



Global Markets Monitor

Monetary and Capital Markets Department
Global Markets Analysis Division

Tuesday, October 23, 2018

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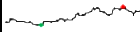


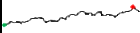

- **Size of US BBB-rated corporate bond market approaching \$3 trillion in size** ([link](#))
- **Italy stands firm on deficit proposal; EC expected to reject the budget** ([link](#))
- **BoJ's FSR shows bank profitability pressures but improving FX funding risks** ([link](#))
- **Q3 EM bond issuance slowed on low demand and higher borrowing costs** ([link](#))
- **PBOC introduces new program to support private bond issuance** ([link](#))
- **Bank Indonesia holds policy rate unchanged at 5.75%** ([link](#))

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Global risk assets fall as investor sentiment remains fragile

Equity markets turned sharply lower from session highs at the start of the week and the VIX jumped back above 20 as political tensions continued to weigh on investor sentiment. Equity markets continued to be dictated by an accumulation of negative political headlines and underwhelming earnings reports, while hopes are that big names in the US scheduled to report later this week can help rebuild upward momentum. In line with the risk-off bias in equity markets, Treasury yields are down as much as 5 bps across the curve. Headline risk remains high from Italy and Brexit. The relief rally in Italian assets was short-lived as Italy responded to the EU Commission with no signs of adjusting the 2.4% deficit to GDP target, which raises the likelihood the EU will officially reject Italy's draft budget and ask for a revision. The US dollar was mixed across G10 pairs, while notably strengthening against the British pound as UK PM May continued to face opposition in Parliament as Brexit negotiations entered their final stages. EM stocks are down this morning, with losses ranging from 0.5-2.5% across Asia and EMEA bourses.

Key Global Financial Indicators

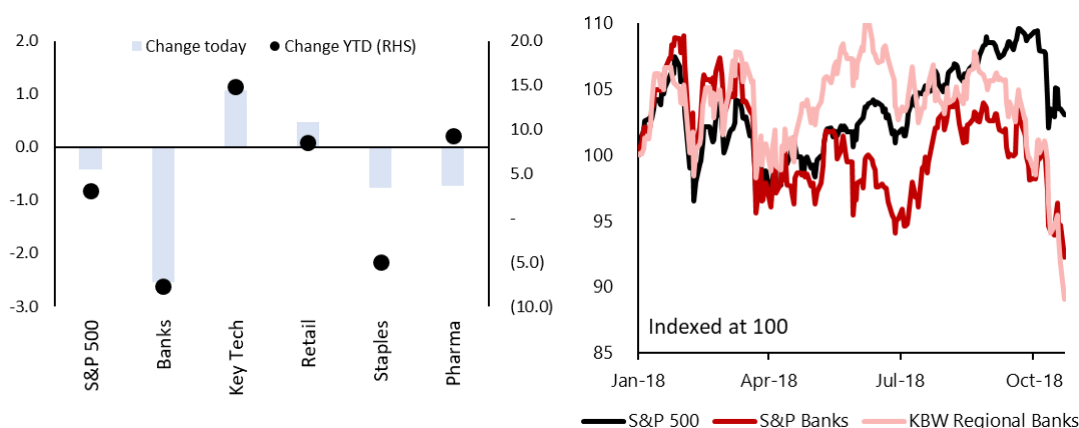
Last updated: 10/23/18 8:04 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		2756	-0.4	0	-6	7	3
Eurostoxx 50		3151	-1.2	-3	-8	-13	-10
Nikkei 225		22011	-2.7	-2	-8	1	-3
MSCI EM		40	-1.6	1	-7	-13	-15
Yields and Spreads			bps				
US 10y Yield		3.15	-4.9	-1	9	78	74
Germany 10y Yield		0.43	-1.4	-6	-3	0	1
EMBIG Sovereign Spread		357	6.0	9	11	75	72
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		62.2	-0.1	-1	1	-10	-11
Dollar index, (+) = \$ appreciation		95.8	-0.2	1	2	4	4
Brent Crude Oil (\$/barrel)		78.0	-2.3	-4	-1	36	17
VIX Index (% change in pp)		24.6	4.9	7	13	13	14

