Global Markets Monitor

Monetary and Capital Markets Department
Global Markets Analysis Division

Monday, November 5, 2018

- **US tech sector leads equities lower (link)**
- **US 30-year Treasury yields rise to 4-year high following strong jobs report (link)**
- **Latest EBA stress tests show European banks able to withstand adverse scenario; however, vulnerabilities remain (link)**
- **President Xi promises tariff cuts and reduced investment barriers (link)**

US | Europe | Other Mature | Emerging Markets | Market Tables

Risk sentiment stalls as event risk remains a key focus

Despite some stability in asset markets, investors remain nervous about politics, geopolitical events, and trade tensions. Global equities partially reversed last week's gain, driven by weakness in Asia (Hang Seng: -2.1%, Nikkei -1.6%, Shanghai Composite -0.4%). European indices were little changed, though bank stocks slightly underperformed as investors digested the latest bank stress tests. Oil prices (Brent: $73, WTI: $63) were modestly lower and remain at the low end of recent ranges, with US sanctions on Iranian oil imports starting today. EM bond spreads widened 3 bps, with higher beta credits underperforming. US Treasury yields rose sharply on Friday following stronger jobs and earnings data, while broader core sovereign bond yields were little changed overnight. Looking at the week ahead, the main events in the US are the mid-term congressional elections (Tue) where expectations are for a divided Congress, and the FOMC meeting (Thu) where no change in policy is expected. Elsehere, no change in rates is expected at central bank meetings in Australia (Tue), Poland (Wed), New Zealand (Thu), Malaysia (Thu), and Peru (Thu). In Europe, the focus will be on UK Q3 GDP (Fri) and industrial production releases in Germany (Tue) and France (Fri). In Asia, China's foreign reserves (Wed) and trade (Thu) data will also be a key focus.

Key Global Financial Indicators

Last updated: 11/5/18 8:11 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities				%			%
S&P 500		2723	-0.6	2	-6	5	2
Eurostoxx 50		3224	0.3	2	-4	-13	-8
Nikkei 225		21899	-1.5	4	-8	-3	-4
MSCI EM		41	-0.3	6	0	-12	-13
Yields and Spreads				bps			
US 10y Yield		3.21	8.2	12	-2	88	80
Germany 10y Yield		0.43	0.6	6	-14	7	1
EMBIG Sovereign Spread		359	1.0	-8	19	69	74
FX / Commodities / Volatility				%			
EM FX vs. USD, (+) = appreciation		62.1	-0.2	1	1	-8	-11
Dollar index, (+) = $ appreciation		96.6	0.1	0	1	5	5
Brent Crude Oil ($/barrel)		73.2	0.6	-5	-13	18	10
VIX Index (%, change in pp)		20.1	0.5	-5	5	11	9

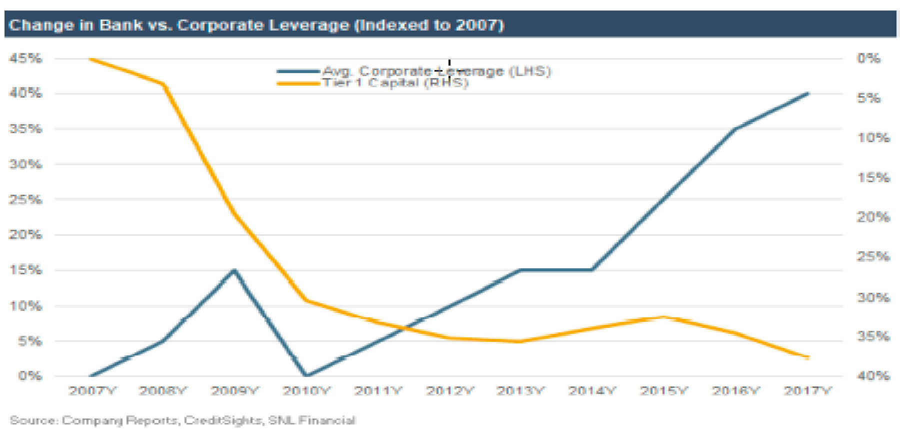
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

United States back to top

US equities turned lower on Friday, but still registered a gain on the week. The S&P 500 closed down 0.6% on the session, after Apple's (-6.6%) weak outlook weighed on the broader tech sector and despite a better-than-expected labor market report (new jobs rose by 250k vs. 200k expected). The decline, combined with a reduction in the number of shares outstanding due to repurchases, led the company's market capitalization to fall below $1 tn. On the trade front, market participants remain cautious amid contradictory reports on whether president Trump's cabinet has been directed to draft plans for a trade war cease-fire.

