






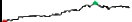







- Investors are keeping a wary eye on cryptocurrency markets ([link](#))
- Higher graded US corporate bonds face more downgrades ([link](#))
- ECB President signals ECB may leave policy unchanged at June meeting ([link](#))
- Steel and iron ore prices fall as the Chinese government targets speculation and hoarding to stop the commodities boom ([link](#))
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## Markets range-bound to start the week

With the exception of commodities and bitcoin, asset prices were relatively stable this morning, with European bourses and US equity futures up modestly while advanced economy government bond yields were little changed. China's crackdown on commodities speculation weighed on raw-material prices, with steel and iron ore prices down over 5% this morning. Oil prices gained as talks between Iran and major powers will continue in Vienna this week to try and resolve outstanding issues over the nuclear pact. Bitcoin remained volatile, trading 12% higher this morning. This should be a relatively quiet week on the data front with public holidays in different countries but a large number of central bank speeches. Investors will likely focus on German confidence data (Tuesday), U.S. new home sales (Tuesday), U.S. GDP and durable goods data (Thursday), euro area consumer confidence (Thursday) and U.S. PCE price data (Friday). On Friday, U.K. Chancellor Sunak will host a virtual gathering of G7 finance ministers and central bankers.

Key Global Financial Indicators

| Last updated:<br>5/24/21 8:01 AM     | Level   |        | Change from Market Close |        |         |      | YTD |
|--------------------------------------|---|--------|--------------------------|--------|---------|------|-----|
|                                      | Last 12m  | Latest | 1 Day                    | 7 Days | 30 Days | 12 M |     |
| <b>Equities</b>                      |   |        | %                        |        |         |      | %   |
| S&P 500                              |  | 4156   | -0.1                     | 0      | -1      | 41   | 11  |
| Eurostoxx 50                         |  | 4023   | -0.1                     | 0      | 0       | 38   | 13  |
| Nikkei 225                           |  | 28365  | 0.2                      | 2      | -2      | 37   | 3   |
| MSCI EM                              |  | 53     | -1.2                     | 0      | -3      | 46   | 3   |
| <b>Yields and Spreads</b>            |   |        | bps                      |        |         |      |     |
| US 10y Yield                         |  | 1.61   | -0.9                     | -4     | 6       | 95   | 70  |
| Germany 10y Yield                    |  | -0.13  | -0.2                     | -2     | 13      | 36   | 44  |
| EMBIG Sovereign Spread               |  | 333    | -1                       | 0      | -8      | -192 | -17 |
| <b>FX / Commodities / Volatility</b> |   |        | %                        |        |         |      |     |
| EM FX vs. USD, (+) = appreciation    |  | 57.6   | 0.1                      | 0      | 1       | 7    | -1  |
| Dollar index, (+) = \$ appreciation  |  | 89.9   | -0.1                     | 0      | -1      | -10  | 0   |
| Brent Crude Oil (\$/barrel)          |  | 67.6   | 1.8                      | -3     | 2       | 93   | 31  |
| VIX Index (% change in pp)           |  | 20.2   | 0.1                      | 1      | 3       | -8   | -3  |

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

## United States

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**Investors are keeping a wary eye on cryptocurrency markets after the turbulence that pulled down stocks and other risk assets last week.** Many analysts think future spillovers will be quite limited, although others are less sure because so many institutional investors are now involved in the crypto space. JP Morgan pointed out that the large drop in Cryptocurrencies this month is the third in four years, but has now occurred in an asset class of \$2 tn. The bank argues that the cross-asset consequences have been mild so far, with less equity/credit drawdown than occurred during January's meme-stock frenzy or February's sell-off in global bond markets. Analysts argue that Crypto is not yet in the same category as the Nikkei (1980s), dot-com stocks (1990s) or sub-prime (2000s) in terms of household/corporate leverage and financial sector spillovers. **Bitcoin remains volatile, trading 12% higher today after losing 11.5% on Sunday.**

