









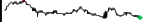



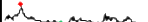
- US corporate fallen angel volume remains low against worries of downgrade risks ([link](#))
- US Treasury bond investors remain net long despite rise in yields over last month ([link](#))
- Bank of England maintains policy stance but warns risks skewed to downside ([link](#))
- Asian equities buoyed by reports US-China deal could phase in tariff rollbacks ([link](#))
- Chinese regulators mulling bank mergers to shore up financial stability ([link](#))
- National Bank of Poland keeps policy stance and signals prolonged rate stability ([link](#))
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Risk appetite gets boost from fresh trade-related drivers

Global equity markets are trading higher on the heels of renewed US-China trade optimism. Yesterday, a wait-and-see mode prevailed across financial markets with the S&P 500 ending flat and US Treasury yields declining 2-3 bps across the curve as widespread media speculation indicated that the signing of the initial US-China agreement could be delayed until December. Overnight, reports from Chinese officials that a trade agreement would include rolling back some existing tariffs has boosted risk appetite, sending stocks higher and pushing up major sovereign bond yields. Stocks in Asia and Europe are posting mild gains, S&P 500 futures are up 0.4%, and US Treasury and core European sovereign bond yields are up 2 to 6 bps across maturities. In the UK, the BoE left its policy stance unchanged, but acknowledged risks are skewed to the downside, leading the sterling to trade slightly weaker. In EM, the focus has been on the lackluster results from the Brazilian offshore oil field auction, which initially drove the real 2% weaker as the outcome has diminished expectations for foreign currency flows into the country.

Key Global Financial Indicators

Last updated: 11/7/19 8:13 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		3077	0.1	1	5	9	23
Eurostoxx 50		3699	0.3	3	7	14	23
Nikkei 225		23330	0.1	2	9	6	17
MSCI EM		44	0.2	2	8	5	12
Yields and Spreads			bps				
US 10y Yield		1.88	-3.0	18	32	-136	-81
Germany 10y Yield		-0.28	5.1	13	29	-73	-52
EMBIG Sovereign Spread		316	-10	-13	-29	-49	-98
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		61.1	0.3	0	1	-2	-2
Dollar index, (+) = \$ appreciation		97.9	0.0	1	-1	2	2
Brent Crude Oil (\$/barrel)		62.5	1.2	4	7	-13	16
VIX Index (% change in pp)		12.6	0.0	-1	-5	-4	-13

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

United States

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Markets were little changed in another fairly quiet session. Stocks had traded lower in reaction to a Reuters news story that the US-China trade deal may be delayed to December. However, in keeping with recent sessions, the moves were quite limited as market participants appear to be taking the ups and downs of the news cycle in their stride, at least for now. Stocks took back their losses and ended the session nearly flat. Treasuries got a small boost with yields slightly lower across the curve and a successful 10-year Treasury auction. Overall market dynamics in the US remain unchanged, with the main trends being the Fed on hold, steady but moderate economic growth and continued strength in the service sector, tempered by weakening business confidence and a decline in capital expenditures due to the trade war. With the end of 2019 approaching, many market participants are beginning to wind down their activity and prepare for the usual year-end funding and other challenges and are hoping that volatility remains low. In other news, Walgreens-Boots is considering the largest leveraged-buy-out (LBO) in history at \$55 bn. **This morning, S&P 500 futures point to a 0.4% gain at the open and US Treasury yields are up 4 to 6 bps across the curve as trade optimism has boosted risk sentiment.**

Fallen angel volume (formerly investment grade companies downgraded to high yield) is at the lowest in 20 years, with the total volume of such downgrades in 2019 falling to just \$17 bn, according data from Bank of America. Many such downgrades occurred in the 2015-2017 period as companies financed expensive acquisitions with high levels of debt. Press reports focused heavily on the risk that a flood of fallen angels could destabilize the high yield bond market. However, US corporate credit performance has been good and the predicted flood never materialized. In fact, several US companies that were downgraded to BBB and flagged as potential fallen angels have been subsequently upgraded back to single A status. Abbott Labs (ABT) was the most recent company to win back its single A rating from S&P this week following Moody's similar upgrade earlier in May. Other upgraded companies include Lockheed Martin (LMT), Ecolab (ECL), TTX Co, Cintas (CTAS) and Baxter International.

Figure 2: Largest industrials downgraded to BBB and subsequently upgraded back to single-A

Ticker	Index bond market value (\$bn)	Average index rating		
		Jan 2010	At the lows	Nov 2019
ABT	17.8	AA-	BBB-	A-
LMT	14.3	A-	BBB+	A-
ECL	5.0	A	BBB+	A-
TTXCO	3.1	A-	BBB+	A
CTAS	2.7	A-	BBB+	A-
BAX	2.2	A	BBB+	A-

Note: excluding Financials, Energy and Utilities. Based on the average ICE BofAML issuer index rating.

