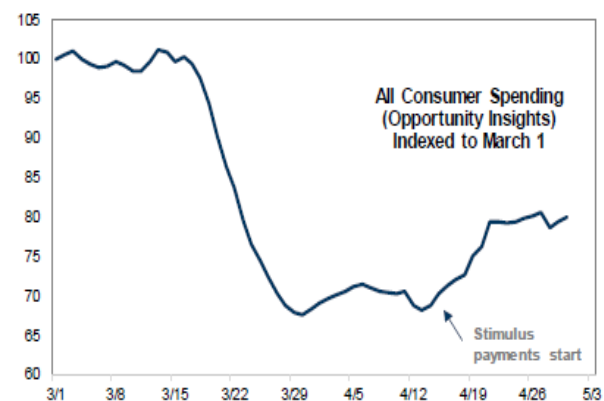
aggregate index. In terms of the forward outlook, several companies noted that revenue declines stabilized in April and there were pockets of improvement in early Q2. Furthermore, online platforms and shifting business models are likely to partially offset the revenue declines in in-person consumption. For instance, Target reported 275% growth in digital sales, and Chipotle reported that, while in-store ordering plunged by 75%, delivery and order-ahead sales surged by 150% and 120%.

Exhibit 1: S&P 500 1Q sales, margins, and earnings results as of May 14, 2020

Sector	EPS		Sales		Margin	
	\$/Share	Growth	Growth	Level	Change	
Utilities	\$1.4	6 %	NM	NM	NM	
Info Tech	7.8	6	8	20.9	(39)	
Health Care	6.8	5	7	10.3	(20)	
Consumer Staples	2.6	5	7	6.8	(18)	
Materials	0.9	4	(0)	8.2	31	
Real Estate	1.2	3	NM	NM	NM	
Communication Services	3.6	(10)	11	13.1	(304)	
Industrials	2.5	(29)	(7)	7.0	(210)	
Energy	0.9	(31)	(9)	3.6	(112)	
Financials	4.6	(41)	NM	NM	NM	
Consumer Discretionary	1.5	(49)	(2)	3.6	(335)	
S&P 500	\$33.7	(14)%				
ex. Financials and Utilities	26.5	(8)	2 %	9.4%	(107)bp	
ex. Energy	32.7	(13)	4	10.0	(115)	

Source: FactSet, Goldman Sachs Global Investment Research

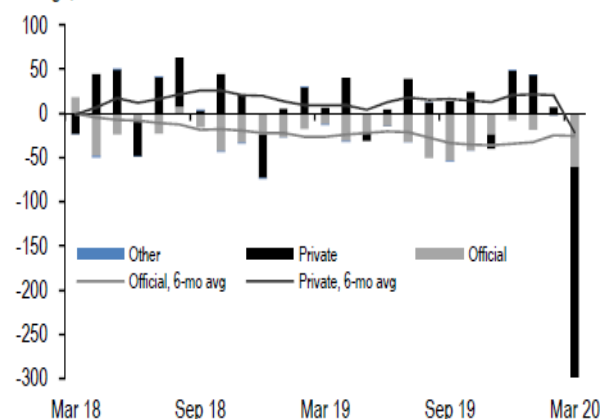
Exhibit 2: Alternative data sources showed a pickup in consumer spending as of April 30, 2020



Source: Opportunity Insights, Goldman Sachs Global Investment Research

Latest release of the monthly TIC data showed that foreigners sold almost \$300 bn worth of long-term Treasuries in March, the largest sale on record. The selling was primarily driven by the foreign private investors, which shed \$238 bn in March, four times the previous record in April 2016. Official institutions sold just \$61.2 bn, but this was also a record, eclipsing the \$57.2 bn of selling reported in January 2016. In terms of the regions, Cayman islands sold \$120 bn of Treasuries, reflecting the selling by the hedge funds in particular. Ireland, which houses many multinational corporations, sold \$16 bn of selling potentially reflecting the need for liquidity by the firms. NY Fed's weekly series on Treasuries held in custody for foreign accounts (which accounts for ~40% of total foreign holdings) saw a recovery in the last few weeks, with inflows worth \$26 bn since the end of March.

Total net foreign purchases of long-term Treasuries by sector and 6-mo. moving average; \$bn



Source: Treasury International Capital System

Net purchases of long-term Treasuries from March 2020 through January 2020 and 2019 total by region; \$bn

	Mar-20	Feb-20	Jan-20	2019
Cayman Islands	-119.7	-25.4	5.1	-86.3
Euro Area†	-37.2	-0.9	-8.8	-37.7
UK	-31.0	21.1	24.6	148.3
EM ex-China*	-26.9	-3.1	-1.8	-44.6
Hong Kong	-23.5	12.9	1.8	17.3
Ireland	-15.7	0.0	-2.1	-40.9
USMCA***	-15.5	4.4	7.4	54.3
Oil Exporters**	-12.7	1.3	-3.4	-44.3

* EM ex-China includes Russia, Brazil, African countries, Taiwan, South Korea and Mexico

