- **US market near 10% correction** (link)
- **Inflation expectations decline in advanced economies** (link)
- **Corporate debt in US hits 56% of GDP from 46% in February** (link)
- **Argentina's yield curve inverts a week after capital controls** (link)
- **PBOC allays currency depreciation fears** (link)
- **Turkey's central bank tightens unexpectedly** (link)
- **Hungarian central bank tightens in surprise intra-meeting move** (link)
- **Zambia nears default on eurobonds** (link)

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

Markets wary as virus pressure builds

Investors were in a cautious mood after the heavy selloff in US markets yesterday. With US markets near correction territory, most emerging markets are lower today and European markets are mixed, with US equity futures pointing to further losses in early morning trading. Safe havens like the yen, Treasuries and bunds are doing better amidst the uncertainty. Virus counts are on the rise in Europe, with the UK in special focus as new restrictive measures are imposed and case counts climb back to their peak levels in April. Matters appear fairly dire in the US, with political tensions at fever pitch and hopes for a new fiscal package fading fast while virus deaths have now crossed 206K. Zambia is shaping up to be Africa's first COVID-19 related default, and several emerging market central banks are being forced to tighten as their financial markets come under increasing strain.

Key Global Financial Indicators

Last updated: 9/24/20 8:05 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		3237	-2.4	-4	-6	9	0
Eurostoxx 50		3177	-0.1	-4	-5	-10	-15
Nikkei 225		23088	-1.1	-2	0	4	-2
MSCI EM		43	-1.6	-4	-4	5	-4
Yields and Spreads			bps				
US 10y Yield		0.66	-0.8	-2	1	-98	-125
Germany 10y Yield		-0.53	-2.4	-4	-4	7	-34
EMBIG Sovereign Spread		441	6	36	23	94	148
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		54.2	-0.1	-3	-1	-11	-12
Dollar index, (+) = $ appreciation		94.5	0.1	2	1	-4	-2
Brent Crude Oil ($/barrel)		41.8	0.1	-3	-7	-34	-37
VIX Index (%, change in pp)		29.3	0.7	3	7	12	16

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

United States   back to top

The latest jobless claims data were slightly worse than expected as the rebound in jobs continued its slowing trend. Next week's unemployment report is likely to be even more consequential than usual for the direction of the markets. US equity index futures fell further on the news and Treasury yields ticked lower as well.
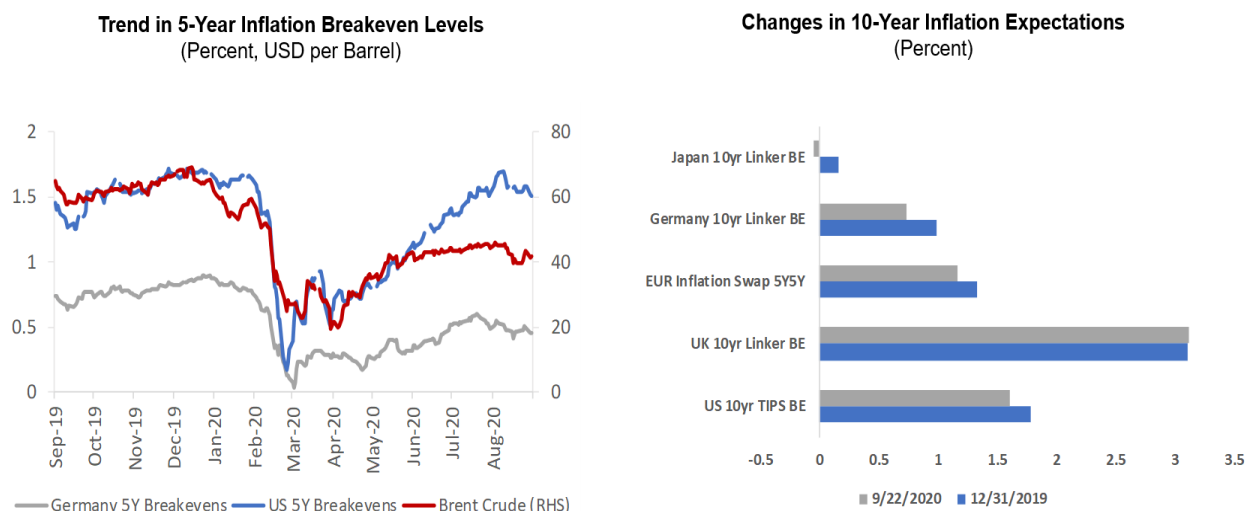
US Jobless Claims
Source: Bloomberg

	Consensus Forecast	Actual Data
Initial jobless claims	840K	870K
Continuing claims	12275K	12580K

Stock markets took another day of heavy losses yesterday as the S&P 500 was down for the fourth of the past five days, although trading volumes were close to average levels. The index has lost 4.5% since September 15 and is down over 9% from the record close on September 2. A 10% close below a previous market high is regarded as a market correction and a 20% decline is defined as a bear market. However, investors were surprised that Treasury yields remained little changed despite the volatile market conditions. The sell-off was pretty broad-based with all eleven S&P 500 sectors in the red. Banking sector stocks declined by 2.5%, extending the decline in the last five sessions to over 9%. Tech sector also failed to hold up unlike the last few days, and the Nasdaq saw a very heavy 3.2% selloff. There was no single market mover, but the gradual accumulation of fears on multiple fronts has increasingly unnerved investors in recent days. Fed Chair Powell's remarks before Congress and numerous speeches from other Fed governors and heads of regional reserve banks underlined the burning need for more fiscal stimulus, but there seems little hope for a deal before the elections as the fight to replace the late Justice Ginsberg heats up.

