



- Strong launch of first US bitcoin ETF with flows topping \$1 bn ([link](#))
- Negotiations over Monte dei Paschi sale collapse ([link](#))
- China to launch a five-year property tax pilot program ([link](#))
- The Turkish lira hits record low following a diplomatic row ([link](#))
- Russian markets remain under pressure following Friday's central bank meeting ([link](#))
- Depreciation pressures mount on the Argentine peso ([link](#))
- **Special Feature: Advanced economy bond yields, inflation, and divergence between US and euro area (attached)**

[Mature Markets](#)



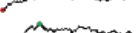

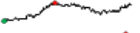

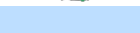


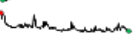
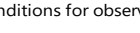
| [Emerging Markets](#)

| [Market Tables](#)

## Markets cautious to start the week

European bourses gained slightly and Asian stocks were mixed as investors weighed inflation concerns, potential virus outbreaks and a series of big-tech earnings releases. Amazon, Apple, Facebook, Microsoft, and Twitter are all due to post earnings this week. Energy prices continued their ascent after Saudi Arabia cautioned against increasing supply, with Brent futures reaching fresh multi-year highs at \$86 a barrel. US Treasury and bund yields rose modestly this morning, and the US dollar index was slightly stronger. In emerging markets, Russian markets priced another 100 bps of hikes following hawkish central bank messaging on Friday and the Turkish lira hit another record low on news of president Erdogan naming the diplomats of 10 foreign nations not welcome. Investors were also monitoring an outbreak of the delta virus strain in China where the central bank boosted liquidity and officials expanded a property tax trial.

Key Global Financial Indicators

| Last updated:<br>10/25/21 8:10 AM    | Level   |        | Change from Market Close |        |         |      | YTD |
|--------------------------------------|---|--------|--------------------------|--------|---------|------|-----|
|                                      | Last 12m  | Latest | 1 Day                    | 7 Days | 30 Days | 12 M |     |
| <b>Equities</b>                      |   |        | %                        |        |         |      | %   |
| S&P 500                              |  | 4545   | -0.1                     | 2      | 2       | 31   | 21  |
| Eurostoxx 50                         |  | 4191   | 0.1                      | 1      | 1       | 31   | 18  |
| Nikkei 225                           |  | 28600  | -0.7                     | -1     | -5      | 22   | 4   |
| MSCI EM                              |  | 52     | -0.2                     | 0      | 2       | 12   | 1   |
| <b>Yields and Spreads</b>            |   |        | bps                      |        |         |      |     |
| US 10y Yield                         |  | 1.66   | 2.3                      | 6      | 20      | 81   | 74  |
| Germany 10y Yield                    |  | -0.10  | 0.9                      | 5      | 13      | 48   | 47  |
| EMBIG Sovereign Spread               |  | 355    | 1                        | 0      | 4       | -57  | 5   |
| <b>FX / Commodities / Volatility</b> |   |        | %                        |        |         |      |     |
| EM FX vs. USD, (+) = appreciation    |  | 55.0   | 0.0                      | 0      | -2      | 0    | -5  |
| Dollar index, (+) = \$ appreciation  |  | 93.8   | 0.1                      | 0      | 0       | 1    | 4   |
| Brent Crude Oil (\$/barrel)          |  | 86.3   | 0.9                      | 2      | 11      | 107  | 67  |
| VIX Index (% change in pp)           |  | 15.9   | 0.5                      | 0      | -2      | -12  | -7  |

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

**In the week ahead**, market participants will be eyeing the advance reading of US Q3 GDP on Thursday, with consensus expecting 2.6 percent q/q SAAR. PCE inflation for September will be released on Friday, with expectations for 0.3 percent m/m and 4.4 percent y/y. The earnings season continues as well. The ECB will meet on Thursday, and investors will surely be looking for clues as to the future of the asset purchase programs, though any major announcements are not expected to come until December. Euro area Q3 GDP and preliminary inflation readings across much of Europe will be released as well. The Bank of Canada (BoC) and Bank of Japan meet on Wednesday, with analysts expecting the BoC to further taper weekly asset purchases (CAD2 bn to CAD 1bn) and wind down its quantitative easing program completely by the end of the year. Among EMs, Brazil and Colombia have central bank meetings, with the BCB expected to hike by at least 100 bps (markets are pricing an even larger hike) amid intensifying fiscal issues, while consensus sees a hike of +25 bps in Colombia.

