GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

MONDAY, OCTOBER 28, 2019

- **Trade deal progress and upbeat earnings pushes S&P 500 close to record high** (link)
- **Deterioration in US leveraged loan credit quality persists** (link)
- **EU grants UK extension of Brexit deadline to January 31st** (link)
- **HSBC reports disappointing Q3 results and announces restructuring initiatives** (link)
- **Fernandez wins Argentine presidential election; central bank tightens FX controls** (link)
- **Chinese bond yields rise on trade optimism and lower prospects of policy easing** (link)

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Promising signals on trade push risk assets higher

Reports of progress on the US-China "phase one" agreement have catalyzed a risk-on move to start the week. On Friday, the S&P 500 closed just short of all-time highs and short-maturity Treasuries led yields higher as investors responded to reports from US officials that progress was made in recent US-China trade talks and negotiators are close to finalizing an initial agreement. Measures of implied volatility fell across assets with the VIX, MOVE, and EM FX vol all hitting three-month lows, and this morning S&P 500 futures are pointing to further gains. Major Asian indexes all traded higher across the board alongside a sharp move higher in Chinese sovereign bond yields driven by the trade optimism. In Europe, the focus has been on the EU and UK reaching an agreement on a three-month extension of the Brexit deadline with optionality to leave earlier if a deal is ratified. Next up will be a debate in Parliament on a proposed general election; so far EU and UK assets have exhibited little response to the developments. In EM, Argentina elections played out as anticipated with Fernandez securing the majority needed to become president. Following the election, the central bank tightened FX controls by further restricting US dollar purchases.

Key Global Financial Indicators

Last updated:	Level		Change from Market Close				
10/28/19 8:04 AM	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		3023	0.4	1	2	14	21
Eurostoxx 50		3625	0.0	1	2	16	21
Nikkei 225		22867	0.3	2	5	8	14
MSCI EM		43	0.6	2	5	10	9
Yields and Spreads					bps		
US 10y Yield		1.83	2.8	3	15	-125	-86
Germany 10y Yield		-0.35	0.8	-1	22	-71	-60
EMBIG Sovereign Spread		324	-4	-6	-24	-42	-90
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		61.4	0.2	1	2	-1	-1
Dollar index, (+) = $ appreciation		97.8	-0.1	0	-1	1	2
Brent Crude Oil ($/barrel)		61.9	-0.3	5	0	-20	15
VIX Index (%, change in pp)		13.0	0.4	-1	-4	-11	-12

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

The week ahead is a high-octane week for central bank decisions and data releases. Federal Reserve is expected to lower its target policy rate by 25 bps to 1.50%-1.75% on Wednesday. This would be the third in a series of cuts that Chairman Powell has described as a "midcycle adjustment" to extend the economic expansion. The Bank of Canada is expected to keep rates on hold at 1.75% on Wednesday, and the Bank of Japan will announce its monetary policy decision on Thursday. Within Emerging markets, Brazil (Wednesday) is expected to cut rates by 25 bps to 5.5% and Colombia (Thursday) is likely to keep rates unchanged at 4.25%. Amongst key economic releases for the US, advanced GDP for Q3 (Wednesday) is expected to be reported at 1.6% y/y, jobless claims are expected at 215k (Thursday), non-farm payrolls at 88k (Friday) and manufacturing PMI is expected at 51.5 (Friday). France's GDP (Wednesday) for Q3 is expected at 1.3% y/y. South Africa will also announce its medium-term budget on Wednesday, which is keenly watched by investors, as it might impact Moody's rating decision later in the week.

