Global Markets Monitor

Monetary and Capital Markets Department
Global Markets Analysis Division

Friday, September 28, 2018

Click here to subscribe and here to provide feedback on the GMM.

- **Italian bond yields jump on bigger-than-expected deficit target (link)**
- **Japanese stocks advance, nearing 27-year high (link)**
- **India raises import tariffs to address current account deficit and currency depreciation pressure (link)**
- **Fintech Update: Blockchain innovations, regulatory and market developments (see attachment)**

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

Italy's budget target disappoints markets

Yesterday's stronger risk sentiment dissipated after Italy's government agreed to a higher-than-expected budget deficit target of 2.4% of GDP. 10-year Italian bond spreads to German bunds widened sharply (+40 bps to 274 bps), marking the largest one-day move since the coalition government was formed in May. European shares (-2%) came under pressure, led by outsized declines in Italian bank stocks, while the euro (-0.5%) also weakened. US equity futures point to a weaker opening. Bunds and most other core sovereign bonds rallied on safe haven demand as well. The budget-induced rout also weighed on emerging markets, with EMBIG spreads +9 bps this morning, led by higher beta credits, while EM currencies and equities are mixed. Quarter-end and concerns about year-end balance sheet tightness weighed on funding markets, driving cross-currency basis spreads wider in the last two sessions.

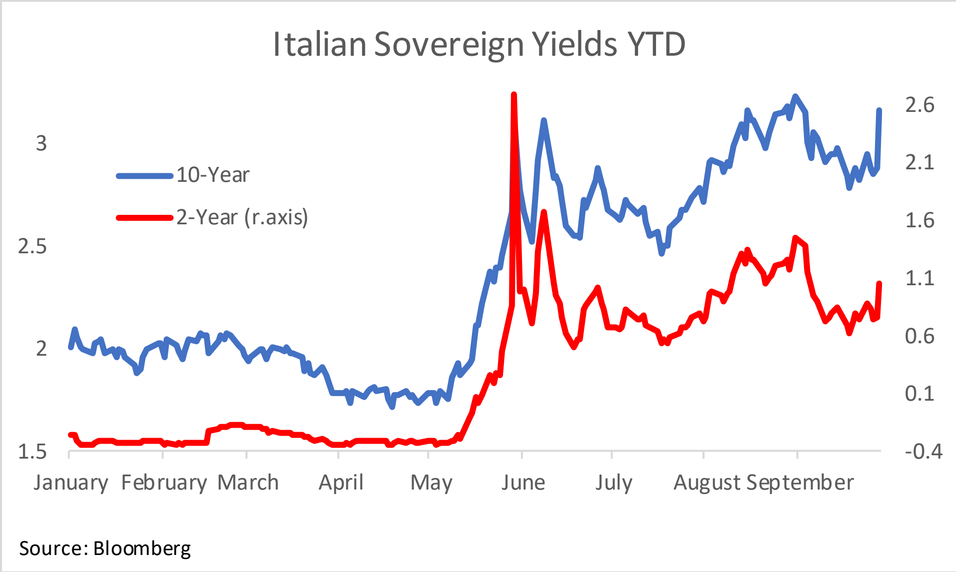
Key Global Financial Indicators

Last updated: 9/28/18 8:24 AM	Level		Change from Market Close				
	Last 12m	Index	1 Day	7 Days	30 Days	12 M	YTD
Equities			%				%
S&P 500		2912	-0.1	-1	0	16	9
Eurostoxx 50		3390	-1.7	-1	-2	-5	-3
Nikkei 225		24120	1.4	2	6	18	6
MSCI EM		43	0.5	0	-1	-2	-8
Interest Rates			bps				
US 10y Yield		3.03	-1.9	-3	15	72	63
Germany 10y Yield		0.46	-6.7	0	8	-2	4
Japan 10y Yield		0.13	1.0	0	3	6	8
FX / Commodities / Volatility			%				
Dollar index, (+) = $ appreciation		95.3	0.5	1	1	2	3
Brent Crude Oil ($/barrel)		82.1	0.5	4	8	43	23
VIX Index (%, change in pp)		13.1	0.7	1	1	4	2

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

Europe back to top

Italian sovereign yields blew out this morning after yesterday's last-minute budget deal. The coalition government agreed to a 2.4% deficit target for 2019, considerably higher than the 1.6-1.9% range that FM Tria had been aiming for. The plan will be presented to the European Commission in October, where it is expected to receive a 'frosty' welcome. The higher-than-expected deficit target will allow the coalition parties to put in force their election pledges, which included tax cuts and a basic income. The 2-year and 10-year shot up by 40 and 36 bps, respectively in reaction to the deal. In addition to the potential negative reaction from the EC, analysts cited the probability of a ratings downgrade as well as traditional debt sustainability concerns.



