









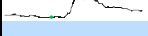




- US equities pullback on virus and fiscal uncertainties; credit markets resilient ([link](#))
- US IG leverage hits all-time high as firm's borrower to build cash positions ([link](#))
- Italian spreads tighten after regional elections suggest near-term political stability ([link](#))
- Chinese corporates issuing a record amount of IG USD bonds in Q3 ([link](#))
- Amount of distressed EM corporate debt at highest level since 2015-16 oil-shock ([link](#))
- Angola bonds under pressure as concerns build about restructuring risks ([link](#))

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Risk-off trading pauses but sentiment remains cautious

Markets are faring slightly better this morning after global risk assets declined to start the week as **COVID-19 case growth returned to the headlines**. Yesterday, US stocks traded decidedly lower amid heightened risk aversion triggered by a confluence of political and COVID-related uncertainty. The S&P 500 ended off its intraday lows (-1.2%), as the tech sector drove a late-day recovery, and the US dollar led a safe haven currency bid along with US Treasury yields declining across the curve. Overnight, Asian equities were mostly lower again as transportation stocks underperformed on worrisome virus trends, while European stocks look to be benefitting from yesterday's last minute-rally in US indices with major bourses posting gains of about 0.8%. Bund yields are also reversing yesterday's decline and Italian sovereign spreads are tightening after regional elections suggest some near-term stability of the governing coalition. EM equities declined about 1% along with a 15 bp widening in EMBIG spreads yesterday but are showing some signs of stability this morning along with the broad EM FX index steadying.

Key Global Financial Indicators

Last updated: 9/22/20 8:13 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities			%				%
S&P 500		3281	-1.2	-3	-3	10	2
Eurostoxx 50		3178	0.5	-5	-3	-11	-15
Nikkei 225		23360	0.2	0	2	6	-1
MSCI EM		44	-0.9	-1	0	7	-2
Yields and Spreads			bps				
US 10y Yield		0.67	0.0	-1	4	-106	-125
Germany 10y Yield		-0.51	1.8	-3	-1	1	-33
EMBIG Sovereign Spread		423	1	21	0	88	130
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		55.2	0.0	-1	1	-9	-10
Dollar index, (+) = \$ appreciation		93.7	0.0	1	0	-5	-3
Brent Crude Oil (\$/barrel)		41.5	0.2	2	-6	-35	-37
VIX Index (% change in pp)		28.2	0.4	3	6	13	14

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

United States

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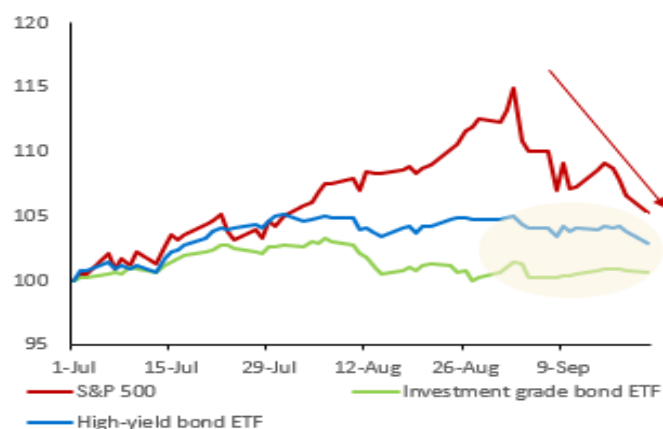
Global markets continued to sell-off yesterday amidst concerns around the global banking sector, worries over multiple pandemic waves and diminishing optimism over the fiscal stimulus in the US.

The S&P 500 opened down, and dropped as much as 2.7% intra-day, adding to September's nearly 8% loss. A late session reprieve rally, especially in the tech sector, however offset some of the losses with the index closing down by 1.1%. US banking sector stocks were down almost 3.5% taking cues from European banks' decline earlier in the morning (which closed down 6.3%) amidst the report on spurious transactions. The global risk-off rally was also exacerbated by a collapse in commodity prices with oil declining by 3% and industrial metals declining by more than 2%. Correspondingly, the energy sector in the US was down more than 3%, underperforming the broader index. Market contacts were also worried that the emergence of a partisan battle over replacing Supreme Court Justice Ruth Bader Ginsburg damaged the already-slim prospects for another round of US fiscal stimulus. Big-tech stocks ended up almost 1.0%, reflecting the huge divergence within the sectors. The dollar and Treasuries rallied as investors sought safe havens. US Treasury yields declined by 3-4 bps at the long end of the curve and the US dollar appreciated by almost 0.7%.

Despite the strong equity market sell-off in Sept, IG credit spreads are relatively unchanged. The S&P 500 is down 8% from its peak levels in Sept, while IG and HY credit indices are down 1-2%.

Analysts highlighted that the relative tranquility in credit markets suggests that the slump in stocks is being driven by sky-high valuations and other long-standing concerns, versus a fundamental shift in the economic outlook. This was also highlighted by Dallas Fed's president Kaplan yesterday who noted the divergence between equities and credit and added that some stock market corrections can be "healthy" given the rally since March's lows, and a widening in credit spreads widening would be more worrisome. While IG credit spreads are broadly stable, HY credit spreads have widened marginally more recently.

