GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

WEDNESDAY, SEPTEMBER 16, 2020

- **Investor poll flags US elections as key risk** (link)
- **US equity market faces potential liquidity challenges** (link)
- **Suga takes over as Japanese PM** (link)
- **WTO supports China over US on trade sanctions** (link)
- **EU to issue €225 bn of green bonds** (link)
- **Brazil's President to abandon signature social policy** (link)
- **Hungary's central bank proposes direct lending for housing** (link)
- **Polish central bank to continue QE** (link)

US | Europe | Other Mature | Emerging Markets | Market Tables

Markets drift ahead of FOMC

Markets lack direction as investors wait for the FOMC statement and press conference. No changes are expected to the Fed's monetary policy stance but investors are keen to get clarification on both the average inflation targeting framework and the updated employment objective. Most do not expect any numeric specificity on inflation targets, such as threshold levels of inflation to trigger rate moves. Stocks were mixed with relatively small changes in most countries, with US equity futures also posting small gains. The U.S. dollar reversed yesterday's appreciation and is weaker across the board. Sterling (+0.7%) continues to recover as better than expected UK inflation and progress on Brexit trade talks push investors to reduce their short positions ahead of tomorrow's Bank of England meeting. EC President von der Leyen made strong commitments to new climate change targets and announced €225bn in EU green bond issuance. Markets shrugged off the WTO's finding in favor of China over US trade sanctions.

Key Global Financial Indicators

Last updated: 9/16/20 8:11 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities				%			%
S&P 500		3401	0.5	2	1	13	5
Eurostoxx 50		3329	-0.1	0	1	-5	-11
Nikkei 225		23476	0.1	2	1	7	-1
MSCI EM		45	1.1	4	2	8	1
Yields and Spreads				bps			
US 10y Yield		0.67	-1.2	-3	-4	-118	-125
Germany 10y Yield		-0.49	-1.5	-3	-7	-1	-31
EMBIG Sovereign Spread		401	-1	-16	-13	67	108
FX / Commodities / Volatility				%			
EM FX vs. USD, (+) = appreciation		56.0	0.3	1	2	-8	-9
Dollar index, (+) = $ appreciation		92.9	-0.2	0	0	-6	-4
Brent Crude Oil ($/barrel)		41.4	2.1	1	-8	-40	-37
VIX Index (%, change in pp)		25.2	-0.4	-4	3	11	11

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

United States

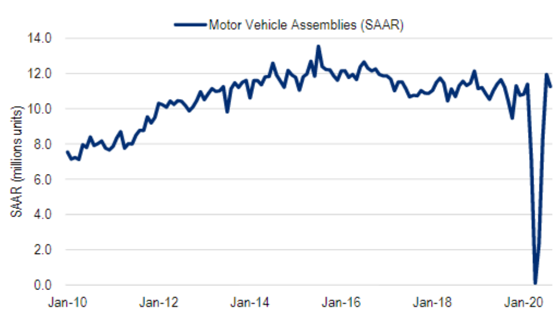
back to top

Markets made a strong start to the session yesterday before giving up early gains to end the day with most of the major indexes making only fractional gains, although the Nasdaq did better as tech leadership reasserted itself. Losses by financials (-1.4%) held back benchmark indices. However, this was the third consecutive day of gains for the S&P 500. JPMorgan slumped over 3% after the firm reportedly sent some employees home due to Covid-19 just days after bringing them back. Investors were cautious ahead of today's FOMC meeting and many were disappointed by the stalled talks in Congress regarding the new fiscal package. After trading hours, the US House was said to be close to a new $1.5 tn bipartisan proposal, lower than the earlier HEROES act from May, but many think lawmakers will make a deal before the election. The Treasury market held steady again, with only small changes in yields. In trade headlines, the WTO announced that the Trump Administration's 2018 tariffs on China were unlawful, though the US is likely to appeal, and the ruling is seen as having little impact. The US Trade Representative also announced it would step back from imposing Canadian aluminum tariffs, retroactive to September 1.

This morning's US retail sales data was weaker than expected at 0.6% vs. the 1% consensus forecast. The ex-autos number was also weaker (0.7% vs. 1%). This was a rare miss in the trend of stronger than expected US economic reports over the summer and early autumn.

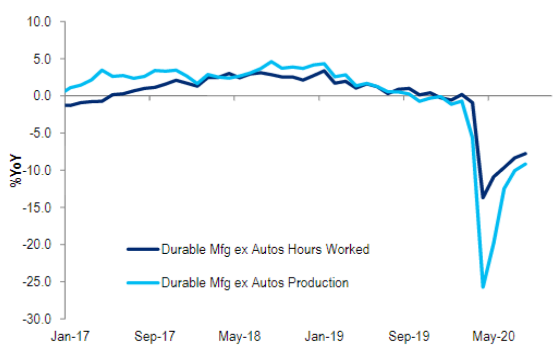
US industrial production (IP) was weaker than expected (+0.4% versus the +1% consensus forecast). Despite the miss on the headline number, it continues a trend of improving conditions in the industrial sector, with earlier reports being revised upwards. IP has now recovered about two-thirds of its losses during the worst of the crisis. The auto sector faced some difficulties in August, but other IP sectors did quite well. ISM survey data also confirm the rebound in IP.

