Global Markets Monitor

Monetary and Capital Markets Department
Global Markets Analysis Division

Monday, May 6, 2019

- **Global equities fall and volatility jumps as trade risks intensify (link)**
- **The FOMC's technical IOER cut pushes Fed Funds rate lower (link)**
- **European risk assets falter on lingering trade and growth worries (link)**
- **Emerging market bond funds see largest weekly inflow in 3 months (link)**
- **Chinese assets tumble amid renewed threats of tariff increases (link)**
- **PBOC lowers reserve requirement for mid- and small-sized banks (link)**
- **Argentine assets show signs of stabilization over the last week (link)**

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Risk aversion spikes as investors are reminded of ongoing trade tensions

Risk assets are trading sharply lower to start the week in response to an escalation in trade tensions over weekend. The US administration indicated tariffs would be increased at the end of this week from 10% to 25% on $200 bn of Chinese imports, and would impose tariffs on additional goods. While investors are still awaiting an official response from Chinese authorities, some reports are suggesting the trade-related meetings in the US scheduled for later this week could be in jeopardy. In reaction, markets have shifted to a risk-off mode as Asian equities closed down 1 to 7% across the region, with Chinese assets taking the largest hit as local equity indexes plunged 6 to 7% and the RMB weakened close to 1%. Across other regions, European bourses are down 1-2%, S&P 500 futures are falling 1.6%, the VIX jumped to 18, US Treasury and Bund yields are down modestly, and crude oil is trending lower. Despite the downbeat start to the week, the focus on Friday was the release of the April US labor report that drew attention to inflation concerns. While the upside surprise in headline payroll gains initially sent US Treasury yields higher, wage growth came in a tick under expectations and yields would pivot lower through the rest of the trading session. Global equities posted strong gains that have so far been erased to start this week amid waning confidence in the highly anticipated trade deal between the US and China.

Key Global Financial Indicators

Last updated: 5/6/19 8:12 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities				%			%
S&P 500		2946	1.0	0	2	11	18
Eurostoxx 50		3439	-1.8	-2	0	-3	15
Nikkei 225		22259	-0.2	0	5	-1	11
MSCI EM		44	-0.6	1	0	-5	13
Yields and Spreads				bps			
US 10y Yield		2.48	-1.6	-5	-2	-47	-21
Germany 10y Yield		0.01	-1.4	1	0	-53	-23
EMBIG Sovereign Spread		345	4	0	5	14	-69
FX / Commodities / Volatility				%			
EM FX vs. USD, (+) = appreciation		62.1	-0.5	0	-2	-8	0
Dollar index, (+) = $ appreciation		97.6	0.1	0	0	5	1
Brent Crude Oil ($/barrel)		70.7	-0.2	-2	1	-6	31
VIX Index (%, change in pp)		18.0	5.1	5	5	3	-7

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

The coming week is expected to be relatively quiet on the data front with the UK and Japanese markets closed today. However, the US CPI report on Friday has the potential to move markets in the expectation that it is inflation more than anything else that will govern the Fed's moves in the months ahead. Following this morning's euro area PMI data, German factory orders tomorrow is the other important data release. The UK will publish the latest GDP and industrial production data on Friday while China is due to report trade and inflation data tomorrow and Wednesday, and local elections will occur in South Africa on Wednesday. The RBA, RBNZ and Bank Negara Malaysia all meet tomorrow and the central bank of Thailand meets on Wednesday.