In other news, ISDA, the industry's governance group for the global derivatives market, announced that the transfer away from Libor will be postponed until the end of January from December 31, 2020 due to delays in the approval of relevant documents and rules by regulators. Meanwhile, the five-year note auction saw very strong demand, and US manufacturing and services PMIs came out at or near consensus forecasts at expansionary level (53.5 and 54.6 respectively).

Inflation expectations in the US and other developed economies are lower than they were at the start of the year. The declines range from 17 and 20 bps in US 10yr and 5yr TIPS breakevens respectively to moves as large as 26 bps and 39 bps in German 10yr and 5yr breakevens respectively. Moves in Japan and the UK were more muted. However, the reduction in absolute levels masks a much more extreme roller coaster move in developed markets, with inflation expectations plunging at the depth of the selloff followed by a strong rebound as risk assets rallied in the wake of decisive policy actions from global governments and central banks. Breakevens in the US and euro area tend to follow risk assets, especially in the case of large market moves.

In more recent weeks, inflation expectations have begun to decline again in the US and other advanced econmies as risk assets have sold off in the midst of rising uncertainty about the renewed spread of the virus, the fear of new lockdowns, and political tensions in countries such as the US where lawmakers have been unable to agree on a new fiscal package. The US election, US-China tensions, and worries that the recovery of the global economy in Q3 may not be as strong as hoped in some parts of the world are also likely to weigh on inflation expectations. Oil prices have also fallen recently, especially due to expected production increases from Libya and elsewhere.

Trend in 5-Year Inflation Breakeven Levels
(Percent, USD per Barrel)

**Changes in 10-Year Inflation Expectations**
(Percent)

The consensus view is that central bank actions in developed markets will be unlikely to push up inflation expectations in the next few months. Investors are quite pessimistic on this in Europe, while the Fed's new Flexible Average Inflation Target is also seen as unlikely to raise inflation forecasts in the US anytime soon. Investors have very low hopes for inflation in Japan, while in the UK there is a realization that Brexit is likely to have a much worse impact the local economy than originally expected. However, a renewed rally in risk assets could play a role in pushing inflation expectations higher, especially for breakevens.

The latest data from the Fed show that US corporate debt-to-GDP in Q2 jumped to 56% from 46% in February, due both a larger amount debt outstanding and to a contraction of GDP in Q2, according to CreditSights. This latest spike is a post-pandemic phenomenon when companies rushed to build up cash reserves ahead of the expected economic downturn. Prior to this, corporate debt was at high but steady levels since the year 2000. High yield (HY) debt spreads blew out to 1000 bps at the worst of the market selloff in March. Fed liquidity support and the search for yield among investors enabled HY companies to issue a record amount of dent along with their investment grade peers. Net issuance was at 1.5x times the previous record, according to data from Bank of America. All eyes now turn to the credit cycle in the coming quarters when defaults are projected to increase as some companies succumb to the shocks of the COVID-19 crisis.
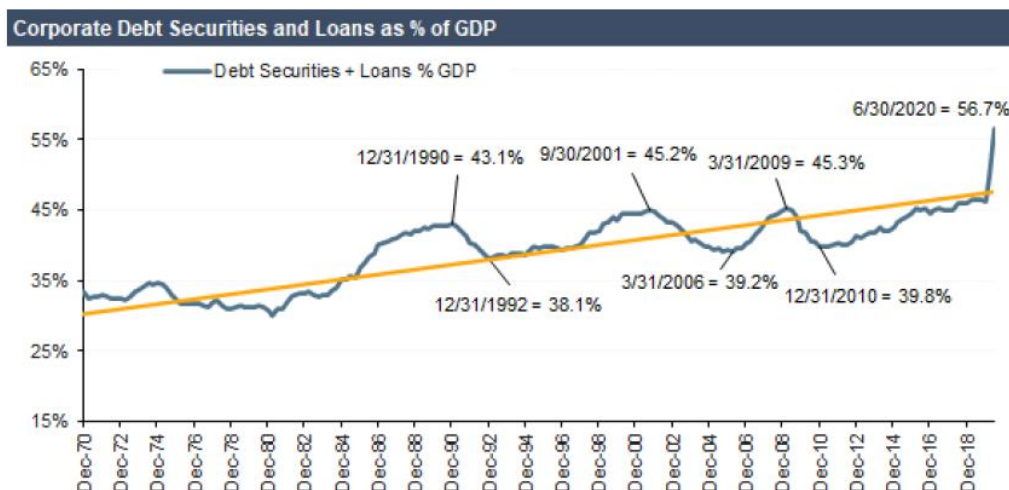
Source: CreditSights, Federal Reserve, BEA   note long term trend line based on data from Dec 1945   data through 06/30/2020

