Global Markets Monitor

THURSDAY, OCTOBER 22, 2020

- **US stocks at risk from significant rise in interest rates** (link)
- **Inflows into US debt markets pick up speed as credit spreads tighten** (link)
- **Markets position for US "Blue Wave"** (link)
- **EU joint bonds could crowd out other EU issuers** (link)
- **China to increase quota for onshore funds to invest abroad** (link)
- **Turkey's central bank surprises markets by staying on hold** (link)
- **Argentine depreciation pressures continue to build** (link)
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Markets confront multiple challenges

Markets were mixed as investors grappled with a variety of issues. US equity futures were slightly lower on continued uncertainty about a new stimulus package, while European stocks were mixed as the virus situation worsened. The final US presidential debate tonight will be closely watched amidst nagging fears of a contested election. Sentiment indexes in Europe weakened as the new lockdowns took their toll. Despite the pressure on bond yields throughout the week, European primary bond markets have been active, with Greece and Italy managing to place long-end bonds amid strong investor demand. This is not surprising, as the share of negatively yielding bonds has increased steadily over the last few months and riskier issuers are looking to seize the opportunity while investors are out on a hunt for yield. The dollar continued its global weakening trend, while oil prices were slightly higher. US Treasury yields held steady after reaching their highest levels since June in yesterday's trading.

Key Global Financial Indicators

Last updated: 10/22/20 8:14 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		3436	-0.2	-2	4	15	6
Eurostoxx 50		3180	0.0	0	1	-12	-15
Nikkei 225		23474	-0.7	0	0	4	-1
MSCI EM		46	0.3	1	5	9	3
Yields and Spreads					bps		
US 10y Yield		0.81	-1.3	8	14	-95	-111
Germany 10y Yield		-0.59	0.0	2	-8	-22	-40
EMBIG Sovereign Spread		404	0	-16	-13	68	111
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		54.9	-0.1	1	0	-10	-11
Dollar index, (+) = $ appreciation		92.9	0.3	-1	-1	-5	-4
Brent Crude Oil ($/barrel)		42.1	0.9	-2	1	-29	-36
VIX Index (%, change in pp)		29.2	0.6	2	2	15	15

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

United States

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Markets confronted competing narratives on the prospect of a last minute deal on a new pandemic aid package. Various news sources reported that a deal was near, and the White House Chief of Staff said an agreement could be reached within 48 hours. House Speaker Pelosi stressed that “I want people to know that help is on the way. It will be bigger. It will be better. And it will be retroactive.” Senate Democrats rejected a much smaller $500 mn Republican package in a 44-51 vote that was below that threshold of 60 votes needed for passage. Senate Majority Leader McConnell is reported to have warned the Chief of Staff not to agree to a package in the $1.8-$2tn range that the Democrats are looking for. In the end, the consensus appears to be that a deal could be struck but that a vote was unlikely before the election. The urgency of the situation was highlighted by the latest data from the Census Bureau reporting that 23% of all US households expect income losses in the next four weeks.

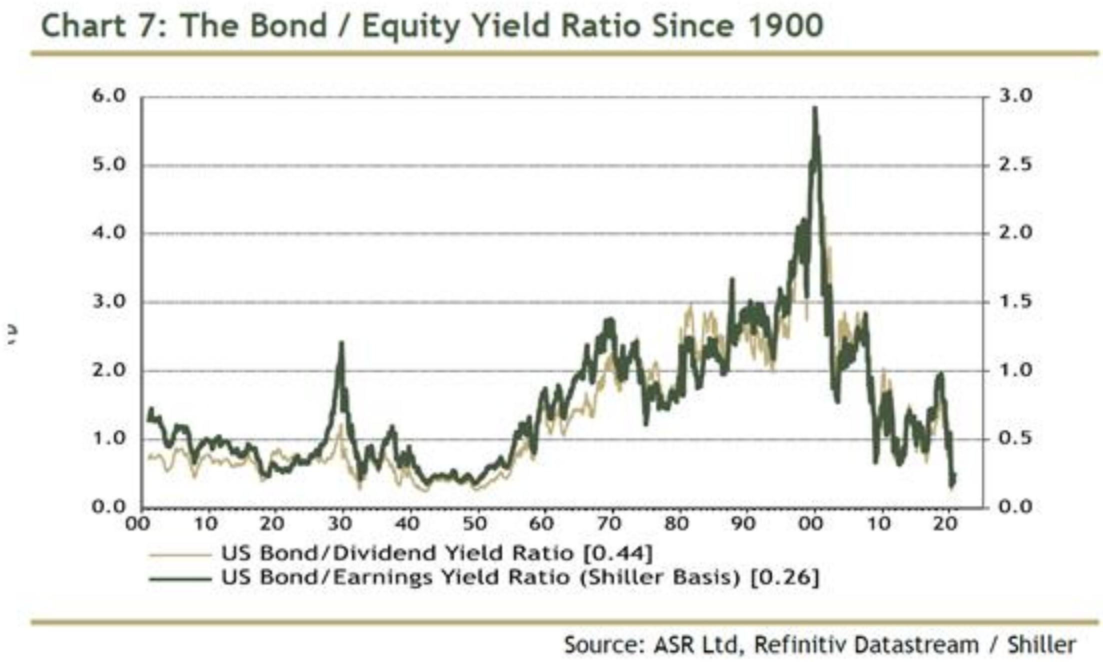
Equities had a turbulent session in this uncertain environment. In the end, bourses closed with minor losses, while Treasuries sold off, reflecting expectations that a deal is more likely than not. Treasury yields remained hit their highest level since June, while the dollar weakened again. The dollar index is close to its weakest level since early 2018, with the yen making the strongest gains among the major currencies on Wednesday. The VIX remained above 28, a high level by historical standards. In other news, the Fed’s Beige Book report showed economic activity improving in all the districts, with housing especially strong. This morning, US equity futures are slightly lower. **This morning’s retail sales report was stronger than expected, with both initial and continuing claims coming in well below forecasts.** However, the immediate market response was muted.

