










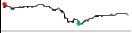



- Strong data releases in the US point to ongoing economic recovery ([link](#))
- US tech rally seems underpinned by strong activity in options market ([link](#))
- Euro area investment-grade companies hold historically high cash levels ([link](#))
- Greek spreads widen as tensions with Turkey escalate ([link](#))
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Market Volatility Persists Amid Rising Investor Uncertainty

Market sentiment remains fickle following the strong technology-led selloff in US equities late last week. The S&P 500 and Nasdaq 100 dropped by close to 4.3% and 6.4%, respectively, after reaching record highs last Tuesday. European equity markets continue to be under pressure today – down 1.7% – while US equity futures are also pointing to a weak start. Concerns about the recent flare up in Covid-19 cases in Europe, including in core economies, have added to investors' unease. 10-Year Bund and OAT yields are about 3 bps tighter this morning, while the UK's 10-Yier Gilts have also been bid as investors have become increasingly anxious about the implications of proposed revisions to last year's EU withdrawal agreement. The GBP has also weakened by close to 2% over the past two trading sessions. Conversely, action on Asian equity markets has been more benign today, with Chinese and Korean stocks up by close to 1%, despite an announcement by the US administration of its interest in “decoupling” its economy from China. On the commodities front, Brent crude oil prices continued to slide – now down 11% since early last week – on concerns about continued weakness in demand going forward.

Key Global Financial Indicators							
Last updated: 9/8/20 8:25 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities			%				%
S&P 500		3427	-0.8	-2	2	15	6
Eurostoxx 50		3261	-1.6	-1	0	-7	-13
Nikkei 225		23274	0.8	1	4	10	-2
MSCI EM		44	0.0	-3	1	8	-1
Yields and Spreads			bps				
US 10y Yield		0.68	-4.1	1	11	-88	-124
Germany 10y Yield		-0.50	-3.7	-8	1	14	-32
EMBIG Sovereign Spread		416	5	-3	-5	76	123
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		54.9	-0.6	-1	0	-10	-11
Dollar index, (+) = \$ appreciation		93.4	0.7	1	0	-5	-3
Brent Crude Oil (\$/barrel)		40.4	-3.8	-11	-9	-34	-39
VIX Index (%, change in pp)		34.8	4.0	8	13	20	21

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

The Weak Ahead

Amongst the major central bank decisions, Canada (Wednesday), Malaysia (Thursday) and Peru (Friday) are expected to keep rates on hold. According to analysts, the European Central Bank is likely to keep monetary policy unchanged on Thursday. However, the governing council may indicate that downside risks have intensified, signaling further easing before the end of the year. The latest growth and inflation forecasts will provide more clues, with the 2022 core number likely to be the most telling for future changes to monetary policy. GDP yoy growth prints for Q2 are expected to show a strong contraction, notably for South Africa (Tuesday, -16.5%) and Russia (Wednesday, -8.5%). Inflation prints are also scheduled to be released for China (Wednesday; 2.4% yoy), Brazil (Tuesday; 2.8% mom) and Hungary (Wednesday; 3.9% yoy). US CPI for August (Friday) is expected at 1.2% yoy, rising marginally from the 1.0% yoy print in July. Core CPI yoy is expected to remain unchanged at 1.6% yoy. Initial jobless claims for the week (Tuesday) are expected at 845k, continuing to decline vs the 881k figure last week.

