



- Long-term Fed policy median survey expectations rise to highest level since 2012 ([link](#))
- Bank of Israel left policy interest rate unchanged in line with expectations ([link](#))
- Weekly Emerging Market bond fund flows are turning back to contraction ([link](#))
- Longer-dated Colombian bond yields correct on comments about a debt ceiling ([link](#))
- China launches its largest state-backed semiconductor fund ([link](#))
- Central Bank of Ghana leaves rates unchanged amid weakening cedi ([link](#))

[Mature Markets](#)


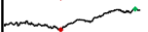





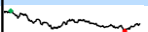



| [Emerging Markets](#)

| [Market Tables](#)

## Fed officials stick to hawkish rhetoric

**Fed officials continued to stick to hawkish rhetoric over the long weekend.** The Minneapolis Fed President Kashkari reiterated the need to gain more confidence on the path of inflation, stating that he does not see a need to hurry in cutting rates. Fed governor Waller warranted caution that the neutral rate remains relatively low while unsustainable fiscal spending could change that. These remarks were at odds with University of Michigan survey data, which showed an unexpected decline in near-term and longer-term inflation expectations, temporarily providing relief for US equity markets. In the UK, gilt yields declined on the day while Bank of England deputy governor Broadbent remained apprehensive on imminent rate cuts despite acknowledging progress on slowing inflation. In the Euro Area, bund yields remain little changed on ECB board member Schnabel's evaluation of asset purchases that summarized known benefits and costs at a conference in Tokyo. In Japan, producer prices in the services sector rose at the fastest pace since 1991 when correcting for tax hikes. Upward pressure remains on Japanese government bond yields, consistent with the view that the Bank of Japan for the time being will primarily remove policy accommodation via further adjustments to its balance sheet policy as opposed to rate hikes. In other parts of the world, Bank of Israel and the Central Banks of Sri Lanka and Ghana maintained their policy rates unchanged.

Key Global Financial Indicators

Last updated: 5/28/24 8:46 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>							
S&P 500		5305	0.7	0	4	26	11.21
Eurostoxx 50		5043	-0.3	0	1	16	12
Nikkei 225		38855	-0.1	0	2	24	16
MSCI EM		43	0.3	-2	4	10	7
<b>Yields and Spreads</b>							
US 10y Yield		4.46	-0.4	5	-20	66	58
Germany 10y Yield		2.56	0.9	6	-2	2	53
EMBIG Sovereign Spread		371	1	8	30	-109	-12
<b>FX / Commodities / Volatility</b>							
EM FX vs. USD, (+) = appreciation		47.3	0.2	0	2	-6	-2
Dollar index, (+) = \$ appreciation		104.4	-0.2	0	-1	0	3
Brent Crude Oil (\$/barrel)		83.4	0.3	1	-7	8	8
VIX Index (% change in pp)		12.5	0.1	0	-3	-5	0

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

**This week, inflation data takes center stage, with May consumer price releases slated for the eurozone and Japan.** Australia and the US see the releases of April inflation data core personal consumption expenditures. Additional focus will be on US consumer confidence and personal income and spending data and the Fed's Beige Book release. In addition, market contacts will be attentive to Q1 GDP updates from the US, Canada, and India. The German IFO survey and Chinese PMI statistics are similarly key releases, along with Japan's industrial production, employment, and consumer confidence figures. Finally, South Africa will be in focus this week with one its most significant elections since 1994 and the Reserve Bank deciding on interest rates on Thursday.

## Mature Markets

[back to top](#)

### United States

**Last week, the S&P 500 witnessed its first weekly decline since mid-April**, following a drop in US stock markets despite Nvidia quarterly results validating elevated expectations. On Friday, equity markets initially clung to encouraging news from the University of Michigan sentiment survey which showed decelerating 1-year ahead consumer inflation expectations at 3.3% (exp. 3.4% from 3.5%) and 5–10-year ahead consumer inflation expectations at 3.0% (exp. 3.1% from 3.1%), prompting the S&P500 to gain (+0.83%) to 5304 points. Notwithstanding this, 2y closed the day unchanged at 4.94% while rising to 4.96% on comments from Fed governor Waller who suggested that a July cut would not just require better inflation numbers, but also meaningful signs of softness in the activity or labor market data. In addition, Waller also remained apprehensive that the neutral rate appears comparatively low, and that unsustainable fiscal spending could change that.