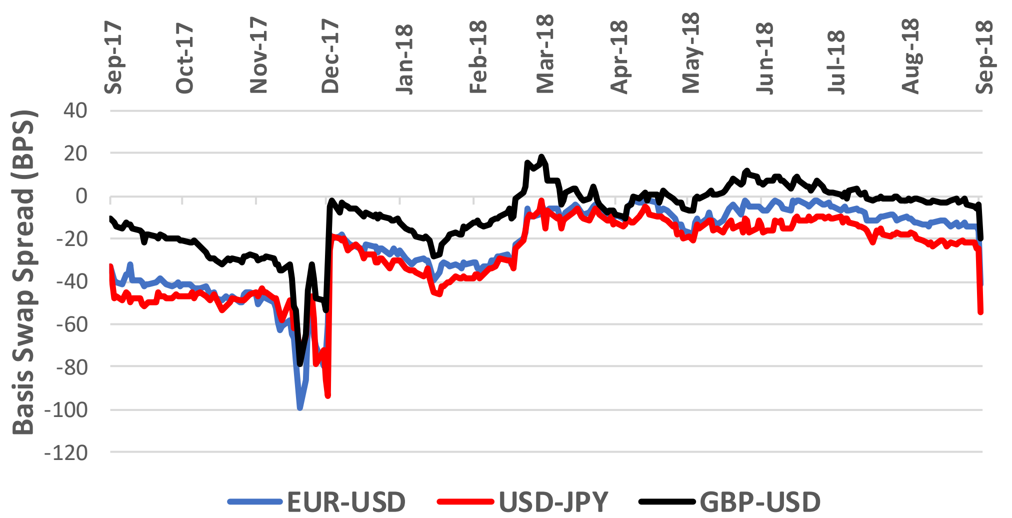
Sovereign yields outside Italy were generally lower. Northern European 10-year yields declined by 4 to 8 bps while the short end was close to flat. The German 10-year fell 8 bps after climbing over 20 bps this month. Conversely, Spain and Portugal, which have decoupled to a large extent from large Italian price moves recently, were flat and up 4 bps, respectively. Eurozone CPI data for September came in at 2.1%, as expected, while the core measure disappointed at 0.9% (versus 1.1% expected).

Equities were mostly lower, as sentiment soured somewhat on the Italian budget deal. The moves were mostly small, however, including the Euro Stoxx 600 which declined by 0.4% after three consecutive days of gains. Banks (-2.4%) were the worst performing sector, weighed down again by Italian financials which fell as much as 8.5% in the case of Banco BPM. The broader Italian index was down by 3.3%.

United States back to top

Treasury yields were little changed and stocks posted small gains in a quiet day of trading yesterday. This morning, core PCE, the Fed's preferred measure of inflation, came in flat mom versus the 0.1% consensus forecast. The annualized print was on target at 2%. The PCE deflator also met forecasts at 0.1% mom and the annualized number came in as expected, at 2.2%. The market reaction was muted.
Meanwhile, in funding markets, cross-currency basis swap spreads widened sharply, reflecting increased demand for dollars at quarter- and year-end. Contacts pointed out that the three-month basis swap maturity now covers the turn of the year, and attributed the sharp price action to pressures related to pre-funding before banks and other investors prepare to close out their books for the year.

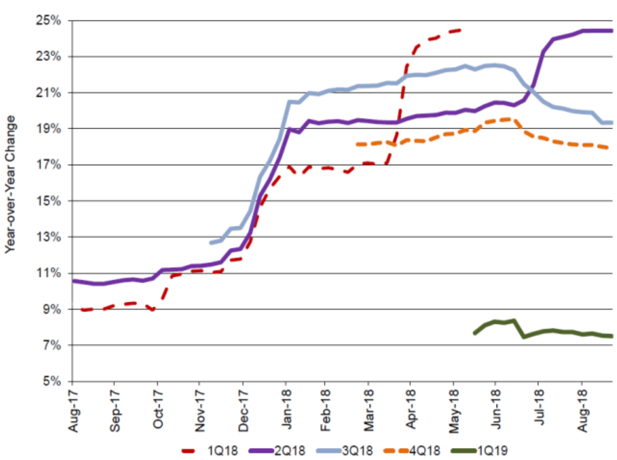
Blowing Out The Bases: USD Basis Swap Spreads