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

United States

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US equities closed modestly lower at the end of a choppy trading session, with the S&P 500 down 0.4%. The weakness was led by the financial sector with banks down 2.4%, however the tech sector continued to recover with the tech-focused Nasdaq index up 0.9%. The banking sector has underperformed the S&P 500 by 10% YTD, with analysts highlighting weaker loan growth and rising deposit costs as potential headwinds. **This morning, S&P 500 futures point to a 1.5% decline at the open and US Treasury yields are down 3-5 bps across the curve with the benchmark 10-year at 3.15%. The VIX has also jumped up 5 points to 24, its highest level in two weeks.**



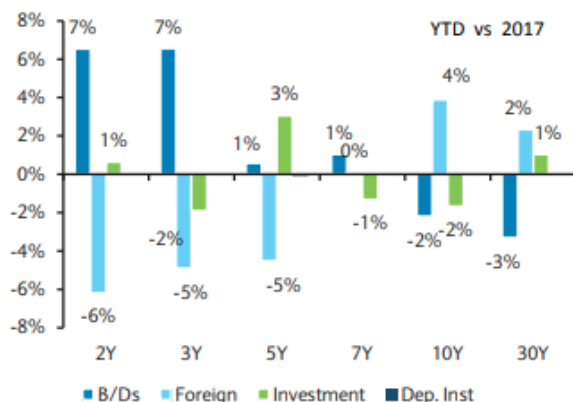
Source: Bloomberg

With Treasury yields rising by 9-13 bps across the curve over the last month, investor attention is shifting to the supply/demand backdrop in the US Treasury market. Considering auction results, final demand seems to be weakening at the front end while it remains solid at the long end, particularly from foreign investors, which have absorbed an historically high share of bond issuance this year (Chart 1). That said, the foreign demand has slowed across all tenors in Q3 2018 (Chart 2), potentially reflecting the higher hedging costs.

Changes in bidder & investor allotment categories YTD (vs 2017), and Q3 18 (vs H1 18) by tenors

FIGURE 3

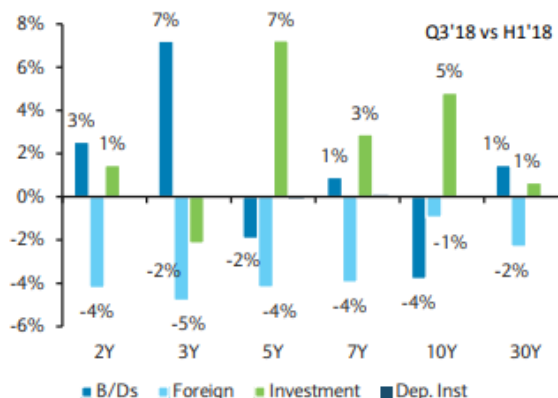
Foreign investors extended into the 10y and 30y sectors, while trimming exposure at the front end



Source: US Treasury, Barclays Research

FIGURE 5

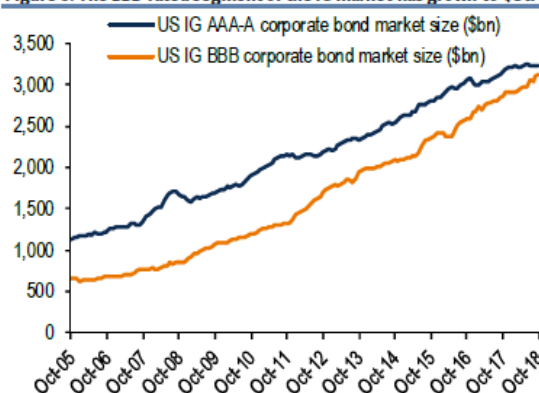
Foreign investors reduced participation across the curve in Q3 18



Source: US Treasury, Barclays Research

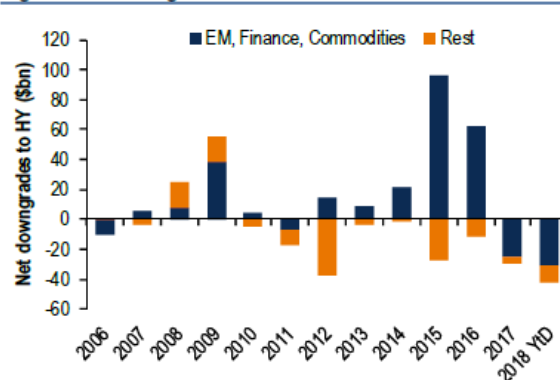
The size of the BBB-rated US corporate bond market continues to rise and has increased to almost \$3 tn. This compares with the US high-yield market size of \$1.2 tn, thus increasing investor concerns on the lack of market depth to absorb potential downgrades from the BBB bucket. That said, the more recent direction of rating changes has eased concerns around downgrades in the near-term. As Chart 2 illustrates, outside of EM, finance and commodity-related corporate bonds, the rest of the high-yield market has seen net upgrades from HY to HG over the last four years. Furthermore, the commodity downgrade cycle from 2015/2016 has also been partially reversed over the last two years.

