GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

# Global Markets Monitor

MONDAY, OCTOBER 2, 2023
LEAD EDITOR: JEFF WILLIAMS

- **Term premia has dictated the US Treasury market** (link)
- **Impact of yields from government shutdown fears is hard to disentangle** (link)
- **Analysts focus on PEPP reinvestments talks following recent ECB commentary** (link)
- **UK house prices decline by less than expected** (link)
- **BOJ announced additional JGB purchases, as 10Y yield hit a decade high** (link)

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## Focus shift backs to yields after US avoids shutdown

**The agreement on a deal to avoid a US government shutdown gave a short-lived boost to equity futures early in the morning but focus quickly turned back to the direction of monetary policy.** Advanced economy sovereign bond yields are moving higher with the yield on the 10-year German bund up 3 bp and the 10-year UST up nearly 6 bp, moving back above 4.6%. This week will be an important one for the near-term direction of US rates. Later this morning, Fed chair Powell will speak at a roundtable with Philadelphia Fed president Harker, and the week will be capped on Friday by US nonfarm payrolls for September, now set to be released on schedule. Despite the initial bounce in market sentiment from the budget deal news, US equity futures—as well as European equity markets—are now slightly lower on the day. Emerging market currencies are mostly weaker, thanks in part to dollar strength driven by higher yields. Chinese markets will be closed all week for a national holiday.

**Key Global Financial Indicators**

| Last updated: 10/2/23 8:19 AM | Level | | Change from Market Close | | | | |
|---|---|---|---|---|---|---|---|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | YTD |
| **Equities** | | | % | | | | % |
| S&P 500 | | 4288 | -0.3 | -1 | -5 | 20 | 12 |
| Eurostoxx 50 | | 4160 | -0.3 | 0 | -3 | 25 | 10 |
| Nikkei 225 | | 31760 | -0.3 | -3 | -3 | 21 | 22 |
| MSCI EM | | 38 | 0.1 | -1 | -4 | 9 | 0 |
| **Yields and Spreads** | | | bps | | | | |
| US 10y Yield | | 4.64 | 6.4 | 10 | 46 | 81 | 76 |
| Germany 10y Yield | | 2.87 | 3.1 | 7 | 32 | 76 | 30 |
| EMBIG Sovereign Spread | | 430 | -8 | 8 | 11 | -139 | -22 |
| **FX / Commodities / Volatility** | | | % | | | | |
| EM FX vs. USD, (+) = appreciation | | 46.8 | -0.5 | -1 | -2 | -3 | -6 |
| Dollar index, (+) = $ appreciation | | 106.6 | 0.4 | 1 | 2 | -5 | 3 |
| Brent Crude Oil ($/barrel) | | 92.7 | 0.5 | -1 | 5 | 5 | 8 |
| VIX Index (%, change in pp) | | 18.4 | 0.9 | 2 | 5 | -13 | -3 |

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

**The US Congress passed the spending bill to avert a government shutdown on Saturday night—against most analysts' expectations.** The bill will provide funding for the federal government until November 17th. The funding will allow major economic data releases to be published as scheduled during a busy week for the US data calendar including the non-farm payrolls on Friday. Final PMIs and unemployment data will be out in the euro area. Major central bank meetings will be held in Australia, Poland, Romania, Peru, and India.

## Mature Markets

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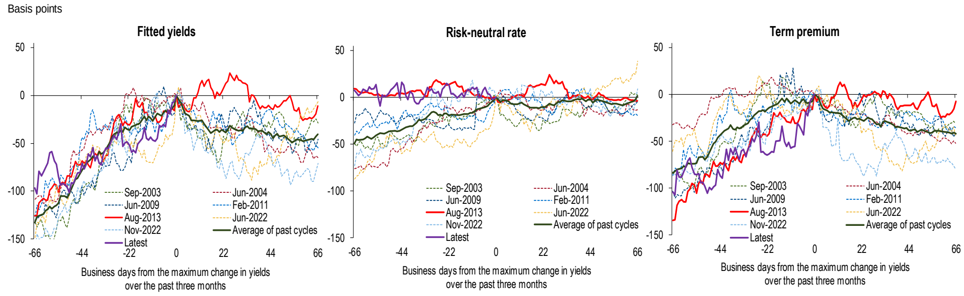
### United States