## Mature Markets

[back to top](#)

### United States

**US equities (-0.1 percent) edged lower on Friday as supply chain concerns continue to plague earnings reports.** The S&P 500 fell 0.1 percent on Friday after 7 consecutive daily gains, with the index up 5.1 percent month to date and reaching a new all-time high last week, erasing the September sell off. Treasuries rallied, with the 2-10 year spread tightening by 7 bps as the 10-year yield fell (-7 bps) back to 1.63 percent. Despite this, 10-year yields were up close to 20 bps on net at Friday's close over the last month. **The dollar pared its gains over the last 2 weeks and is just 0.3 percent stronger over the last month**, though it has rallied about 4 percent on net since June 1.

**The first US bitcoin ETF started strong with flows topping \$1bn in less than a week.** The debut of the first US-listed bitcoin ETF, ProShares Bitcoin Strategy (BITO, futures only), was met with strong inflows and coincided with new all-time highs for Bitcoin and Ether at \$67k and \$4.36k respectively, though both pulled back later in the week. ProShares ETF pulled in \$1.2 bn in the first 3 days, though a similar hot start (relatively) for the Canadian-listed Purpose Bitcoin ETF in February saw interest fade within a week with inflows tailing off. ProShares also had the second largest trading volumes ever—over \$1 bn—on its first day, according to Bloomberg. Notably, within 2 days, the ProShares ETF already came close to reaching its limit on CME contracts for October—which are capped at 2k for the front month. CME recently raised the limit to 4k starting with the November 2021 contract month (though it falls to 2k, 3 days prior to expiration), potentially forcing ETFs to reach further out into the futures curve, which will potentially increase the tracking error with spot prices, among other issues. Bitcoin's record as an inflation hedge has been dubious, but analysts at JP Morgan believe investors may be taking another look, as outflows from gold ETFs have tracked stronger inflows to bitcoin related funds.

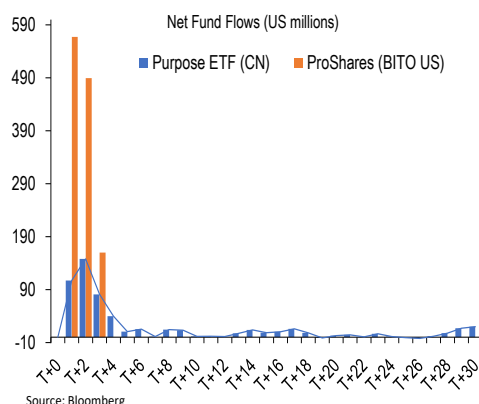
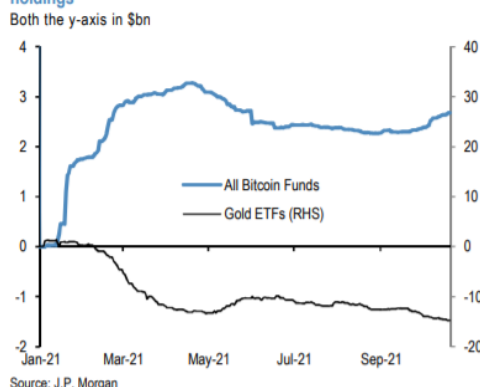
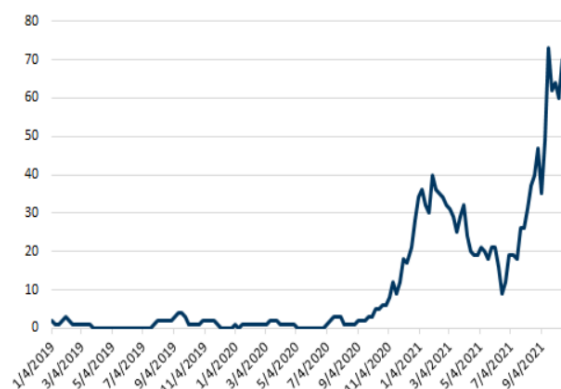


Figure 2: Cumulative Flows in all Bitcoin funds and Gold ETF holdings



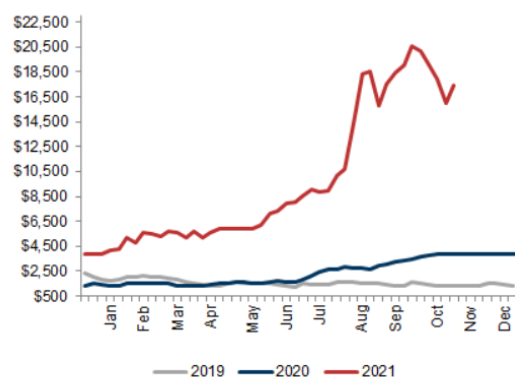
**US port and supply chain strains remain elevated, with only tentative signs of easing after mid-September peaks.** The backlog of container ships anchored off the Ports of LA and Long Beach has fallen only slightly to 70 from a peak of 73 in late September, compared to ~1 pre-pandemic. Analysts have highlighted that many of the bottlenecks are in warehousing, storage, and trucking, potentially leaving ship backlogs in place for some time. President Biden announced an agreement with LA ports and private companies to operate 24hr a day on Oct. 13, though it has yet to have a significant effect by most accounts. Positively, **Asia-North America oceanfreight rates have eased from their peak, but are still up 350 percent y/y.**