Figure 1. Motor vehicle production declined modestly in August



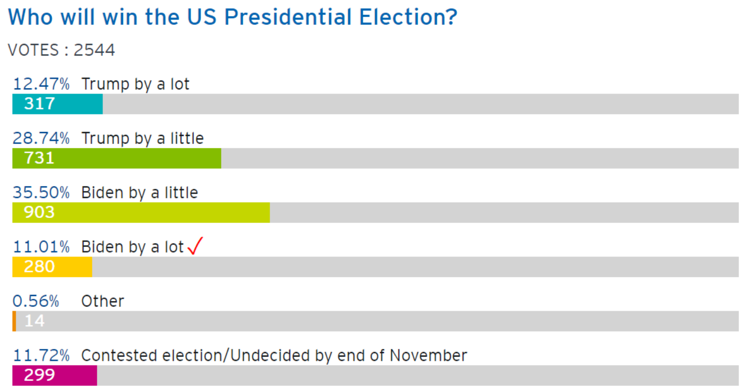
Source: Citi Research, Federal Reserve

Figure 2. Production in subsectors, excluding autos, has picked up more recently



Source: Citi Research, Federal Reserve, BLS

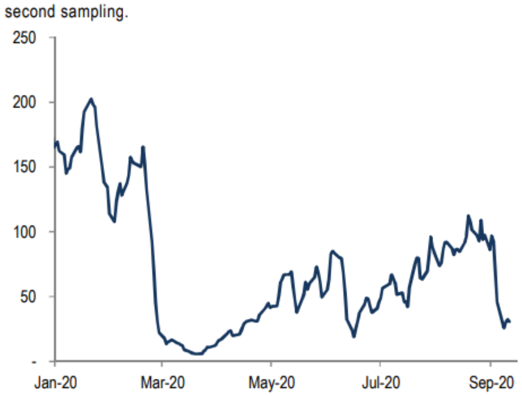
The latest investor survey from Citi flags the US election as a potential risk for markets. Nearly 65% expect a narrow margin of victory for either candidate, with a non-trivial 12% expecting a contested election. Investors fear that a narrow victory could stoke social unrest and the prospect of a contested election is even more worrisome. Other parts of the survey found that 45% thought a large Biden victory would trigger a market selloff of 5-10%, with 23% expecting a selloff of more than 10%. A large Trump win would have the opposite impact, with 46% expecting a 5-10% rally and 16% expecting a rally of more than 10%. If the election is contested, 75% expect a 5-10% decline and 45% expect a selloff greater than 10%.



The US equity market is seeing declining market depth, according to analysis by JP Morgan. This raises the risks of market turbulence and more abrupt movies in equity markets in the weeks ahead. This is especially problematic over the end of quarters and year-end. Rebalancing flows from large institutional investors such as US defined benefit pension plans, the Norwegian Oil Fund, and the GPIF Japanese government pension fund tends to involve sales of stocks totaling $200 bn over these periods, the highest since the virus crisis began. Market depth measures based on S&P 500 e-mini futures, the most heavily traded index instrument, show that the number of contracts in the tightest bid-ask spread is down from 100 contracts in August to just 30 today, not much higher than it worst point during the market selloff in March. The contraction in September happened at a much faster pace than the previous decline in June. A disputed election is one scenario where low market depth could pose major risks.

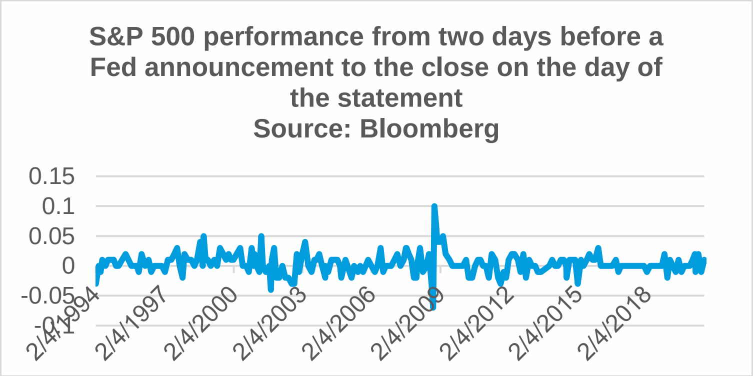
Figure 4: Market depth of S&P 500 E-mini futures (ES1)

Average number of contracts on the highest Bid/Ask in ES1 (S&P 500 E-mini futures). 3-day moving averages using daily data of bid/ask under 1-second sampling.