**Term premium has been the main driver of the sell-off in 10-year USTs over the last three months.** The rise in yields over the last week was concentrated in the long end of the curve (+16bp). 10-year yields have increased by more than 80bp over the last three months and 100bp since May. Decomposing the change in yields suggests that the sole driver of the increase in yields is likely to have come from the change in the term premium (+105bp) demanded by investors. This stands in contrast to the relatively stable risk-neutral rate (average expectation of short-term yields), which has hovered around 4.6% during the same period. Examining historical episodes of increase in yields by at least 100bp, over a three-month horizon, suggests the dynamic of the risk-neutral rate and the term premium stands out from similar previous episodes. One episode that it is similar to the current rise in yields was during the 2013 summer. The big difference between the 2013 cycle and the current one, however, is the levels of estimated excess returns demanded to hold long-dated Treasury bonds have been mostly negative since 2016. The recent estimates from the FRBNY suggest term premium at the 10-year tenor has now turned positive after last week's market moves. In a recent report, Goldman Sachs analysts suggested there is some scope for yields to fall back near 4.1%—even if the rise in yields briefly continue—for several reasons: expected softness in Q4 domestic growth levels; limited upside to oil prices; recent tightening of financial conditions weighing further on growth in the upcoming quarters.

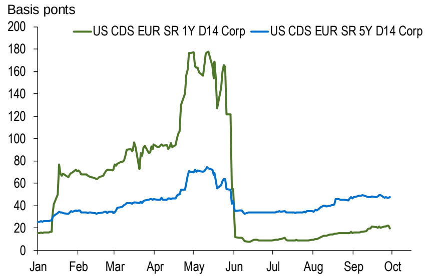
Change in fitted yields, risk-neutral rate and term premium of 10-year US Treasuries
Basis points



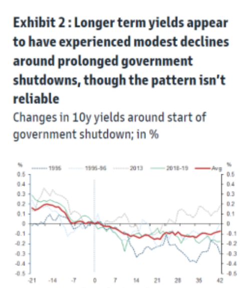

Source: Adrian, Crump and Moench (2013), Federal Reserve Bank of New York, Haver Analytics, IMF Staff Calculations.
Note: Latest series assumes a peak in yields. Fitted yields = risk-neutral rate + term premium. Difference in fitted yields against trading yields are due to model error.

**Disentangling the effects of a government shut down on yields is not clear from historical episodes.** The bill passed through the US congress will allow the federal government to operate until November 17. In contrast to the government debt ceiling period in the first half of the year, a shutdown would still have allowed the US Treasury to continue to pay interest on its debt. The difference in the two periods was visible in the credit default swap (CDS) market. During the debt ceiling episode, 1-year CDS was trading at elevated levels (177bp at its peak)—placing relatively higher probability on the federal government defaulting in the near-term.

A government shutdown wouldn't have been as consequencial to Treasury markets as in the debt ceiling episode
Basis ponts




Source: Bloomberg




Source: Goldman Sachs Global Investment Research

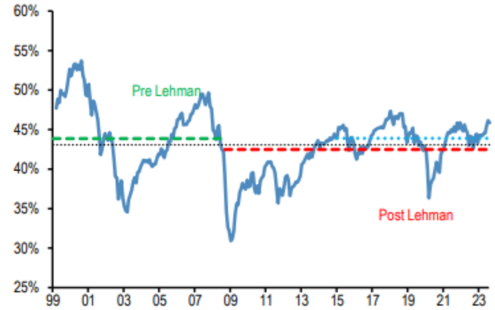
Currently, the swaps are trading at lower levels relative to peak levels seen at the end of May. Had the US Congress not passed the bill in time, economists estimated -0.2% impact on Q4 GDP growth for each week of a shutdown—adding it back in the subsequent quarter.

**Both Treasuries and US stock returns appear vulnerable to a larger correction.** A positive correlation emerged between longer-dated Treasury bonds and US stock returns for the first time in two decades, as highlighted by Bloomberg analysts (left chart).

**US stocks and Treasuries move in tandem for the first time in two decades**


Source: Bloomberg L.P.