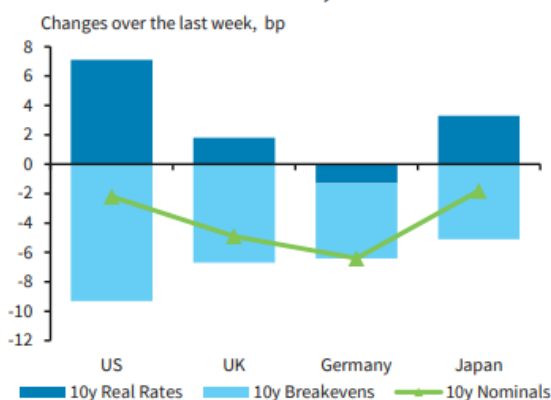
United States

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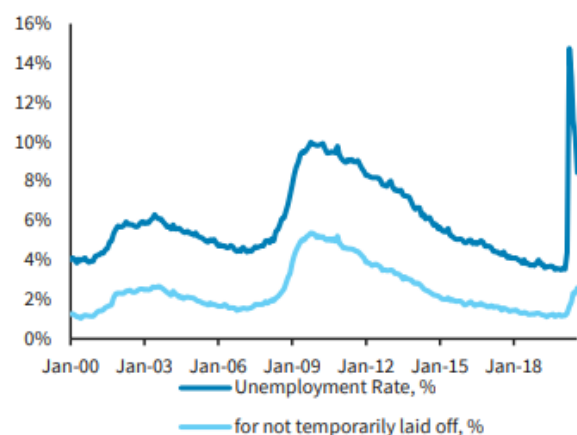
Last week a risk-off tone returned across markets. The S&P 500 lost 4.3% in the last two days, with tech and momentum stocks taking the biggest hit. The Nasdaq had one of its largest 2-day declines in the last 30 years. Credit, on the other hand, was more resilient and outperformed equities. The US Treasury market was also unusually volatile, rallying for most of the week and then selling off sharply in response to better-than-expected jobs data on Friday. As a reflection of this volatility, 30-year Treasury yields exhibited an intra-week range of 20bp (high of 1.53% and low of 1.32%). Interest rates and equity vols are off their lows as well. US 10-year yields rose sharply by 8 bps on Friday (to 72 bps), though ended the week broadly unchanged. The overall decline in nominal yields was led by the breakeven rates, while real rates rose across most regions.

FIGURE 2

Breakevens have led the decline in yields



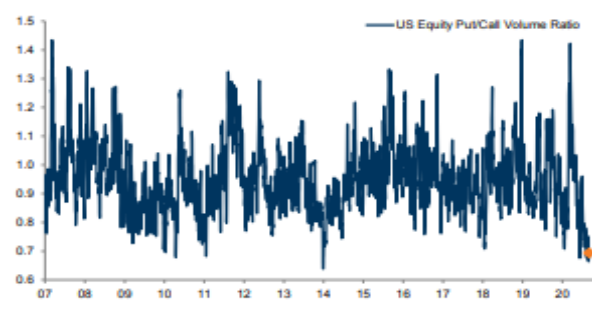
US employment data were generally upbeat, pointing to an ongoing steady recovery. The August payroll report showed that the economy added 1.37mn net new jobs (of which 1mn were private sector jobs), which was marginally ahead of consensus. The major upside surprise came from the household survey, which showed that the economy added 3.8mn net new jobs (vs 1.4mn in July); this led to a sharp decline in the unemployment rate to 8.4%. However, Barclays analysts highlighted that one negative aspect of the report was the pickup in permanently unemployed workers, but they also noted that the level was still not alarming. At around 2.6%, the unemployment rate for those who believe they are not on temporary layoffs is comparable to the 2001-02 recession, despite a much higher overall unemployment rate. Similarly, it is well below the levels observed in the 2009 recession (peak of 5.5%) even though the overall unemployment rate is comparable.



Source: Haver Analytics, Barclays Research

The rally in the US technology stocks seems to be underpinned by strong activity in the options market. Despite a 7% decline in the tech stocks in the last few days, Nasdaq is up 33% ytd, outperforming S&P by more than 25%. Analysts highlighted that the recent period has also been characterized by a significant increase in options positioning in US equities and, more specifically, in US tech stocks. The put/call volume ratio on US equity declined to a new multi-year low after reaching a historical high during the bear market in March. The decline of the put/call ratio has been driven by the combined fall in put option volumes and increase in call option volumes. The Financial Times reported on Friday that SoftBank, the Japanese conglomerate, has bought billions of dollars' worth of US equity derivatives, mainly on technology stocks, in a series of trades that helped stoke the fevered rally in this sector. Softbank shares declined 0.6% today after tumbling 7.2% yesterday on reports of massive buying of call options on US tech firms by the Japanese conglomerate. While Softbank is reportedly sitting on unrealized gains of about \$4bn related to the trades, investors are concerned over the firm's aggressive risk taking. The company's buying of call options estimated at a notional of \$30bn has likely contributed to gains in some US tech names. Overall, the nominal value of calls traded on individual US stocks has averaged \$335bn a day over the past two weeks, according to Goldman Sachs. That is more than triple the rolling average between 2017 and 2019, per analysts.

Exhibit 1: Put/Call ratio has reached a new multi-year low
US equity put/call volume ratio



Source: Datastream, Goldman Sachs Global Investment Research

Single stock call option volume has been rising rapidly

Notional volume (\$bn) traded in listed US equity options (10-day rolling average)



Sources: Goldman Sachs Global Investment Research; OptionMetrics
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United Kingdom

The British pound (-0.8%) sold off as PM Johnson is reportedly planning to tell EU leaders that the Brexit withdrawal agreement is "contradictory" and must be rewritten. In separate news, **U.K. manufacturers called for an extension of the job furlough program set to expire in October** as firms warn that nearly a third will have to let workers go without government aid to pay wages. 10-yr gilt yields are 4 bps lower at 0.21%.