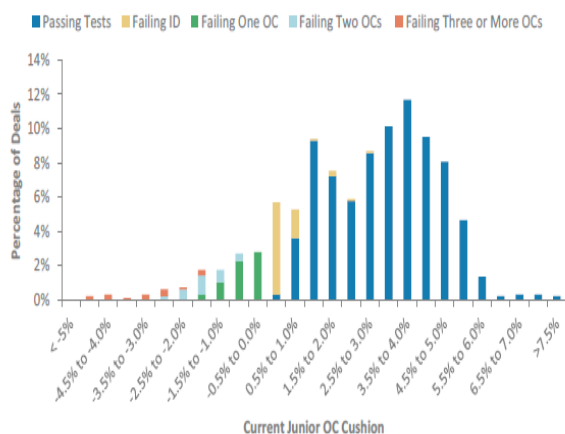
** Oil exporters include all OPEC members (excluding Equatorial Guinea & Angola) and also include Bahrain, Indonesia & Oman

*** USMCA includes Canada and Mexico

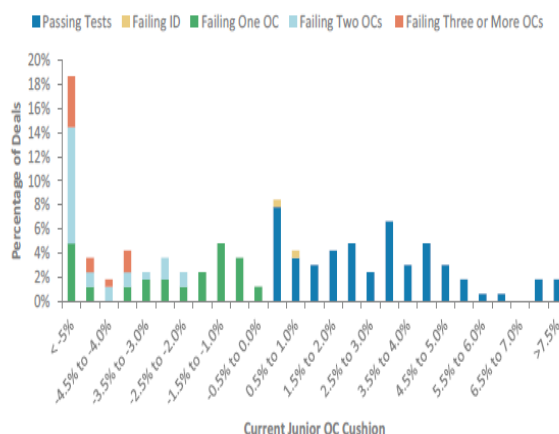
† Euro area includes Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain

Source: Treasury International Capital System

The impact of the March's sell-off had a meaningful impact on the CLO portfolios, as highlighted through the April data by Morgan Stanley analysts. Roughly one out of every five reinvesting deals (by count) is diverting interest cashflows due to failures of their interest diversion and/or overcollateralization tests. On the other hand, around 50% of amortizing deals (by count) are failing at least one overcollateralization test. For deals that are passing their junior OCs, the average cushion is 3.3% which is 0.2% higher m/m. Analysts highlighted that it is likely due to manager behavior and perhaps more significant given that more deals are now failing.



Source: Morgan Stanley Research, Intex



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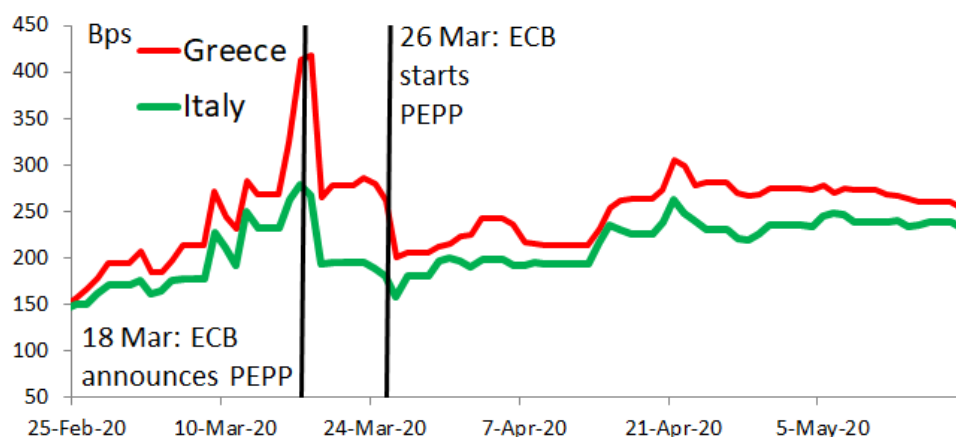
Europe

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European equities (+2%) are trading higher. The euro and 10-yr German bund yields (-1 bps to -0.54%) are little changed. 10-yr French yields (-1 bps to -0.04%) are also steady after **Fitch revised the outlook on the French sovereign from stable to negative on Friday**, confirming the rating at “AA”.

Southern European yields are 4-6 bps lower as ECB communication continues to signal that an announcement of an expansion in ECB QE is highly likely in June (analysts' consensus is an increase of €375 bn increase in the ECB's Pandemic Emergency Purchase Program).

Euro area: 10-year spread over German bunds (bps)



Source: Bloomberg and IMF staff

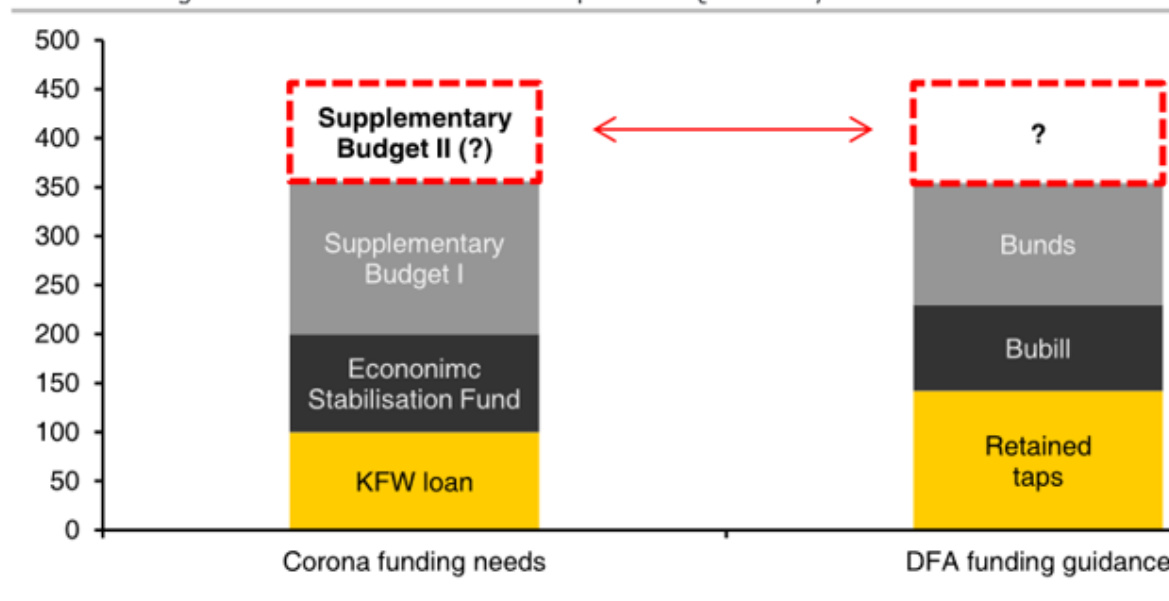
ECB President Lagarde wrote in a letter to the European Parliament that the ECB is fully prepared to increase the size of its asset purchases and adjust composition by as much as necessary and for as long as needed. ECB Chief economist Lane also reiterated that the ECB can adjust the size or duration of purchases if pressure on individual bond markets is not reflecting fundamentals.