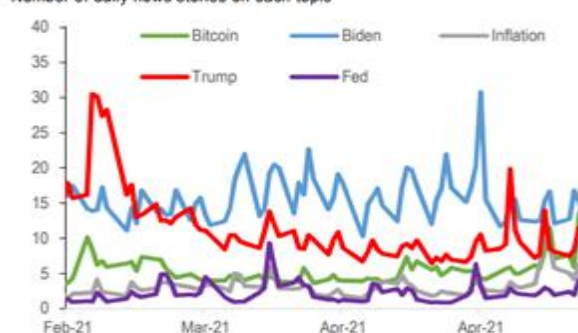
Market capitalization as a percentage of global GDP: Cryptocurrencies versus Big Tech and U.S. sub-prime



Note: Market capitalization or outstandings (for sub-prime) for various markets as a percentage of global GDP. Big Tech = S&P Tech, S&P Comms & AMZN  
Source: JP Morgan

Chart 2: Bitcoin has become almost as talked about as Presidents, and more than inflation or the Fed

Number of daily news stories on each topic



Source: J.P. Morgan, Bloomberg Finance L.P.

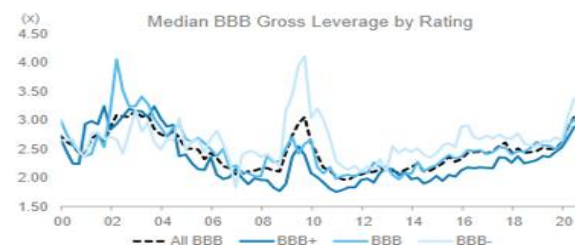
**Higher rated investment grade US corporate bonds are facing more downgrade pressure.** There is a higher volume of bonds rates A or higher being downgraded to BBB than at any point since the pandemic crisis began. In the initial phase of the crisis, there was a much higher volume of fallen angels, or investment grade bonds downgraded below the BBB- investment grade threshold into junk territory. As a result, there was a lot of focus on bonds in the BBB range for fear that further downgrades could flood the junk bond market and cause major dislocations. However, BBB bonds are much less leveraged in the current market, suggesting greater stability for the moment. However, higher rated bonds being downgraded to BBB could be the next focus for the market if they are at risk of being downgraded further.

**Exhibit 33:** Fallen angel volumes have dropped sharply since the summer, while downgrades within high quality have picked up



Source: Morgan Stanley Research, Bloomberg

**Exhibit 32:** BBBs remain significantly more leverage constrained, especially at lower notches



Source: Morgan Stanley Research, Bloomberg

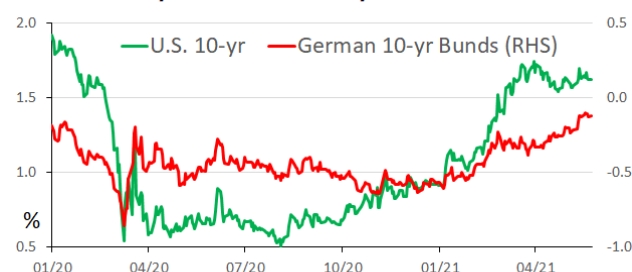
## Europe

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**Equities and rates were little changed in thin trading with many European countries on holiday.** On Friday, 10-year bund yields closed 2 bps lower after ECB President Lagarde signaled that the ECB may not change policy at its meeting on 10 June as it is "far too early and actually unnecessary to debate

**longer-term issues.”** She reiterated the ECB’s commitment to maintain favorable financing conditions throughout the whole pandemic period. Nevertheless, 10-year bund yields have risen 44 bps in 2021 and 10-year Italian yields are 50 bps higher YTD. Some analysts continue to believe the ECB may reduce its asset purchases somewhat in Q3 as the economic recovery gains strength. **To gauge the consensus on policy among ECB GC members, contacts will be paying close attention to comments by Bundesbank president Weidmann on Thursday.**