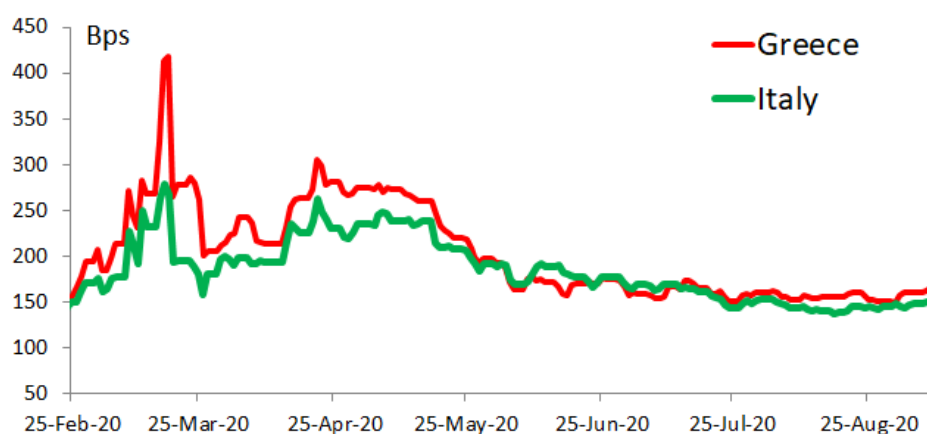
Euro area

German 10-year bund yields (-2 bps to -0.48%) and the euro (-0.2% to \$1.179) fell as **analysts expect the EB to set the stage for an increase in QE in December** on Thursday. For example, BofA expects the ECB to expand its Pandemic Emergency Purchase Program by another €500 bn in December (from €1350 currently).

Italian 10-yr spreads were little changed at 150 bps. Investor await the outcome of seven regional elections on September 20. Some contacts believe that a poor performance of coalition partner PD or Five-Star could cause strains within the government. Italy is also holding a referendum on reforms that aim to cut the number of MPs from 945 to 600 from the next election onwards. **Spanish spreads were also steady.**

Greek 10-yr spreads (+4 bps to 165 bps) rose with contacts **citing tensions with Turkey as a cause for concern**, aside from poor risk sentiment more generally. The current dispute with Turkey escalated after Turkey sent a seismic research vessel to prospect for oil and gas reserves in an area between Cyprus and Crete that Greece claims as part of its own continental shelf. **The conflict could have implications for public finance as PM Mitsotakis is expected to announce plans to upgrade the country's military during his annual state of the economy speech** on Saturday. Greek spreads are up 15 bps so far in September.

Euro area: 10-year spread over German bunds (bps)



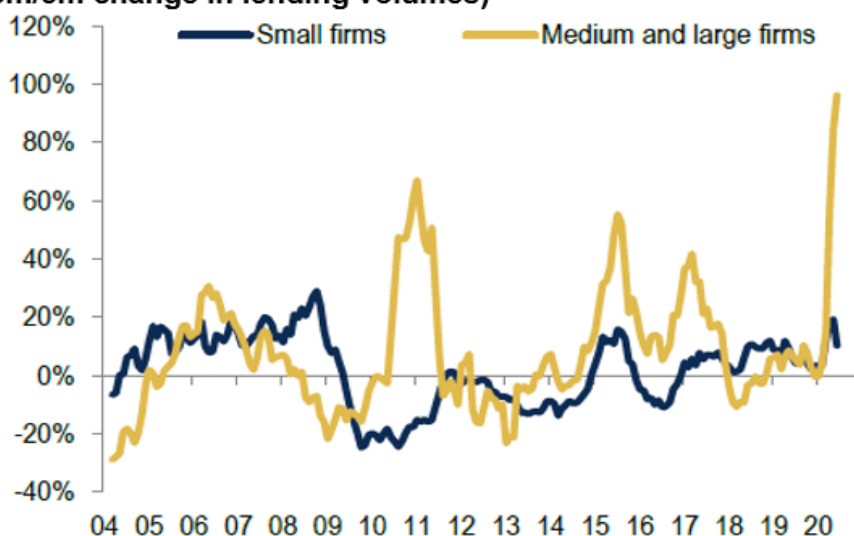
Source: Bloomberg and IMF staff

German exports to China are almost back to last's year level, while trade within the eurozone, with the U.S. and the U.K. remained weak. In July, German exports (at current prices) increased by 4.7% mom (5% expected), from 14.9% in June. At the same time, imports grew just 1.1% mom (3.5% expected), from 7.0% in June. As a result, the trade balance rose to €19.2 bn, from €15.6 bn in June.

