








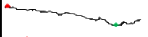





- Markets pricing 25 bp FOMC rate cut today; forward guidance to be key focus ([link](#))
- US gov't and prime MMFs sustain strong pace of growth in AUM for 2019 ([link](#))
- UK general election set for December; analysts warn outcome difficult to predict ([link](#))
- Deutsche Bank shares slump on disappointing Q3 results ([link](#))
- Japanese insurers to boost unhedged foreign bond positions in search for yield ([link](#))
- Lebanese bond yields rise sharply amid PM resignation and ongoing protests ([link](#))
- Investors highlight improving Brazilian outlook as CDS spreads tighten further ([link](#))

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Global markets mixed ahead of key central bank decisions

The advance in global equities has taken a breather heading into a series of major central bank policy decisions to be reported starting later today. US stocks and Treasury yields ended little changed yesterday on the back of a mixed batch of data releases and equally mixed batch of Q3 earnings reports. In Asia, equity gains and losses varied across the region with Chinese equities underperforming on headlines the US-China trade agreement might not be ready by next month. European bourses are drifting slightly lower on some disappointing bank earnings and core yields are little changed, while in the UK a general election has been confirmed for December with minimal reaction so far from the sterling or gilt yields. Investors are looking ahead to the FOMC policy decision and press conference later today where markets widely anticipate a 25 bp policy rate cut. However, much of the focus will be on the committee's forward looking commentary as investors look for any clues on the future path of the policy rate. In EM, local assets in Lebanon sold off sharply amid the PM resignation and ongoing protests, while South African assets are weaker amid the release of the medium-term budget statement.

Key Global Financial Indicators

| Last updated: 10/30/19 8:28 AM | Level | | Change from Market Close | | | | YTD |
|--------------------------------------|---|--------|--------------------------|--------|---------|------|-----|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | |
| Equities | | | % | | | | % |
| S&P 500 |  | 3037 | -0.1 | 1 | 2 | 13 | 21 |
| Eurostoxx 50 |  | 3615 | -0.2 | 0 | 1 | 15 | 20 |
| Nikkei 225 |  | 22843 | -0.6 | 1 | 5 | 6 | 14 |
| MSCI EM |  | 43 | -0.1 | 1 | 5 | 10 | 9 |
| Yields and Spreads | | | bps | | | | |
| US 10y Yield |  | 1.83 | -0.4 | 6 | 16 | -130 | -86 |
| Germany 10y Yield |  | -0.36 | -1.3 | 3 | 21 | -73 | -61 |
| EMBIG Sovereign Spread |  | 331 | 3 | -1 | -7 | -34 | -83 |
| FX / Commodities / Volatility | | | % | | | | |
| EM FX vs. USD, (+) = appreciation |  | 61.2 | -0.1 | 0 | 2 | -1 | -2 |
| Dollar index, (+) = \$ appreciation |  | 97.6 | -0.1 | 0 | -2 | 1 | 2 |
| Brent Crude Oil (\$/barrel) |  | 61.7 | 0.2 | 1 | 1 | -19 | 15 |
| VIX Index (% change in pp) |  | 12.9 | -0.3 | -1 | -3 | -10 | -12 |

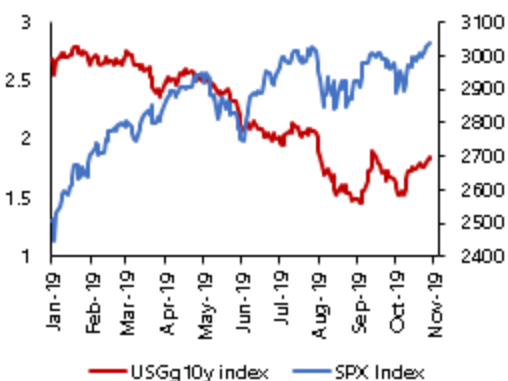
Colors denote **tightening**/**easing** financial conditions for observations greater than ± 1.5 standard deviations. Data source: Bloomberg.

United States

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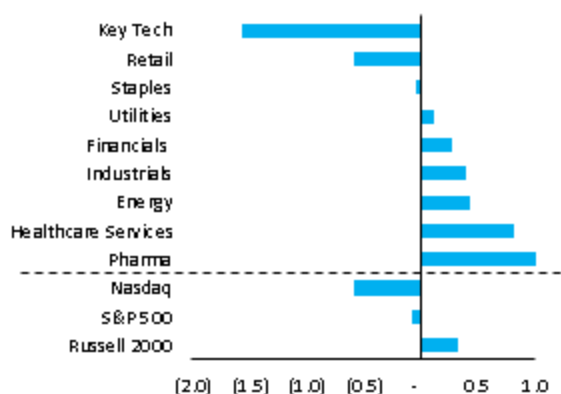
US assets remained broadly unchanged on Tuesday, amid intraday volatility, ahead of the FOMC decision today. While a rate cut is widely expected, analyst's views diverge on whether this could be the last cut in this series of insurance cuts. A report that a trade deal between the US and China may not be ready in time to sign by the APEC summit next month, a day after President Donald Trump's assertion that negotiations were ahead of schedule, dented stocks exposed to the trade negotiations. US banking sector shares outperformed the broader index after Treasury Secretary Mnuchin said he would be open to looser bank rules, as a response to the money market liquidity concerns. Health care stocks jumped on stronger-than-expected reports from drugmakers, but losses by internet and media companies held the market in check following a mixed report from Google's parent Alphabet.