United States

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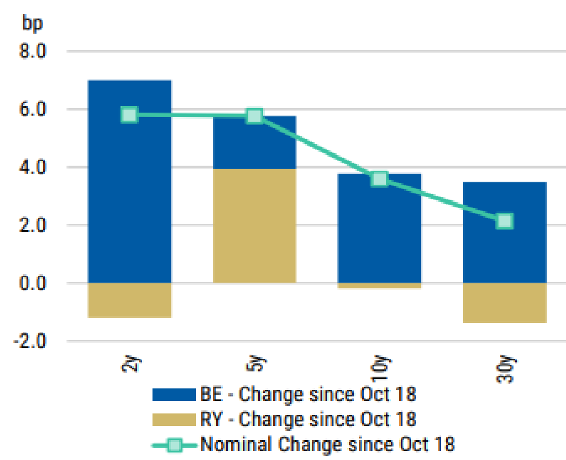
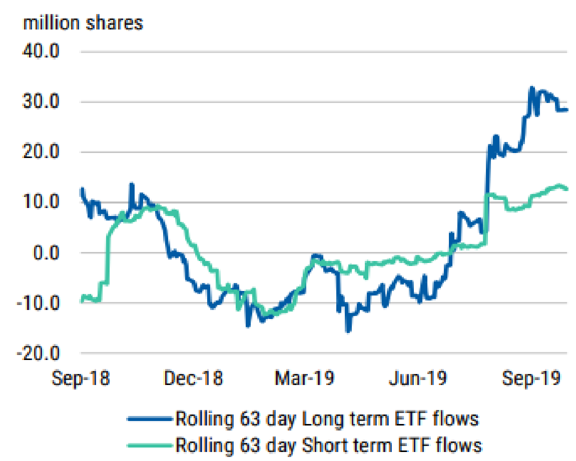
Reports of progress on the US-China "phase one" agreement triggered a risk-on move into midday on Friday that left benchmark Treasury yields 2-4 bps higher (and flattening the curve) and lifted the S&P 500 by 0.4% to near its all-time high. A call between USTR Lighthizer, Treasury Secretary Mnuchin, and Vice Premier Liu He prompted a joint statement that negotiations "made headway" on finalizing sections of the 'phase one' agreement. White House advisor Navarro's positive characterization of the talks bolstered sentiment further. Amongst key releases, the US budget deficit widened to $984 bn in the 12 months through September, equivalent to 4.6% of GDP. Breakevens also widened over the week, leading the increase in nominal Treasury yields. Morgan Stanley analysts highlighted that the real yield outperformance in the recent weeks, reflects the strong inflows in the TIPS market, which may have manifested in the strong flows into TIPS ETFs. **This morning, US Treasury yields are up another 3 to 4 bps across the curve** and S&P 500 futures point to a 0.3% gain at the open.

Exhibit 24: TIPS real yields and breakevens over the last week



Source: Bloomberg, Morgan Stanley Research

Exhibit 25: 63 day inflows/outflows into top 10 TIPS ETFs over the last year



Source: Bloomberg, Morgan Stanley Research

Earnings season for the S&P 500 has remained largely positive so far, with 80% of the companies beating expectations. Out of the sample that has reported so far, EPS growth is running at +2% y/y, surprising positively by 5%. This earnings surprise is relatively well spread out among sectors, with the materials sector delivering the highest beat, so far. Overall topline revenue growth is also holding up well, at +3% y/y, with 66% of the companies beating estimates. In addition, the median stock price reaction of companies beating estimates is the highest on record, while those missing estimates are not being penalized – as per JPM analysts. However, the forward outlook has remained relatively muted with just 22% of firms having net positive earnings guidance.

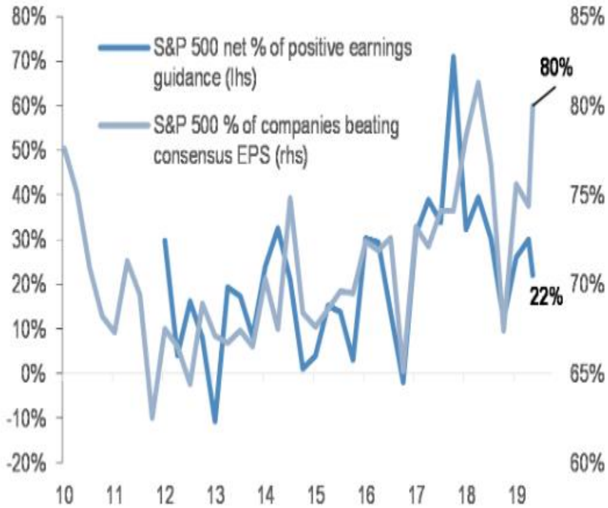
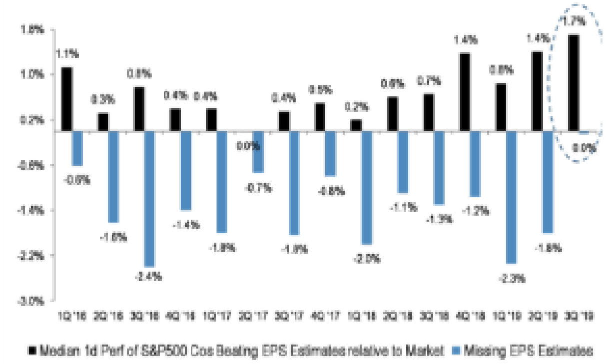
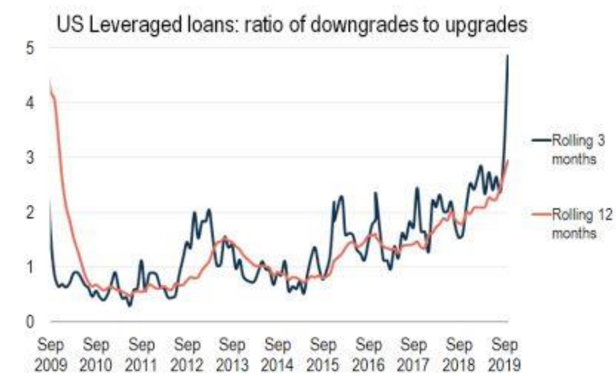