Source: Bloomberg

With the Q3 earnings season a few weeks away, earnings forecasts for US companies are beginning to show signs of a modest slowing. Aggregate Q3 2018 earnings growth projections by equity analysts were downgraded from +22% to +19%. The mark-down of forecasts has been most prominent in the consumer discretionary and consumer staples sectors, but the trend is noticeable across the market. In addition, earnings pre-announcements are showing an increasing proportion of negative updates compared to previous quarters. Investors have become used to steadily improving earnings projections by analysts and results that exceed expectations from corporations, and any change in this trend could have implications for overall market sentiment.

Figure 2. S&P 500 Bottom-Up Quarterly EPS Growth Estimates



Source: Bloomberg and Citi Research – US Equity Strategy

Figure 3. S&P 500 EPS Growth Estimates

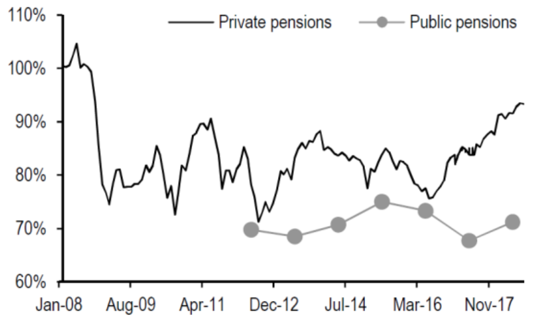
Sector	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18E	3Q18E	4Q18E	1Q19E	2Q19E
Consumer Discretionary	3.4%	3.4%	5.3%	2.3%	2.0%	12.2%	13.4%	22.2%	14.1%	14.2%	8.6%	10.2%
Consumer Staples	5.5%	4.1%	2.5%	3.4%	3.5%	8.8%	11.6%	12.2%	5.9%	6.2%	4.0%	4.5%
Energy	-62.6%	-2.2%	NM	275.7%	145.3%	111.1%	72.4%	130.7%	91.6%	86.6%	37.9%	34.1%
Financials	12.1%	9.2%	16.6%	8.4%	-6.9%	15.1%	27.0%	20.8%	31.8%	22.2%	4.3%	11.4%
Real Estate	4.7%	4.7%	6.5%	7.7%	7.5%	8.9%	9.7%	8.6%	3.3%	3.9%	0.6%	0.6%
Health Care	6.7%	5.1%	5.6%	7.1%	7.5%	7.0%	14.8%	16.5%	9.2%	12.8%	7.7%	3.7%
Industrials	-3.2%	-5.6%	1.8%	7.0%	1.1%	6.8%	27.6%	21.4%	15.8%	22.2%	9.0%	12.6%
IT	10.4%	11.5%	21.2%	18.6%	21.4%	21.1%	35.1%	27.3%	18.1%	16.1%	5.2%	6.3%
Materials	5.4%	7.9%	20.9%	10.4%	11.9%	39.8%	27.7%	60.5%	29.3%	15.0%	8.5%	2.2%
Telecom Services	-1.5%	0.3%	-4.7%	5.0%	-2.2%	36.7%	16.9%	22.0%	27.9%	20.0%	6.3%	0.1%
Utilities	12.6%	9.1%	3.8%	7.4%	-2.5%	8.2%	18.9%	13.6%	5.1%	0.5%	6.0%	-2.6%
S&P 500	3.3%	5.7%	14.0%	11.0%	7.7%	16.2%	24.5%	24.4%	19.3%	17.9%	7.5%	8.4%
Ex-Financials	1.7%	5.1%	13.4%	11.6%	10.7%	16.4%	23.9%	25.2%	17.1%	17.1%	8.3%	7.8%
Ex-Energy	6.6%	5.9%	10.2%	8.7%	5.5%	14.3%	22.9%	21.5%	16.6%	15.5%	6.0%	7.0%
Ex-Technology								23.6%	19.7%	18.6%	8.2%	9.0%

Source: Bloomberg and Citi Research – US Equity Strategy

Private sector US pension funds are at their strongest funding level since the financial crisis. It is estimated that 30% of private defined benefit plans are now fully funded. In such situations, pension plans have an incentive to reduce risks and purchase bonds with maturities that closely match their plan liabilities. With 36% of their assets in equities, such funds tend to prefer treasuries as the safest option in an environment where the credit cycle may be coming to an end and credit risks are likely to increase. As such, some analysts believe pension funds will maintain strong demand for treasuries in the years ahead. However, public pension plans are in a much less healthy condition and may be compelled to continue to take higher risks through exposure to equities and similar asset classes.

