GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

MONDAY, OCTOBER 26, 2020

- **US markets weigh potential election outcomes against resurging virus concerns** (link)
- **US regional bank stocks outperform as US Treasury yield curve steepens** (link)
- **S&P keeps Italy's rating unchanged at BBB and raises outlook to stable** (link)
- **Japan announces commitment aiming to be carbon neutral by 2050** (link)
- **Inflows to emerging market bond and equity funds gain momentum** (link)
- **China sets to resume RMB internationalization** (link)
- **Large majority of Chileans vote in favor of drafting a new constitution** (link)
- **Markets price potential for negative Polish policy rates amid rise in COVID cases** (link)

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Risk sentiment sours amid virus fears and fading stimulus hopes

To start the week, the European COVID-19 situation and lack of a pre-election fiscal pact in the US are casting fresh doubts over the economy in Q4. Global equity markets were marginally higher on Friday, slightly fading losses for the week, as waning stimulus exuberance in the US was outweighed by mixed, but positive PMI's out of Europe and forthcoming resumptions of vaccine trials. Broader risk-off flows have taken hold this morning as several European governments ratcheted up their attempts to contain the resurgence in COVID-19 infections, the US declared a record tally of new cases, and US pre-election fiscal talks remain characterized as difficult. US Treasury yields are down 2 to 4 bps across the curve, S&P 500 futures point to 1% declines, European equities are following Asian indices lower with declines of over 1%, and the US dollar is appreciating against major pairs for the first time in a week. The exception is the UK pound, which is stronger this morning as Brexit deal optimism is receiving a boost from news that talks will continue this week and reports teams are working on legal text. In emerging markets, Chile was in the spotlight over the weekend as citizens overwhelmingly voted in favor of drafting a new constitution, while weakness in emerging market currencies is being led by the over 1% depreciation of the Turkish lira that has driven the currency to a new low and now trades above the 8 per US dollar threshold.

Key Global Financial Indicators

Last updated: 10/26/20 8:06 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities				%			%
S&P 500		3465	0.3	-1	5	15	7
Eurostoxx 50		3142	-1.8	-3	0	-13	-16
Nikkei 225		23494	-0.1	-1	1	3	-1
MSCI EM		46	0.6	2	8	9	3
Yields and Spreads				bps			
US 10y Yield		0.81	-2.9	5	16	-98	-110
Germany 10y Yield		-0.57	0.9	6	-4	-20	-38
EMBIG Sovereign Spread		404	0	-16	-13	68	111
FX / Commodities / Volatility				%			
EM FX vs. USD, (+) = appreciation		54.8	-0.5	0	1	-11	-11
Dollar index, (+) = $ appreciation		93.0	0.2	0	-2	-5	-4
Brent Crude Oil ($/barrel)		40.9	-2.2	-4	-3	-34	-38
VIX Index (%, change in pp)		29.7	2.1	0	3	17	16

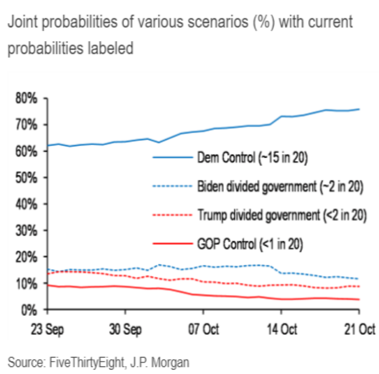
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

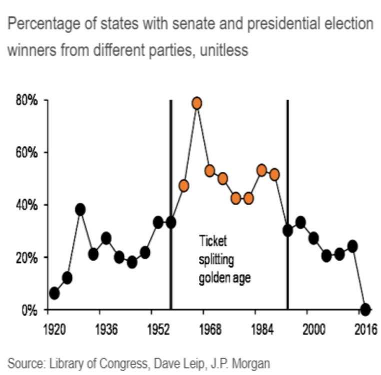
In the week ahead, several central bank policy meetings will be top of mind. On Wednesday, the Brazilian Central Bank, the Bank of Japan, and Bank of Canada are all expected to keep their policy stance unchanged. On Thursday, the ECB is also expected to maintain its current policy stance, but signal concern about the resurgence of the virus in Europe and its effect on economic activity, ultimately strengthening the case for further stimulus by year end. The 3Q2020 GDP preliminary figures will be released for the US on Thursday and for the Eurozone and its individual countries on Friday. Also, on Friday, Canada will release its monthly figures for August GDP and the Colombian central bank meets (expectation for no change in policy). In key Q3 US earnings releases this week, large tech companies (e.g., Amazon, Google, Apple) will report on Thursday.

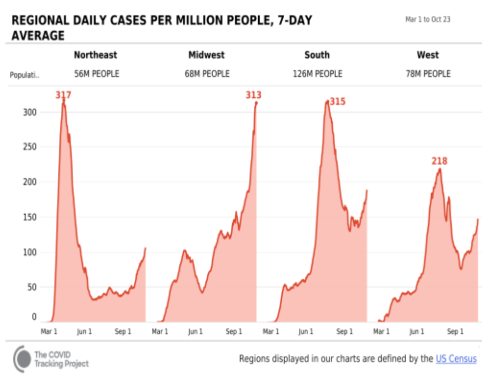
United States back to top

Fiscal stimulus negotiations have continued to influence markets. On Friday, the S&P 500 index fluctuated within a +/- 0.4% band around Thursday's end-of-day value (closing +0.4%), with markets mostly driven by the pessimistic view portrayed by Treasury Secretary Mnuchin on the negotiation process with House Speaker Pelosi. Ten-year US Treasury yields dropped 2 bps, while the volatility index (VIX) declined 0.5 points to 27.5, continuing its recent downward trend.