US Credit and Equity Indices (July 1 = 100)



Source: Bloomberg

Gross leverage in US investment grade firms rose to 2.90x (+0.22x q/q) in Q2, the highest reading ever, driven by the COVID-19 shock. The second quarter was the first full quarter of COVID-19-impacted earnings, with EBITDA for IG companies dropping ~15% y/y, as compared to a drop of ~8% y/y in Q1. Debt growth continued to accelerate as well and rose by 12% y/y in Q2. Net leverage was also reported at an all-time high of 2.1x, but rose less than gross leverage on record cash build-up, amidst a decade-low interest coverage ratio. The bright spot through 2Q was the record amount of liquidity raised by IG corporates, with the cash-to-debt ratio jumping sharply to six-year highs of 22.9%.

Exhibit 7: Cash on balance sheet has moderated the rise in net leverage, despite hitting an all-time high in 2Q20 as well

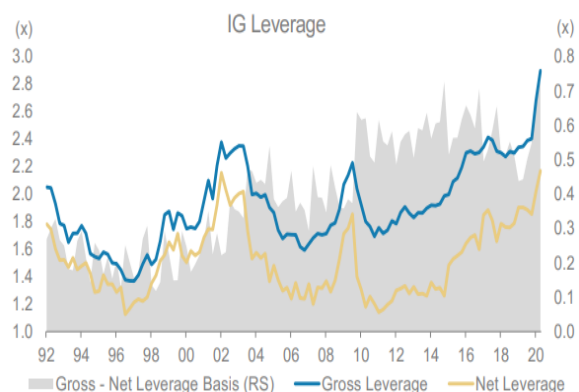
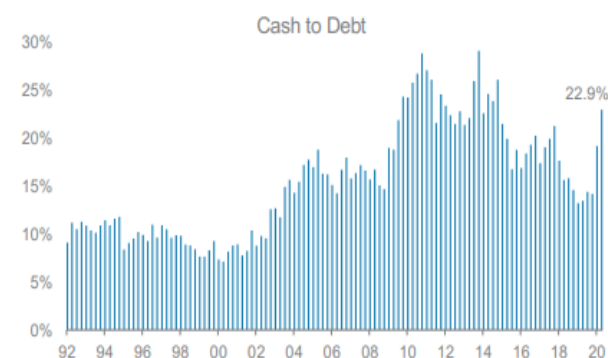
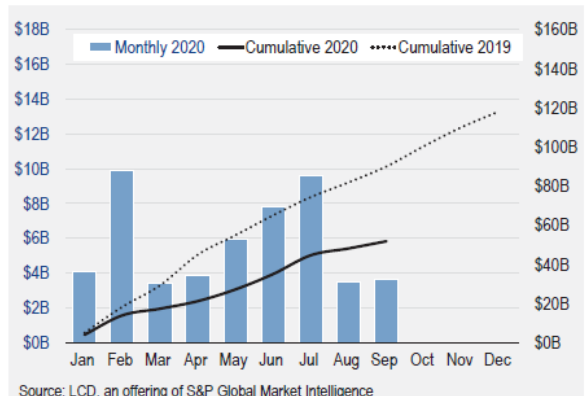


Exhibit 6: Debt issuance has translated to higher cash on company balance sheets

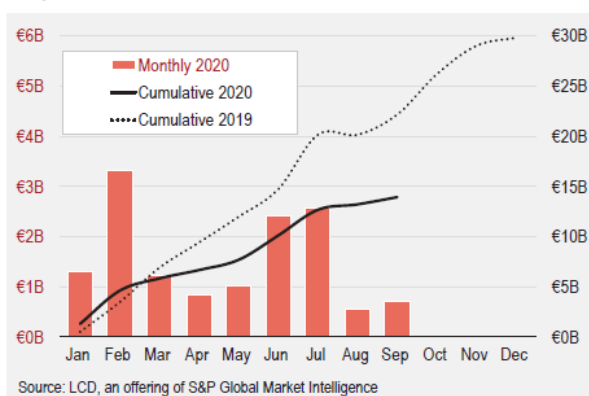


Analysts highlight that longer reinvestment periods are returning to both the U.S. and European primary CLO markets, with deal sizes increasing too, as tighter secondary market CLO spreads are more conducive for deal-making than they have been since the pandemic struck. In the US, CLO issuance is picking up, with a handful of deals last week, pushing activity for the month above both the deal and volume counts for August. The rise in pace (\$12.3 bn last week versus \$10.7 bn the week prior) and the weighted average cost of capital now frequently below 200 bps, also implies that the conditions are improving per analysts.