Figure 8: The BBB rated segment of the IG market has grown to \$3tr ...



Source: BofA Merrill Lynch Global Research

Figure 10: Net downgrades from HG to HY



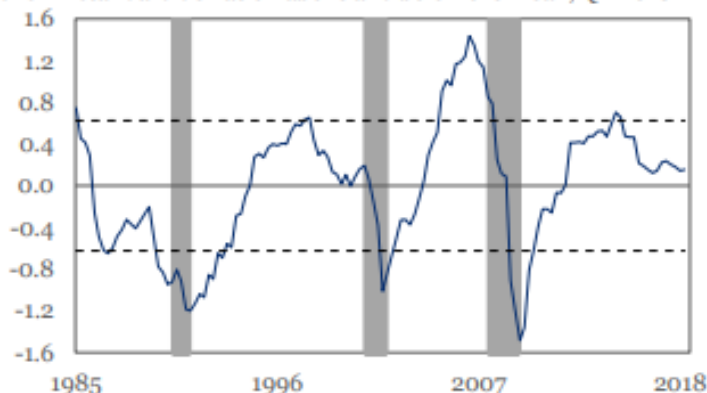
Note: Based on ICE BofAML US corporate indices.

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

Analysis by the IIF shows that there are increasing vulnerabilities in the US non-financial corporate sector, with the business health index having peaked in 2014 and on a downward trend since (notwithstanding a post US election boost in business sentiment). As per the analysis, the vulnerabilities are centered on a greater reliance on short-term debt, rising borrowing costs, higher net debt-to-EBIT ratios, and deteriorating interest coverage and quick ratios. While capital spending and financing gaps remains at healthy levels, stretched valuations and a potential correction are cited as potential risks.

Chart 2: A new U.S. Business Health Index*

index, shaded areas show the recessionary periods; dashed lines show 1 standard deviation above and below the mean, Q2 2018



Source: IIF; a weighted average of the first four factor loadings from the twelve variables which summarize U.S. firms' financial strengths and vulnerabilities. Estimation details are available upon request.

Europe

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The global downdraft in equity prices has hit the EU hard. The EuroStoxx 600 is down 1.5%, in its fifth consecutive session of decline and now back to levels not seen since late 2016. The Dax (-2.4%) is underperforming today, but losses have been well distributed throughout the region over the last five sessions (around -4.0%). Italy has not underperformed over this period, but the EU-wide banking sector has (-6.0%). The UK FTSE is outperforming today (-1.0%) and over the last five sessions (-1.3%), in part due to the weaker pound. **The price action in European fixed income markets has been more subdued.** Bund yields are down a couple of basis points over the last two sessions, consistent with the rise in risk aversion. Yields in Italy are moving in line with those in the region, down 2-3 bps today.

EU and UK Stocks



Italy

Economy Minister Tria stood firm on his budget proposal, admitting it contravenes the Stability and Growth Pact. His letter to EU commissioners described the budget as “tough but necessary” aimed at ameliorating the “desperate economic conditions” of Italy’s “most disadvantaged citizens.” Some analysts have taken comfort from the Italian commitment to correct the deficit if growth disappoints, but this is unlikely to satisfy the EC. Most expect the commission to escalate the disciplinary procedure envisioned by the Pact and formally reject Italy’s budget—an unprecedented move. If so, the Italian government will have to submit a new draft within three weeks. This is roughly the outcome expected, so no sustained negative price action has followed so far.

United Kingdom

PM May said 95% of the withdrawal deal has been agreed but the Irish border remains a “considerable sticking point.” The most recent rebellion (and talks of an imminent vote of confidence) were appeased after May assured the House of Commons she would not allow Northern Ireland to come under customs and regulatory control. Anti-EU MPs decided not to put to a vote an amendment that would allow Northern Ireland’s assembly a veto over the backstop. This has helped the pound stage a timid rebound, rising 0.3% today after declining 0.8% yesterday. But contacts emphasize that PM May’s situation is fragile and that a Brexit deal remains elusive.