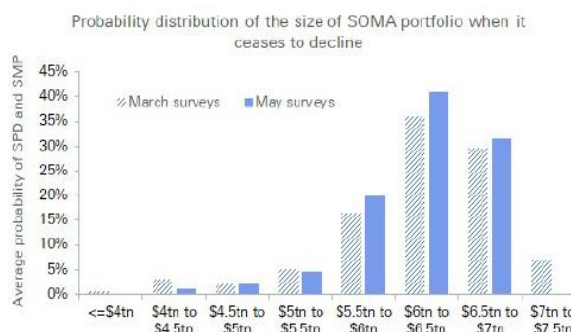
**The May primary dealer survey results feature two main developments.** The NY Fed released the results of the May primary dealer survey last week with a slight delay after the FOMC minutes, which included questions about the longer-term Fed funds policy rate expectations and the size of the Fed's balance sheet upon termination of the quantitative tightening (QT) runoff of security holdings. As for the former, Commerzbank market contacts note that expectations for the 10-year average Fed funds rate rose to the highest reading on record since the survey asked this from 2012 on (left chart), fully consistent with Fed governor Waller's remarks on the neutral rate. Concerning the latter, Deutsche Bank market contacts note that the modal expectations for the QT terminal Fed balance sheet size rose remain at a volume of \$6.0–\$6.5tn, with rising odds for a \$6.5tn–\$7.0tn level, suggesting that QT could end sooner rather than later when compared to the turnout of the preceding March survey (right chart).

### Median survey expectations on Fed policy rate in 10 years rise to record high...



Source: Commerzbank, NY Fed

### ... while expectations on the Fed's balance sheet size upon QT termination are rising.



Source: Deutsche Bank, NY Fed

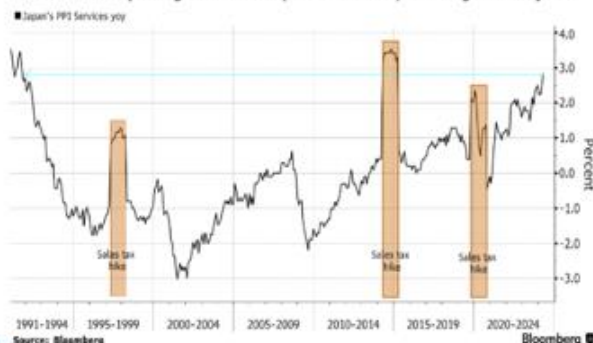
## Japan

### April services producer prices rose at the fastest pace since 1991, excluding tax hike years.

April producer prices in the services sector printed at 2.8%y/y (exp. 2.3% from 2.4%). Priced in hikes for the remainder of the year stand at 28bps, slightly up from last Friday. Meanwhile, Bank of Japan (BOJ) officials expressed on Monday conviction on the positive changes in Japan's economy and inflation. At the BOJ's annual international conference, Governor Ueda mentioned that the BOJ had *"made progress in moving away from zero and lifting inflation expectations,"* without providing any hints on further BoJ moves. Deputy Governor Uchida stated that an end to the battle with deflation comes in sight, noting that the structural changes in labor market wage-price setting will be a decisive factor. Japanese equities and the yen were little changed with the latter at ¥156.86/\$.

#### Signaling Strength

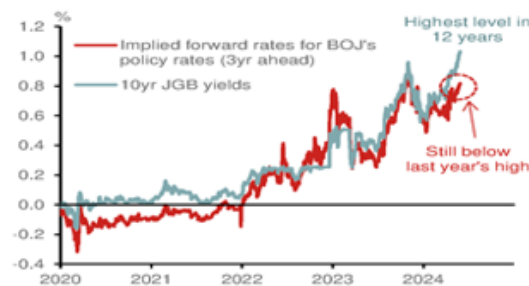
Business service prices grow at fastest pace since 1991, excluding tax hike years



### Japanese government bond yields continue to rise.

At the 10y maturity point, yields rose (+1.1%) to 1.04%, a level last seen in 2012. While current yield levels garner investor demand for Japanese bonds, market contacts do not see a clear catalyst that could upend the rising interest rates. Market contacts at Nomura see the rise in long-term yields as orderly so far, given that implied volatility remains below last year's peaks. This is in line with the school of thought that the BOJ for the time might be more likely to remove policy accommodation via further adjustments to its balance sheet policy rather than rate hikes.