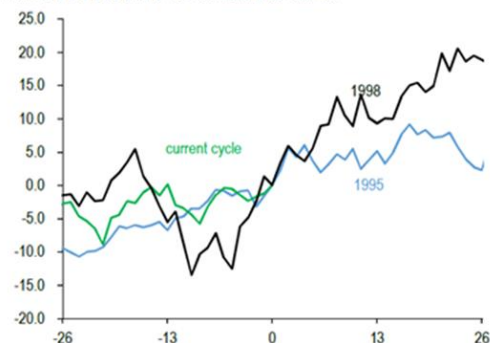
Source: BofA Merrill Lynch Global Research, ICE Data Indices, LLC

Asset markets are following a similar pattern during the past six months to the market outcomes following the 1995 and 1998 mid-course corrections. This can be observed in the S&P 500, the level of Treasury yields, the shape of the yield curve as well as credit spreads. If the historical parallel holds this time around, markets could be looking at a further 5% rally in the S&P 500 and a 100 bp rise in US Treasury yields. JP Morgan points out that the current slowdown in the US manufacturing sector was mirrored by similar slowdowns in 1995 and 1998 which ended around the time the rate cuts ended, which could indicate

a similar outcome for this cycle. However, one significant new variable in today's market is the US-China trade conflict, which can have an outsized impact on outcomes and whose outcome is very difficult to predict.

Figure 2: The average trajectory of the S&P500 index before and after the last Fed insurance rate cut in 1995/1998

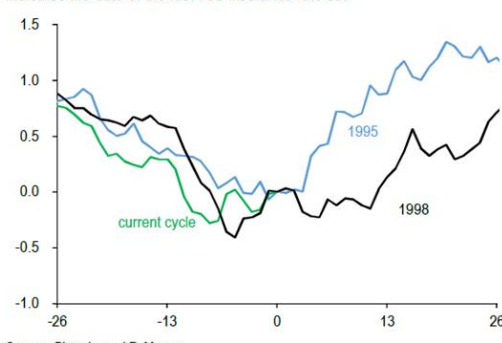
% change from indicated date, number of weeks in x axis; 0 in x axis indicates the date of the last Fed insurance rate cut



Source: Bloomberg, J.P. Morgan

Figure 3: The average trajectory of the 10y UST yield before and after the last Fed insurance rate cut in 1995/1998

change from indicated date in percent, number of weeks in x axis; 0 in x axis indicates the date of the last Fed insurance rate cut



Source: Bloomberg, J.P. Morgan

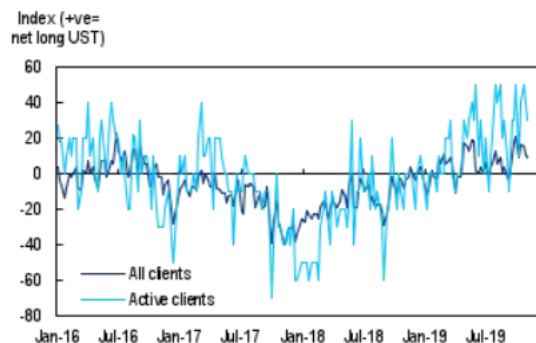
US Treasury markets could face increased volatility if the rise in yields continues and rates move significantly higher, as investors remain positioned for a continued rally in the bond market. The summer rally in Treasuries was accompanied by a sharp rise in volatility as investors were taken off guard, with the widely followed Bank of America MOVE interest rate volatility index hitting 91 in August and 90 in September before subsiding to 61 yesterday. Much of the volatility was caused by the fact that investors were net short the bond market at the time. Current positioning data show that investors in Treasuries, Treasury futures and interest rate swaps are now net long the bond market, which is confirmed by Citi's latest client survey. Investors have probably already suffered losses due to the rise of 10-year yields by more than 25 bps over October and November, and volatility could pick up if rates continue to head higher.

Figure 4. Normalized positioning in 10-year UST—market remains slightly long



Source: Citi Research

Figure 5. JPMorgan's UST client survey shows that investors are still net long duration



Source: JPMorgan, Bloomberg and Citi Research

Europe

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Equity markets gained for a 5th straight session. DAX (+0.7%), CAC 40 (+0.2%), and EuroStoxx 600 (+0.2%) all increasing. Bank stocks (+2.1%) are strongly outperforming again today, led by gains at Unicredit (+6.5%), Santander (+2.1%), and Deutsche Bank (+2.1%). Unicredit pre-announced its Q3 results will be strong, with capital strengthening above expectations and an acceleration in its disposal of NPLs.