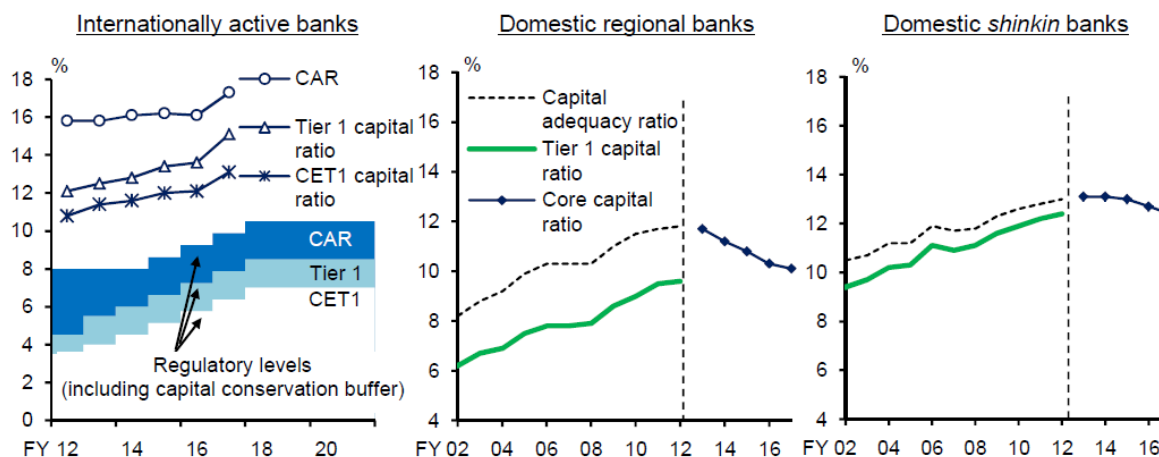
Other Mature Markets [back to top](#)

Japan

The yen gained while equities suffered sharp losses amid a resurgence in risk aversion. A broad-based equity market loss in Asia lifted the yen (+0.6%) to ¥112.16. Meanwhile, weaker-than-expected earnings reports from a number of companies intensified selling pressure in the equity market, with the Nikkei and Topix falling by 2.7% and 2.6%, respectively. Analysts noted that the US-China trade conflict could further weigh on corporate earnings in the coming quarters.

The Bank of Japan's 3Q18 Financial Stability Review stresses bank profitability challenges. The BOJ's 3Q18 FSR portrayed the Japanese financial system risk environment as benign overall but highlights a few areas of increased or continuing concern. First, the poor profitability of domestic regional and *shinkin* banks continues to erode capital ratios. While adequate overall under stress scenarios, regulators are concerned that buffers are eroding, potentially weakening credit supply; that performance is increasingly heterogeneous and includes clusters of highly vulnerable institutions; and that banks facing particularly severe profitability pressure are taking on higher risks, often at relatively low risk-adjusted returns.

Chart V-1-1: Financial institutions' capital adequacy ratios



Note: "CAR" stands for total capital adequacy ratio. Classifications of internationally active banks and domestic banks are as at each time point for Basel III's regulatory ratios, and are as at end-fiscal 2013 for regulatory ratios before Basel III. The data in the left-hand and middle charts are calculated on a consolidated basis. The latest data as at end-March 2018. The data take transitional arrangements into consideration.

Source: BOJ.

Trends in Japanese institutions' dollar funding exposures are somewhat more benign. Banks' overall foreign currency "stability gap" (deposits and long-term funding relative to loans) has narrowed in recent years. Shifts in relative interest rates have diminished the risk-adjusted return on dollar assets and prompted a move into Euro-denominated credits. Further, Japanese banks' claims in Asia have shifted from USD toward local currency exposures – both developments that have relieved dollar funding pressures, lowered dependence on swap funding, and narrowed USDJPY swap spreads. As with overall capital positions, regional banks are relatively vulnerable, with a higher proportion of foreign currency funding from repos and foreign currency swaps.