On Friday, the Eurogroup made the ESM's Pandemic Crisis Support (PCS) operational and available with immediate effect. All euro area countries are eligible, although none has expressed interest so far in applying for it.

German FM Scholz is reportedly preparing another €100 bn of supplementary budget and is considering issuing new debt of up to €164 bn. FM Scholz also wants to grant €57 bn in direct financial aid to troubled municipalities, including takeover of legacy debt. Deputy FM Kukies said that Germany's public debt ratio could rise another 5 pp to 80% this year.

Germany: 2020 Funding Needs and Issuance

Corona funding needs and increase in issuance plans for Q2 and H2, in € bn



Source: BMF, DFA, Commerzbank Research

BTP Italia retail issuance could push total EGB issuance above €40 bn this week (with regular auctions at €24 bn), as the guaranteed real coupon of 1.4% and the doubled hold-to-maturity bonus of 0.8% look relatively attractive. Investors will track the BTP Italia closely to gauge local sentiment.

Morgan Stanley believes there has been a concerted effort by euro area countries to get ahead of their expected ramp in issuance needs, which could point to better funding conditions in 2020H2. The bank calculates that year-to-date issuance relative to projected needs is already close to or above 50% led by Spain (59%), Austria (49%), Portugal (48%), and Belgium (47%).

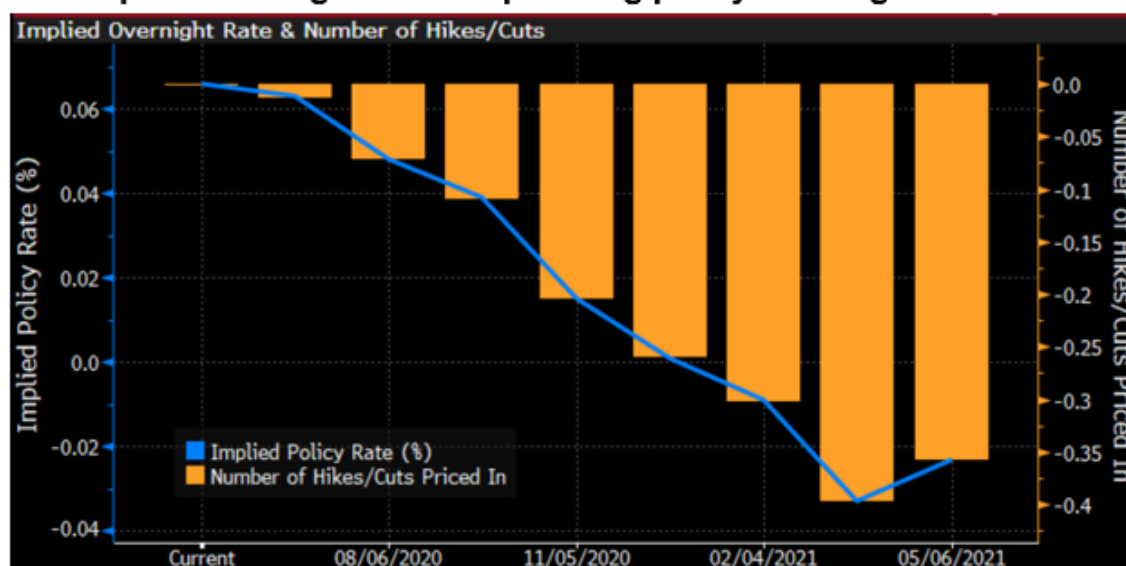
Crossover high-yield spreads fell a noteworthy 19 bps to 522 bps. Investment-grade CDS spreads fell 3 bps to 0.87% today with investment-grade issuance expected to remain strong in coming days.

United Kingdom

2-year U.K. gilt yield are trading negative again (at -3 bps after closing positive on Friday) in response to comments by **BoE Chief Economist Andy Haldane** that **the BoE is looking at negative rates with “somewhat greater immediacy”** alongside other options (such as widening the scope of QE purchases). U.K. equities (+2.2%) rose in line with European equities.

Markets are currently pricing in the overnight policy rate to turn negative in 2021H1. Experience from Germany and Sweden suggests that 2-year yields tend to trade marginally negative after the first break below 0%, with yields falling further following the actual delivery of negative policy rates.