Analysts at BofA warned that **large European companies have been able to raise unusually large amounts of liquidity compared to a more limited access by smaller companies**. The ratio of corporate bond market issuance in Europe for the largest 25% of issuers versus the smallest 25% of issuers in the market has risen to 13x (from 10x in a typical year). The surge in bank lending was also driven by large/medium firms.

Euro area: Bank Lending Growth Divergence between Small and Bigger Firms

(3m/3m change in lending volumes)

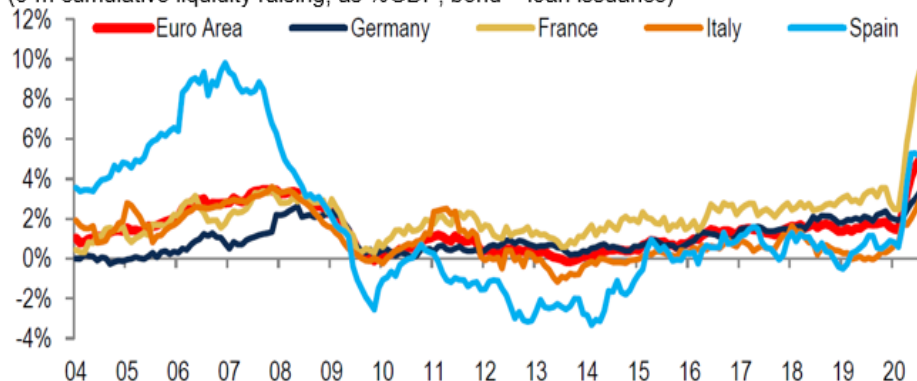


Source: BofA Global Research, ECB. New loan volumes to Euro Area non-financial corporations up to €1mn as proxy for loans to "small" firms.

European non-financials have raised close to €540 bn in liquidity across bond and loan markets since March. French corporates have now raised cash equivalent to 9.3% of GDP. Italian corporates have also started issuing during the quiet summer months. **Investment-grade non-financial companies now maintain cash levels equal to 110% of last year's earnings, a historic high.** French firms are leading, with cash levels at 150% of last year's earnings. Analysts believe that high cash levels could lead to a period of much quieter primary issuance. Moreover, excessive corporate cash holdings may be a drag on future equity price performance and lead to share buybacks or dividend hikes from European companies.

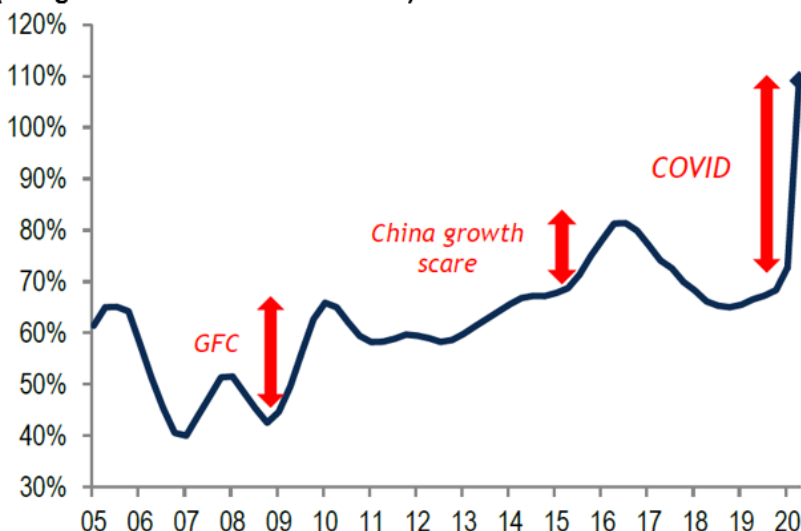
Euro area: Overall liquidity raised by non-financial companies around 5.5% GDP since March

(6-m cumulative liquidity raising, as %GDP, bond + loan issuance)



Source: BofA, ECB, Haver

Euro area: Investment-grade cash-to-earnings ratio for non-financial corporates has reached 110% in 2020Q2, a record high (using 2019 EBITDA for 2020 ratios)



Source: BofA Global Research, ICE Data Indices LLC. Large sample of listed non-financial corporate constituents of the EROO index. Using 2019 EBITDA for 2020 metrics.