Source: Nasdaq, J.P. Morgan

The impact of FOMC announcements on markets has been very muted for many years, according to Fed data. The impact has been shrinking since the Fed first discovered the phenomenon in 2011, according to Bloomberg. Most analysts expect a similar reaction after today's meeting. Many analysts think this is due to successful management of market expectations by the Fed. Today's meeting comes at a particularly benign moment for markets. Many equity markets are not far below recent record highs, volatility is trending down, interest rates are very stable, gold appears set to break out of its recent price range, the global economy is improving, and optimism on the virus remains high. Few expect any surprises from the statement or press conference.



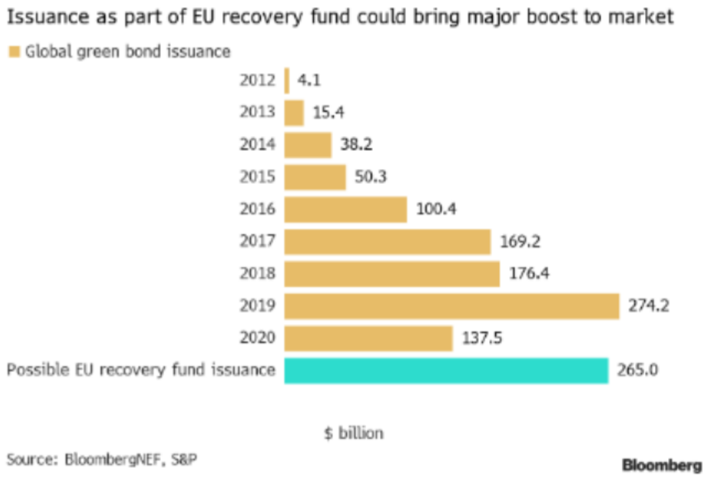
Europe

back to top

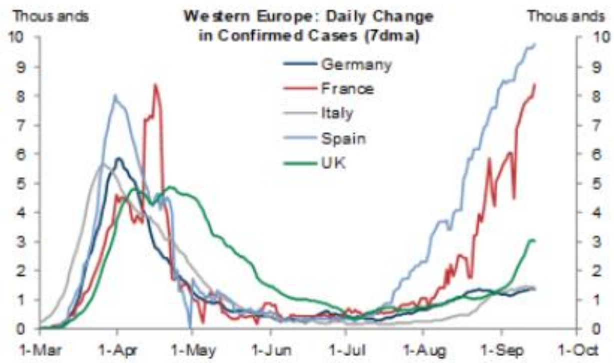
Equities in Europe are trading little changed with the exception of Spain (+0.3%). The tech sector continues to perform for the second day (+1.2%) while banks (-0.7%) are down again having lost 1.8% yesterday.

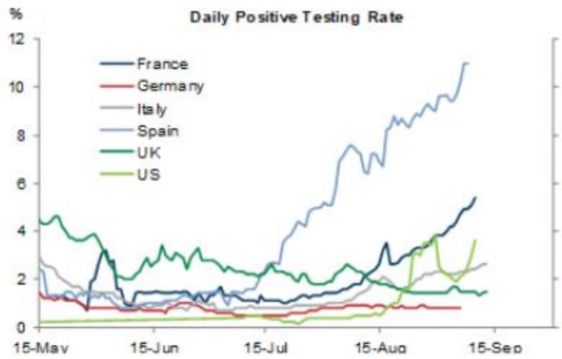
German bund yields are lower by 2 bps and Southern European are spreads are unchanged. The euro (+0.2%) lacks directions while the sterling (+0.7%) continues to recover.

EC President Ursula von der Leyen delivered her State of the Union speech, focusing on the transformation of the European economy through state supported digitalization and more ambitious climate goals. The speech confirmed tighter emission targets by 2030, raising the emission reduction to 55% from the current 40% of 1990's level. **The EU recovery fund will be the main vehicle of financial support for the necessary capital investment and the EU will issue €225bn of green bonds to fund the expenditure.** Analyst believe that this could give a major boost to the green bond market in Europe and help to develop country level benchmark curves.

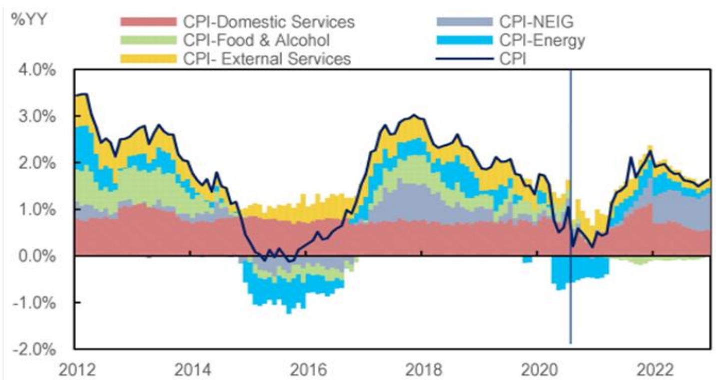


The second wave continues to gain momentum across parts of Europe as both Spain and France report record daily cases. The has been also a notable increase in the infections rate as evidence of the growing spread of the virus. While the central governments have ruled out generalized containment**, some regional government including Bordeaux and Marseille in France have decided to roll back some of the recent easing and restrict public gatherings**. The biggest challenge remains with the re-opening of schools as multiple institution across Europe are forced to close due to emergency of virus clusters.





