








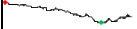


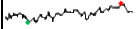


- **Passage of Hong Kong democracy bill in the US stokes investor concerns** ([link](#))
- **Minutes show most FOMC members optimistic on US economy** ([link](#))
- **Markets are pricing in one more Fed rate cut over 12 months** ([link](#))
- **ESTR money market rate fixes at new high** ([link](#))
- **ECB FSR suggests few levers to counteract banks' below-sustainable returns** ([link](#))
- **Bank Indonesia keeps interest rates unchanged** ([link](#))

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Trade and Political Uncertainty Weigh on Markets

Risk assets are trading on the weak side today as investors worry about a prolongation of US-China trade tensions. Global equities are down this morning on mounting concerns about the potential impact of the Hong Kong Human Rights and Democracy bill that was passed by Congress. Earlier today, indications of “cautious optimism” by China’s top trade negotiator helped lift sentiment, but concerns remain. A partial reversal of the risk-on mood that has supported markets to record highs over the past month saw US Treasuries bid up yesterday, with the yield on the 10-Year bond down by close to 4 bps. On the policy front, the FOMC minutes further confirmed markets’ expectations of the Fed remaining on hold for the rest of the year, unless new data warrant a “material reassessment” of its position. In EM, despite pockets of idiosyncratic risk—e.g., Chile, Ecuador, Lebanon—assets have generally benefitted over the past month from rising expectations of a soon-to-be-announced truce in the US-China trade war, including through a marked increase in flows into EM-focused funds. A reversal of such positive expectations could therefore have a significantly negative effect on EM assets. It may also put further pressure on already weak commodity prices, in general, and on oil prices, in particular. It is notable that the latter rose by close to 3% yesterday on the back of data showing a larger-than-expected draw on US inventories.

Key Global Financial Indicators

| Last updated: 11/21/19 8:56 AM | Level | | Change from Market Close | | | | YTD |
|--------------------------------------|---|--------|--------------------------|--------|---------|------|-----|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | |
| Equities | | | % | | | | % |
| S&P 500 |  | 3108 | -0.4 | 0 | 3 | 17 | 24 |
| Eurostoxx 50 |  | 3677 | -0.2 | 0 | 2 | 17 | 22 |
| Nikkei 225 |  | 23039 | -0.5 | 0 | 2 | 7 | 15 |
| MSCI EM |  | 43 | -0.7 | 0 | 1 | 7 | 10 |
| Yields and Spreads | | | bps | | | | |
| US 10y Yield |  | 1.75 | -3.8 | -7 | -5 | -131 | -94 |
| Germany 10y Yield |  | -0.34 | 1.1 | 2 | 1 | -71 | -58 |
| EMBIG Sovereign Spread |  | 339 | -4 | 16 | 9 | -57 | -75 |
| FX / Commodities / Volatility | | | % | | | | |
| EM FX vs. USD, (+) = appreciation |  | 60.1 | 0.0 | 0 | -1 | -4 | -3 |
| Dollar index, (+) = \$ appreciation |  | 97.8 | -0.2 | 0 | 0 | 1 | 2 |
| Brent Crude Oil (\$/barrel) |  | 62.5 | 0.1 | 0 | 6 | -2 | 16 |
| VIX Index (% change in pp) |  | 13.1 | 0.3 | 0 | -1 | -8 | -12 |

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

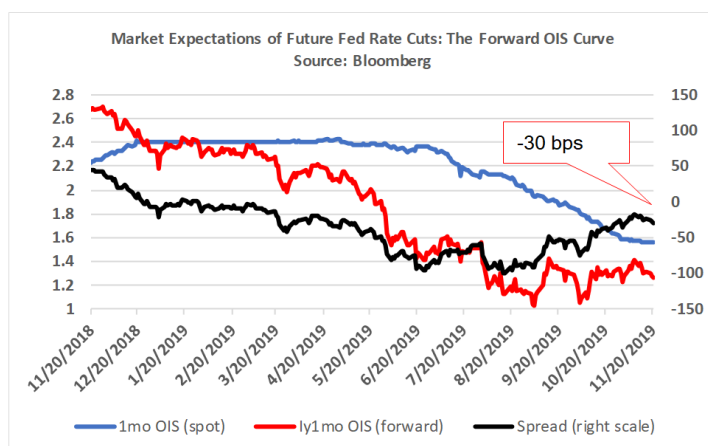
United States

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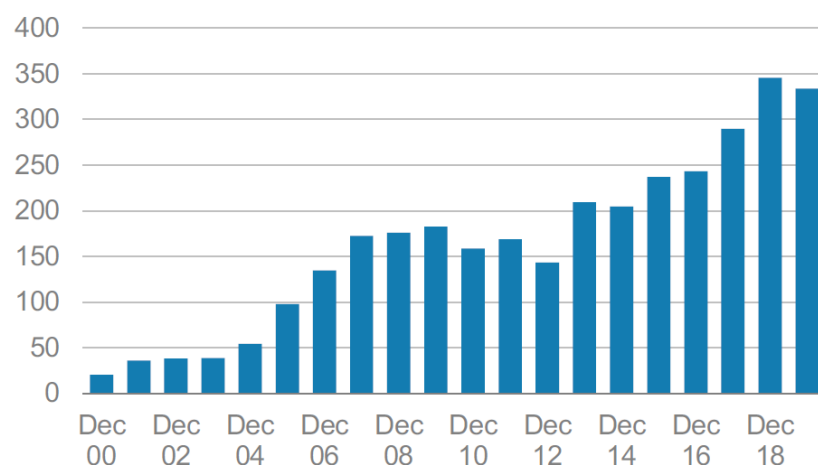
United States