US CLO issuance



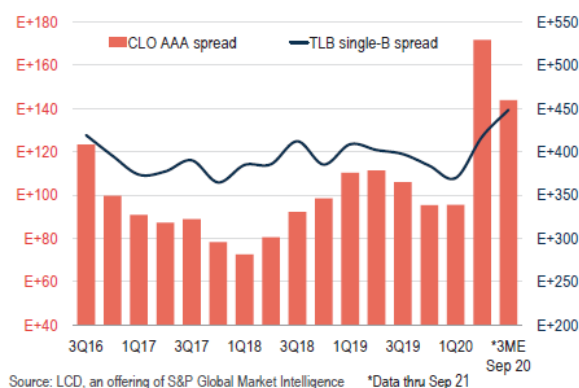
European CLO issuance



US CLO AAA spread vs TLB spread



Europe CLO AAA spread versus TLB spread



Europe

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European stocks (+0.7%) gained as bank stocks (+0.1%) stabilized. 10-yr bund yields are trading at -0.52%, below the ECB's depo rate of -0.50% as the euro (-0.2% to \$1.175) edged lower.

Italian spreads tightened 5 bps to 139 bps after the center-left PD party won regional elections in Campania, Tuscany, and Apulia, performing better than expected, even though the PD lost the Marche region to a candidate from the far-rights Brothers of Italy. Italians also voted in favor of the proposal from the 5-star party to reduce MPs to 400 in the Lower House and 200 in the Senate (from currently 630 and 315 respectively) with almost 70% of the votes in favor. **Analysts believe that the results of the referendum and elections guarantee the near-term stability of the governing coalition** between the 5-star party and the PD.

Italy: PD party has managed to retain 5 Italian regions

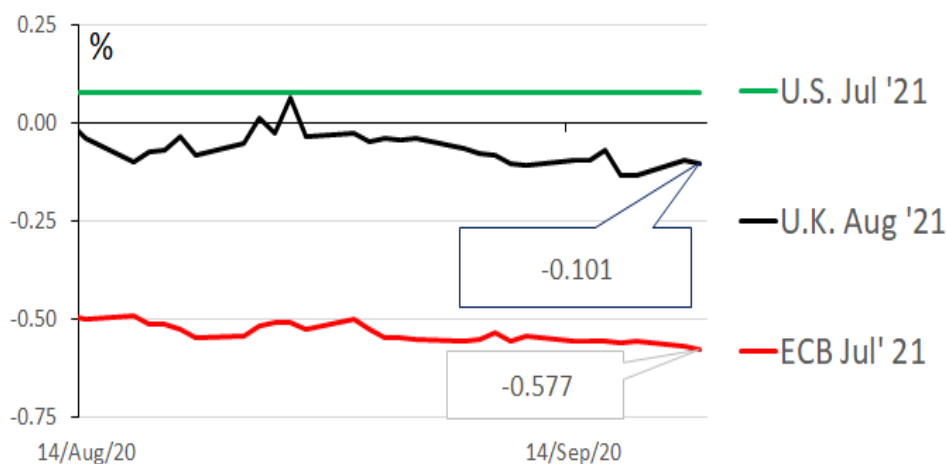


Source: HSBC

Greek 10-yr yields traded 4 bps lower whereas Spanish 10-yr yield fell 2 bps.

Traders have been pricing in further rate cuts by the ECB in 2021, with markets currently expecting 7 bps of cuts by July 2021.

G-3 Policy Rates at mid 2020 (from swaps, %)

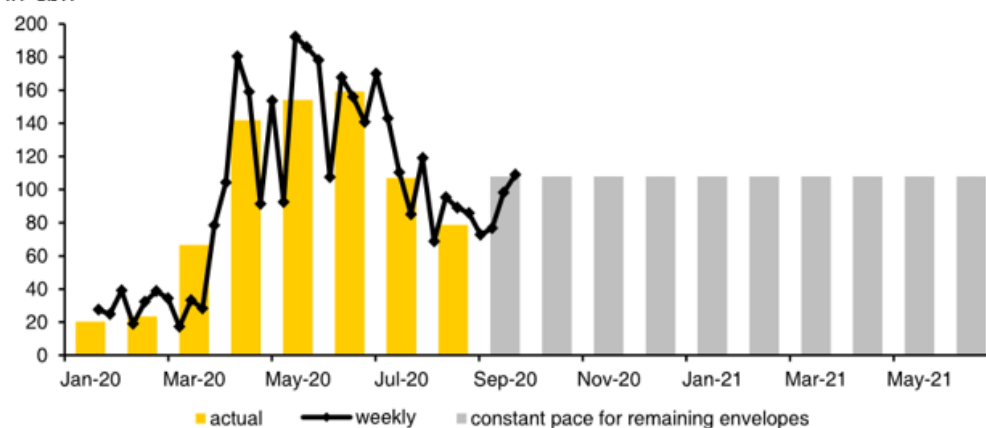


Source: Bloomberg WIRP and IMF staff

According to media reports, ECB council members do not plan any changes to QE purchases as the pandemic PEPP QE program extends well into 2021. This commentary follows yesterday's news reports that the ECB was planning to review its QE programs. **Analysts point out that at the current pace of bond purchases, the ECB could wait until early 2021 before deciding on changes to QE programs, moving the policy focus towards interest rate decisions and other measures.**