US equities and 10-yr yields



Source: Bloomberg

Performance on 29th Sep: Key US (Sub) Indices



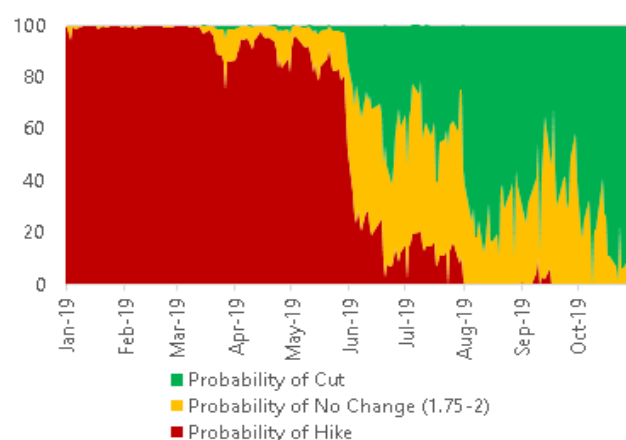
Source: Bloomberg

Among key data releases this morning, US GDP grew by 1.9% y/y in Q3, beating consensus expectations of 1.6% y/y, and compares with Q2 print of 2.0% y/y. The gain mainly reflected strength in consumer spending, the biggest part of the economy, which increased at a 2.9% rate and exceeded projections for a 2.6% rise. For businesses, nonresidential fixed investment fell the most since late 2015, per reports. ADP payrolls for October were reported at 125k, beating consensus expectations of 110k, and compares with the downward revised September print of 93k. **Treasury yields were little changed after the stronger than expected data releases.**

As per the quarterly refunding estimates released this morning, the US Treasury said it will keep its auctions of nominal coupon and floating-rate debt steady at \$84 bn for a fourth straight quarter. The government will sell \$38 bn in 3-year notes on Nov. 5, \$27 bn in 10-year notes on Nov. 6, and \$19 bn in 30-yr bonds on Nov. 7. **The US Treasury also said it is considering issuance of a 20-yr bond and an inaugural floating-rate note with a one-year maturity linked to the Secured Overnight Financing Rate.**

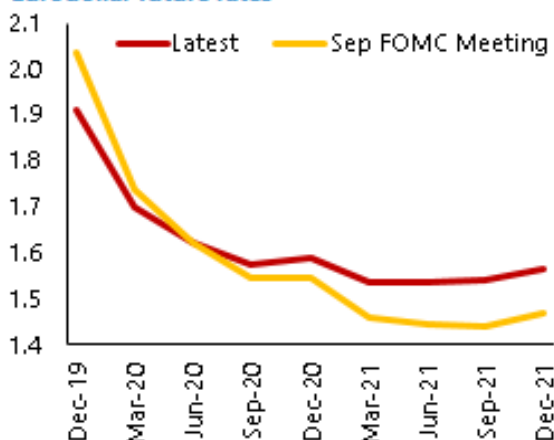
A 25 bp rate cut is almost completely priced in for the FOMC decision for this afternoon. Since the September FOMC meeting, market has gradually priced in a higher probability of a 25 bp rate cut for the October meeting along with a higher probability of a cut at the Dec-2019 meeting. However, the market has taken out some further cuts for 2020 reflecting the divergent views amongst analysts. The FOMC's forward guidance and perceived reaction function has been cited by analysts as the key focus, with expectations the meeting statement and press conference will maintain the ready to act as necessary message while seeking to reinforce optionality by emphasizing data dependence going forward.

Probabilities of rate decisions for Oct FOMC meeting, based on US OIS rates



Source: Bloomberg

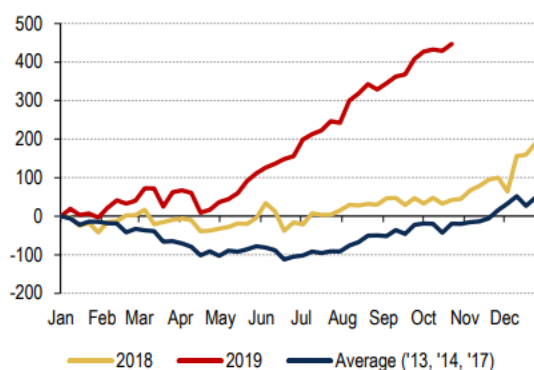
Eurodollar future rates



Source: Bloomberg

US government and prime money market funds continued to grow through September and October, up \$120 bn in total. Government fund weighted average maturity extended by around 5 days, during the same period, as they invested less in repo and more in relatively longer-maturity US Treasuries. BAML analysts highlighted that while the mid-September funding spike was mostly driven by a drain of reserves from the banking system, outflows from government funds around that time were likely a marginal contributor to repo volatility. Similar MMF outflows also likely contributed to the moderate repo volatility seen in mid-Oct.