**Implied equity allocations by non-banks investors globally**




Source: J.P. Morgan

**Europe**

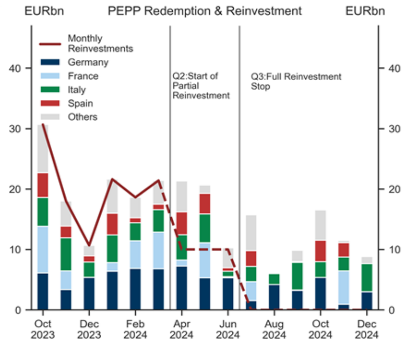
**European equities were trading in the red while sovereign yields increased.** The Stoxx 600 Europe index was trading lower (-0.3%) with the real-estate sector (+0.8%) outperforming. Sovereign yields were edging higher (10y bund +3bp to 2.87%), retracing moves seen last Friday after preliminary euro area September inflation data surprised on the downside. **The euro was weaker against the dollar** (-0.3% at around 1.05/$) with analysts highlighting that euro net long positions have decreased for the sixth consecutive week. On the data front, **euro area unemployment eased to 6.4% in August, as expected, from 6.5%**. While survey data have shown labor demand slowing for some time already, ING analysts do not expect a significant turnaround as labor shortages remain. Separately, final euro area September manufacturing PMI confirmed the previous estimates (43.4).

**ECB vice President de Guindos dismissed rate cut talks and pushed back against MRR increase proposals.** De Guindos described talks around the ECB cutting rates as “premature” and also pushed back on the idea of increasing the ECB’s minimum reserve requirements, arguing that monetary policy should be conducted “based on price stability, not on the profit and loss of national central banks”. As regards the point on whether the process of quantitative tightening should be started of PEPP, de Guindos said that this had not yet been discussed but that it “will arrive sooner or later”.

In the meantime, **Goldman Sachs analysts now expect that PEPP reinvestments would be limited to €10bn per month starting in Q2 2024 and stopping reinvestments completely from Q3 2024**. With recent ECB commentary pointing to support for further balance sheet reduction, Goldman Sachs analysts are keeping an eye out for discussions around whether to end PEPP earlier than the current end-2024 ECB guidance. While expecting that the ECB would move cautiously, Goldman Sachs analysts now expect the ECB to signal their plans in December and formally discuss these at the policy meeting in February 2024. Analysts expect that PEPP reinvestments would be limited to €10bn per month starting in 2024 Q2, and then stopped completely in Q3, but that flexibility around the monthly target would be retained depending on how financing conditions develop. Relatedly, analysts estimate suggests that ECB rates are set to remain at high levels for some time, with the first rate cut seen in H2 2024.

**Exhibit 9: An Earlier End to PEPP Reinvestments**

| Speaker | Date | Comment |
|---|---|---|
| de Cos | 22/09/2023 | "We should be very cautious about discontinuing PEPP reinvestments. [...] Selling bonds is not something we are currently considering or will consider in future." |
| Wunsch | 21/09/2023 | "I don't see APP sales for now. [...] PEPP reinvestments could end earlier than the end-2024" |
| Kazaks | 21/09/2023 | "APP sales and the end of PEPP reinvestments should be discussed before rate cuts" |
| Simkus | 20/09/2023 | "But it would be better to have a debate about how and when to start gradually winding down ahead of the likely end-2024 cut-off sooner rather than later," |
| Kazimir | 18/09/2023 | "As soon as incoming economic data [...] confirm[s] that further tightening is unnecessary, I see room for a debate about adjusting the pace of our quantitative tightening," |
| Muller | 17/09/2023 | "We should have a discussion soon about how to proceed with PEPP reinvestments, [...] There's a strong argument in favor of stopping sooner [...] than the end of next year." |
| Knot | 06/09/2023 | "The rationale for continuing the reinvestments is becoming weaker" |

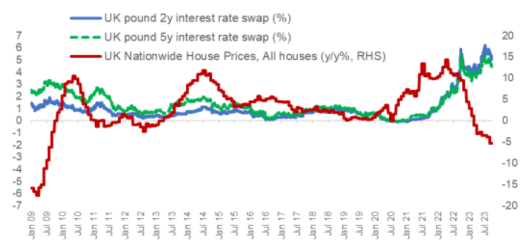



Source: Goldman Sachs Global Investment Research, ECB

### United Kingdom

**Nationwide data show UK house prices declined by less than expected in September**, **in September**, falling by 5.3%y/y compared to forecasts of a 5.6% decline. From a monthly perspective, prices were unchanged from August. Analysts highlight that the recent decision by the BoE to pause rates could ease prices for mortgages, but still expect housing market activity to remain fairly subdued in the coming months. Elsewhere on the data front, final UK September manufacturing PMI data was slightly higher than previous estimates (44.3 versus previously estimated 44.2). **The pound weakened against the dollar (-0.3% to 1.22) while gilt yields increased (10y gilt yields +6bp to 4.5%), in line with global trends.**