Euro area: Total ECB purchases, actual monthly purchases and weekly purchases at monthly rate; constant linear purchase pace for APP and remaining PEPP envelopes assuming APP will be extended by €20 bn/m in 2020 and PEPP will be fully used

in €bn



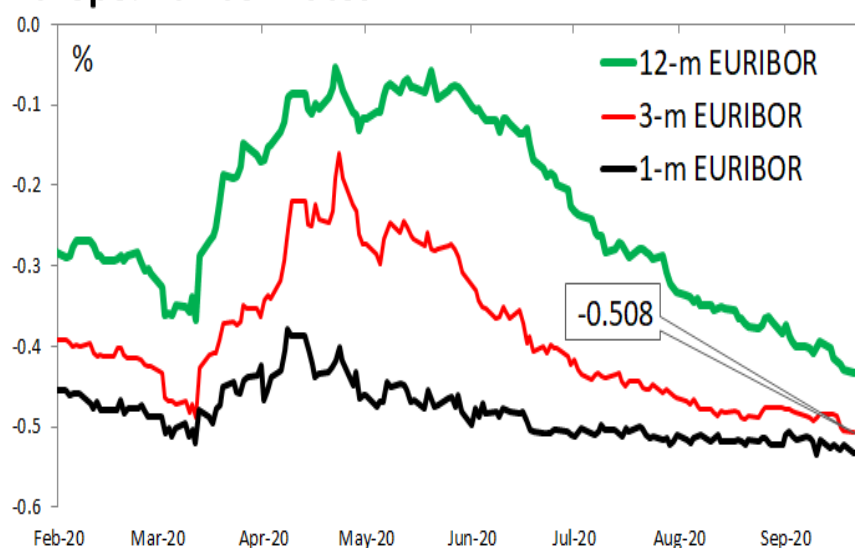
Source: ECB and Commerzbank.

Shares in Unicredit (-1%) opened lower but shares in Italian bank Monte Paschi MPS (+5.2%) rose sharply following news that **Italian government officials have asked Unicredit whether it would be interested in buying the government's majority stake in MPS**. Analysts believe that Unicredit may require additional capital and guarantees for a deal to succeed. The Italian government rescued MPS in 2017, spending €5.4 bn on a 68% stake which EU competition authorities have asked to be sold in 2021.

Shares in Caixa and Bankia are little changed as analysts continue to digest the news that both banks plan to create Spain's largest domestic bank, with assets of more than €664 bn.

In money markets, Euribor unsecured rates continue to fix lower, with the 3-month rate now below the ECB depo rate. Contacts believe that money markets signal that banks now have ample liquidity, with only limited concerns around near-term credit risk.

Europe: Euribor Rates



Source: Bloomberg, and IMF staff

United Kingdom

The British pound (+0.3% to \$1.285) edged higher after BOE Governor Bailey said that **negative rates should be in the toolbox but confirmed that implementation is not imminent**. Markets are pricing in a negative policy rate of -10 bps in August 2021 (from -13 bps before the governor's speech).

The U.K. government has asked the population to return to working from home and is expected to impose a 10 PM curfew on pubs and restaurants later today.

Other Mature Markets

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Australia




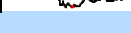


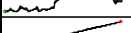

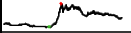



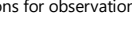

The Reserve Bank of Australia (RBA) Deputy Governor Guy Debelle laid out monetary policy options. In his speech today, he mentioned that the RBA could (i) buy longer-term bonds, supplementing the 3-year yield target, (ii) carry out currency intervention, and (iii) lower interest rates, including into a negative territory. He did not signal the timing of policy actions. Some market analysts expected the RBA to cut policy rates and announce a fixed-size asset purchase program. Australian dollar depreciated (-0.3%); share prices fell (-0.7%); long-term government bond yields declined (10-year: -2.4 bps; 30-year: -3.8 bps).

Emerging Markets

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Latin American assets posted losses on Monday amid the broad risk-off tone to start the week. Stocks in Chile (-2.3%) suffered the most, followed by Argentina (-1.8%), Mexico (-1.3%) and Brazil (-1.3%). Amongst regional currencies, the Colombian peso (-1.5%) and the Chilean peso (-1.3%) depreciated the most against the dollar due to declining oil and commodity prices, followed by the depreciation of the Mexican peso (-1%) and Brazilian real (-0.5%). **EMEA equities were mostly recovering from yesterday's losses** with Russia (+1.5%) and Hungary (+1%) leading the rebound. **EMEA currencies also recovered** with the South African rand (+1.2%) the Russian ruble (+0.8%) outperforming. The Turkish lira (-0.3%) remains an exception as it continues to depreciate. **Most Asian stock markets retreated today**, led by Korean (-2.4%), Indonesian (-1.3%) and Chinese (CSI 300: -1.2%) equities. Risk aversion captured the region following the overnight losses in U.S. equities. **In Hong Kong SAR**, HSBC's share price continued falling (today: -2.1%), driving down Hong Kong equities (-1.0%). **Most Asian currencies depreciated**, led by Korean won (-0.6%) and Indonesian rupiah (-0.6%). Currencies were weaker as global funds were selling local equities. The onshore RMB was the only exception; RMB appreciated (onshore: +0.3%; offshore: little change). **In India**, JPMorgan decided to keep Indian sovereign debt out of its global bond index; bond markets were steady. **In the Philippines**, the government rejected all bids for 10-year bonds in today's auction despite oversubscription. The yield would increase by about 25 bps if the bond offer of 30 bn peso (\$0.62 bn) was accepted; 10-year government bond yields did not move today.