US Economic Data 8.30 am October 22, 2020

Source: Bloomberg

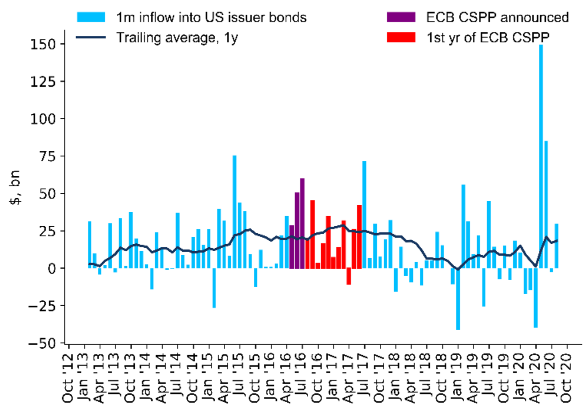
Data Release	Consensus Forecast	Actual Outcome
Initial jobless claims	870K	787K
Continuing claims	9625K	8373K

Stocks are at their cheapest levels versus bonds in modern history despite historically expensive valuations. This is in stark contrast to the dotcom bubble in 2000, where the opposite relationship prevailed, and stocks were at their most expensive relative to bonds. Nevertheless, equity valuations are at now at nosebleed levels. Price-earnings ratios of favored sectors are above 30, and even less popular sectors are trading above 20, compared to long term historical averages closer to 15-18. The search for yield and the very low level of interest rates pushes investors further and further into ever riskier investments that are vulnerable to sharp reversals if market conditions change. The biggest risk factors relate to unforeseen developments on the virus front, and the potential impact of a rapid increase in interest rates. A contested US election is another important consideration. However, most investors are focused on the risk from interest rates, where a significant rise in levels would derail a multi-year long duration trade and cause a major realignment of valuation frameworks for equities and other risk assets. The very low level of interest rates means that new bond issuance has featured very low coupons which have a very high of level of interest rate risk relative to high coupon bonds.



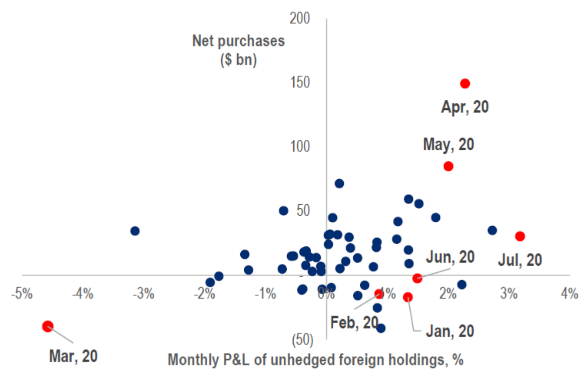
Inflows into US bond markets were strong throughout the recovery period following the worst of the virus crisis. This has spanned Treasuries, agency bonds, mortgage backed securities and corporate bonds. Worries about corporate debt sustainability or expensive valuations have taken a back seat to a demand for duration exposure and yield. Inflows have been further encouraged by tightening credit spreads that have rewarded investors with a positive P&L over most of the period. Bonds issued by US companies in euros and sterling have been another target for investors as they have benefited from the weakness in the dollar that has prevailed throughout the year. However, like all risk assets, these markets are vulnerable to an unexpected rise in interest rates.

Figure 1. Estimated foreign monthly inflow into US-issuer corporate debt, all currencies, adjusted for market value changes from FX / rates



Source: Citi Research, US Treasury, Bloomberg; Note: Excludes holdings by entities located in Ireland. See methodology discussion in text.

Figure 2. Monthly net purchases since January 2016 by % change in international holdings after market-value adjustment



Source: Citi Research, Haver, Bloomberg

US markets are now positioning for a "Blue Wave" in which the Democrats win both the Presidency and the Senate and retain their House majority, gaining control of all three branches of the legislature. They expect a policy agenda that involves a large expansion in government spending that should more than counteract the impact of the higher taxes on corporations that are also expected to be part of the policy mix. Goldman's economists predict that even if the Democrats are able to push through just half their agenda, the output gap or the difference between potential and actual GDP will increase, causing inflation to go up. Goldman analysts think a program where higher fiscal spending precedes higher corporate taxes will be very supportive for credit markets. They project that cyclical sectors which have underperformed will do especially well in such an environment. In keeping with the Blue Wave theme, stocks that benefited the most from the lower taxes in the tax package of 2017 have underperformed the broader market this year.

Exhibit 4: As the likelihood of a blue wave has been rising in recent months, stocks that have benefitted the most from the 2017 TCJA have been modestly underperforming

Source: Goldman Sachs Global Investment Research

Europe

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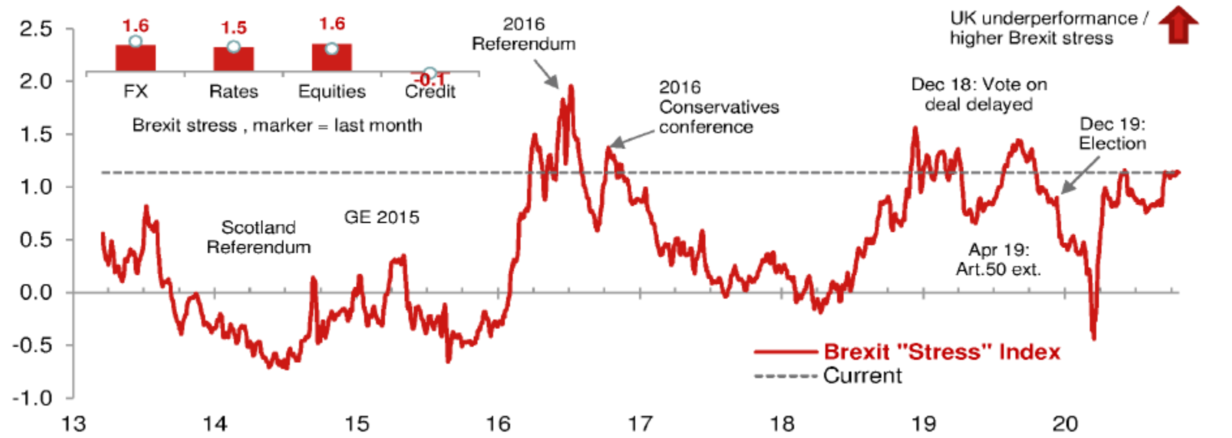
European stocks were mostly higher this morning. Energy shares (-1.2%) are underperforming given the ongoing pressure on oil prices due to fears about lower fuel demand.