Figure 2: US stock price reaction* to quarterly EPS beats/misses



Source: J.P. Morgan, Bloomberg, *relative 1-day performance

US leveraged loans saw a sharp deterioration in credit quality through 2019, with the downgrade to upgrade ratio spiking to 4.9x in 3Q19 from 2.6x in 2Q19, and from 2.3x in 1Q19. LCD data also highlighted that sectors seeing the most downgrades this year include business equipment and services (11% by count), healthcare (10%), electronics/electric (9%), oil & gas (7%), and non-food and drug retailers (7%). Analysts highlighted that CLO managers and investors are increasingly worried that B-rated issuers, which are gaining market share in the US, could get downgraded to CCC as corporate earnings growth slows. GS analysts also highlighted that the notable increase in the share of B-rated leveraged loans is in sharp contrast with the HY bond issuers.

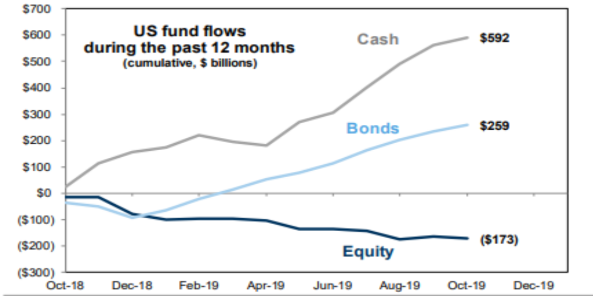


Source: S&P/LSTA Leveraged Loan Index; LCD, an offering of S&P Global Market Intelligence

Source: Bloomberg, Capital IQ S&P LCD, Goldman Sachs Global Investment Research

Rotation from equities to bonds continues in the US financial markets. Over the last 12 months, bonds have seen inflows equivalent to $259 bn, which compares with $173 bn in outflows from equities. GS analysts also highlighted that although the S&P 500 is almost back to its record high, investor risk appetite appears lower now than it was a year ago. Analysis estimates that allocation to equities has slipped to 44%, ranking at the 81st percentile since 1990. In contrast, investors have increased their allocation to bonds to 26% (50th percentile) from 24% (25th percentile) alongside the sharp decline in interest rates. Although each of the investor categories also raised its exposure to cash during the past 12 months, aggregate allocation (12%) is still only at the 5th percentile vs. the past 30 years.

Exhibit 1: Equity funds have witnessed $173 billion of LTM outflows
as of October 24, 2019



Source: EPFR and Goldman Sachs Global Investment Research

Exhibit 2: Equity allocation ranks at the 81st percentile since 1990
as of October 24, 2019

	EQUITY		DEBT		CASH	
	% of total assets		% of total assets		% of total assets	
Holder	Current	%-ile since '90	Current	%-ile since '90	Current	%-ile since '90
Foreign investors	50 %	80 %	38 %	32 %	7 %	3 %
Households	38	78	21	52	15	22
Mutual funds	54	63	26	67	18	14
Pension funds	50	45	27	39	2	1
Total	**44 %**	**81 %**	**26 %**	**50 %**	**12 %**	**5 %**

Source: Federal Reserve, EPFR, and Goldman Sachs Global Investment Research

Europe back to top

United Kingdom

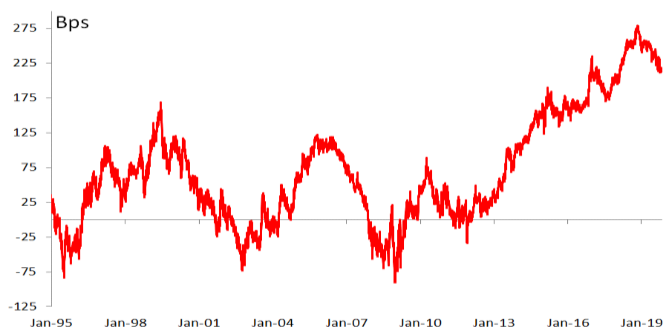
The **EU has agreed to grant the U.K. a three-month Art 50 extension to 31 Jan**. Analysts doubt that PM Johnson will be able to push through his vote for elections on 12 Dec. **Elections on 9 Dec are possible if the U.K. government follows a proposal of the Lib Dems and SNP** whereby the Withdrawal Agreement Bill is taken forward by the next parliament. The pound is little changed at 1.28 against the USD.

