



Global Markets Monitor

Monetary and Capital Markets Department
Global Markets Analysis Division

Tuesday, October 16, 2018

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- **US budget deficit at highest level since 2012, projected to hit \$1 tn in 2020** ([link](#))
- **US bond market volatility has undershot US equity volatility** ([link](#))
- **EBA warns that some European banks still lack sufficient loss-absorbing capital** ([link](#))
- **Still no Brexit framework in place as EC meeting looms** ([link](#))
- **Foreign investment in Chinese equities and bonds slowed notably in September** ([link](#))

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Global equities grind higher

The relative calm in global markets belies the political uncertainty over the near term. The EC is set to begin its meeting tomorrow, with no agreement on a Brexit framework yet in place. A recent poll of EU economists placed the probability of a no-deal Brexit at about 25%. The disappearance of a prominent Saudi journalist, and worries over potential punitive sanctions, has introduced a new element of political intrigue into global energy markets. Global trade tensions still remain a background concern. Recent polls suggest that Bolsonaro, a hard-right figure with market-friendly views, has taken a commanding lead ahead of the second round of Brazil's presidential election on October 28. In the United States, the November 6 congressional may signal renewed policy gridlock.

Key Global Financial Indicators

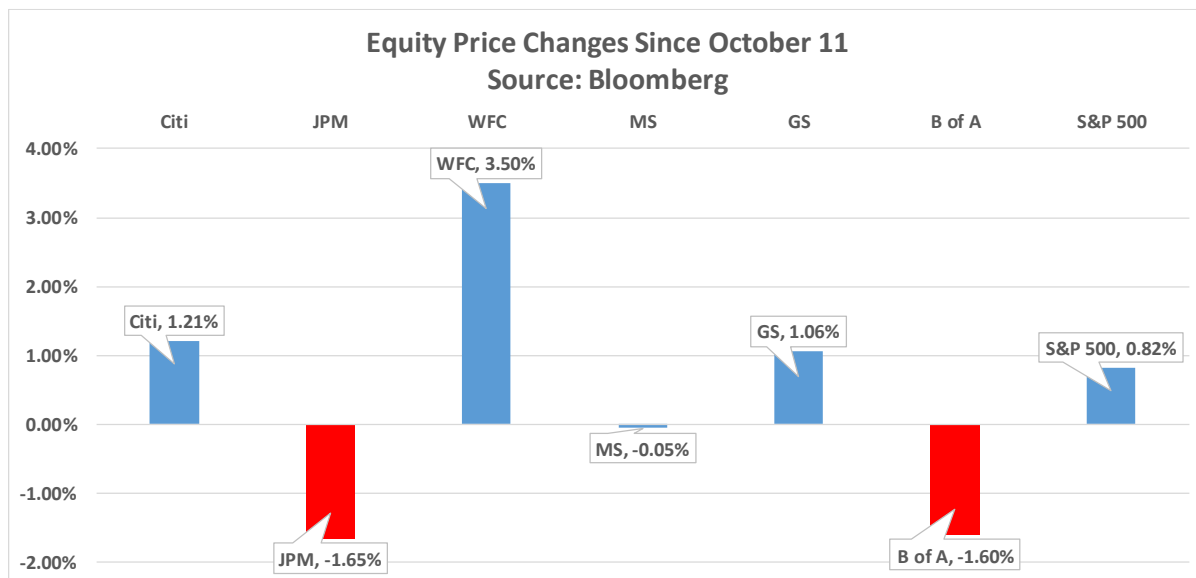
| Last updated: 10/16/18 8:18 AM | Level | | Change from Market Close | | | | |
|--------------------------------------|---|--------|--------------------------|--------|---------|------|-----|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | YTD |
| Equities | | | | | | | |
| S&P 500 |  | 2756 | -0.6 | -4 | -5 | 8 | 3 |
| Eurostoxx 50 |  | 3232 | 0.7 | -3 | -3 | -10 | -8 |
| Nikkei 225 |  | 22549 | 1.2 | -4 | -2 | 6 | -1 |
| MSCI EM |  | 40 | 0.1 | -3 | -5 | -15 | -15 |
| Yields and Spreads | | | | | | | |
| US 10y Yield |  | 3.17 | -0.6 | -3 | 18 | 87 | 77 |
| Germany 10y Yield |  | 0.50 | -0.4 | -5 | 5 | 13 | 7 |
| EMBIG Sovereign Spread |  | 348 | -2.0 | 4 | -10 | 63 | 63 |
| FX / Commodities / Volatility | | | | | | | |
| EM FX vs. USD, (+) = appreciation |  | 62.6 | 0.4 | 1 | 3 | -10 | -10 |
| Dollar index, (+) = \$ appreciation |  | 95.0 | -0.1 | -1 | 0 | 3 | 3 |
| Brent Crude Oil (\$/barrel) |  | 80.3 | -0.5 | -5 | 3 | 39 | 20 |
| VIX Index (% change in pp) |  | 19.9 | -1.4 | 4 | 8 | 10 | 9 |