The euro (-0.3%) and sterling (-0.4%) gave up some of yesterday's gains. Sterling strengthened as much as 1.6% against the dollar yesterday, following the news that the UK and the EU are formally resuming trade talks today. The two sides promised to hold intensive talks until Sunday, while targeting a deal within next three weeks. The 10-year gilt yield (+3 bps today) has increased by 9 bps since Wednesday and the Brexit-sensitive FTSE 250 stock index outperformed FTSE 100 by 2%. The bookmakers' odds shifted from 50/50 on Friday to 65/35 in favor of a trade-deal in 2020. Contacts suggest that a significant no-deal risk premium remains in the market and UK assets should rally into the year-end if the talks prove successful.

Fig. 3: Brexit stress at elevated levels - provides opportunity for upside

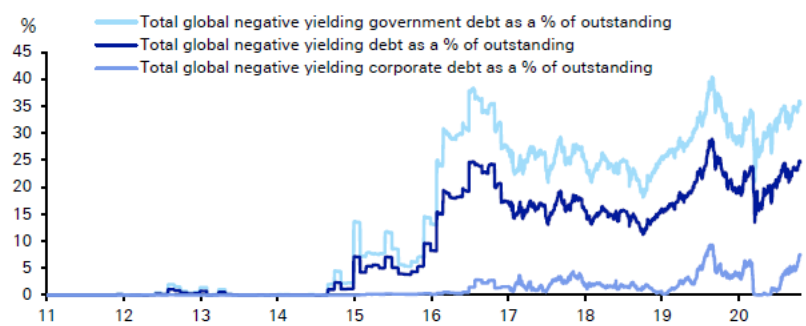
A broad-based UK underpeformance that may be re-priced lower if the UK signs a deal with the EU



Source: Nomura, Bloomberg

European bond yields are steady this morning, except for Greece where yields are higher by 3 bps. This week has been rather busy in Eurozone primary debt markets. After stellar demand for European Union social bonds, riskier borrowers rushed to the market, attracted by the still low yields. **Greece tapped the 15-year bond to raise €2 bn** amidst €17 bn of demand with a yield of 1.15%, or 75 bps less than the initial placement in February. In September the government also placed €2.5 bn of 10-year bonds. **Italy placed €8 bn of 30-year bonds today with the order book in excess of €90 bn.** Italy's spreads were steady today but have widened as much as 17 bps in a week.

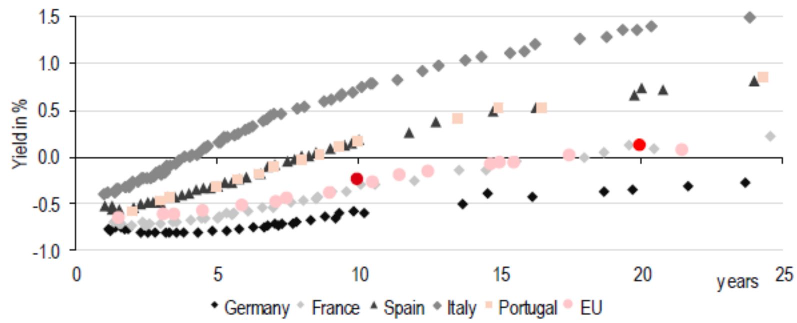
Figure 1: Negative yielding debt's share of global outstanding



Source : Bloomberg Finance LP, Deutsche Bank

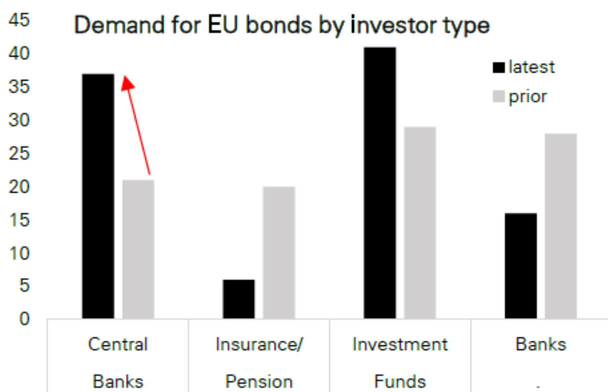
The increased supply of EU joint bonds could pose crowding-out risk for AA rated EU sovereigns and supranational issuers. Analyst point out that the new EU bonds are 13-14 bps cheap as compared to their rating. With supply expected around €150-160 bn in 2021, these bonds may pose crowding-out risk for lower rated European sovereigns such as Belgium, Finland, Austria and to a lesser degree France. That said, **there was an unusually large demand from foreign central banks for the recent placement** and some contacts suggest that the joint EU bonds could open an avenue for new sovereign investors inflows. The bonds are also tapping into a growing pool of ESG funds as those investors accounted for 63% of the recent placement. The EU joint issuance is primarily benefiting lower rated European countries with Italy, Spain and Portugal taking up more than half of the recent SURE bond proceeds.