Euro Area

10-yr bund yields ticked 2 bps higher to -0.35% as 10-yr US rates rose 4 bps to 1.83%. French 10-yr OAT yields were at -0.05%, and Italian 10-yr BTP yield at 0.99%. The euro was little changed at 1.11 against the dollar**.** European equities (-0.3%) were little changed today.

The spread between 10-yr U.S. rates and 10-yr bund yields fell 50 bps in the past year but still trades at an historically stretched level of 219 bps as fixed income investors remain concerned about low inflation in the euro area.

Interest rate spread: 10-year U.S. treasury and German bunds



Source: Bloomberg and IMF

Italian 10-yr spreads to bunds rose 3-4 bps to 135 bps after Lega candidate Tesei won regional elections in Umbria with 57.5% of the vote (with support of Brothers of Italy and Forza Italia). The left has ruled Umbria in the past half century and the victory is seen as a substantial blow to the current coalition government of PD and 5-star. On Friday, S&P affirmed Italy's sovereign rating at BBB, with a negative outlook.

On Wednesday, the ECB will start implementing a two-tier system for remunerating excess liquidity. Euro area banks are estimated to receive 0% instead of -0.5% on up to €800 bn of €1.7 tn of excess liquidity at the ECB. Tiering should imply an average rate on excess reserves around -0.25-0.30% (from -0.5% currently). **Analysts will watch euro area money markets will for any unwarranted tightening as some**

banks could decide to increase their excess liquidity to deposit it at the ECB's 0% exempt tier. Nevertheless, the ECB is expected to lean against any excessive impact. On Thursday, The ECB will restart QE at an open-ended rate of €20 bn/month.

In Germany, FM Scholz won the SPD vote on party leadership with 23%. He will now face his rivals in a second round. His rivals obtained 21% in the first round and oppose further participation to the government coalition with CDU. **In the East German region of Thuringia, The Left ("Die Linke") won the election with 31.0% (+2.8%) but the AfD made sharp gains** (23.6%, +12.8) replacing the CDU as second party (21.8%, -11.7%). The SPD obtained a voting share of 8.2% (-4.2%), Greens 5.2% (-0.5), FDP 5.0% (+2.5).

S&P upgraded Greece to BB- (from B+), maintaining a positive outlook. Greek 10-yr spreads to bunds were little changed at 156 bps, having traded 87 bps lower in the past 3 months.

HSBC reported disappointing 3Q19 results, and announced restructuring initiatives. HSBC announced 3Q19 adjusted profit before tax of $5.3bn, 6% below analyst consensus, on weaker than expected revenues. Pretax profit fell by 18% across retail banking and wealth management and by 30% in Global Banking and Markets. Management notes that the revenue environment has become more challenging, expects softer revenue growth for 2H2019, and **expects the Group to fall short of its >11% target for 2020 return on tangible equity (ROTE)**. Management notes that **parts of the Group -- continental Europe, Global Banking and Markets, and US retail – are generating insufficient returns to justify their capital** consumption. Performance in Asia remains strong, but the bank flagged a $90 mn credit charge in its Hong Kong business to reflect deteriorating business earnings. Further, the bank **may take write-downs on some of its European businesses with significant acquisition goodwill and on key technology investments**. HSBC's share price fell as much as 4.3% in London trading, the most in nearly three years.

Other Mature Markets

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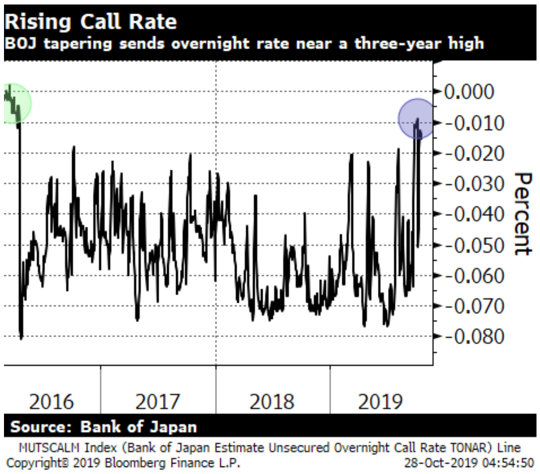
Japan

Equities rose modestly on low volume. Japan's Nikkei 225 index rose +0.3%, to 22867, its highest level since October 2018. The rise reflected progress in US-China trade talks and strong US technology earnings, dampened by strong performance over the past month and very low volume ahead of US Fed and BOJ rate decisions later this week. The yen is little changed.