UK: Implied overnight rate at upcoming policy meetings



The British pound is little changed. The pound fell 7% against the U.S. dollar in the past 3 months. Contacts remain bearish on the currency pointing to the growth outlook, further BoE policy easing and uncertainty around Brexit.

On Friday, both UK and EU Brexit negotiators conceded that negotiations over the post-Brexit EU-UK future relationship had stalled, with “very little progress” made in the third round of talks. One more round is scheduled before a stocktaking summit in June.

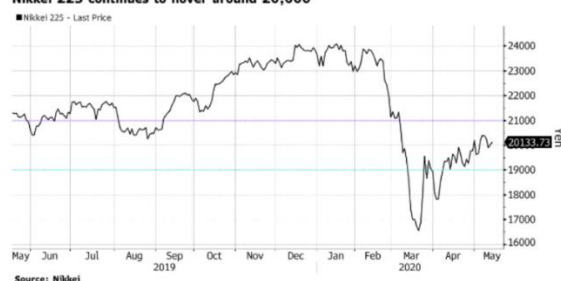
Other Mature Markets

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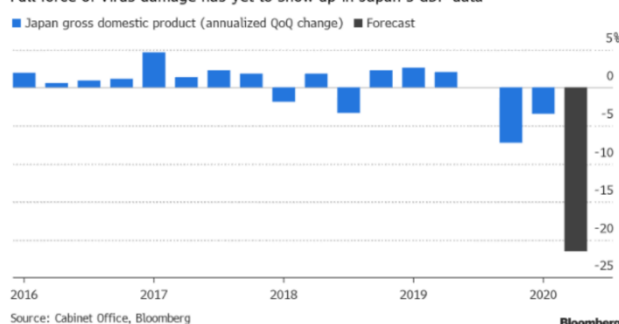
Japan

Japan’s economy fell into recession in Q1 but contracted less than expected. Real GDP fell -3.4% q/q on a seasonally adjusted annualized basis (consensus: -4.5%) from a revised -7.3% in Q4. The decline was driven by weakness in all demand components except for government spending which was flat. Analysts expect a sharper drop in Q2 following the government’s declaration of a state of emergency in early April. **Equities (+0.4%) rose, the yen weakened -0.2% and 10-year JGB yield fell -0.6 bps.**

Nikkei 225 continues to hover around 20,000



Full force of virus damage has yet to show up in Japan's GDP data



Emerging Markets

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Tech stocks fell across Asia in the wake of US restrictions on supplies to Huawei. Overall Asian indices managed to post small gains on strength in defensive sectors. Indian equities (-3.4%) and the rupee (-0.4%) underperformed following the extension of a nationwide lockdown for another two weeks to May 31. On economic data, Thailand's Q1 GDP and Singapore's April exports beat expectations. Thailand's economy shrank by a less than expected rate of -1.8% y/y in Q1 (consensus: -3.9%). The decline was the first contraction in six years and was driven by sizeable contractions in most demand components except for private consumption and inventories. The government revised its forecast range for 2020 to -5 to -6% from +1.5% to 2.5% previously. Singapore's non-oil domestic exports also surprised to the upside, expanding 9.7% y/y in April (consensus -5%) driven by pharma shipments. **EMEA bourses gained decisively in unison as virus spread slows down.** By country: Russia (+2.6%); Turkey (+1.8%); Poland (+1.4%); Czech Republic (+1.2%); South Africa (+2.2%). Currencies traded mixed within a narrow corridor, except the Turkish lira (+0.6% to the dollar) and the Russia ruble (+0.7%). **Latin American** assets mostly experienced losses on Friday as investors grappled with the steepest drop on record for U.S. retail sales. Stocks in Brazil (-2%) lost the most, followed by stocks in Mexico (-1%) and Chile (-0.5%) while stocks in Argentina (+0.4%) saw some gains. Amongst regional currencies, the Brazilian real (-0.7%) depreciated the most against the dollar, followed by the Chilean peso (-0.6%) and Mexican peso (-0.4%), while the Colombian peso (+0.7%) appreciated against the dollar.

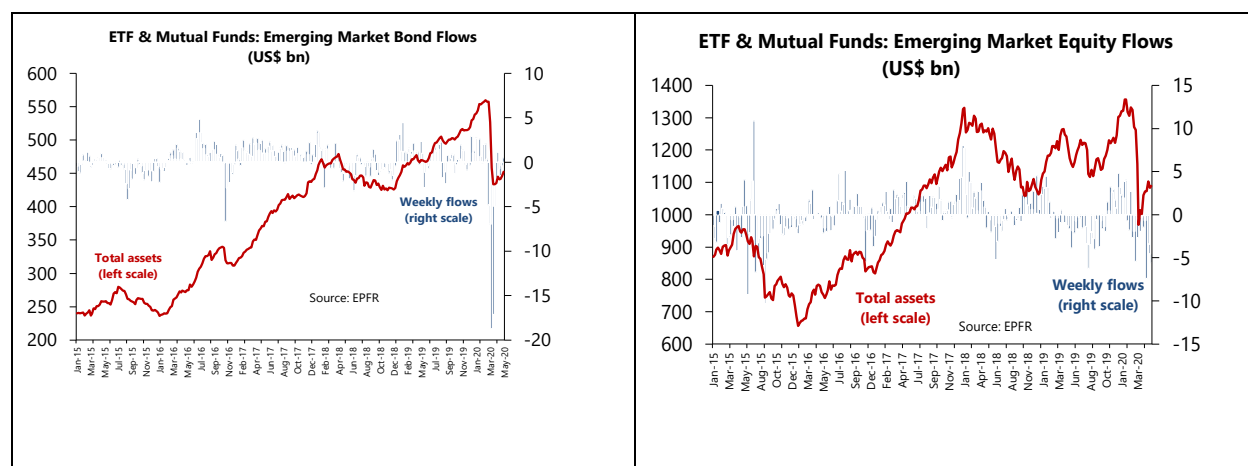
Key Emerging Market Financial Indicators