Exhibit 5: Though public plans have lagged, private defined benefit pensions are now closer to fully funded than at any time since the pre-crisis era ...

Private defined benefit and public pension funded ratios; %

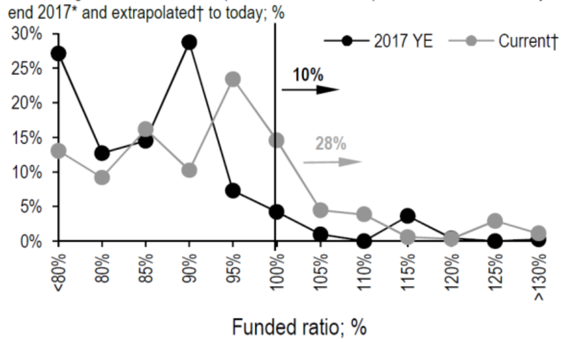


Note: Public pension data only available back to 2012.

Source: J.P. Morgan, Milliman

Exhibit 6: ... including nearly 30% of plans by assets at or better than fully funded at current levels

Asset-weighted distribution of top 100 defined benefit plan funded ratios, as of year-end 2017* and extrapolated† to today; %



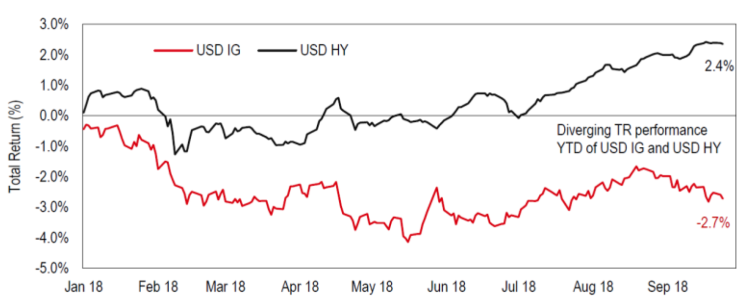
* Based on plan-level detail from the 2017 Milliman Pension Funding Survey.

† Based on an empirical estimate of overall equity and rates exposure on the asset side, and then projected forward for each plan based on their asset allocation as of year-end 2017. Overall exposure based on a 3-year regression of monthly changes in private DB assets and liabilities with equity returns, changes in 30-year rates, and high-grade corporate spreads.

Source: J.P. Morgan, Milliman

In the US corporate bond market, high yield (HY) bonds have significantly outperformed investment grade (IG) bonds in 2018. HY spreads have tightened 25 bps on a year-to-date basis to a spread level of T+317 bps (6.28% yield-to-worst), while IG spreads have widened by 14 bps over the same period to the current level of T+106 bps (4.11% yield-to-maturity). The IG sector has been held back by factors such as weaker foreign demand due to higher currency hedging costs and weaker credit quality due to the significant rise in the share of BBB-rated debt in the IG universe. By contrast, the HY sector has benefited from high oil prices (bolstering the energy sector), a 25% drop in issuance in 2018, and lower default projections. Moody's predicts that the HY default rate will fall to 2.1% in 2019 from 3.2% currently. The HY sector's shorter duration profile has also enabled the asset class to weather a higher rate environment better than the longer duration IG sector.

6. Sharp YTD divergence in total return performance between USD IG and HY



Source: HSBC, Bloomberg
Total return measures price appreciation and coupon accrual with reinvestment of coupons and index rebalancing at month end, taking transactions into account

Other Mature Markets back to top

Currency Markets

The trade-weighted dollar index extended its recent gains, up 0.4% on the day, bringing the week's rise to 1.2%. The euro declined a further 0.5% to $1.16 against the dollar as concerns over the Italian budget dominated the session. Sterling was 0.3% lower after losing 0.7% yesterday as talk of a "no deal" Brexit continues to gather pace. The yen was flat at ¥113.4.