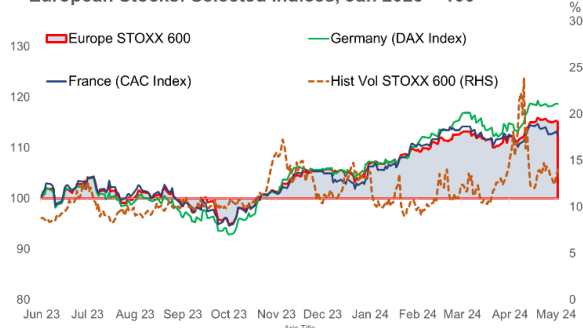
#### 10yr JGB yields and implied forward rates for the BOJ's policy rates



## Euro Area

**Stock markets are slightly retracing this morning while the euro appreciated.** The STOXX 600 index fractionally declined (-0.1%), led by declining share prices of Astra Zeneca (-2%) and United Utilities Group (-3%). Bund yields remain little changed today, with the 10y yield trading at 2.55% and the 2y yield at around 3.03%. This euro appreciated against the dollar (+0.2%), trading at \$1.08/€, after the publication today of ECB's survey of one-year ahead inflation expectations, which declined to 2.9% in April (from 3% in March), in line with expectations.

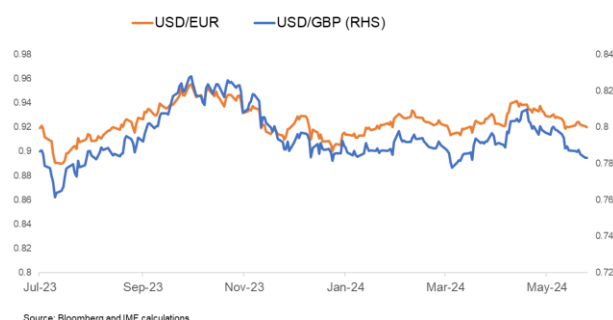
#### European Stocks: Selected Indices, Jan 2023 = 100



## United Kingdom

**Gilt yields broadly declined amid a stable pound.** Pound sterling remained flat at **\$1.27/£** today, after it strengthened by **+2.2%** against the dollar on the month. Analysts at ING perceive that the currency is positioned to gain further ground on synchronized easing by the BOE and the Fed amid divergence to the ECB, which is anticipated to start easing earlier. Bloomberg also reports favorable positioning in that levered funds have recently started to overweight the pound amid asset managers having significantly reduced their short bets on the currency. Gilt rates decreased across all tenors, with the 2y yield declining (-4bps) to 4.44% and the other yields (5y, 10y and 30y) declining by -3bps.

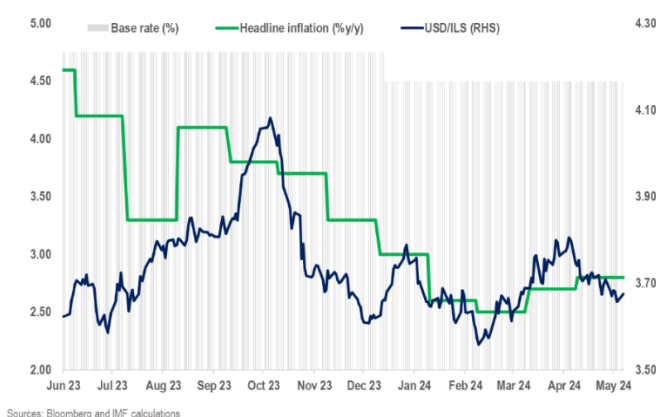
USD exchange rate against GBP and Euro



## Israel

**As expected, Bank of Israel left its policy rate unchanged.** The central bank maintained the policy rate at 4.5%, highlighting several threats to inflation including geopolitical risks and a continued increase of the budget deficit, which reached a 7% GDP share in April. Inflation rose to 2.8%/y in April, approaching the top of the central bank's 1%-3% target range. While the Bank of Israel projects that the economy will expand by 2% in 2024, S&P and Moody's expect a lower growth in the vicinity of 0.5%-0.6%. Citigroup analysts reportedly no longer expect Bank of Israel to reduce rates in 2024 following the 25bps cut carried out in January. By contrast, JP Morgan market contacts continue to expect two rate cuts later this year, but with weak conviction given geopolitical factors and uncertain action from the Fed. In the follow-through this morning, the shekel marginally appreciated (+0.1%) against the dollar this morning, trading at 3.67/\$.