Growing doubts about trade negotiations sent markets lower on Wednesday. Markets started weak and fell further after a Reuters story came out just before 1pm New York time that an agreement on the deal might be put back further. The passage by the US Senate of a pro-democracy Hong Kong bill could prove contentious if it gets past the House and is signed by the President. Trade sensitive sectors such as telecoms and automobiles were especially hard hit. Treasuries continued their November rally, with the 10-year yield down 21 bps since November 8. The FOMC minutes showed that most of the FOMC members were relatively optimistic about the US economy, and rates would remain on hold unless there was a need for a “material reassessment.” Particularly notable was an improvement in interest rate sensitive sectors such as housing which had shown weakness earlier. Odds of a rate cut in December have fallen close to zero in the interest rate futures markets.

However, markets still expect another rate cut from the Fed over the next 12 months, as seen from the overnight index swap (OIS) curve. The OIS rate is the market variable that best expresses where the market expects the Fed’s policy rate to be. The spread between the OIS rate twelve month forward and the spot OIS rate shows roughly how many basis points of cuts are expected over the next 12 months. The current spread of -30 bps implies just over one 25 bps rate cut. The spread had narrowed to as little as -17 bps on November 8th before widening again as doubts about the progress of the trade deal led to a rally in Treasury yields. Since that date, the 10-year yield is down by 20 bps as a degree of risk aversion has taken hold in the market.

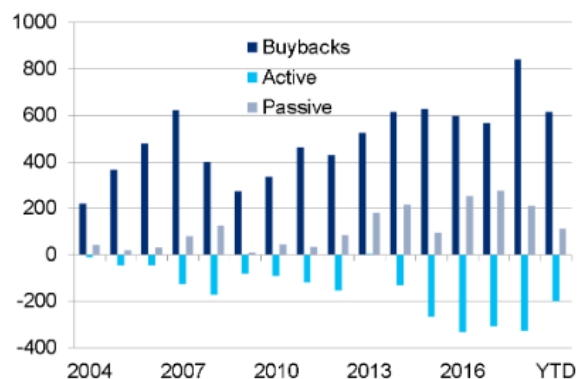


There could be as much as \$334 bn of “dry powder” looking for investments in the commercial real estate (CRE) market next year, according to estimates by Morgan Stanley. This represents funds that have been raised by private real estate funds but not yet deployed. Allocations to the CRE sector went up by 10% in 2018 and BCG predicts that allocations by investors worldwide will grow by 10% per year over the next five years. High demand from investors and a relatively robust local economy have caused the US CRE market to grow to \$3.5 tn or 6.5% per year on average since the crisis, and Morgan Stanley expects the same pace of growth in the next few years. Despite the heavy inflows and rapid growth of the market, CRE returns are still very attractive by global standards, with the average cap rate at 6% (cap rate: “capitalization rate” or net operating income from a real estate asset divided by its current or original value).

Exhibit 8: Closed-end private real estate dry powder (\$Bn)

Source: Preqin Real Estate Online, Morgan Stanley Research

Corporations are the biggest purchasers of equities through buybacks but their dominance has grown even more rapidly in recent years. Buyback flows are now several multiples of active and passive equity fund flows. Indeed, actively managed funds have seen steady outflows through the years as passive funds have gained in popularity among both institutional and retail investors. Combining buybacks and fund flows provides a good predictor of where the overall equity market can be expected to go. Citi predicts that 2019 is likely to match the record level of buybacks seen in 2018, especially due to the large amounts of cash repatriated from overseas following the corporate tax cut.

Figure 10. US Buybacks & Equity Flows (\$bn)

Source: Citi Research, EPFR, Worldscope. YTD Buyback data till 3Q.