Emerging Markets

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Key Emerging Market Financial Indicators

Last updated: 10/23/18 8:08 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
Major EM Benchmarks			%				%
MSCI EM Equities		40.10	-1.6	1	-7	-13	-15
MSCI Frontier Equities		26.86	-0.6	-2	-6	-16	-19
EMBIG Sovereign Spread (in bps)		356	5.0	8	10	74	71
EM FX vs. USD		62.20	-0.1	-1	1	-10	-11
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.94	0.2	0	-1	-4	-6
Indonesian Rupiah		15192	0.0	0	-2	-11	-11
Indian Rupee		73.57	0.0	0	-1	-12	-13
Argentine Peso		36.47	0.2	1	2	-52	-49
Brazil Real		3.69	-0.1	1	11	-12	-10
Mexican Peso		19.36	0.3	-3	-2	-1	2
Russian Ruble		65.35	-0.2	0	1	-12	-12
South African Rand		14.35	-0.2	-1	0	-4	-14
Turkish Lira		5.77	-1.7	-1	7	-36	-34
EM FX volatility		9.75	0.0	0.1	-1.8	1.5	1.9

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

Emerging market stocks took a leg down Tuesday morning, with losses ranging from 0.5-2.5% across Asia and EMEA bourses. South Korea's KOSPI lost 2.6%, followed by China's Shanghai Composite (-2.3%) and others in the region. **EMEA** stocks also took a beating but by a smaller magnitude, with losses led by the Czech Republic (-0.8%). Currencies, on the other hand, traded relatively stable, except for the Turkish lira (-1.6%). In **Latin American** markets continued to diverge yesterday, with Mexico softening on investor worries over the new airport and the migrant caravan and Brazil outperforming on hopes about the presidential front-runner. The Argentine peso was marginally stronger and local bond yields were 100-150 bps lower after a quiet session.

EM bond issuance slowed sharply in the third quarter. Sovereign and corporate borrowers in emerging markets and developing economies issued only \$48 bn in the international bond market in the third quarter. This was a marked slowdown from \$108 bn in Q2 and \$147 bn in Q1. Analysts noted that the deceleration was not solely due to seasonal effects, as the Q3 level was the lowest since 2015Q4. They attributed the slowdown to low risk appetite for EMs and to higher borrowing costs. Last week, aside from a \$2 bn bond sale by Turkey, Panama (Baa2) placed a 2050 \$0.5 bn bond at 155 bps over Treasuries. Non-sovereign (corporate, financial, agency, and supranational) issuers raised \$4.9 bn in Latin America, \$3.5 bn in emerging Asia ex. China, and \$3.2 bn in China.

EM total portfolio flows remained negative last week, based on analysis by JPMorgan. EM bond outflows accelerated to -\$1.0 bn last week from -\$0.5 bn the prior week, while EM equity outflows moderated to -\$1.4 bn from -\$2.1 bn the week before. Thus, cumulative year-to-date flows have remained positive for bonds and equities at +\$21.7 bn and +\$10.6 bn, respectively (table). EM bond flows were driven by a pick-up in redemptions in hard currency, while bond ETF flows remained slightly positive. EM equity outflows were led by a pick-up in outflows from Global EM funds.

Exhibit 1: Weekly Cross-Asset Flows

USD billion

	Asset	8w flows	This wk	YTD
Fund Flows	EM Bonds and Equities		-2.4	32.4
	EM Bonds		-1.0	21.7
	Hard Ccy		-0.7	9.8
	Local Ccy		-0.3	12.0
	EM Equities		-1.4	10.6
	US HG		-1.7	50.9
	US HY		0.9	-20.1
	Global Equities		-11.8	-6.5
	EM Bond and Equity ETFs		0.6	13.7
	EM Bond ETFs		0.2	4.2
	EM Equity ETFs		0.4	9.6
	Non-resident EM flows*		-5.0	-39.7
	EM Local Bonds		-0.1	-3.5
	EM Equities		-4.9	-36.2

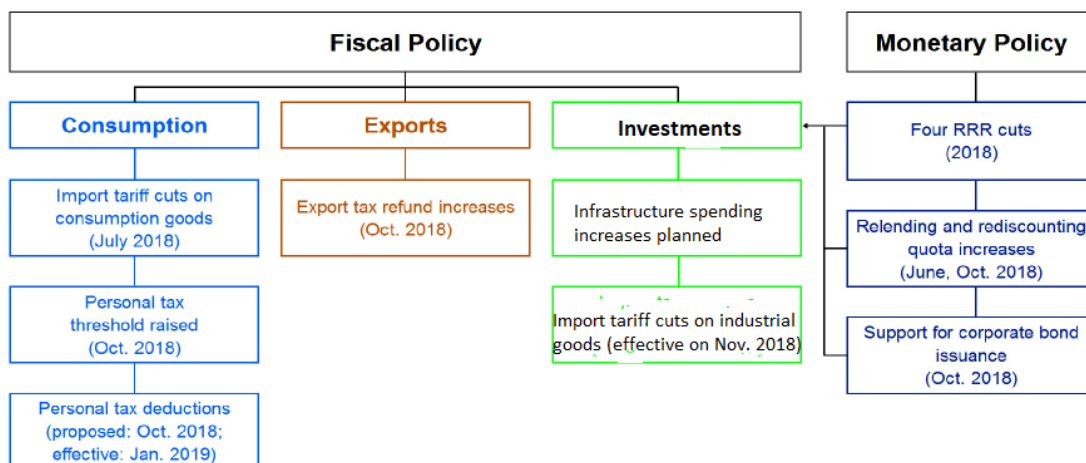
*Using high frequency non-resident EM portfolio flow data where available