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

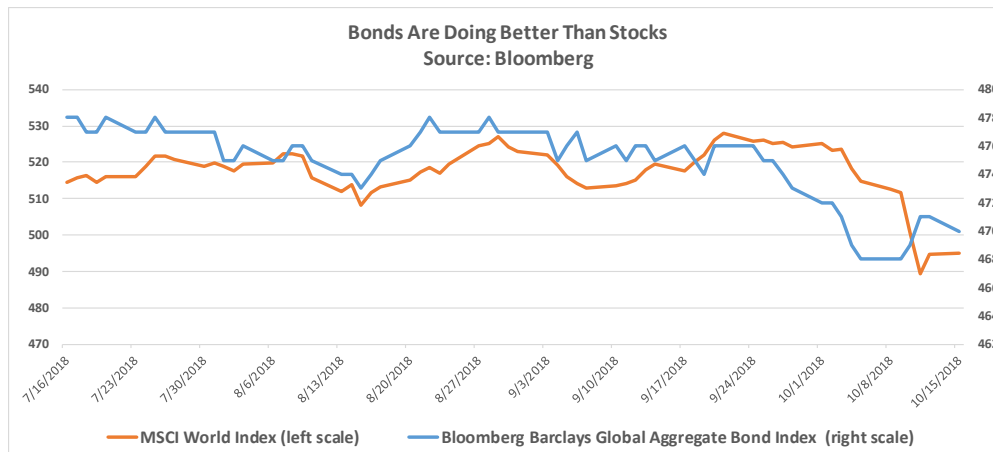
United States

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Yesterday's early morning equity market rally petered out and left most indexes modestly in the red. Investors noted a variety of political risks clouding the outlook, from Brexit and the Italian budget to tariff tensions and Saudi Arabia. The VIX held steady just above the 21 level, which is elevated in comparison to recent months. Banking stocks outperformed the market, but Bank of America was a significant laggard as its share price fell by nearly 2%. BOA's results were above forecasts, but analysts focused on the pronounced decline in revenue, especially from debt underwriting (-29%). Investment banking income overall was lower by 18%, compared to the 1% decline at JP Morgan and the 8% decline at Citigroup. The CFO blamed increased competition from non-bank lenders for the disappointing revenue numbers. Investors have been pessimistic about banks due to worries about slow loan growth, pressure on net interest margins and doubts about revenues from trading and investment banking. Since last Thursday, the day before the first bank earnings announcements, the performance of the major US banks has been mixed even though they beat the consensus earnings forecasts.



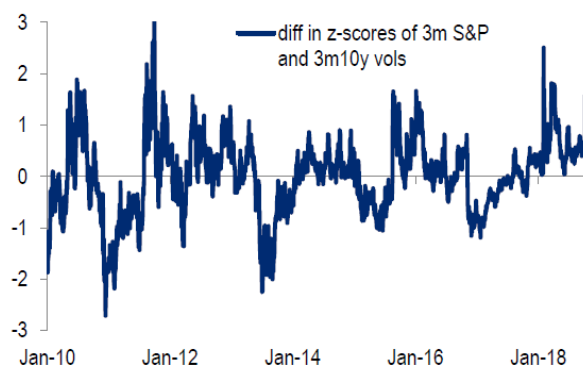
Treasuries traded in a narrow range and ended flat. Globally, bonds have outperformed stocks over the past few days, although bond ETFs have seen outflows this month. US TIPS breakeven yields were little changed, having remained steady over the past few months despite the increase in oil prices.



The US budget deficit grew to \$779 bn in the 2018 fiscal year, the largest since 2012. Tax cuts and higher spending drove the deficit numbers in this fiscal year, the first full year of the President's administration. Earlier, the Treasury department reported that the US government spent \$523 bn in interest payments in fiscal year 2018, the highest amount ever. Tax receipts have been lower than expected, especially from the corporate sector. The Congressional Budget Office estimates that the deficit will hit \$973 bn by 2019 and more than \$1 tn in 2020.