Figure 1. EU trades well inside of Spanish, Portuguese, and Italian govies



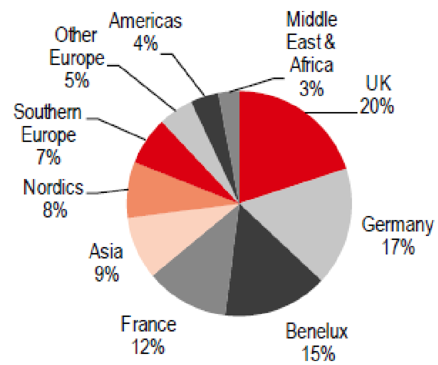
Source: HSBC, Bloomberg (red dot = new EU bonds)

Figure 1: Investor allocation of 10yr EU bond issue



Source : Deutsche Bank, European Union

Figure 4. Distribution by country (10-year)

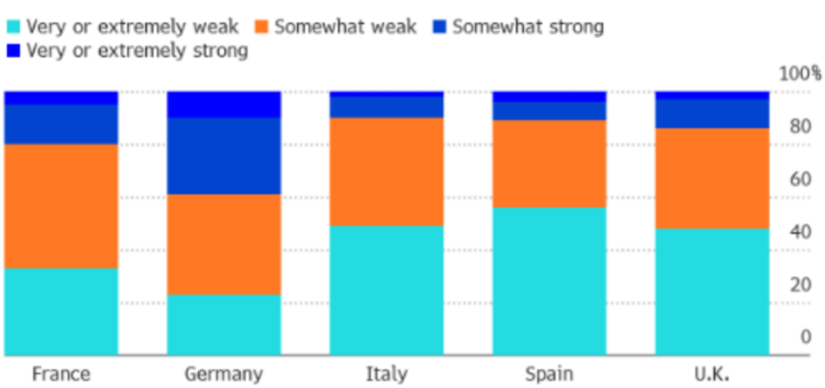


Source: HSBC, European Commission, Bloomberg

A recent study by McKinsey finds that over a half of Europe's small and medium enterprises (SMEs) could face bankruptcy if revenues remain stagnant. The study, focusing on 2,200 SME in Europe's five largest economies, suggests that one in five companies in Italy and France anticipate filing for insolvency within six months. According to Bloomberg, such business account for more than two-thirds of the workforce and more than half of the economic value-added.

Pessimistic View

About four in five European SMEs think the economy is weak

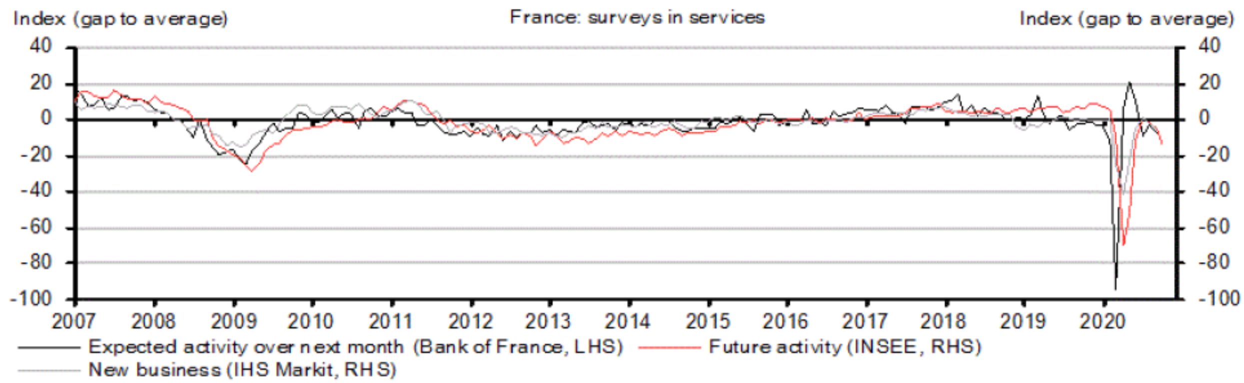


Source: McKinsey survey

Bloomberg

Germany and France confidence surveys confirmed fading recovery momentum. The German GfK consumer confidence indicator dipped in line with consensus to -3.1 (-1.7 in October). France's INSEE October business (90 vs 92 September) and manufacturing surveys (93 vs 96 September) were weaker than consensus estimates. Recent restriction measures are biting into the hospitality sector.

Chart 3: Confidence indicators in services are edging down again



Source: Bank of France, INSEE, IHS Markit, HSBC. Averages are calculated since 2003.

Other Mature Markets

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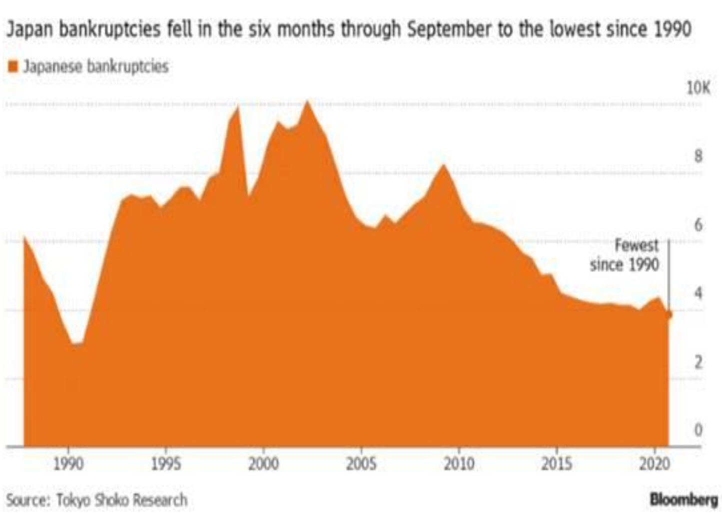
Japan