Inflation slows to a 5-yr low in the UK as government support measures put downward pressure on prices in August. The headline CPI fell to 0.2% yoy from 1% in July while core inflation also declined to 0.9% yoy from 1.8% in July. However, **both measures come above market consensus** as the VAT cut to the hospitality sector and the Eat Out to Help Out scheme showed less pass-through than expected, but still reduced the CPI growth by about 0.5%. Market contacts also note resilience in household goods price growth as well as a jump in some service prices that might be directly linked to covid-19 related costs. **Contacts do not expect today's figures to have any significant impact on tomorrow's Bank of England meeting, which is likely to be more focused on the resurgence of Brexit and COVID-19 related risks**. Traders are now positioning for a dovish meeting and a lack of clear easing bias by the BoE could help the sterling to recovery well above 1.30 to the dollar.



UK – Citi CPI Forecasts (%YY), 2012-2023F
Source: ONS and Citi Research

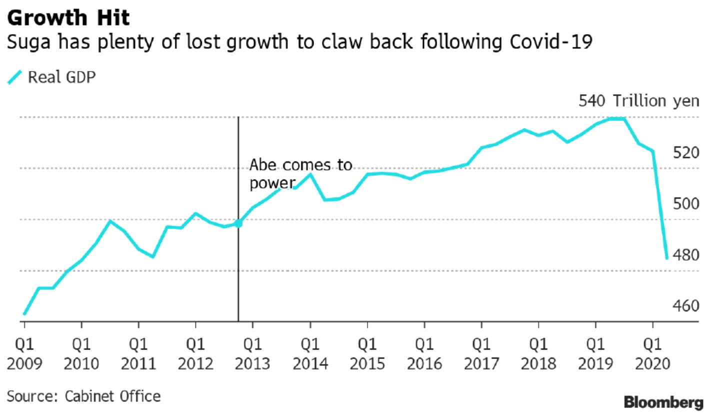
The U.K. and EU have reportedly made some progress in technical trade talks as media reports that the UK offered the EU some concessions on fisheries, one of the major points of disagreement. Furthermore, the **cross-border derivative clearing access might be granted for as long as 18-months**. This comes as PM Johnson is expected to also offer some concession to Conservative party members in order to move forward with the Internal Market Bill next week.

Other Mature Markets

back to top

Japan

Yoshihide Suga was officially elected by parliament as Japan's new Prime Minister. Suga pledged continuity and named a cabinet that retains several major players from Abe's administration, including Finance Minister Aso and Economy Minister Nishimura. Suga is facing a tough challenge to boost economic activity amid the pandemic, which pushed GDP lower than that when former PM Abe came to power. He has vowed to maintain the flexible fiscal stance and ultra-easy monetary policy of Abenomics. On structural reforms, Suga seeks to bring Japan's bureaucracy into the digital age and tackle regulatory reform and administrative inefficiency. Some market participants think Suga could do more on structural reforms than Abe. He has already called for more competition among mobile phone carriers to bring down fees. Equities were little changed; the Japanese yen appreciated (+0.3%).



Source: Bloomberg.

Emerging Markets

back to top

In EMEA, stocks were mixed and little changed. Local currencies also held steady. **Asian stock markets were also mixed.** Malaysia (+1.3%) led the gains, while share prices declined in the Philippines (-1.2%). **Currencies appreciated**, following the strong RMB (+0.4%). The People's Bank of China set the daily reference rate for RMB 0.58% stronger, the largest move since April 2020, remaining comfortable with RMB's appreciation trend. RMB traded at its strongest level since May 2019. **Indonesian markets continue underperforming**, with the rupiah still under pressured. Bank Indonesia is expected to stay on hold to support the currency in the policy meeting tomorrow. **In Latin America,** currency performance was mixed. The Peruvian sol led the region appreciating for a second day by 0.4% against the dollar following what seems to be an unsuccessful attempt to impeach the President. The Mexican peso was little changed even though Banxico announced an extension of its liquidity and credit facilities to end Feb 2021 from end Sep 2020.