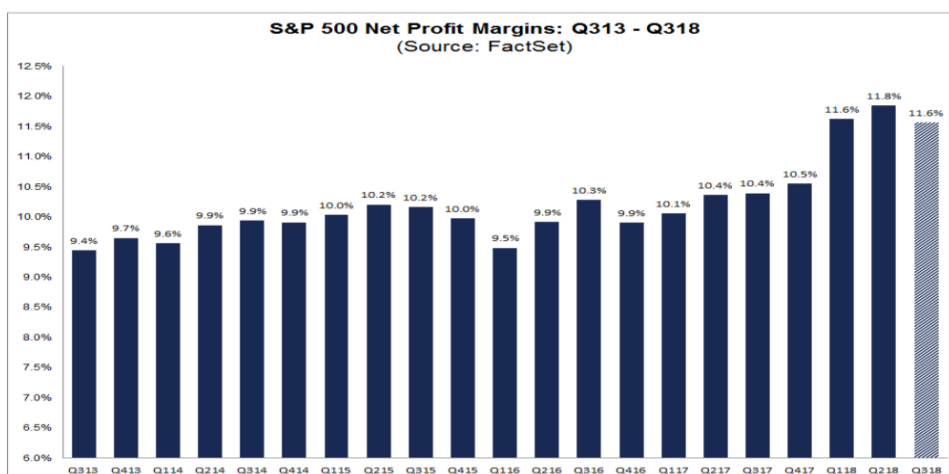
The increasing spread between equity implied volatility and rates implied volatility has led some analysts to predict significant increases in bond market volatility in the coming weeks. The VIX went as high as 28.81 intra-day on Wednesday from 16 the day before. Bond market volatility also increased but the relative move was much smaller. The divergence between the normalized implied volatility of three-month S&P 500 options and three-month/ten-year swaptions has gone up sharply. Historically such large divergences have been associated with periods of higher bond market volatility.

Figure 2. S&P gamma has decoupled from rates gamma



Source: Citi Research

US corporate profits for Q3 are expected to remain strong. One analysis that combines companies that have already reported with forecasts for companies that have yet to report predicts a robust Q3 net profit margin of 11.6% for S&P 500 companies. Earnings growth is estimated at 19.3% and revenue growth at 7.3%. However, many companies have flagged rising costs as a potential issue for the months ahead, especially as interest rates go higher and trade sanctions begin to bite. Some investors believe that the investment cycle is nearing its end and that US companies will be unable to sustain the strong earnings growth of recent years.



Europe

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Core sovereign debt yields are steady: Ten-year Bunds are yielding 0.51% (+1 bp), while 10-year OATS are flat at 0.86%. **European equities are about 0.5% higher across the continent**, with bank stocks (+0.6%) performing in line with main indices.

The Italian parliament has approved an expansionary budget with projected deficits of 2.4% of GDP in 2019, 2.1% in 2020, and 1.8% in 2021. The budget forecasts growth to accelerate to 1.5% in 2019 from 1.2% this year. As a financing item, the government plans to reduce the fraction of interest payments that banks can deduct from their taxable income from 100% to 86%.

Italian sovereign debt yields decreased today by 12 bps for the 2-year note (at 1.34%) and 6 bps for the 10-year bond (at 3.49%). Italian stocks are higher, outperforming peers in Europe. Equities of the largest Italian banks are also higher, with Intesa and Unicredit shares rising 0.8% and 0.2%, respectively.

Italy-Germany Spreads (Sovereign Bond and CDS spreads, bps)



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The European Banking Authority has warned that some European banks have not raised enough loss-absorbing capital. The EBA chair, Mr. Enria, [noted](#) however that the shortfalls concern mostly large and medium-sized banks, rather than the systemically important ones. Separately, the head of **the Single Resolution Board** [announced](#) intentions to increase the amount of the Single Resolution Fund to about €33 bn, from €25 bn currently.

Rhetoric around Brexit has surged after the failed attempt to bridge disagreements this weekend. Ahead of tomorrow's EC meeting, EU president Tusk has warned that the risk of a hard Brexit "is more likely than ever before," while at the same time noting that "goodwill from both sides remains." PM May also attempted to strike a conciliatory note during her address to the UK parliament yesterday. She said that both sides "are not far apart" and added that an outline was becoming clear.

The UK's Prudential Regulation Authority (PRA) has issued a consultation paper urging financial entities to take a "strategic approach" to gauging their financial exposure to climate change. The PRA's [document](#) makes proposals to assess "how effective governance, risk management, scenario analysis, and disclosures may be applied by firms to address the financial risks from climate change."