**Exhibit 5 : Container Ships Anchored at Port of L.A. and Port of Long Beach, January 2019-September 2021**



Source: Marine Exchange of Southern California

**Exhibit 9 : China/East Asia to North American West Coast Ocean Freight Pricing**

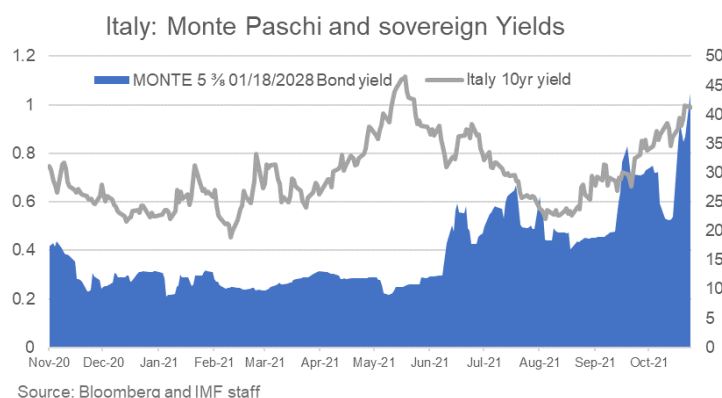


Source: FBX

## Euro area

**European equities were trading in a tight range this morning with mixed performances across sectors.** The energy sector gained (+1.2 percent) on rising oil prices, while the industrial sector underperformed (-0.6 percent). **10-year bund yields (+2bps to -0.09 percent) traded higher, while the euro depreciated (-0.2 percent) against the US dollar.**

**Talks between the Italian government and UniCredit about the sale of parts of Monte dei Paschi bank collapsed** over the weekend. According to media reports, negotiations were ended after disagreements over the capital injection into Monte dei Paschi, with UniCredit asking the Treasury to recapitalize the bank with around €7 bn euros, while the Treasury was only willing to pay up to €5 bn. The Italian government is expected to request an extension from the EU on the end-2021 deadline to sell its stake in Monte dei Paschi. **Yields on Monte dei Paschi debt jumped by +8 bps**, while 10-year Italian bond yields traded marginally lower this morning.



**German business confidence data continued its downward trend in October.** The IFO business climate index fell to 97.7 in October (98.0 expected, from 98.9), with both the current assessment (100.1 from 100.4) and the expectations component (95.4 from 97.3) also weakening. Analysts have cautioned that the loss in momentum provides more evidence that supply side disruptions are extending beyond the manufacturing sector.

## Japan

**Prime Minister Kishida is facing a tough general election this coming weekend.** Based on recent polls, the ruling Liberal Democratic Party (LDP) coalition is expected to retain a majority. However, there are close races in many constituencies, with the main opposition party potentially increasing its numbers by as much as 30 seats (from 110 currently) and reducing the margin of the majority held by the ruling coalition. **Nationwide department store sales declined 4.3 percent y/y in September**, improving from a 11.7 percent drop in August. Meanwhile, the sales in Tokyo grew 0.7 percent y/y. Equities declined (NIKKEI: -0.7 percent), the Japanese yen depreciated (-0.1 percent) and long-end JGB yields increased (10-year: +0.8 bp).

## Emerging Markets

[back to top](#)