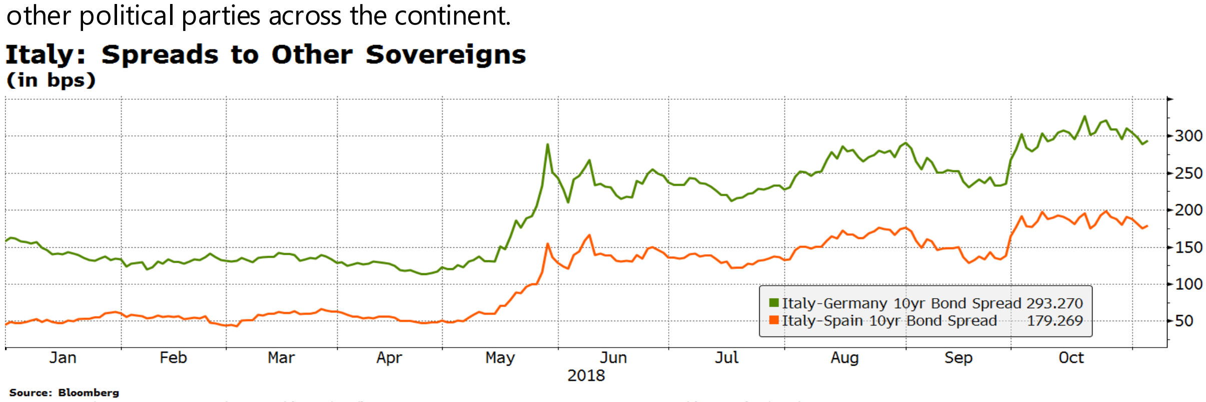
Treasury yields rose across the curve and the US dollar gained as the strong jobs report reinforced expectations for the Fed to raise rates at the December FOMC meeting. The yield curve steepened and 30-year rates rose to a four-year high, approaching 3.5%. 10-year breakeven inflation rates also rose despite lower oil prices. Crude oil prices extended their decline as supply concerns eased after the US agreed to offer waivers to eight countries to continue importing Iranian oil.

US corporate leverage remains elecated. Since 2007, the weighted average ratio of corporate debt-to-EBITDA (blue line) has risen 40%, from 2.0x to 2.8x. To be sure, bank capital ratios, which provide a risk buffer, have increased by a similar magnitude over the same period (orange line, inverted axis).



Europe back to top

Sovereign debt markets are steady ahead of the Eurogroup meeting this week. 10-year German yields are at 0.43% (+1 bp) and French at 0.79% (+1 bp). Italian 2-year and 10-year yields are up 4-7 bps to 0.93% and 3.36%, respectively, as the Eurogroup discussions will focus on the Italian budget. Separately, news reports indicate that the 5-Star Movement is seeking to form a pan-European anti-austerity platform with other political parties across the continent.

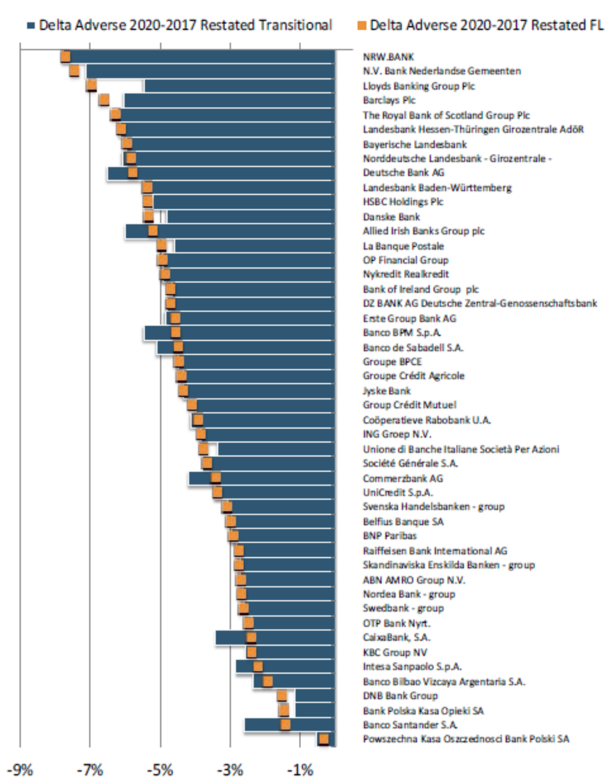


The main European equity indices are flat this morning. Bank stocks (-0.2%) are slightly underperforming, as investors digest the results of the EBA's last stress tests.