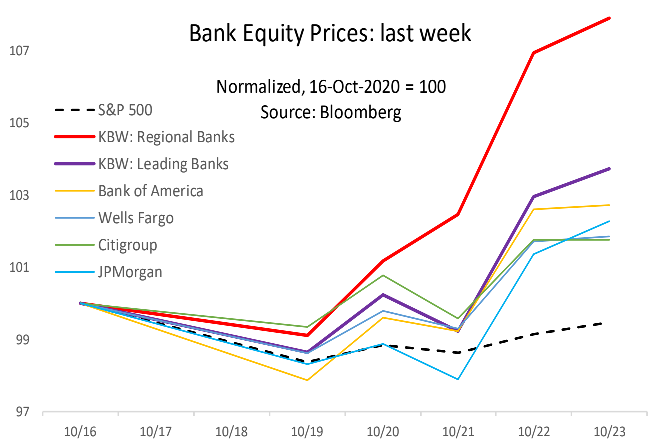
While there are some signs of markets pricing expectations for an economic recovery, per-capita COVID-19 cases in the US Midwest are approaching highs for the US. The weekly increase in 10-year US Treasury nominal yields (+10 bps) was equally split between changes in real yields and breakeven inflation, both of which indicate mild signs of optimism around an economic recovery. In part, this priced recovery is driven by the expected generous stimuli resulting from the Blue Wave (Biden wins and Democrats control the Congress). JPMorgan analysts estimate the chances of Democratic control of the presidency and Congress at around ¾ (left chart below), with other scenarios being much less probable ("Biden with divided government", "Trump with divided government", "Trump wins and GOP controls the Congress"). The chances of the Blue Wave are underpinned by the currently high partisanship/polarization in the US: e.g., in 2016 there was no state with Senate and presidential elections from different parties (middle chart), which is in stark contrast to the mid-20th century situation. On the negative side, markets remained concerned with the exponential increase in the registered COVID-19 cases, most notably in the US Midwest (right chart).

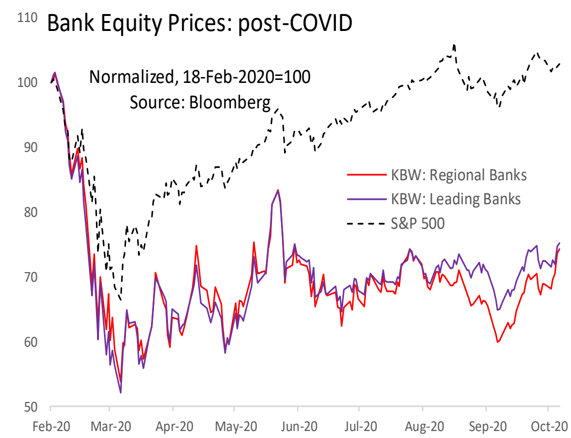




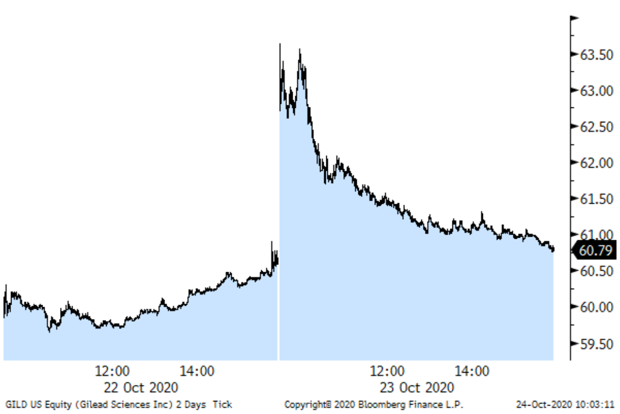


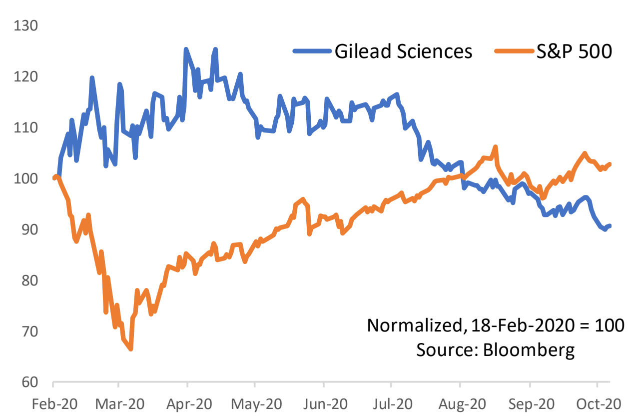
In contrast to the muted performance of the largest US banks, smaller banks' stocks have outperformed the broader sector. The steepening US Treasury curve added almost 9 bps to the 2y10y term spread indicating better economic prospects for banks both in terms of the recovery-driven boost in creditworthiness of their clients as well as in terms of the carry from maturity transformation (borrow short-term, lend long-term). While almost all bank equities grew in the last week, the largest gains were recorded for smaller banks (left chart below) many of which showed strong 3Q2020 results. Stock prices of the 4 biggest US banks performed worse than the rest of the banking system. With this growth, the regional banks index closed the underperformance gap observed in the last two months vis-à-vis the leading banks index (right chart).