United States

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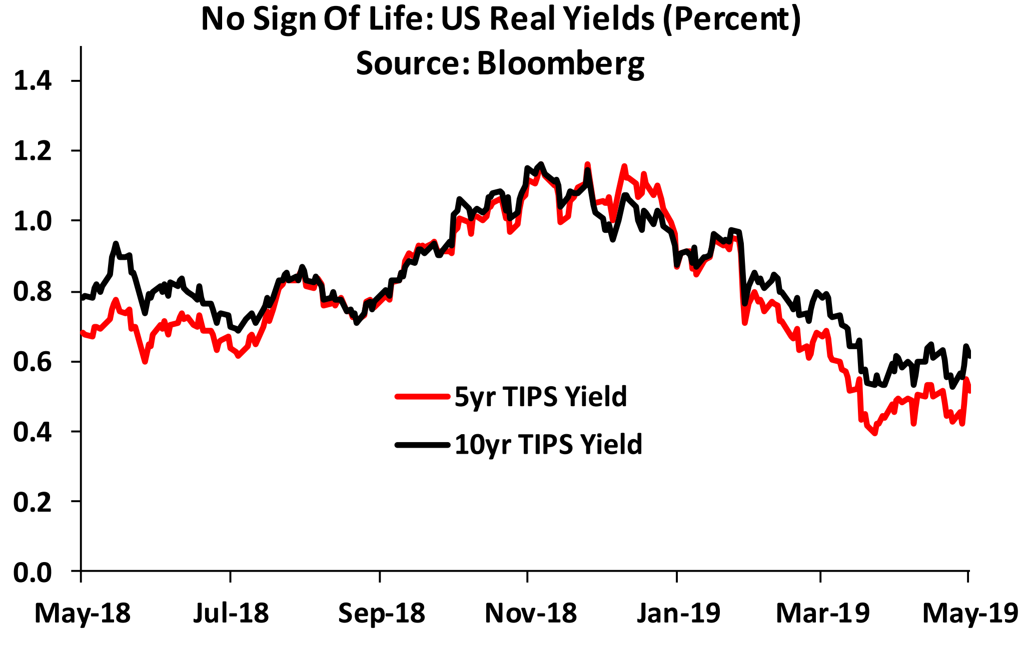
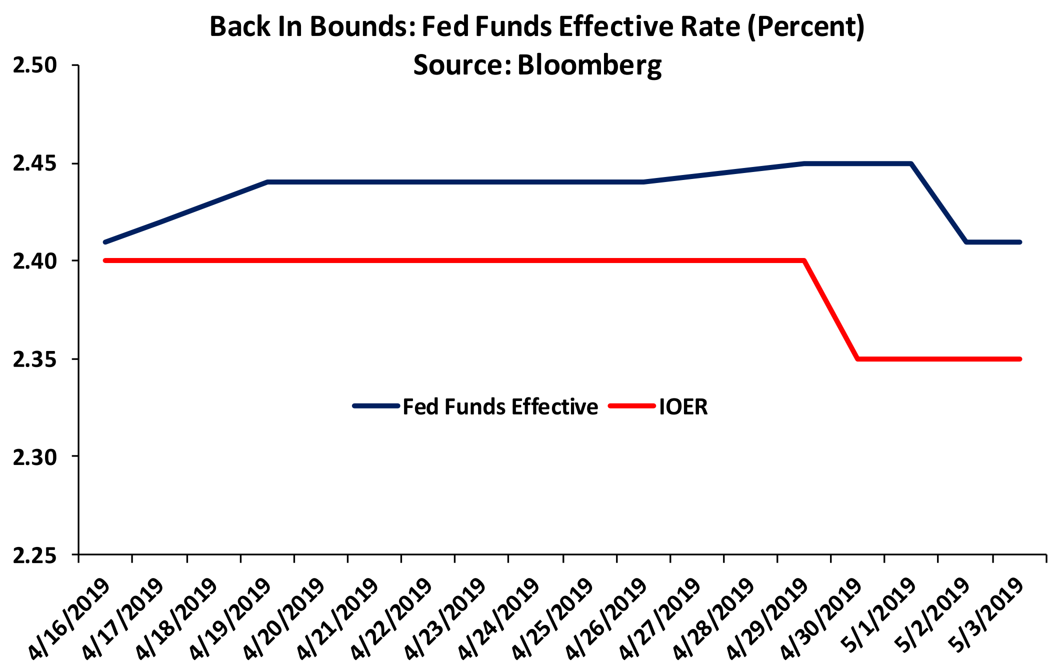
This morning, most major equity indexes are lower across the globe, and S&P 500 futures imply a sharp decline at the open of about 1.6%, the 10-year US Treasury yield is down 5 bps, the VIX has jumped 5 ppt to 18, and the US dollar is slightly stronger. The market moves are in reaction to the news over the weekend that the US plans to increase existing and potentially add new tariffs to Chinese goods at the end of this week.

Despite the downbeat start to the week, **on Friday the post-FOMC temper tantrum came to an end as markets staged a rebound, with the S&P 500 falling just short of a new record.** The consensus seems to be that Goldilocks continues to reign. The jobs report signaled continued strength in the US economy while weaker than expected wage growth and persistently low inflation will either keep the Fed on the sidelines or force it to cut sooner than it expects. Treasury yields initially rose on the strong jobs number, but reversed themselves as analysts pointed to the the miss in wage growth and the decline in the labor force participation rate. The interest rate futures markets continue to predict a rate cut by the end of the year as inflation markets continue to express skepticism about the Fed's ability to push inflation higher. Five and ten-year real yields remain stuck well below 1%, while both five and ten-year TIPS breakeven yields have spent most of the year under 2%. In other news, the ISM non-manufacturing index was lower than expected at 55.5 (vs. 57), the lowest level since July 2017. Although the employment component was weak, other sectors such as new orders and business activity remained robust, in keeping with expectations for continued strong GDP growth in Q2.

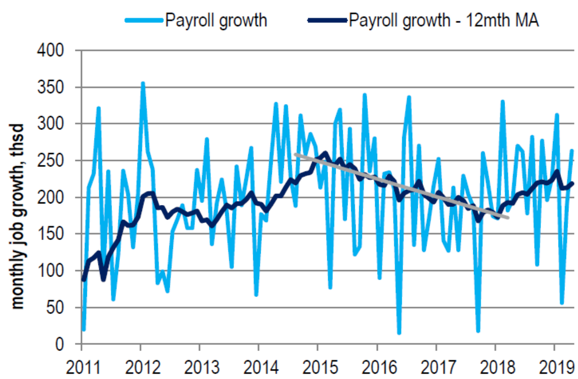


The Fed's Interest on Excess Reserves (IOER) cut on May 1 appears to have succeeded in forcing the Fed Funds Effective (FFE) rate lower, at least for now. The FFE traded as high as 2.45% on the day before the FOMC meeting, just 5 bps away from the upper bound of the Fed's 2.25%-2.50% target range and well above the 2.40% level of IOER. FFE rose above IOER for the first time since 2008 following the March 20 FOMC meeting, and its steady rise thereafter raised fears of much higher money market funding costs and lower liquidity. However, after the Fed's 5 bps cut to IOER to 2.35%, the FFE finally fell to 2.41% on Thursday, its first daily decline since February 28, 2018. It finished the week at the same level. Nevertheless, some speculate that the IOER may have to be lowered again as the Fed's balance sheet runoff continues, bank reserves shrink further and liquidity effects on the FFE rate reappear. They believe that the key underlying cause for the elevated FFE rate is persistently high general collateral (GC) repo rates, which are in turn caused by dealers having difficulty in financing their burgeoning Treasury holdings through the repo market. GC repo rates have remained stubbornly stuck above the FFE rate since March.