Core rates: 10-yr German and U.S. yields



Source: Bloomberg and IMF staff

**Italy extends loan moratoria and guaranteed loans to the end of 2021.** The new Covid fiscal support package of €40bn approved last week includes an extension of liquidity measures introduced in spring 2020 to the end of 2021. These measures were previously set to terminate on 30 June. New state-guaranteed loans made available after 30 June will benefit from a slightly smaller guarantee (90% vs. 100% on below-30K loans, 80% from 90% on bigger loans). The maturity of new and existing guaranteed loans is extended from 6 to 10 years. The loan moratoria will apply only on principal repayments.

## Other Mature Markets

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### Japan

**Japanese equities gained (NIKKEI: +0.2%; TOPIX: +0.4%) on hopes for a global economic recovery and a faster pace of vaccination in Japan.** Economically sensitive stocks, including banks and automakers, led the gain. The mass vaccination program started today, with large-scale vaccination centers opening in major cities. The government aims to inoculate one million people per day. Japanese yen was little changed.

## Emerging Markets

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**Asian equities were mixed, falling 0.4 % on net.** Philippine (-0.6%) and Korea (-0.4%) equities declined, while share prices rose in Malaysia (+0.6%), India (+0.55) and China (CSI 300: +0.4%). Malaysian equities gained as the government decided not to impose a full lockdown amid rising COVID-19 infection. **Asian currencies were also mixed, with limited movements.** Philippine peso (-0.2%) and Malaysian ringgit (-0.3) depreciated, while Singaporean dollar appreciated (+0.1%). **In Taiwan POC**, industrial production increased 13.6% y/y in April, weaker than an expected 18% growth. Some analysts commented that the world’s supply of chips could be in danger unless Taiwan POC gets vaccines. Equities gained (+0.2%); Taiwanese dollar appreciated (+0.1%). **In Korea**, bond traders waited to see a clearer direction of fiscal policy. The finance ministry denied a plan for an extra budget, while an internal preparatory work reportedly started following President Moon Jae-in’s call for more fiscal support. Government bond yields were little changed. **EMEA equities markets were little changed** except for Saudi Arabia (+0.2%) and Turkey (-0.3%). **EMEA currencies were trading mixed** with the Turkish lira (+0.3%) and the Polish zloty (+0.2%) appreciating while the South African rand (-0.4%) depreciated against the dollar. **South Africa’s credit rating** was affirmed at BB- by S&P and Fitch on Friday. **In Latam**, stock markets were mostly down on

Friday, with Peru (-3.1%), Colombia (-1.6%) and Argentina (-1.6%) underperforming. Currency and 10-year government bond markets were relatively quiet.

### Key Emerging Market Financial Indicators

| Last updated:<br>5/24/21 8:07 AM | Level    |       | Change                            |        |         |      | YTD  |
|----------------------------------|----------|-------|-----------------------------------|--------|---------|------|------|
|                                  | Last 12m | index | 1 Day                             | 7 Days | 30 Days | 12 M |      |
| <b>Major EM Benchmarks</b>       |          |       | %                                 |        |         |      | %    |
| MSCI EM Equities                 |          | 53.14 | 0.2                               | 0      | -3      | 46   | 3    |
| MSCI Frontier Equities           |          | 31.75 | -0.5                              | 0      | 3       | 37   | 12   |
| EMBIG Sovereign Spread (in bps)  |          | 333   | -1                                | 0      | -8      | -192 | -17  |
| EM FX vs. USD                    |          | 57.51 | 0.0                               | 0      | 1       | 7    | -1   |
| <b>Major EM FX vs. USD</b>       |          |       | %, (+) = EM currency appreciation |        |         |      |      |
| China Renminbi                   |          | 6.43  | 0.1                               | 0      | 1       | 11   | 2    |
| Indonesian Rupiah                |          | 14355 | 0.0                               | -1     | 1       | 2    | -2   |
| Indian Rupee                     |          | 72.97 | -0.2                              | 0      | 2       | 4    | 0    |
| Argentine Peso                   |          | 94.28 | 0.0                               | 0      | -1      | -28  | -11  |
| Brazil Real                      |          | 5.36  | 0.1                               | -2     | 1       | 2    | -3   |
| Mexican Peso                     |          | 19.97 | -0.1                              | -1     | 0       | 13   | 0    |
| Russian Ruble                    |          | 73.76 | -0.2                              | 0      | 2       | -3   | 0    |
| South African Rand               |          | 13.98 | -0.2                              | 1      | 2       | 26   | 5    |
| Turkish Lira                     |          | 8.39  | 0.3                               | -1     | -1      | -19  | -11  |
| EM FX volatility                 |          | 9.22  | 1.3                               | -0.1   | -0.6    | -1.7 | -1.5 |