JP Morgan reports that twenty-two companies announced a second (or more) unchanged pandemic-era dividend over the past week. There were three hikes (Texas Instruments, Oracle and Masco Corp), and no new cuts or suspensions. According to consensus forecasts, 76% of projected dividends have already been paid out or gone ex-dividend, 7% have been announced, and 17% remain at risk. The dividend futures market indicates that S&P 500 dividends are expected to remain flat relative to 2020 in 2021 and increase very slightly in 2022 and 2023. The continued robustness of analyst and market dividend forecasts (albeit at lower than pre-pandemic levels) shows that the larger US companies that are represented in the S&P 500 index are expected to weather the economic storm relatively well. Prospects for other countries do not seem as bright.
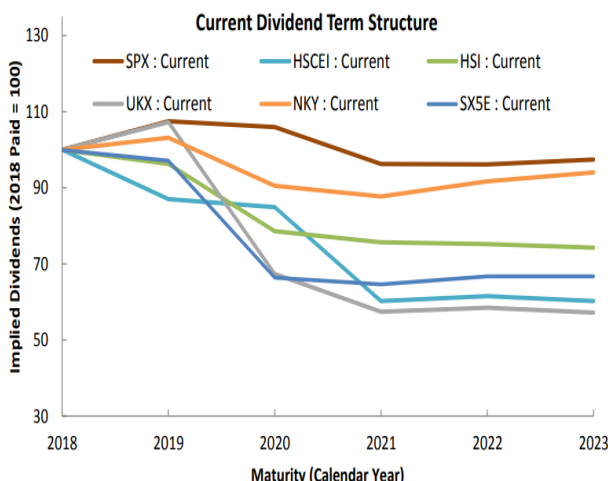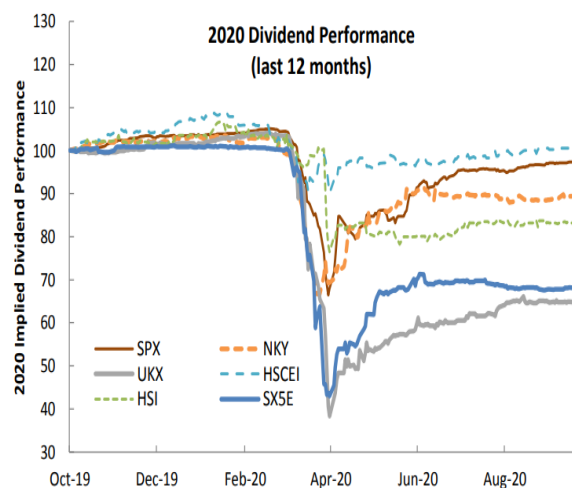
Europe   **back to top**

European stocks are little changed. Bank stocks (+1.0%) are trading better after falling 13% this month.

10-yr bund yields fell 2 bps to -0.53% and the euro (-0.1%) traded at €1.1647 after **European banks took up a larger-than-expected €175 bn of EBC funding in today's TLTRO-III operation** for a net take-up of €158 bn. TLTROs are targeted operations, so the amount that banks can borrow is linked to loans to non-financial corporations and households. Analysts speculate that the larger than expected take-up could be related to the ECB's decision to relax calculations of the leverage ratio for European banks. The **net liquidity injection** of €158 bn **is expected to push excess liquidity in the euro area financial system above €3 tn by October**, for the first time ever.

Italian 10-yr spreads are 3 bps higher at 138.4 bps with contacts pointing to new issuance as a driving factor. Greek 10-yr spreads and Spanish 10-yr spreads are little changed.

German IFO data show a services sector lagging behind manufacturing in September, but the apparent loss of momentum since July is more modest than suggested in yesterday's PMI data, according to JP Morgan. The IFO business climate index disappointed marginally at 93.4 (93.8 expected), from 92.6 in August. Improvements in current conditions (+1.3 pts to 89.2) and business expectations (+0.5pt to 97.7) drove the pick-up. **JP Morgan also argues that daily activity and mobility data in Germany have been holding up in September**.

German GDP and daily trackers

4Q19 = 100, 7-day averages of daily indicators
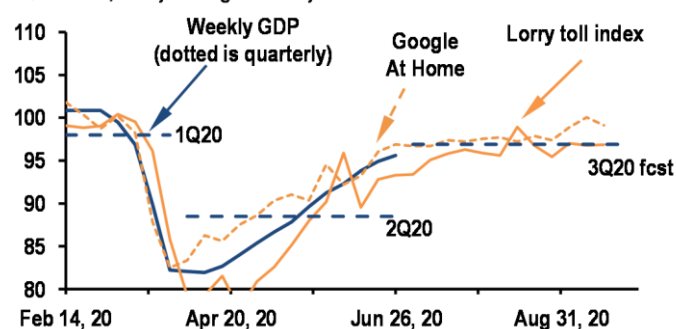
Source: Destatis, Google, OpenTable, J.P. Morgan

Market-based expectations in the euro area have slipped lower again. 5-yr/5-yr inflation swaps are currently trading 13 bps below their summer high of 1.27%.

Inflation Expectations: Five-year Forward Five-year Inflation Swaps (%)
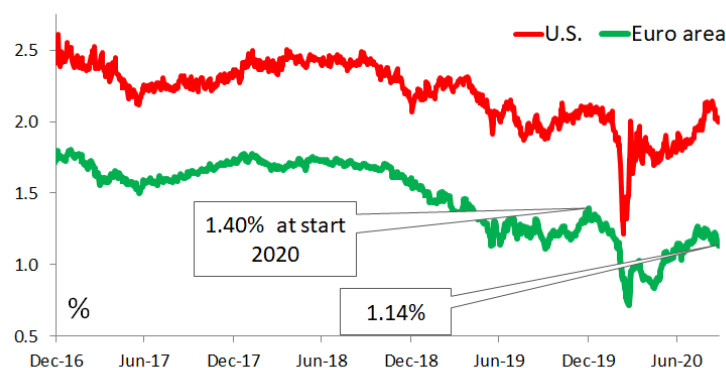
Source: Bloomberg, and IMF staff

Concerns about credit risks in the euro area have increased in September. The European cross-over high-yield CDS index, a widely watched measure for financial stress, rose 40 bps from its lows of early September. The CDS index for investment-grade corporates is up 11 bps this month.