Last updated: 5/18/20 8:14 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
Major EM Benchmarks			%				%
MSCI EM Equities		36.03	1.8	-2	-1	-10	-20
MSCI Frontier Equities		22.18	0.5	-3	0	-21	-27
EMBIG Sovereign Spread (in bps)		568	-10	-4	-33	208	275
EM FX vs. USD		53.04	0.6	1	0	-13	-14
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		7.11	-0.2	0	-1	-3	-2
Indonesian Rupiah		14850	0.1	0	4	-3	-7
Indian Rupee		75.91	-0.4	0	1	-8	-6
Argentine Peso		67.73	-0.1	-1	-3	-34	-12
Brazil Real		5.79	1.2	1	-8	-29	-30
Mexican Peso		23.67	1.2	1	2	-19	-20
Russian Ruble		72.84	1.0	1	4	-11	-15
South African Rand		18.37	1.2	0	3	-22	-24
Turkish Lira		6.86	0.7	3	1	-12	-13
EM FX volatility		11.59	1.1	-0.2	0.2	2.4	5.0

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

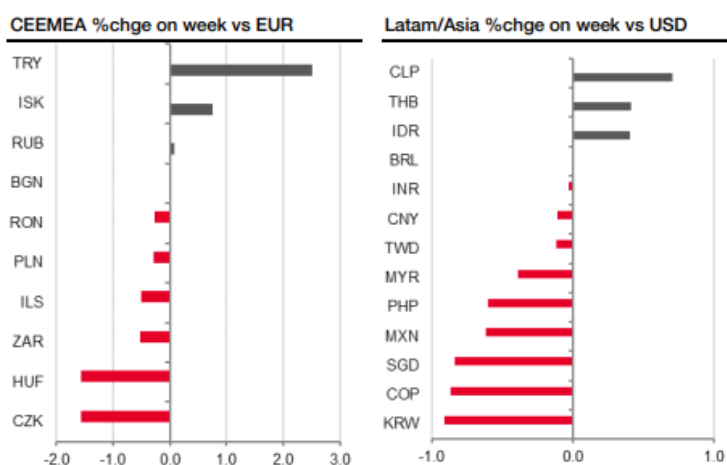
Emerging Market Fund Flows

Over the past week, EM bond funds (+\$0.5 bn) returned to modest inflows while EM equity funds (-\$5.6 bn) saw net outflows for the 13th consecutive week. YTD flows to EM bonds and equities are now down to -\$41 bn and -\$26.8 bn respectively, according to EPFR data. EM equity fund outflows from China-specific funds accelerated, possibly reflecting rising tensions with the United States. EM bond fund inflows were primarily into hard currency products. According to market analysts, the expectation of narrowing EM-DM growth and real rate differentials could continue to support flows into EM assets, particularly to those being more sensitive to economic growth.



Emerging Market FX

In the past week, oil prices have rebounded, gold prices are testing all-time highs, bond yields and equity indices have fallen, but some weaker emerging market currencies have appreciated. In CEEMEA, Turkish lira has plenty of problems from lack of growth to lack of reserves and dependence on foreign capital, but shorts are being squeezed out. South African rand too, has weakened only modestly, as the local bond rally runs out of steam. Czech koruna was hurt by a CNB board member commenting



about the possibility of a EUR/CZK floor, which would be a potential path to devaluation. Asian FX remains a mixed bag. Increased trade war talk has weakened renminbi against the dollar back towards March's peak. In Latam, the Brazilian real has weakened almost 6% against the dollar this month and is the weakest major currency in 2020 overall. The Chilean peso performed the best over the past week, while a bounce in oil prices has done less for the Mexican peso and the Colombian peso than might have been hoped according to some analysts.

Source: SG Cross Asset Research/Forex

Central and Eastern Europe

Analysts at OxfordEconomics warn that despite having been able to implement anti-Covid 19 measures similar to that of Western neighbors, **CEE government responses may be more limited going forward given the need to continue attracting capital flows and avoid large currency depreciations.** That said, analysts note that experiences and risks vary largely by country.

Figure 1

CEE countries policy responses to COVID-19					
	Czech Republic	Slovakia	Hungary	Poland	Romania
Year	2020				
Easing of containment measures	April 7	April 22	May 4	April 20	May 15
GDP growth (%)	-4.9%	-3.5%	-3.5%	-3.5%	-3.0%
Fiscal policy					
Budget balance (%)	-6.2%	-5.9%	-4.4%	-8.5%	-7.5%
Debt to GDP (%)	37.8%	51.9%	79.3%	57.4%	42.5%
Direct response to COVID-19 (% of GDP)*	4.7%	5.5%	4.3%	4.2%	2.0%
Indirect response to COVID-19 (% of GDP)**	16.9%	0.3%	15.0%	12.2%	1.5%
Monetary policy					
Current policy rate (%)	0.25%	0.00%	0.90% (1.85%)†	0.50%	2.00%
Total change in policy rate since January	-200bps	0bps	0bps (95bps)†	-100bps	-50bps
Quantitative easing	No***	Yes	Yes	Yes	Yes
Exchange rate					
Movement against EUR since Jan 31	-7.7%	N/A	-3.9%	-6.0%	-1.1%
Exchange rate interventions	No	No	Yes	No	No