**Asian equities were mixed, flat on net.** Share prices rose in Korea (+0.5 percent) and China (CSI 300: +0.4 percent), while Philippine equities declined (-1.1 percent). **Asian currencies were also mixed.** The Thai baht (+0.8 percent) and Korean won (+0.7 percent) appreciated, supported by a further easing of quarantine requirements for inbound travelers in Thailand and the sale of US dollar by exporters in Korea. Meanwhile, the Indonesian rupiah (-0.2 percent) and Indian rupee (-0.2 percent) depreciated. Long-end government bond yields were mixed, with 10-year yields rising Korea (+4.9 bps) while falling in Thailand (-6.5 bps). In **Hong Kong SAR**, a court convicted a second person under the national security law, raising concerns that the legislation will be strictly interpreted to contain political dissent. **EMEA equity markets were mostly trading higher** with shares up in Russia (+0.7 percent), Czech Republic (+0.5 percent) and Israel (+0.5 percent). EMEA currencies were mostly appreciating against the dollar with the Russian ruble outperforming (+0.9 percent). The Turkish lira was 1.4 percent weaker against the dollar. **Latin American stocks and currencies printed mixed on Friday.** Stocks gained in Chile (+0.8 percent) and retreated in Brazil (-1.3 percent) and Colombia (-0.7). The Mexican peso appreciated by 0.7 percent, Peru's sol depreciated by 0.4 percent, and other currencies in the region remained flat. Brazilian stocks and the real tumbled intraday, up to -4.5 percent and -1.6 percent, respectively, while ten-year BRL sovereign yields shot up by 40 bps, as the administration continued efforts to soften details of the inflation-linked federal spending cap.

## EM funds

**After 4 weeks of net outflows EM funds started to attract investors again.** Equity funds experienced weekly inflows of \$2.3 bn, while net redemptions from bond funds shrank to \$0.3 bn, down from \$2.7 bn the week before. Hard currency bond funds and local currency bond ETFs drove the improvement, receiving \$0.4 bn and \$0.2 bn of new capital. Outflows from local currency bond funds with a focus on China contracted to \$0.2 bn.

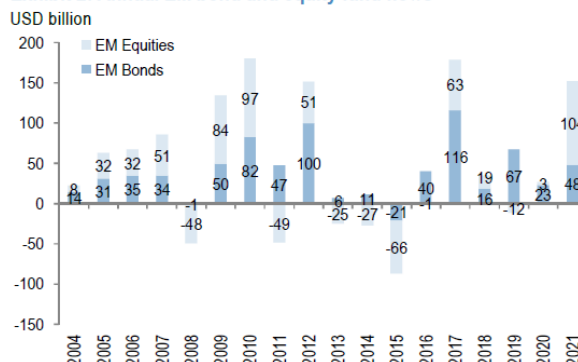
Exhibit 1: Weekly Cross-Asset Flows

| USD billion                              |                             |             |              |
|--|-----------------------------|-------------|--------------|
| Asset                                    | 8w flows (8w ago → current) | This wk     | YTD          |
| <b>EM Bonds and Equities</b>             |                             | <b>2.0</b>  | <b>151.8</b> |
| <b>EM Bonds</b>                          |                             | <b>-0.3</b> | <b>48.0</b>  |
| Hard Ccy                                 |                             | 0.4         | 24.4         |
| Local Ccy <sup>A</sup>                   |                             | -0.7        | 23.7         |
| o.w. EM ex-China                         |                             | -0.4        | 2.0          |
| o.w. China                               |                             | -0.2        | 18.9         |
| <b>EM Equities</b>                       |                             | <b>2.3</b>  | <b>103.7</b> |
| US HG                                    |                             | 1.5         | 250.4        |
| US HY                                    |                             | 2.5         | -5.8         |
| Global Equities                          |                             | 18.0        | 373.1        |
| <b>EM Bond and Equity ETFs</b>           |                             | <b>1.3</b>  | <b>66.5</b>  |
| EM Bond ETFs                             |                             | 0.2         | 11.4         |
| EM Equity ETFs                           |                             | 1.1         | 55.1         |
| <b>Non-resident EM flows<sup>*</sup></b> |                             | <b>1.6</b>  | <b>-69.0</b> |

<sup>\*</sup>High frequency non-resident EM portfolio flow data where available. <sup>A</sup>Local ccy split is retail only. Source – All charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg Finance L.P.