The latest EBA stress tests released on Friday revealed broadly "that banks' efforts to build up their capital base have contributed to strengthening their resilience and capacity to withstand the severe shocks and material capital impacts of the stress scenarios." There are, however, a few potential vulnerable firms: some German (Deutsche, NORD/LB, Bayerische), Italian (Banco BPM, UBI), French (Société Générale), and Spanish (Banco de Sabadell) banks are vulnerable in the adverse scenario. None of the 48 European banks tested, however, is estimated to breach the minimum capital requirements under the agreed adverse scenario assumptions. Barclays (+0.2%) shows the lowest trough adverse-scenario CET1 ratio, at 6.0% in 2019 (above the minimum 4.5% and the previous 5.5% adverse scenario hurdle rate); and results from Lloyds Bank (-0.2%), Societe Generale (+0.3%) and a few smaller banks may also attract market scrutiny. **Bank stocks are mixed this morning, with Italian, Irish, and German lenders down, while French and Spanish banks were up.** Deutsche (-0.1%), Commerzbank (-0.8%), BNP (-0.2%), Soc Gen (+0.3%), Intesa (-2.1%), Unicredit (-1.3%), Santander (+0.1%), BBVA (+0.9%), Sabadell (+0.3%), Allied Irish (-0.7%), Bank of Ireland (-1.0%).

Despite the broadly positive results, **market participants caution, however, that the market's response in coming days will focus on bank-specific vulnerabilities** – such as banks' exposures to sovereign risks in some nations or legacy NPLs (see chart below). The exclusion from the stest of some of Italy's weaker and smaller banks – such as Carigie, Creval, and MPS – is seen as a shortcoming of the tests. The introduction of IFRS 9 had a smaller impact on banks than some analysts had expected.

Figure 9: Impact on CET1 capital ratio from 2017 to 2020 under the adverse scenario by bank, ordered by size of the fully loaded impact



EUROPEAN BANKS IN ONE SLIDE

	MACRO The Misery Curve	PROFITABILITY Margins and Volumes	CAPITAL Excess Capital Model
Headline View	Weak recovery and flat ECB rates, though higher rates elsewhere	ROAs improving due to better credit quality. Pre-provisions under pressure	Sector is cash generative: the first time in this cycle. Upside to dividends.
Benelux	Stable recovery, flat rates	Volume growth and non-banking/ CEE revenues a big positive	KBC generous, ABN improving, ING in-line
France	Stable recovery, flat rates	Diversified business models, with asset gathering outperforming	CASA can buy earnings. BNPP should prioritise reaching their CT1 target
Spain	Strong recovery, but higher rates needed	Improved credit quality. Mixed fortunes for international franchises	Big Spanish banks remain tight
Italy	Uncertain political outlook	Profitability weak, but the pain of NPL recognition is being absorbed	Intesa leads on dividends
IB	Markets revenue pool still to recover, European banks losing share	Revenues need to show upside, cost control alone cannot improve profitability.	CS offers upside
UK and Ireland	Brexit dominates discussion, but current conditions are good	Outlook for credit quality post-Brexit is crucial. Strong Irish margins	Room for distributions
Nordics	Norway stands out	Improving in Norway with higher rates. Tougher elsewhere.	Stable state of elevated payouts. Buyback upside for DNB.
CEE	Broadening macro recovery, punctuated by risks in Turkey and Russia	Focus on sustainable ROEs	Sufficient for growth

Chart Watch

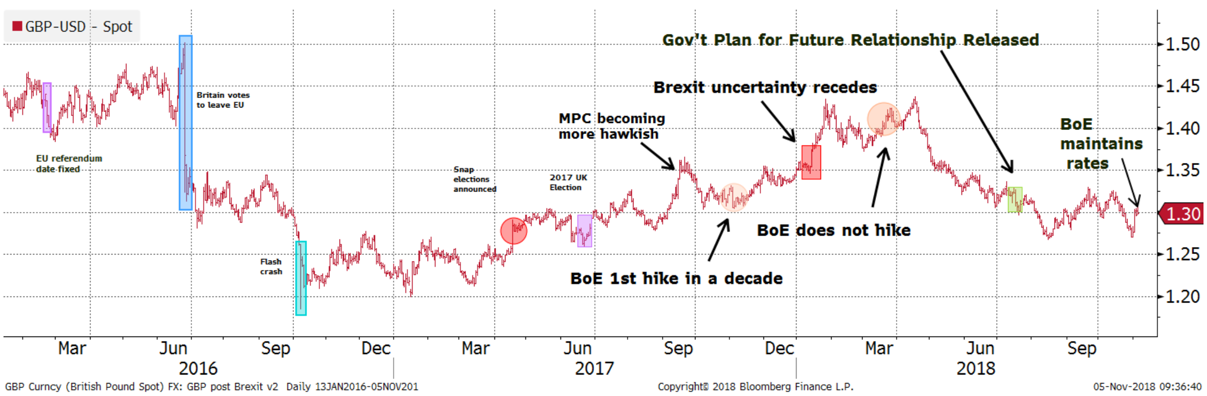
EBA 2018 EU-wide stress test: Asset quality
Nonperforming loans
Peripheral European countries