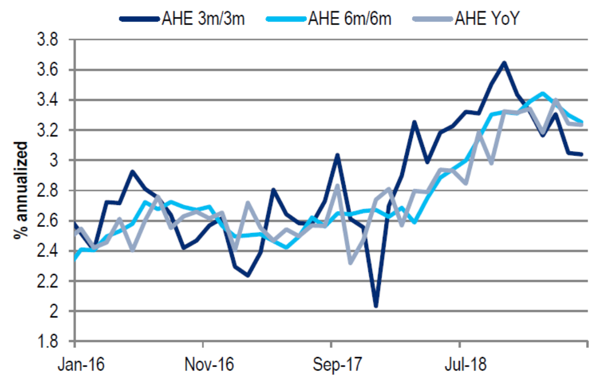
Although the market focused on the weaker than expected wage growth number in the non-farm payrolls report, a deeper dive reveals continued strength in the US labor market. Overall job growth so far in 2019 is a brisk 180K/month and wage growth has accelerated over previous years, holding steady in the 3-3.5% range. The unemployment rate hit its lowest level in 49 years. Some analysts suggest that the Fed's widely advertised "patience" with current policy rate levels may wane if wages continue to grow and unemployment continues to fall. The first estimate for Q1 2019 was also much stronger than expected (3.2% vs. 2.3%) and there is talk in some quarters that the Fed's dovish tilt may have been premature. If so, the market could be in for some turbulence down the road as bond markets revise their forecasts of a rate cut in 2019.

Figure 2. Job growth remain at a relatively strong 180k pace in 2019



Source: Citi Research, BLS

Figure 3. Wages should continue to grow between 3.0-3.5% in 2019



Source: Citi Research, BLS

Europe

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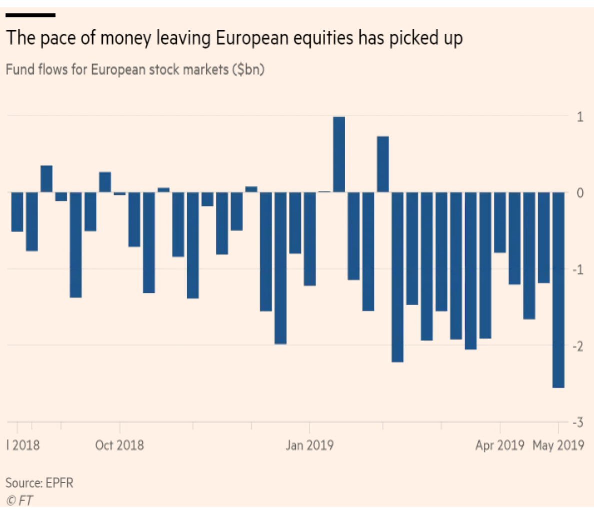
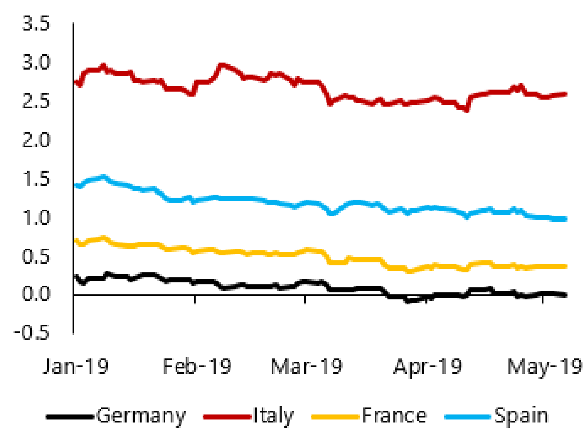
Major European bourses faltered today reflecting the global risk-off mode due to increased uncertainty in the US-China trade negotiations. EuroStoxx 600 is down 1.5%, while DAX and CAC are down around 2.0% each. **Outflows from the European equity funds persisted** for the 12th consecutive week, with analysts highlighting that weak growth continues to weigh down on the medium-term prospects. **In eurozone sovereign bond markets**, **German 10-year yields declined by 2 bps on safe-haven flows**. Italian BTP yields however widened by 4 bps and are trading at a spread of 258 bps to 10-year bunds.



Key Eurozone 10-year sovereign spreads (basis points)

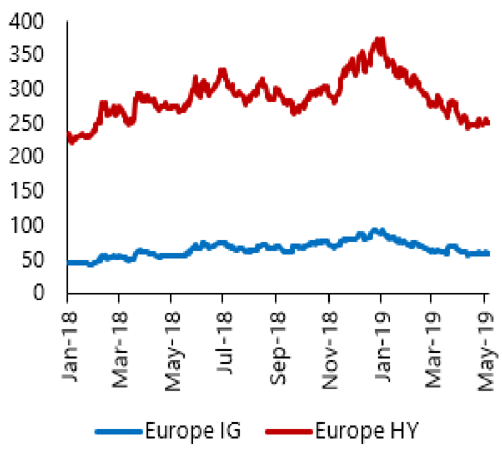


Source: Bloomberg

Eurozone PMIs for April were reported to be broadly in-line with consensus surveys, with the Composite PMI at 51.5 (vs 51.3 by consensus), though Services PMI at 52.8 was marginally ahead of the consensus survey of 52.5. While Germany and France PMIs were reported inline with surveys, Italy and Spain disappointed. Italy's Composite PMI at 49.5 compared with consensus forecasts of 50.6, and March's PMI of 51.5. Spain's Composite PMI at 52.9 compared with consensus forecasts of 54.5, and March's PMI of 55.4. **More broadly, analysts reported that PMIs tell a familiar story such that manufacturing continues to be under pressure, while business conditions in services remains much better.**