Source: J.P. Morgan

Exhibit 2: Annual EM bond and equity fund flows



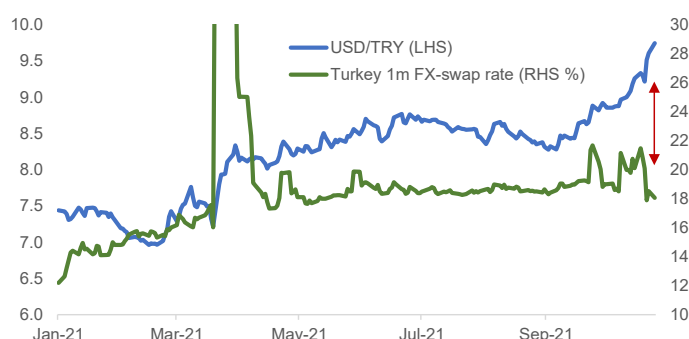
## China

**China will launch a five-year property tax pilot program in some regions.** On Saturday, the Standing Committee of the National People's Congress, China's top legislature, passed a decision to delegate the State Council to carry out a property tax pilot program. Analysts noted that Beijing is determined to implement a property tax but will still proceed in a cautious way, in part because of the ongoing slowdown in the property market. Home sales and land sales have remained weak in October after a sharp moderation in September. Analysts also noted that the decline in land sales will deal a severe blow to local government revenues. Equities gained (CSI 300: +0.4 percent), while share prices of real estate firms dropped (-1.8 percent). RMB was little changed. **The People's Bank of China injected net liquidity of 190 bn yuan (\$29.8 bn)**, keeping interbank repo rates close to the policy rate (DR007: 2.19 percent; +21.2 bps). **Evergrande made a coupon payment for its offshore bond right before the end of a grace period on Saturday, avoiding a default.** The initial coupon deadline was September 23. Evergrande still needs to make coupon payments that it missed earlier. Its share dropped (-0.7 percent).

## Turkey

**Diplomatic tensions increased pressure on the Turkish lira.** According to media reports, political tensions escalated over the weekend as Turkey threatened to declare 10 ambassadors from western countries as persona non-grata. The Turkish lira depreciated by 2.5 percent in Asia trading hours to 9.85 liras per dollar but has reversed partly as contacts noted support dollar selling by the local banks. Contacts also pointed out that **offshore lira funding rates have remained soft despite the currency weakness**, in a stark contrast to the pressures seen in the previous depreciation episodes. This is attributed to the large lira balances held by the international investors to avoid settlement failures. Separately, large state banks announced that they were reducing commercial loan rates by up to 200 bps following the Central Bank of Turkey rate cut last Thursday.

Turkey Currency and Funding Rate

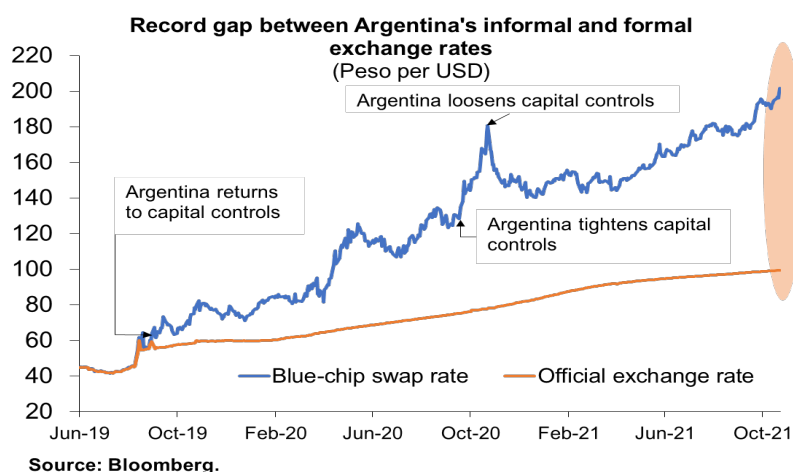


## Russia

**Interest rate markets remained under pressure following Friday's Central Bank of Russia policy meeting.** The 1-year interest rate swap rate has increased by about 100 bps since the CBR hiked its key rate to 7.5 percent on Friday. Markets are now pricing the policy rate to exceed 9 percent in the current hiking cycle. **Contacts noted that the liquidity in the swap market is at its worst level since March 2020** with very limited trading as a group of investors is struggling to cut a large position in the interest rate forward markets. Investors were positioning with a view of a central bank policy error and expected the CBR to revert some of its policy hikes already in H2 2022. However, Governor Nabiullina signaled that the monetary policy will remain tight at least until mid-2023 while increasing the average policy rate projections for 2022.

## Argentina

**Depreciation pressures on the Argentine peso continued to mount.** The peso's swap-based parallel exchange rate stood last Friday at more than twice the official exchange rate of 99.4 ARS/USD. A near doubling in open interest for peso futures since August and some ARS 45 bn of inflows to dollar-linked mutual funds over the last two months indicate declining trust in the peso's managed devaluation path. High inflation rates (52.5 percent y/y in September) exceeding the peso's official depreciation (30 percent y/y, end of September) add to incentives to flee the local currency and to depreciation pressures. J.P. Morgan analysts project a rise in the fiscal deficit, which could intensify monetary imbalances.