Chart 1: Total MMFs cumulative change in assets by week (\$bn)



Source: ICI, BofA Merrill Lynch Global Research

Chart 2: MMF WAMs (days)



Source: iMoneyNet, BofA Merrill Lynch Global Research

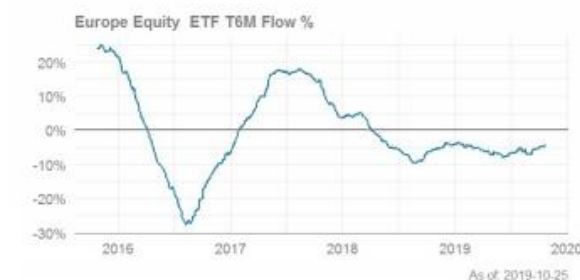
The long-term trend of US stock outperformance vs Europe has stalled over the last 12 months, as highlighted by MS analysts. In the 12 calendar years from 2007 through 2018, European stocks have outperformed the US in just one year (2015). This underperformance has also translated into investor positioning, with European equity funds seeing 83 consecutive weeks of outflows. However, this 10-year+ trend has started to reverse over the last 12 months. On a currency-hedged basis, European versus US stock performance bottomed in Sep-Dec 2018 and is almost 400 bp higher since – as per the analysis.

Exhibit 6: The long-term trend of US stock outperformance versus Europe has stalled over the last 12 months



Source: Bloomberg, Morgan Stanley Research

Exhibit 7: European equity funds have seen persistent outflows



Source: Bloomberg, Morgan Stanley Research

Europe

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United Kingdom

The British pound is trading in a tight range as **the country prepares for elections on Thursday 12 Dec.** 10-year gilt yields are unchanged at 0.70%. **Current polls point to a clear Conservative majority, but analysts warn that the outcome is unpredictable given a highly divided and undecided electorate.** U.K. polling expert Sir John Curtice expects a record number of non-Conservative MPs and non-Labour MPs in Parliament after the election (up to a 100 MPs out of 650).

Euro Area

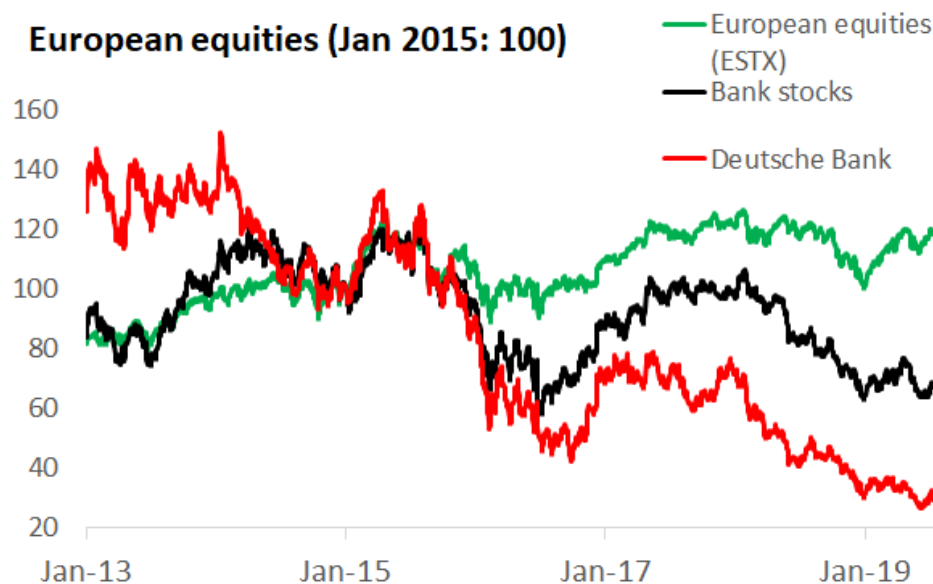
Core yields are unchanged ahead of the FOMC meeting and German inflation data. German 10-yr bunds trade at -0.35%. French 10-yr OAT yields were at -0.05%, and Italian 10-yr BTP yield at 0.99%. The euro was little changed at 1.11 against the dollar. **The ECB will restart QE purchases today** (with settlement on 1 November). **Italian 10-yr spreads to bunds edged higher to 135 bps as Geerk 10-yr spread fell 2 bps to 157 bps.**

French GDP growth beats expectations in the third quarter at 0.3% qoq (0.2% expected), supported by domestic demand.