Equities fell (-1.1%), driven by healthcare and utilities underperformance. The Bank of Japan (BOJ) said in its semi-annual financial stability report that the entire banking system remains stable and has sufficient buffers against risks, including a longer recovery from the pandemic. It also highlighted three risks: (1) increases in credits costs at home and abroad; (2) deterioration in gains/losses on securities investments owing to financial market volatility; (3) destabilization of foreign currency funding due to tightening of funding markets, particularly the USD. **Separately, bankruptcies in Japan fell to the lowest since 1990 in the six months through September,** according to Bloomberg. Bankruptcies dropped -9.4% y/y to 3,858 amid government and central bank support. **Japan's ruling Liberal Democratic Party (LDP) tax chief Akira Amari said that the government will put together a third extra budget this year. T**he budget will likely be compiled around December 14-15. This was largely expected by most economists surveyed by Bloomberg. **The yen and 10-year JGB yield were unchanged.**



Emerging Markets

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EMEA equities are trading mixed with indices up in Russia (+0.8%) and Czech Republic (+0.8%) but down in Turkey (-1.0%) and South Africa (-0.6%). **EMEA currencies are mostly unchanged,** except for the Turkish lira that sold-off by 2% following the rates decision. **Most Asian equities were lower, although the Philippines rose (+1.1%) for the fourth straight day as foreign investors were net buyers for the second consecutive day.** Thailand also gained (+0.4%) after the news that the week-old state of emergency will be lifted in the capital city Bangkok on Thursday. Regional currencies weakened, with the RMB (-0.4%) underperforming. The Korean won was down 0.1%, retreating from 19-month high after Finance Minister Hong Nam-ki hinted at market stabilizing measures in case of one-sided movements in the FX market. The won is Asia's top performing currency so far in October, up 3.3% against the dollar. **Latin American stocks gained, currencies appreciated in some economies, and USD sovereign debt yield curves moved slightly higher.** Chile (+3%) and Peru (+2%) led the gains helped by higher copper prices (+1.8%). Colombia faced losses (-0.8%) as oil declined by 4.1% and rallies held in several cities expressed frustration with the government's handling of the pandemic.

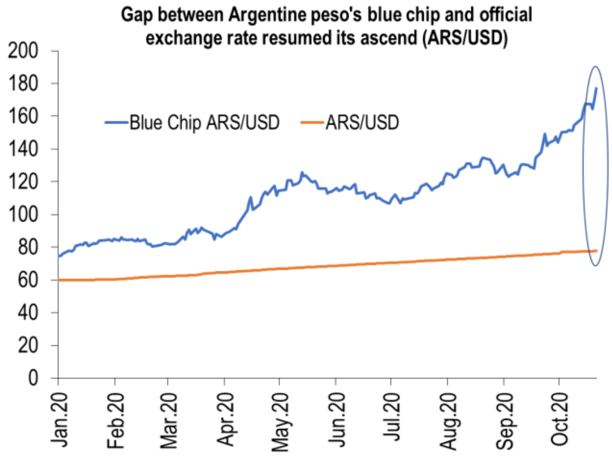
Key Emerging Market Financial Indicators

Last updated:	Level		Change				
10/22/20 8:06 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		46.06	0.1	1	5	9	3
MSCI Frontier Equities		26.76	-0.5	1	4	-5	-12
EMBIG Sovereign Spread (in bps)		404	0	-16	-13	68	111
EM FX vs. USD		54.91	-0.2	1	0	-10	-11
Major EM FX vs. USD				%, (+) = EM currency appreciation			
China Renminbi		6.68	-0.4	1	1	6	4
Indonesian Rupiah		14660	-0.2	0	1	-4	-5
Indian Rupee		73.54	0.1	0	0	-4	-3
Argentine Peso		77.74	-0.1	0	-3	-25	-23
Brazil Real		5.62	-0.2	0	-3	-27	-28
Mexican Peso		21.14	-0.2	1	3	-9	-10
Russian Ruble		76.81	-0.2	2	-1	-17	-19
South African Rand		16.31	0.1	2	3	-11	-14
Turkish Lira		7.93	-1.5	0	-3	-27	-25
EM FX volatility		10.97	0.0	-0.2	-0.8	3.3	4.4

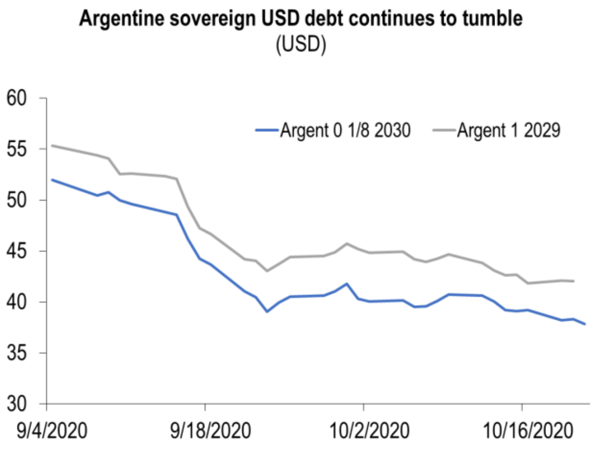
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Argentina

Depreciation pressures on the Argentine peso increased further. The parallel exchange rate continued to depreciate after this week's shortening of the holding period for market transactions from 15 to 3 days. The renewal of international investors' access to the blue-chip swap market for securities traded off- and onshore also contributed. The gap between the parallel and the official rate widened 13% over the last two business days to 128%. The central bank's attempts to shore up liquidity in blue-chip FX markets and to increase the renumeration of peso assets has so far not convinced market participants to stay in the peso. Meanwhile Argentine international bonds continued their decline, trading now at 38 cents on the dollar for the 2030 bond, as the treasury announced that it will auction another $750mn of hard currency bonds under local law in early November. In addition, projections for the country's fiscal deficit, which JP Morgan estimates at 9.3% of GDP for 2020, continued to deteriorate, as the monthly primary fiscal deficit for September came in at 0.6% of GDP, above expectations and double the previous month's level. With an expected fiscal deficit for 2021 of 6.9%, of which 60% is anticipated to be financed by monetization, J.P. Morgan analysts see little chances for a near-term exit from the trajectory towards rising devaluation pressures and increasing risk premia on Argentine debt.