Israel: Inflation, currency and base rate



## Emerging Markets

[back to top](#)

**EMEA markets lacked clear trend this morning.** Equity markets underperformed in Egypt (-0.6%) and Saudi Arabia (-0.6%). The South African rand marginally depreciated this morning (-0.1%) to R18.39/\$, while local currency bond yields were marginally higher (10y +2bps to 12.10%) ahead of the general elections on Wednesday. On the credit ratings front, S&P Global Ratings affirmed Zambia's CCC+ local currency long-term credit rating on May 24, with a stable outlook.

**Asian equities remained flat while currencies traded in a narrow range.** In equity markets, Indonesia's (+1.4%) and Vietnam's (+1.1%) gained, while Philippines' (-1.1%) and Mainland China's (-0.7%) declined. Among currencies, the South Korean won (+0.4%) and Philippine peso (+0.3%) outperformed, while the Indonesian rupiah weakened (-0.2%). Sri Lanka's central bank (CBSL) expectedly kept its standing deposit facility rate and standing lending facility rate unchanged at 8.5% and 9.5% respectively with guidance for market lending rates to fall further, given the prevailing accommodative monetary policy stance and continued decline in cost of funds of financial institutions.

**Latin American markets saw little change on Friday.** Stocks declined in Mexico (-0.9%), while Peru's equity market rose by 0.8%. Currencies appreciated in Chile (+0.5%), while the Brazilian real weakened 0.4% against the US dollar.

### Emerging Market Bond and Equity Flows

**Bond fund flows turned back negative.** Bond funds on aggregate did not manage to uphold inflows from the week before as weekly flows contracted by -\$79mn (from +\$90mn). Inflows decreased in hard currency funds to +\$21mn (from +\$115mn), while outflows accelerated in local currency funds to -\$101mn (from -\$25mn). Bond ETFs inflows decreased to +\$180mn (from +\$553mn) while outflows of actively managed funds decelerated to -\$259mn (from -\$463mn). EM equity funds inflows accelerated to +\$1.7bn (from +\$309mn), led by a rebound in equity ETFs inflows to +\$2.9bn (from +\$1.1bn). Outflows in actively managed equity funds increased to -\$1.1bn (from -\$837mn). Across regional funds, Asia ex-Japan saw inflows of +\$1.3bn while outflows prevailed in Latin America and EMEA, which contracted by -\$110mn and -\$42mn, respectively. The year-to-date flows currently stand at -\$12.6bn and -\$5.3bn for bonds and equities, respectively.

Figure 1: Weekly cross-asset flows

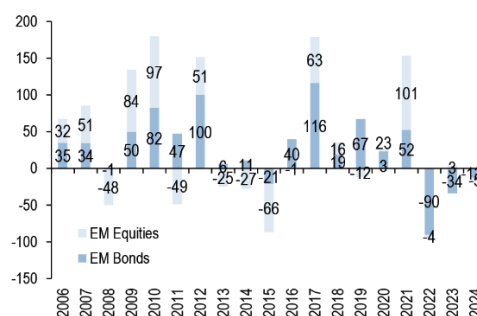
USD billion

Asset	8w flows (8w ago → current)	This wk	YTD
<b>EM Bonds and Equities</b>		1.6	-17.9
<b>EM Bonds</b>		-0.1	-12.6
Hard Ccy		0.0	-6.5
Local Ccy <sup>a</sup>		-0.1	-6.1
o.w. EM ex-China		-0.1	-5.2
o.w. China		0.0	-0.9
<b>EM Equities</b>		1.7	-5.3
US HG		3.1	150.3
US HY		2.0	7.8
Global Equities		12.9	63.4
<b>EM Bond and Equity ETFs</b>		3.0	12.6
EM Bond ETFs		0.2	-2.4
EM Equity ETFs		2.9	14.9
<b>Non-resident EM flows<sup>*</sup></b>		3.1	16.4

<sup>\*</sup>High-frequency non-resident EM portfolio flow data where available. <sup>a</sup>Local ccy split is retail only. Source for all charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg Finance L.P.