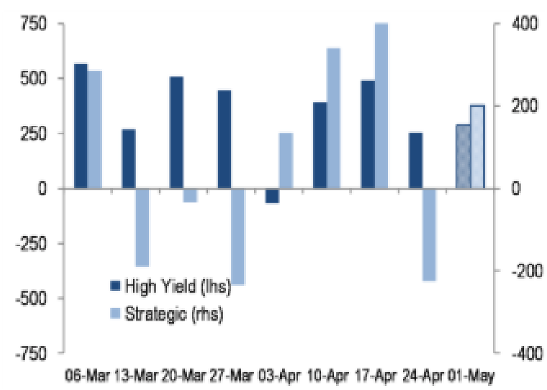
European high yield corporate credit continued to rally throughout April, with spreads tightening by 18 bps since March, and extending the YTD tightening to almost 100 bps. However, JPM analysts have highlighted that technical, positioning, and fundamental factors have turned less supportive of a further rally, though do not expect an imminent crash. After a slow start to the year, the primary market has picked up pace and is expanding beyond BBs. Meanwhile, investors are no longer underinvested, with high yield funds seeing inflows of €289mm (0.5% of AUM) last week bringing the preliminary flows for the month of April to €1.4bn, just short of the €1.6bn gain seen in March this year.

Europe HY and IG Spreads (basis points)



Source: Bloomberg

Figure 5: Weekly Fund Flows - High Yield & Strategic, €mm



Source: J.P. Morgan, Bloomberg. Patterned bars denote latest week. Reporting Week Thu-Wed

United Kingdom

Brexit uncertainty continues as senior Labour members have reportedly cast doubt on the prospects of a cross-party Brexit deal as talks approach their final stages this week. The Financial Times reported some MPs signaling that trying to reach an agreement with the Conservative government was going to be challenging. A final round of negotiations between Labour and the Conservatives over Brexit is due to begin on Tuesday.

Other Mature Markets back to top

Japan

Local Japanese markets remain closed for Golden Week holiday and will reopen on Tuesday, May 7th.

The yen strengthened amid broad-based risk aversion (+0.4%) to reach ¥110.70/dollar. Market observers are girding for delayed reactions to Monday's market turmoil as Japanese markets are slated to reopen on Tuesday after an extended Golden Week holiday. Equity bourses have not been traded since April 26th.

Emerging Markets

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Asian currencies and equities suffered broad-based losses following threats from the US administration that tariffs on Chinese imports could still rise. President Trump's tweets injected uncertainty into the final stage of US-China trade negotiations and upended trade optimism that had sustained the calm in markets over the past few weeks. Amid broad-based risk aversion, Chinese assets bore the brunt of the selloff: the offshore CNH depreciated 0.7% and the onshore CNY weakened by 0.5%, while Shanghai and Shenzhen Composites shed 5.6% and 7.4%, respectively. The Indonesian rupiah also depreciated (-0.2%) to its weakest level in two months as a combination of risk aversion as well as weaker-than-expected Q1 GDP weighed on the currency. Indonesia's Q1 GDP grew 5.07% yoy, a moderation from the previous print of 5.18% and softer relative to expectations for an increase of 5.2% yoy. **EMEA** markets are mostly lower amid the broader risk-off tone. Turkish equities (-1.9%) are underperforming, while Poland (-1.1%) and Russia (-1%) saw losses as well. Currencies are trading in narrow ranges, while the South African rand (-1%) and the Turkish lira are underperforming (-0.9%). **Prior to the downbeat start to this week, emerging-market stocks rallied on Friday (MSCI: +1.2% and +0.8% on the week) following the positive risk sentiment in US market.** In **Latin America,** all EM currencies appreciated against the dollar on Friday. Argentine assets were the main outperformers with the peso appreciating by 0.7% against the dollar and the domestic equity index rising by 5.2%.

Key Emerging Market Financial Indicators

Last updated:	Level		Change				
5/6/19 8:18 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		44.22	-0.6	1	0	-5	13
MSCI Frontier Equities		28.75	0.7	2	0	-12	10
EMBIG Sovereign Spread (in bps)		345	4	0	5	14	-69
EM FX vs. USD		62.10	-0.5	0	-2	-8	0
Major EM FX vs. USD				**%, (+) = EM currency appreciation**			
China Renminbi		6.77	-0.5	0	-1	-6	2
Indonesian Rupiah		14299	-0.2	-1	-1	-2	1
Indian Rupee		69.41	-0.3	1	0	-3	1
Argentine Peso		44.47	0.7	3	-4	-50	-15
Brazil Real		3.97	-0.8	-1	-3	-11	-2
Mexican Peso		19.04	-0.6	0	0	2	3
Russian Ruble		65.17	-0.1	-1	0	-3	7
South African Rand		14.52	-1.1	-1	-3	-14	-1
Turkish Lira		6.02	-0.9	-1	-6	-29	-12
EM FX volatility		7.96	1.4	-0.2	-0.3	-0.7	-1.8

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

EM Fund Flows

EM bond inflows surged last week to +$2.3 bn (from +$222 mn), their largest weekly inflow in 3 months. EM equity fund flows were +$41mn (from -$105 mn). Hard currency fund inflows returned (-$1.2 bn) after last week's redemptions, and was largely driven by actively-managed funds (+$ 1.1 bn) rather than ETFs. Local currency bond funds posted their largest weekly inflow since February (+$1.2 bn). EM equity funds had small inflows with ETF inflows balancing non-ETF outflows.