UK Interest rate Swap Rates and Index of house prices

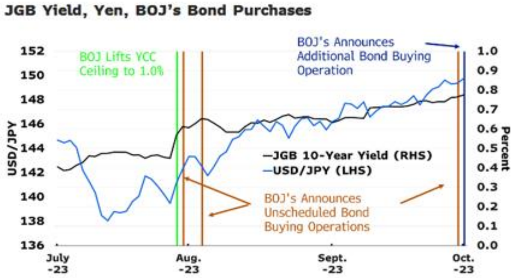



Source: Bloomberg and IMF calculations

### Japan

**Bank of Japan (BOJ) announced that it will buy additional 5-to-10-year Japanese government bonds on October 4,** as it sought to rein in JGB yields after 10Y yield rose to 0.775%, a decade high since 2013. The announcement came after an unscheduled bond purchase by the BOJ last Friday. There was no mention of the purchase size, some market participants expected the amount to be close to the previous operation of ¥675bn ($4.5bn). Some analysts also noted that the unscheduled purchases are due not only to the pace of the sell-off but also possibly because BOJ sees 0.8% as a key level. Meanwhile, **BOJ discussed progress towards their inflation target and the need to put together an exit strategy**, according to a summary of views from its September meeting. Separately, **Tankan survey beat expectations.** Business conditions for both large manufacturers and non-manufacturers improved to 9 (consensus: 6, previous: 5) and 27 (consensus: 24, previous: 23) respectively. Deutsche Bank believed the outperformance of non-manufacturers, which soared to a record 32-year high, was buoyed by fee hikes (for electricity/ gas) and increase in foreign visitors (for hotel/ restaurant services). Japan's final manufacturing PMI was revised slightly downward to 48.5 in September (August: 49.6), earlier flash estimate was 48.6. **Topix declined by 0.4%. The yen weakened to as low as 149.8 per dollar after the announcement.**

**JGB Yield, Yen, BOJ's Bond Purchases**




Source: Bank of Japan, Bloomberg Economics

Business conditions DI (Large companies)


Note: There is a discontinuity in March 2004 survey. Sources: BoJ, Deutsche Securities

## Emerging Markets

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**Asian equities were little change on net.** China, Hong Kong SAR, India, and South Korea were closed for holidays. Taiwan POC gained 1.2%, driven by semiconductor shares. **Asian currencies depreciated**. The Thai baht led losses (-1.3%), followed by the Indonesian rupiah (-0.5%). The Taiwanese dollar bucked the trend (+0.1%). **Thailand**'s PM Srettha said his meeting with Bank of Thailand's Governor Sethaput was productive and that he will push ahead with his 560bn baht ($15.2 bn) handout to majority of Thai citizens early next year. **10Y bond yields were mixed.** Indonesia added +7bp. **Indonesia**'s headline inflation fell to +2.3%, the lowest since February 2022, near the lower bound of BI's 2%-4% target range. Indonesia's parliament approved a 36.8tn rupiah ($2.37bn) capital injection for several state companies for 2023 and 28.2tn rupiah in 2024, including for debt-strapped construction firms, local media reported. **EMEA equities were mixed, while currencies were mostly weaker against the dollar.** Equities in Türkiye (+1.4%) were outperforming while those in Egypt (-0.4%) underperformed. Currencies were mostly trading weaker against the dollar with the South African rand (-0.8%) underperforming. CEE currencies were mixed against the euro. **Stock markets in LatAm were up at the close of Friday**, although Mexican equities fell -1.3%. Currencies in the area rose modestly. August copper production in Chile was flat, as the commodity rose after falling to a near four-month low earlier in the week.