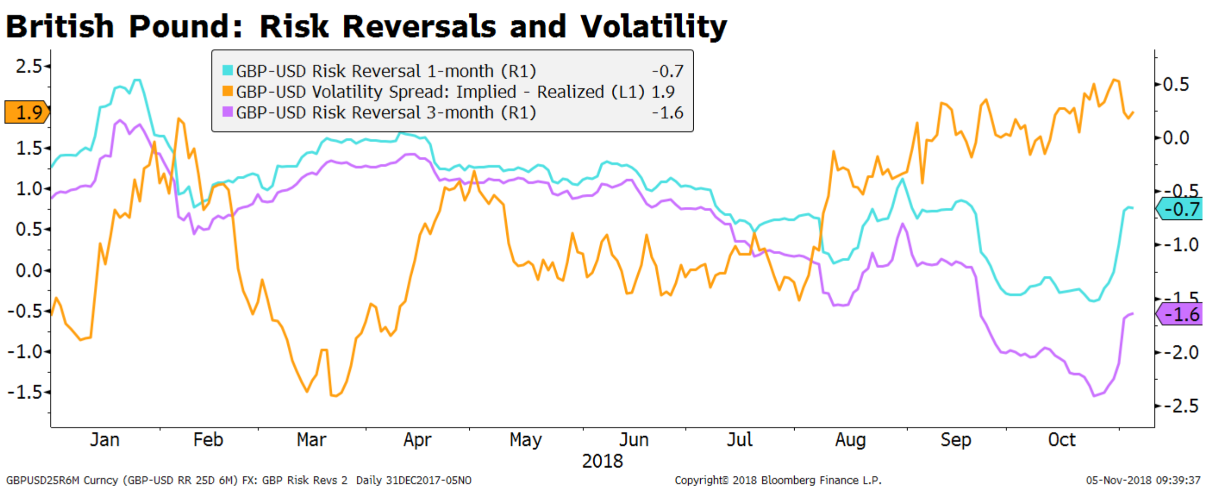
Company	Dec. 31, 2017 Total gross loans[1] (€B)	Nonperforming loans (€B)	NPL ratio[2] (%)
Ireland			
Allied Irish Banks Group PLC	70.47	10.18	14.45
Bank of Ireland Group PLC	88.72	6.53	7.36
Italy			
Banco BPM SpA	125.48	25.53	20.35
Unione di Banche Italiane SpA	105.16	12.65	12.03
Intesa Sanpaolo SpA	504.01	52.27	10.37
UniCredit SpA	617.26	49.82	8.07
Spain			
CaixaBank SA	248.74	14.08	5.66
Banco de Sabadell SA	178.40	8.17	4.58
Banco Bilbao Vizcaya Argentaria SA	470.04	19.40	4.13
Banco Santander SA	1,047.30	37.18	3.55

Data compiled Nov. 2, 2018.
[1] Gross carrying amount of loans and advances, including those held at amortized cost and fair value.
[2] Nonperforming loans as a percentage of gross loans and advances.
Sources: European Banking Authority; S&P Global Market Intelligence

The pound (+0.1% to $1.30) strengthened somewhat amid renewed rumors of a forthcoming Brexit deal. Political observers anticipate a breakthrough in PM May's Brexit strategy to be announced after tomorrow's cabinet meeting. Many note that time is running out for a substantial agreement to be forged at the next EU summit in November. Sterling-dollar risk reversals have changed their trend since late October, while realized volatility has increased.

British Pound vs US Dollar





Other Mature Markets

back to top

Japan

Equities declined (Nikkei -1.5%, Topix -1.1%) on robust volumes. Cyclical stocks, especially electronics and chemical names, underperformed. Meanwhile, the Nikkei-Markit services PMI rose to 52.4 in October from 50.2 in September, the fastest rate of expansion since April. **Analysts interpreted a speech by BoJ governor Kuroda as hinting at monetary policy normalization**. Kuroda said that while the BoJ still needs to stick with its stimulus program, it no longer needs to "decisively implement a large-scale policy to overcome deflation". **Ten-year JGB yields rose 0.4 bps to 0.12% and the yen was broadly unchanged.**