Key Emerging Market Financial Indicators

Last updated: 9/22/20 8:20 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
Major EM Benchmarks			%				%
MSCI EM Equities		44.11	0.1	-1	0	7	-2
MSCI Frontier Equities		25.58	-0.3	0	4	-8	-16
EMBIG Sovereign Spread (in bps)		423	1	21	0	88	130
EM FX vs. USD		55.15	0.0	-1	1	-9	-10
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.78	0.4	0	2	5	3
Indonesian Rupiah		14785	-0.6	0	-1	-5	-6
Indian Rupee		73.59	-0.3	0	1	-4	-3
Argentine Peso		75.58	-0.3	-1	-3	-25	-21
Brazil Real		5.44	-0.5	-3	3	-23	-26
Mexican Peso		21.42	-0.4	-1	3	-9	-12
Russian Ruble		75.96	0.2	-1	-2	-16	-18
South African Rand		16.72	0.4	-2	2	-11	-16
Turkish Lira		7.65	-0.4	-2	-4	-25	-22
EM FX volatility		11.67	0.0	0.5	0.4	3.4	5.1

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

Emerging Market Distressed Corporate Debt

There has been a 56% increase in the face value of the distressed EM corporate debt, as the default cycle advances across developing markets, causing funding concerns. The 56% increase amounts to \$84 bn in the face value of bonds, with the number of bond issues in the ICE Bank of America Distressed EM Corporate Plus Index increasing to 148 from 97. More than two-thirds of the distressed EM corporate universe is comprised of China (46.7%) and Argentina (21.2%), yet Mexico (5.4%), India (5.1%) and Brazil (3.3%) have experienced the sharpest rise YTD. Speculative grade EM sovereign creditors have had to contend with three large defaults in 2020 (Argentina, Lebanon and Ecuador), causing the default rate to rise above 15%. The EM high yield corporate default rate is just one-fifth of that and has historically tracked the broader global credit cycle, according to Bloomberg analysts.

Distressed EM Corporate & Quasi-Sovereign Debt



Source: ICE, Bloomberg Intelligence

Bloomberg

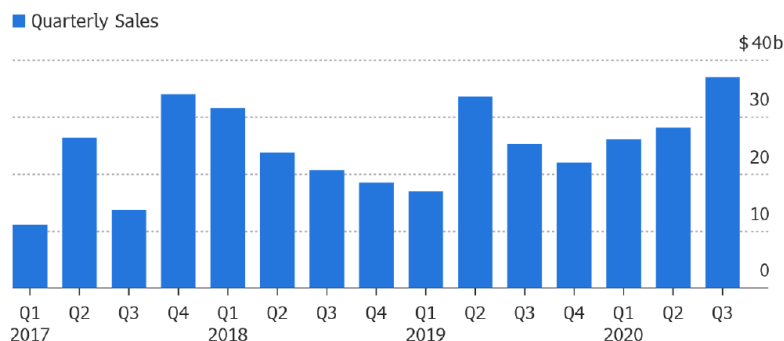
Source: Bloomberg Intelligence

China

Chinese firms are issuing a record amount of investment-grade dollar bonds in 2020Q3. Chinese firms have raised \$37 billion, accounting for a large portion of total issuance by Asian issuers excluding Japan (\$53 billion), in the wake of lower borrowing costs, which have fallen back to the level seen at the beginning of the year. **The People's Bank of China injected a total of 350 bn yuan (\$51.6 bn) into the banking system** today to counter rising demand for liquidity. This was the biggest net injection of short-term funds since February. Market analysts noted that the injection is a temporary measure to smooth market fluctuations rather than a shift in the policy stance particularly in light of the upcoming long holidays.

Fresh Record

Sales of high-quality Chinese dollar bonds hit record high in Q3



Source: Bloomberg

NOTE: 2020 Q3 figure is as of Sept 21

Bloomberg

Indonesia

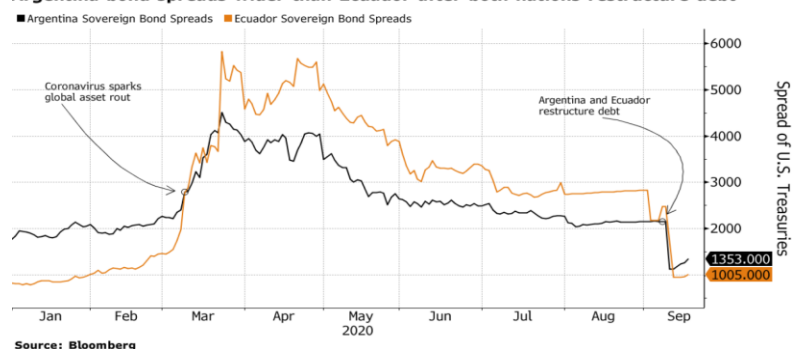
Bank Indonesia is committed to supporting the currency. The central bank sees the rupiah as undervalued and is intervening to smooth volatility and maintain the currency in line with fundamentals. The central bank is offering 1-month rupiah in the domestic non-deliverable forwards market. **The government now expects an economic contraction this year**, the first time since the Asian crisis, in the range between -0.6% and -1.7%. The country is struggling to contain the virus, depressing consumption and investment activities. Jakarta recently decided to impose a second-round of large-scale movement restrictions to curb the contagion. That said, the government still expects economic growth of 4.5%-5.5% next year. Indonesian rupiah depreciated (-0.6%); equities fell (-1.3%).