*This monitor is prepared under the guidance of Nassira Abbas (Deputy Division Chief), Antonio Garcia-Pascual (Deputy Division Chief) and Evan Papageorgiou (Deputy Division Chief). Fabio Cortes (Senior Economist), Reinout De Bock (Economist-London representative), Sanjay Hazarika (Senior Financial Sector Expert), Henry Hoyle (Financial Sector Expert), Tom Piontek (Financial Sector Expert) and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are Sergei Antoshin (Senior Economist), Liumin Chen (Research Assistant), Yingyuan Chen (Financial Sector Expert), Mohamed Diaby (Economist, EP), Dimitris Drakopoulos (Senior Financial Sector Expert), Torsten Ehlers (Senior Financial Sector Expert), Deepali Gautam (Research Officer), Rohit Goel (Financial Sector Expert), Frank Hespeler (Senior Financial Sector Expert), Shoko Ikarashi (Externally Financed Appointee), Phakawa Jeasakul (IMF Resident Representative in Hong Kong SAR), Esti Kemp (London Representative), Sonia Meskin (Financial Sector Expert), Kleopatra Nikolaou (Senior Financial Sector Expert), Natalia Novikova (IMF Resident Representative in Singapore), Dmitry Petrov (Financial Sector Expert), Patrick Schneider (Research Officer), Juan Solé (Senior London Representative), Dmitry Yakovlev (Senior Research Officer), Akihiko Yokoyama (Senior Financial Sector Expert), and Xingmi Zheng (Research Assistant). Magally Bernal (Senior Administrative Assistant) and Andre Vasquez (Staff Assistant) are responsible for word processing and production of this monitor.*

**Disclaimer:** *This is an internal document produced by the Global Markets Analysis Division (GA) of the Monetary and Capital Markets Department. It reflects GA staff's interpretation and analysis of market views and developments. Market views presented may or may not reflect a consensus of market participants. GA staff do not independently verify the accuracy of all data and events presented in this document.*

## Global Financial Indicators

| Last updated:<br>10/25/21 8:09 AM | Level    |        | Change                           |        |         |       | YTD  |
|-----------------------------------|----------|--------|----------------------------------|--------|---------|-------|------|
|                                   | Last 12m | Latest | 1 Day                            | 7 Days | 30 Days | 12 M  |      |
| <b>Equities</b>                   |          |        | %                                |        |         |       | %    |
| United States                     |          | 4545   | -0.1                             | 2      | 2       | 31    | 21   |
| Europe                            |          | 4191   | 0.1                              | 1      | 1       | 31    | 18   |
| Japan                             |          | 28600  | -0.7                             | -1     | -5      | 22    | 4    |
| China                             |          | 3610   | 0.8                              | 1      | 0       | 11    | 4    |
| Asia Ex Japan                     |          | 88     | -0.2                             | 1      | 3       | 9     | -2   |
| Emerging Markets                  |          | 52     | -0.2                             | 0      | 2       | 12    | 1    |
| <b>Interest Rates</b>             |          |        | basis points                     |        |         |       |      |
| US 10y Yield                      |          | 1.66   | 2.3                              | 6      | 20      | 81    | 74   |
| Germany 10y Yield                 |          | -0.10  | 0.9                              | 5      | 13      | 48    | 47   |
| Japan 10y Yield                   |          | 0.11   | 0.9                              | 1      | 5       | 7     | 9    |
| UK 10y Yield                      |          | 1.16   | 1.7                              | 3      | 24      | 88    | 97   |
| <b>Credit Spreads</b>             |          |        | basis points                     |        |         |       |      |
| US Investment Grade               |          | 84     | -6.3                             | -6     | -2      | -40   | -11  |
| US High Yield                     |          | 312    | -1.5                             | -11    | -3      | -190  | -67  |
| Europe IG                         |          | 50     | -0.1                             | 0      | 1       | -8    | 2    |
| Europe HY                         |          | 260    | -0.6                             | 2      | 17      | -81   | 17   |
| <b>Exchange Rates</b>             |          |        | %                                |        |         |       |      |
| USD/Majors                        |          | 93.76  | 0.1                              | 0      | 0       | 1     | 4    |
| EUR/USD                           |          | 1.16   | -0.3                             | 0      | -1      | -2    | -5   |
| USD/JPY                           |          | 113.7  | 0.1                              | -1     | 2       | 8     | 10   |
| EM/USD                            |          | 55.0   | 0.0                              | 0      | -2      | 0     | -5   |
| <b>Commodities</b>                |          |        | %                                |        |         |       |      |
| Brent Crude Oil (\$/barrel)       |          | 86     | 0.9                              | 2      | 11      | 107   | 67   |
| Industrials Metals (index)        |          | 174    | 1.1                              | -5     | 5       | 42    | 31   |
| Agriculture (index)               |          | 58     | 0.5                              | 1      | 2       | 36    | 20   |
| <b>Implied Volatility</b>         |          |        | %                                |        |         |       |      |
| VIX Index (% change in pp)        |          | 15.9   | 0.5                              | -0.4   | -1.9    | -11.7 | -6.9 |
| US 10y Swaption Volatility        |          | 76.5   | 0.0                              | -1.9   | 4.1     | 5.2   | 16.4 |
| Global FX Volatility              |          | 7.0    | 0.1                              | 0.1    | 0.3     | -1.4  | -1.1 |
| <b>EA Sovereign Spreads</b>       |          |        | 10-Year spread vs. Germany (bps) |        |         |       |      |
| Greece                            |          | 113    | -1.1                             | 1      | 7       | -37   | -7   |
| Italy                             |          | 109    | -1.7                             | 4      | 8       | -25   | -3   |
| Portugal                          |          | 50     | -1.4                             | -3     | -5      | -25   | -10  |
| Spain                             |          | 63     | -0.8                             | -1     | -1      | -14   | 1    |