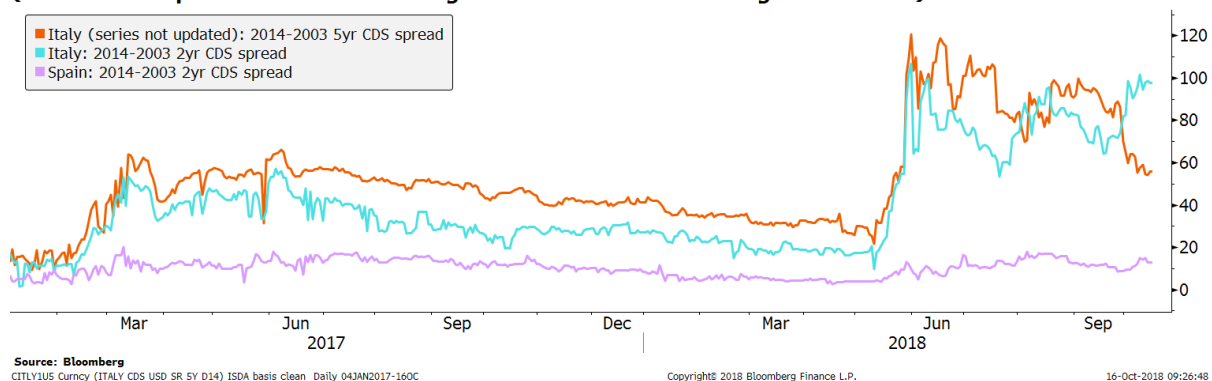
Data releases:

- In the UK, average wages increased by 3.1% in the 3 months to August – the fastest pace of increase since January 2009. The unemployment rate remains at a 43-year low at 4.0%

Correction: Redenomination risks in Italy have increased since mid-September, as measured by the 2-year ISDA spread (blue line below). Note that yesterday we mistakenly said that redenomination risks appeared to have declined. This statement was based on the 5-year ISDA spread (orange line), which Bloomberg has not updated since Sept 21 due to reportedly insufficient quotes for the contract. We thank our faithful readers for pointing this out to us!

Eurozone Political Risk Measures

(ISDA Basis: spread between CDS using ISDA's 2014 and 2003 legal definitions)

**Other Mature Markets** [back to top](#)**Japan**

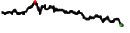




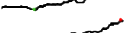






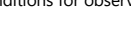

The yen weakened and equities gained amid a rebound in risk appetite. In its first loss in over a week, the yen shed 0.3% to 112.14, sliding from its strongest level in a month. Meanwhile, the Topix gained 0.7%, partially erasing the 1.6% loss seen yesterday. Electronics stocks and automakers provided the biggest boost, while consumer shares fell after the government announced on that a long-delayed sales-tax hike would take place next year as scheduled.

The Reserve Bank of Australia said in the minutes from its October policy meeting, that a weaker currency is likely helping economic growth, while reinforcing its message that interest rates will remain unchanged. The Australian dollar was unchanged at 0.71.

Emerging Markets

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Key Emerging Market Financial Indicators

| Last updated: 10/16/18 8:19 AM | Level | | Change | | | | YTD |
|-----------------------------------|---|-------|-----------------------------------|--------|---------|------|-----|
| | Last 12m | index | 1 Day | 7 Days | 30 Days | 12 M | |
| Major EM Benchmarks | | | % | | | | % |
| MSCI EM Equities |  | 39.86 | -0.6 | -3 | -5 | -15 | -15 |
| MSCI Frontier Equities |  | 27.30 | -1.6 | -3 | -1 | -14 | -18 |
| EMBIG Sovereign Spread (in bps) |  | 348 | -2.0 | 4 | -10 | 63 | 63 |
| EM FX vs. USD |  | 62.61 | 0.4 | 1 | 3 | -10 | -10 |
| Major EM FX vs. USD | | | %, (+) = EM currency appreciation | | | | |
| China Renminbi |  | 6.91 | 0.1 | 0 | -1 | -5 | -6 |
| Indonesian Rupiah |  | 15201 | 0.1 | 0 | -2 | -11 | -11 |
| Indian Rupee |  | 73.47 | 0.5 | 1 | -1 | -12 | -13 |
| Argentine Peso |  | 36.69 | -0.2 | 3 | 4 | -53 | -49 |
| Brazil Real |  | 3.71 | 0.7 | 0 | 11 | -15 | -11 |
| Mexican Peso |  | 18.79 | 0.3 | 1 | 0 | 1 | 5 |
| Russian Ruble |  | 65.45 | 0.3 | 1 | 4 | -13 | -12 |
| South African Rand |  | 14.24 | 0.9 | 2 | 5 | -7 | -13 |
| Turkish Lira |  | 5.79 | 0.0 | 5 | 9 | -37 | -34 |
| EM FX volatility |  | 10.08 | 0.0 | -0.5 | -1.8 | 2.0 | 2.2 |

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

Overnight, Asian currencies strengthened on the back of a weak dollar and equities posted broad-based gains. The Korean won outperformed other currencies, gaining 0.6% to 1128, its strongest level in 2 weeks. By contrast, the onshore CNY held steady at 6.92, underperforming others. Monday ended with Brazilian and Mexican equities slightly stronger, with most of the other Latin markets closed for trading. The Brazilian real gained 1.2% against the US dollar, reversing the losses from last week. The Mexican peso appreciated modestly for the third day in a row against the US dollar. Analysts attributed the modest strengthening of Latin American currencies to weaker-than-expected US retail sales as well as higher oil and gas prices. The EMBIG index spread narrowed a further 2 bps to 375.