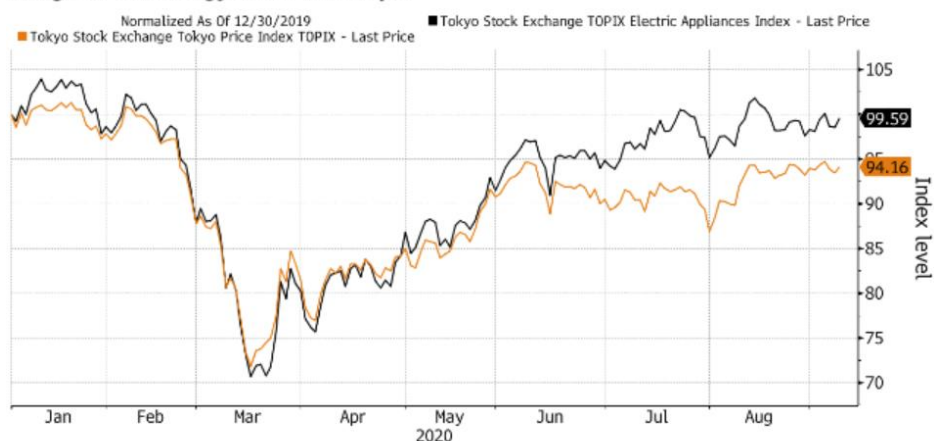
Other Mature Markets

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Japan

Equities rose +0.7% led by tech outperformance. Q2 GDP growth was revised down slightly to an annualized -28.1% q/q compared to a first estimate of -27.8% q/q due to a significant downward revision in capital expenditure to -17.5% from -5.8% previously. **Separately, the ruling Liberal Democratic Party (LDP) has started its campaign for a new leader.** Contenders who have formally filed for the race to replace Abe include Chief Cabinet Secretary Yoshihide Suga, former Defense Minister Shigeru Ishiba and ex-Foreign Minister Fumio Kishida. The LDP is set to vote on its new leader on September 14 and the leader will become the next prime minister due to the party's majority in parliament. Five of the LDP's seven factions have backed Suga, who said last week that he would keep in place Abe's policies known as 'Abenomics'. **10-year JGB yields and the yen were little changed.**

Gauge of technology firms lifts Topix







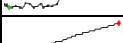
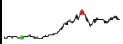
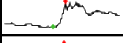
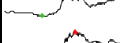


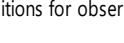



Source: Tokyo Stock Exchange

Emerging Markets [back to top](#)

In Asia, equities rose +0.3% led by North Asian outperformance. Regional currencies were broadly stable. On COVID-19, Hong Kong SAR will loosen limits on public gathering starting Friday. Four people will be allowed to dine at the same table or gather in public, up from two, while all indoor and outdoor sports venues will be allowed to reopen. South Korea's government said it will consider easing social distancing restrictions should daily cases fall to double-digit by this weekend. **In EMEA**, equity markets are trading mostly lower in line the global indices except for the UAE (+0.6%), Saudi Arabia (+0.5%) and South Africa (+0.5%). EMEA currencies are under pressure with the South African rand (-1.2%), the Russian ruble (-1%) and the Turkish lira (-0.5%) all weaker against the dollar. **In Latin America**, equities were mixed, while currencies remained flat and local currency sovereign yields declined modestly. Currencies moved sideways, except for a 1.6% depreciation in the Colombian peso. With US markets closed, only sovereign bonds denominated in local currencies were priced on Monday, with yields predominantly showing moderate declines. The recent debt restructuring by Ecuador and Argentina contributed to a more favorable review by Fitch, which upgraded last Thursday Ecuador's rating for long term foreign currency sovereign debt from RD (restricted default) to B-, following a similar step by S&P just days before. S&P also upgraded yesterday Argentina's respective rating from SD (Selective Default) to CCC+.