Key Emerging Market Financial Indicators

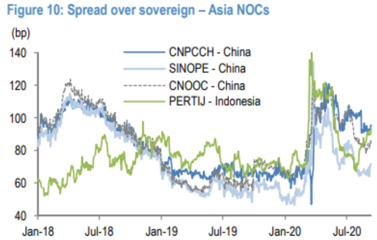
Last updated:	Level		Change				
9/16/20 8:15 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks					%		%
MSCI EM Equities		45.11	0.7	4	2	8	1
MSCI Frontier Equities		25.86	0.8	3	6	-8	-15
EMBIG Sovereign Spread (in bps)		401	-1	-16	-13	67	108
EM FX vs. USD		55.98	0.3	1	2	-8	-9
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.76	0.3	1	3	5	3
Indonesian Rupiah		14843	0.0	0	0	-5	-7
Indian Rupee		73.53	0.2	0	2	-3	-3
Argentine Peso		75.19	-0.1	-1	-3	-25	-20
Brazil Real		5.24	0.7	1	5	-22	-23
Mexican Peso		21.03	0.5	2	6	-8	-10
Russian Ruble		74.82	0.2	1	-1	-14	-17
South African Rand		16.32	0.9	2	7	-10	-14
Turkish Lira		7.50	-0.1	0	-2	-24	-21
EM FX volatility		11.22	0.0	-0.2	0.0	3.1	4.6

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

EM national oil companies (NOCs)

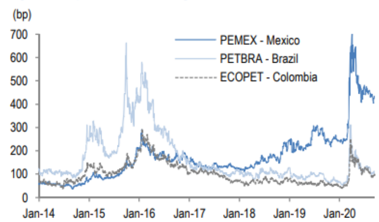
Most quasi sovereign issuers trade at a 50-100bps spread over their sovereign with two notable exceptions. Aramco is trading very close to the sovereign while Pemex is at +430bps over the sovereign. The three NOCS are among the highest rated, but their spreads over sovereign are at the wider end of the 50-100 bps range, whereas Gazprom of Russia and SOCAR of Azerbaijan are at the tighter end. The rest of the NOCs are mostly around 100 bps over the sovereign. **Despite the limited differentiation currently, the volatility in spreads during risk off episodes has been substantial.** Asian NOCs spreads have been relatively stable during the recent sell off, while Latin American NOC spreads widened to over 300bps in line with the 2015-2016 selloff. Besides weaker company fundamentals vs Asian peers this widening has also been driven by idiosyncratic issues such as Petrobras (followed by Brazil's) loss of IG status in late 2015 and the loss of IG status by Pemex in 2020. Trends in CEEMEA have been mixed with Gazprom and SOCAR doing better and KazMunayGaz of Kazakhstan worse compared to 2015-16. Aramco (a more recent issuer) has traded at a narrow range of 5-20 bps.

Figure 10: Spread over sovereign – Asia NOCs



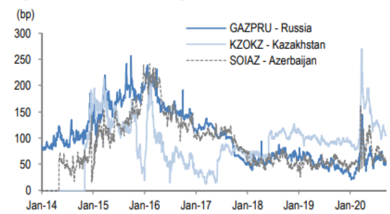
Source: J.P. Morgan.

Figure 11: Spread over sovereign – Latin America NOCs



Source: J.P. Morgan.

Figure 12: Spread over sovereign – EM Europe NOCs



Source: J.P. Morgan.

Brazil

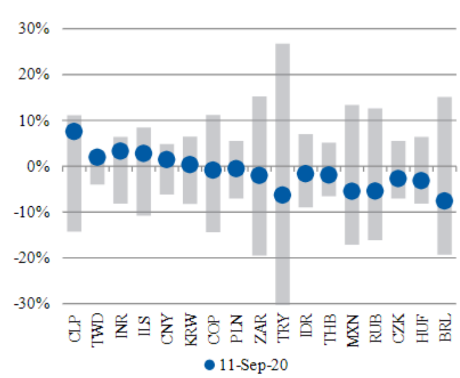
President Bolsonaro will abandon plans to create his signature "Renda Brasil" ("Brazil Income") social program given challenges to financing it without breaching fiscal rules. Analysts highlight that the extension of the existing informal worker payment program to year-end provides more time for the Economic ministry to find alternatives. Morgan Stanley analysts expect that in the end Brazil will keep its fiscal framework broadly unchanged despite recent frictions with the Economic ministry. This in turn would allow the Central Bank to strengthen its conditional forward guidance and reduce risk premia.

Brazil's government kept its GDP forecast at -4.7% for 2020, while economists polled by the BCB (the central bank) have improved their 2020 GDP growth forecast to -5.1% from -5.3% from the previous week. Analysts highlight that recent data should make the BCB more comfortable with halting its easing cycle, which should provide some support to the currency.

Exhibit 4: BRL positioning remains fairly neutral according to our models

Source: Bloomberg, Morgan Stanley Research. Note: We take a moving window to calculate the percentiles by only fixing the starting date. See here for more details.