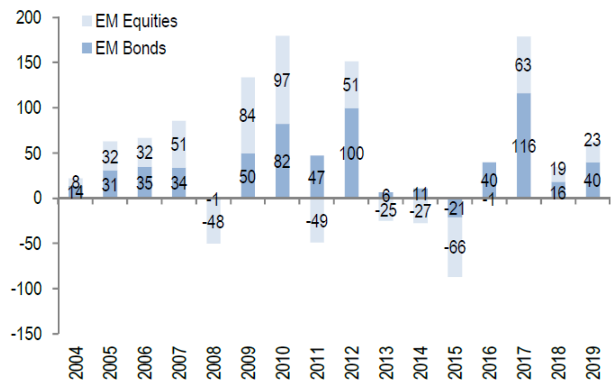
Exhibit 1: Weekly Cross-Asset Flows

USD billion

	Asset	8w flows (8w ago → current)	This wk	YTD
Fund Flows	**EM Bonds and Equities**		2.4	63.1
	EM Bonds		2.3	40.1
	Hard Ccy		1.2	30.7
	Local Ccy		1.2	9.4
	EM Equities		0.0	23.1
	US HG		2.1	63.8
	US HY		0.0	16.9
	Global Equities		0.4	-4.4
	EM Bond and Equity ETFs		0.8	29.6
	EM Bond ETFs		0.2	8.0
	EM Equity ETFs		0.6	21.5
	Non-resident EM flows*		4.0	31.3
	EM Local Bonds		0.0	5.8
	EM Equities		4.0	25.5

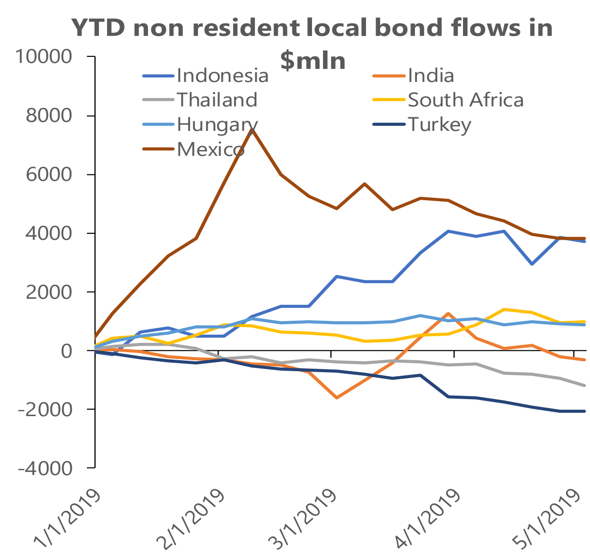
Exhibit 2: Annual EM bond and equity fund flows

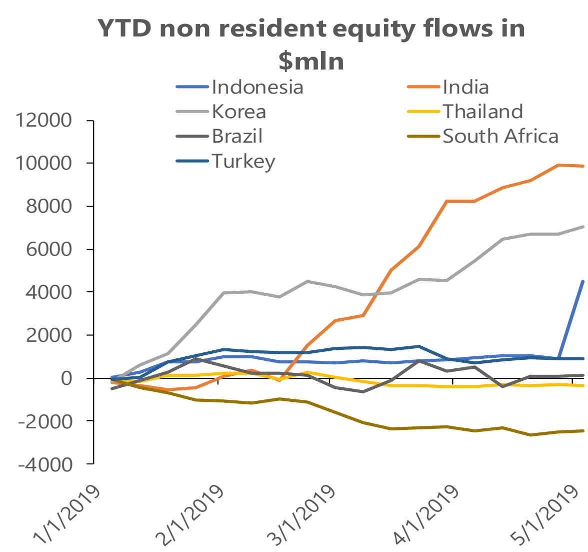
USD billion



*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

EM local bond flows were close to flat again with Indonesia inflows offset by South Africa and India outflows. EM equity portfolio inflows surged (+$4.0 bn), primarily due to +$3.6 bn of inflows into Indonesian equities.





Source: Bloomberg

EM hard currency sovereign issuance slowed in April after a near-record Q1 pace. EM sovereign YTD issuance as of last week was more than 50% of the full year forecast by JP Morgan of $134.8 bn. After taking into account coupons and redemptions, JP Morgan estimates negative net issuance for the remainder of the year. Of the $9.4 bn issued in April, only $1 bn (Sharjah) was USD-denominated while the remaining $8.4 bn were in EUR (Romania, Mexico and Egypt). Currently, EUR-denominated issuance makes up 25% of EM sovereign bonds issued YTD. This compares to a post-GFC average of 18% while more EUR sovereign issuance is expected in the coming weeks out of Asia.

Exhibit 20: We forecast flat net financing needs for EM sovereigns from now until year end