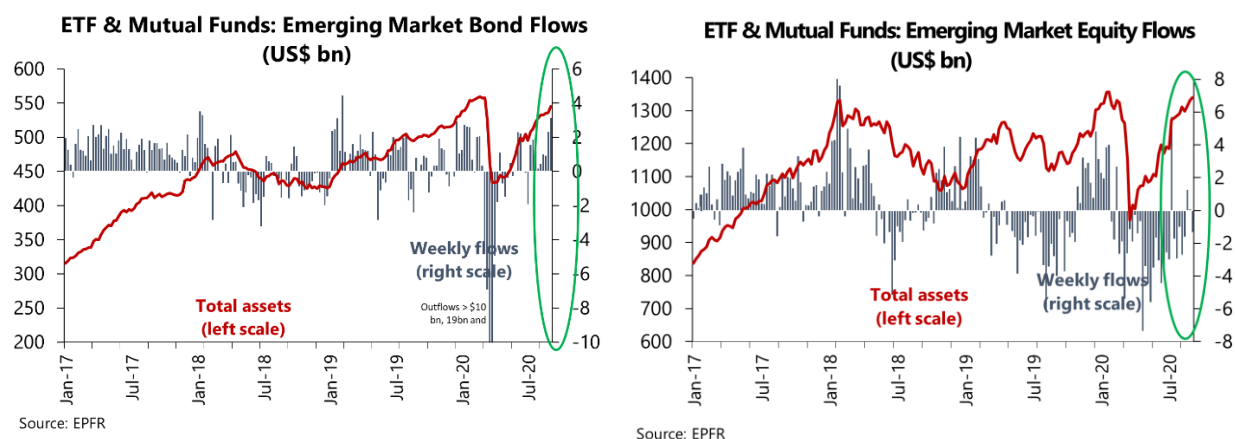
Key Emerging Market Financial Indicators

Last updated: 9/8/20 8:27 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
Major EM Benchmarks			%				%
MSCI EM Equities		44.34	-0.8	-3	1	8	-1
MSCI Frontier Equities		25.62	1.1	1	6	-10	-16
EMBIG Sovereign Spread (in bps)		416	5	-3	-5	76	123
EM FX vs. USD		54.94	-0.6	-1	0	-10	-11
Major EM FX vs. USD			%, (+) = EM currency appreciation				
China Renminbi		6.85	-0.2	0	2	4	2
Indonesian Rupiah		14765	-0.2	-1	-1	-5	-6
Indian Rupee		73.60	-0.3	-1	2	-3	-3
Argentine Peso		74.65	-0.3	-1	-3	-25	-20
Brazil Real		5.38	-1.5	0	2	-24	-25
Mexican Peso		21.84	-1.1	0	3	-10	-13
Russian Ruble		76.32	-0.7	-4	-4	-14	-19
South African Rand		16.96	-1.3	-2	4	-13	-17
Turkish Lira		7.49	-0.5	-2	-3	-23	-20
EM FX volatility		11.23	0.0	0.0	-0.3	3.0	4.6

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

Emerging Markets Fund Flows

Fund flows into EM continued to stabilize last week, though they were somewhat weaker on the equity front. Investors withdrew over the 5 business days ending with September 2 about \$1.3 bn from EM equity funds. Conversely, EM bond funds saw inflows of \$3.2 bn, with ETFs as well as other mutual funds benefitting the most. The bulk of these investments (about \$2.5 bn) went into hard-currency funds, while the remainder mostly went into local currency funds targeted at institutional investors.



China

US President Trump vowed to ‘decouple’ the US economy from China at a White House press conference. He threatened to block companies that outsource jobs to China from receiving federal contracts and to use tariffs and taxes to incentivize US based production. His administration is also considering an import ban on cotton products from Xinjiang in response to China’s alleged repression of the Uighurs. **Meanwhile China released an initiative to set global standards on data security that aim to address some US concerns over Chinese data access through apps such as TikTok and Wechat.** The proposals include forbidding governments from gaining access to data acquired by companies’ overseas operations and making sure service providers do not install so-called backdoors in their products and services to illegally obtain user data. **Equities (Shanghai +0.7%; Shenzhen +0.4%) rose while the RMB was little changed.**

Inflows into China’s bond market remained strong. Year-to-date bond inflows have reached \$88 bn with August alone recording \$19 bn in inflows. FTSE Russell will be announcing whether China will be included in their flagship World Government Bond Index (WGBI) on September 24. Analysts expect China to be included in the WGBI which could generate around \$120 – 140 bn of additional passive index related inflows. At the March interim review, FTSE had acknowledged progress made by China, including allowing more FX counterparties, a longer settlement cycle and bond reopenings to improve secondary market liquidity. **10-year bond yield fell -1.5bps.**