Global CDS Credit spreads (Corporate and EM)
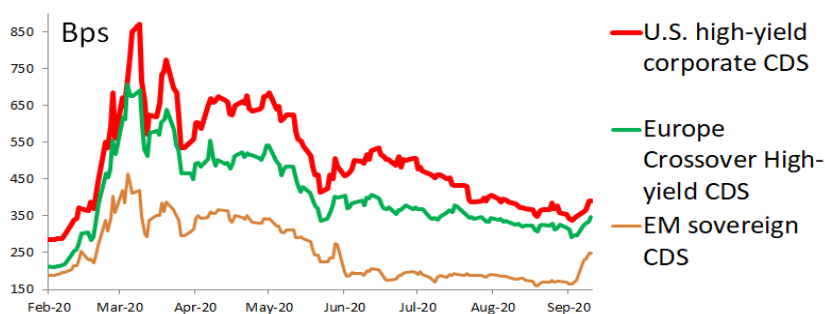
Note: Europe Crossover high-yield index comprises 75 equally weighted credit default swaps on the most liquid sub-investment grade European corporate entities.
U.S. high-yield is composed of 100 non-investment grade corporates (B and BB).
EM CDS covers 18 sovereign issuers.
Source: Bloomberg, and IMF staff

Switzerland

The SNB left policy unchanged (as expected). The SNB marginally upgraded its inflation forecast to -0.6% for 2020, 0.1% for 2021 and 0.2% for 2022 (compared with -0.7%, -0.2% and 0.2% respectively in June). The **SNB announced that it will publish data on the volume of its FX market interventions on a quarterly basis instead of only annually**. Analysts speculate that the decision is linked to the fact that Switzerland is on the U.S. authorities watch list for currency manipulation. The Swiss franc was little changed against the euro.

United Kingdom
The British pound (+0.3%) edged higher as FM Sunak is expected to set out a so-called "winter economy plan" to parliament, including a new job support plans that will replace the current furlough scheme with a wage subsidy. Daily covid-19 cases in the U.K. have returned to their April peak, with 6,178 cases reported yesterday.

Other Mature Markets   back to top

Japan
Equities fell (NIKKEI: -1.1%) following the global equity sell-off. **The Japanese yen appreciated slightly** as Japan continued attracting haven inflows. **Long-term JGB yields increased** (10-year: +0.3 bps; 40-year: +0.8 bps) after the 40-year JGB auction that posted a bid-to-cover ratio at 2.65, the lowest level since 2015. One market analyst noted that the auction was not necessarily a weak one as the highest yield bid was lower than expected.

Emerging Markets   back to top

Emerging market equities and currencies around the world were generally lower after yesterday's big selloff in the US. Latin America saw particularly heavy losses and the real saw a very large depreciation, but markets were down across EMEA and Asia as well. Laos was downgraded to CCC from B- by Fitch after a similar move a month earlier by Moody's. Paraguay stayed on hold at 0.75% as expected.

Key Emerging Market Financial Indicators

Last updated:	Level		Change				
9/24/20 8:08 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Major EM Benchmarks			%				%
MSCI EM Equities		43.10	#VALUE!	-4	-4	5	-4
MSCI Frontier Equities		25.61	-0.5	0	3	-9	-16
EMBIG Sovereign Spread (in bps)		441	6	36	23	94	148
EM FX vs. USD		54.17	-0.1	-3	-1	-11	-12
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.83	-0.3	-1	1	4	2
Indonesian Rupiah		14890	-0.5	0	-1	-5	-7
Indian Rupee		73.90	-0.5	0	1	-4	-3
Argentine Peso		75.71	-0.1	-1	-3	-25	-21
Brazil Real		5.59	0.1	-6	0	-26	-28
Mexican Peso		22.44	-0.2	-7	-2	-13	-16
Russian Ruble		77.22	-0.2	-3	-3	-17	-20
South African Rand		17.08	0.0	-5	-1	-13	-18
Turkish Lira		7.63	0.9	-1	-3	-25	-22
EM FX volatility		12.02	0.0	0.8	0.8	3.8	5.4

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

Argentina
The yield curve has finally inverted a week after the central bank announced currency controls. This was largely expected by many analysts. Market investors commented that traders are selling the more liquid short end of the curve to hedge their exposure to longer-dated and harder-to-sell securities. The inversion implies that market investors are expecting another default down the road. Shorter-term yields have risen above the longer-term yields on Argentina's dollar bonds issued both locally and abroad. Longer time horizon carries more risk and hence, offers a higher yield in other countries. International bonds maturing in 2030 are trading with a 15% yield to convention, while those due in 2041 trade at a 13.6% yield, according to data compiled by Bloomberg.
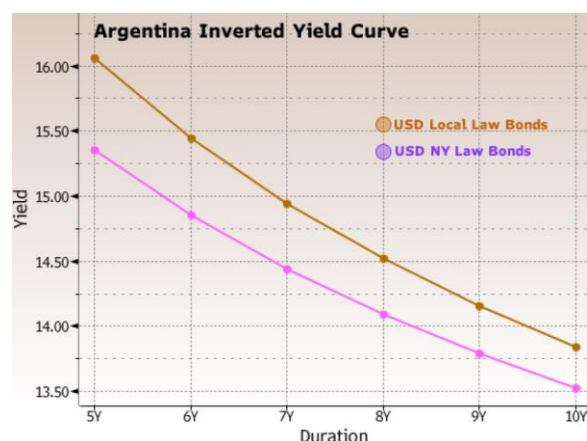
Source: Bloomberg

Bolivia
Moody's downgraded the long-term foreign debt rating to B2 from B1 with a stable outlook citing a material erosion of fiscal and foreign exchange reserve buffers. Moody's also cited the medium-term prospects for reduced economic growth, lower government revenue generation and weaker foreign exchange earnings in a context of relatively weak hydrocarbon sector demand and persistent policy uncertainty. Notes due in 2028 dropped almost half a cent to 88 cents on the dollar for the fourth day of losses after the nation was downgraded, lowest level in more than 2 months, reports Bloomberg. Analysts warn that next month's election will complicate efforts to restart economic growth.