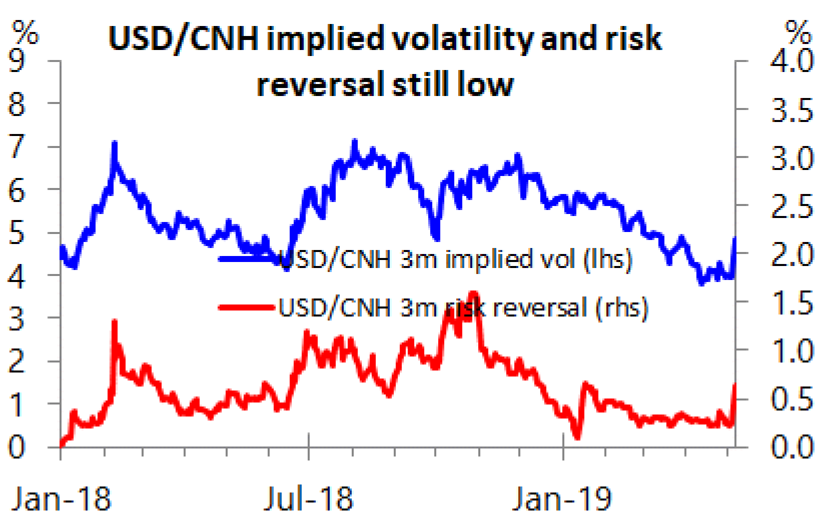
	USD billion	2016	2017	2018	2019YTD	2019F
a	**Gross issuance (b + c)**	**145.8**	**178.3**	**149.9**	**68.2**	**134.8**
b	New issuance	130.1	156.0	140.2	65.5	132.1
c	Taps	15.6	22.4	9.7	2.7	2.7*
d	**Estimated cash flows (e + f)**	**71.7**	**89.7**	**87.0**	**44.3**	**101.3**
e	Amortizations	30.7	43.3	35.9	24.1	47.0
f	Coupons	41.0	46.5	51.0	20.2	54.3
g	Buybacks	9.8	8.1	9.6	0.7	10.0
h	**Net issuance (a - e - g)**	**105.3**	**126.9**	**104.4**	**43.4**	**77.8**
i	Net financing (h - f)	64.3	80.5	53.4	23.2	23.5

Source: J.P. Morgan, Bloomberg. *2019 tap forecast is YTD figure and data as of COB 30-Apr-19

China

Chinese assets tumbled as President Trump raised the specter that all of China's exports to the US could be subjected to a 25% tariff. President Trump had previously delayed increasing tariffs on $200 bn of goods from 10% to 25% after agreeing to give trade negotiators more time to work out a comprehensive agreement. His threats suggest that the first round of tariff increases could come as soon as this coming Friday. In response, China is reportedly considering delaying a trip by its top trade negotiators to Washington this week. According to Bloomberg, although the Ministry of Foreign Affairs noted that a Chinese delegation was still preparing to travel to the US for trade talks, no specific date is given nor was there confirmation that the group would be led by Vice Premier Liu He. Previously, a delegation led by Vice Premier Liu was to head to Washington DC on May 8th to conclude the trade negotiation.

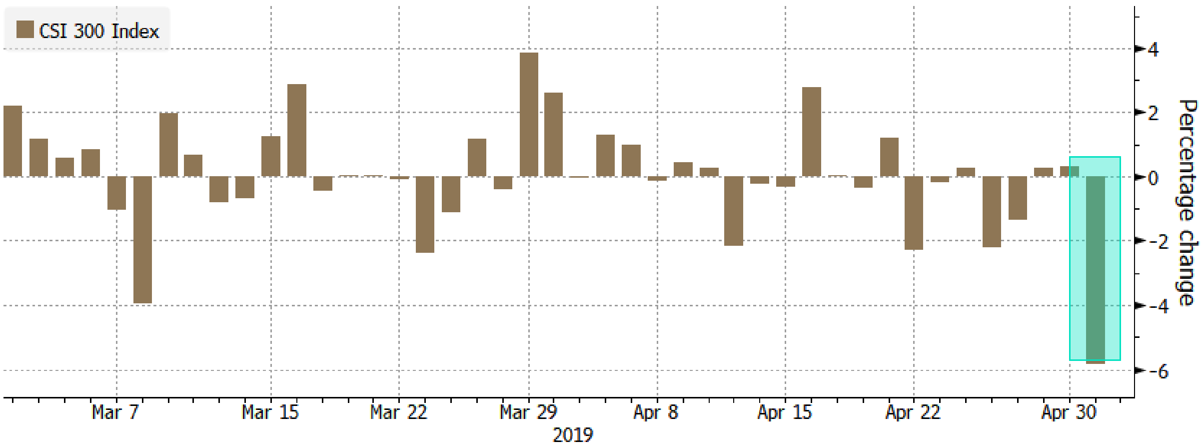
The offshore CNY weakened by as much as 1.3%, the most since January 2016, before paring losses to end the day 0.7% weaker at 6.7815/dollar, its weakest level since early February. The onshore CNY, in its first day of trading since the Labor Day holiday on April 30th, lost as much as 0.7% of its value, the most in nearly three months, before paring its losses to RMB 6.7663/dollar (-0.5%). Reflecting the sharp depreciation, **the offshore CNH's 3-month risk reversal – a gauge of traders' bet on RMB weakness - jumped 40 bps, the most since February 2018**, to 0.64%, though it remains well below levels seen last October, when the RMB fell to its weakest level in recent years.



Source: Bloomberg

In equities, the Shanghai Composite Index fell 5.8%, its biggest loss in 7 months; the CSI 300 Index sank as much as 6.3% before paring its losses to 5.8% and the ChiNext – an index of technology companies and small caps - plunged 7.9%. According to Bloomberg, foreign investors sold onshore equities, offloading net RMB 7.6 bn ($1.1 bn) through trading links. There were also news reports that the authorities are preparing to stabilize the markets; the "National Team" – a group of state investors – was reportedly asked to prepare to stabilize the stock market and at least one large bank offered to sell the dollar as the RMB weakened.