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

### EM Fund Flows

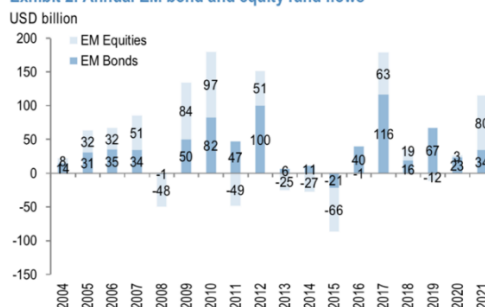
**EM bond fund inflows were \$282mn last week, a substantial decrease from \$1.3bn the week before**, as hard currency bond funds reverted back to outflows of \$118mn after six weeks of inflows and local currency bond fund inflows fell (\$400 mn). The local currency bond fund inflows were all into China-related bond funds (+\$555mn) as EM ex-China local currency bond funds saw outflows (-\$155mn). In equities, **EM equity funds had their second consecutive week of small outflows** (-\$30 mn, from -\$203 mn) driven by ETF funds (-\$172 mn) as non-ETFs attracted inflows (+\$142 mn). YTD flows to EM bonds and equities now stand at +\$34.4bn and +\$80.3bn, respectively.

Exhibit 1: Weekly Cross-Asset Flows

| USD billion                              |                             |         |       |  |
|--|-----------------------------|---------|-------|--|
| Asset                                    | 8w flows (8w ago → current) | This wk | YTD   |  |
| <b>EM Bonds and Equities</b>             |                             | 0.3     | 114.6 |  |
| EM Bonds                                 |                             | 0.3     | 34.4  |  |
| Hard Ccy                                 |                             | -0.1    | 16.2  |  |
| Local Ccy <sup>a</sup>                   |                             | 0.4     | 18.2  |  |
| o.w. EM ex-China                         |                             | -0.2    | 3.8   |  |
| o.w. China                               |                             | 0.6     | 12.4  |  |
| <b>EM Equities</b>                       |                             | 0.0     | 80.3  |  |
| US HG                                    |                             | 1.9     | 170.3 |  |
| US HY                                    |                             | -1.7    | -8.6  |  |
| Global Equities                          |                             | 3.3     | 233.0 |  |
| <b>EM Bond and Equity ETFs</b>           |                             | 0.3     | 40.9  |  |
| EM Bond ETFs                             |                             | 0.5     | 7.2   |  |
| EM Equity ETFs                           |                             | -0.2    | 33.7  |  |
| <b>Non-resident EM flows<sup>a</sup></b> |                             | -3.5    | -43.4 |  |

<sup>a</sup>Using high frequency non-resident EM portfolio flow data where available. Source – All charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg Finance L.P.