Bolivian Vulnerabilities
Dollar bond declines as Moody's flags rising risks in dowgrade
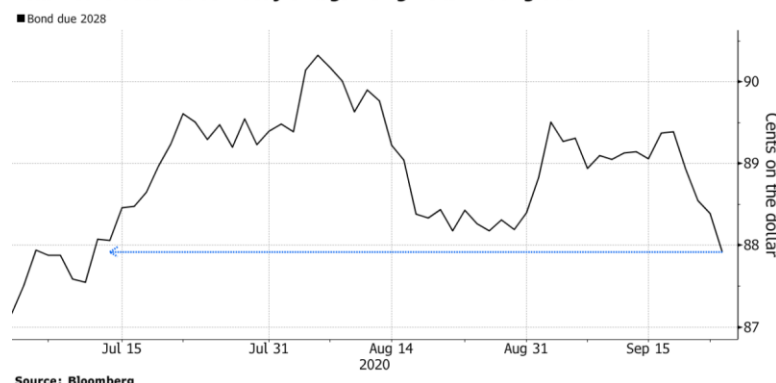
Source: Bloomberg

China
The People's Bank of China (PBOC) set its daily yuan fixing slightly stronger than expected, easing speculation that authorities tried to encourage exchange rate depreciation. Currency traders are watching reference rates for any strong signals on policy because a string of weaker-than-expected fixings could suggest that the PBOC took steps to moderate exchange rate appreciation. A rebound of US dollar this

week has helped ease appreciation pressures on RMB, which depreciated today (onshore: -0.3%; offshore: -0.1%) after appreciating 1.4% in the past month.

Anchors Away
The yuan's daily fixing can help limit swings by the Chinese currency

■ Daily yuan fixing ■ Yuan per dollar

Source: Bloomberg

Czech Republic
The Czech National Bank (CNB) left its policy rate unchanged as expected and continued to signal policy tightening from mid-2021 onwards. Market contacts had anticipated somewhat more dovish messaging in the light of the rapid increase in the covid-19 cases as well as the risk of a second national lockdown. Inflation in August stood at 3.3% yoy, above the 2% tolerance band but in-line with CNB's most recent forecast. Despite the central bank messaging, markets have already priced out any policy tightening for the next year. The 2-year interest rate forwards, which priced as much as 50 bps of policy tightening at the end of August, are now pricing just 10 bps of hikes.

Czech Republic inflation and policy rate

— Inflation y-o-y — Key rate — Pribor 3m rate

Market is not pricing any change in policy for the next 2-years

Source: Bloomberg, IMF
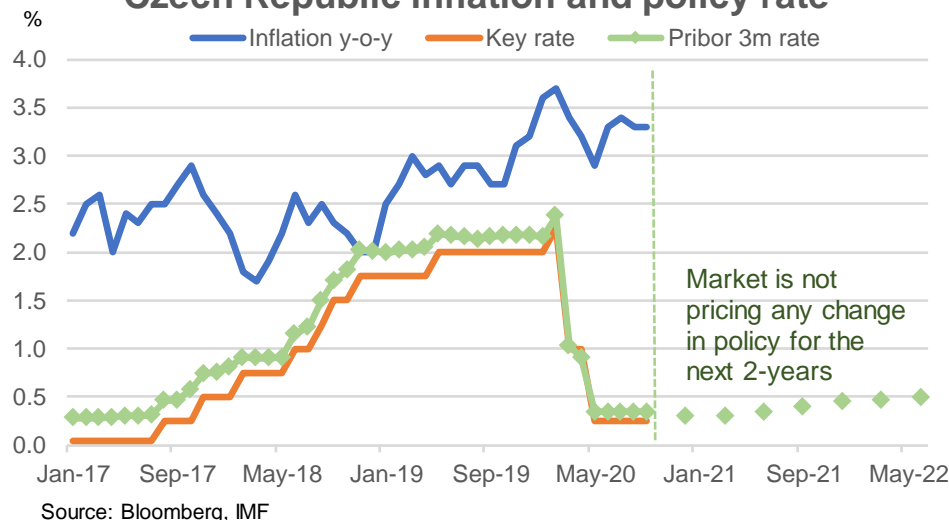
Hungary

The National Bank of Hungary unexpectedly tightened its policy increasing its weekly deposit tender rate by 15 bps to 0.75%. This comes after the central left its policy rate unchanged during its regular meeting on Monday. While market contacts have anticipated that tightenning should the forint continue to weaken, the timing of the announcement comes as a surprise. **The forint strenghtened by 0.6% agaist the euro and short-term interest rates jumped by 10 bps following the announcement**.