Recent economic resilience has cooled expectations of further BOJ easing in October. Of the 47 economists polled by Bloomberg, 60% expect the BOJ to refrain from further easing when it announces its policy decision on Thursday. This reflects recent signs of macroeconomic strength and market resilience, as well as growing optimism regarding US-China trade talks and perceived lower risk of a no-deal Brexit. In addition, many economists believe that further lowering rates would be counter-productive at this point, straining banks but doing little to stimulate credit demand. Nonetheless, about 60% of respondents do expect the BOJ to ease further by January 2020. In addition, they expect the BOJ to change its forward policy guidance to indicate its determination to maintain policy easing, largely to mitigate the potential strengthening of the yen if it announces no rate change this week. Nonetheless, the BOJ is also tightening conditions in short-term money markets by tapering its bond purchases in the open market.



Emerging Markets

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Asian equity markets edged higher amid trade optimism and ahead of key central bank meetings. The region's equity benchmark rose just 0.3% amid signs of progress in US-China trade talks and strength in US equities on Friday. Realized volatility in the MSCI Asia Pacific Index is now at its lowest level since early May and about half its 10-year average. **In EMEA, equities were mixed.** Shares are up in South Africa (+1.2%) and Russia (+0.4%) but lower in Turkey (-0.4%) and Hungary (-0.3%). Currencies strengthened against the USD, led by the rand (+1.2%), Turkish lira (+0.7%).This morning, the National Bank of Kazakhstan left rates unchanged at 9.25% (as expected) after last week's larger-than-expected cuts in Russia (-50 bps to 6.50%) and Turkey (-250 bps to 14%). In Russia, markets are pricing another 80 bps of cumulative cuts in the next 12 months **Latin American markets were decidedly mixed on Friday,** as equities in Mexico (-0.9%), Chile (-1.4%) and Peru (-0.4%) fell sharply, while Argentina (+3.1%), Colombia (0.8%), and Brazil (0.4%) moved higher. Regional currencies broadly moved higher against the dollar, led by Brazil (1.0%), Mexico (0.4%), and Peru (0.4%), while political unrest helped drive the Chilean peso lower. Copper prices (3 month futures) rose close to 1.5% last week on supply concerns after political unrest disrupted production and shipments in Chile, which is the largest producer in the world. The week ahead will feature monetary policy decisions in Brazil and Colombia.

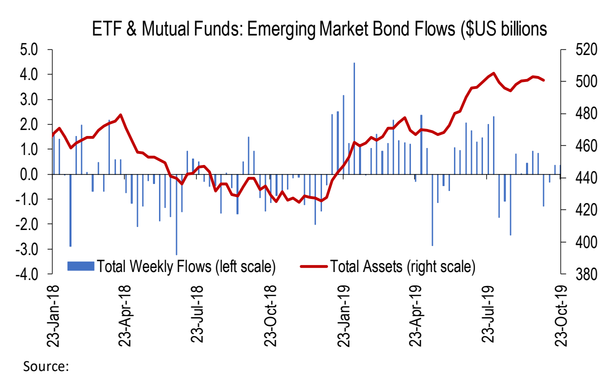
Key Emerging Market Financial Indicators

Last updated:	Level		Change				
10/28/19 8:09 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks			%				%
MSCI EM Equities		42.70	0.6	2	5	10	9
MSCI Frontier Equities		28.44	0.9	1	2	6	9
EMBIG Sovereign Spread (in bps)		325	-3	-5	-23	-41	-89
EM FX vs. USD		61.42	0.2	1	2	-1	-1
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		7.07	0.0	0	1	-1	-3
Indonesian Rupiah		14029	0.1	0	1	9	3
Indian Rupee		70.89	0.2	0	0	3	-2
Argentine Peso		59.99	-0.7	-3	-5	-39	-37
Brazil Real		4.00	0.2	3	4	-7	-3
Mexican Peso		19.06	0.0	0	4	5	3
Russian Ruble		63.69	0.3	0	2	3	9
South African Rand		14.55	0.6	1	4	1	-1
Turkish Lira		5.73	0.8	2	-1	-3	-8
EM FX volatility		7.24	1.4	-0.5	-0.9	-2.8	-2.5