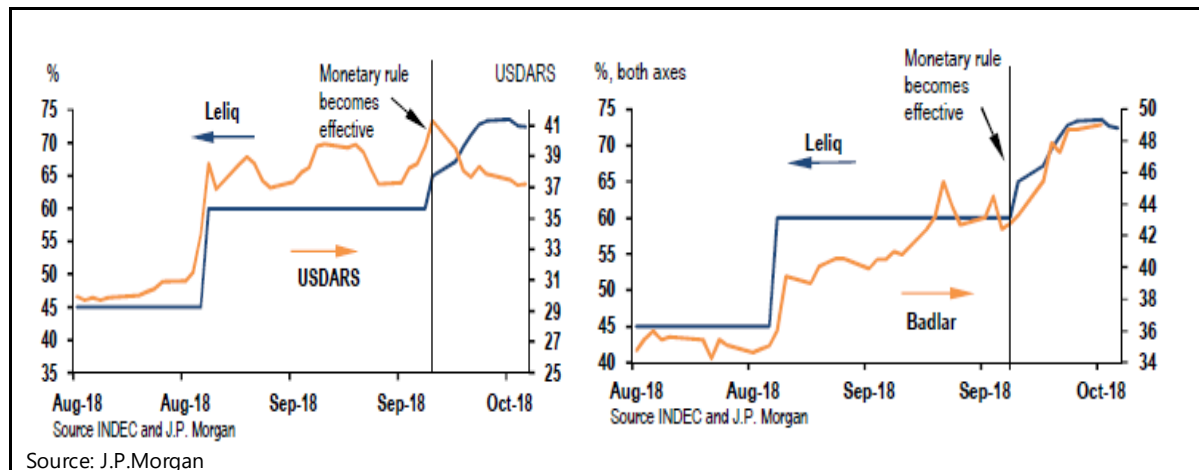
Issuance

EM total corporate bond issuance for last week was strong at \$2.9 bn, though the pace was slightly slower than the week before. The YTD issuance of \$280 bn is approximately \$81 bn less than the 2017 pace. Asia ex-China and Latin America have experienced the largest decline in issuance so far this year. In sovereign bond space, total issuance was \$3 bn, also slightly lower than previous week. Most of the issuance this past week (\$2.5 bn) was from China.

Argentina

Two weeks into the new monetary policy regime, Leliq rates have increased by 13 percentage points.

Analysts expect the rates to remain high as BCRA continues to roll off short-term paper. The higher rates and better tone for EMFX more broadly (especially Brazilian real) have helped the peso gain 11% from its September 28 low. The fixed-term deposit Badlar rate climbed to 49%, 88 bps above expected inflation. Deposit rates are finally positive in real terms and higher deposit rates are expected to increase local currency savings and limit peso depreciation. The projected reduction of macroeconomic imbalances (fiscal and current account deficits) suggest an improvement in the fundamental outlook. While political noise continues to linger amid ongoing 2019 budget negotiations and as Argentina enters an election year, analysts flag that any deviation from the fiscal tightening plan could derail the program.

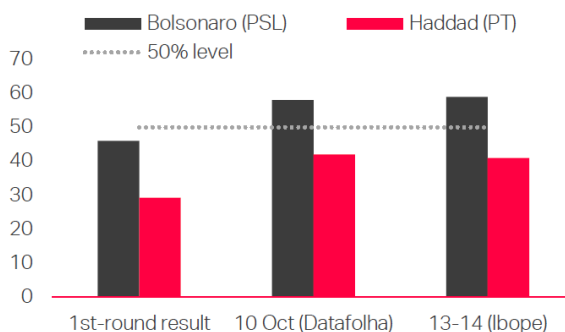


Brazil

Brazil's far-right Presidential candidate Bolsonaro gained another 2% voter support in a poll released yesterday and now has 18% lead over Haddad. If Bolsonaro wins the presidential elections, the central bank may be less likely to hike Selic rate before year-end, as a stronger real could reduce inflation expectations. Investor concerns about Bolsonaro's ability to govern still linger, while his stance over economic policies, such as the pace of privatization of state-owned entities, will be clear only after the elections.