Emerging Markets

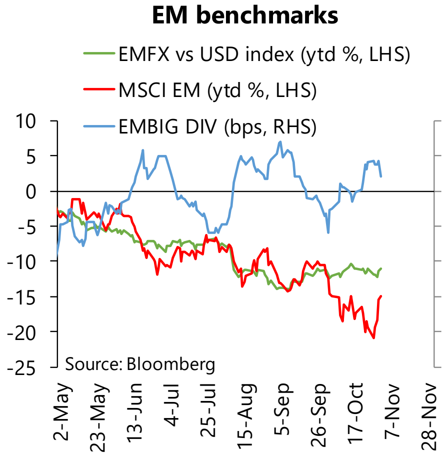
back to top

Key Emerging Market Financial Indicators

Last updated:	Level		Change				
11/5/18 8:11 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		40.82	-0.3	6	0	-12	-13
MSCI Frontier Equities		27.57	0.1	3	-1	-13	-17
EMBIG Sovereign Spread (in bps)		359	1.0	-8	19	69	74
EM FX vs. USD		62.15	-0.2	1	1	-8	-11
Major EM FX vs. USD					%, (+) = EM currency appreciation		
China Renminbi		6.93	-0.5	0	-1	-4	-6
Indonesian Rupiah		14977	-0.1	2	1	-10	-9
Indian Rupee		73.13	-0.9	0	1	-12	-13
Argentine Peso		35.49	0.0	4	7	-50	-48
Brazil Real		3.71	-0.3	0	3	-12	-11
Mexican Peso		20.10	-0.4	0	-6	-5	-2
Russian Ruble		66.35	-0.3	-1	0	-12	-13
South African Rand		14.37	-0.5	2	3	-2	-14
Turkish Lira		5.44	-0.2	2	13	-30	-30
EM FX volatility		10.27	0.7	0.2	-0.7	2.2	2.4

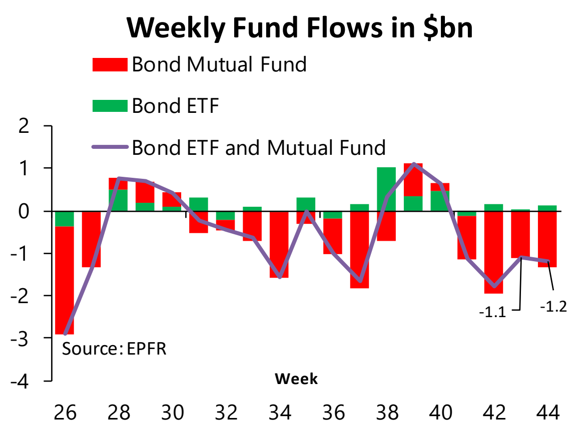
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

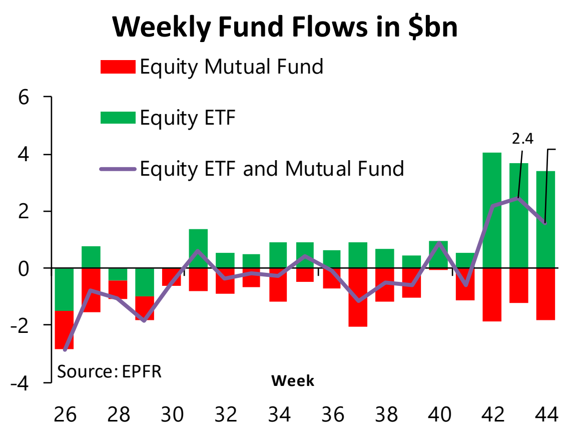
EM assets rallied at the end of last week. The main equity benchmark (+6.2%) posted its best weekly gain since March 2016 amid growing hopes for a thawing in US-China trade relations and optimism for additional stimulus by China. Chinese equities (+3%) advanced on the week as China's leadership signaled further stimulus measures are being planned to alleviate increasing economic pressure, though the Shanghai Comp closed -0.4% today in line with a broader reduction in risk sentiment. The Argentine peso (+3.8%) was the best performer among EM currencies last week (followed by the Turkish lira at +3%). The Mexican peso (-3.4%) was the worst performing currency after the incoming government's decision to scrap a $13 bn project to build a new international airport and Fitch's decision to cut the country's outlook to negative, citing policy uncertainty. This morning, EMEA indices were broadly higher, rising 0.3-0.9% across major bourses in the region. EM currencies were slightly weaker, with underperformance in India, South Africa, Turkey, and China.



EM Capital Flows

According to EPFR, EM bond outflows persisted last week while equity inflows accelerated on the back of strong ETF flows.[1] EM bond fund flows were -$1.2 bn, compared to -$1.1 bn the previous week. EM equity fund inflows were $1.6 bn (versus $2.4 bn previous week), led by strong ETF inflows.