Figure 11. S&P 500 & US Buybacks + Flows

Source: Citi Research, EPFR

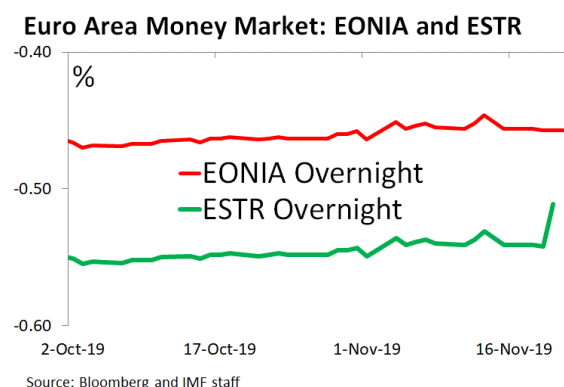
Europe

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Euro Area

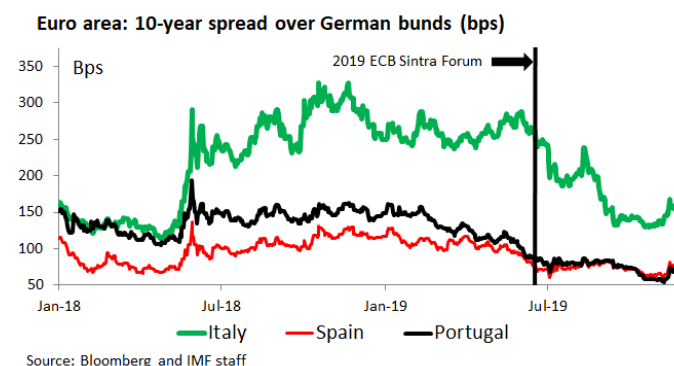
European equities (-0.4%) fell but bonds were little changed. German 10-yr bund yields trade at -0.35%, and 10-yr OAT yields at -0.04%.

European money market drew some attention as the new overnight benchmark money market €STR rate fixed 3 bps higher at -0.511%. Transaction volumes rose € 40 bn as contacts attribute the increase to some banks bidding for cash as part of regular maintenance period operations.



ECB Chief Economist Philip Lane said yesterday that the ECB will make decisions on its policy review “fairly soon,” with the final decision on its design to be made in early 2020 when two new executive directors have arrived.

Despite some concern about profit taking ahead of year-end, Italian spreads over 10-yr bunds are trading around 150 bps again. Spanish 10-yr spreads over bunds are at 78 bps.



United Kingdom

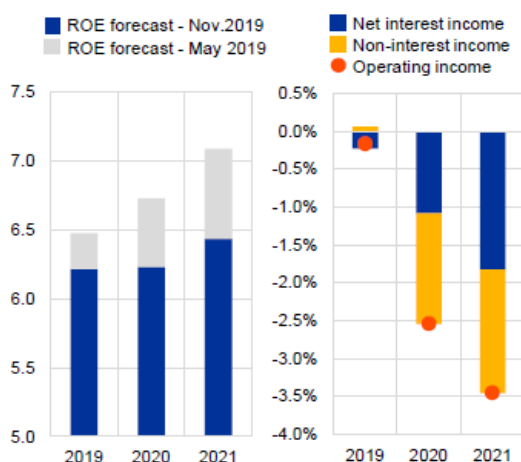
U.K. equities are -0.6% lower as the Labor Party unveiled its elections manifesto, including a financial transaction tax, an increase in corporate tax, and higher taxes for top 5% of earners. The British pound was little changed.

European Banks

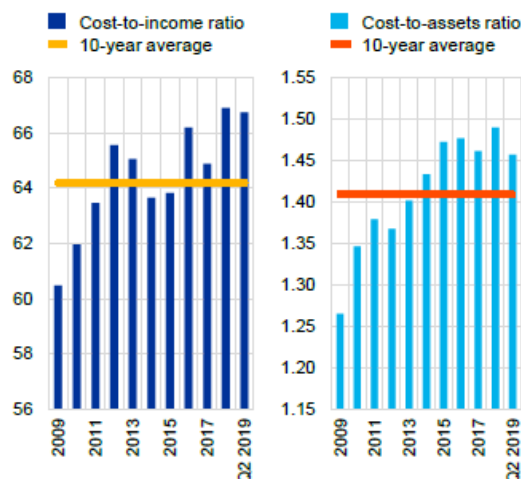
The ECB’s FSR suggests few levers to counteract banks’ below-sustainable returns. The assessment of European banks in the ECB’s semi-annual Financial Stability Report notes that average bank ROE has fallen below 6% and that 75% of assets in their sample are generating below 8% ROEs. Moreover, their analysis suggests that further downward pressures will exceed scope for mitigation.

Declining forecasts for net interest margins (NIM) and net interest income stemming from the expectation of prolonged negative policy rates and other forms of monetary easing, drive about half the fall in revenue ('operating income') forecasts. (Chart, LHS) However, the market is also increasingly pessimistic that other revenue drivers will sustain as capital markets, transaction banking, investments and other activities all encounter apparently structural compression from regulation, new technologies and competitive forces. Moreover, the report notes that credit costs in the lower-NPL countries have troughed and started to rise, and that operating expenses have actually risen in recent years in part due to IT spending and other structural forces. (Chart, RHS) Banks continue to project a rebound in ROE, to 7.1% in 2021, from 5.8% in 2019, but these projections are based on now-unrealistic Euribor forecasts. European banks have underperformed the broader equity market by roughly 40% since the beginning of 2018.