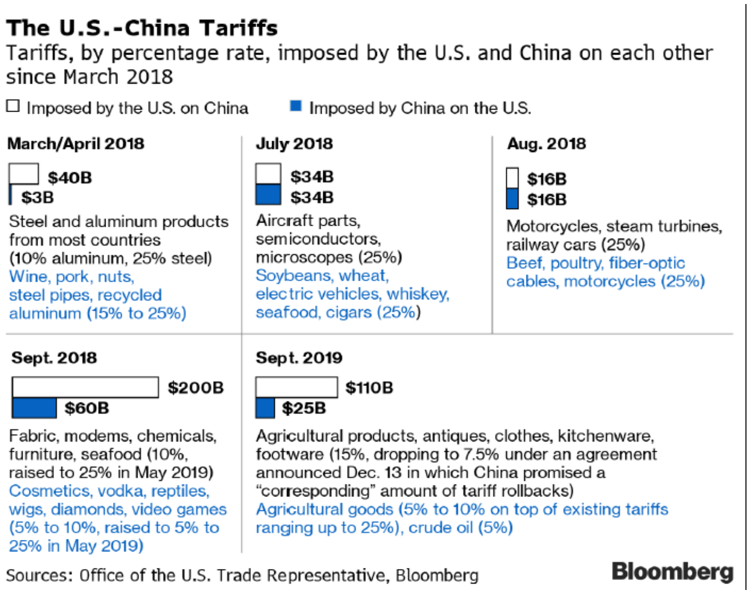
Exhibit 5: BRL is still the cheapest currency in EMFX



Source: Morgan Stanley ResearchNote: For more details on our Quantitative models please read EM Quant Strategy: EMFX Quant's Lab: Sidelined (26 Jul 2020)

China

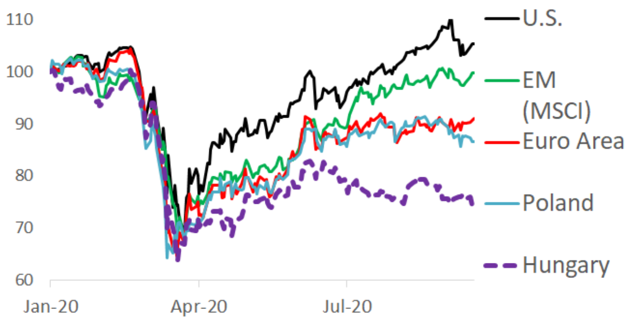
The World Trade Organization (WTO) upheld complaints filed by China over U.S. tariffs. The WTO report said that the U.S. violated international regulations by imposing tariffs on more than $234 billion of Chinese exports. While handing China a victory on paper, the ruling has no real impact as the U.S. has effectively dismantled the WTO's panel that oversees the appeals process. While China approved the report, the U.S. responded that the WTO's decision provided no remedy to intellectual property disputes. Robert Lighthizer, U.S. Trade Representative, said that the report would have no effect on the phase-one trade deal between the U.S. and China. One trade expert noted that while the WTO's decision would pave the way for China to implement its own restrictive measures within the legal international framework, Beijing has already taken such action. Arguably, China's retaliatory tariffs were also a violation of WTO rules. Chinese equities fell (CSI 300: -0.7%). **The People's Bank of China continues injecting liquidity,** providing 120 bn yuan ($17.8 bn) through 7-day reverse repo operations to ensure sufficient liquidity in the banking system.



Hungary

Governor Matolcsy of the National Bank of Hungary (NBH) **has proposed a direct lending program to support housing.** The governor said that the current housing policy of the government creates inflation and does not lead to the construction of new homes. The governor also criticized the removal of the 5% preferential VAT rate on housing construction in place during 2016-19. The governor argued that **the NBH could offer a zero-interest 10-yr loan scheme for both building companies and home buyers targeting energy-efficient home construction**. Such a program could support the construction of 30,000-40,000 homes per year, contributing 1 ppt to GDP growth annually. The central bank would lend homeowners and developers up to 50% of required funding, with the other half coming from family, friends or other bank sources, as well as state subsidies. House prices in Hungary have increased by more than 10% for each of the past five years. **Shares in Budapest traded 2.3% lower in September and are still down 26% year-to-date.**

Hungary: Equity Markets in 2020 (1 Jan 2020: 100)