Japan

Equities rose, buoyed by market expectations of improved earnings growth. The Topix rose 1%, while the Nikkei advanced 1.4%, nearing its highest level in 27 years. A weak yen, which is trading near a 9-month low, together with a strengthening US economy is expected to remain supportive of exporter earnings. Meanwhile, **Tokyo's CPI data for September surprised on the upside for a fourth straight month**. Headline inflation is now at 1.3% yoy, while the BoJ's preferred inflation measure currently stands at 0.7%, versus 0% in September last year. In a summary of opinions at the BoJ's September meeting released today, board members debated whether to adjust current monetary policy settings to address the rising cost of prolonged policy easing. While monetary stimulus is expected to continue, BoJ governor Kuroda's recent tone on monetary policy was perceived by analysts to have shifted, with greater emphasis placed on the need to address the side effects of ultra-loose policies. Ten-year bond yields rose 1 bp to 0.12%.

Emerging Markets back to top

Emerging markets are mixed this morning against the backdrop of higher commodity prices, and a stronger US dollar (MSCI EM: 0.5%, EMBIG: -2 bps, EMFX: 0.2%). Equity gains are the largest in UAE (+1.8%), Brazil (+1.7%), and China (+1.1%). **India**'s equities (-0.3%) came under some pressure following the unexpected default by Infrastructure Leasing & Financial Services (IF&LS). The main index Nifty 50 dropped almost 2% intrasession, to recover later. In FX markets, the **Argentine peso** depreciated by 2.7% yesterday, after the central bank announced it would only intervene in FX markets in cases of extreme overshooting. The **Turkish lira** (+0.3%) has strengthened versus the dollar, while the **South African rand** is 0.6% weaker. Other currencies are relatively stable.

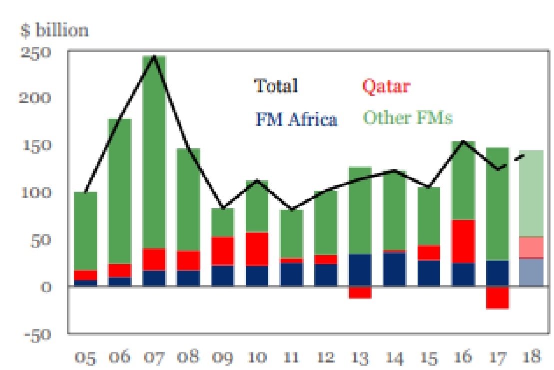
Key Emerging Market Financial Indicators

Last updated:	Level		Change				
9/28/18 8:24 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Prices/Returns of Major EM Benchmarks					%		%
MSCI EM Equities		43.21	0.5	0	-1	-2	-8
MSCI Frontier Equities		28.67	-0.5	0	1	-8	-13
Hard Currency Sovereign Debt		828.24	0.1	0	0	-2	-4
Local Currency Sovereign Debt		16.51	0.1	1	0	-14	-13
Major EM FX vs. USD				**%, (+) = EM currency appreciation**			
China Renminbi		6.88	0.1	0	-1	-3	-5
Indonesian Rupiah		14903	0.1	0	-2	-10	-9
Indian Rupee		72.54	0.1	0	-3	-10	-12
Argentine Peso		39.84	-0.3	-7	-21	-56	-53
Brazil Real		4.02	-0.3	1	3	-21	-18
Mexican Peso		18.81	-0.1	0	1	-3	4
Russian Ruble		65.78	-0.3	1	3	-12	-12
South African Rand		14.19	-0.5	1	0	-5	-13
Turkish Lira		6.01	-0.1	5	4	-41	-37
Dollar vs. Mature FX (DXY index)		95.33	0.5	1	1	2	3

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

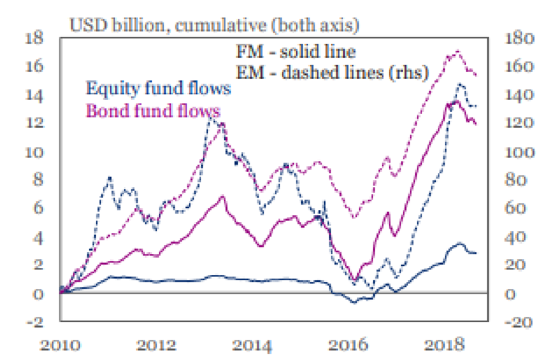
EM debt-dedicated fund inflows increased to $1.5 bn over the last week (though September 26) compared to $490 mn in inflows during the previous week. With EM credit strengthening, hard currency funds led, with $1.3 bn of inflows, while local currency funds reported net outflows of $204 mn. Separately, **a report by the IIF estimates that non-resident capital flows to frontier markets will end at $145 bn in 2018, slightly higher than the level reached in 2017 ($125 bn)**. The IIF attributed the upturn to a strong rebound in flows, about $20 bn, to Qatar. Outside of Qatar and Africa, non-resident flows are expected to decline to $90 bn this year, 25% below total inflows in 2017. The report views the escalating US-China trade tensions as the most immediate risk to frontier markets, especially given their strong linkages with China, and note that commodity price volatility is also a concern.