While FDA approval of antiviral drug Remdesivir (produced by Gilead Sciences) caused intraday volatility on Friday, Gilead's stock price ended the week virtually unchanged (left chart below). Despite Remdesivir being the first COVID-19 drug to be approved by FDA, analysts cite limited relevance of the approval to the profitability and valuation of the company. First, that medicine has already been available to patients through emergency use authorization since May. Second, there are differences in opinions regarding Remdesivir's efficiency, especially from the World Health Organization specialists. Third, the pricing for the drug is deemed to be quite high given steroid alternatives to Remdesivir. Overall, the history of Gilead's stock price challenges the rosy story of COVID vaccine producers profiting from the health crisis (right chart): while surging immediately at the COVID-19 outbreak on the expectations of developing a vaccine, the stock price has been gradually declining due to the muted progress in development and the containment of the spread of the virus, hence limiting the demand for the product and expected revenues.





Europe

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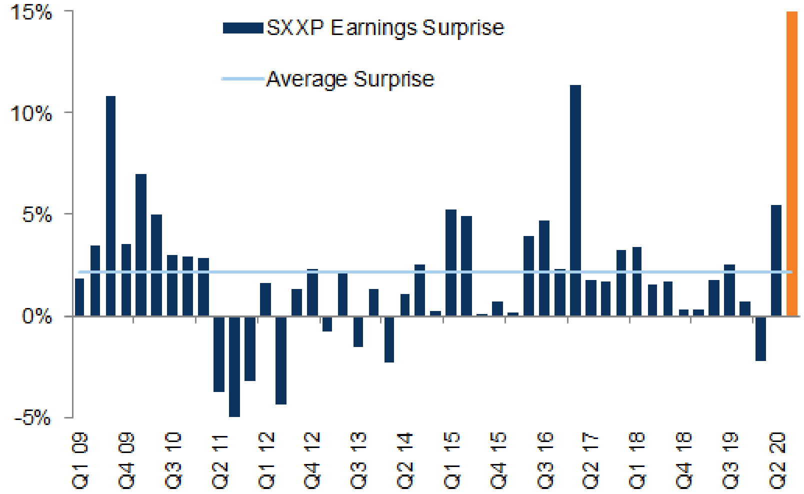
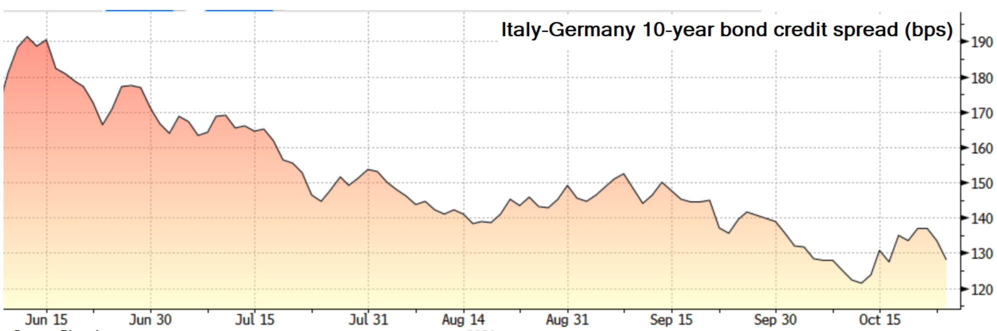
European stocks were mostly lower this morning with Germany (-2%) underperforming after German tech-giant SAP (-20%), the largest firm by market capitalization, reduced its revenue forecast for the first half of 2021. Overall, Q3 earnings season has had a strong start with earnings surprising by 15%, the largest positive surprise since the GFC.



Source: FactSet, Bloomberg, Goldman Sachs Global Investment Research

German bunds were mostly unchanged after falling 3 bps on Friday. Southern European spreads tightened 2-3 bps with Italy (-6 bps) outperforming. **S&P maintained Italy's rating unchanged at BBB while updating the outlook to stable from negative amid the ECB's support and adoption of growth friendly policy in Europe**.



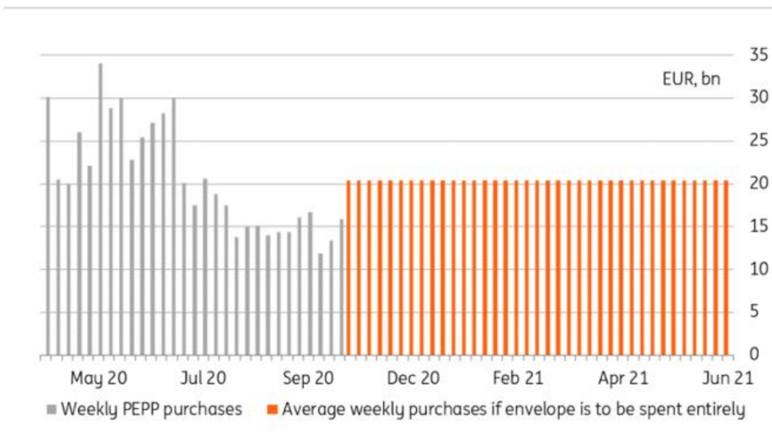
Source: Bloomberg

The euro (-0.3%) gave up last week's gains while the sterling (+0.15%) was supported by the extension of Brexit negotiations. The EU-UK Brexit talks were supposed to end on Sunday but have been extended as contacts expect the negotiations to intensive for a deal to be reached by early November. There was a lack of news on the progress as the sides agreed to shut-down their media operations over the weekend.