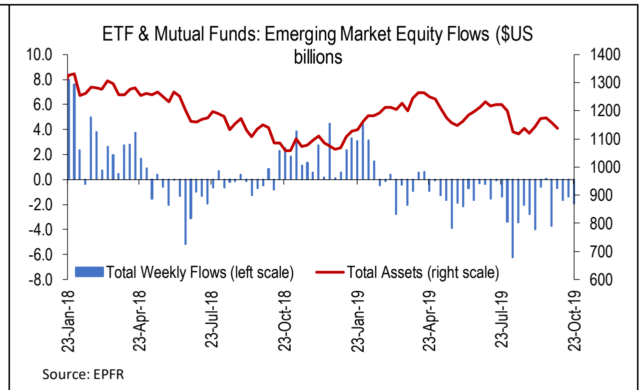
Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Emerging Market Fund Flows

Emerging market fund flows were negative as equity outflows overwhelmed a rebound in hard currency bond inflows last week. Although hard currency bond inflows strengthened to $620 million, equity flows deteriorated to -$2.0 billion in the week ending October 23, and have been negative for 19 of the last 20 weeks. Local currency bond flows deteriorated to -$400 million.



Source: EPFR

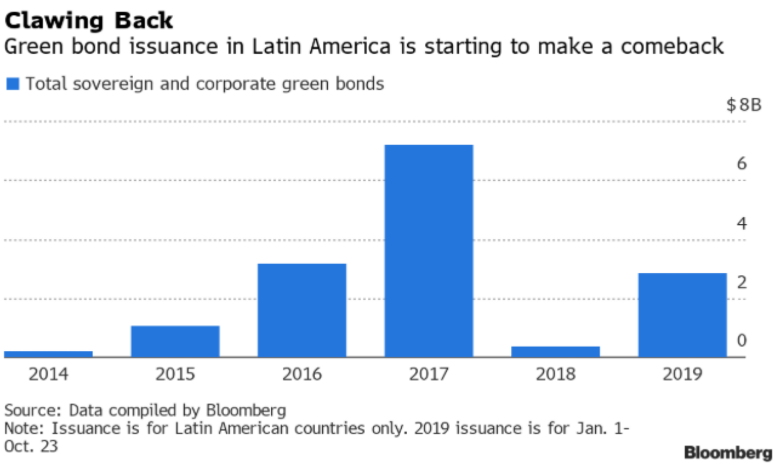


Argentina

Argentina imposes stricter currency controls as Alberto Fernandez defeats Macri to win the presidential election outright. Fernandez was heavily favored, but by winning 48% of the vote, he avoided the need for a second round roundoff. The central bank announced new limits on retail foreign currency purchases, reducing the limit from $10,000 per month to $200 early Monday. Argentina's benchmark 2028 bond yield was little changed early Monday morning after increasing about 50 bps on Friday. Market reaction to the looming Fernandez Administration had been sharply negative, with the currency depreciating about 35% since the primary election in August, and the market has already priced in significant haircuts on sovereign bonds. Argentina imposed capital controls on September 1 to protect its foreign reserves, while Fernandez has highlighted Uruguay's 2003 debt reprofiling as model, with a goal of extending maturities on existing debt without imposing haircuts through a voluntary debt exchange, though most analysts believe such a solution is not feasible given the scale of Argentina's fiscal problems. Fernandez will take office on December 10, with Cristina Fernandez de Kirchner, the former President (2007-2015), as his Vice President.

Latin America

Latin American green bonds are set to rebound in 2020 as ESG investing gains traction in emerging markets. After modest issuance in 2018-2019, the Inter-American Development bank expects green bond issuance in the region to reach as much as $7 bn between the public and private sector in 2020. Issuance has been about $2.4 bn year to date in 2019, according to Bloomberg, with Brazil, Chile, Mexico the largest markets, though Peru and Colombia are seen as high growth markets going forward. The wider green bond universe has grown rapidly since 2015, with the outstanding stock rising from close to $78 bn to nearly $600 bn by August 2019, driven by large issuance in China after North American and Europe had led the way. Global issuance hit $168 bn in 2018 and appears on track to surpass that total in 2019, according to IMF research.