Figure 1. August bond inflows remained very strong

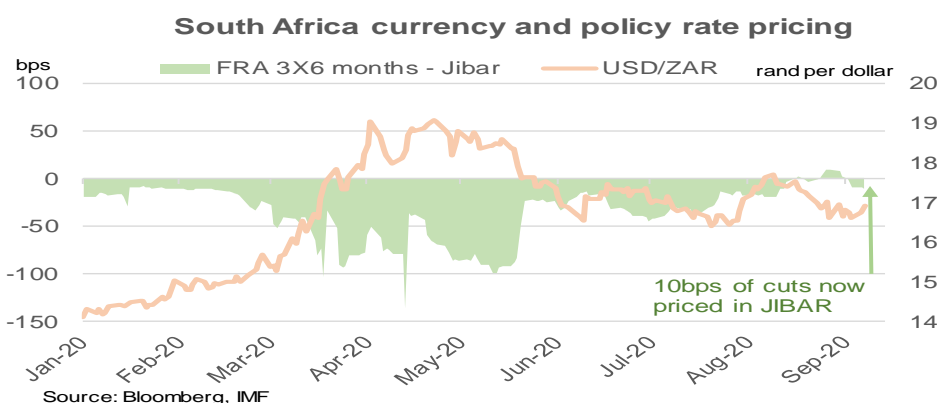


Source: Wind, Citi Research

South Africa

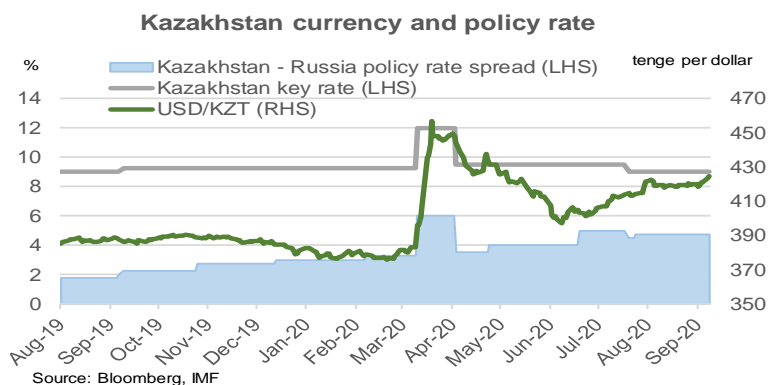
Q2 GDP contracted by 17.1% y/y or 51% on a saar basis, surprising consensus to the downside.

The contraction also exceeded the latest projections by the South African Reserve Bank of a 40% saar decline. Following the release of the GDP figures, the South African rand extended its morning decline by another 0.5%, while long-end local bond yields increased by 2-3 bps. Market contacts suggest that there has been a recent increase in investors who now expect further policy easing and the latest GDP figures may further shift market pricing towards further easing. **The interest rate forward rate agreement dropped 5-7 bps and are now once again pricing policy easing on 3-month horizon.**



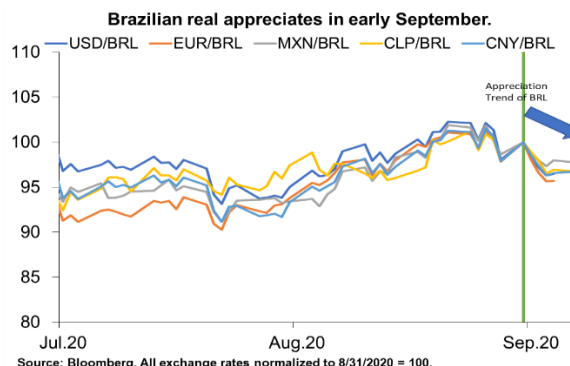
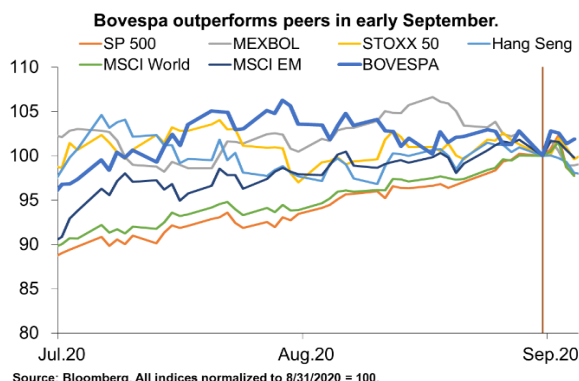
Kazakhstan

The National Bank of Kazakhstan maintained its policy rate unchanged at 9%, as expected, as it aims to balance domestic inflationary risks against the volatility that may arise from the upcoming U.S elections and the spillovers from the Russian ruble due to growing geopolitical tensions. Kazakhstan's inflation stood at 7% y/y in August and is expected to accelerate to 8% by the end of 2020. **Market contacts have been surprised by the relatively low investor activity in the Kazakhstan tenge**, despite the pick-up in activity in both Russia and Ukraine since May. Some contacts attributed this to the recent increase in investors transaction cost due to change in the non-deliverable forward fixing methodology, which makes hedging more expensive. The tenge has been trading stable in August but has depreciated by 1.2% since the beginning of September.