Non-resident capital flows to frontier markets by region



Source: National sources, Haver, IIF

Fund flows to frontier markets



Source: EPFR, IIF

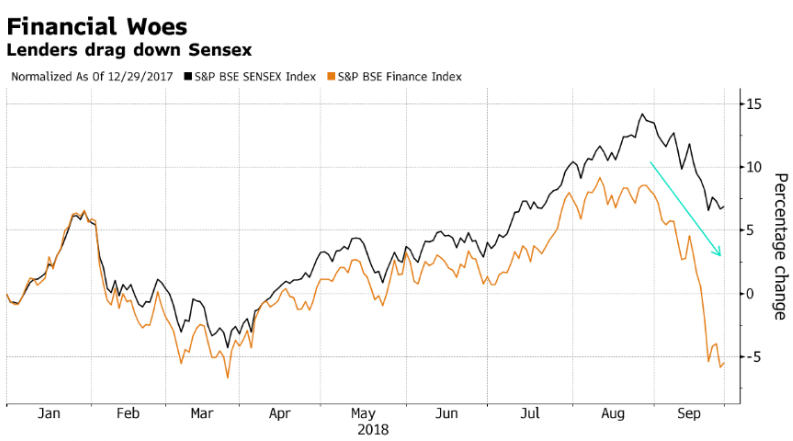
Argentina

The peso depreciated by 2.7% on Thursday, CDS spreads tightened 31 bps, and dollar bonds rallied following the announcement of the revised IMF agreement. The reaction to the announced IMF agreement on Wednesday was deemed generally positive, as analysts viewed the program as addressing a number of concerns, including financing risks in 2019, policy coordination, and transparency and coherence in the monetary framework. Market participants viewed the front-loaded disbursements as reducing the need for Argentina to access markets in 2019. Additionally, analysts viewed the monetary framework targeting 0% growth in the monetary base as a more credible inflation anchor, but expressed concern about implementation challenges and the effect of such strong monetary and fiscal contraction on economic activity. Additionally, other analysts pointed out that while the central bank will implement open market operations through daily LELIQ actions, holding LELIQ yields at 60% could imply higher volatility in the front end of the curve. Finally, analysts noted that it remains unclear whether the "non-intervention zone" applies solely to the spot market (direct and via auction) or not.

India

The government raised import tariffs on selected items in an effort to reduce its current account deficit and stem depreciation pressures. Specifically, import tariffs on 19 items including gemstones, plastics, home appliances, and jet fuel were raised. Some analysts believe that import tariffs could provide the rupee some short-term respite, with the currency having fallen 13% against the dollar amid an EM sell-off. But others think that rising oil prices will continue to exert downward pressure on the rupee. The rupee was little changed today.

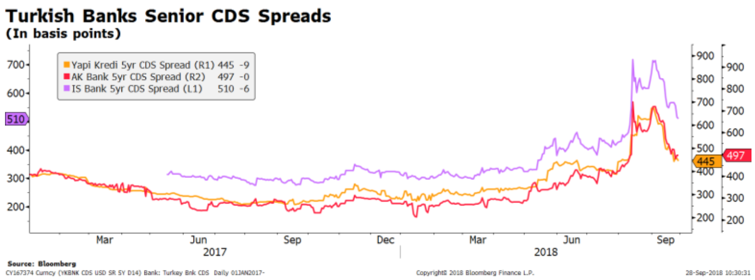
India's equity and bond markets remain under pressure following an unexpected default by Infrastructure Leasing & Financial Services (IF&LS). Stocks of companies in the infrastructure sector and financials have sold off recently. On the day, equities declined 0.3%, underperforming the region. Meanwhile, local fixed income mutual funds, which invested heavily in the domestic corporate bond market, have faced a wave of redemptions since the default by IF&LS.