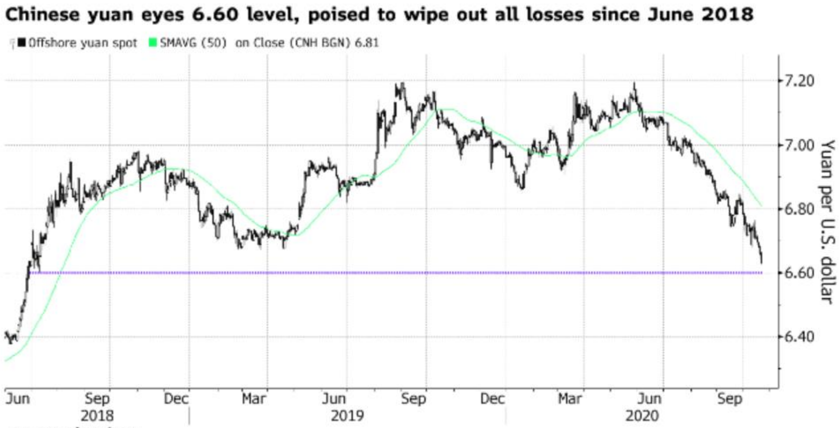
Source: Bloomberg.



Source: Bloomberg.

China

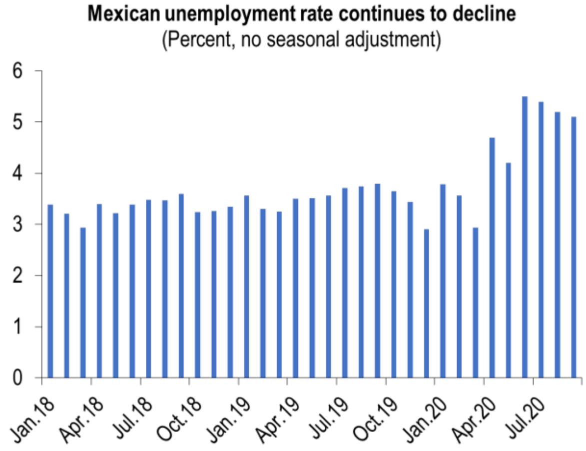
China is preparing to ease capital outflow measures by raising the quota for funds to invest in securities overseas. According to Bloomberg, the foreign exchange regulator will increase the Qualified Domestic Institutional Investor (QDII) quota by $10 bn in the near term. QDII began in April 2006 and allows onshore institutional investors to purchase overseas equities and bonds. The QDII quota stood at $107 bn in September. The regulator last expanded the quota by $3 bn in late September – the first time since April 2019. **Separately, the US designated six more Chinese media outlets as 'foreign missions'** increasing the total number to 15. While not restricting what the outlets can publish in the US, registration as foreign missions would require them to identify their employees. China said that the designation was 'unjustified' and vowed to retaliate. **The onshore and offshore RMB weakened slightly (-0.3%) from their two-year highs while equities declined (-0.5%).**



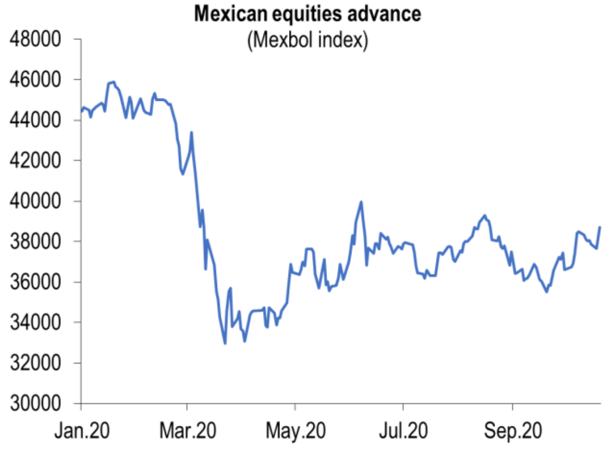
Source: Bloomberg

Mexico

Mexican equities gained on signs for a revival of economic activity. The Mexican unemployment rate for September came in near expectations and positive high-frequency activity data on restaurant dining among other variables for mid-October boosted sentiment. The Mexbol index gained for a second day, up 1.3%.



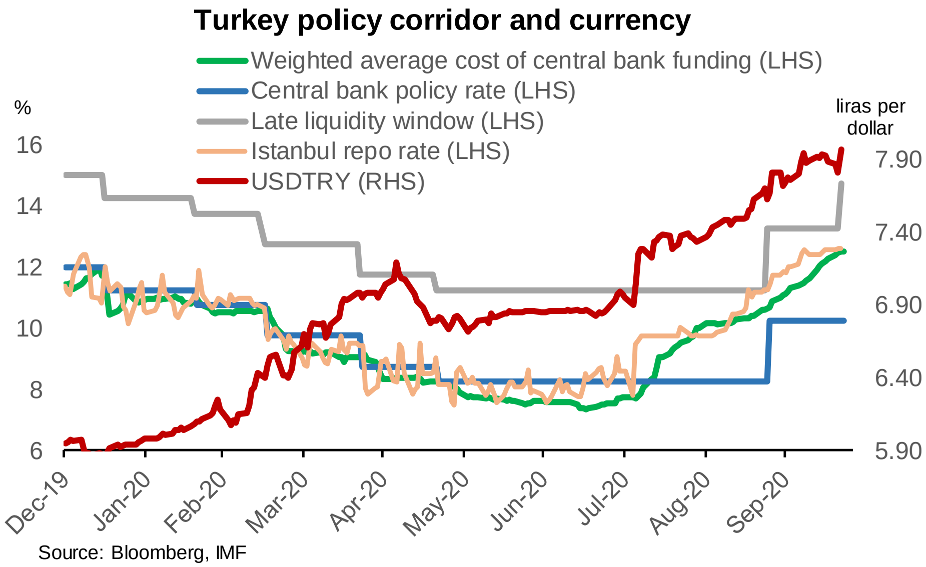
Source: Bloomberg.