Source – All charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg

China

Chinese equities resumed their declines as risk aversion once again took hold. Following its biggest 2-day gain in 3 years, the Shanghai Composite Index lost 2.3%, led by consumer staple producers and technology shares. The index has lost more than 26% this year, making it one of the worst performers globally as the trade dispute with the US and signs of softer growth weighed on investor sentiment. **The RMB by contrast, was little changed.** The onshore CNY gained 0.15% to 6.937 while the offshore CNH shed 0.14% to 6.947.

The PBOC is offering support for private bond sales. In reaction to sizable market losses, growing volatility, and softer growth, the government is offering support to different sectors of the economy (text chart below). The latest initiative includes plans for boosting bond financing for private firms. According to Bloomberg, the PBOC plans to give RMB10 bn (\$1.4 bn) to China Bond Insurance – a credit enhancement facility – to provide credit support for debt sales by private companies. Moreover, the PBOC announced a RMB150 bn quota in bank lending to boost credit supply to SMEs and private companies. In addition to the RMB150 bn offered in June, PBOC's SME lending now totals RMB300 bn.



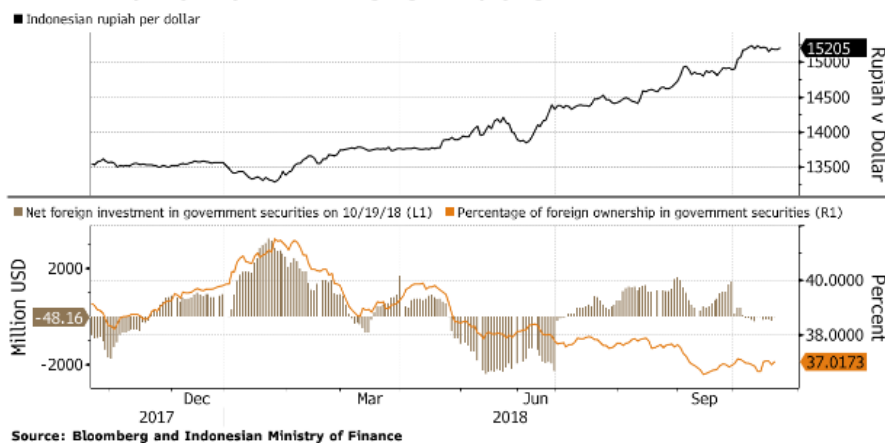
Source: Bloomberg Economics

Indonesia

Bank Indonesia left its benchmark interest rate unchanged, holding the 7-day reverse repurchase rate steady at 5.75%, in line with expectations. The central bank however retained its hawkish policy stance and reiterated that it would maintain a “front-loaded, pre-emptive policy,” and that further action will depend on the outlook for the current-account deficit, inflation and the exchange rate. Since mid-May, the central bank has raised its policy rate by a total of 150 bps. More could come according to analysts’ forecasts, with another 50 bps by year end due to expectations for another Fed rate hike in December and further strength in the US dollar. Meanwhile, **the rupiah has stabilized**. Bloomberg reported that investment into local government bonds in Q3 totaled \$3.7 bn, compared with almost \$4 bn of outflows in the previous three months. The rupiah has held mostly stable since early October, limiting its losses relative to the USD to about 11% so far this year. On the day, the rupiah was little changed, hovering around the 15,200 level against the USD.