*comprises discretionary direct spending, e.g. furlough schemes

**comprises indirect measures such as credit guarantees

*** The Czech National Bank (CNB) has gained QE powers in April but has not implemented QE so far

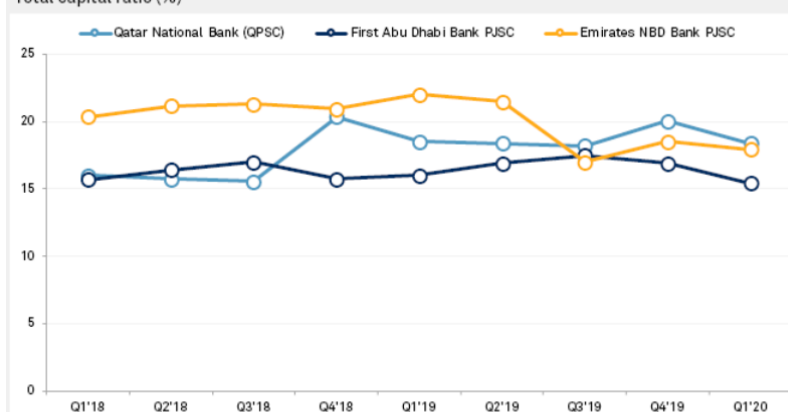
† While keeping the base rate at 0.90%, the Hungarian National Bank (MNB) increased the overnight rate to 1.85%

Gulf Cooperation Council (GCC)

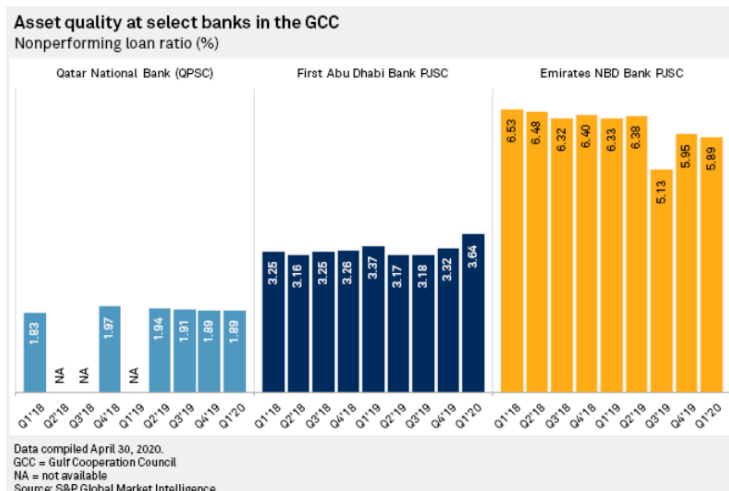
GCC banks are expected to slash dividends in 2020 as profits plunge. As the coronavirus rams through the global economy, analysts anticipate a sharp drop in profits and asset quality at GCC banks, CreditSights reported. The top banks in the region display strong capitalization levels able to support their credit ratings, and Standard & Poor's believes that credit losses would take up to three years to work through the banks' balance sheets. That said, S&P notes that there is a wide variance among the Gulf banks.

The GCC's largest banks are well capitalized

Total capital ratio (%)

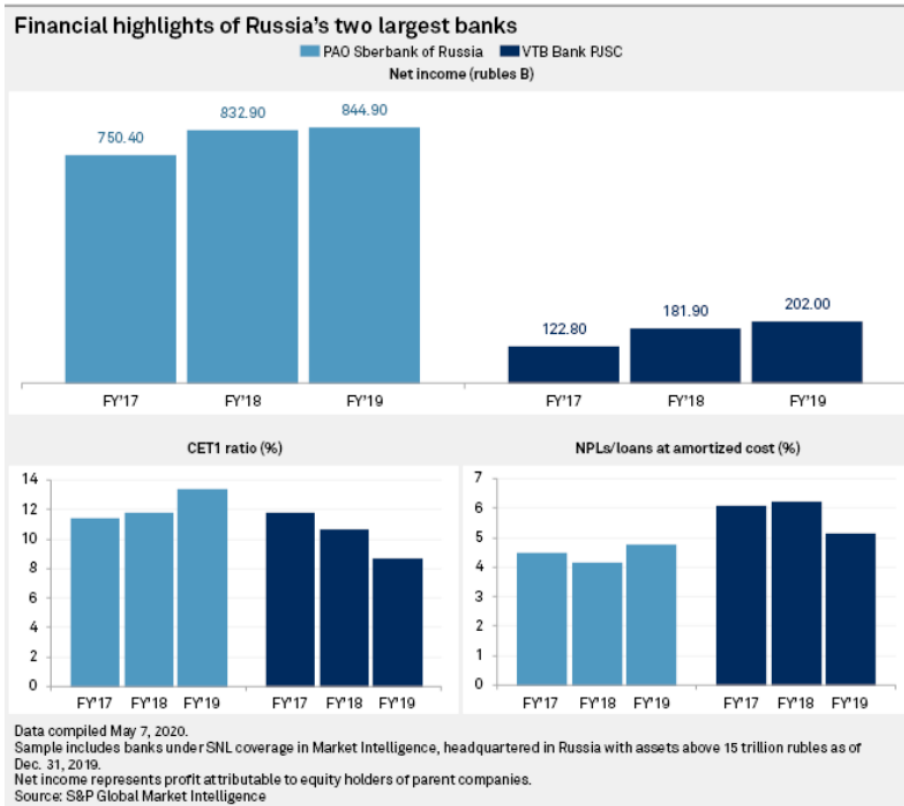


Data compiled April 30, 2020.
GCC = Gulf Cooperation Council
Source: S&P Global Market Intelligence