Rushing Out
Chinese stocks sink on trade concerns as markets reopen from holidays

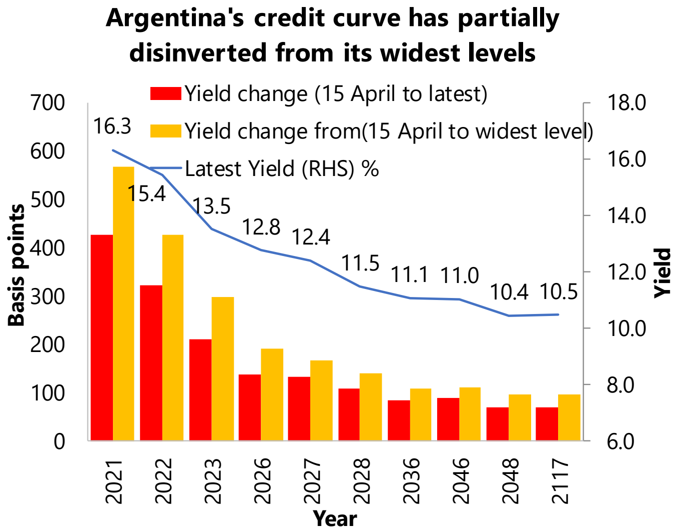


Source: Bloomberg
SHSN300 Index (Shanghai Shenzhen CSI 300 Index) Shcomp reopen Daily 01MAR2019-0 Copyright© 2019 Bloomberg Finance L.P. 06-May-2019 15:17:40

PBOC will lower the reserve requirement ratio (RRR) for mid- and small-sized banks, effective May 15th. The central bank indicated that it will cut the RRR from a range of 10-11.5% to 8% for banks with an asset size below RMB 10 bn (USD 1.5 bn). This move is expected to benefit about 1,000 rural banks and release about RMB 280 bn of long-term liquidity for private and small business lending. Contacts noted that although this move has been planned for some time, the latest trade headlines likely accelerated its release. Specifically, this move is consistent with the policy directive from the State Council on April 17th that the authorities are looking at a relatively-low level of RRRs for small banks to promote SME loans. Meanwhile, this move will also help the authorities to cushion the negative market impact of potential US tariff hikes.

Argentina

The Argentine Peso closed the week on a better tone appreciating by 0.7% against the dollar on Friday and by 3.2% on the week. Yields on dollar bonds declined on average by 35 bps across the curve led by the front end (2021s: -72bps). The Merval index increased by 5.2% on Friday and ended almost 10% higher on the week. The positive sentiment on Friday was helped by data releases in the US that triggered a global risk rally as well as domestic press reports that the government is in conversations with parts of the opposition on a ten-point agreement on main policies. Additionally, the latest market consensus is in line with the government's recent announcements that inflation peaked in March. JP Morgan analysts highlighted that food inflation decelerated in the last week of the month to 0.6% w-o-w, down from 1.1% w-o-w in the first week. They expect inflation to be 4% m-o-m in April, in line the latest central bank survey (compared to 4.7% m-o-m in March), and 3.5% in May compared to 3.2% in the latest central bank survey.



Source: Bloomberg

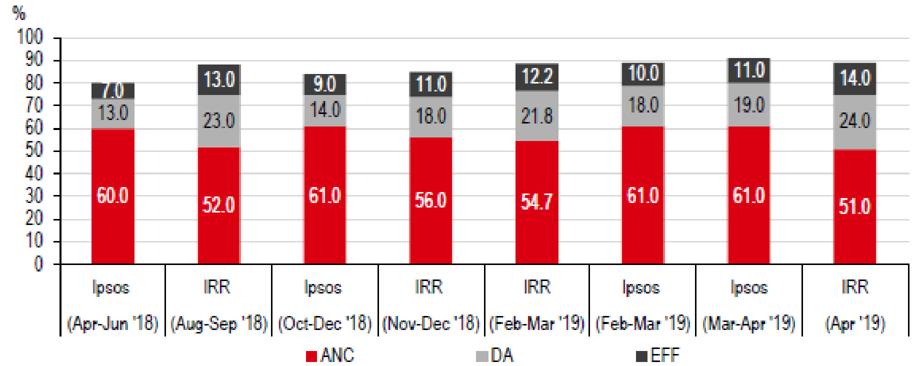
Turkey

Last Friday, Fitch held its BB rating on Turkey's debt and maintained a negative outlook, citing low foreign reserves and political risks. The decision came as Turkey is struggling with its first recession in a decade following a currency crisis last year that has caused elevated inflation and slashed 40% off the value of the lira in the past year. In the report, Fitch noted foreign exchange reserves may have fallen because of efforts to stabilize the lira ahead of elections. In addition, Fitch expected the economy to contract 1.1% this year and inflation to average 14.2% this year, the highest inflation of any sovereign rated above the B category. The lira was little changed after the report last Friday.

South Africa

Polls suggested the ruling ANC will receive the most votes in South Africa's national and provincial elections that will take place on May 8th, but support may dip from the 62% of the vote it received the previous elections in 2014, reflecting the weak economy, high joblessness, and concerns over corruption and state capture. While the latest Ipsos poll from March-April put ANC support at 61%, the April poll from the Institute for Race Relations indicated that support is 10 pp lower at 51%. According to press reports, campaigning for the election reached a climax Sunday with mass rallies by the ruling party, and to address the rally, Ramaphosa promised more jobs, economic growth and a drive against corruption. Local assets have been range-bound recently in the lead up to the elections.