In the coming week the focus will be on the ECB meeting on Thursday. On Tuesday, the ECB will release the Euro Area Q3/Q4 Bank Lending Survey, which should confirm extent of rise in the non-performing loans and tightening of credit conditions. French INSEE consumer confidence data will be available on Wednesday and Eurozone preliminary Q3 GDP estimates (-7% yoy), including country level releases for Germany (-5.2% yoy), France (-7.3% yoy), Italy (-8.4% yoy) and Spain (-11.8% yoy), will be published on Friday. Eurozone will also report September unemployment numbers.

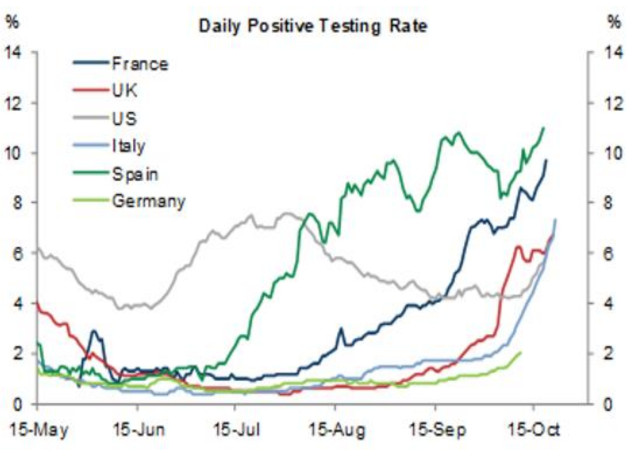
The ECB is expected to keep its stimulus unchanged, but signal policy easing at the December meeting. ECB's President Lagarde has already highlighted the deterioration of the economic outlook due to earlier than expected arrival of the second wave, but projections will be only updated in the December meeting. Lower than expected inflation amid the strong euro is also creating headwinds for the central bank. **While there is a consensus among analysts for further monetary policy easing in December, there is some uncertainty with regards to the policy package the ECB could pursue**. Contacts mostly expected extension and expansion of the asset purchase program, but with second wave on the rise the consensus seems to be shifting towards the pandemic emergency purchase program (PEPP). Contacts also point out that the ECB has still room to boost stimulus under the current PEPP envelope as the pace weekly purchases remains below its potential.

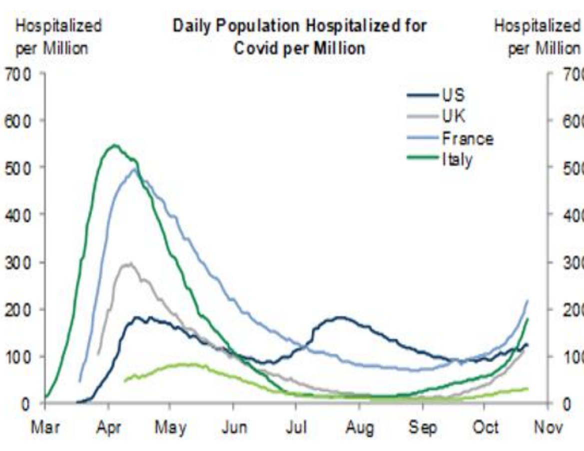
ECB has saved it PEPP ammo over the summer

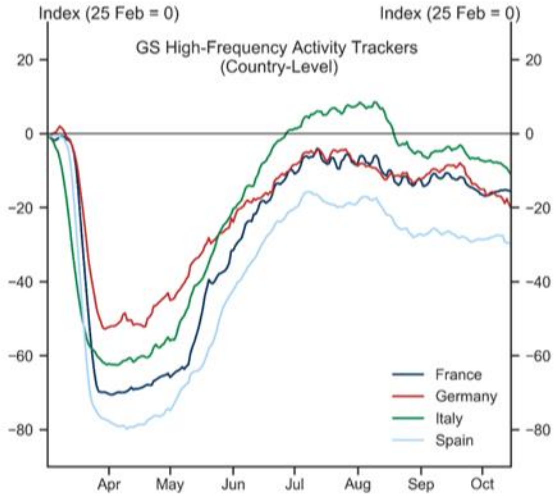


Source: ECB, ING

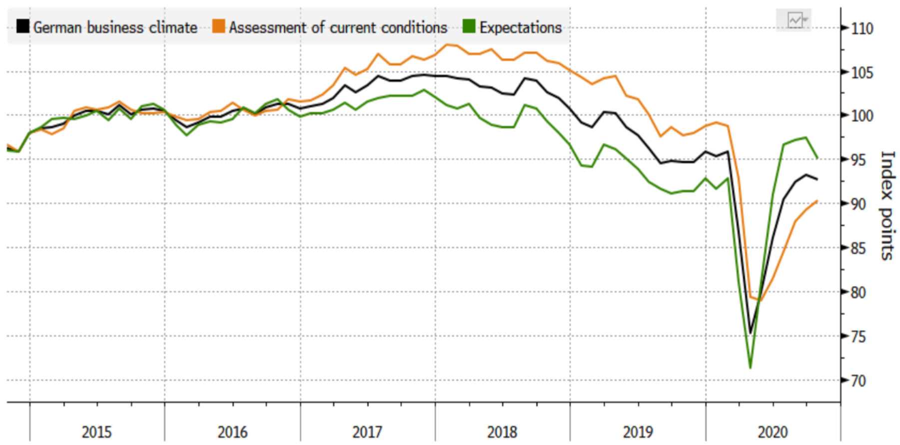
Europe moves closer to a full lockdown as virus continues to spread rapidly. Countries continue to report record new cases, accompanied by increase in positive testing rates as well as increase in hospitalization rates. According to media reports, multiple regions in France and Central and Eastern Europe see hospitals close to maximum capacity. The weekend brings new tightening measures with Spain imposing a national state of emergency and night-time curfew, while restrictions in Italy are rolled back to May-levels with restaurants closing early and multiple public venues forced to shut completely. The high-frequency economic activity indicators continue to signal downside risk to economic growth in Q4.