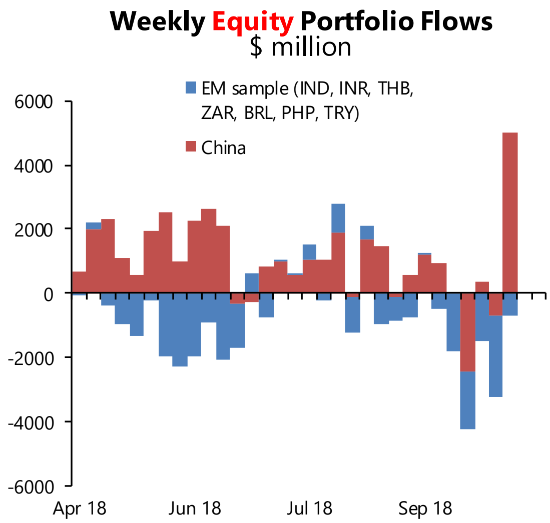




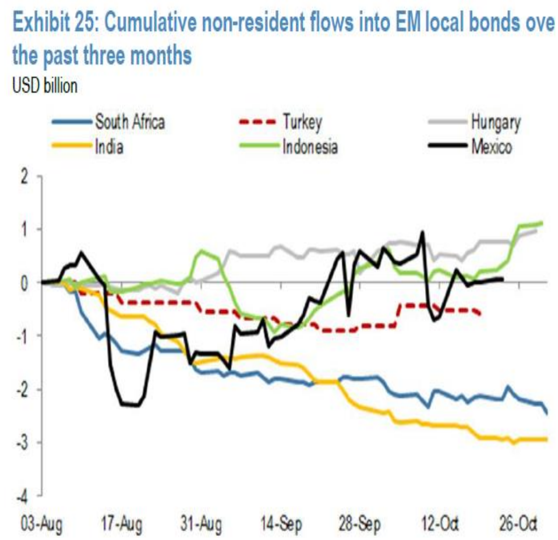
---

[1] Weekly EM bond and equity fund data from EPFR are released on Thursday afternoon for the week ending close of business Wednesday.

Local bond funds registered positive non-resident inflows (+$373 mn) for the third consecutive week, with flows to Indonesia and Hungary offsetting outflows from South Africa. For EM ex-China equity funds, large non-resident selling continued with the largest outflows seen in India and Brazil; Indonesian equities received small inflows. According to IIF, Chinese equity markets received $5 bn of inflows, the largest weekly inflow since the time series started in 2014.



Source: National Sources, IIF.

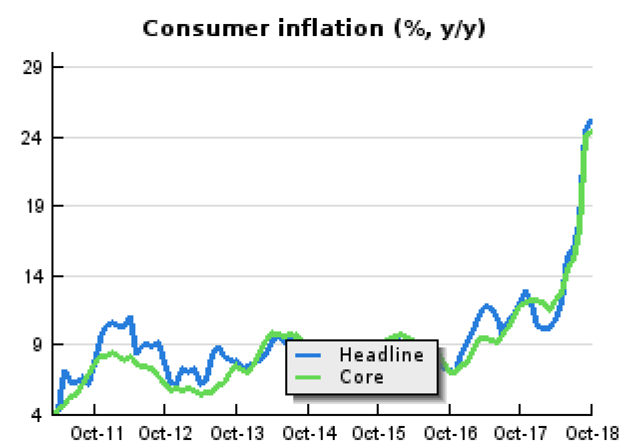


China

Equities gave back some of Friday's gains following mixed trade headlines (Shanghai -0.4%, Shenzhen unchanged). Notably, US officials rejected the headline that President Trump directed his cabinet to draft a US-China trade deal. Meanwhile, the Caixin-Markit services PMI for October fell to 50.8, the lowest reading since September 2017. In his speech at the Shanghai trade fair, **President Xi said that China will cut tariffs, reduce investment barriers and improve IP protection**. Analysts noted, however, that the speech did not contain concrete new proposals. **The onshore yuan depreciated 0.5%, while the offshore yuan depreciated 0.4%.**

Turkey

CPI for October came in slightly above expectations at 25.24% yoy (versus 25.00%). Analysts noted that the data shows that pass-through from the weaker lira continues to impact prices. The print was broadly in line with the central bank's forecast and is not expected to impact the monetary policy outlook, especially given the recent recovery of the lira. Some contacts are already calling for the next move by the bank to be a cut, possibly sometime late next year. **Separately, central bank data has started to show a pickup in portfolio inflows.** Last week saw $35 mn in inflows ($3 mn into local bonds and $32 mn into equities), compared with $97 mn of outflows during the previous two weeks. Lastly, **Moody's**



Source: Turkstat, CBT

published a note saying that the recent tax cuts announced by the government were negative for Turkey's creditworthiness. The temporary nature of the tax cuts means that they are unlikely to have a significant negative effect on the budget, but the agency thought the signal pointed towards potentially looser fiscal policy in the future. The lira is little changed this morning while the main equity index is up nearly 1%.

Argentina

Argentine assets were among the best performing in EM last week amid improving risk sentiment domestically and externally. On the week, external spreads tightened by almost 60 bps to 609 bps while the peso appreciated 3.8% against the dollar. Analysts note that the government's recent roadshow was well-received, with discussions focusing on FX management. Bloomberg highlighted that the Argentine officials expressed concern that the IMF's GDP forecast for next year (-1.7%) was too pessimistic and said they expect it to be upwardly revised. The latest central bank monthly survey of economists released on Friday sees the economy contracting 1% next year.