Chart 1: 2nd-round voter intentions (Bolsonaro vs Haddad)

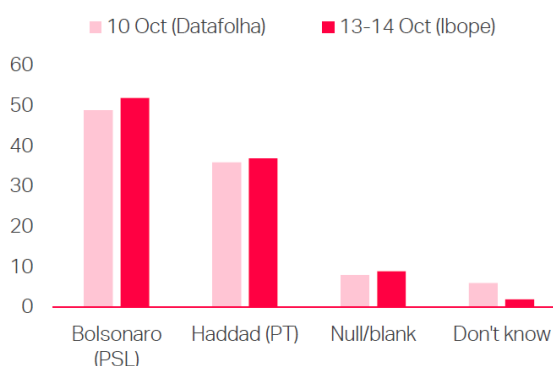
% of valid votes



Sources: TSE, Datafolha, Ibope.

Chart 2: 2nd-round voter intentions (Bolsonaro vs Haddad)

% of total votes



Sources: Datafolha, Ibope.

Source: TS Lombard

China

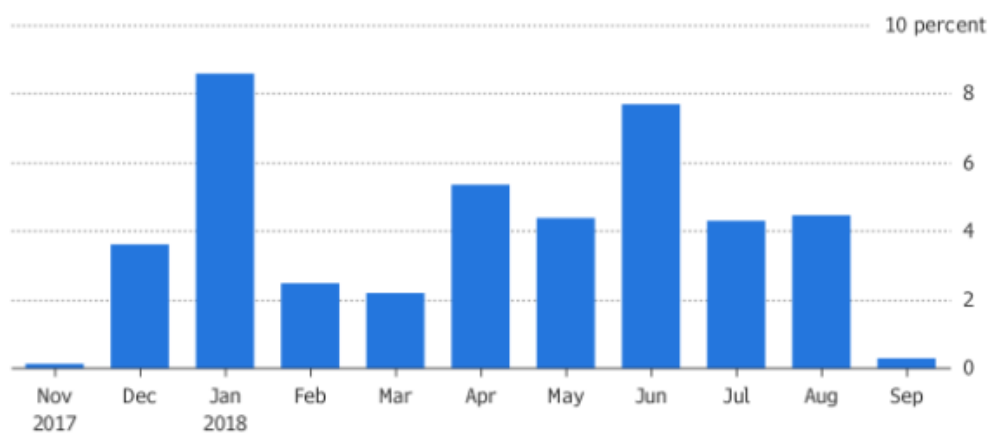
The RMB was stable at around the 6.92 level while equities continued their losses. The Shanghai Composite lost another 0.85%, bringing the index to its lowest level since the end of 2014. Bloomberg analysis, based on data from clearing houses, indicated that **amid recent RMB and equity market losses, foreign investors have trimmed their investment into Chinese assets.** Foreign investors' bond purchases grew 0.3% in September, the slowest pace since last November and down from 7.7% yoy in June. Meanwhile, through the Equity Connect with Hong Kong, international investors sold a record RMB17 bn (\$2.5 bn) of China's A shares last week. Although foreign investors account for a small proportion of China's stock and bond holdings, their declining interest could remove a crucial support for Chinese assets at a time when investor sentiment has becoming increasingly bearish. Divergent monetary policy between

China and the US has narrowed the yield spread between China's central government bonds and Treasuries to the lowest level since 2011. Meanwhile, relative to their recent peaks, the Shanghai Composite has lost 28% since late January and the RMB has lost 10% since April.

Not Impressed

Overseas funds boost their holdings of Chinese debt at slowest pace since November

■ Monthly increase in foreigners' holdings of onshore bonds





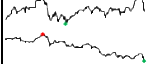
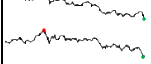


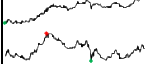




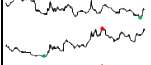



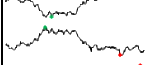




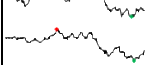

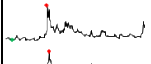
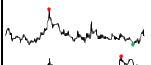



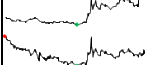
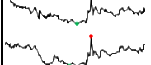
Sources: China Central Depository & Clearing Co., Shanghai Clearing House, Bloomberg