Sovereign debt yields increased 3-6 bps across countries: German 10-year yield -0.27% (+6 bps); French OATs at 0.01% (+5 bps); Italy at 1.04% (+4 bps); Spain at 0.34% (+6 bps). Italy's spreads to other sovereigns have remained at their lowest level since early 2018.

Italy: Spreads to Other Sovereigns (in bps)



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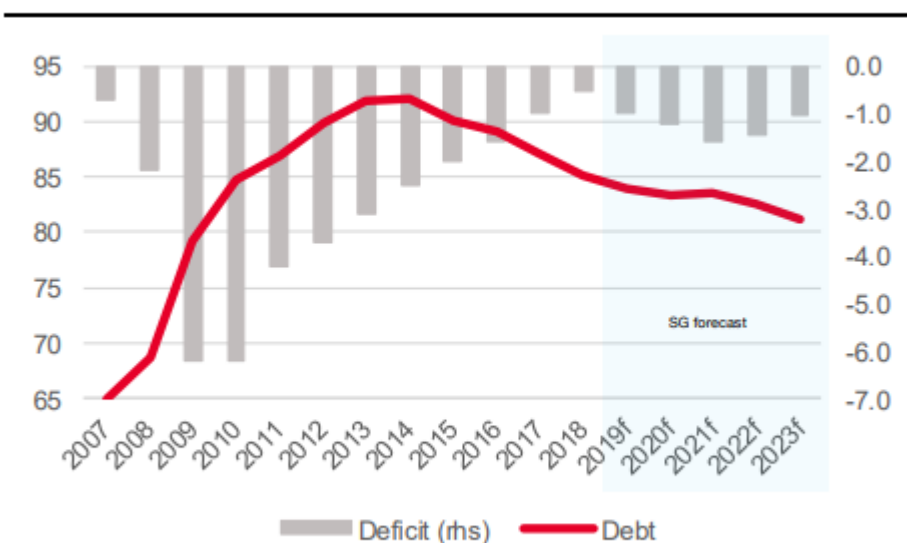
The European Commission forecasts a growth slowdown in 2019-2021 for the eurozone. According to the EC's projections euro area GDP will fall from 1.9% in 2018 to 1.1% in 2019 and will then stabilize at 1.2% in 2020-21. Inflation is projected at 1.2% for 2019 and 2020 and to pick up only marginally to 1.3% in 2021. The Commission noted, however, that despite lower GDP growth, public finances will continue benefitting from the ultra-low interest rate environment, thanks to which "the euro area's aggregate public debt-to-GDP ratio is forecast to continue declining for the fifth year in a row to 86.4% in 2019, 85.1% in 2020 and 84.1% in 2021." Researchers at SocGen estimate a similar dynamic for the eurozone's public debt: reaching 84% of GDP in 2019 and 83.4% in 2020. By country, the lowest growth projections are for Germany and Italy.

Table 1:

Overview - the autumn 2019 forecast

	Real GDP			Inflation		
	2019	2020	2021	2019	2020	2021
Belgium	1.1	1.0	1.0	1.3	1.4	1.4
Germany	0.4	1.0	1.0	1.3	1.2	1.4
Estonia	3.2	2.1	2.4	2.4	2.1	2.2
Ireland	5.6	3.5	3.2	0.8	1.1	1.4
Greece	1.8	2.3	2.0	0.5	0.6	0.9
Spain	1.9	1.5	1.4	0.9	1.1	1.4
France	1.3	1.3	1.2	1.3	1.3	1.3
Italy	0.1	0.4	0.7	0.6	0.8	1.1
Cyprus	2.9	2.6	2.3	0.6	0.7	1.3
Latvia	2.5	2.6	2.7	3.1	2.5	2.3
Lithuania	3.8	2.4	2.4	2.4	2.2	2.1
Luxembourg	2.6	2.6	2.6	1.7	1.6	1.9
Malta	5.0	4.2	3.8	1.6	1.7	1.7
Netherlands	1.7	1.3	1.3	2.6	1.4	1.5
Austria	1.5	1.4	1.4	1.5	1.6	1.6
Portugal	2.0	1.7	1.7	0.3	1.1	1.4
Slovenia	2.6	2.7	2.7	1.8	1.9	2.0
Slovakia	2.7	2.6	2.7	2.7	2.5	2.2
Finland	1.4	1.1	1.0	1.2	1.4	1.5
Euro area	1.1	1.2	1.2	1.2	1.2	1.3