Deutsche Bank (DB) stocks fell 6% after the bank posted an €832 mn Q3 loss on Wednesday on restructuring costs and disappointing fixed income trading. Earlier in 2019, DB had announced \$7.4 bn of restructuring plans including 18000 job cuts. DB equity prices are down 2.0% ytd. Shares of Fiat/Chrysler (+10%) and Peugeot (+6%) gained on reports of merger talks.

European equities (-0.2%) gained 19% ytd in 2019 (compared to 21% for U.S. equities). **European banks have lagged with gains of 5% ytd** (compared to 21% for U.S. bank stocks).

European equities (Jan 2015: 100)



Source: Bloomberg and IMF

Other Mature Markets

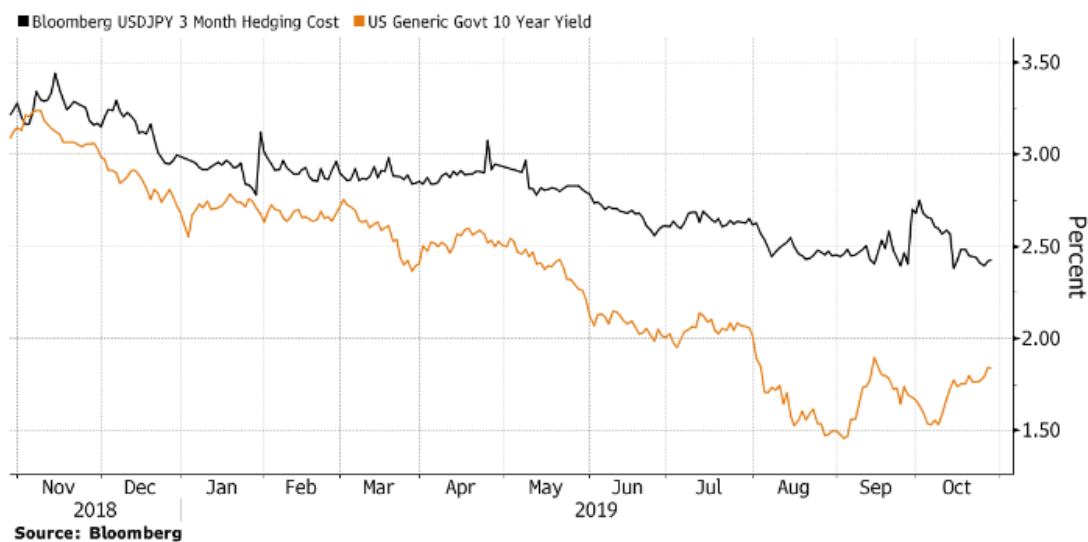
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Japan

Equities (Topix, +0.2%) gained in a slow trading session ahead of the FOMC and BoJ monetary policy decisions. Defensive stocks including healthcare and consumer staples outperformed. 10-year JGB yields fell 1 bp to -0.13. The yen was stable. Separately, **Japanese insurers plan to increase holdings of unhedged foreign debt.** Hedging reduces the ex-ante return on USD investments for Japanese investors. Insurers have already reduced the hedged portion of their foreign bond portfolios from 63% in 2016 to 55% earlier this year. The largest Japanese insurers including Nippon Life and Japan Post are planning further reductions in their hedge ratios in the next 6 months.

Losing Sheen

Higher hedging costs make Treasuries unattractive for Japanese investors



Taiwan Province of China





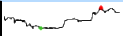
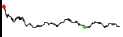

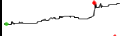





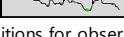
The Financial Supervisory Commission's (FSC) announced that it will raise the risk capital charge for ETFs that are popular with insurers to get around foreign investment limits. Taiwan Dollar (TWD)-denominated ETFs that track foreign assets do not count toward lifers' foreign asset cap of 65.25% of total assets. With most insurers capped out, this has led to rapid AUM growth for these ETFs to close to \$40 bn. Analysts believe that the impact of higher capital charges will be limited as lifers still would seek to increase foreign investments to boost returns. The TWD and local bond yields were stable today.

Emerging Markets

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Asian equities declined on net (-0.2%) with mixed performance across markets. A Reuters report that phase one of the US-China trade deal will be delayed weighed on Chinese markets. Korea and Hong Kong also posted losses. Meanwhile, India and Thailand (+0.5% each) led gains. Currencies were stable outside of the Korean won (-0.4%) and the Philippine peso (+0.4%). **In EMEA, Turkish equities (-0.6%) fell after the U.S. House of Representatives passed a bipartisan sanction bill** with the lira little changed. South African equities (-0.4%) traded lower ahead of today's budget announcement. **Latin American markets were relatively quiet, with the exception of Chilean equities (-1.6%) given continued social unrest and Argentine (2.0%) equities on continued election fallout.** Chile's benchmark equity index is down just over 6% since October 18 when protests broke out. Most major regional currencies fell modestly against the dollar. Dollar bond yields were little changed.