Forecast ROE and change in revenues



Sample average cost efficiency metrics



Source: European Central Bank

Other Mature Markets

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Japan

Equities (-0.1%) fell, paring earlier losses of as much as -1.5%, with electronics and pharmaceuticals acting as the biggest drag. Separately, the JGB yield curve flattened with long-term bonds rallying. A tightening of the spread between the swap rates quoted on London LCH Clearnet – dominated by non-Japanese funds – and on Japan Securities Clearing Corp has tightened in six out of seven sessions suggesting that foreign funds are betting on lower long-term rates. The yen was unchanged.

JSCC-LCH 30-year spread collapse suggests return of foreign long positions





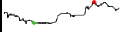







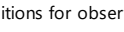



Source: Bloomberg

Emerging Markets [back to top](#)

Asian equities (-1.0%) fell as investors weighed the risk to US-China trade negotiations from the US's Hong Kong Democracy bill. Stocks in Hong Kong (-1.6%) and Korea (-1.4%) underperformed. Regional currencies were little changed, except for the Korean won, which weakened -0.7%. In **EMEA**, South African stocks dropped 1.1%, followed by Poland (-0.8%) and Egypt (-0.7%). Equities only gained in Morocco (+0.8%) and Russia (+0.2%). Currencies were largely unchanged to the dollar. The South African rand strengthened 0.4% to the dollar, ahead of the central bank decision later today – markets expect interest rates to be kept on hold. **Latin America** equities were mixed yesterday, while currencies retreated. Equities gave up ground in Colombia (-0.4%) and Brazil (-0.4%) but remained stable in Chile, Mexico and Peru, and continued to gain in Argentina (+3.6%). Currencies depreciated in Chile (-1.0%) and Mexico (-0.6%) and moved sideways in the other markets. The region's sovereign debt spreads relative to the US continued to increase, except for Mexican and Colombian dollar debt of maturities up to 5 years. Mexican local currency debt saw the steepest increases, with yields increasing by 6 to 8 bps across maturities.

Key Emerging Market Financial Indicators

| Last updated: 11/21/19 8:53 AM | Level | | Change | | | | YTD |
|-----------------------------------|---|-------|-----------------------------------|--------|---------|------|------|
| | Last 12m | index | 1 Day | 7 Days | 30 Days | 12 M | |
| Major EM Benchmarks | | | % | | | | % |
| MSCI EM Equities |  | 42.96 | -0.7 | 0 | 1 | 7 | 10 |
| MSCI Frontier Equities |  | 28.74 | 0.1 | 0 | 2 | 6 | 10 |
| EMBIG Sovereign Spread (in bps) |  | 339 | -4 | 16 | 9 | -57 | -75 |
| EM FX vs. USD |  | 60.12 | 0.0 | 0 | -1 | -4 | -3 |
| Major EM FX vs. USD | | | %, (+) = EM currency appreciation | | | | |
| China Renminbi |  | 7.03 | 0.1 | 0 | 1 | -1 | -2 |
| Indonesian Rupiah |  | 14090 | 0.0 | 0 | 0 | 4 | 2 |
| Indian Rupee |  | 71.76 | 0.1 | 0 | -1 | 0 | -3 |
| Argentine Peso |  | 59.73 | -0.1 | 0 | -2 | -39 | -37 |
| Brazil Real |  | 4.20 | 0.1 | 0 | -2 | -10 | -8 |
| Mexican Peso |  | 19.48 | -0.1 | -1 | -2 | 4 | 1 |
| Russian Ruble |  | 63.76 | 0.2 | 0 | 0 | 3 | 9 |
| South African Rand |  | 14.71 | 0.5 | 1 | 0 | -5 | -2 |
| Turkish Lira |  | 5.69 | 0.1 | 1 | 3 | -7 | -7 |
| EM FX volatility |  | 7.25 | 0.0 | -0.1 | -0.5 | -2.9 | -2.5 |

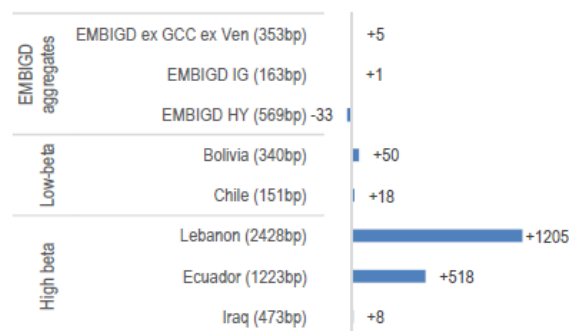
Colors denote **tightening**/easing financial conditions for observations greater than ± 1.5 standard deviations. Data source: Bloomberg.