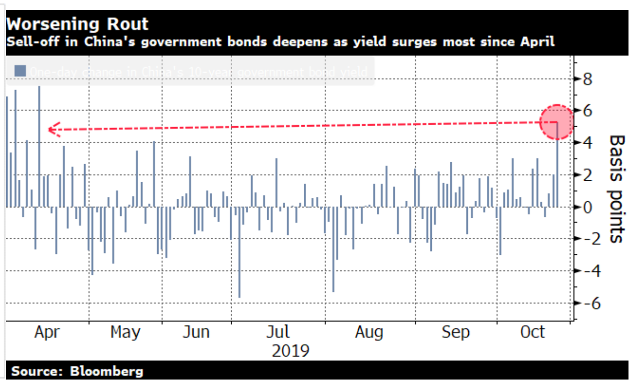


Venezuela

Petroleos de Venezuela (PDVSA)'s 2020 bond rallied by the most in nearly a year after the US Treasury Department helped temporarily stave off creditors by changing its sanctions guidelines on Thursday. PDVSA was set to default on a $913 mn payment on Monday, but the ruling prevents creditors from seizing Citgo collateral for 90 days. The 2020 PDVSA bond price initially rallied from 33 to 34 cents on the dollar, but then eased a bit as the longer-term future remains murky, and the bond has yet to fully recover after pricing at 90 cents on the dollar as recently as June. Analysts say Mr. Guaido will be seeking an agreement with creditors to maintain the bond in good standing and keep control of Citgo, though this will prove challenging due to Venezuela's domestic political situation, and a bevy of international claims on the sovereign and the state-owned PDVSA.

China

Bond yields jumped on trade deal optimism and dampened expectations of policy easing. China's 10-year sovereign bond yield spiked by 6 basis points to 3.29% on Monday, the sharpest bond sell-off since May. Analysts attribute this to two developments. First, the market is increasingly optimistic that China and the United States will sign a partial trade deal next month. In addition, unexpectedly high September inflation readings have dampened previous expectations of aggressive monetary easing. As CNY50 bn of repo contracts came due on Monday, the People's Bank of China refrained from open-market operations, effectively draining cash from the financial system. An additional CNY540 bn of short-term funds will mature over the balance of this week, providing additional information on the central bank's policy intentions. 12-month interest rate swaps have risen to 2.83%, the highest since May, reflecting the anticipation of tighter liquidity.



List of GMM Contributors

Global Markets Analysis Division, MCM Department

Anna Ilyina
Division Chief

Peter Breuer
Deputy Division Chief

Will Kerry
Deputy Division Chief

Evan Papageorgiou
Deputy Division Chief

Sergei Antoshin
Senior Economist

John Caparusso
Senior Financial Sector Expert

Sally Chen
Senior Economist

Fabio Cortés
Senior Economist

Reinout De Bock
Economist

Dimitris Drakopoulos
Financial Sector Expert

Mohamed Jaber
Senior Financial Sector Expert

David Jones
Senior Financial Sector Expert

Sanjay Hazarika
Senior Financial Sector Expert

Frank Hespeler
Senior Financial Sector Expert

Rohit Goel
Financial Sector Expert

Henry Hoyle
Financial Sector Expert

Thomas Piontek
Financial Sector Expert

Patrick Schneider
Research Officer

Jochen Schmittmann
Senior Economist

Juan Solé
Senior Economist

Jeffrey Williams
Senior Financial Sector Expert

Akihiko Yokoyama
Senior Financial Sector Expert

Martin Edmonds
Senior Data Mgt Officer

Yingyuan Chen
Senior Research Officer

Piyusha Khot
Research Assistant

Xingmi Zheng
Research Assistant

Global Financial Indicators

Last updated: 10/28/19 8:06 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities			%				%
United States		3023	0.4	1	2	14	21
Europe		3625	0.0	1	2	16	21
Japan		22867	0.3	2	5	8	14
China		2980	0.9	1	2	15	19
Asia Ex Japan		69	0.6	1	5	11	9
Emerging Markets		43	0.6	2	5	10	9
Interest Rates			basis points				
US 10y Yield		1.83	2.8	3	15	-125	-86
Germany 10y Yield		-0.35	0.8	-1	22	-71	-60
Japan 10y Yield		-0.12	1.4	0	11	-24	-13
UK 10y Yield		0.67	-1.5	-8	17	-72	-61
Credit Spreads			basis points				
US Investment Grade		118	-0.8	-1	-11	12	-29
US High Yield		444	-3.0	-5	-17	64	-77
Europe IG		51	0.3	0	-4	-25	-37
Europe HY		230	1.6	5	-2	-71	-123
EMBIG Sovereign Spread		324	-4.0	-6	-24	-42	-90
Exchange Rates			%				
USD/Majors		97.76	-0.1	0	-1	1	2
EUR/USD		1.11	0.2	0	2	-2	-3
USD/JPY		108.7	0.0	0	-1	3	1
EM/USD		61.4	0.2	1	2	-1	-1
Commodities			%				
Brent Crude Oil ($/barrel)		62	-0.3	5	0	-20	15
Industrials Metals (index)		119	0.6	2	3	1	8
Agriculture (index)		39	-0.3	0	3	-9	-6
Implied Volatility			%				
VIX Index (%, change in pp)		13.0	0.4	-1.0	-4.2	-11.2	-12.4
10y Treasury Volatility Index		4.6	-0.2	-0.7	-0.7	-0.1	0.0
Global FX Volatility		6.3	0.1	-0.3	-0.9	-2.1	-2.7
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		158	0.7	-9	-33	-237	-258
Italy		132	0.9	0	-7	-177	-118
Portugal		59	0.1	1	-15	-97	-89
Spain		64	0.4	1	-8	-58	-53