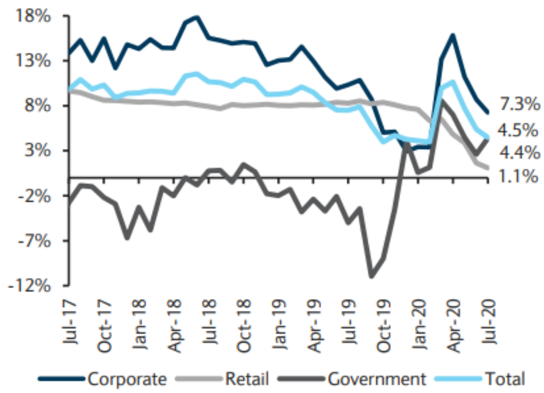


Source: Bloomberg and IMF

Mexico

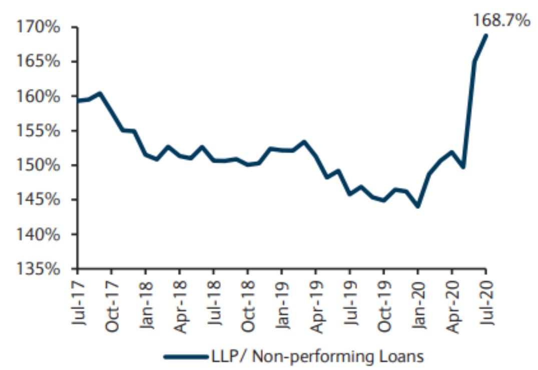
July banking data showed the third consecutive month of negative loan growth, continued decline in profitability and stable NPLs. Total loans increased by 4.5% y-o-y (-1.2% m-o-m) the lowest since February. Corporates were +7.3% while on the opposite spectrum consumer loans declined 5.9% driven by personal loans and credit cards. Profitability remains under pressure with return on equity declining to 2009 levels of 11.9%. Net interest income decreased by 6% y-o-y and commissions posted a fourth consecutive double-digit contraction. Banks have also continued to increase provisions through the COVID-19 shock, with coverage ratio reaching new highs of 169%. NPLs remained at 2.1% as forbearance measures remain in place. That said, forbearance measures affect less than 20% of the loans, well below some regional peers.

FIGURE 3
Total system loan growth by sector (y/y %)



Source: CNBV, Barclays Research

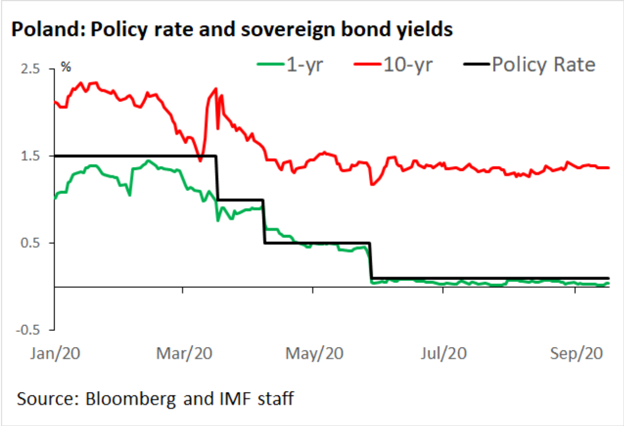
FIGURE 13
System-wide NPL coverage



Source: CNBV, Barclays Research

Poland

Interest rates and the currency are little changed after the central bank (NBP) left its policy rate unchanged at 0.10% (as expected). In a statement, the central bank **reiterated its concern that the "lack of a visible zloty exchange-rate adjustment to the global pandemic shock" may delay an economic recovery** and **committed to continuing purchasing government securities and government-guaranteed debt securities** on the secondary market as part of structural open market operations. These operations are aimed at changing the long-term liquidity structure in the banking sector and strengthening the monetary policy transmission mechanism. The timing and scale of the operations will depend on market conditions. **Contacts expect the NBP to keep rates unchanged in 2021** and **the central bank to continue its asset purchase program in 2021**, given likely high borrowing requirements of the public sector despite some of the financing needs met with EU funds. In separate news, **central bank Governor Glapinski has started to directly supervise the monetary authority's financial-risk management department**.



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Global Financial Indicators

Last updated: 9/16/20 8:14 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		3406	0.5	0	1	14	5
Europe		3329	-0.1	0	1	-5	-11
Japan		23476	0.1	2	1	7	-1
China		3284	-0.4	1	-2	8	8
Asia Ex Japan		79	1.2	3	2	15	7
Emerging Markets		45	1.1	4	2	8	1
Interest Rates					basis points		
US 10y Yield		0.67	-1.2	-3	-4	-118	-125
Germany 10y Yield		-0.49	-1.5	-3	-7	-1	-31
Japan 10y Yield		0.02	0.0	-1	-3	17	3
UK 10y Yield		0.21	-1.2	-3	-4	-49	-62
Credit Spreads					basis points		
US Investment Grade		128	-0.1	-2	0	-3	31
US High Yield		518	0.3	1	-8	77	125
Europe IG		54	-0.3	1	0	7	10
Europe HY		295	-19.8	-19	-46	51	89
EMBIG Sovereign Spread		401	-1.0	-16	-13	67	108
Exchange Rates					%		
USD/Majors		92.86	-0.2	0	0	-6	-4
EUR/USD		1.19	0.2	1	0	8	6
USD/JPY		105.1	0.4	1	1	3	3
EM/USD		56.0	0.3	1	2	-8	-9
Commodities					%		
Brent Crude Oil ($/barrel)		41	2.1	1	-8	-40	-37
Industrials Metals (index)		119	0.4	1	5	2	4
Agriculture (index)		39	0.2	1	6	0	-7
Implied Volatility					%		
VIX Index (%, change in pp)		25.2	-0.4	-3.6	3.2	10.6	11.5
US 10y Swaption Volatility		52.4	1.1	-5.7	-1.1	-35.7	-9.6
Global FX Volatility		9.4	0.0	-0.1	0.5	2.3	3.4
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		157	-0.2	-5	1	-46	-9
Italy		147	-1.1	-2	6	14	-13
Portugal		77	-0.3	-5	-2	2	15
Spain		75	-0.1	-5	-3	1	10