Exhibit 2: Annual EM bond and equity fund flows

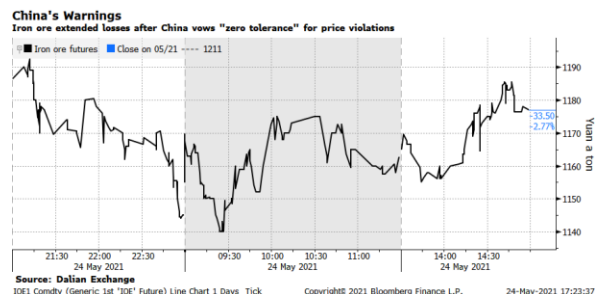


Source: JP Morgan.

### China

**Steel and iron ore prices fell more than 5% this morning as China is targeting speculation and hoarding to stop the commodities boom.** The National Development and Reform Commission (NDRC) said that the government will show zero tolerance for speculation and hoarding after the meeting with leaders of top metals producers on Sunday. This was the latest government effort to rein in surging metals

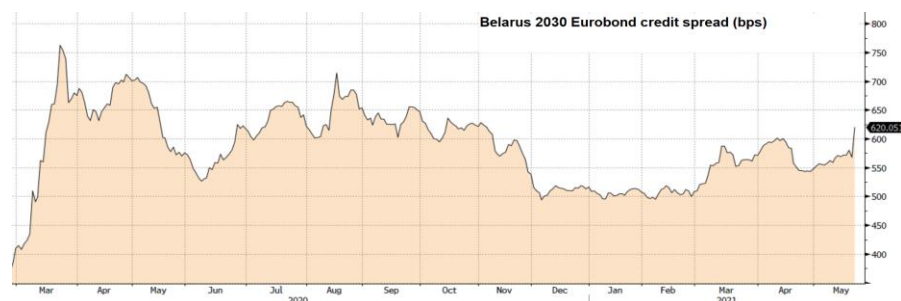
prices. There has been an unusual amount of attention from policymakers on commodity prices in recent weeks following the rapid rise in PPI in April. Some analysts noted that the rapid rise in commodity prices has negatively affected manufactures. **The People's Bank of China also said that it pledged to maintain a stable currency**; an earlier statement that RMB should appreciate to offset rising costs of commodity imports was deleted. **RMB appreciated (+0.1%); equities gained (CSI 300: +0.4%).**



Source: Bloomberg.

## Belarus

**Investors brace for potential sanctions after the arrest of a journalist on a diverted Ryanair passenger flight.** According to media reports, the flight on route to Lithuania was diverted to land in Belarus on a false bomb threat. Roman Protasevich, a journalist and coordinator of Belarus post-election opposition movement, was removed from the flight while grounded in Minsk. EU leaders are set to discuss the incident today with some member states calling for new sanctions. **Belarus 2030 Eurobonds credit spread widened by 60 bps.** Contacts note that repricing has been relatively contained so far with larger investors still in wait-and-see mode as sanctions against individuals rather than financial sector are currently seen as the base case. Russian CDS was 2 bps wider, despite higher oil prices, with contacts noting limited investor concerns of spillovers so far.



## Peru

**After markets closed on Friday, Moody's changed the outlook on Peru's A3 ratings from stable to negative.** The outlook change reflects the rating agency's view that an increasingly polarized and fractured political environment has been undermining the effectiveness of policymaking in Peru. Such erosion could further undermine economic resilience and the sovereign's capability to reverse the fiscal deterioration of recent years. The affirmation of A3 ratings, however, reflects Moody's view of the relative strength of the Peruvian economy and of the government's balance sheet. To date, the increase in public debt has been moderate compared to peers and the deterioration of the sovereign's balance sheet has been somewhat contained. Moody's also expects the economy should bounce back strongly from the pandemic. Local stocks fell 3.1% on Friday while Peruvian sol depreciated 1.2% and is hovering near record historical low levels to the dollar.