Comeback Trail

Indonesia's policy response showing signs of paying off

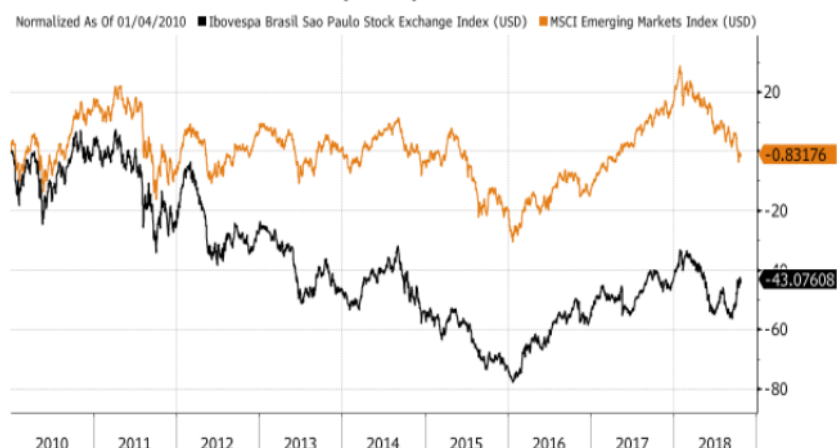


Brazil

Brazilian markets continued to rally yesterday, as the market-friendly, right-wing candidate retained a considerable lead in a new poll. An MDA/CNT poll showed that Bolsonaro would get 57% of votes, well above 43% of votes received by Workers’Party Haddad. Analysts are now turning to Bolsonaro’s proposed policies. Local press reported that the front-runner’s team has been in negotiations with the lower house’s representatives to pass a pension reform this year. Bolsonaro also plans to formalize central bank independence. Commentators expect that these initiatives will boost the real at least in the short-term. In addition, investors remain focused on the future role of pro-market teammate Paulo Guedes who is expected to become Bolsonaro’s finance minister. If reforms proceed as planned, market analysts see some

Closing the Gap

Brazil assets have room to catch up with peers



scope for Brazilian equities to close the performance gap between Brazil and broader emerging markets which has widened since 2010 (figure). The real strengthened 0.7% yesterday and remained the best performing major currency this month (up 11%).

Mexico

Worries about the new airport and the caravan of migrants continued to weigh on Mexican markets.

The airport project is reportedly viewed as a litmus test of the Lopez Obrador government's relationship with market participants. Investors purchased \$6 bn of bonds issued to finance the new airport. If the project does not go through, the bonds will be repaid by the old airport. Reflecting investors' concerns, spreads on the airport's bonds have soared lately. Some analysts warned that scrapping the project might trigger negative effects on credit ratings and foreign investment flows. The referendum's results are expected on Sunday, while President-elect Lopez-Obrador reportedly has some flexibility in deciding the project's destiny. In addition, the caravan of migrants continued to generate negative comments from the US administration and might reportedly put the Mexico-US relationship at risk. The peso dropped 0.7% yesterday, equities were down 1.0%, and the 10-year yield was up 13 bps.

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Global Financial Indicators

Last updated: 10/23/18 8:06 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		2756	-0.4	0	-6	7	3
Europe		3151	-1.2	-3	-8	-13	-10
Japan		22011	-2.7	-2	-8	1	-3
China		2595	-2.3	2	-7	-23	-22
Asia Ex Japan		65	1.2	1	-9	-13	-15
Emerging Markets		40	-1.6	1	-7	-13	-15
Interest Rates			basis points				
US 10y Yield		3.15	-4.9	-1	9	78	74
Germany 10y Yield		0.43	-1.4	-6	-3	0	1
Japan 10y Yield		0.15	-0.2	0	2	8	10
UK 10y Yield		1.51	-1.7	-10	-4	20	32
Credit Spreads			basis points				
US Investment Grade		102	-0.4	1	4	7	11
US High Yield		349	2.6	1	21	-11	-26
Europe IG		75	1.7	3	6	21	31
Europe HY		300	5.4	10	29	61	66
EMBIG Sovereign Spread		357	6.0	9	11	75	72
Exchange Rates			%				
Dollar Index (DXY)		95.85	-0.2	1	2	2	4
USDEUR		1.15	0.1	-1	-2	-2	-4
USDJPY		112.3	0.5	0	0	1	0
EM FX vs. USD		62.2	-0.1	-1	1	-10	-11
Commodities			%				
Brent Crude Oil (\$/barrel)		78	-2.3	-4	-1	36	17
Industrials Metals (index)		119	-0.5	-1	-2	-10	-14
Agriculture (index)		44	-0.2	-2	4	-10	-8
Implied Volatility			%				
VIX Index (% change in pp)		24.6	4.9	6.9	12.9	13.5	13.5
10y Treasury Volatility Index		3.9	0.2	0.0	0.5	-0.5	0.4
Global FX Volatility		8.0	0.0	0.0	-0.6	0.2	0.7
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		390	1.9	11	30	22	22
Italy		305	1.2	9	69	147	147
Portugal		156	-0.8	11	15	4	4
Spain		122	-2.8	7	19	8	8