Turkey

Local markets are mixed today: lira (+0.3%), main stock index (-0.3%), and bank stocks (+1.0%). Sentiment around Turkish banks has been boosted by news that some Turkish banks are being able to maintain market access. AK Bank – the second largest lender in Turkey – successfully rolled over a $980 mn syndicated FX loan yesterday. Vafibank – a government-owned entity – has issued $835 mn of Tier 1 notes. The pricing conditions of these deals have become less favorable, however. AK Bank's loan, for instance, is at twice the premium of last year's funding (Libor+275 bps and Euribor+265 bps, compared to

Libor+130 bps and Euribor+120 bps). Nonetheless, analysts note that the success of these operations bode well for other Turkish lenders facing roll-over needs in coming weeks. CDS spreads of some of the main banks have steadily narrowed in recent days. Separately, trade data just released show that Turkey's trade deficit narrowed by 59% yoy in August, from $5.9 bn in August 2017 to $2.4 bn in August 2018. The severe contraction was mostly due to a fall in imports.



GCC

JP Morgan has announced that dollar bonds of Saudi Arabia, UAE, Kuwait, Qatar, and Bahrain will enter the benchmark EMBI dollar bond index. The phasing in of these bonds will take place over a year, and the five GCC countries will be assigned a combined weight of 11.2% within the index. Some analysts anticipate that the inclusion of the GCC in the index could bring about $40 bn of additional investment to the region.

List of GMM Contributors (Global Markets Analysis Division, MCM Department)

Anna Ilyina
Division Chief
Peter Breuer
Deputy Division Chief
Will Kerry
Deputy Division Chief
Sergei Antoshin
Senior Economist
John Caparusso
Senior Financial Sector Expert
Sally Chen
Senior Economist
Fabio Cortés
Senior Economist
David Jones
Senior Financial Sector Expert
Sanjay Hazarika
Senior Financial Sector Expert
Rebecca McCaughrin
Senior Financial Sector Expert
Juan Solé
Senior Economist
Jeffrey Williams
Senior Financial Sector Expert
Akihiko Yokoyama
Senior Financial Sector Expert
Dimitrios Drakopoulos
Financial Sector Expert
Tryggvi Gudmundsson
Economist
Henry Hoyle
Financial Sector Expert
Robin Koepke
Economist
Thomas Piontek
Financial Sector Expert
Jochen Schmittman
Economist
Ilan Solot
Financial Sector Expert
Nour Tawk
Economist
Martin Edmonds
Senior Data Mgt Officer
Yingyuan Chen
Senior Research Officer
Rohit Goel
Research Officer
Yang Li
Research Assistant

Disclaimer: This is an internal document. It is produced by the Global Markets Analysis Division (GA) of the Monetary and Capital Markets Department. It reflects GA staff's interpretation and analysis of market views and developments. Market views presented may or may not reflect a consensus of market participants. GA staff do not independently verify the accuracy of all data and events presented in this document.

Global Financial Indicators

Last updated: 9/28/18 8:24 AM	Level		Change				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
United States		2912	-0.1	-1	0	16	9
Europe		3390	-1.7	-1	-2	-5	-3
Japan		24120	1.4	2	6	18	6
China		2821	1.1	3	2	-16	-15
Asia Ex Japan		71	0.4	0	-2	-1	-7
Emerging Markets		43	0.5	0	-1	-2	-8
Interest Rates					basis points		
US 10y Yield		3.03	-1.9	-3	15	72	63
Germany 10y Yield		0.46	-6.7	0	8	-2	4
Japan 10y Yield		0.13	1.0	0	3	6	8
UK 10y Yield		1.56	-4.0	1	11	18	37
Credit Spreads					basis points		
US Investment Grade		98	0.6	-1	-4	-4	6
US High Yield		331	2.4	3	-9	-43	-44
Europe IG		69	2.4	1	4	12	25
Europe HY		275	9.3	10	-10	20	42
EMBIG Sovereign Spread		345	0.0	-1	-12	54	60
Exchange Rates					%		
Dollar Index (DXY)		95.33	0.5	1	1	2	3
USDEUR		1.16	-0.5	-1	-1	-2	-4
USDJPY		113.3	0.0	-1	-2	-1	-1
EM FX vs. USD		62.1	-0.3	0	0	-11	-11
Commodities					%		
Brent Crude Oil ($/barrel)		82	0.5	4	8	43	23
Industrials Metals (index)		120	1.2	-2	-1	-5	-13
Agriculture (index)		42	-0.2	0	0	-14	-12
Implied Volatility					%		
VIX Index (%, change in pp)		13.1	0.7	1.4	0.6	3.5	2.0
10y Treasury Volatility Index		3.5	0.1	0.0	-0.2	-0.6	-0.1
Global FX Volatility		8.3	0.0	-0.4	-0.3	-0.2	0.9
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		422	17.1	15	2	-149	10
Italy		321	31.9	38	2	109	119
Portugal		187	0.6	1	0	-55	-7
Spain		151	0.4	1	5	-12	-6