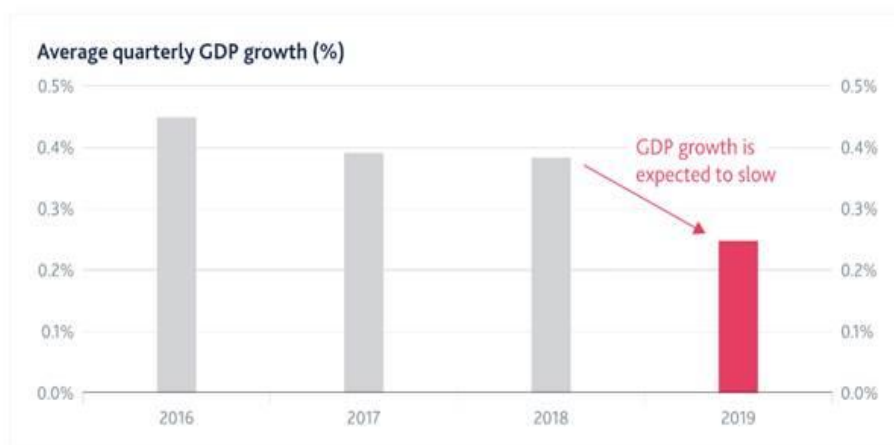
Chart 1: Euro area public finances (% of GDP)



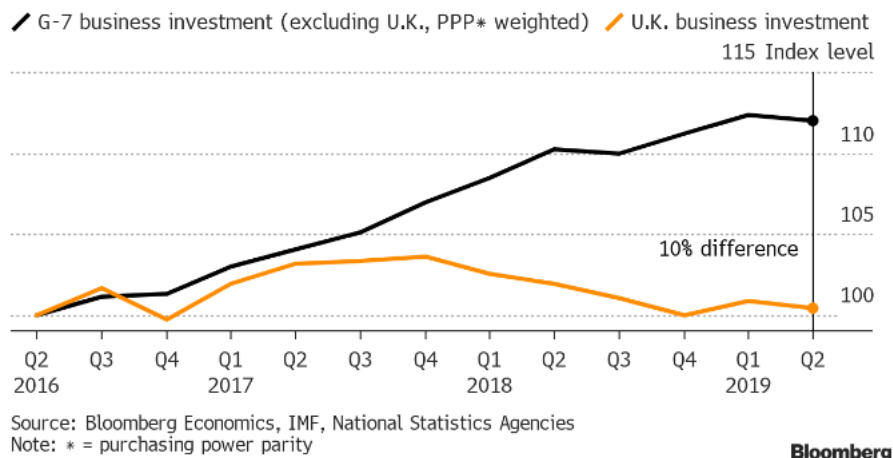
Source: Consensus Economics; SG Cross Asset Research/Economics

United Kingdom

The BoE kept its policy parameters unchanged as it lowered its growth forecast. The Bank left the Bank Rate at 0.75% and the corporate bond and asset purchase targets at £10 bn and £435 bn, respectively. The MPC noted, however, that risks to the economy are skewed to the downside. Due to Brexit uncertainties, Britain's GDP level is projected to be 1% lower by end-2022 compared to the BoE's previous August forecasts. Two MPC members unexpectedly voted for a 25 bp cut (consensus was anticipating a 9-0 unanimous decision) and thus the **sterling depreciated 0.3% to \$1.28 following the announcement**. Despite the expectation of no change in policy today, there has been widespread agreement among analysts that continued Brexit uncertainty has damaged the prospects of the British economy and could push the BoE to lower rates in the near future.



U.K. companies have been paralyzed by Brexit uncertainty



Other Mature Markets

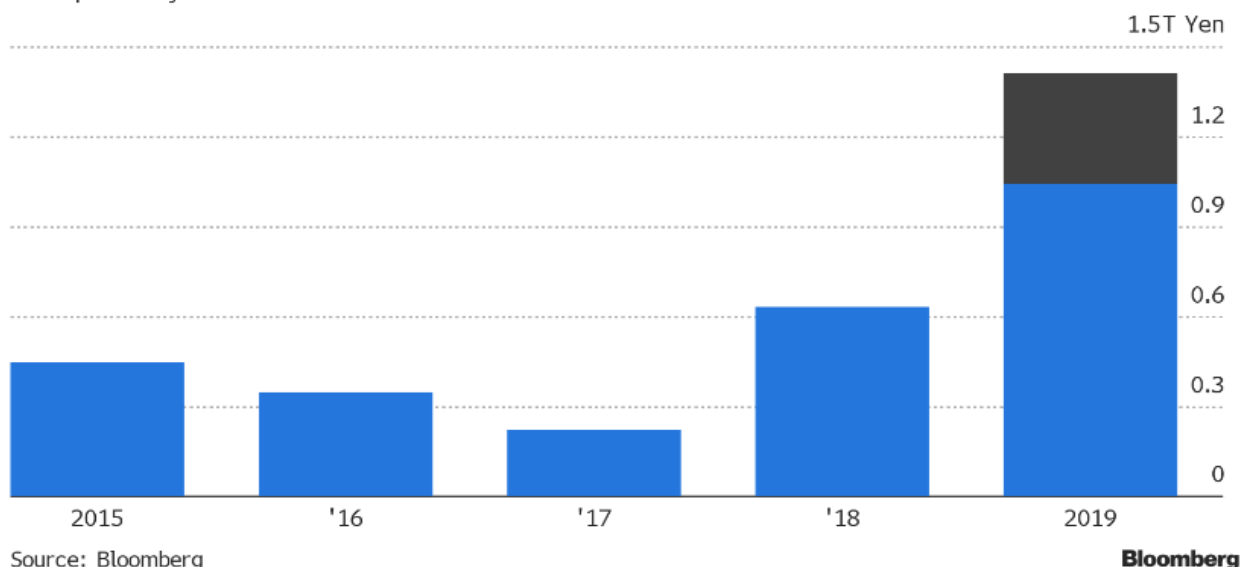
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Japan