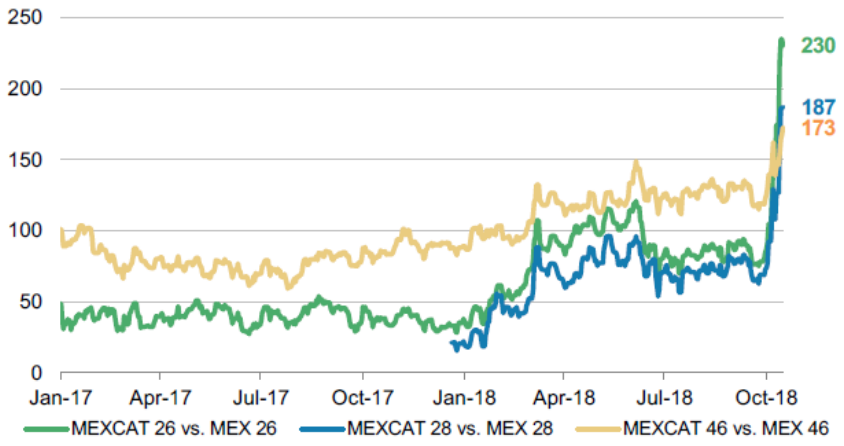
Argentina daily heatmap		Mon	Tue	Wed	Thu	Fri
		29-Oct	30-Oct	31-Oct	1-Nov	2-Nov
Merval	%	-1.6	1.8	0.2	6.2	0.4
MSCI EM	%	-1.7	1.9	1.1	3.6	0.6
ARG EMBIG spread (chg)	bps	2	-9	-15	-15	-26
EMBIG spread (chg)	bps	1	-2	0	2	-9
ARS vs USD	%	-0.2	0.5	2.3	0.6	0.5
LatAm FX vs USD	%	-2.0	-0.1	-0.3	0.5	0.5
FX intraday range (%)	%	1.2	1.1	2.5	1.0	0.9
FX volume (MAEF)	Mln usd	249	347	303	395	417
FX intervention	($ mln)	0	0	0	0	0
International reserves	($ bln)	47.9	54.0	53.9	54.2	

Source: Bloomberg

Mexico

Mexico City airport bonds stabilized on Friday, but spreads remain close to their widest level after the government's decision to cancel a $13 bn project to build a new international airport. Morgan Stanley analysts expect that there will be a negotiated settlement between bond holders and the government over the next year that results in full repayment. The package offered to investors is expected to be worth around 85-89% in NPV terms compared to the current cash price of bonds of around 80%.

Exhibit 6: MEXCAT spread vs. sovereign at record wides



Source: Bloomberg, Morgan Stanley Research

List of GMM Contributors (Global Markets Analysis Division, MCM Department)

Anna Ilyina
Division Chief
Peter Breuer
Deputy Division Chief
Will Kerry
Deputy Division Chief
Sergei Antoshin
Senior Economist
John Caparusso
Senior Financial Sector Expert
Sally Chen
Senior Economist
Fabio Cortés
Senior Economist
Mohamed Jaber
Senior Financial Sector Expert
David Jones
Senior Financial Sector Expert
Sanjay Hazarika
Senior Financial Sector Expert
Rebecca McCaughrin
Senior Financial Sector Expert
Juan Solé
Senior Economist
Jeffrey Williams
Senior Financial Sector Expert
Akihiko Yokoyama
Senior Financial Sector Expert
Dimitrios Drakopoulos
Financial Sector Expert
Tryggvi Gudmundsson
Economist
Henry Hoyle
Financial Sector Expert
Robin Koepke
Economist
Thomas Piontek
Financial Sector Expert
Jochen Schmittmann
Economist
Ilan Solot
Financial Sector Expert
Nour Tawk
Economist
Martin Edmonds
Senior Data Mgt Officer
Yingyuan Chen
Senior Research Officer
Rohit Goel
Research Officer
Piyusha Khot
Research Assistant
Xingmi Zheng
Research Assistant

Global Financial Indicators

Last updated: 11/5/18 8:11 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		2723	-0.6	2	-6	5	2
Europe		3224	0.3	2	-4	-13	-8
Japan		21899	-1.5	4	-8	-3	-4
China		2665	-0.4	5	-6	-21	-19
Asia Ex Japan		66	0.6	6	-1	-14	-14
Emerging Markets		41	-0.3	6	0	-12	-13
Interest Rates					**basis points**		
US 10y Yield		3.21	8.2	12	-2	88	80
Germany 10y Yield		0.43	0.6	6	-14	7	1
Japan 10y Yield		0.13	-0.1	2	-3	7	8
UK 10y Yield		1.52	2.5	12	-20	26	33
Credit Spreads					**basis points**		
US Investment Grade		107	-0.6	1	10	13	16
US High Yield		364	0.5	-17	37	-6	-11
Europe IG		70	-0.5	-5	1	21	26
Europe HY		289	-1.7	-13	7	65	55
EMBIG Sovereign Spread		359	1.0	-8	19	69	74
Exchange Rates					%		
Dollar Index (DXY)		96.62	0.1	0	1	2	5
USDEUR		1.14	-0.1	0	-1	-2	-5
USDJPY		113.3	-0.1	-1	0	0	-1
EM FX vs. USD		62.1	-0.2	1	1	-8	-11
Commodities					%		
Brent Crude Oil ($/barrel)		73	0.6	-5	-13	18	10
Industrials Metals (index)		117	-0.6	0	-3	-13	-16
Agriculture (index)		44	-0.4	1	0	-10	-8
Implied Volatility					%		
VIX Index (%, change in pp)		20.1	0.5	-4.7	5.2	10.9	9.0
10y Treasury Volatility Index		4.6	0.2	-0.1	0.4	1.0	1.1
Global FX Volatility		8.3	0.1	0.0	-0.1	0.9	1.0
EA Sovereign Spreads					**10-Year spread vs. Germany (bps)**		
Greece		387	-0.5	4	-7	-91	18
Italy		293	3.9	-3	8	150	134
Portugal		145	-0.5	-5	8	-25	-6
Spain		114	-0.2	-2	14	3	0