Key Emerging Market Financial Indicators

| Last updated: 10/30/19 8:32 AM | Level | | Change | | | | |
|-----------------------------------|---|-------|-----------------------------------|--------|---------|------|------|
| | Last 12m | index | 1 Day | 7 Days | 30 Days | 12 M | YTD |
| Major EM Benchmarks | | | % | | | | % |
| MSCI EM Equities |  | 42.73 | -0.1 | 1 | 5 | 10 | 9 |
| MSCI Frontier Equities |  | 28.19 | -0.3 | 0 | 0 | 5 | 8 |
| EMBIG Sovereign Spread (in bps) |  | 331 | 3 | -1 | -7 | -34 | -83 |
| EM FX vs. USD |  | 61.20 | -0.1 | 0 | 2 | -1 | -2 |
| Major EM FX vs. USD | | | %, (+) = EM currency appreciation | | | | |
| China Renminbi |  | 7.06 | 0.1 | 0 | 1 | -1 | -3 |
| Indonesian Rupiah |  | 14033 | 0.0 | 0 | 1 | 8 | 3 |
| Indian Rupee |  | 70.90 | -0.1 | 0 | 0 | 4 | -2 |
| Argentine Peso |  | 59.46 | 0.1 | -1 | -3 | -38 | -37 |
| Brazil Real |  | 4.02 | -0.4 | 1 | 3 | -8 | -4 |
| Mexican Peso |  | 19.14 | -0.1 | 0 | 3 | 5 | 3 |
| Russian Ruble |  | 63.88 | 0.1 | 0 | 2 | 3 | 9 |
| South African Rand |  | 14.87 | -1.6 | -2 | 2 | -2 | -4 |
| Turkish Lira |  | 5.73 | 0.1 | 0 | -1 | -4 | -8 |
| EM FX volatility |  | 7.15 | 0.0 | -0.4 | -1.0 | -2.8 | -2.6 |

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

China

Chinese equity markets slipped on news of a delay in signing phase one of a US-China trade deal. Reuters reported that the interim trade agreement between the US and China may not be ready for signing at the APEC summit in Chile in November. The Shanghai and Shenzhen Composite dipped 0.5% and 0.9%, respectively, with shares in industrial and financial segments underperforming. News on **Chinese financial conglomerates facing cost cutting pressure to meet debt repayments also weighed on market sentiment.** China Minsheng Investment Group plans to cut salaries for senior and middle management by an average of 53%. The decision came after the delay in repayment of its US dollar bond worth US\$500

million due in August this year. The company will also need to dispose assets and raise funds to pay off its debt. In the currency market, both CNY and CNH strengthened, by about 0.2% against the US dollar.

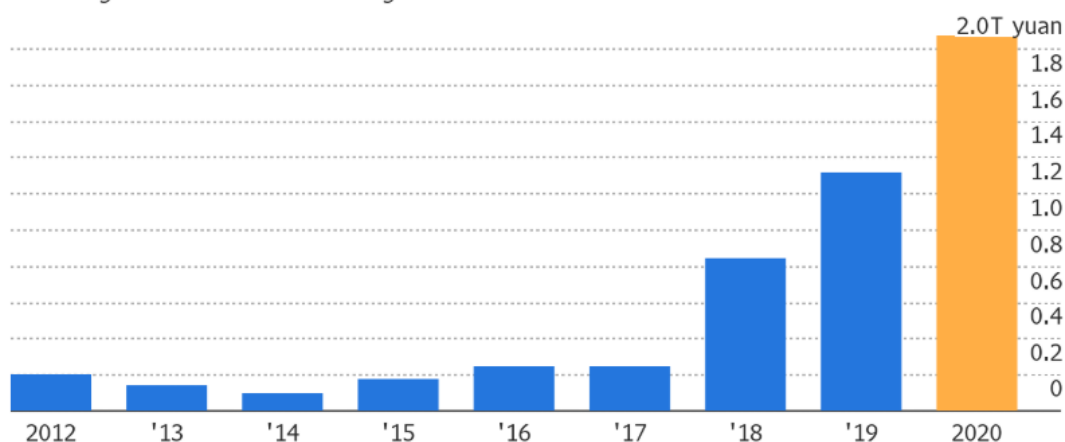
Growing needs for Chinese local governments to refinance their debt may push yields higher.

According to estimates by Bloomberg, local government bonds coming due in 2020 may reach RMB2 trillion, the highest on record. Some provinces such as the Guangdong government is planning to issue new bonds as early as November this year to rollover their debt.

Supply Surge

China to see record amount of municipal debt come due next year

■ Local government bonds maturing in 2020



Source: Bloomberg

Bloomberg

Lebanon

Lebanese sovereign bond yields and CDS spreads jumped amid political unrest and nationwide protests. Yesterday, local Lebanese assets sold off sharply as PM Hariri resigned and the central bank governor warned a near-term political solution is needed to avoid economic collapse. The yield on Lebanon's dollar bond due in 2021 jumped 6.38 ppt to 36.17%. The gap between bids and offers for the security widened to the most since the 2008 financial crisis, reflecting declining liquidity in Lebanon's government bond market. This has occurred as local banks have been closed since the start of the unrest two weeks ago, which has heightened concerns around the growing demand for dollars and the potential effects on the country's currency.