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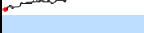


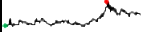














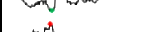




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## Global Financial Indicators

| Last updated:<br>5/24/21 8:04 AM | Level   |        | Change                           |        |         |      | YTD  |
|----------------------------------|---|--------|----------------------------------|--------|---------|------|------|
|                                  | Last 12m  | Latest | 1 Day                            | 7 Days | 30 Days | 12 M |      |
| <b>Equities</b>                  |   |        | %                                |        |         |      | %    |
| United States                    |    | 4161   | -0.1                             | 0      | 0       | 41   | 11   |
| Europe                           |    | 4023   | -0.1                             | 0      | 0       | 38   | 13   |
| Japan                            |    | 28365  | 0.2                              | 2      | -2      | 37   | 3    |
| China                            |    | 3497   | 0.3                              | -1     | 1       | 24   | 1    |
| Asia Ex Japan                    |    | 91     | -1.2                             | 1      | -4      | 46   | 2    |
| Emerging Markets                 |    | 53     | -1.2                             | 0      | -3      | 46   | 3    |
| <b>Interest Rates</b>            |   |        | basis points                     |        |         |      |      |
| US 10y Yield                     |    | 1.61   | -0.9                             | -4     | 6       | 95   | 70   |
| Germany 10y Yield                |    | -0.13  | -0.2                             | -2     | 13      | 36   | 44   |
| Japan 10y Yield                  |    | 0.08   | -0.3                             | -1     | 1       | 8    | 6    |
| UK 10y Yield                     |    | 0.82   | -1.5                             | -5     | 7       | 64   | 62   |
| <b>Credit Spreads</b>            |   |        | basis points                     |        |         |      |      |
| US Investment Grade              |    | 92     | -0.7                             | -1     | -3      | -92  | -3   |
| US High Yield                    |    | 345    | -1.4                             | 4      | 4       | -345 | -35  |
| Europe IG                        |    | 52     | -0.4                             | 1      | 2       | -28  | 4    |
| Europe HY                        |    | 259    | -2.8                             | 5      | 8       | -225 | 16   |
| <b>Exchange Rates</b>            |   |        | %                                |        |         |      |      |
| USD/Majors                       |   | 89.93  | -0.1                             | 0      | -1      | -10  | 0    |
| EUR/USD                          |  | 1.22   | 0.2                              | 0      | 1       | 12   | 0    |
| USD/JPY                          |  | 108.9  | 0.0                              | 0      | 1       | 1    | 6    |
| EM/USD                           |  | 57.6   | 0.1                              | 0      | 1       | 7    | -1   |
| <b>Commodities</b>               |   |        | %                                |        |         |      |      |
| Brent Crude Oil (\$/barrel)      |  | 68     | 1.8                              | -3     | 2       | 93   | 31   |
| Industrials Metals (index)       |  | 153    | -0.5                             | -5     | 2       | 59   | 15   |
| Agriculture (index)              |  | 57     | -1.2                             | -3     | 0       | 65   | 18   |
| <b>Implied Volatility</b>        |   |        | %                                |        |         |      |      |
| VIX Index (% change in pp)       |  | 20.2   | 0.1                              | 0.5    | 2.9     | -7.9 | -2.5 |
| US 10y Swaption Volatility       |  | 68.7   | 2.6                              | -4.6   | -6.8    | 6.7  | 8.6  |
| Global FX Volatility             |  | 7.2    | 0.1                              | 0.0    | 0.0     | -1.2 | -0.9 |
| <b>EA Sovereign Spreads</b>      |   |        | 10-Year spread vs. Germany (bps) |        |         |      |      |
| Greece                           |  | 109    | -1.4                             | -12    | -7      | -111 | -11  |
| Italy                            |  | 117    | 0.7                              | -5     | 13      | -91  | 6    |
| Portugal                         |  | 69     | 0.2                              | -4     | 3       | -53  | 9    |
| Spain                            |  | 69     | 0.3                              | -4     | 3       | -43  | 7    |