Emerging Markets

Despite growing but idiosyncratic problems in several individual emerging markets (EMs), spillovers to the broader EM sector remain limited so far. Credit spreads on bonds from countries such as Lebanon and Ecuador have widened significantly due to political unrest. Political tensions are also high in Bolivia, Brazil, Iran, Iraq and Hong Kong. However, fund flows to the EM sector remain robust and JP Morgan's latest EM client survey finds that its client remain solidly overweight. Despite the unrest in the city Hong Kong's financial markets have been relatively steady, while Brazil's stock market recently hit a new record high despite negative headlines and the depreciation of the real to a new low against the dollar.

Figure 1: There has been some outsized spread widening in select countries

Spread changes since Aug 30, 2019; current levels are in parentheses, bp



Source: J.P. Morgan.

Figure 2: EM sovereign positioning is still firmly OW

AUM-weighted positioning score ranging from -10 (most UW/short) to +10 (most OW/long) from J.P. Morgan's EM Client Survey



Source: J.P. Morgan.

Hong Kong SAR

Equities (-1.6%) declined as investors weighed the risks to US-China relations after the US Senate and House of Representatives passed the Hong Kong Human Rights and Democracy Bill. The bill is now moved to President Trump who is expected to sign it into law. The legislation would require an annual review by the US government determining whether Hong Kong has retained enough autonomy from China to continue the city's distinct trading status. Additionally, it also calls for sanctions against officials who are deemed to be responsible for human rights abuses and undermining the city's autonomy. The House also passed another Senate bill that bans the export of crowd-control items such as tear gas and rubber bullets to the Hong Kong police. **The Hong Kong government stated that it "strongly opposes" the two bills.** It also stated that: "the two bills not only interfere with Hong Kong's internal affairs, they would also send a wrong signal to violent protesters, which doesn't help in cooling the situation in Hong Kong." Meanwhile, **China's foreign ministry reiterated that it will take strong countermeasures and urged the US to prevent the legislation from becoming law.**

China

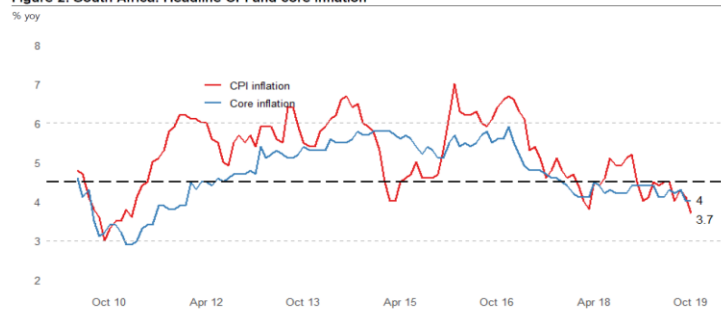
Equities (Shanghai -0.3%; Shenzhen -0.2%) fell amid mixed signals over the 'phase-one' US-China trade deal. According to Reuters, the deal may not be inked by the end of this year, with China pressing for a more extensive rollback in tariffs while the Trump administration counters with demands in areas such as intellectual property and technology transfer issues. However, Bloomberg reported that China's chief trade negotiator Vice Premier Liu He mentioned that he was "cautiously optimistic" about reaching a 'phase-one' deal. Separately, President Trump when touring an Apple assembly plant in Texas said that he is looking at exempting the company from tariffs on goods imported from China. Apple is scheduled to have its products hit by import duties beginning December 15, should there be no agreement between the US and China. **The onshore and offshore RMB were unchanged.**

South Africa

Most analysts expect the South African Reserve Bank to keep rates on hold at 6.50% today. Recent inflation data show a deceleration of price increases, notably for headline inflation, and the growth outlooks of various analysts have been downgraded in recent weeks. Moody's, for instance, projects now real GDP

growth for 2020 at 1.0%, down from 1.5% previously. Against this background, analysts expect the SARB to maintain rates today but start laying down the ground work for cuts in the next meetings.

Figure 2. South Africa: Headline CPI and core inflation



Source: SSA, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

Poland

Polish banks may need to raise \$13 bn to meet MREL regulations. CEOs from various Polish lenders warned at a conference yesterday that their institutions could face challenges in raising the 50bn zloty needed to comply with forthcoming MREL and TLAC regulations over the next few years. The CEOs noted that the capacity of the domestic market may not be sufficient.

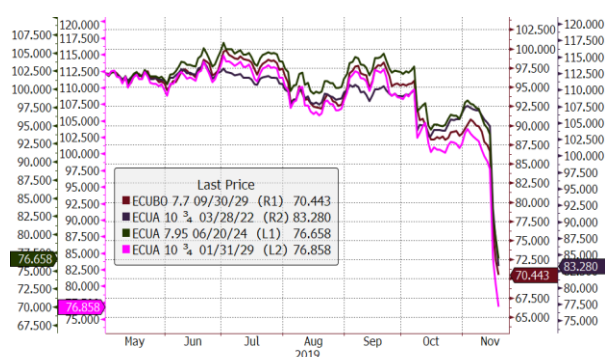
Indonesia

Bank Indonesia (BI) left its policy rate unchanged at 5%, in line with consensus, but it lowered the reserve requirement ratio (RRR) for banks by 50bps. The decision to hold interest rates followed 100bps of cuts since July. BI Governor Perry Warjiyo said that monetary policy remains accommodative and consistent with inflation that is under control within its target range. The move to cut the RRR for conventional banks to 5.5% from 6% and for Islamic banks to 4% from 4.5% is aimed at boosting liquidity and supporting growth. **Equities fell -0.6% while the rupiah was stable.**