Thin Liquidity

Spread on bids and offers widens to the most since the 2008 financial crisis

■ LEBAN 8 ¾ 04/12/21 - LEBAN 8 ¾ 04/12/21



Source: Bloomberg

Saudi Arabia

Saudi Aramco will reportedly launch its IPO on 3 November. Shares would be priced in early December and start trading on Saudi's domestic stock exchange on 11 Dec. Bloomberg reports that Aramco told IPO bankers that it earned \$68 bn in the first 9 months of 2019. Stocks in Riyadh traded 0.5% higher today, reversing some of yesterday's losses.

South Africa

The rand is little changed, but **equities fell 0.6% ahead of the Medium-Term Budget Policy Statement later today.** Analysts worry that weak growth and support to state-owned Eskom could lead the budget deficit to widen to more than 6%GDP this year (compared to the government's forecast of 4.5%GDP deficit in February 2019). Contacts also await further details on Eskom's reform and debt restructuring. South Africa's 5-yr CDS swap is little changed at 169 bps after rising 3-4 bps yesterday. The yield on Eskom's 2021 USD bond (rated: CCC+) is little changed at 4.82% (after rising a combined 17 bps on Monday and Tuesday).

Turkey

Turkish equities (-0.7%) fell after the U.S. House of Representatives passed a bipartisan bill that would impose sanctions on Turkish leaders, Halkbank, other financial firms, and restrict Turkey's access to financing and weapons. The Turkish Lira is little changed at 5.74 per USD and bank stocks fell 1.1%. Halkbank shares are down 1.7%.

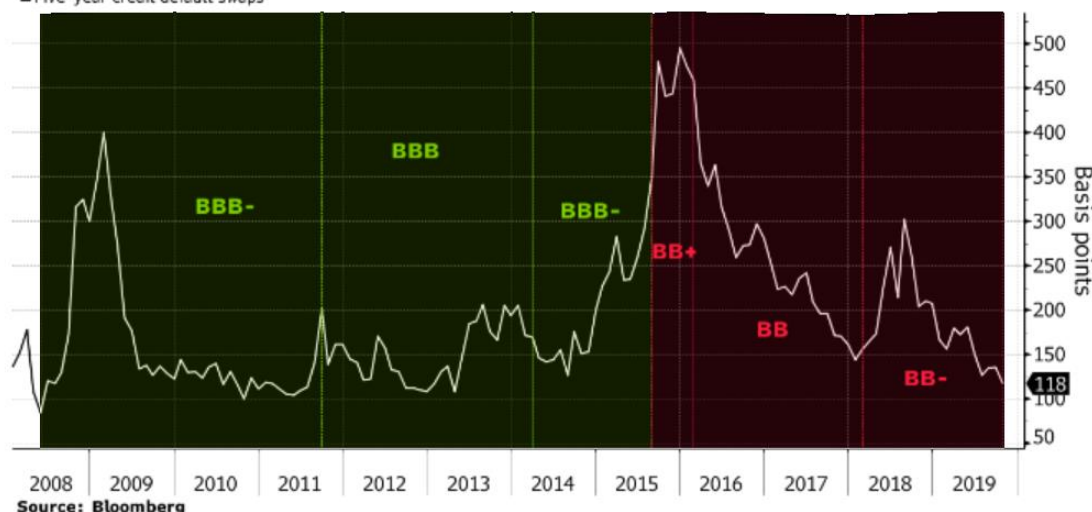
Brazil

Investors have highlighted improving Brazilian prospects amid regional turmoil, with declining credit risk and inflation alongside fiscal reform efforts. Once the regional laggard, as a deep recession and political turmoil gripped the country in 2015-2016, Brazil has remained mostly unscathed and passed pension reform last week, while Chile, Ecuador, and Argentina battle domestic unrest. Brazil's five-year credit default swap spreads have fallen sharply since late 2018 to a six-year low, while its sovereign spread derived from the JPM EMBIG has tightened by about 50 bps since the summer alongside two 50 bp rate cuts by the central bank. Moreover, with consumer price inflation falling to 2.9% (IPCA) in September, down from a peak of 10.7% in 2016, Bank of America (BofA) analysts expect three more 50 bp cuts of the benchmark policy rate by end-2020 (including on Oct. 30). BofA analysts also revised upward their growth forecasts for 2019-2020 to 1.0% (prev. 0.7%) and 2.4% (prev. 1.9%) respectively. The equity market is up 22% year to date.