Hungary deposit auction rate and size
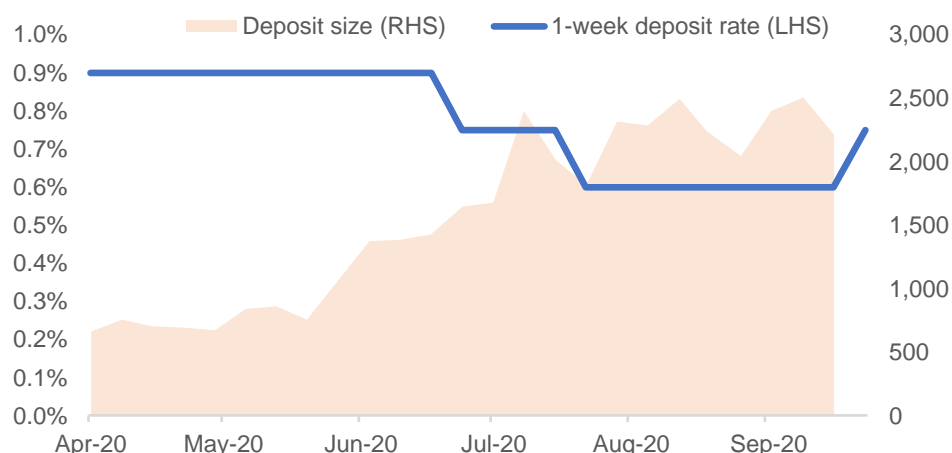
Source: National Bank of Hungary, IMF

Korea

Korea is expected to see a record number of 'zombie' firms. The Bank of Korea (BOK) estimated that the share of firms that have been unable to generate sufficient operating profits to cover interest expense for three years will reach 21.4% by end-2020 (from 14.8% in 2019). The BOK noted that various policy measures have helped limit a further increase in 'zombie' firms but delay the recognition of solvency problems to a future date. In its financial stability report, the BOK assessed that Korea's financial system remains generally stable. In other news, **the South Korea government said that a citizen had been killed by North Korea, the first such incident in nearly a decade.** The incident took place near nautical border between the two countries.

Zombies on the Rise

Ratio of marginal companies expected to surge on Covid hit
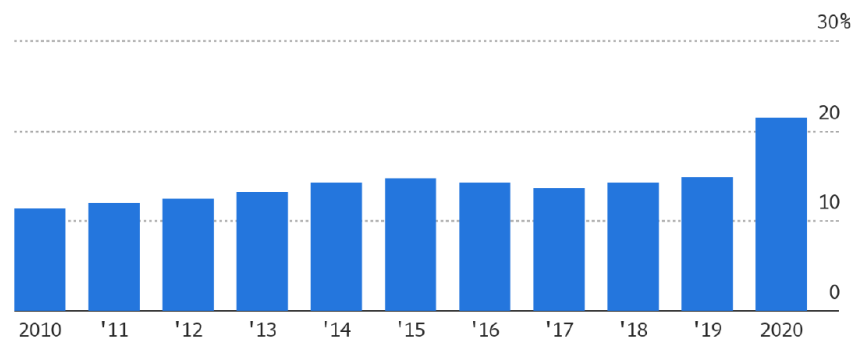
Source: Bank of Korea (2020 figure is BOK's forecast)

Bloomberg

Source: Bloomberg.

India

Indian small businesses are feeling the pain after the end of the loan repayment moratorium. The Reserve Bank of India gave borrowers a six-month freeze on their loan repayments, which ended on August 31. About a third of India's $1.8 tn outstanding loans were covered under the moratorium. According to the local unit of S&P, about three-quarters of firms that opted for the moratorium were sub-investment grade. Bloomberg reports that about a quarter of small businesses are on the verge of shutting down because of financing difficulties. The Reserve Bank of India earlier estimated that banks' nonperforming loans could increase to about 12 percent of total loans, the highest level in two decades.

Pandemic Stress
Indian banks' soured debt ratio seen rising to the highest in two decades

Source: Reserve Bank of India

Bloomberg

Source: Bloomberg.

Laos

Fitch downgraded Laos from B- to CCC. The rating downgrade came one month after a similar move from Moody's. Fitch noted that a projected deterioration in the fiscal deficit will increa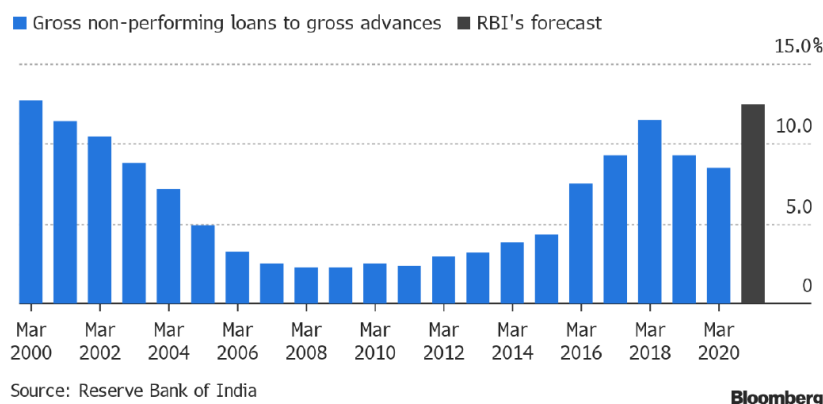se near-term financing needs, which in turn will reduce the ability of the sovereign to meet its debt service obligations. Laos has about $500 mn of debt due by the end of this year, and $1.1 bn due in each of the next four years, compared with foreign reserves of $1.3 bn.