Argentina

The new Argentine USD bond spreads returned to levels they were trading before the nation and its major creditors struck a deal to restructure its debt amid the central bank's move last week to tighten currency controls. The \$16.1 bn of bonds maturing in 2030 declined 3.1 cents to 40.3 cents, the lowest since they began trading on Sept. 8 at about 50 cents, reports Bloomberg. Analysts cite the poor economic situation and recently tightened currency controls to preserve country's decreasing international reserves as a reason for the declining bond performance. The bonds have a spread of around 1300 bps over US Treasuries, above the 1000 points that many investors consider to be the threshold for debt to be classified as distressed. Ecuador, which also restructured its debt recently, is performing better than Argentina's sovereign notes. The spread to US Treasuries on Argentina's bonds is about 300 bps wider than Ecuador's, according to JP Morgan's EMBIG index.

Rising Risk

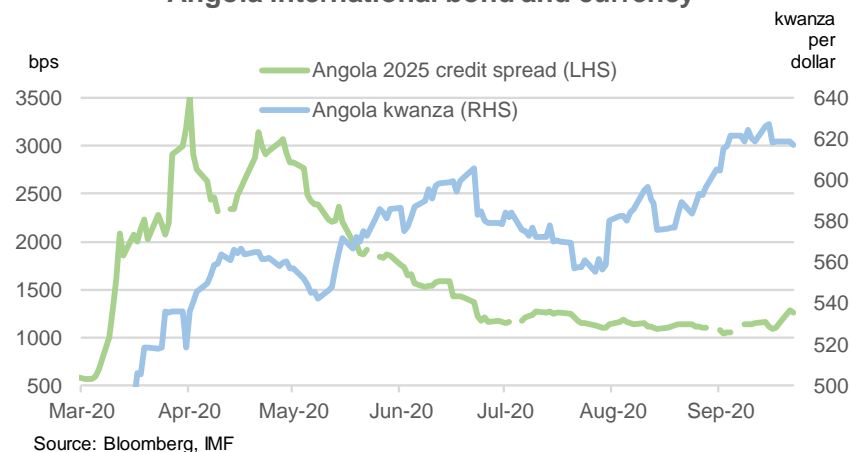
Argentina bond spreads wider than Ecuador after both nations restructure debt



Angola

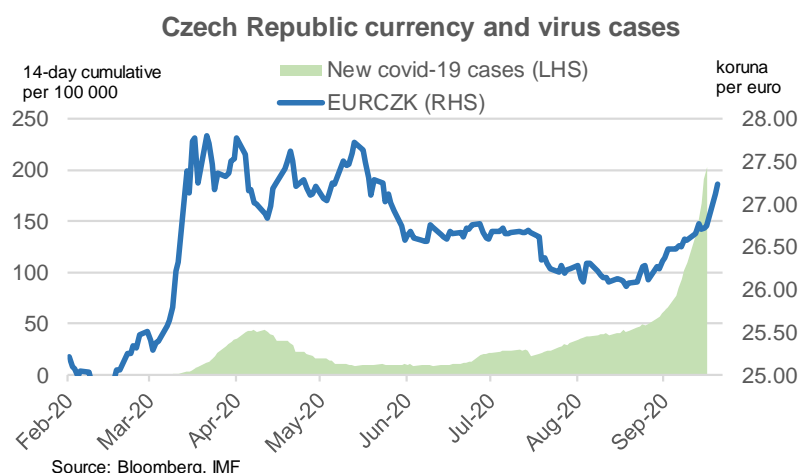
International bonds came under pressure amid concerns that risk remains high after the recent debt reprofiling. The credit spreads over the dollar curve widened by 200 bps for the 2025 bond, reversing most of the summer compression. The international bond holders have avoided debt restructuring so far as the government has focused on reprofiling the debt of official creditors and China in particular. Market contacts suggest that the current valuations may also not yet fully reflect the onset of the second COVID-19 wave that makes Angola particularly vulnerable to further swings in energy prices. This has been also reflected in the recent credit rating downgrades by Moody's (Caa1) and Fitch (CCC). The pressure has also renewed on the kwanza which has already depreciated by 20% year to date.