Source: Bloomberg.

Turkey

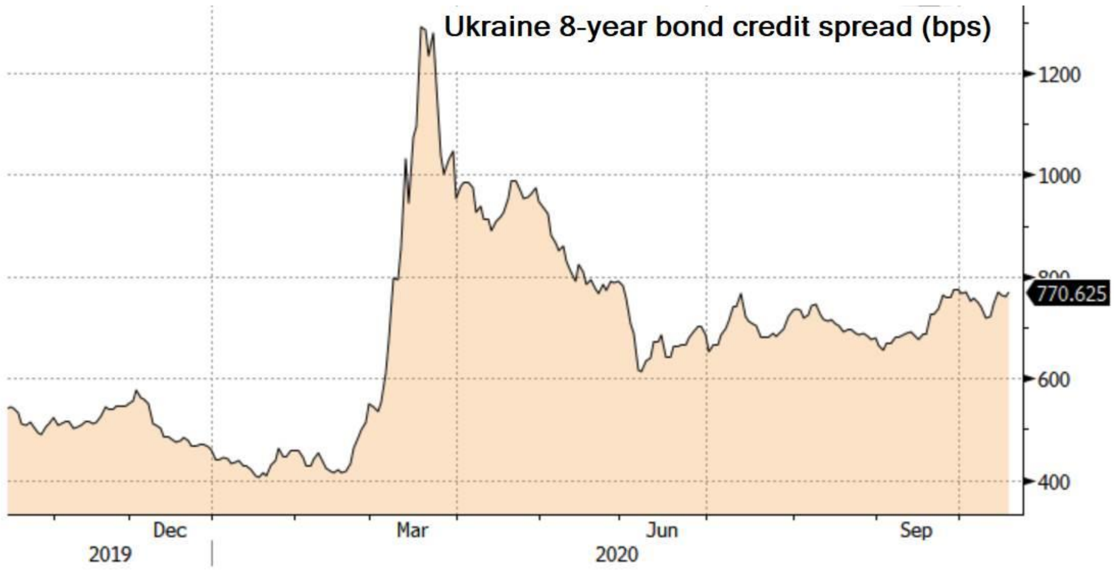
The Central Bank of Turkey (CBT) surprised the market by keeping the main policy rate unchanged at 10.25% while increasing the late liquidity rate by 150 bps to 14.75%. The market was expecting a parallel rate hike of 175-200 bps, including the main 1-week repo rate. Contacts point out that while the decision will allow the central bank to tighten the cost of interbank funding further from current 12.6%, the move is seen as a deviation from the policy normalization path. Investors have recently welcomed policy normalization steps by the CBT with contacts pointing to green shoots in investor appetite for Turkish assets. The market reacted negatively to the decision with equity markets weakening by 1% and the lira depreciating by 2% to 7.98 lira per dollar, the weakest level yet.



Source: Bloomberg, IMF

Ukraine

The central bank's decision to take away responsibilities from a reform minded deputy governor has raised fears among market participants, Bloomberg reports. This exacerbates ongoing concerns about the central bank's independence that were first raised by President's Zelenskiy's decision to remove the previous central bank governor over a policy dispute. According to Bloomberg, markets are also worried about the impact of this most recent move on the IMF's $5 bn program, which has already seen a delay on the latest payment due to the reported lack of progress on the reform agenda. Local credit spreads have widened on the news. In a related development, Ukraine's quasi-sovereign oil and gas company Naftogaz Ukrainy withdrew a $500 mn seven-year bond offering due to lack of demand.



Source: Bloomberg

List of GMM Contributors

Global Markets Analysis Division, MCM Department

Anna Ilyina
Division Chief

Nassira Abbas
Deputy Division Chief

Antonio Garcia-Pascual
Deputy Division Chief

Evan Papageorgiou
Deputy Division Chief

Sergei Antoshin
Senior Economist

John Caparusso
Senior Financial Sector Expert

Yingyuan Chen
Financial Sector Expert

Han Teng Chua
Economic Analyst

Fabio Cortés
Senior Economist

Reinout De Bock
Economist

Dimitris Drakopoulos
Financial Sector Expert

Deepali Gautam
Research Officer

Rohit Goel
Financial Sector Expert

Sanjay Hazarika
Senior Financial Sector Expert

Frank Hespeler
Senior Financial Sector Expert

Henry Hoyle
Financial Sector Expert

Mohamed Jaber
Senior Financial Sector Expert

Phakawa Jeasakul
Senior Economist

Piyusha Khot
Research Assistant

Natalia Novikova
Senior Economist

Dmitri Petrov
Financial Sector Expert

Thomas Piontek
Financial Sector Expert

Patrick Schneider
Research Officer

Can Sever
Economist (Economist Program)