Bloomberg

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Global Financial Indicators

| Last updated: 10/16/18 8:19 AM | Level | | Change | | | | YTD |
|-----------------------------------|---|--------|----------------------------------|--------|---------|------|-----|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | |
| Equities | | | % | | | | % |
| United States |  | 2756 | -0.6 | -4 | -5 | 8 | 3 |
| Europe |  | 3232 | 0.7 | -3 | -3 | -10 | -8 |
| Japan |  | 22549 | 1.2 | -4 | -2 | 6 | -1 |
| China |  | 2546 | -0.8 | -6 | -5 | -25 | -23 |
| Asia Ex Japan |  | 64 | -1.3 | -3 | -8 | -15 | -16 |
| Emerging Markets |  | 40 | 0.1 | -3 | -5 | -15 | -15 |
| Interest Rates | | | basis points | | | | |
| US 10y Yield |  | 3.17 | -0.6 | -3 | 18 | 87 | 77 |
| Germany 10y Yield |  | 0.50 | -0.4 | -5 | 5 | 13 | 7 |
| Japan 10y Yield |  | 0.15 | 0.4 | -1 | 3 | 8 | 10 |
| UK 10y Yield |  | 1.62 | 1.2 | -9 | 9 | 29 | 43 |
| Credit Spreads | | | basis points | | | | |
| US Investment Grade |  | 101 | -0.1 | 3 | 1 | 5 | 10 |
| US High Yield |  | 346 | -2.1 | 9 | 15 | -23 | -29 |
| Europe IG |  | 73 | -1.3 | 3 | 13 | 18 | 28 |
| Europe HY |  | 291 | -3.5 | 6 | 9 | 49 | 58 |
| EMBIG Sovereign Spread |  | 348 | -2.0 | 4 | -10 | 63 | 63 |
| Exchange Rates | | | % | | | | |
| Dollar Index (DXY) |  | 94.96 | -0.1 | -1 | 0 | 2 | 3 |
| USDEUR |  | 1.16 | 0.1 | 1 | -1 | -2 | -3 |
| USDJPY |  | 112.2 | -0.3 | 1 | 0 | 0 | 0 |
| EM FX vs. USD |  | 62.6 | 0.4 | 1 | 3 | -10 | -10 |
| Commodities | | | % | | | | |
| Brent Crude Oil (\$/barrel) |  | 80 | -0.5 | -5 | 3 | 39 | 20 |
| Industrials Metals (index) |  | 119 | -0.1 | -2 | 4 | -11 | -14 |
| Agriculture (index) |  | 44 | -0.5 | 3 | 7 | -8 | -6 |
| Implied Volatility | | | % | | | | |
| VIX Index (% change in pp) |  | 19.9 | -1.4 | 3.9 | 7.8 | 10.0 | 8.8 |
| 10y Treasury Volatility Index |  | 3.9 | 0.0 | -0.2 | 0.7 | 0.0 | 0.4 |
| Global FX Volatility |  | 8.2 | 0.0 | -0.2 | -0.4 | 0.4 | 0.9 |
| EA Sovereign Spreads | | | 10-Year spread vs. Germany (bps) | | | | |
| Greece |  | 378 | -10.6 | -25 | 14 | 9 | 9 |
| Italy |  | 297 | -7.3 | 4 | 44 | 138 | 138 |
| Portugal |  | 145 | -4.9 | 2 | 4 | -7 | -7 |
| Spain |  | 116 | -1.4 | 11 | 13 | 2 | 2 |