Turkey

The Central Bank of Turkey surprised the market by hiking its one-week repo rate by 200bps to 10.25%. Effectively, the central bank has brought its main policy rate closer to the actual weighted average cost of funding (10.65%). Since mid-August most of the liquidity provision has been carried out at the one-month repo and closer to 11% rather than the main policy rate. Some market contacts were anticipating the adjustment of the late liquidity window rate (11.25%) in order to allow for increase in the weighted average cost of funding (10.65**%). Contacts have generally mixed views, with some seeing the hike as a positive step towards normalization while others consider this a minor adjustment with limited impact on the cost of funding or the exchange rate.** Turkish assets reacted positively to the announcement with the lira strengthening by 1.3% and equities rising by 0.8%.

Turkey policy corridor and currency

Source: Bloomberg, IMF
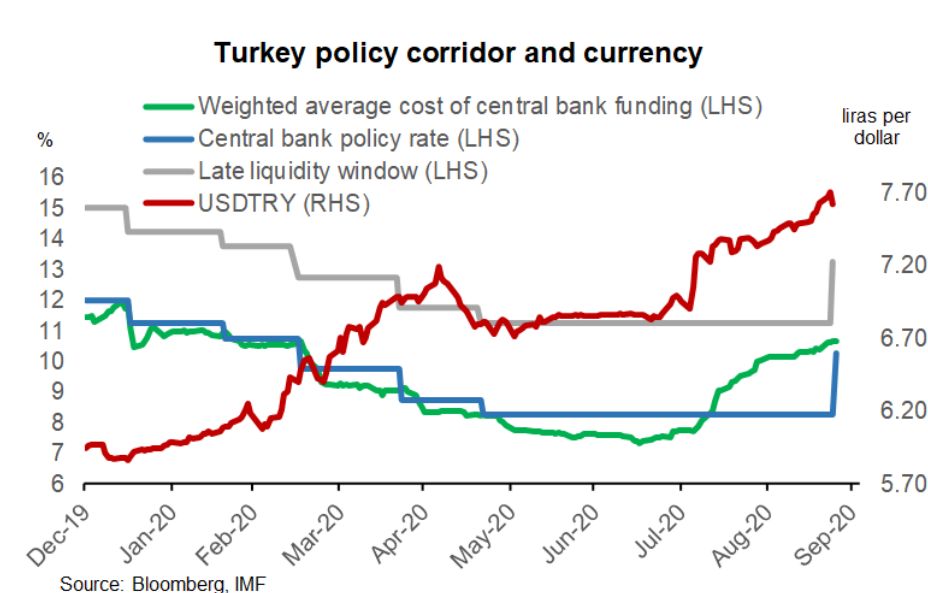
Zambia

The government asked international bond holders to suspend coupon payments for 6 months for a total of $120mn. Zambia's external debt is estimated to be close to $12bn, of which $3bn is in the form of eurobonds maturing in 2022, 2024 and 2027. The majority of external debt is owed to China which has so far signaled readiness to cancel some of the interest payments and extend the maturity of the existing debt. Market contacts anticipate that the coupon deferral is likely to be a door opener for a more substantial debt renegotiation. Zambian government bonds continue to trade in cash price rather than yield given the distressed nature of the debt. **Market makers suggest that the reaction to the restructuring announcement was rather muted with bonds moving $2 lower on limited liquidity**, **largely due to high concentration of bond ownership.** The Zambia kwacha has remained under pressure depreciating by another 10% against the dollar since mid-August for a total of 30% year-to-date.

Zambia currency and international bond price

Source: Bloomberg, IMF
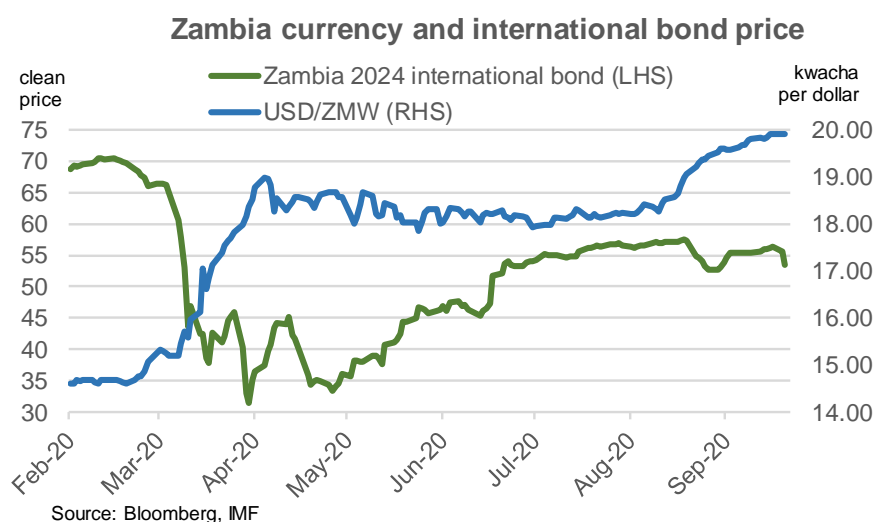
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Global Financial Indicators