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: 10/23/2018 8:11 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		6.94	0.2	-0.4	-1	-4	-6		3.6	0.6	-2	-11	-24	-42
Indonesia		15192	0.0	0.1	-2	-11	-11		8.8	0.4	-13	44	180	212
India		74	0.0	-0.1	-1	-12	-13		8.0	-0.2	-4	-17	96	58
Philippines		54	0.0	0.3	1	-4	-7		6.6	0.4	2	32	177	174
Thailand		33	-0.5	-0.1	-1	1	-1		2.9	2.5	1	4	72	64
Malaysia		4.16	-0.1	-0.3	-1	2	-3		4.1	0.7	2	3	22	21
Argentina		36	0.2	0.6	2	-52	-49		20.2	-47.9	-241	-321	513	416
Brazil		3.69	-0.1	1.0	11	-12	-10		8.8	-15.6	-28	-133	21	-24
Chile		684	-0.1	-2.1	-2	-8	-10		4.9	-1.0	-3	10	32	7
Colombia		3086	-0.3	0.3	-3	-4	-3		6.7	0.1	-4	12	39	47
Mexico		19.36	0.3	-3.1	-2	-1	2		8.4	15.2	26	31	113	70
Peru		3.3	0.0	0.1	-1	-3	-3		5.8	2.0	-1	17	49	57
Uruguay		33	0.5	0.8	0	-10	-12		10.6	3.8	14	-17		204
Hungary		281	0.1	-1.1	-2	-7	-8		2.8	0.0	-13	11	135	151
Poland		3.74	0.0	-1.1	-2	-4	-7		2.6	-0.8	0	2	-18	-9
Romania		4.1	0.1	-0.8	-2	-4	-4		4.6	1.0	-1	33	123	80
Russia		65.3	-0.2	0.0	1	-12	-12		8.3	-5.9	-10	-8	88	99
South Africa		14.3	-0.2	-1.3	0	-4	-14		9.7	-7.9	-8	6	26	43
Turkey		5.77	-1.7	-1.4	7	-36	-34		20.3	24.5	26	-85	893	837
US (DXY; 5y UST)		96	-0.2	0.8	2	2	4		3.00	-5.0	-2	5	100	79

	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		2595	-2.3	2	-7	-23	-22		189	6	5	4	51	37
Indonesia		5798	-0.7	0	-3	-3	-9		212	6	11	19	51	46
India		33847	-0.8	-3	-8	4	-1		166	4	2	2	53	56
Philippines		7198	-0.5	3	-3	-14	-16		114	7	6	17	22	19
Malaysia		1698	-1.4	-2	-6	-3	-6		130	8	6	1	13	20
Argentina		28568	-0.4	-3	-17	3	-5		676	10	44	90	325	326
Brazil		85597	1.6	3	8	14	12		260	3	9	-33	31	26
Chile		5123	0.0	0	-6	-8	-8		136	5	8	5	19	17
Colombia		1440	-0.8	-2	-3	-1	-5		190	4	13	17	7	16
Mexico		46963	-1.0	-2	-5	-5	-5		278	5	24	17	35	33
Peru		18906	0.1	-2	-4	-5	-5		151	4	8	17	13	14
Hungary		37186	-0.8	2	4	-5	-6		120	4	3	9	33	32
Poland		55896	-1.1	-2	-4	-12	-12		63	6	-2	20	17	16
Romania		8605	-0.1	1	3	9	11		183	0	2	14	61	69
Russia		2314	0.3	-4	-5	12	10		221	3	3	-9	39	43
South Africa		51261	-1.8	-4	-10	-12	-14		314	4	-12	-7	50	60
Turkey		93384	-1.4	-5	-5	-13	-19		447	7	2	-7	156	158
Ukraine		560	-0.1	1	4	88	78		562	11	-3	13	113	107
EM total		24	1.0	1	-7	-10	-10		356	5	8	10	74	71

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