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: 9/28/2018 8:24 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		6.88	0.1	-0.4	-1	-3	-5		3.6	-1.9	-3	5	-10	-34
Indonesia		14903	0.1	-0.3	-2	-10	-9		8.3	-4.1	-11	31	151	168
India		73	0.1	-0.4	-3	-10	-12		8.2	-3.0	-8	10	111	70
Philippines		54	-0.1	0.2	-1	-6	-8		6.4	-0.8	17	53	162	160
Thailand		32	0.2	0.3	1	3	1		2.9	-1.3	-5	8	62	55
Malaysia		4.14	0.0	-0.1	-1	2	-2		4.1	-0.3	-1	2	22	18
Argentina		40	-0.3	-6.6	-21	-56	-53		23.7	47.2	-44	116	874	767
Brazil		4.02	-0.3	0.7	3	-21	-18		10.0	-7.3	-30	-18	135	94
Chile		662	-0.3	0.7	0	-4	-7		4.8	-0.3	5	11	43	4
Colombia		2986	0.0	0.4	0	-1	0		6.6	-2.4	-2	12	20	33
Mexico		18.81	-0.1	0.1	1	-3	4		7.9	-5.5	-16	11	98	25
Peru		3.3	0.0	-0.1	0	-1	-2		5.7	2.2	6	17	35	47
Uruguay		33	0.1	-0.6	-3	-12	-13		10.5	0.9	-40	-3		193
Hungary		280	-0.7	-1.4	-1	-6	-7		2.6	-0.7	-5	20	120	138
Poland		3.69	-0.6	-0.7	-1	-1	-6		2.6	1.6	1	5	-12	-9
Romania		4.0	-0.5	-1.6	-1	-3	-3		4.3	1.0	4	5	129	50
Russia		65.8	-0.3	1.0	3	-12	-12		8.3	-6.7	-13	-9	68	99
South Africa		14.2	-0.5	0.9	0	-5	-13		9.6	-8.3	-10	14	24	27
Turkey		6.01	-0.1	4.7	4	-41	-37		20.1	-67.4	-121	-432	910	811
US (DXY; 5y UST)		95	0.5	1.2	1	2	3		2.93	-2.4	-2	16	104	73

	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		2821	1.1	3	2	-16	-15		185	-1	0	1	37	33
Indonesia		5977	0.8	0	-1	2	-6		189	-1	-4	5	16	23
India		36227	-0.3	-2	-7	16	6		162	-1	-4	7	37	52
Philippines		7277	-0.6	-1	-7	-11	-15		99	1	2	-5	5	4
Malaysia		1793	-0.3	-1	-2	2	0		132	2	3	-4	5	22
Argentina		33651	-0.9	-3	34	31	12		596	6	10	-92	212	246
Brazil		80000	1.7	2	3	9	5		289	2	-4	-36	44	55
Chile		5324	0.0	-3	1	0	-4		127	-5	-4	-12	-1	8
Colombia		1498	0.7	1	-3	1	-1		171	3	-2	-4	-16	-3
Mexico		49647	0.1	0	-1	-1	1		257	2	-4	-16	20	12
Peru		19538	-0.3	0	-1	6	-2		135	2	1	-10	-6	-2
Hungary		36777	0.8	3	0	-1	-7		113	1	2	-16	20	25
Poland		58838	-1.3	1	-4	-8	-8		50	5	7	-15	-3	3
Romania		8420	-0.3	0	1	6	9		171	-1	0	-12	39	58
Russia		2469	-0.2	2	7	19	17		234	2	4	-9	52	56
South Africa		55120	-1.6	-3	-8	0	-7		325	3	4	19	54	71
Turkey		100027	-0.3	2	7	-3	-13		456	2	2	-64	166	167
Ukraine		537	-0.3	0	1	84	71		552	2	3	-14	81	97
EM total		26	0.6	0	-2	0	-3		345	0	-1	-12	54	60

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