Figure 2: EM bond and equity fund flows

USD billion



### Colombia

**President Gustavo Petro's remarks about a debt ceiling unsettles local bond markets.** In a post on X (formerly Twitter), Petro warned of either halting payments or declaring an economic emergency if the congressional committees do not lift the debt limit while not specifying which payments might be affected. The finance ministry expressed confidence that the bill would pass by June 20, while the presidency did not immediately respond to requests for comment. Petro's past remarks, including criticism of the central bank and suggestions of capital controls, have similarly unsettled markets. In response to his latest statement, yields on Colombia's local bonds maturing in 2050 sharply corrected upwards (+22 bps) to 11.66%. The bill under discussion aims to increase the debt ceiling by \$17.6 billion.

#### Colombia Bond Yields Spike On Petro's Threats To Cease Paym



### China

**China launched its largest state-backed semiconductor fund.** The Fund—called China Integrated Circuit Industry Investment Fund Phase III—amounts to 344bn yuan (\$48bn) and aims to bolster development of the domestic chip industry countering US efforts to limit China's access to advance

technology. The fund's stakeholders include the central government and various state-owned enterprises and banks. For the latter, local media reports that six major state banks will contribute a 33% share of the fund's capital, primarily through an investment from their own funds' portfolios. Chinese semiconductor stocks rallied on Monday (11%). The Renminbi weakened (offshore: -0.1%, onshore: little changed) while 10Y bond yields were little changed.

### Shanghai is the first top-tier city to lower mortgage rates amid two regulatory developments.

Shanghai reduced the minimum interest rate for 5y mortgages on first home purchases to 3.5% (from 3.85%) with a minimum down payment ratio of 20% (from 30%). For second home purchases, the city reduced the minimum interest rate to 3.9% (from 4.25%) and the minimum downpayment to 35% (from 50%). Meanwhile, two developments are shaping the regulatory sphere. First, local media news report that Chinese regulators are checking listed companies on the use of proceeds raised from A-shares. Second, the Politburo announced an overhaul of the accountability rules for financial regulators. President Xi chaired the meeting and urged financial regulators and local governments to take greater responsibility in defusing risks. No details of the new rules were provided at this stage.

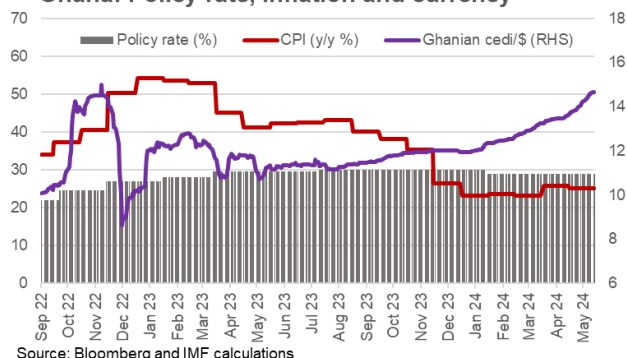
### Ghana

#### The Central bank of Ghana maintained its policy rate amid a verbal intervention to support the cedi.

As expected, the central bank yesterday left its policy rate unchanged at 29% while officials emphasized the availability of adequate foreign reserves to manage foreign exchange market shocks. The cedi depreciated against the dollar yesterday (-0.2%), to 14.63, bringing the year-to-date devaluation to roughly -18%. The central bank attributed the recent exchange rate pressures to a weakening current account surplus, against a backdrop of higher import demand and lower export revenue, with a notable fall in cocoa export earnings. The press statement also noted the availability of adequate reserves to manage shocks to the foreign exchange market by

"having added over US\$600.0 million to the current foreign exchange reserve levels over the first five months of the year", cautioning that "economic agents should stop engaging in speculative purchases as they will suffer economic losses when the correction occurs". Absa analysts expect that inflation will fall below 20% by June with continued deceleration through the remainder of 2024. Against this backdrop, Absa analysts expect policy rate cuts of up to -500bps in H2, while noting that this would be dependent on the cedi and also fiscal developments ahead of the December elections. Conversely, Goldman Sachs analysts recently scaled back their conviction on central bank rate cuts later this year, now predicting a policy rate of 25% by end-2024 (compared to 20% previously) on rising inflation and FX uncertainty.