Colors denote **tightening**/**easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations.

Data source: Bloomberg.



## Emerging Market Financial Indicators

| Last updated:<br>10/25/2021<br>8:12 AM | Exchange Rates |        |                      |        |         |      |     | Local Currency Bond Yields (GBI EM) |        |                          |         |      |      |     |
|--|----------------|--------|----------------------|--------|---------|------|-----|-------------------------------------|--------|--------------------------|---------|------|------|-----|
|  | Level          |        | Change (in %)        |        |         |      |     | Level                               |        | Change (in basis points) |         |      |      | YTD |
|  | Last 12m       | Latest | 1 Day                | 7 Days | 30 Days | 12 M | YTD | Last 12m                            | Latest | 7 Days                   | 30 Days | 12 M | YTD  |     |
|  | vs. USD        |        | (+)= EM appreciation |        |         |      |     | % p.a.                              |        |                          |         |      |      |     |
| China                                  |                | 6.39   | -0.1                 | 0.6    | 1       | 5    | 2   |                                     | 3.1    | 1                        | 10      | -21  | -16  |     |
| Indonesia                              |                | 14158  | -0.2                 | -0.3   | 1       | 3    | -1  |                                     | 6.2    | 2                        | 6       | -42  | 14   |     |
| India                                  |                | 75     | -0.2                 | 0.3    | -2      | -2   | -3  |                                     | 6.5    | 3                        | 18      | 41   | 51   |     |
| Philippines                            |                | 51     | 0.2                  | 0.3    | 1       | -5   | -5  |                                     | 4.5    | 11                       | 22      | 92   | 83   |     |
| Thailand                               |                | 33     | 0.6                  | 1.1    | 1       | -6   | -10 |                                     | 2.1    | 8                        | 25      | 57   | 74   |     |
| Malaysia                               |                | 4.15   | 0.0                  | 0.5    | 1       | 0    | -3  |                                     | 3.7    | 5                        | 31      | 123  | 113  |     |
| Argentina                              |                | 99     | 0.0                  | -0.2   | -1      | -21  | -15 |                                     | 49.9   | 77                       | 161     | 335  | -623 |     |
| Brazil                                 |                | 5.64   | 0.1                  | -2.3   | -4      | 0    | -8  |                                     | 11.7   | 135                      | 177     | 551  | 612  |     |
| Chile                                  |                | 814    | 0.2                  | 0.4    | -2      | -5   | -13 |                                     | 6.3    | 5                        | 130     | 363  | 356  |     |
| Colombia                               |                | 3773   | 0.2                  | -0.2   | 2       | 0    | -9  |                                     | 7.6    | 21                       | 37      | 237  | 255  |     |
| Mexico                                 |                | 20.22  | -0.2                 | 1.0    | -1      | 4    | -1  |                                     | 7.6    | 16                       | 42      | 145  | 199  |     |
| Peru                                   |                | 4.0    | -0.4                 | -0.9   | 4       | -9   | -9  |                                     | 6.0    | 8                        | -33     | 178  | 240  |     |
| Uruguay                                |                | 44     | 0.1                  | 0.0    | -3      | -3   | -4  |                                     | 8.1    | 6                        | 17      | 73   | 84   |     |
| Hungary                                |                | 315    | -0.7                 | -1.2   | -3      | -2   | -6  |                                     | 3.4    | 11                       | 64      | 160  | 182  |     |
| Poland                                 |                | 3.98   | -0.7                 | -0.7   | -1      | -3   | -6  |                                     | 2.3    | 15                       | 96      | 162  | 165  |     |
| Romania                                |                | 4.3    | -0.4                 | 0.0    | -1      | -3   | -7  |                                     | 4.5    | -7                       | 94      | 125  | 171  |     |
| Russia                                 |                | 69.9   | 0.9                  | 2.0    | 4       | 9    | 6   |                                     | 7.7    | 36                       | 66      | 206  | 200  |     |
| South Africa                           |                | 14.8   | 0.3                  | -0.7   | 1       | 10   | -1  |                                     | 10.3   | 18                       | 41      | 14   | 61   |     |
| Turkey                                 |                | 9.68   | -0.7                 | -3.5   | -9      | -16  | -23 |                                     | 18.8   | 5                        | 176     | 536  | 570  |     |
| US (DXY; 5y UST)                       |                | 94     | 0.2                  | -0.1   | 1       | 1    | 4   |                                     | 1.20   | 3                        | 25      | 82   | 84   |     |