Angola international bond and currency



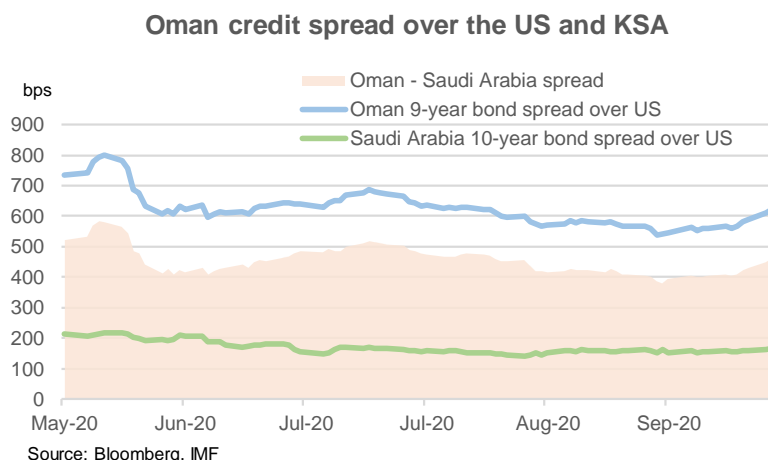
Czech Republic

The Czech koruna was hit the hardest among CEE-peers during yesterdays broad sell-off in risk assets as the government considers tighter lockdown measures. The koruna depreciated 1.8% against the euro and as much as 2.9% against the dollar in its worst trading day since March, underperforming the zloty and the forint by around 1%. **Czech Republic has seen a rapid increase in new COVID-19 cases in September placing it second in Europe in terms of new cases per 100k inhabitants.** After considering declaring a State of Emergency over the weekend, the Health Ministry suggested that the new restriction will focus on social gatherings and entertainment venue curfews as the government wants to avoid a return to the March lockdown. **Market contacts suggest that the recent underperformance is also driven by heavy investor positioning as the koruna was among the favorite trade ideas over the summer.**



Oman

The government has mandated banks to prepare for the first international bond placement since **August 2019**. Media reports suggest that the **government would look to raise \$3-4 bn** out of the total \$5 bn planned for this year. Oman is rated sub-investment grade and it has been downgraded twice by Fitch (BB-) and Moody's (Ba3) this year. The credit spreads have tightened about 200 bps since March but remain 620 bps over the USD curve and 450 bps over a comparable Saudi Arabia issue.













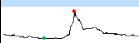

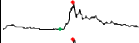
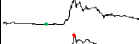








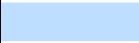
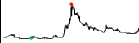





List of GMM Contributors

Global Markets Analysis Division, MCM Department

Anna Ilyina <i>Division Chief</i>	Dimitris Drakopoulos <i>Financial Sector Expert</i>	Patrick Schneider <i>Research Officer</i>
Will Kerry <i>Deputy Division Chief</i>	Rohit Goel <i>Financial Sector Expert</i>	Jochen Schmittmann <i>Senior Economist</i>
Evan Papageorgiou <i>Deputy Division Chief</i>	Sanjay Hazarika <i>Senior Financial Sector Expert</i>	Can Sever <i>Economist (Economist Program)</i>
Sergei Antoshin <i>Senior Economist</i>	Frank Hespeler <i>Senior Financial Sector Expert</i>	Juan Solé <i>Senior Economist</i>
John Caparusso <i>Senior Financial Sector Expert</i>	Henry Hoyle <i>Financial Sector Expert</i>	Jeffrey Williams <i>Senior Financial Sector Expert</i>
Yingyuan Chen <i>Financial Sector Expert</i>	Mohamed Jaber <i>Senior Financial Sector Expert</i>	Akihiko Yokoyama <i>Senior Financial Sector Expert</i>
Han Teng Chua <i>Economic Analyst</i>	Phakawa Jeasakul <i>Senior Economist</i>	Piyusha Khot <i>Research Assistant</i>
Fabio Cortés <i>Senior Economist</i>	Dmitri Petrov <i>Financial Sector Expert</i>	Xingmi Zheng <i>Research Assistant</i>
Reinout De Bock <i>Economist</i>	Thomas Piontek <i>Financial Sector Expert</i>	

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Global Financial Indicators







































Last updated: 9/22/20 8:15 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		3290	-1.2	-3	-3	10	2
Europe		3177	0.5	-5	-3	-11	-15
Japan		23360	0.2	0	2	6	-1
China		3274	-1.3	-1	-3	9	7
Asia Ex Japan		77	-0.6	-1	0	14	5
Emerging Markets		44	-0.9	-1	0	7	-2
Interest Rates			basis points				
US 10y Yield		0.67	0.0	-1	4	-106	-125
Germany 10y Yield		-0.51	1.8	-3	-1	1	-33
Japan 10y Yield		0.02	0.0	-1	-2	22	3
UK 10y Yield		0.18	2.4	-4	-3	-45	-64
Credit Spreads			basis points				
US Investment Grade		130	-0.2	2	0	1	33
US High Yield		538	1.8	20	8	91	145
Europe IG		58	0.3	4	4	2	13
Europe HY		327	2.4	15	1	104	120
EMBIG Sovereign Spread		423	1.0	21	0	88	130
Exchange Rates			%				
USD/Majors		93.68	0.0	1	0	-5	-3
EUR/USD		1.17	-0.2	-1	0	7	5
USD/JPY		104.6	0.1	1	1	3	4
EM/USD		55.2	0.0	-1	1	-9	-10
Commodities			%				
Brent Crude Oil (\$/barrel)		42	0.2	2	-6	-35	-37
Industrials Metals (index)		118	1.1	0	2	1	3
Agriculture (index)		39	0.3	2	7	4	-5
Implied Volatility			%				
VIX Index (%, change in pp)		28.2	0.4	2.6	5.7	12.9	14.4
US 10y Swaption Volatility		46.9	1.6	-4.4	-6.8	-35.3	-15.1
Global FX Volatility		9.7	0.0	0.3	0.7	2.6	3.8
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		157	-4.3	0	-3	-30	-9
Italy		140	-5.2	-8	-6	-5	-20
Portugal		78	-1.8	0	-5	1	15
Spain		76	-2.1	1	-4	0	11