Ecuador

Ecuador bond prices declined significantly for the third day in row. Sovereign bond prices have dropped by more than 20% since November 5. Yields on the 3-Year and 10-Year international sovereign bonds stood yesterday at 19.8% and 15.4%, respectively. According to Bloomberg, analysts from various investment firms see the success of a revised tax bill—which was scheduled for late Wednesday submission and included a budget deficit of \$0.5 bn instead of the \$0.73 bn—as key to the country's access to short-term funding, both from multilateral agencies as well as international markets.

Ecuador: Sovereign bond prices, USD

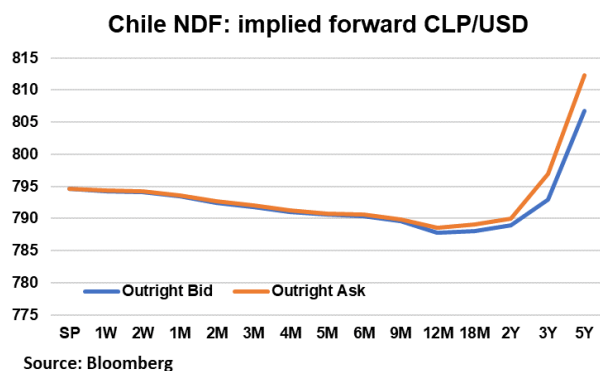


UBH42097 Corp (ECUBO 7.7 09/30/29) 10Y Ecu debt price Daily 01MAY2019-20NOV2019 Copyright© 2019 Bloomberg Finance L.P. 20-Nov-2019 16:41:39

Source: Bloomberg

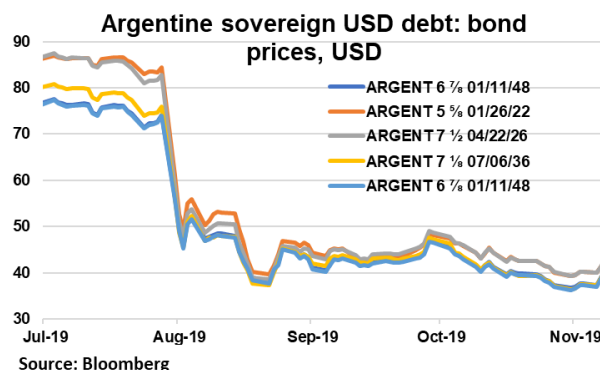
Chile

Political unrest has contributed to a further depreciation of the Chilean peso, while demand for a planned sovereign debt auction underwhelmed. Equity and currency markets were negatively affected by the proceedings to impeach Chile's president, which started on Tuesday. Equities declined by close to 1% on Wednesday morning, before retracing most of their losses during the rest of the session. The Chilean peso performed similarly on the day. It is notable that forward markets are currently pricing in an appreciation of the currency over the next two years – a possible reflection of lower expected political tension in the near-term. Wednesday's sovereign debt auctions, offering \$284 mn in peso debt and \$481 mn in CPI-linked debt, were cancelled due to a weak demand.



Argentina

Despite regional market stress, Argentine assets were marginally bid, mainly on the back of new budget data. The week's positive trend in Argentine equities continued yesterday with a 3.6% increase in the Merval, the country's main equity index. Argentina's sovereign US dollar debt traded marginally higher, while the peso remained flat. JP Morgan analysts pointed to improvements in the primary budget, which saw a YTD surplus of 0.1% of GDP in October, up from -1.2% over the similar period last year. After factoring in increases in interests paid, JP Morgan forecasts an overall budget deficit of 1% of GDP for 2019, down from 2.4% in 2018, and a balanced budget for 2020. Continued IMF commitment to an open dialogue with the country's new administration may have further eased market tensions.











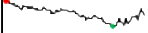






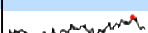





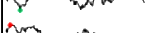
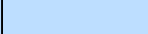