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

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## Emerging Market Financial Indicators

| Last updated:<br>5/24/2021<br>8:07 AM | Exchange Rates |        |                       |        |         |      | YTD | Local Currency Bond Yields (GBI EM) |        |                          |        |         |      | YTD   |
|---------------------------------------|----------------|--------|-----------------------|--------|---------|------|-----|-------------------------------------|--------|--------------------------|--------|---------|------|-------|
|                                       | Level          |        | Change (in %)         |        |         |      |     | Level                               |        | Change (in basis points) |        |         |      |       |
|                                       | Last 12m       | Latest | 1 Day                 | 7 Days | 30 Days | 12 M |     | Last 12m                            | Latest | 1 Day                    | 7 Days | 30 Days | 12 M |       |
|                                       | vs. USD        |        | (+) = EM appreciation |        |         |      |     | % p.a.                              |        |                          |        |         |      |       |
| China                                 |                | 6.43   | 0.1                   | 0.2    | 1       | 11   | 2   |                                     | 3.2    | -1.4                     | -4     | -6      | 58   | -10   |
| Indonesia                             |                | 14355  | 0.0                   | -0.5   | 1       | 2    | -2  |                                     | 6.5    | -5.9                     | 1      | -4      | -108 | 39    |
| India                                 |                | 73     | -0.2                  | 0.4    | 2       | 4    | 0   |                                     | 6.3    | -1.8                     | -3     | -11     | 11   | 32    |
| Philippines                           |                | 48     | -0.2                  | -0.4   | 1       | 6    | 0   |                                     | 4.4    | 2.0                      | 11     | 25      | -10  | 70    |
| Thailand                              |                | 31     | 0.1                   | 0.4    | 0       | 2    | -4  |                                     | 1.8    | 1.7                      | 3      | -5      | 50   | 53    |
| Malaysia                              |                | 4.15   | -0.1                  | -0.4   | -1      | 5    | -3  |                                     | 3.3    | 0.4                      | 1      | 7       | 49   | 73    |
| Argentina                             |                | 94     | 0.0                   | -0.2   | -1      | -28  | -11 |                                     | 45.6   | 11.6                     | -5     | -94     | -26  | -1052 |
| Brazil                                |                | 5.36   | 0.1                   | -1.6   | 1       | 2    | -3  |                                     | 8.3    | -3.5                     | -5     | 22      | 251  | 272   |
| Chile                                 |                | 718    | 0.0                   | -2.5   | -3      | 12   | -1  |                                     | 3.9    | 0.0                      | 22     | 41      | 151  | 112   |
| Colombia                              |                | 3740   | -0.6                  | -1.5   | -3      | 1    | -8  |                                     | 6.9    | 4.6                      | 13     | 67      | 153  | 180   |
| Mexico                                |                | 19.97  | -0.1                  | -0.9   | 0       | 13   | 0   |                                     | 6.9    | -2.2                     | 3      | 20      | 60   | 127   |
| Peru                                  |                | 3.8    | -1.2                  | -2.0   | -1      | -9   | -4  |                                     | 4.8    | 2.7                      | 2      | -18     | 59   | 121   |
| Uruguay                               |                | 44     | -0.2                  | 0.1    | 0       | -2   | -4  |                                     | 7.7    | 9.0                      | 18     | 32      | -300 | 45    |
| Hungary                               |                | 285    | 0.5                   | 1.6    | 6       | 13   | 4   |                                     | 2.4    | -1.8                     | 9      | 38      | 75   | 83    |
| Poland                                |                | 3.68   | 0.4                   | 1.4    | 3       | 12   | 2   |                                     | 1.2    | -2.7                     | -6     | 29      | 18   | 58    |
| Romania                               |                | 4.0    | 0.3                   | 0.5    | 1       | 10   | -1  |                                     | 2.8    | 0.0                      | 5      | 14      | -129 | 2     |
| Russia                                |                | 73.8   | -0.2                  | 0.2    | 2       | -3   | 0   |                                     | 6.8    | 0.4                      | -1     | 2       | 155  | 106   |
| South Africa                          |                | 14.0   | -0.2                  | 0.8    | 2       | 26   | 5   |                                     | 9.8    | -3.5                     | -9     | -7      | 5    | 15    |
| Turkey                                |                | 8.39   | 0.3                   | -0.9   | -1      | -19  | -11 |                                     | 17.7   | 5.1                      | 8      | 5       | 657  | 461   |
| US (DXY; 5y UST)                      |                | 90     | -0.1                  | -0.2   | -1      | -10  | 0   |                                     | 0.81   | -0.6                     | -2     | 0       | 48   | 45    |