Inspiring Confidence

Brazil's credit default swaps trade at lowest in six years despite junk rating

■ Five-year credit default swaps










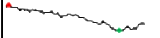







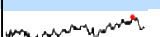






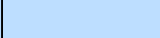

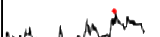

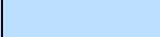

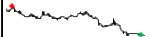
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Global Financial Indicators

| Last updated: 10/30/19 8:29 AM | Level | | Change | | | | |
|-----------------------------------|---|--------|----------------------------------|--------|---------|-------|-------|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | YTD |
| Equities | | | % | | | | % |
| United States |  | 3037 | -0.1 | 1 | 2 | 13 | 21 |
| Europe |  | 3615 | -0.2 | 0 | 1 | 15 | 20 |
| Japan |  | 22843 | -0.6 | 1 | 5 | 6 | 14 |
| China |  | 2939 | -0.5 | 0 | 1 | 14 | 18 |
| Asia Ex Japan |  | 69 | -0.5 | 1 | 5 | 12 | 9 |
| Emerging Markets |  | 43 | -0.1 | 1 | 5 | 10 | 9 |
| Interest Rates | | | basis points | | | | |
| US 10y Yield |  | 1.83 | -0.4 | 6 | 16 | -130 | -86 |
| Germany 10y Yield |  | -0.36 | -1.3 | 3 | 21 | -73 | -61 |
| Japan 10y Yield |  | -0.11 | -0.7 | 3 | 10 | -23 | -11 |
| UK 10y Yield |  | 0.69 | -1.9 | 1 | 20 | -71 | -59 |
| Credit Spreads | | | basis points | | | | |
| US Investment Grade |  | 119 | 0.6 | -1 | -9 | 11 | -28 |
| US High Yield |  | 444 | 1.4 | -7 | -19 | 62 | -77 |
| Europe IG |  | 52 | 0.7 | 1 | -3 | -24 | -36 |
| Europe HY |  | 237 | 4.5 | 9 | 5 | -66 | -116 |
| EMBIG Sovereign Spread |  | 331 | 3.0 | -1 | -7 | -34 | -83 |
| Exchange Rates | | | % | | | | |
| USD/Majors |  | 97.64 | -0.1 | 0 | -2 | 1 | 2 |
| EUR/USD |  | 1.11 | 0.0 | 0 | 2 | -2 | -3 |
| USD/JPY |  | 108.9 | 0.0 | 0 | -1 | 4 | 1 |
| EM/USD |  | 61.2 | -0.1 | 0 | 2 | -1 | -2 |
| Commodities | | | % | | | | |
| Brent Crude Oil (\$/barrel) |  | 62 | 0.2 | 1 | 1 | -19 | 15 |
| Industrials Metals (index) |  | 119 | -0.2 | 1 | 3 | 3 | 8 |
| Agriculture (index) |  | 39 | 0.0 | 0 | 1 | -8 | -6 |
| Implied Volatility | | | % | | | | |
| VIX Index (% change in pp) |  | 12.9 | -0.3 | -1.1 | -3.3 | -10.4 | -12.5 |
| 10y Treasury Volatility Index |  | 4.6 | -0.1 | -0.4 | -0.7 | 0.0 | 0.1 |
| Global FX Volatility |  | 6.3 | 0.0 | -0.1 | -0.9 | -2.1 | -2.7 |
| EA Sovereign Spreads | | | 10-Year spread vs. Germany (bps) | | | | |
| Greece |  | 157 | -1.5 | -10 | -35 | -231 | -258 |
| Italy |  | 135 | 1.6 | 2 | -4 | -175 | -115 |
| Portugal |  | 57 | -1.0 | -2 | -16 | -94 | -91 |
| Spain |  | 64 | -0.2 | -1 | -8 | -56 | -54 |