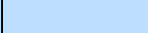
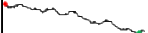
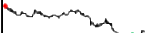
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Global Financial Indicators

| Last updated: 11/21/19 8:55 AM | Level | | Change | | | | |
|-----------------------------------|---|--------|----------------------------------|--------|---------|------|-------|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | YTD |
| Equities | | | % | | | | % |
| United States |  | 3108 | -0.4 | 0 | 3 | 17 | 24 |
| Europe |  | 3677 | -0.2 | 0 | 2 | 17 | 22 |
| Japan |  | 23039 | -0.5 | 0 | 2 | 7 | 15 |
| China |  | 2904 | -0.3 | 0 | -1 | 10 | 16 |
| Asia Ex Japan |  | 70 | -0.8 | 0 | 2 | 8 | 10 |
| Emerging Markets |  | 43 | -0.7 | 0 | 1 | 7 | 10 |
| Interest Rates | | | basis points | | | | |
| US 10y Yield |  | 1.75 | -3.8 | -7 | -5 | -131 | -94 |
| Germany 10y Yield |  | -0.34 | 1.1 | 2 | 1 | -71 | -58 |
| Japan 10y Yield |  | -0.11 | 0.1 | -4 | 2 | -20 | -11 |
| UK 10y Yield |  | 0.76 | 3.4 | 5 | 1 | -63 | -51 |
| Credit Spreads | | | basis points | | | | |
| US Investment Grade |  | 121 | 0.9 | 3 | 1 | 0 | -26 |
| US High Yield |  | 477 | 7.0 | 21 | 25 | 53 | -44 |
| Europe IG |  | 50 | -0.2 | 0 | -1 | -28 | -38 |
| Europe HY |  | 235 | -1.3 | -5 | 10 | -85 | -118 |
| EMBIG Sovereign Spread |  | 339 | -4.0 | 16 | 9 | -57 | -75 |
| Exchange Rates | | | % | | | | |
| USD/Majors |  | 97.78 | -0.2 | 0 | 0 | 1 | 2 |
| EUR/USD |  | 1.11 | 0.2 | 1 | -1 | -3 | -3 |
| USD/JPY |  | 108.5 | 0.1 | 0 | 0 | 4 | 1 |
| EM/USD |  | 60.1 | 0.0 | 0 | -1 | -4 | -3 |
| Commodities | | | % | | | | |
| Brent Crude Oil (\$/barrel) |  | 62 | 0.1 | 0 | 6 | -2 | 16 |
| Industrials Metals (index) |  | 112 | -0.3 | -2 | -4 | -3 | 2 |
| Agriculture (index) |  | 39 | 0.0 | -1 | -1 | -8 | -6 |
| Implied Volatility | | | % | | | | |
| VIX Index (% change in pp) |  | 13.1 | 0.3 | 0.1 | -0.9 | -7.7 | -12.3 |
| 10y Treasury Volatility Index |  | 4.5 | 0.2 | 0.0 | -0.9 | 0.2 | -0.1 |
| Global FX Volatility |  | 6.3 | 0.0 | -0.2 | -0.3 | -2.4 | -2.7 |
| EA Sovereign Spreads | | | 10-Year spread vs. Germany (bps) | | | | |
| Greece |  | 174 | -1.0 | -8 | 7 | -255 | -242 |
| Italy |  | 153 | -2.0 | -15 | 20 | -157 | -97 |
| Portugal |  | 74 | 0.7 | 1 | 16 | -85 | -74 |
| Spain |  | 77 | 0.0 | -4 | 14 | -49 | -40 |

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: 11/21/2019 8:54 AM | Exchange Rates | | | | | | Local Currency Bond Yields (GBI EM) | | | | | | | |
|--|----------------|--------|----------------------|--------|---------|------|-------------------------------------|--------|--------------------------|--------|---------|------|------|------|
| | Level | | Change (in %) | | | | Level | | Change (in basis points) | | | | | YTD |
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | YTD | |
| | vs. USD | | (+)= EM appreciation | | | | % p.a. | | | | | | | |
| China | | 7.03 | 0.1 | -0.1 | 1 | -1 | -2 | | 3.2 | -1.2 | -6 | 1 | -12 | 3 |
| Indonesia | | 14090 | 0.0 | 0.0 | 0 | 4 | 2 | | 7.1 | 2.6 | 0 | -13 | -111 | -103 |
| India | | 72 | 0.1 | 0.3 | -1 | 0 | -3 | | 6.8 | -2.2 | -7 | -5 | -105 | -67 |
| Philippines | | 51 | 0.0 | -0.4 | 0 | 3 | 3 | | 4.3 | -0.1 | 1 | 1 | -221 | -198 |
| Thailand | | 30 | 0.0 | 0.1 | 0 | 9 | 8 | | 1.7 | -2.6 | -2 | 14 | -112 | -91 |
| Malaysia | | 4.17 | -0.1 | -0.3 | 0 | 1 | -1 | | 3.4 | -0.6 | -2 | -2 | -78 | -70 |
| Argentina | | 60 | -0.1 | 0.0 | -2 | -39 | -37 | | 76.7 | 519.3 | 1295 | 2011 | 5276 | 5369 |
| Brazil | | 4.20 | 0.1 | -0.3 | -2 | -10 | -8 | | 6.1 | 0.2 | 8 | 34 | -241 | -200 |
| Chile | | 796 | -0.1 | 0.9 | -9 | -16 | -13 | | 3.5 | 7.7 | -24 | 42 | -120 | -96 |
| Colombia | | 3443 | -0.1 | -0.4 | 0 | -7 | -6 | | 6.0 | -3.2 | -3 | 25 | -85 | -55 |
| Mexico | | 19.48 | -0.1 | -0.8 | -2 | 4 | 1 | | 7.1 | 6.6 | 3 | 22 | -200 | -159 |
| Peru | | 3.4 | -0.2 | 0.0 | -1 | 0 | 0 | | 4.5 | -0.6 | -12 | 31 | -126 | -121 |
| Uruguay | | 38 | -0.1 | -0.3 | -1 | -14 | -14 | | 11.1 | 0.7 | 9 | 17 | 16 | 36 |
| Hungary | | 301 | 0.1 | 0.8 | -2 | -6 | -7 | | 1.1 | -4.9 | -4 | 0 | -148 | -109 |
| Poland | | 3.87 | 0.1 | 0.3 | -1 | -3 | -4 | | 1.8 | -2.3 | -1 | 2 | -74 | -43 |
| Romania | | 4.3 | 0.2 | 0.3 | -1 | -5 | -6 | | 4.0 | -3.0 | 8 | 17 | -39 | -26 |
| Russia | | 63.8 | 0.2 | 0.3 | 0 | 3 | 9 | | 6.2 | -1.1 | -13 | -21 | -224 | -219 |
| South Africa | | 14.7 | 0.5 | 0.8 | 0 | -5 | -2 | | 9.5 | -2.7 | -5 | 17 | -21 | -9 |
| Turkey | | 5.69 | 0.1 | 1.0 | 3 | -7 | -7 | | 11.8 | 3.4 | -20 | -231 | -571 | -511 |
| US (DXY; 5y UST) | | 98 | -0.2 | -0.4 | 0 | 1 | 2 | | 1.60 | 0.7 | -3 | -1 | -129 | -92 |