Equities (+0.2%) erased earlier losses to rise for a third day. Precision instrument and electric appliance manufacturers provided support. Separately, issuances of hybrid securities, which cover instruments such as convertible bonds and convertible preferred shares, by Japanese companies are set to double for a second consecutive year, according to Bloomberg. Corporates, excluding banks and insurers, have already issued more than JPY1 tn hybrid securities since the start of the fiscal year that began in April. JPY370 bn more of bond sales are forthcoming. **10-year JGB yields rose 1.5 bps to -0.08% while the yen was little changed.**

Japan Inc.'s sales of hybrid notes are set to double for a second straight year

Corporate hybrid bonds sold Planned sales













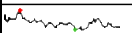



Emerging Markets

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Asian equities jumped late in the day on reports that the US and China have agreed to roll back tariffs if a phase one deal is agreed. The FTSE Asia ex-Japan index swung from a loss to a gain of 0.4% within minutes of the news. With many Asian markets already closed, Thailand (+1%) and the Hang Seng

China index (+0.7%) led gains. Currencies also reacted to the news with the offshore RMB (+0.4%) appreciating the most. **Markets traded with a positive tone in EMEA**, with Turkish equities (+1.7%) continuing recent outperformance and the South African rand gaining +0.5%. **Latin American equities and currencies generally lost** yesterday. Chilean equities (-2.8%) continued to slide, and the Brazilian real depreciated (-2.2%) following a poor auction of offshore oil fields.

Key Emerging Market Financial Indicators

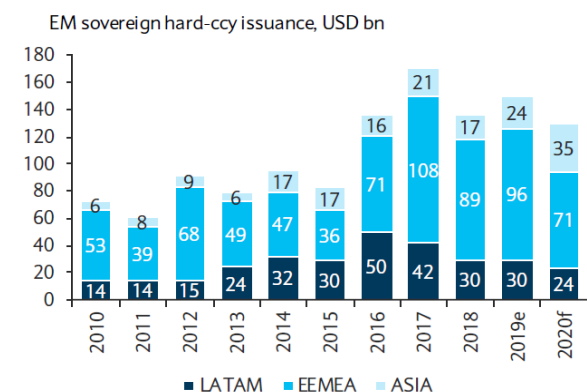
Last updated: 11/7/19 8:18 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
Major EM Benchmarks			%				%
MSCI EM Equities		43.76	0.2	2	8	5	12
MSCI Frontier Equities		28.60	0.5	1	2	3	9
EMBIG Sovereign Spread (in bps)		316	-10	-13	-29	-49	-98
EM FX vs. USD		61.08	0.3	0	1	-2	-2
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.98	0.3	1	2	-1	-1
Indonesian Rupiah		13998	0.1	0	1	4	3
Indian Rupee		70.97	0.0	0	0	3	-2
Argentine Peso		59.78	-0.2	0	-3	-40	-37
Brazil Real		4.08	-0.2	-2	1	-8	-5
Mexican Peso		19.13	0.1	1	2	4	3
Russian Ruble		63.74	0.2	1	2	4	9
South African Rand		14.74	0.5	2	3	-6	-3
Turkish Lira		5.74	0.1	-1	2	-7	-8
EM FX volatility		7.32	0.0	0.2	-0.9	-2.6	-2.5