1. The latest polls diverge over support levels for the ANC and major parties



Source: Ipsos, IRR, HSBC

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Global Financial Indicators

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Japan		22259	-0.2	0	5	-1	11
China		2906	-5.6	-9	-8	-6	17
Asia Ex Japan		73	1.2	1	0	-4	15
Emerging Markets		44	-0.6	1	0	-5	13
Interest Rates				basis points			
US 10y Yield		2.48	-1.6	-5	-2	-47	-21
Germany 10y Yield		0.01	-1.4	1	0	-53	-23
Japan 10y Yield		-0.04	0.0	0	-1	-9	-4
UK 10y Yield		1.22	3.2	8	12	-17	-6
Credit Spreads				basis points			
US Investment Grade		111	0.7	1	-5	11	-36
US High Yield		398	5.5	1	-10	54	-123
Europe IG		58	0.0	0	-4	2	-29
Europe HY		251	0.0	4	-9	-22	-101
EMBIG Sovereign Spread		345	4.0	0	5	14	-69
Exchange Rates				%			
USD/Majors		97.58	0.1	0	0	5	1
EUR/USD		1.12	0.0	0	-1	-6	-2
USD/JPY		110.8	0.2	1	1	-2	-1
EM/USD		62.1	-0.5	0	-2	-8	0
Commodities				%			
Brent Crude Oil ($/barrel)		71	-0.2	-2	1	-6	31
Industrials Metals (index)		116	-0.1	-2	-5	-15	6
Agriculture (index)		38	-2.1	-3	-7	-24	-9
Implied Volatility				%			
VIX Index (%, change in pp)		18.0	5.1	4.9	5.2	3.2	-7.4
10y Treasury Volatility Index		3.6	-0.1	-0.1	0.0	0.0	-1.0
Global FX Volatility		6.5	0.1	0.0	-0.3	-1.2	-2.5
EA Sovereign Spreads				10-Year spread vs. Germany (bps)			
Greece		333	1.5	3	-19	-26	-82
Italy		258	5.0	0	11	133	8
Portugal		111	1.5	-1	-14	-5	-37
Spain		97	1.0	-4	-13	21	-21

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: 5/6/2019 8:17 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation						% p.a.					
China		6.77	-0.5	-0.5	-1	-6	2		3.4	0.0	1	21	-21	20
Indonesia		14299	-0.2	-0.6	-1	-2	1		8.0	1.0	13	25	87	-16
India		69	-0.3	0.9	0	-3	1		7.5	-0.9	-2	14	-36	7
Philippines		52	-0.1	0.3	0	0	1		5.2	-0.6	-3	-9	-14	-111
Thailand		32	-0.1	-0.2	-1	-1	2		2.6	0.0	0	4	15	-2
Malaysia		4.15	-0.1	-0.3	-1	-5	0		3.9	1.5	4	6	-33	-23
Argentina		44	0.7	3.2	-4	-50	-15		26.6	3.2	-15	337	695	361
Brazil		3.97	-0.8	-0.7	-3	-11	-2		8.2	-7.1	-3	-1	-18	2
Chile		678	0.5	-0.5	-2	-9	2		4.1	0.1	3	-7	-60	-36
Colombia		3241	0.7	-0.1	-3	-12	0		6.3	-4.8	6	15	21	-17
Mexico		19.04	-0.6	-0.1	0	2	3		8.2	-2.8	3	2	66	-52
Peru		3.3	0.3	0.5	0	-1	2		5.3	-0.8	-5	0	-3	-40
Uruguay		35	0.6	-0.3	-3	-16	-7		10.9	-1.0	16	42		20
Hungary		289	-0.1	0.1	-1	-9	-3		2.2	0.5	12	26	57	-5
Poland		3.82	-0.1	0.3	0	-7	-2		2.4	0.0	12	13	-9	17
Romania		4.2	-0.1	0.2	-1	-8	-4		4.2	0.0	-2	1	11	-1
Russia		65.2	-0.1	-1.1	0	-3	7		7.9	0.0	-8	-16	80	-50
South Africa		14.5	-1.1	-1.4	-3	-14	-1		9.4	-6.4	3	10	48	-19
Turkey		6.02	-0.9	-1.2	-6	-29	-12		20.8	-39.7	24	179	717	394
US (DXY; 5y UST)		97.5	0.0	-0.3	0	5	1		2.27	-5.3	-4	-4	-51	-24

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
								basis points						
China		2906	-5.6	-9	-8	-6	17		173	1	-1	-2	-10	-21
Indonesia		6256	-1.0	-2	-3	8	1		185	4	8	-6	-11	-51
India		38600	-0.9	0	-1	11	7		150	3	-6	-8	5	-46
Philippines		7862	-1.3	0	0	4	5		83	4	3	-6	-25	-38
Malaysia		1633	-0.3	0	-1	-11	-3		122	2	-3	-5	-6	-40
Argentina		32412	5.2	10	-1	14	7		933	7	-8	149	479	118
Brazil		96008	0.5	-1	-1	16	9		246	4	2	0	-7	-27
Chile		5132	-0.2	-1	-2	-9	1		124	3	-1	-5	-14	-42
Colombia		1555	-0.4	-3	-3	1	17		178	3	4	-3	-18	-50
Mexico		44277	-0.1	-2	-2	-6	6		300	3	12	2	29	-54
Peru		20802	0.2	0	-3	-2	7		130	4	5	8	-33	-38
Hungary		41483	-0.7	-4	-1	9	6		99	3	-4	-7	-26	-49
Poland		58886	-1.4	-3	-5	-2	2		41	1	-2	-8	-30	-44
Romania		8386	-0.7	0	2	-5	14		181	-1	-17	-21	26	-40
Russia		2557	-0.9	0	1	12	8		206	5	8	-10	-18	-46
South Africa		58384	-1.6	-1	1	1	11		309	5	4	15	36	-56
Turkey		91985	-2.1	-3	-7	-10	1		492	5	-12	29	134	63
Ukraine		569	1.9	2	1	20	2		628	6	-24	34	111	-159
EM total		44	-0.6	1	0	-5	13		345	4	0	5	14	-69

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