| | Equity Markets | | | | | | Bond Spreads on USD Debt (EMBIG) | | | | | | | |
|--------------|----------------|--------|---------------|--------|---------|------|----------------------------------|--------|--------------------------|--------|---------|------|------|------|
| | Level | | Change (in %) | | | | 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 | YTD | |
| | | | | | | | basis points | | | | | | | |
| China | | 2904 | -0.3 | 0 | -1 | 10 | 16 | | 176 | 0 | 1 | -11 | -10 | -18 |
| Indonesia | | 6117 | -0.6 | 0 | -1 | 3 | -1 | | 181 | -3 | 5 | 5 | -50 | -55 |
| India | | 40575 | -0.2 | 1 | 3 | 15 | 12 | | 128 | -3 | -3 | -9 | -44 | -68 |
| Philippines | | 7819 | -1.0 | -1 | -1 | 8 | 5 | | 85 | -5 | -1 | 9 | -30 | -36 |
| Malaysia | | 1592 | -0.6 | 0 | 1 | -6 | -6 | | 120 | 0 | 0 | -5 | -24 | -42 |
| Argentina | | 33421 | 3.6 | 0 | 3 | 10 | 10 | | 2267 | -8 | -185 | 138 | 1585 | 1452 |
| Brazil | | 105864 | 0.0 | -1 | 1 | 20 | 20 | | 240 | -3 | 10 | 13 | -28 | -33 |
| Chile | | 4786 | -0.1 | 6 | -3 | -7 | -6 | | 155 | -3 | 8 | 22 | 2 | -11 |
| Colombia | | 1600 | -0.4 | -1 | 0 | 15 | 21 | | 192 | -3 | 13 | 18 | -21 | -36 |
| Mexico | | 43605 | 0.0 | 1 | 0 | 5 | 5 | | 330 | -3 | 13 | 32 | -13 | -24 |
| Peru | | 19702 | -0.2 | 0 | 2 | 3 | 2 | | 133 | -3 | 6 | 12 | -32 | -35 |
| Hungary | | 43608 | -0.8 | 1 | 6 | 11 | 11 | | 106 | -4 | 5 | 17 | -37 | -42 |
| Poland | | 57424 | -1.0 | -2 | 0 | 2 | 0 | | 30 | 0 | 2 | 5 | -39 | -55 |
| Romania | | 9709 | -0.2 | 0 | 1 | 14 | 31 | | 203 | 1 | 12 | 18 | -5 | -18 |
| Russia | | 2943 | 0.2 | 1 | 7 | 25 | 24 | | 166 | -6 | -2 | -14 | -75 | -86 |
| South Africa | | 56471 | -1.5 | 0 | 1 | 10 | 7 | | 347 | -3 | 12 | 31 | -20 | -18 |
| Turkey | | 106559 | -0.2 | 3 | 9 | 15 | 17 | | 428 | -4 | 6 | -62 | -41 | -1 |
| Ukraine | | 518 | 0.0 | 0 | -1 | -9 | -7 | | 485 | -1 | 28 | 17 | -194 | -302 |
| EM total | | 43 | -0.7 | 0 | 1 | 7 | 10 | | 339 | -4 | 16 | 9 | -57 | -75 |

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

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