The German's IFO October survey points to an interrupted recovery as business confidence weakens. The expectation survey eased to 95 reading from 97.4 in September (96.5 consensus). The business climate indicator also declined marginally to 92.7 (93.4 in September) while the current assessment edged higher to 90.3 (89.2 in September). In line with the recent PMI data, there is notable divergency between the manufacturing and the service sector with the latter affected by renewed restrictions on the hospitality sector.

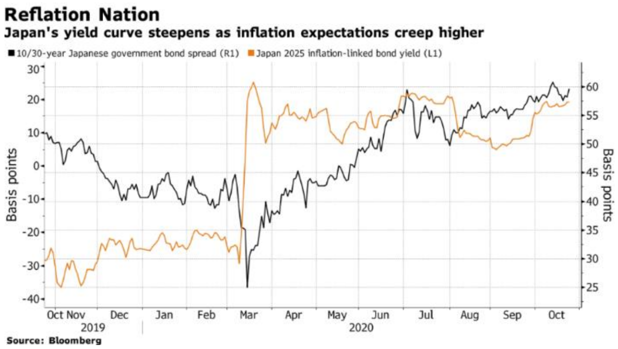


Source: Ifo

Other Mature Markets back to top

Japan

PM Suga pledged for a carbon neutral Japan by 2050. In his first policy speech to parliament, PM Suga set an ambitious climate plan without giving much details. He emphasized the role of innovation in next-generation solar cells and carbon recycling while noting that the country's policy on thermal power would be overhauled. PM Suga also spoke about the plan to revive the economy and to build an international financial center in Japan. **Japan's yield curve has steepened alongside the US yield curve.** While market expectations of inflation have emerged, signs of actual inflationary pressures remain muted. Market participants noted that a 'Blue Wave' scenario in the U.S. elections could amplify the reflationary impulse and further push US Treasury yields higher. The **Japanese yen depreciated (-0.2%); equities declined (TOPIX: -0.4%).**



Emerging Markets

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Asian stock markets broadly retreated today, with Indian (-1.5%), Korean (-0.7%) and Chinese (CSI 300: -0.6%) equities leading the decline. Indonesia was an outlier, with share prices gaining (+0.6%) on the back of strong bank stock performance. **Most Asian currencies depreciated**, led by the Indian rupee (-0.3%). The Korean won appreciated (+0.4%) on optimism of a strong economic recovery. **EMEA equities opened lower this morning** with indices down in Turkey (-1.1%), Saudi Arabia (-1.1%) and South Africa (-0.5%). **EMEA currencies were mostly depreciating with the Turkish lira (-1.2%) breaking above the 8.0 mark against the dollar. Latin America's equities edged lower last Friday**, with the MSCI Latam index down 0.3%, on lower oil and copper prices. Brazilian stocks fell the most (-0.6%) on rising inflation, while Mexican stocks were slightly higher despite falling retail sales. **Regional currencies were mixed**, with the Brazilian real down 0.5% and the Mexican peso up 0.5%. Government bond yields declined 1-5 bps. In Chile, markets were calm ahead of the monumental referendum on a new constitution yesterday, with assets trading within ranges set by its regional peers.

Key Emerging Market Financial Indicators

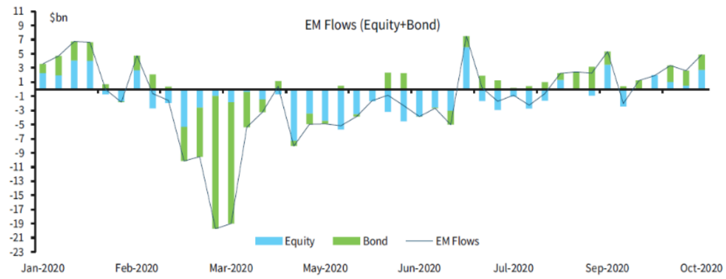
Last updated:	Level		Change				
10/26/20 8:10 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		46.32	-0.8	2	8	9	3
MSCI Frontier Equities		27.06	0.3	1	4	-5	-11
EMBIG Sovereign Spread (in bps)		404	0	-16	-13	68	111
EM FX vs. USD		54.82	-0.5	0	1	-11	-11
Major EM FX vs. USD				%, (+) = EM currency appreciation			
China Renminbi		6.71	-0.3	0	2	5	4
Indonesian Rupiah		14650	0.1	0	2	-4	-5
Indian Rupee		73.85	-0.3	-1	0	-4	-3
Argentine Peso		78.12	-0.1	-1	-3	-25	-23
Brazil Real		5.65	-0.5	-1	0	-29	-29
Mexican Peso		21.06	-0.9	1	6	-9	-10
Russian Ruble		76.46	-0.4	2	3	-17	-19
South African Rand		16.28	-0.6	1	5	-11	-14
Turkish Lira		8.07	-1.4	-2	-3	-29	-26
EM FX volatility		11.03	1.1	0.0	-1.1	3.9	4.4

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

Emerging Market Flows

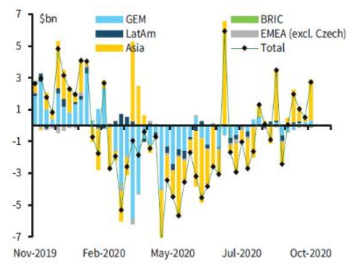
EM flows were positive across all major asset classes last week, based on EPFR data and Barclay's analysis. Flows into dedicated EM funds (equities and bonds) rose in the week ending October 21, driven by an acceleration of inflows to EM equity funds (Figure 1 by Barclays). Inflows into dedicated EM equity funds expanded predominantly because of flows into Asia, whereas flows to other regions were insignificant (Figure 2). Both hard- and local-currency bond funds investing in EMs saw inflows (Figure 3).