### EM Weekly Flows

**EM bond outflows continued while equity outflows rose** last week at a pace of -$1.1bn and -$3bn, respectively. YTD EM flows are down -$17.4bn while equities are up +$22.9bn. Within the weekly bond fund outflows, local currency funds rose +292mn (from -$466) as hard currency funds accelerated -$1.4bn (from -$878mn). For local currency funds, EM ex-China funds saw inflows of +$459mn while China focused funds saw outflows of -$168mn for the 37th consecutive week.

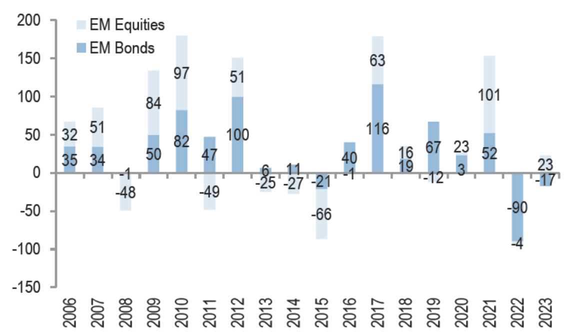
**Figure 1: Weekly cross-asset flows**

USD billion

| | Asset | 8w flows (8w ago → current) | This wk | YTD |
|---|---|---|---|---|
| Fund Flows | **EM Bonds and Equities** | | -4.1 | 5.5 |
| | **EM Bonds** | | -1.1 | -17.4 |
| | Hard Ccy | | -1.4 | -14.2 |
| | Local Ccy^ | | 0.3 | -3.2 |
| | o.w. EM ex-China | | 0.5 | 0.7 |
| | o.w. China | | -0.2 | -5.0 |
| | **EM Equities** | | -3.0 | 22.9 |
| | US HG | | -0.4 | 233.7 |
| | US HY | | -3.2 | -3.5 |
| | Global Equities | | 7.6 | -50.6 |
| | **EM Bond and Equity ETFs** | | -1.7 | 33.8 |
| | EM Bond ETFs | | -0.8 | -1.1 |
| | EM Equity ETFs | | -0.9 | 34.9 |
| | **Non-resident EM flows*** | | -5.9 | 21.8 |

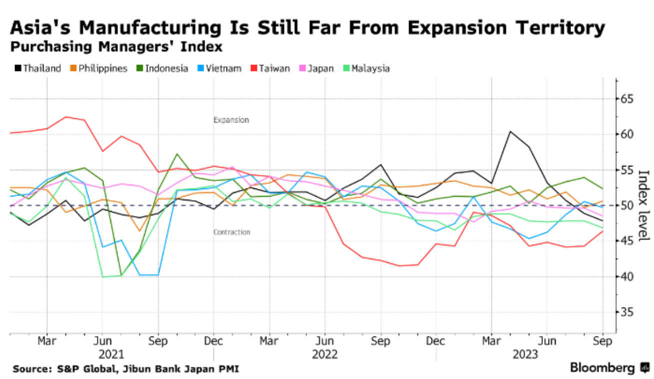
**Figure 2: EM bond and equity fund flows**

USD billion

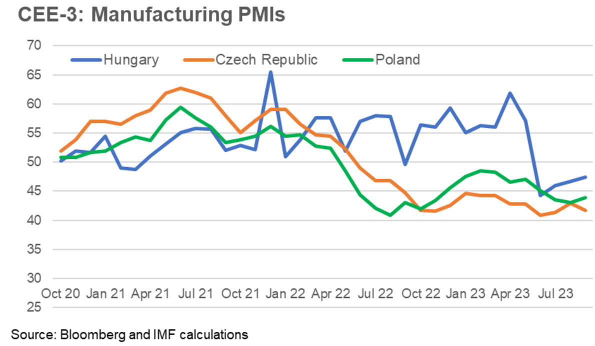



### Asia

**Manufacturing PMI were in contraction for majority of Asia**, Malaysia (46.8), Thailand (47.8), Taiwan POC (46.4), Vietnam (49.7). Indonesia (52.3) and Philippines (50.6) were the few outliers with an expansion. **China**'s official manufacturing PMI ended five months of contraction, as manufacturing activity rebounded in September to 50.2 (consensus: 50.1, previous: 49.7), although Caixin manufacturing PMI later surprised on the downside, slowing to 50.6 (consensus: 51.2, previous: 51).