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: 10/30/2019 8:33 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 | | 7.06 | 0.1 | 0.1 | 1 | -1 | -3 | | 3.3 | 2.1 | 5 | 15 | -22 | 10 |
| Indonesia | | 14033 | 0.0 | 0.0 | 1 | 8 | 3 | | 7.1 | -0.3 | -6 | -24 | -158 | -102 |
| India | | 71 | -0.1 | 0.0 | 0 | 4 | -2 | | 6.8 | 1.1 | 0 | -5 | -112 | -62 |
| Philippines | | 51 | 0.4 | 0.1 | 2 | 5 | 3 | | 4.3 | -0.7 | -1 | -5 | -228 | -199 |
| Thailand | | 30 | -0.1 | 0.2 | 1 | 10 | 8 | | 1.6 | 1.9 | 2 | 8 | -130 | -102 |
| Malaysia | | 4.18 | 0.1 | 0.2 | 0 | 0 | -1 | | 3.5 | 1.8 | 4 | 5 | -68 | -63 |
| Argentina | | 59 | 0.1 | -1.3 | -3 | -38 | -37 | | 61.6 | 161.5 | 552 | -356 | 4124 | 3859 |
| Brazil | | 4.02 | -0.4 | 0.5 | 3 | -8 | -4 | | 5.8 | 1.9 | -13 | -58 | -292 | -237 |
| Chile | | 731 | -0.5 | -0.7 | 0 | -5 | -5 | | 3.3 | 11.1 | 7 | 46 | -150 | -115 |
| Colombia | | 3377 | 0.5 | 1.6 | 3 | -6 | -4 | | 5.8 | 4.8 | -3 | 11 | -111 | -75 |
| Mexico | | 19.14 | -0.1 | -0.1 | 3 | 5 | 3 | | 6.9 | -2.5 | -1 | -6 | -176 | -178 |
| Peru | | 3.3 | -0.1 | 0.4 | 1 | 1 | 1 | | 4.4 | 0.3 | 15 | -2 | -149 | -131 |
| Uruguay | | 37 | 0.1 | -0.1 | -1 | -12 | -14 | | 11.2 | -12.3 | 23 | 53 | | 48 |
| Hungary | | 297 | 0.0 | -0.6 | 4 | -4 | -6 | | 1.1 | -1.6 | -1 | -1 | -156 | -114 |
| Poland | | 3.84 | 0.1 | 0.0 | 5 | -1 | -3 | | 1.8 | -0.9 | 1 | -1 | -72 | -48 |
| Romania | | 4.3 | -0.1 | -0.3 | 2 | -4 | -5 | | 3.8 | -1.0 | 1 | 15 | -75 | -41 |
| Russia | | 63.9 | 0.1 | 0.1 | 2 | 3 | 9 | | 6.3 | 2.0 | -8 | -59 | -208 | -215 |
| South Africa | | 14.9 | -1.6 | -1.5 | 2 | -2 | -4 | | 9.3 | 3.8 | 2 | -9 | -49 | -27 |
| Turkey | | 5.73 | 0.1 | 0.1 | -1 | -4 | -8 | | 12.7 | 0.0 | -114 | -65 | -691 | -417 |
| US (DXY; 5y UST) | | 98 | -0.1 | 0.2 | -2 | 1 | 2 | | 1.67 | 1.0 | 8 | 13 | -128 | -84 |

| | 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 | | 2939 | -0.5 | 0 | 1 | 14 | 18 | | 185 | 0 | -2 | -1 | 0 | -9 |
| Indonesia | | 6296 | 0.2 | 1 | 2 | 9 | 2 | | 173 | 3 | -3 | -14 | -45 | -63 |
| India | | 40052 | 0.6 | 3 | 4 | 18 | 11 | | 127 | -5 | -7 | -7 | -45 | -69 |
| Philippines | | 8020 | 0.4 | 1 | 3 | 14 | 7 | | 78 | 2 | 0 | -2 | -38 | -43 |
| Malaysia | | 1580 | 0.1 | 0 | 0 | -6 | -7 | | 120 | -1 | -3 | -3 | -9 | -42 |
| Argentina | | 32544 | -1.9 | -2 | 12 | 11 | 7 | | 2221 | -1 | 78 | 90 | 1556 | 1406 |
| Brazil | | 107556 | -0.6 | 0 | 3 | 24 | 22 | | 224 | 1 | -6 | -18 | -34 | -49 |
| Chile | | 4881 | -1.6 | -1 | -4 | -3 | -4 | | 132 | 0 | -2 | -8 | -7 | -34 |
| Colombia | | 1633 | 0.7 | 1 | 4 | 17 | 23 | | 177 | 2 | 2 | -9 | -12 | -51 |
| Mexico | | 43851 | 0.2 | 1 | 2 | 1 | 5 | | 290 | 2 | -8 | -28 | -13 | -64 |
| Peru | | 19720 | 0.8 | 2 | 1 | 6 | 2 | | 123 | 0 | -2 | -12 | -29 | -45 |
| Hungary | | 42524 | 0.2 | 2 | 5 | 17 | 9 | | 93 | 1 | -1 | -6 | -32 | -55 |
| Poland | | 58404 | 0.0 | 1 | 2 | 7 | 1 | | 26 | -2 | -6 | -7 | -39 | -59 |
| Romania | | 9696 | -0.2 | 1 | 1 | 14 | 31 | | 180 | 0 | -7 | -14 | -18 | -41 |
| Russia | | 2903 | 0.6 | 3 | 6 | 26 | 23 | | 176 | 1 | -6 | -17 | -48 | -76 |
| South Africa | | 55549 | -0.3 | 0 | 1 | 9 | 5 | | 309 | 1 | -8 | -21 | -27 | -56 |
| Turkey | | 99427 | -0.4 | 2 | -5 | 10 | 9 | | 449 | 4 | -14 | -17 | 11 | 20 |
| Ukraine | | 522 | 0.0 | 0 | -1 | -6 | -7 | | 460 | 8 | -7 | -51 | -138 | -327 |
| EM total | | 43 | -0.1 | 1 | 5 | 10 | 9 | | 331 | 3 | -1 | -7 | -34 | -83 |

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

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