Russia

Russia's largest lenders – Sberbank and VTB Bank – claim they will not need further state support to weather the impact of COVID-19. The CEO of Sberbank has said that the bank would remain profitable even in the worst case scenario of a 15% drop in Russia GDP and oil at \$0/barrel. Similarly, VTB' CEO has indicated his institution is ready to face the upcoming challenges. Nonetheless, the Russia central bank had to extend \$8.7 bn in support loans to systemic banks last March, of which an estimated \$3.6 bn were taken up by VTB Bank. **Sberbank and VTB Bank equities are up 1.0% and 1.2%, respectively, today.**

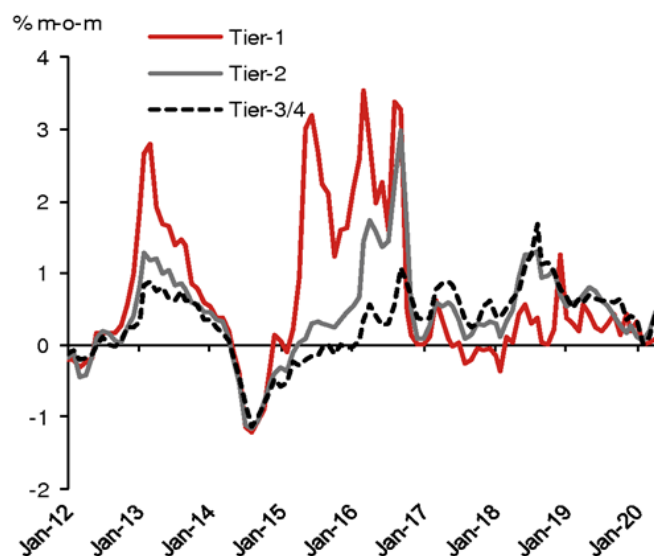


As of May 15, US\$1 was equivalent to 73.76 Russian rubles.

China

US officials are reportedly considering proposals that seek to push American companies to move operations or key suppliers out of China. According to Reuters, proposals include tax breaks, new rules and carefully structured subsidies. An idea is a 'reshoring fund' worth \$25 bn, which would encourage US companies that make essential goods to move production and supply chains to the US. Both Republicans and Democrats are also crafting bills to lower US reliance on Chinese-made products. **Separately, property prices across 70 cities rose 0.4% m/m in April from 0.1% m/m in March.** The number of cities with sequentially higher prices rose to 50 from 38. **Equities were mixed (Shanghai +0.2%, tech-heavy Shenzhen -0.4%) and the onshore and offshore RMB weakened slightly.**

Fig. 1: Property price changes by city tier



Source: Nomura

India

Equities (-3.4%) fell after the government extended the lockdown for two weeks until May 31. This marked the third extension since the lockdown was introduced on March 25. Public transport, along with malls, cinemas, schools, gyms and tourist attractions will remain closed. However, some restrictions have been partially eased. Sports complexes and stadiums will now be able to operate without spectators and interstate travel will be allowed with permits. Infections have surged with total confirmed cases exceeding 90,000 and around 2,900 deaths. **Analysts have sharply lowered their growth forecasts amid the extension of the lockdown.** Goldman Sachs now expects GDP to contract at an annualized rate of -45% q/q in Q2 compared with -20% previously. **Separately, the borrowing limits of federal states have been increased to 5% of states' GDP from 3% according to the Finance Minister.** States can borrow an additional INR4.3 tn (\$56.6 bn) from the current INR6.4 tn for the fiscal year starting April 1 but some of the extra bond sales will be linked to meeting certain conditions. **The rupee depreciated -0.5% and 10-year bond yield rose 2 bps.**






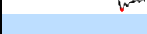







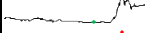




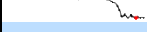



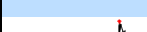

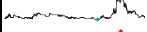
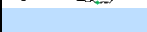
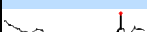