|              | Equity Markets |        |               |        |         |      |     | Bond Spreads on USD Debt (EMBIG) |        |                          |         |      |     |     |
|--------------|----------------|--------|---------------|--------|---------|------|-----|----------------------------------|--------|--------------------------|---------|------|-----|-----|
|              | Level          |        | Change (in %) |        |         |      |     | Level                            |        | Change (in basis points) |         |      |     | YTD |
|              | Last 12m       | Latest | 1 Day         | 7 Days | 30 Days | 12 M | YTD | Last 12m                         | Latest | 7 Days                   | 30 Days | 12 M | YTD |     |
|              |                |        |               |        |         |      |     | basis points                     |        |                          |         |      |     |     |
| China        |                | 4980   | 0.4           | 2      | 3       | 6    | -4  |                                  | 206    | -3                       | -4      | -31  | -23 |     |
| Indonesia    |                | 6626   | -0.3          | 0      | 8       | 29   | 11  |                                  | 170    | -8                       | -14     | -52  | -30 |     |
| India        |                | 60967  | 0.2           | -1     | 2       | 52   | 28  |                                  | 143    | -2                       | -4      | -63  | -8  |     |
| Philippines  |                | 7212   | -1.1          | 0      | 4       | 11   | 1   |                                  | 108    | -8                       | -9      | -19  | -4  |     |
| Malaysia     |                | 1588   | 0.0           | -1     | 4       | 6    | -2  |                                  | 128    | -3                       | -3      | -41  | -7  |     |
| Argentina    |                | 86899  | 0.1           | 6      | 17      | 65   | 70  |                                  | 1656   | 43                       | 59      | 225  | 300 |     |
| Brazil       |                | 106296 | -1.3          | -7     | -6      | 5    | -11 |                                  | 324    | 25                       | 27      | 16   | 65  |     |
| Chile        |                | 4084   | 0.0           | 2      | -7      | 7    | -2  |                                  | 158    | -2                       | 7       | -15  | 2   |     |
| Colombia     |                | 1400   | -0.7          | -2     | 7       | 19   | -3  |                                  | 287    | -1                       | -5      | 42   | 72  |     |
| Mexico       |                | 51890  | -0.3          | -2     | 2       | 34   | 18  |                                  | 347    | -1                       | -2      | -123 | -10 |     |
| Peru         |                | 20960  | 0.5           | 2      | 14      | 16   | 1   |                                  | 158    | -9                       | -14     | 0    | 29  |     |
| Hungary      |                | 55204  | -0.1          | 1      | 7       | 64   | 31  |                                  | 110    | -7                       | -26     | -31  | -39 |     |
| Poland       |                | 73833  | 0.3           | -1     | 5       | 54   | 29  |                                  | 38     | 15                       | 13      | 16   | 10  |     |
| Romania      |                | 12856  | 0.3           | 1      | 3       | 46   | 31  |                                  | 198    | -4                       | 2       | -34  | -5  |     |
| Russia       |                | 4235   | 0.9           | 0      | 5       | 50   | 29  |                                  | 152    | -3                       | -7      | -56  | -27 |     |
| South Africa |                | 67090  | 0.1           | 0      | 5       | 21   | 13  |                                  | 353    | 0                        | -5      | -128 | -31 |     |
| Turkey       |                | 1487   | 0.5           | 5      | 7       | 25   | 1   |                                  | 515    | 9                        | 28      | -94  | 68  |     |
| Ukraine      |                | 526    | 0.0           | 0      | 0       | 5    | 5   |                                  | 498    | 14                       | 7       | -225 | 5   |     |
| EM total     |                | 52     | 0.4           | 0      | 2       | 12   | 1   |                                  | 374    | 3                        | 7       | -23  | 35  |     |

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

[back to top](#)