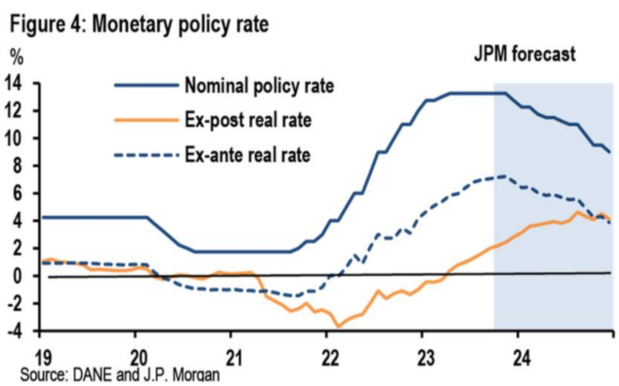
## CEE




**Market reaction to the latest PMI manufacturing data from Hungary, Poland and the Czech Republic was muted.** Data released this morning showed manufacturing PMI from Hungary and Poland coming in slightly higher than expected in September, with PMI data in Hungary increasing to 47.4 (versus expected 47.3 from 46.7) and manufacturing PMI in Poland increasing to 43.9 (versus expected 43.6 from 43.1). On the other hand, manufacturing PMI data in the Czech Republic disappointed, falling to 41.7 (versus expected 42.5) from 42.9. The Hungarian forint (+0.2%) and Polish zloty (+0.3%) strengthened after the data releases, although some gains were retraced in later trade. The Czech koruna, however, added to earlier moves and was trading roughly 0.3% weaker against the euro. Later today, the Czech Republic's state budget result will be released.

## Colombia

**The Central Bank of Colombia kept their key interest rate unchanged at 13.25% on Friday** with a split vote of 5 members holding rates and 2 favoring a 25bp cut. The driving concern of keeping rates steady was the upside August inflation print surprise of 11.43% y/y vs 11.19% expected. Analysts at JP Morgan expect rates to stay on hold again during the Oct 31 meeting, although see cuts by the end of the year. Market participants continued to feel concern of potential negative impact of a strong El Niño, which has and may continue to be a driver for inflation through energy and food prices.





*This monitor is prepared under the guidance of Jason Wu (Assistant Director), Charles Cohen (Deputy Division Chief), Nassira Abbas (Deputy Division Chief), and Caio Ferreira (Deputy Division Chief). Fabio Cortes (Senior Economist), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Financial Sector Expert-London Representative), Johannes S Kramer (New York Representative), Benjamin Mosk (Senior Financial Sector Expert), and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are Yingyuan Chen (Financial Sector Expert), Andrew Ferrante (Research Assistant), Deepali Gautam (Research Officer), Phakawa Jeasakul (IMF Resident Representative in Hong Kong SAR), Harrison Kraus (Research Assistant), Yiran Li (Research Assistant), Xiang-Li Lim (Financial Sector Expert),Kleopatra Nikolaou (Senior Financial Sector Expert), Natalia Novikova (IMF Resident Representative in Singapore), Mustafa Oguz Caylan (Research Officer), Silvia Ramirez (Senior Financial Sector Expert), Patrick Schneider (Financial Sector Expert), Ying Xu (Economist), Dmitry Yakovlev (Senior Research Officer), and Akihiko Yokoyama (Senior Financial Sector Expert). Javier Chang (Senior Administrative Coordinator), Lauren Kao (Administrative Coordinator), and Srujana Sammeta (Administrative Coordinator) are responsible for the word processing and production of this monitor.*