|              | 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        |                | 5156   | 0.4           | -1     | 0       | 35   | -1  |                                  | 199    | 0                        | -2     | -9      | 30   | -9  |
| Indonesia    |                | 5764   | -0.2          | -1     | -4      | 27   | -4  |                                  | 158    | 0                        | -9     | -25     | -5   | -29 |
| India        |                | 50652  | 0.2           | 2      | 6       | 65   | 6   |                                  | 156    | -3                       | -9     | -13     | -117 | 5   |
| Philippines  |                | 6165   | -0.6          | -2     | -3      | 11   | -14 |                                  | 83     | 0                        | -9     | -17     | 13   | -22 |
| Malaysia     |                | 1572   | 0.6           | -1     | -2      | 9    | -3  |                                  | 113    | 0                        | -2     | -3      | 9    | 3   |
| Argentina    |                | 56222  | -1.6          | 3      | 19      | 37   | 10  |                                  | 1459   | 0                        | 19     | 8       | -570 | 91  |
| Brazil       |                | 122593 | -0.1          | 1      | 2       | 49   | 3   |                                  | 253    | 0                        | 0      | -16     | 58   | 3   |
| Chile        |                | 4080   | 0.0           | -11    | -17     | 9    | -2  |                                  | 126    | 0                        | -6     | -16     | -14  | -18 |
| Colombia     |                | 1244   | -1.6          | -4     | -3      | 18   | -13 |                                  | 207    | 0                        | -4     | -15     | 44   | 2   |
| Mexico       |                | 49779  | -0.3          | 1      | 1       | 39   | 13  |                                  | 348    | 0                        | -9     | -34     | 55   | -12 |
| Peru         |                | 20572  | -3.1          | -6     | 8       | 34   | -1  |                                  | 133    | 0                        | -4     | -3      | 22   | 1   |
| Hungary      |                | 46397  | 0.0           | 2      | 8       | 32   | 10  |                                  | 65     | 0                        | -6     | -15     | -42  | -31 |
| Poland       |                | 63580  | -0.1          | 1      | 7       | 38   | 11  |                                  | -22    | 0                        | -4     | -11     | -54  | -21 |
| Romania      |                | 11709  | 0.3           | 1      | 4       | 36   | 19  |                                  | 182    | -2                       | 2      | -6      | -153 | -21 |
| Russia       |                | 3661   | 0.0           | 1      | 2       | 35   | 11  |                                  | 159    | 0                        | -5     | -3      | 19   | -7  |
| South Africa |                | 66066  | -0.3          | -2     | -2      | 32   | 11  |                                  | 357    | 0                        | -4     | -35     | 25   | -23 |
| Turkey       |                | 1451   | -0.1          | 1      | 8       | 41   | -2  |                                  | 421    | 0                        | -5     | -47     | 34   | -24 |
| Ukraine      |                | 529    | 0.0           | 0      | 0       | 6    | 6   |                                  | 479    | 0                        | 12     | -21     | 127  | -12 |
| EM total     |                | 53     | 0.2           | 0      | -3      | 46   | 3   |                                  | 421    | 0                        | 17     | -10     | 97   | 128 |

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

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