FIGURE 1. Flows into dedicated EM funds (bond & equity total)



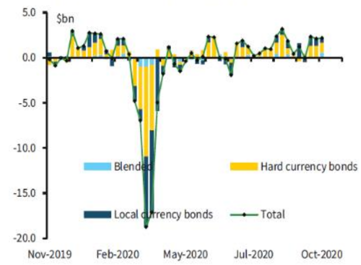
Source: EPFR Global, Barclays Research

FIGURE 2. Flows into dedicated EM Equity funds



Source: EPFR Global, Barclays Research

FIGURE 3. Flows into dedicated EM bond funds



Source: EPFR Global, Barclays Research

China

China sets to resume RMB internationalization. Governor YI Gang of the People's Bank of China (PBOC) said that promoting broader use of the yuan will continue alongside the opening of financial markets. Authorities aim to reduce restrictions on the cross-border use of the yuan together with steady capital account liberalization, increasing exchange rate flexibility, and improving liquidity in bond markets. The plan to further embark on RMB internationalization came after continued RMB appreciation. The RMB depreciated today (-0.2%).

Strong Yuan

China's currency is trading near its highest level since July 2018

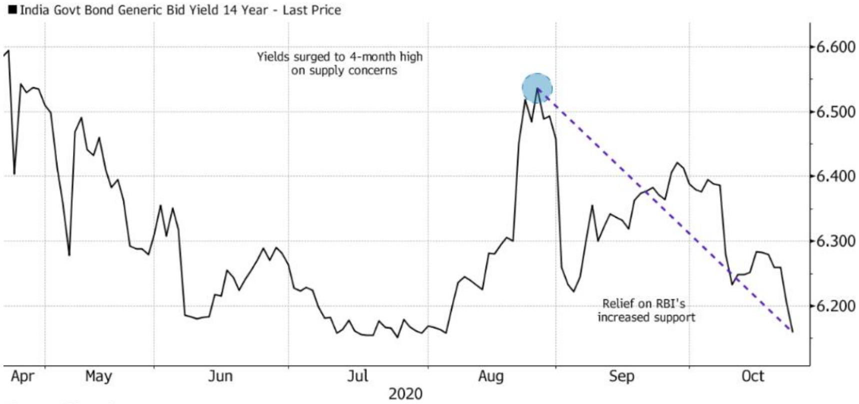
Source: Bloomberg

Beijing started the meeting to discuss a new five-year plan. The meeting will last four days this week. The five-year plan is expected to center around technological innovation, greater economic self-reliance, and a cleaner environment. **China will impose unspecified sanctions on US defense contractors,** including Lockheed Martin, and units of Boeing and Raytheon Technologies following the US approval of an arms sale to Taiwan POC, citing the need to uphold national interest. Lockheed Martin has been sanctioned by China since July due to the previous arms sale to Taiwan POC.

India

Reserve Bank of India (RBI)'s monetary policy committee minutes saw room for more rate cuts. The minutes confirmed that the three new external members have turned the policy committee more dovish. The minutes also reiterated the policy committee's pro-growth stance. Government bond yields continued declining (10-year: -3 bps today, -11 bps over the past week). Furthermore, with a series of liquidity measures announced earlier this month, market participants became more confident that RBI support would outweigh concern over the government to expand bond issuance.

Back in Vogue
Long bonds have started gaining on RBI's support promise

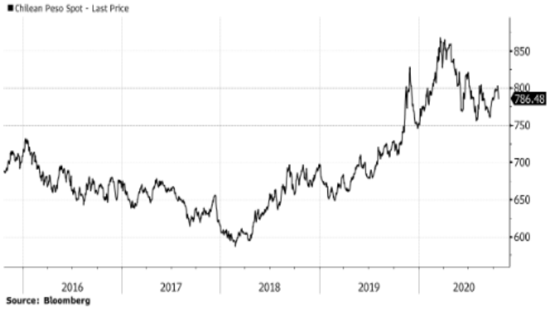


Source: Bloomberg

Chile

Chilean voters overwhelmingly voted to draft a new constitution over the weekend. Nearly 80% favored replacing the Pinochet-era constitution as well as the formation of a new constitutional convention with representatives that will be elected in April. The referendum was one of several concessions that the government and lawmakers agreed to in order to quell riots that started last October, and the vote now triggers several years of talks and uncertainty before a new charter is promulgated, which could undo pro-business rules and fiscal discipline. The Chilean peso was little changed on Friday, while the currency has remained at historically weak levels for most of the year.