## Global Financial Indicators

| 10/2/23 8:20 AM | Level |  | Change |  |  |  | YTD |
|---|---|---|---|---|---|---|---|
|  | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | YTD |
| **Equities** |  |  |  |  | % |  | % |
| United States |  | 4289 | -0.3 | -1 | -5 | 20 | 12 |
| Europe |  | 4160 | -0.3 | 0 | -3 | 25 | 10 |
| Japan |  | 31760 | -0.3 | -3 | -3 | 21 | 22 |
| China |  | 3690 | -0.3 | 0 | -3 | -4 | -5 |
| Asia Ex Japan |  | 64 | 0.1 | -1 | -4 | 9 | -2 |
| Emerging Markets |  | 38 | 0.1 | -1 | -4 | 9 | 0 |
| **Interest Rates** |  |  |  |  | basis points |  |  |
| US 10y Yield |  | 4.64 | 6.4 | 10 | 46 | 81 | 76 |
| Germany 10y Yield |  | 2.87 | 3.1 | 7 | 32 | 76 | 30 |
| Japan 10y Yield |  | 0.78 | 1.2 | 4 | 14 | 53 | 36 |
| UK 10y Yield |  | 4.48 | 4.2 | 16 | 5 | 39 | 81 |
| **Credit Spreads** |  |  |  |  | basis points |  |  |
| US Investment Grade |  | 150 | -1.1 | 6 | 3 | -37 | -9 |
| US High Yield |  | 429 | -3.9 | 7 | 17 | -110 | -51 |
| **Exchange Rates** |  |  |  |  | % |  |  |
| USD/Majors |  | 106.55 | 0.4 | 1 | 2 | -5 | 3 |
| EUR/USD |  | 1.05 | -0.4 | -1 | -2 | 7 | -2 |
| USD/JPY |  | 149.8 | 0.3 | 1 | 2 | 4 | 14 |
| EM/USD |  | 46.8 | -0.5 | -1 | -2 | -3 | -6 |
| **Commodities** |  |  |  |  | % |  |  |
| Brent Crude Oil ($/barrel) |  | 92.7 | 0.5 | 1 | 6 | 24 | 13 |
| Industrials Metals (index) |  | 143 | -0.8 | 2 | -1 | 0 | -13 |
| Agriculture (index) |  | 64 | 0.2 | -2 | -5 | -6 | -8 |
| **Implied Volatility** |  |  |  |  | % |  |  |
| VIX Index (%, change in pp) |  | 18.4 | 0.9 | 1.5 | 5.3 | -13.2 | -3.2 |
| Global FX Volatility |  | 8.2 | 0.0 | 0.3 | 0.1 | -4.7 | -2.5 |
| **EA Sovereign Spreads** |  |  | 10-Year spread vs. Germany (bps) |  |  |  |  |
| Greece |  | 148 | -3.7 | 2 | 18 | -127 | -57 |
| Italy |  | 189 | -5.1 | 3 | 20 | -52 | -25 |
| Portugal |  | 74 | -2.6 | -1 | 1 | -33 | -28 |
| Spain |  | 108 | -1.6 | 1 | 5 | -10 | -1 |

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

# Emerging Market Financial Indicators

| Last updated: 10/2/2023 8:21 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 | | 7.30 | 0.2 | 0.1 | 0 | -1 | -5 | | 2.7 | 0.0 | 2 | 11 | -13 | -34 |
| Indonesia | | 15530 | -0.5 | -0.8 | -2 | -1 | 0 | | 7.0 | 7.2 | 22 | 60 | -39 | 5 |
| India | | 83 | 0.2 | -0.1 | 0 | -1 | 0 | | 7.8 | -0.1 | -3 | 17 | 8.7 | 31 |
| Philippines | | 57 | -0.4 | 0.0 | 0 | 4 | -2 | | 5.8 | -0.1 | 0 | -8 | 8 | -17 |
| Thailand | | 37 | -1.0 | -2.0 | -5 | 2 | -6 | | 3.3 | 2.7 | 5 | 37 | 12 | 67 |
| Malaysia | | 4.72 | -0.5 | -0.7 | -1 | -1 | -7 | | 4.0 | 0.9 | 1 | 15 | -44 | -6 |
| Argentina | | 350 | 0.0 | 0.0 | 0 | -58 | -49 | | 118.7 | 108.4 | 266 | 676 | 3066 | 3044 |
| Brazil | | 5.05 | -0.3 | -1.7 | -2 | 2 | 5 | | 11.8 | -1.6 | 5 | 49 | 21 | -79 |
| Chile | | 895 | -0.3 | 0.8 | -4 | 5 | -5 | | 5.7 | -2.8 | 2 | 32 | -106 | 33 |
| Colombia | | 4078 | 0.0 | -2.2 | 1 | 11 | 19 | | 9.1 | -18.0 | 23 | 100 | -84 | -69 |
| Mexico | | 17.52 | -0.6 | -0.7 | -2 | 14 | 11 | | 9.5 | -6.0 | 23 | 75 | 25 | 75 |
| Peru | | 3.8 | 0.4 | -1.0 | -3 | 5 | 1 | | 7.3 | -13.0 | 24 | 52 | -143 | -64 |
| Uruguay | | 38 | 0.1 | -0.9 | -2 | 8 | 4 | | 9.6 | 3.5 | 28 | 38 | -186 | -107 |
| Hungary | | 369 | -0.2 | -0.2 | -4 | 15 | 1 | | 7.4 | 10.0 | 38 | 63 | -245 | -220 |
| Poland | | 4.38 | 0.0 | -0.6 | -5 | 12 | 0 | | 5.0 | -1.8 | 12 | 24 | -175 | -120 |
| Romania | | 4.7 | -0.4 | -0.7 | -3 | 7 | -2 | | 6.8 | -4.7 | 12 | 18 | -179 | -92 |
| Russia | | 98.7 | -1.2 | -2.8 | -2 | -40 | -25 | | | | | | | |
| South Africa | | 19.1 | -1.0 | -1.8 | 0 | -7 | -11 | | 10.0 | 10.0 | 26 | 54 | 57 | 82 |
| Turkey | | 27.46 | -0.1 | -0.9 | -3 | -33 | -32 | | 27.3 | 10.0 | 107 | 562 | 1526 | 1742 |
| US (DXY; 5y UST) | | 107 | 0.4 | 0.5 | 2 | -5 | 3 | | 4.67 | 5.8 | 5 | 37 | 58 | 66 |