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

Emerging Market Debt Issuance

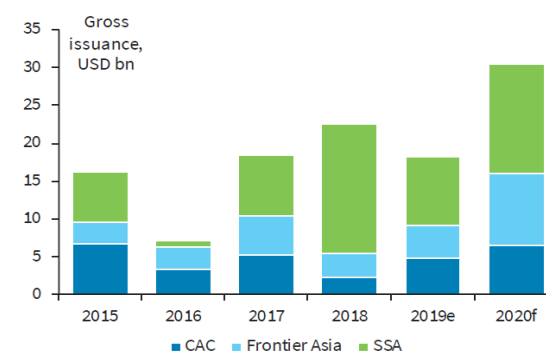
Emerging market sovereigns are on track to issue \$145-150 bn of hard currency bonds this year according to Barclays. It notes the issuers have taken “advantage of exceptionally favorable financial conditions during most of the year” and also notes that a high share of global EM sovereign hard currency issuance this year has been in euros. Barclays expects issuance to slip next year. While it expects Indonesia, Saudi Arabia and Mexico to remain active, it anticipates less activity from other issuers in the GCC. But it expects more supply from frontier markets, which could continue to pressure high yield/investment grade spread decompression.

Supply likely to decrease slightly in 2020



Source: Bloomberg, Barclays Research

...may be further supported by the increased frontier supply in 2020



Note: CAC includes Dominican Republic, Jamaica, Bahamas, El Salvador, Costa Rica, Honduras, Guatemala. Frontier Asia includes Pakistan, Mongolia, Sri Lanka, Papua New Guinea, Fiji. Sub-Saharan Africa excludes South Africa.
Source: Bloomberg, Barclays Research

China

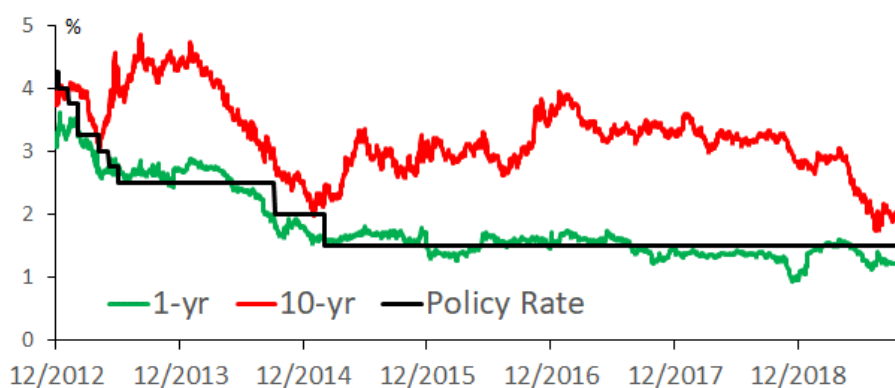
China and the US have agreed in principle to proportionally roll back tariffs in phases. Ministry of Commerce spokesperson Gao Feng said that “top negotiators had serious, constructive discussions and agreed to remove the additional tariffs in phases as progress is made on the agreement”. He further elaborated that “if China, U.S. reach a phase-one deal, both sides should roll back existing additional tariffs in the same proportion simultaneously based on the content of the agreement, which is an important condition for reaching the agreement.” The news came after Chinese equity markets (Shanghai flat; Shenzhen +0.6%) closed. The offshore RMB appreciated +0.4% immediately following the trade news while the onshore counterpart strengthened +0.2%.

Chinese officials are considering a wave of bank mergers to strengthen financial stability. According to Bloomberg, Chinese authorities are considering a plan to reduce risks in the country's more than 3,000 small (assets below CNY100 bn, or USD14 bn) banks. Vulnerable banks may be encouraged to merge or restructure under the supervision of local governments, with the PBOC providing liquidity support if necessary. The reform proposal would also compel existing shareholders of troubled banks to buy ‘bail-in-able’ perpetual bonds to create additional loss-absorbing buffers. Small banks are reportedly coping with escalating asset quality concerns and a government crackdown on risky lending practices. On 6 November, Yingkou Coastal Bank, a city commercial bank in Liaoning, was beset with a large volume of deposit withdrawal requests, prompting the local police to urge depositors to remain calm. About two weeks ago, Yichuan Rural Commercial Bank in Henan province encountered a deposit run apparently triggered by a corruption investigation of the bank's former chief executive. A UBS analysis of more than 250 Chinese banks, published in July, estimated a potential capital shortfall of CNY2.4 trillion.

Poland

Short-term yields fell 10 bps in the past two days (to 0.77%). Yesterday, the central bank left its policy rate unchanged at 1.50% (as expected) but **governor Glapinski is “nearly certain” that rates will not change until June 2022**, the end of his term. **The governor also added that a rate cut is more likely than a rate hike.** The National Bank of Poland increased its average inflation outlook for 2020 to 2.9% (from 2.8%) but then expects inflation to return to the 2.5% target in 2020 and sees lower growth of 3.6% in 2020 (from 3.9%). Equities traded 0.6% higher today.