Ghana: Policy rate, Inflation and currency



*This monitor is prepared under the guidance of Jason Wu (Assistant Director), Charles Cohen (Advisor), Nassira Abbas (Deputy Division Chief), Caio Ferreira (Deputy Division Chief) and Sheheryar Malik (Deputy Division Chief). Fabio Cortes (Senior Economist), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Financial Sector Expert-London Representative), Johannes S Kramer (Senior Financial Sector Expert-New York Representative), Benjamin Mosk (Senior Financial Sector Expert), Patrick Schneider (Financial Sector Expert), and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are Mustafa Oguz Caylan (Research Officer), Yingyuan Chen (Financial Sector Expert), Andrew Ferrante (Research Assistant), Deepali Gautam (Senior Research Officer), Phakawa Jeasakul (IMF Resident Representative in Hong Kong SAR), Harrison Kraus (Research Assistant), Yiran Li (Research Assistant), Xiang-Li Lim (Financial Sector Expert), Corrado Macchiarelli (Economist), Kleopatra Nikolaou (Senior Financial Sector Expert), Natalia Novikova (IMF Resident Representative in Singapore), Sonal Patel (Senior Financial Sector Expert-London Representative), Silvia Ramirez (Senior Financial Sector Expert), Ying Xu (Economist), Dmitry Yakovlev (Senior Research Officer), and Akihiko Yokoyama (Senior Financial Sector Expert). Javier Chang (Senior Administrative Coordinator), Lauren Kao (Administrative Coordinator), and Srujana Sammeta (Administrative Coordinator) are responsible for the word processing and production of this monitor.*

**Disclaimer:** This is an internal document produced by the Global Markets Analysis Division (GA) of the Monetary and Capital Markets Department. It reflects GA staff's interpretation and analysis of market views and developments. Market views presented may or may not reflect a consensus of market participants. GA staff do not independently verify the accuracy of all data and events presented in this document.











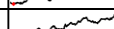
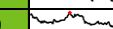







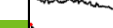
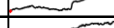
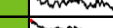





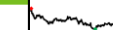
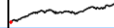




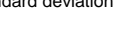


## Global Financial Indicators

5/28/24 8:47 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
<b>Equities</b>			%				%
United States		5317	0.7	0	4	26	11
Europe		5043	-0.3	0	1	16	12
Japan		38855	-0.1	0	2	24	16
China		3609	-0.7	-2	0	-6	5
Asia Ex Japan		72	0.2	-2	6	10	8
Emerging Markets		43	0.3	-2	4	10	7
<b>Interest Rates</b>			basis points				
US 10y Yield		4.46	-0.4	5	-20	66	58
Germany 10y Yield		2.56	0.9	6	-2	2	53
Japan 10y Yield		1.03	0.5	5	14	61	42
UK 10y Yield		4.24	-2.1	11	-8	-9	70
<b>Credit Spreads</b>			basis points				
US Investment Grade		116	-0.5	0	-2	-48	-18
US High Yield		344	0.9	4	-3	-140	-41
<b>Exchange Rates</b>			%				
USD/Majors		104.41	-0.2	0	-1	0	3
EUR/USD		1.09	0.2	0	1	2	-1
USD/JPY		156.7	-0.1	0	0	12	11
EM/USD		47.3	0.2	0	2	-6	-2
<b>Commodities</b>			%				
Brent Crude Oil (\$/barrel)		83.4	0.3	1	-5	13	9
Industrials Metals (index)		167	1.5	-2	6	17	17
Agriculture (index)		63	0.7	2	5	-4	0
<b>Implied Volatility</b>			%				
VIX Index (% change in pp)		12.5	0.1	0.3	-2.6	-5.5	0.0
Global FX Volatility		6.8	0.0	0.0	-0.6	-2.0	-1.3
<b>EA Sovereign Spreads</b>			10-Year spread vs. Germany (bps)				
Greece		102	1.4	2	0	-36	-2
Italy		131	2.7	1	-4	-54	-36
Portugal		62	0.2	-2	-2	-12	-1
Spain		76	0.6	-1	-3	-31	-21