Wild Ride
Chile's peso remains at historically weak levels



Source: Bloomberg

Brazil

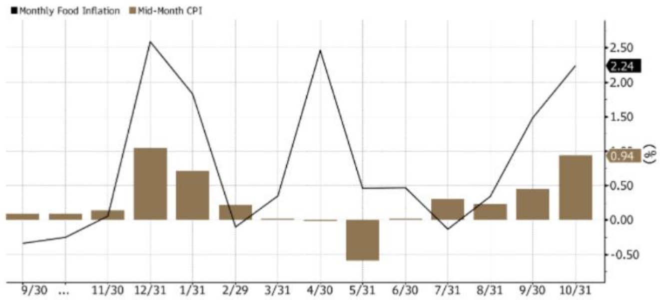
Inflation continued to accelerate in October, raising expectations of a rate hike as early as January, based on Bloomberg reporting. Bi-weekly CPI inflation rose to 0.94% m/m in mid-October, above the consensus of 0.83%, and higher than 0.45% from two weeks ago. On an annual basis, inflation picked up to 3.52%, remaining below the central bank's target of 4% this year. The increase in inflation is driven by higher food and fuel prices, which in turn is partly attributable to cash payments to temporary hires during the pandemic. Investors now expect that the central bank will raise rates as early as January, despite its earlier signal to keep rates at record lows.

Poland

Yields on domestic Polish bonds have continued to be pressured lower as concerns of rising COVID-19 infections may compel the central bank to lower interest rates further. New coronavirus cases reached a record 13,632 on Friday, with expectations that this figure may continue to rise. The government has announced a series of new restrictions in response, including closing restaurants and bars for two weeks, moving older children to online learning, and banning large groups. The yield on the 2-year Polish government bond dipped as low as -0.04% on Thursday before recovering, and closed Friday at -0.02%. While short dated domestic bond yields are in negative territory, swap rates have remained positive. Investors have begun to price some probability of a further cut to the benchmark rate, currently at 0.10%, potentially moving into negative territory, but the market's base case appears to remain that the MPC will stay on hold for the foreseeable future. In an interview, MPC member Zubelewicz stated that "a rate cut may be decided…but I do hope it won't happen." Inflation in Poland has been among the highest in the EU at 3.2%, somewhat higher than the 2.5% target.

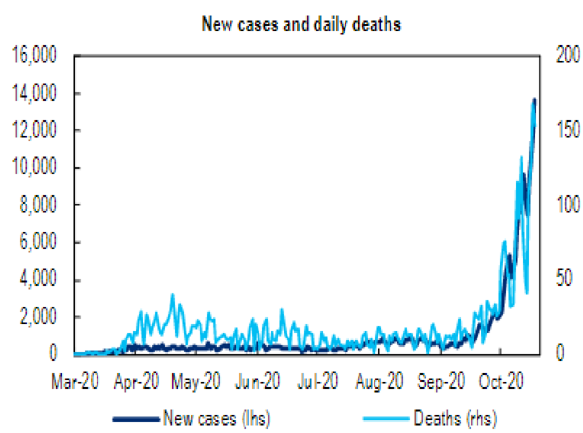
Going Up

Faster food inflation driving Brazil consumer prices higher



Source: Brazil statistics agency

Figure 1. Sharp rise in new COVID-19 cases in October...



Source: Ourworldindata.org, Citi Research

Table 11: POLAND Implied Monetary Policy

		Smooth Path (2) Change		Market (1) Change	BofA Change	Most Likely Path (3) Change	
Meeting	Rate	Cumul.	Marg.	Marg.	Marg.	Marg.	Prob.(%) (4)
Curr. Rate	0.10						
4-Nov-20	0.07	-3	-3	-2	0	0	89
2-Dec-20	0.05	-5	-3	-3	0	0	79
13-Jan-21	0.03	-7	-2	-3	0	0	70
3-Feb-21	0.01	-9	-1	-1	0	0	65
3-Mar-21	0.00	-10	-1	-1	0	0	62
7-Apr-21	0.00	-10	0	0	0	0	60
5-May-21	0.00	-10	0	0	0	0	60
2-Jun-21	0.00	-10	0	0	0	0	59
7-Jul-21	-0.01	-11	0	0	0	0	57
8-Sep-21	-0.01	-11	0	-1	0	0	56
6-Oct-21	-0.02	-12	0	0	0	0	54
3-Nov-21	-0.02	-12	0	0		0	52
8-Dec-21	-0.02	-12	0	0		0	52
13-Jan-22	-0.02	-12	0	0		0	52
3-Feb-22	-0.02	-12	0	0		0	54
3-Mar-22	-0.01	-11	1	1		0	56
7-Apr-22	0.00	-10	1	1		0	59
5-May-22	0.01	-9	1	1		0	64
2-Jun-22	0.03	-7	2	1		0	70
7-Jul-22	0.05	-5	2	2		0	79
8-Sep-22	0.07	-3	2	4		0	89
6-Oct-22	0.10	0	2	2		0	99

Basis: 12bp. Basis is the difference between the WIBOR Warsaw interbank 3 months offered rate and the monetary policy rate. Source: BofA Global Research