Juan Solé
Senior Economist

Jeffrey Williams
Senior Financial Sector Expert

Dmitry Yakovlev
Senior Research Officer

Akihiko Yokoyama
Senior Financial Sector Expert

Xingmi Zheng
Research Assistant

Global Financial Indicators

Last updated: 10/22/20 8:15 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		3437	-0.2	-1	4	15	6
Europe		3182	0.0	0	1	-12	-15
Japan		23474	-0.7	0	0	4	-1
China		3313	-0.4	-1	1	12	9
Asia Ex Japan		80	0.4	0	5	17	9
Emerging Markets		46	0.3	1	5	9	3
Interest Rates					basis points		
US 10y Yield		0.81	-1.2	8	14	-95	-111
Germany 10y Yield		-0.59	0.0	2	-8	-22	-40
Japan 10y Yield		0.04	0.0	1	2	16	5
UK 10y Yield		0.27	2.5	9	6	-44	-56
Credit Spreads					basis points		
US Investment Grade		125	0.2	-1	-6	5	27
US High Yield		504	0.5	-6	-39	51	111
Europe IG		55	0.3	-1	-3	4	11
Europe HY		328	0.8	-8	-1	103	122
EMBIG Sovereign Spread		404	0.0	-16	-13	68	111
Exchange Rates					%		
USD/Majors		92.89	0.3	-1	-1	-5	-4
EUR/USD		1.18	-0.3	1	1	6	5
USD/JPY		104.7	-0.1	1	0	4	4
EM/USD		54.9	-0.1	1	0	-10	-11
Commodities					%		
Brent Crude Oil ($/barrel)		42	0.8	-3	1	-30	-36
Industrials Metals (index)		122	-0.8	2	4	5	7
Agriculture (index)		42	0.2	1	8	7	2
Implied Volatility					%		
VIX Index (%, change in pp)		28.8	0.2	1.9	2.0	14.4	15.1
US 10y Swaption Volatility		74.0	0.2	8.8	28.7	-6.2	12.0
Global FX Volatility		8.6	0.0	0.2	-1.0	2.1	2.6
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		153	2.2	9	-4	-13	-13
Italy		137	0.3	7	0	8	-22
Portugal		77	-0.3	1	1	19	14
Spain		79	-0.2	3	5	16	14

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Emerging Market Financial Indicators

Last updated:	Exchange Rates							Local Currency Bond Yields (GBI EM)						
10/22/2020	Level		Change (in %)					Level		Change (in basis points)				
8:06 AM	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		6.68	-0.4	0.7	1	6	4		3.3	-0.3	0	9	12	20
Indonesia		14660	-0.2	0.2	1	-4	-5		6.6	-0.9	-16	-13	-59	-50
India		74	0.1	-0.2	0	-4	-3		6.0	-0.8	-1	-14	-78	-83
Philippines		49	0.0	0.1	0	5	4		3.6	-0.2	-2	-7	-74	-73
Thailand		31	-0.4	-0.3	0	-3	-5		1.5	0.5	2	4	-10	-12
Malaysia		4.14	0.0	0.2	0	1	-1		2.5	0.7	0	-9	-95	-88
Argentina		78	-0.1	-0.4	-3	-25	-23		46.4	74.8	363	650	-1073	-1622
Brazil		5.62	-0.2	-0.1	-3	-27	-28		6.1	4.2	-1	16	31	-13
Chile		785	-0.4	2.2	-1	-8	-4		2.7	-2.2	-3	13	-42	-58
Colombia		3771	1.4	1.8	1	-9	-13		5.2	1.4	8	18	-52	-71
Mexico		21.14	-0.2	0.6	3	-9	-10		6.1	2.1	4	15	-85	-86
Peru		3.6	0.0	-0.2	-1	-7	-8		4.2	5.8	13	10	0	-27
Uruguay		43	0.0	-0.2	-1	-12	-13		7.4	0.9	-2	-12	-371	-350
Hungary		308	-0.5	1.0	1	-4	-4		1.7	1.9	6	1	62	56
Poland		3.87	-0.5	0.4	-1	-1	-2		0.7	0.6	0	-9	-117	-123
Romania		4.1	-0.3	1.0	1	4	4		3.2	-2.0	0	-6	-60	-78
Russia		76.8	-0.2	1.6	-1	-17	-19		5.6	-0.4	-1	-18	-74	-48
South Africa		16.3	0.1	2.1	3	-11	-14		10.2	-3.0	-11	2	79	65
Turkey		7.93	-1.5	0.0	-3	-27	-25		13.1	-3.2	-15	-43	-91	144
US (DXY; 5y UST)		93	0.3	-1.0	-1	-5	-4		0.35	-0.3	4	9	-123	-134

	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		4778	-0.3	0	3	23	17		214	-1	-2	-3	28	38
Indonesia		5092	-0.1	0	3	-18	-19		210	1	0	-26	31	54
India		40558	-0.4	2	7	4	-2		205	-2	1	-18	71	80
Philippines		6345	1.1	7	8	-20	-19		122	1	2	-19	43	56
Malaysia		1499	0.4	-1	0	-5	-6		144	-1	1	-13	21	32
Argentina		50089	0.8	6	22	51	20		1455	6	47	100	-766	-314
Brazil		100552	0.0	1	3	-6	-13		300	2	-2	-25	70	85
Chile		3783	3.0	3	4	-24	-19		162	0	0	-19	28	29
Colombia		1178	-0.8	1	-1	-27	-29		234	1	4	-26	59	71
Mexico		38669	1.2	2	8	-11	-11		486	1	12	-21	189	194
Peru		18165	2.0	2	2	-6	-12		148	2	6	-23	24	41
Hungary		33720	0.1	2	4	-19	-27		109	2	-7	-12	12	23
Poland		48098	0.4	1	-1	-17	-17		17	1	-6	-8	-15	-1
Romania		8794	-0.1	0	-3	-9	-12		233	0	-4	-26	49	59
Russia		2811	0.9	0	-3	0	-8		195	1	-5	-18	11	64
South Africa		55016	-0.6	0	3	-2	-4		484	3	-15	-36	166	164
Turkey		1204	-0.7	2	10	23	5		608	17	-16	-43	123	207
Ukraine		502	0.0	-2	0	-4	-2		725	8	18	37	259	305
EM total		46	0.1	1	5	9	3		404	0	-16	-13	68	111

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