Last updated: 9/24/20 8:07 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities				%			%
United States		3231	-2.4	-4	-6	9	0
Europe		3175	-0.2	-4	-5	-10	-15
Japan		23088	-1.1	-2	0	4	-2
China		3223	-1.7	-1	-5	8	6
Asia Ex Japan		76	-1.2	-4	-3	13	3
Emerging Markets		43	-1.6	-4	-4	5	-4
Interest Rates				basis points			
US 10y Yield		0.66	-0.8	-2	1	-98	-125
Germany 10y Yield		-0.53	-2.3	-4	-4	7	-34
Japan 10y Yield		0.01	0.3	-1	-2	25	2
UK 10y Yield		0.20	-1.7	2	-1	-33	-62
Credit Spreads				basis points			
US Investment Grade		133	0.7	5	3	2	35
US High Yield		553	2.1	37	30	95	160
Europe IG		61	3.4	7	7	6	17
Europe HY		352	21.3	54	25	128	146
EMBIG Sovereign Spread		441	6.0	36	23	94	148
Exchange Rates				%			
USD/Majors		94.51	0.1	2	1	-4	-2
EUR/USD		1.16	-0.2	-2	-1	6	4
USD/JPY		105.4	0.0	-1	1	2	3
EM/USD		54.2	-0.1	-3	-1	-11	-12
Commodities				%			
Brent Crude Oil ($/barrel)		42	0.0	-4	-7	-34	-37
Industrials Metals (index)		114	-1.3	-4	-2	-2	-1
Agriculture (index)		39	-0.9	-2	5	1	-7
Implied Volatility				%			
VIX Index (%, change in pp)		29.3	0.8	2.9	7.0	12.3	15.6
US 10y Swaption Volatility		45.5	0.3	-0.4	-8.3	-37.2	-16.5
Global FX Volatility		9.7	0.0	0.3	0.6	2.5	3.7
EA Sovereign Spreads				10-Year spread vs. Germany (bps)			
Greece		155	2.0	-2	-3	-39	-11
Italy		139	3.4	-5	-4	-4	-21
Portugal		77	1.7	-1	-7	3	14
Spain		74	1.3	-1	-7	2	9

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: 9/24/2020 8:09 AM	Exchange Rates								Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)						Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation							% p.a.					
China		6.83	-0.3	-1.0	1	4	2			3.2	-0.1	-3	6	11	10
Indonesia		14890	-0.5	-0.4	-1	-5	-7			6.8	-1.1	-1	14	-58	-34
India		74	-0.5	-0.3	1	-4	-3			6.2	-0.9	0	3	-72	-71
Philippines		49	-0.2	-0.1	0	7	4			3.6	1.0	-1	2	-72	-66
Thailand		32	-0.2	-1.4	0	-3	-6			1.5	0.0	2	1	-7	-15
Malaysia		4.17	-0.4	-0.8	0	0	-2			2.6	1.8	5	16	-92	-78
Argentina		76	-0.1	-0.6	-3	-25	-21			39.6	9.4	-231	-512	-2876	-2302
Brazil		5.59	0.1	-6.3	0	-26	-28			6.0	11.0	21	54	-44	-27
Chile		788	-0.8	-3.2	-1	-8	-5			2.6	4.7	5	13	-13	-65
Colombia		3862	-0.9	-4.4	0	-11	-15			5.1	0.9	20	-9	-51	-83
Mexico		22.44	-0.2	-7.0	-2	-13	-16			5.9	1.7	7	-3	-106	-100
Peru		3.6	-0.7	-1.3	0	-6	-7			4.2	4.3	12	6	-16	-28
Uruguay		42	0.1	0.0	1	-13	-12			7.7	9.3	4	-53	-298	-321
Hungary		313	0.1	-2.8	-5	-3	-6			1.8	6.6	11	14	84	64
Poland		3.89	-0.5	-3.4	-4	2	-3			0.8	2.6	-1	-1	-104	-110
Romania		4.2	-0.2	-2.1	-2	3	2			3.3	-4.0	7	-44	-44	-70
Russia		77.2	-0.2	-2.7	-3	-17	-20			5.9	1.9	8	9	-100	-26
South Africa		17.1	0.0	-5.4	-1	-13	-18			10.2	2.9	20	15	90	73
Turkey		7.63	0.9	-1.1	-3	-25	-22			13.6	12.7	65	2	-67	194
US (DXY; 5y UST)		95	0.1	1.7	1	-4	-2			0.27	0.1	-1	-1	-126	-142

	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		4563	-1.9	-2	-4	17	11			217	0	0	10	33	41
Indonesia		4843	-1.5	-4	-8	-21	-23			239	6	10	25	62	83
India		36554	-3.0	-6	-6	-7	-11			227	0	5	10	99	102
Philippines		5846	-0.8	-2	-2	-26	-25			147	6	12	24	71	81
Malaysia		1501	0.3	-1	-4	-6	-6			161	3	8	14	40	49
Argentina		40974	0.1	-3	-12	47	-2			1393	2	155	-751	-832	-376
Brazil		95735	-1.6	-4	-6	-8	-17			343	3	40	21	106	128
Chile		3520	-3.1	-5	-11	-30	-25			189	1	18	16	50	56
Colombia		1179	-0.7	-1	-2	-26	-29			277	3	31	33	92	114
Mexico		35830	-0.1	-2	-6	-17	-18			529	3	55	61	205	237
Peru		17497	-1.6	-3	-4	-10	-15			186	1	28	37	62	79
Hungary		32079	-1.3	-5	-11	-21	-30			121	-3	1	-4	25	35
Poland		48055	-0.9	-4	-8	-16	-17			28	3	-2	-2	1	10
Romania		9085	-0.3	-1	4	-4	-9			261	0	12	-5	75	87
Russia		2898	-0.6	-2	-4	5	-5			218	5	12	22	29	87
South Africa		54248	0.0	-3	-4	-2	-5			538	11	44	45	207	218
Turkey		1114	1.0	0	1	9	-3			649	-5	42	30	168	248
Ukraine		500	0.0	0	0	-4	-2			721	22	73	99	213	301
EM total		43	-1.5	-4	-4	5	-4			441	6	36	23	94	148

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