Poland: Policy rate and sovereign bond yields



Source: Bloomberg and IMF staff

Russia

Governor Nabiullina told parliament that the central bank of Russia still has room to ease but will not make decisions automatically. Yesterday's data releases showed that **core inflation fell to 3.7% (3.9% expected)** and **headline inflation to 3.8% (as expected) in October**. The overnight money market

rate MosPrime was little changed at 6.68% today but fell 6 bps in November and 30 bps in October. Equities are up 1%.

Turkey

Russian Deputy FM Moiseev said that Turkey is planning to sell “a considerable amount” of sovereign bonds in rubles, adding that the issuance is being discussed with international and Russian banks.

Brazil

The country’s highly anticipated offshore oil auction disappointed. Only two of the four blocks sold, and only one included a foreign bidder. And Petrobras took 90% of the Buzios field and 100% of Itapu. The government had been hoping for \$25 bn in licensing fees and tens of billions from the action. High prices, complex sharing rules, and concern over the country in general kept major oil players away. Moreover, Rystad recently found that the 3,000 offshore projects begun between 2010 and 2014 have generated little or no value. The Brazilian real slipped 2.1% yesterday. Expectations for a strong auction had been underpinning the currency in the buildup.

Banco do Brasil (state-owned) and UBS plan to launch a new Latin American investment bank. Reuters reported in September that the two companies were in advanced talks for an investment banking joint venture.

List of GMM Contributors

Global Markets Analysis Division, MCM Department

Anna Ilyina <i>Division Chief</i>	Dimitris Drakopoulos <i>Financial Sector Expert</i>	Jochen Schmittmann <i>Senior Economist</i>
Peter Breuer <i>Deputy Division Chief</i>	Mohamed Jaber <i>Senior Financial Sector Expert</i>	Juan Solé <i>Senior Economist</i>
Will Kerry <i>Deputy Division Chief</i>	David Jones <i>Senior Financial Sector Expert</i>	Jeffrey Williams <i>Senior Financial Sector Expert</i>
Evan Papageorgiou <i>Deputy Division Chief</i>	Sanjay Hazarika <i>Senior Financial Sector Expert</i>	Akihiko Yokoyama <i>Senior Financial Sector Expert</i>
Sergei Antoshin <i>Senior Economist</i>	Frank Hespeler <i>Senior Financial Sector Expert</i>	Martin Edmonds <i>Senior Data Mgt Officer</i>
John Caparusso <i>Senior Financial Sector Expert</i>	Rohit Goel <i>Financial Sector Expert</i>	Yingyuan Chen <i>Senior Research Officer</i>
Sally Chen <i>Senior Economist</i>	Henry Hoyle <i>Financial Sector Expert</i>	Piyusha Khot <i>Research Assistant</i>
Fabio Cortés <i>Senior Economist</i>	Thomas Piontek <i>Financial Sector Expert</i>	Xingmi Zheng <i>Research Assistant</i>
Reinout De Bock <i>Economist</i>	Patrick Schneider <i>Research Officer</i>	

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Global Financial Indicators

Last updated: 11/7/19 8:14 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities			%				%
United States		3077	0.1	1	5	9	23
Europe		3699	0.3	3	7	14	23
Japan		23330	0.1	2	9	6	17
China		2979	0.0	2	3	13	19
Asia Ex Japan		72	0.0	3	8	7	13
Emerging Markets		44	0.2	2	8	5	12
Interest Rates			basis points				
US 10y Yield		1.88	-3.0	18	32	-136	-81
Germany 10y Yield		-0.28	5.1	13	29	-73	-52
Japan 10y Yield		-0.06	1.5	7	16	-19	-7
UK 10y Yield		0.73	1.7	10	28	-80	-55
Credit Spreads			basis points				
US Investment Grade		117	-0.7	-5	-12	13	-30
US High Yield		449	-5.1	-15	-29	96	-72
Europe IG		49	-0.9	-3	-9	-18	-39
Europe HY		231	-3.1	-8	-21	-49	-121
EMBIG Sovereign Spread		316	-10.0	-13	-29	-49	-98
Exchange Rates			%				
USD/Majors		97.94	0.0	1	-1	2	2
EUR/USD		1.11	0.1	-1	1	-3	-3
USD/JPY		109.1	-0.1	-1	-2	4	1
EM/USD		61.1	0.3	0	1	-2	-2
Commodities			%				
Brent Crude Oil (\$/barrel)		63	1.2	4	7	-13	16
Industrials Metals (index)		119	0.6	1	2	2	8
Agriculture (index)		39	0.0	0	2	-9	-5
Implied Volatility			%				
VIX Index (% change in pp)		12.6	0.0	-0.6	-5.3	-3.8	-12.8
10y Treasury Volatility Index		4.3	0.0	-0.1	-1.0	0.3	-0.3
Global FX Volatility		6.4	0.0	0.0	-0.8	-1.7	-2.6
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		151	-2.6	-7	-50	-236	-265
Italy		137	3.5	4	-6	-152	-113
Portugal		54	-1.3	-3	-17	-94	-94
Spain		62	-0.7	-3	-10	-54	-56