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: 9/22/2020 8:21 AM	Exchange Rates						YTD	Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
	vs. USD		(+) = EM appreciation					% p.a.						
China		6.78	0.4	0.1	2	5	3		3.3	-1.6	-5	8	12	12
Indonesia		14785	-0.6	0.4	-1	-5	-6		6.8	-0.6	-4	11	-57	-37
India		74	-0.3	0.1	1	-4	-3		6.2	0.5	-2	4	-68	-69
Philippines		48	-0.2	-0.1	0	8	5		3.6	-0.3	-3	2	-72	-66
Thailand		31	-0.4	-0.5	0	-3	-4		1.5	-1.0	2	-1	-11	-16
Malaysia		4.13	-0.2	0.0	1	1	-1		2.6	-0.2	3	14	-92	-79
Argentina		76	-0.3	-0.6	-3	-25	-21		39.9	-102.9	-296	-482	-2844	-2272
Brazil		5.44	-0.5	-3.0	3	-23	-26		6.0	4.8	37	52	-42	-29
Chile		773	0.1	-1.4	1	-7	-3		2.6	-1.3	0	7	-22	-72
Colombia		3790	-1.4	-2.4	1	-9	-14		5.1	9.1	15	-14	-58	-89
Mexico		21.42	-0.4	-1.4	3	-9	-12		5.9	3.6	4	-3	-114	-101
Peru		3.6	-0.8	0.3	1	-6	-7		4.1	3.0	3	-3	-30	-38
Uruguay		42	0.0	0.1	1	-13	-12		7.5	-0.1	-26	-71	-316	-339
Hungary		309	-0.3	-2.1	-3	-1	-4		1.7	3.6	3	4	70	55
Poland		3.83	-0.3	-1.9	-3	4	-1		0.7	-3.0	-5	-5	-109	-114
Romania		4.1	-0.3	-1.0	-1	4	3		3.3	4.0	-1	-46	-43	-72
Russia		76.0	0.2	-1.3	-2	-16	-18		5.8	5.8	5	6	-102	-29
South Africa		16.7	0.4	-1.6	2	-11	-16		10.1	13.7	7	5	78	63
Turkey		7.65	-0.4	-2.1	-4	-25	-22		13.6	21.3	66	-6	-93	186
US (DXY; 5y UST)		94	0.0	0.7	0	-5	-3		0.27	0.2	0	0	-133	-142

	Equity Markets							Bond Spreads on USD Debt (EMBIG)							
	Level		Change (in %)					YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	Last 12m		Latest	1 Day	7 Days	30 Days	12 M		
									basis points						
China		4636	-1.2	-1	-2	18	13		217	0	0	9	34	41	
Indonesia		4934	-1.3	-3	-6	-21	-22		236	3	11	16	66	80	
India		37734	-0.8	-3	-2	-1	-9		223	2	3	6	88	98	
Philippines		5894	-0.3	-2	-2	-25	-25		141	2	8	13	71	75	
Malaysia		1506	0.4	0	-5	-6	-5		157	3	5	9	37	45	
Argentina		40745	-1.8	-9	-14	36	-2		1330	0	208	-815	-768	-439	
Brazil		96991	-1.3	-3	-4	-7	-16		318	-3	17	-8	90	103	
Chile		3644	-2.3	-2	-9	-28	-22		179	-1	8	2	48	46	
Colombia		1198	-0.7	0	1	-25	-28		257	-2	13	9	82	94	
Mexico		35518	-1.4	-2	-7	-18	-18		500	-1	31	25	190	208	
Peru		17693	-1.2	-3	-3	-9	-14		165	-2	8	12	48	58	
Hungary		32432	0.6	-5	-10	-21	-30		121	1	-2	-8	29	35	
Poland		48808	0.7	-2	-6	-15	-16		25	-3	-3	-5	-1	7	
Romania		8996	1.2	-4	3	-5	-10		258	8	5	-7	72	85	
Russia		2898	1.2	-3	-3	4	-5		213	0	4	14	31	82	
South Africa		53247	-0.1	-5	-5	-6	-7		514	4	20	12	203	194	
Turkey		1092	0.4	-2	-2	9	-5		646	-2	46	20	163	245	
Ukraine		500	0.0	0	0	-4	-2		679	-5	39	54	205	259	
EM total		44	0.1	-1	0	7	-2		423	1	21	0	88	130	

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

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