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

back to top

Emerging Market Financial Indicators

Last updated: 9/16/2020 8:17 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		6.76	0.3	1.1	3	5	3		3.3	-1.0	-2	15	20	15
Indonesia		14843	0.0	-0.3	0	-5	-7		6.8	-1.2	3	8	-49	-35
India		74	0.2	0.0	2	-3	-3		6.2	-1.4	1	15	-56	-69
Philippines		48	0.1	0.6	1	8	5		3.7	-2.3	1	-5	-73	-65
Thailand		31	0.3	0.6	0	-2	-4		1.4	1.5	-8	0	-21	-16
Malaysia		4.13	0.3	0.8	1	1	-1		2.5	0.4	6	12	-85	-82
Argentina		75	-0.1	-0.6	-3	-25	-20		42.0	-83.0	-256	-233	-2953	-2059
Brazil		5.24	0.7	1.3	5	-22	-23		5.7	8.9	19	19	-105	-57
Chile		763	-0.1	0.6	5	-7	-1		2.6	0.2	2	8	-22	-72
Colombia		3699	-0.2	1.0	2	-9	-11		4.9	-6.4	-15	-39	-87	-110
Mexico		21.03	0.5	1.6	6	-8	-10		5.9	-2.5	-11	-2	-147	-107
Peru		3.5	0.4	-0.2	1	-6	-7		4.1	-1.6	-3	0	-26	-42
Uruguay		42	0.0	0.0	0	-14	-12		7.6	-13.7	-24	-59	-325	-327
Hungary		302	0.0	0.1	-3	0	-2		1.7	1.8	0	11	59	54
Poland		3.75	0.3	0.5	-1	5	1		0.8	0.7	-3	3	-113	-109
Romania		4.1	0.2	0.5	-1	5	4		3.2	-6.0	-11	-40	-47	-77
Russia		74.8	0.2	0.7	-1	-14	-17		5.8	0.1	-4	18	-107	-34
South Africa		16.3	0.8	1.8	7	-10	-14		10.0	-4.6	-3	-3	78	52
Turkey		7.50	-0.1	-0.1	-2	-24	-21		12.8	-13.5	-59	-127	-180	106
US (DXY; 5y UST)		93	-0.3	-0.5	0	-6	-4		0.26	-0.8	-2	-3	-143	-143

	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		4657	-0.7	2	-1	18	14		216	-1	2	7	32	40
Indonesia		5058	-0.8	-2	-4	-19	-20		227	2	9	17	58	71
India		39303	0.7	3	4	6	-5		222	2	7	13	95	97
Philippines		5947	-1.2	0	-2	-26	-24		133	0	2	18	69	67
Malaysia		1531	0.0	1	-2	-4	-4		151	-1	4	4	30	39
Argentina		44628	0.0	-2	-8	46	7		1148	26	-999	-971	-1073	-621
Brazil		100298	0.0	0	-1	-3	-13		299	-2	-5	-12	82	84
Chile		3722	0.3	-1	-7	-27	-20		171	0	3	8	42	38
Colombia		1194	-0.5	-4	4	-25	-28		244	0	-3	8	69	81
Mexico		36729	-0.4	2	-6	-14	-16		467	-2	1	-1	150	175
Peru		17967	-1.1	-1	-2	-8	-12		157	0	9	13	42	50
Hungary		33913	-1.0	-3	-7	-17	-26		123	0	5	2	43	37
Poland		49947	-0.2	-2	-5	-15	-14		30	2	4	2	12	12
Romania		9224	-2.0	2	6	-1	-8		250	-4	-1	3	76	77
Russia		2972	-0.3	3	-3	5	-2		205	-4	-1	27	25	74
South Africa		55990	-0.3	1	-2	-3	-2		491	-3	-4	4	193	171
Turkey		1113	0.1	1	3	9	-3		598	-2	-7	-38	112	197
Ukraine		500	0.0	0	0	-3	-2		635	-5	4	-12	194	215
EM total		45	0.7	4	2	8	1		401	-1	-16	-13	67	108

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