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: 11/7/2019 8:20 AM	Exchange Rates						Local Currency Bond Yields (GBI EM)							
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
	vs. USD		(+) = EM appreciation					% p.a.						
China		6.98	0.3	0.9	2	-1	-1		3.3	-1.9	-3	10	-22	10
Indonesia		13998	0.1	0.3	1	4	3		7.1	1.4	-4	-25	-128	-109
India		71	0.0	-0.1	0	3	-2		6.8	-1.9	-1	6	-106	-63
Philippines		50	0.2	0.5	3	5	4		4.3	0.5	0	-2	-232	-198
Thailand		30	-0.1	-0.5	0	8	7		1.6	-0.5	2	12	-127	-102
Malaysia		4.12	0.3	1.3	2	1	0		3.4	0.1	-5	5	-72	-66
Argentina		60	-0.2	-0.2	-3	-40	-37		57.1	0.0	-13	-785	3352	3405
Brazil		4.08	-0.2	-1.6	1	-8	-5		5.9	8.7	15	-40	-277	-225
Chile		737	0.5	0.4	-3	-8	-6		3.3	-5.4	-7	54	-147	-115
Colombia		3327	0.3	1.6	4	-6	-2		5.8	-0.4	0	14	-106	-75
Mexico		19.13	0.1	0.5	2	4	3		6.9	-2.6	-2	0	-175	-185
Peru		3.3	-0.3	0.0	1	1	1		4.4	1.6	-4	5	-147	-132
Uruguay		37	0.1	0.0	-1	-13	-13		10.9	6.4	-19	16		23
Hungary		300	-0.2	-1.9	1	-6	-7		1.1	-1.2	8	14	-151	-106
Poland		3.85	0.1	-0.8	2	-3	-3		1.8	0.3	-1	9	-75	-47
Romania		4.3	0.1	-0.8	1	-5	-6		3.8	3.0	1	8	-53	-40
Russia		63.7	0.2	0.6	2	4	9		6.2	-0.9	-6	-57	-214	-219
South Africa		14.7	0.5	2.5	3	-6	-3		9.5	1.6	-1	24	-20	-7
Turkey		5.74	0.1	-0.5	2	-7	-8		12.3	5.9	-46	-102	-506	-460
US (DXY; 5y UST)		98	0.0	0.6	-1	2	2		1.68	5.3	16	29	-140	-83

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
								basis points						
China		2979	0.0	2	3	13	19		175	-4	-2	-15	-8	-19
Indonesia		6166	-0.8	-1	3	4	0		171	-12	-15	-16	-52	-65
India		40654	0.5	1	8	15	13		127	1	-2	-10	-41	-69
Philippines		8074	0.6	1	5	15	8		78	-13	-11	-3	-35	-43
Malaysia		1609	0.4	1	3	-6	-5		119	-4	-3	-7	-24	-43
Argentina		35500	-3.7	5	12	13	17		2349	-14	60	241	1745	1534
Brazil		108360	-0.3	1	8	24	23		224	-10	-10	-44	-31	-49
Chile		4608	-2.8	-6	-9	-12	-10		142	-5	0	1	-10	-24
Colombia		1657	-0.5	1	4	16	25		175	-10	-9	-11	-24	-53
Mexico		43819	0.5	0	2	-7	5		310	-9	-10	-15	0	-44
Peru		20065	0.0	2	4	4	4		125	-9	-6	-4	-41	-43
Hungary		43390	0.2	1	9	14	11		89	-11	-15	-19	-35	-59
Poland		59511	0.6	2	6	3	3		22	-8	-16	-17	-30	-63
Romania		9686	0.0	2	1	12	31		188	4	1	-18	0	-33
Russia		3000	0.7	3	10	23	27		169	-10	-13	-32	-63	-83
South Africa		57564	-0.1	2	5	5	9		328	-10	-21	-12	-11	-37
Turkey		102876	1.8	4	0	8	13		432	-18	-26	-48	5	3
Ukraine		518	0.1	-1	-2	-12	-7		452	-16	-20	-61	-148	-335
EM total		44	0.2	2	8	5	12		316	-10	-13	-29	-49	-98

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

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