| | 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 | 7 Days | 30 Days | 12 M | YTD |
| | | | | | | | | basis points | | | | | |
| China | | 3690 | 0.0 | 0 | -3 | -4 | -5 | | 172 | -10 | -12 | -22 | -5 |
| Indonesia | | 6961 | 0.3 | -1 | 0 | -1 | 2 | | 130 | -5 | -4 | -95 | -10 |
| India | | 65828 | 0.0 | 0 | 1 | 15 | 8 | | 139 | 2 | 0 | -56 | -3 |
| Philippines | | 6305 | -0.3 | 2 | 2 | 9 | -4 | | 106 | -5 | -4 | -67 | 9 |
| Thailand | | 1469 | -0.1 | -3 | -6 | -6 | -12 | | 0 | 0 | 0 | 0 | 0 |
| Malaysia | | 1419 | -0.4 | -2 | -3 | 2 | -5 | | 96 | -1 | -1 | -18 | -4 |
| Argentina | | 562569 | -3.3 | 2 | -11 | 304 | 178 | | 2547 | 177 | 489 | -220 | 342 |
| Brazil | | 116565 | 0.7 | 0 | -1 | 6 | 6 | | 222 | -5 | -10 | -100 | -52 |
| Chile | | 5833 | 0.2 | 1 | -3 | 14 | 11 | | 126 | 0 | -1 | -76 | -6 |
| Colombia | | 1122 | 0.4 | 2 | 3 | -1 | -13 | | 337 | 12 | -3 | -134 | -35 |
| Mexico | | 50875 | -1.3 | -2 | -4 | 14 | 5 | | 371 | 4 | 10 | -112 | -10 |
| Peru | | 22528 | -0.4 | 0 | -3 | 16 | 6 | | 156 | 2 | 2 | -75 | -24 |
| Hungary | | 56121 | 0.5 | 1 | 1 | 48 | 28 | | 200 | 10 | -7 | -130 | -22 |
| Poland | | 64859 | -0.8 | -1 | -6 | 41 | 13 | | 125 | 0 | -3 | 51 | 52 |
| Romania | | 14422 | 0.6 | 0 | 9 | 36 | 24 | | 207 | 2 | -10 | -186 | -49 |
| South Africa | | 72090 | -0.4 | -2 | -4 | 13 | -1 | | 391 | 11 | 9 | -120 | 24 |
| Turkey | | 8466 | 1.6 | 2 | 5 | 166 | 54 | | 389 | 6 | 9 | -248 | -51 |
| Ukraine | | 507 | 0.0 | 0 | 0 | -2 | -2 | | 3408 | 130 | -218 | -423 | -671 |
| EM total | | 38 | -0.3 | -1 | -4 | 9 | 0 | | 396 | 11 | 18 | -90 | 21 |

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

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