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Global Financial Indicators

Last updated: 5/18/20 8:11 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		2864	0.4	-2	0	0	-11
Europe		2851	2.9	-1	-1	-17	-24
Japan		20134	0.5	-1	1	-5	-15
China		2875	0.2	-1	1	0	-6
Asia Ex Japan		63	-1.3	-2	-1	-5	-14
Emerging Markets		36	1.8	-2	-1	-10	-20
Interest Rates			basis points				
US 10y Yield		0.66	2.1	-5	2	-173	-126
Germany 10y Yield		-0.53	0.0	-2	-6	-43	-35
Japan 10y Yield		-0.01	-0.8	-2	-3	5	0
UK 10y Yield		0.22	-1.2	-5	-9	-82	-60
Credit Spreads			basis points				
US Investment Grade		203	-2.2	-6	16	82	106
US High Yield		738	-0.6	-16	25	305	345
Europe IG		86	-4.2	2	1	20	42
Europe HY		517	-25.0	10	13	233	310
EMBIG Sovereign Spread		570	-8.0	-2	-31	210	277
Exchange Rates			%				
USD/Majors		100.27	-0.1	0	0	2	4
EUR/USD		1.08	0.0	0	0	-3	-3
USD/JPY		107.3	-0.2	0	0	3	1
EM/USD		53.0	0.6	1	0	-13	-14
Commodities			%				
Brent Crude Oil (\$/barrel)		34	6.0	16	23	-52	-48
Industrials Metals (index)		96	1.9	-1	0	-16	-16
Agriculture (index)		35	0.8	0	-2	-9	-16
Implied Volatility			%				
VIX Index (% change in pp)		29.4	-2.5	1.8	-8.8	13.4	15.6
10y Treasury Volatility Index		4.7	-0.3	-0.6	-2.4	0.6	0.6
Global FX Volatility		9.0	0.1	-0.1	-0.5	2.0	3.0
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		254	-6.3	-15	-10	-100	88
Italy		232	-7.0	-7	6	-44	73
Portugal		138	-3.1	-7	-6	23	75
Spain		126	-3.2	-7	-3	28	61

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: 5/18/2020 8:15 AM	Exchange Rates							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		YTD	Last 12m	Latest	1 Day	7 Days	30 Days	
	vs. USD		(+) = EM appreciation					% p.a.						
China		7.11	-0.2	-0.2	-1	-3	-2		2.6	0.2	6	6	-76	-58
Indonesia		14850	0.1	0.3	4	-3	-7		7.8	-3.1	-32	-8	-36	66
India		76	-0.4	-0.2	1	-8	-6		6.2	0.2	7	-41	-125	-69
Philippines		51	-0.3	-1.1	0	3	0		4.5	-4.6	-12	-62	-61	21
Thailand		32	0.1	0.4	1	-1	-6		1.3	-0.3	1	-20	-125	-28
Malaysia		4.37	-0.5	-0.9	0	-4	-6		2.8	-1.7	4	-28	-105	-54
Argentina		68	-0.1	-0.7	-3	-34	-12		42.6	65.5	-24	-1253	1315	-1999
Brazil		5.79	1.2	0.5	-8	-29	-30		6.1	-10.4	28	19	-194	-17
Chile		826	-0.6	0.1	3	-16	-9		2.6	-4.1	-14	-64	-153	-73
Colombia		3914	0.7	-0.5	-1	-16	-16		5.6	-4.9	-7	-82	-66	-33
Mexico		23.67	1.2	0.9	2	-19	-20		6.2	1.4	18	-68	-194	-72
Peru		3.4	0.4	-0.9	-1	-4	-4		4.3	-1.6	-11	-27	-101	-20
Uruguay		44	0.0	-0.8	-1	-20	-15		11.2	-5.1	-26	-172	8	31
Hungary		326	0.4	-0.8	-1	-10	-10		1.6	-3.0	-16	-15	-41	40
Poland		4.21	0.3	0.1	-1	-9	-10		0.9	1.5	-18	-11	-139	-97
Romania		4.5	0.1	-0.1	0	-5	-5		4.0	-1.0	-9	-23	-25	-1
Russia		72.8	1.0	0.8	4	-11	-15		5.3	-17.9	-35	-120	-257	-77
South Africa		18.4	1.2	0.3	3	-22	-24		10.4	8.2	38	-53	104	83
Turkey		6.86	0.7	3.2	1	-12	-13		11.9	-6.2	10	-195	-901	21
US (DXY; 5y UST)		100	-0.1	0.0	0	2	4		0.31	0.6	-4	-5	-186	-138

	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		2875	0.2	-1	1	0	-6		251	0	-4	7	73	75	
Indonesia		4511	0.1	-3	-3	-23	-28		325	-7	0	-17	132	169	
India		30029	-3.4	-5	-5	-21	-27		311	-8	-15	-35	152	186	
Philippines		5479	-1.1	-3	-5	-28	-30		180	-4	6	1	98	114	
Malaysia		1410	0.5	2	0	-12	-11		251	1	-2	-32	123	139	
Argentina		39388	0.4	9	32	18	-5		2768	-69	-306	-719	1821	999	
Brazil		77557	-1.8	-3	-2	-14	-33		438	-11	24	46	182	223	
Chile		3622	-0.5	-5	-5	-26	-22		267	-1	2	-24	133	134	
Colombia		1054	0.1	-5	-12	-30	-37		352	-9	6	-15	161	189	
Mexico		35691	-1.1	-5	3	-18	-18		605	-12	2	-56	292	313	
Peru		15189	0.4	-1	5	-24	-26		238	-4	6	-25	99	131	
Hungary		35037	2.9	0	6	-12	-24		215	-2	-1	4	116	129	
Poland		45362	2.3	1	0	-20	-22		93	-1	-1	-39	45	75	
Romania		8242	0.8	-2	4	0	-17		352	-4	8	-12	160	179	
Russia		2667	2.8	1	5	3	-12		242	-7	-8	-31	35	111	
South Africa		50948	2.7	1	4	-9	-11		612	-12	-45	-27	299	292	
Turkey		101689	1.9	4	4	17	-11		673	-17	-14	-82	154	272	
Ukraine		500	0.0	0	0	-12	-2		717	-13	-27	-131	69	297	
EM total		36	1.8	-2	-1	-10	-20		568	-10	-4	-33	208	275	

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

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