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

## Emerging Market Financial Indicators

Last updated: 5/28/2024 8:47 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		7.24	0.0	-0.1	0	-2	-2		2.2	-2.0	-4	-19	-61	-30
Indonesia		16090	-0.2	-0.6	1	-7	-4		6.9	-4.3	-3	2	51	46
India		83	-0.1	0.2	0	-1	0		7.4	1.9	-6	-17	0.5	16
Philippines		58	0.3	0.5	0	-3	-4		5.6	-0.1	0	-17	-37	-3
Thailand		37	0.0	-0.9	1	-5	-7		2.8	-1.0	-5	-9	5	11
Malaysia		4.69	0.1	0.1	2	-2	-2		3.9	-2.5	0	-13	10	15
Argentina		893	-0.3	-0.5	-2	-73	-10		35.1	1.7	74	-544	-7240	-5128
Brazil		5.14	0.5	-0.4	0	-2	-6		11.7	1.2	1	5	3	135
Chile		896	0.5	-0.9	5	-10	-2		5.2	0.0	11	-14	-7	32
Colombia		3874	0.0	-1.5	0	14	-1		8.3	0.0	26	-13	-54	70
Mexico		16.67	0.0	-0.2	2	6	2		9.2	0.0	3	-31	72	76
Peru		3.7	-0.1	-0.3	0	-2	-1		7.1	-0.3	1	-33	-24	37
Uruguay		39	0.1	-0.3	-1	1	1		9.1	0.0	4	7	-86	-38
Hungary		353	0.4	0.6	3	-2	-2		6.8	-6.0	27	-23	-138	102
Poland		3.91	0.3	0.3	3	8	1		5.4	0.5	26	3	-7	92
Romania		4.6	0.2	0.2	1	1	-1		6.6	0.6	6	-1	-25	40
Russia		88.5	0.5	1.8	5	-9	1							
South Africa		18.3	0.3	-1.2	2	7	0		9.8	1.5	20	-24	-49	66
Türkiye		32.18	0.0	0.0	1	-38	-8		27.7	-4.0	38	-40	1863	97
US (DXY; 5y UST)		104	-0.2	-0.2	-1	0	3		4.51	-2.0	7	-18	58	66

	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	7 Days	30 Days	12 M		
								basis points						
China		3609	-0.7	-2	0	-6	5		140	0	-4	-55	-18	
Indonesia		7254	1.1	-1	1	9	0		94	2	-5	-47	-2	
India		75170	-0.3	2	1	20	4		90	-3	-12	-61	-26	
Philippines		6501	-1.1	-2	-4	-1	1		83	2	-2	-32	3	
Thailand		1363	-0.3	-1	0	-12	-4		0	0	0	0	0	
Malaysia		1616	-0.2	-1	2	15	11		78	0	-5	-19	-7	
Argentina		1572474	3.4	2	23	360	69		1451	181	243	-1147	-462	
Brazil		124496	0.2	-3	-2	12	-7		212	-7	-3	-52	-3	
Chile		6811	0.5	1	7	21	10		116	2	-1	-15	-9	
Colombia		1414	0.4	-2	3	28	18		312	17	14	-97	41	
Mexico		55453	0.1	-3	-4	3	-3		299	5	-9	-98	-35	
Peru		30369	0.3	-1	5	43	17		154	11	9	-28	10	
Hungary		69340	-0.7	2	3	46	14		142	2	-6	-88	-7	
Poland		86941	-0.8	-2	3	34	11		93	0	0	-40	-4	
Romania		17975	1.1	3	6	46	17		177	5	-4	-76	-24	
South Africa		78762	-0.2	-1	4	3	2		318	5	-32	-135	10	
Türkiye		10633	-0.2	-2	7	132	42		276	-2	-9	-342	-38	
EM total		43	0.1	-2	4	10	7		335	11	49	-89	-10	

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

[back to top](#)