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: 10/16/2018 8:20 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 | | 6.91 | 0.1 | 0.1 | -1 | -5 | -6 | | 3.6 | -0.2 | -4 | -7 | -18 | -40 |
| Indonesia | | 15201 | 0.1 | 0.2 | -2 | -11 | -11 | | 8.9 | 8.7 | 34 | 30 | 200 | 225 |
| India | | 73 | 0.5 | 1.2 | -1 | -12 | -13 | | 8.1 | -1.6 | -3 | -18 | 100 | 61 |
| Philippines | | 54 | 0.4 | 0.5 | 1 | -5 | -8 | | 6.6 | 0.3 | 15 | 33 | 175 | 173 |
| Thailand | | 33 | 0.3 | 1.2 | 0 | 2 | 0 | | 2.9 | 0.0 | -2 | 3 | 77 | 63 |
| Malaysia | | 4.15 | 0.0 | 0.1 | 0 | 2 | -3 | | 4.1 | -0.1 | 0 | -1 | 20 | 19 |
| Argentina | | 37 | -0.2 | 3.2 | 4 | -53 | -49 | | 22.6 | 0.0 | -62 | -250 | 739 | 657 |
| Brazil | | 3.71 | 0.7 | 0.1 | 11 | -15 | -11 | | 9.1 | -21.3 | -25 | -147 | 41 | 4 |
| Chile | | 675 | 0.2 | 1.1 | 2 | -8 | -9 | | 4.9 | 0.0 | 6 | 11 | 29 | 10 |
| Colombia | | 3095 | 0.0 | -1.6 | -2 | -5 | -4 | | 6.8 | 0.0 | 11 | 16 | 53 | 51 |
| Mexico | | 18.79 | 0.3 | 1.3 | 0 | 1 | 5 | | 8.1 | -2.2 | 1 | 10 | 84 | 44 |
| Peru | | 3.3 | 0.0 | -0.4 | -1 | -3 | -3 | | 5.8 | -0.4 | 6 | 22 | 55 | 59 |
| Uruguay | | 33 | -0.2 | 0.3 | -1 | -11 | -13 | | 10.5 | 0.1 | 10 | -85 | | 190 |
| Hungary | | 278 | 0.3 | 1.6 | 0 | -6 | -7 | | 2.9 | -1.9 | 14 | 27 | 146 | 164 |
| Poland | | 3.70 | 0.2 | 1.2 | -1 | -3 | -6 | | 2.6 | -0.2 | -6 | -1 | -14 | -9 |
| Romania | | 4.0 | 0.0 | 0.7 | -1 | -4 | -3 | | 4.6 | 2.0 | 0 | 35 | 128 | 81 |
| Russia | | 65.5 | 0.3 | 1.2 | 4 | -13 | -12 | | 8.4 | -10.7 | -16 | -13 | 102 | 109 |
| South Africa | | 14.2 | 0.9 | 2.2 | 5 | -7 | -13 | | 9.8 | -4.2 | -6 | 5 | 50 | 50 |
| Turkey | | 5.79 | 0.0 | 5.4 | 9 | -37 | -34 | | 20.1 | -63.1 | -202 | -88 | 886 | 811 |
| US (DXY; 5y UST) | | 95 | -0.1 | -0.7 | 0 | 2 | 3 | | 3.03 | 2.1 | -3 | 13 | 108 | 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 | | 2546 | -0.8 | -6 | -5 | -25 | -23 | | 183 | -1 | 1 | -1 | 44 | 31 |
| Indonesia | | 5801 | 1.3 | 0 | -2 | -3 | -9 | | 201 | 2 | 11 | 0 | 39 | 35 |
| India | | 35162 | 0.9 | 3 | -8 | 8 | 3 | | 164 | -2 | 4 | -3 | 48 | 54 |
| Philippines | | 6987 | 0.9 | -1 | -6 | -17 | -18 | | 108 | 1 | 6 | 5 | 17 | 13 |
| Malaysia | | 1737 | 0.5 | -2 | -4 | -1 | -3 | | 123 | -3 | -1 | -11 | 5 | 13 |
| Argentina | | 29598 | 7.2 | -2 | -2 | 9 | -2 | | 633 | -5 | -26 | -23 | 277 | 283 |
| Brazil | | 83360 | 0.5 | 1 | 11 | 8 | 9 | | 256 | -1 | -3 | -73 | 20 | 22 |
| Chile | | 5145 | 0.0 | -3 | -4 | -6 | -8 | | 126 | 1 | 5 | -7 | -1 | 7 |
| Colombia | | 1463 | 0.2 | -2 | -2 | -2 | -3 | | 181 | 0 | 10 | 7 | -5 | 7 |
| Mexico | | 47739 | 0.6 | -1 | -4 | -4 | -3 | | 260 | -1 | 5 | -7 | 8 | 15 |
| Peru | | 19306 | 0.4 | 0 | 2 | -2 | -3 | | 143 | 0 | 11 | 3 | -1 | 6 |
| Hungary | | 36894 | 0.9 | -1 | 2 | -6 | -6 | | 117 | 2 | 9 | 7 | 27 | 29 |
| Poland | | 56704 | 0.8 | -2 | -2 | -13 | -11 | | 65 | 1 | 15 | 15 | 20 | 18 |
| Romania | | 8522 | 0.9 | 0 | 4 | 6 | 10 | | 181 | -2 | 11 | 4 | 49 | 67 |
| Russia | | 2387 | -0.1 | -2 | 1 | 13 | 13 | | 217 | -3 | 0 | -19 | 32 | 39 |
| South Africa | | 52295 | -0.3 | -3 | -8 | -10 | -12 | | 325 | -4 | 6 | -4 | 67 | 71 |
| Turkey | | 98803 | 0.2 | 2 | 4 | -7 | -14 | | 444 | -3 | -33 | -31 | 155 | 155 |
| Ukraine | | 555 | 0.2 | 1 | 5 | 87 | 76 | | 565 | -3 | 10 | 18 | 111 | 110 |
| EM total | | 24 | -1.3 | -3 | -6 | -11 | -11 | | 348 | -2 | 4 | -10 | 63 | 63 |

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