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

back to top

Emerging Market Financial Indicators

Last updated: 11/5/2018 8:11 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		6.93	-0.5	0.5	-1	-4	-6		3.5	0.8	-4	-14	-44	-48
Indonesia		14977	-0.1	1.6	1	-10	-9		8.4	-13.7	-32	12	143	179
India		73	-0.9	0.4	1	-12	-13		7.9	-6.1	-13	-25	74	41
Philippines		53	-0.4	0.7	2	-4	-6		6.6	0.0	3	18	180	178
Thailand		33	-0.4	0.9	0	0	-1		2.9	-1.2	-4	4	62	59
Malaysia		4.18	-0.4	0.1	-1	1	-3		4.1	1.4	0	7	12	24
Argentina		35	0.0	4.0	7	-50	-48		22.6	45.0	229	-99	691	661
Brazil		3.71	-0.3	0.2	3	-12	-11		8.6	0.0	-12	-121	-25	-40
Chile		684	0.3	0.9	-1	-7	-10		4.8	0.0	-1	-1	14	2
Colombia		3184	0.3	-0.1	-5	-5	-6		6.9	5.3	7	29	39	65
Mexico		20.10	-0.4	-0.2	-6	-5	-2		8.8	0.0	42	83	147	109
Peru		3.4	0.0	-0.3	-1	-4	-4		6.0	-0.1	10	32	55	73
Uruguay		33	0.2	0.2	1	-11	-12		10.8	0.1	9	42		226
Hungary		284	-0.4	0.7	-1	-6	-9		2.7	0.0	11	10	130	147
Poland		3.79	-0.3	0.3	-2	-4	-8		2.6	-0.5	8	-2	-25	-11
Romania		4.1	-0.2	0.1	-1	-4	-5		4.5	-5.0	-10	19	106	67
Russia		66.4	-0.3	-0.8	0	-12	-13		8.4	-0.2	-2	17	90	107
South Africa		14.4	-0.5	2.4	3	-2	-14		9.8	-7.8	-11	8	11	47
Turkey		5.44	-0.2	2.2	13	-30	-30		18.5	-77.3	-112	-150	660	655
US (DXY; 5y UST)		97	0.1	0.0	1	2	5		3.02	-1.0	10	-5	103	82

	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		2665	-0.4	5	-6	-21	-19		181	4	-4	-1	41	29
Indonesia		5921	0.2	3	3	-2	-7		211	-1	-8	22	42	45
India		34951	-0.2	3	2	4	3		167	-7	-2	6	52	57
Philippines		7213	1.0	4	0	-14	-16		106	1	-11	6	8	11
Thailand		1671	-0.7	2	-3	-2	-5		0	0	0	0	0	0
Malaysia		1709	-0.3	1	-4	-2	-5		134	5	3	10	24	24
Argentina		31419	0.4	7	4	12	5		611	2	-63	-47	243	261
Brazil		88869	0.5	4	9	20	16		246	1	-19	-31	3	12
Chile		5181	1.5	1	-2	-7	-7		136	3	-3	16	17	17
Colombia		1391	0.6	0	-7	-2	-8		183	1	-11	13	-4	9
Mexico		45447	3.4	-2	-8	-6	-8		299	2	-2	41	51	54
Peru		19166	1.4	3	-1	-5	-4		149	1	-7	17	9	12
Hungary		37753	1.6	3	2	-5	-4		119	2	-8	11	25	31
Poland		56766	0.8	5	-3	-12	-11		56	1	-10	9	3	9
Romania		8582	0.2	1	0	11	11		188	-5	-8	18	60	74
Russia		2378	0.8	4	-3	14	13		215	1	-13	1	30	37
South Africa		54675	0.7	7	0	-8	-8		335	1	-8	23	43	81
Turkey		95465	1.4	5	1	-14	-17		442	1	-1	-28	120	153
Ukraine		573	-0.4	3	5	91	82		599	1	4	40	130	144
EM total		24	0.2	5	-1	-10	-9		359	1	-8	19	69	74

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