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Global Financial Indicators

Last updated: 10/26/20 8:08 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		3457	0.3	1	5	14	7
Europe		3142	-1.8	-3	0	-13	-16
Japan		23494	-0.1	-1	1	3	-1
China		3251	-0.8	-2	1	10	7
Asia Ex Japan		81	0.6	1	8	17	10
Emerging Markets		46	0.6	2	8	9	3
Interest Rates					basis points		
US 10y Yield		0.81	-2.9	5	16	-98	-110
Germany 10y Yield		-0.57	0.8	6	-4	-20	-38
Japan 10y Yield		0.04	-0.6	1	2	17	5
UK 10y Yield		0.28	-0.5	11	9	-41	-55
Credit Spreads					basis points		
US Investment Grade		124	0.8	-1	-13	5	26
US High Yield		503	2.9	-2	-63	56	110
Europe IG		57	2.0	3	-3	7	13
Europe HY		336	6.9	7	-9	108	129
EMBIG Sovereign Spread		404	0.0	-16	-13	68	111
Exchange Rates					%		
USD/Majors		92.99	0.2	0	-2	-5	-4
EUR/USD		1.18	-0.3	0	1	6	5
USD/JPY		104.9	-0.2	0	1	4	4
EM/USD		54.8	-0.5	0	1	-11	-11
Commodities					%		
Brent Crude Oil ($/barrel)		41	-2.2	-4	-3	-34	-38
Industrials Metals (index)		121	-0.6	0	6	3	6
Agriculture (index)		42	-0.3	2	9	8	2
Implied Volatility					%		
VIX Index (%, change in pp)		29.7	2.1	0.5	3.3	17.0	15.9
US 10y Swaption Volatility		74.0	0.7	-0.2	29.8	2.0	12.0
Global FX Volatility		8.5	0.1	0.2	-1.2	2.3	2.5
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		147	-2.4	2	-8	-10	-18
Italy		128	-5.7	-7	-14	-4	-32
Portugal		72	-3.2	-5	-8	13	9
Spain		74	-3.2	-5	-4	10	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:	Exchange Rates							Local Currency Bond Yields (GBI EM)						
10/26/2020	Level		Change (in %)					Level		Change (in basis points)				
8:10 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		6.71	-0.3	-0.3	2	5	4		3.3	-0.8	-5	8	7	17
Indonesia		14650	0.1	0.4	2	-4	-5		6.7	2.0	-6	-14	-52	-49
India		74	-0.3	-0.7	0	-4	-3		6.0	-4.0	-6	-16	-81	-87
Philippines		48	0.2	0.4	0	6	5		3.6	0.6	0	-8	-75	-74
Thailand		31	0.0	-0.2	1	-3	-4		1.5	0.0	1	2	-11	-13
Malaysia		4.16	-0.1	-0.5	0	1	-2		2.5	2.4	3	-9	-93	-86
Argentina		78	-0.1	-0.8	-3	-25	-23		47.6	106.4	236	804	-854	-1498
Brazil		5.65	-0.5	-0.7	0	-29	-29		6.3	15.2	0	37	51	10
Chile		781	-0.5	0.7	1	-7	-4		2.7	-3.2	-9	2	-46	-63
Colombia		3788	-0.1	1.6	2	-10	-13		5.2	-1.9	9	12	-52	-71
Mexico		21.06	-0.9	0.7	6	-9	-10		6.1	-3.3	0	15	-85	-85
Peru		3.6	0.1	-0.3	-1	-7	-8		4.1	-7.9	3	-9	-17	-37
Uruguay		43	0.0	0.6	-1	-12	-12		7.4	0.2	-3	-29	-373	-350
Hungary		309	-0.2	0.4	2	-4	-4		1.8	0.0	7	-8	68	56
Poland		3.87	-0.5	0.3	1	-1	-2		0.6	-1.7	-1	-15	-112	-125
Romania		4.1	-0.4	0.5	1	4	4		3.2	1.0	-1	-8	-59	-78
Russia		76.5	-0.4	1.6	3	-17	-19		5.6	-1.5	-5	-22	-69	-49
South Africa		16.3	-0.6	1.5	5	-11	-14		10.1	2.8	-6	-10	83	63
Turkey		8.07	-1.4	-2.4	-3	-29	-26		13.5	8.0	16	-11	31	183
US (DXY; 5y UST)		93	0.2	-0.5	-2	-5	-4		0.36	-1.9	2	9	-126	-133

	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		4691	-0.6	-1	3	20	15		213	-1	-1	-5	27	37
Indonesia		5144	0.6	0	4	-18	-18		214	2	7	-26	40	58
India		40146	-1.3	-1	7	3	-3		206	0	-2	-21	74	81
Philippines		6491	0.1	8	11	-18	-17		128	3	11	-20	52	62
Malaysia		1495	0.0	-2	-1	-5	-6		145	-1	3	-21	24	33
Argentina		52513	1.6	7	25	52	26		1431	6	-3	101	-739	-338
Brazil		101260	-0.6	3	4	-6	-12		305	2	6	-30	80	90
Chile		3808	-0.1	5	6	-23	-18		169	3	9	-20	36	36
Colombia		1175	-0.2	0	0	-28	-29		245	4	16	-22	75	82
Mexico		38708	0.1	2	6	-11	-11		478	3	0	-34	182	186
Peru		18059	0.0	2	2	-7	-12		153	4	12	-22	30	46
Hungary		33677	0.1	1	4	-20	-27		107	2	-5	-21	15	21
Poland		47638	-0.4	-1	-1	-17	-18		14	0	-2	-11	-13	-4
Romania		8717	-0.9	-2	-3	-10	-13		231	-1	-5	-30	46	58
Russia		2803	-0.5	0	-3	-2	-8		198	4	3	-20	19	67
South Africa		55048	-0.5	0	3	0	-4		485	10	2	-50	178	165
Turkey		1172	-1.5	-3	4	17	2		625	17	19	-7	178	224
Ukraine		501	0.0	-2	0	-4	-2		727	10	28	5	277	307
EM total		46	-0.8	2	8	9	3		404	0	-16	-13	68	111

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