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: 10/28/2019 8:09 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation						% p.a.					
China		7.07	0.0	0.1	1	-1	-3		3.3	0.3	4	11	-29	6
Indonesia		14029	0.1	0.4	1	9	3		7.2	-1.7	-7	-23	-152	-97
India		71	0.2	0.4	0	3	-2		6.8	-0.3	-1	-8	-118	-63
Philippines		51	0.1	0.0	1	5	3		4.3	-0.1	1	-4	-226	-198
Thailand		30	-0.1	0.2	1	10	8		1.6	-1.0	-2	2	-137	-107
Malaysia		4.18	0.0	0.0	0	0	-1		3.4	0.3	4	-5	-69	-65
Argentina		60	-0.7	-2.7	-5	-39	-37		56.8	39.4	19	-987	3643	3376
Brazil		4.00	0.2	3.4	4	-7	-3		5.8	-2.9	3	-57	-307	-231
Chile		725	0.4	0.2	0	-5	-4		3.1	2.3	2	29	-174	-136
Colombia		3396	0.3	0.9	1	-7	-4		5.7	0.5	-1	7	-111	-80
Mexico		19.06	0.0	0.4	4	5	3		6.9	3.5	2	-8	-143	-179
Peru		3.3	0.4	0.0	0	0	1		4.4	5.2	17	-2	-147	-135
Uruguay		37	-0.1	-0.1	-2	-12	-13		11.2	0.0	26	52		45
Hungary		296	0.3	0.0	4	-3	-5		1.1	-2.3	-6	3	-165	-115
Poland		3.85	0.3	-0.3	4	-1	-3		1.8	0.9	-4	-4	-77	-49
Romania		4.3	0.1	-0.4	2	-4	-5		3.8	1.0	2	10	-80	-41
Russia		63.7	0.3	0.1	2	3	9		6.3	-8.2	-16	-59	-209	-214
South Africa		14.5	0.6	1.5	4	1	-1		9.3	-4.9	-7	-18	-72	-32
Turkey		5.73	0.8	2.2	-1	-3	-8		12.8	-19.7	-129	-102	-705	-410
US (DXY; 5y UST)		98	-0.1	0.4	-1	1	2		1.65	3.3	4	9	-126	-86

	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		2980	0.9	1	2	15	19		186	0	-1	1	-6	-8
Indonesia		6265	0.2	1	1	8	1		171	-3	-5	-13	-51	-65
India		39250	0.5	0	1	18	9		130	-3	-7	5	-37	-66
Philippines		7947	0.3	1	2	12	6		74	-2	-2	-4	-47	-47
Malaysia		1570	0.0	0	-1	-7	-7		121	0	-4	-5	-15	-41
Argentina		34522	3.1	8	20	18	14		2164	-6	35	7	1492	1349
Brazil		107364	0.4	3	2	25	22		222	-3	-5	-17	-41	-51
Chile		4944	-1.4	0	-3	-4	-3		131	-2	-2	-8	-11	-35
Colombia		1629	0.8	3	3	17	23		168	-2	-6	-17	-22	-60
Mexico		43389	-0.9	0	1	-5	4		293	-3	-5	-25	6	-61
Peru		19519	-0.4	1	-1	5	1		119	-4	-2	-14	-38	-49
Hungary		41999	-0.4	3	3	17	7		90	-2	1	-5	-38	-58
Poland		57638	0.5	0	0	7	0		27	0	2	-5	-42	-58
Romania		9673	0.0	1	1	15	31		182	-3	-3	-3	-11	-39
Russia		2885	0.4	4	5	26	22		175	-4	-5	-15	-51	-77
South Africa		55849	1.3	0	1	10	6		305	-2	-11	-23	-32	-60
Turkey		99838	-0.4	3	-5	10	9		439	-8	-51	-26	-9	10
Ukraine		522	0.0	0	-1	-7	-7		446	-4	-22	-56	-149	-341
EM total		43	0.6	2	5	10	9		325	-3	-5	-23	-41	-89

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

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