After a weak performance in the second quarter, Brazil's economy shows signs of improvement. July's industrial production improved sharply to -3% y/y, printing a full 6 ppt higher than in June and 3 ppt above market consensus. Similarly, Brazil's composite PMI, a sentiment indicator comprising manufacturing and services, jumped from 47.3 in July to 53.9 in August, with new orders acting as the

strongest driver. J.P. Morgan's nowcast for Q3 2020 GDP growth increased on the back of this data to 45% q/q. A persistent upward trend in electricity consumption contributed to additional optimism. On the external front, the accumulating trade surplus also improved the outlook for the country's balance of payments position and for its weakened currency. Finally, a bill submitted to Congress proposing changes in contractual conditions for civil servants to be hired in the future invigorated market sentiment further given its alignment with the country's austerity agenda. An appreciation of the real and increases in the country's main equity index reflected this positive momentum.



Uruguay

Uruguay stays on fiscal consolidation course and adjusts its monetary policy framework. J.P. Morgan reported that, in its budget plan over 2020 to 2024, the government aims for a consolidation of its gross public debt around a relatively elevated level of 67% of GDP. As revenues are limited by already high tax burdens, this plan is to be mainly achieved by reducing primary spending. Due to Covid-19 the main reductions in spending are planned to kick in after 2021, with particular emphasis on consumption spending and salaries. The consolidation should also support the narrowing in the inflation target corridor of Banco Central del Uruguay (BCU) to 3-6%, from currently 3-7%, which is planned for late 2022. A deceleration in Uruguay's inflation, which came in at 9.8% y/y in August, significantly lower than the 11.1% printed in May (but slightly above market consensus of 9.7%), is moving in the right direction. It also suggests that the central bank has still a long way to go. In an unscheduled meeting last Thursday, the central bank set its policy rate at 4.5% -- one of the lowest real interest rates in the region. The BCU elaborated that to avoid constraints on economic activity it will maintain an expansive monetary stance but foresees a tightening once the pandemic stress subsides. While the Uruguayan peso and yields on the sovereign's international dollar bonds of shorter maturities remained stable, longer term yields declined slightly over the past week and yields on Uruguay's international inflation-linked peso bonds maturing in 2027 dropped sharply by almost 12 bps to 2.72% following the central bank's decision.

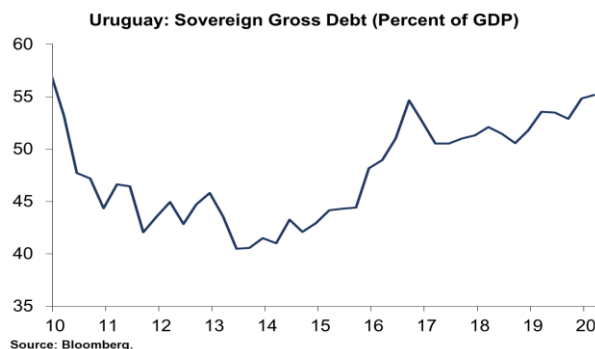
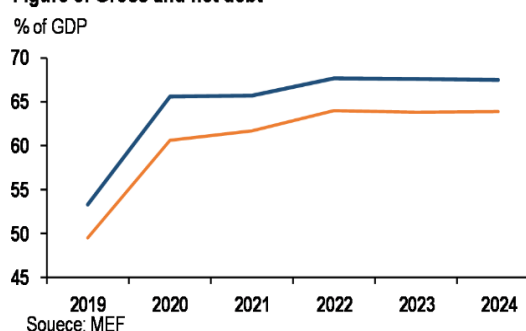


Figure 5: Gross and net debt



Source: J.P. Morgan










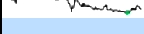




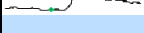










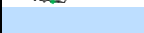



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Global Financial Indicators

Last updated: 9/8/20 8:26 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		3380	-0.8	-3	1	13	5
Europe		3261	-1.6	-1	0	-7	-13
Japan		23274	0.8	1	4	10	-2
China		3316	0.7	-3	-1	11	9
Asia Ex Japan		77	0.0	-2	2	15	5
Emerging Markets		44	0.0	-3	1	8	-1
Interest Rates			basis points				
US 10y Yield		0.68	-4.1	1	11	-88	-124
Germany 10y Yield		-0.50	-3.7	-8	1	14	-32
Japan 10y Yield		0.04	-0.7	-1	3	28	5
UK 10y Yield		0.19	-5.5	-10	5	-31	-63
Credit Spreads			basis points				
US Investment Grade		130	1.6	4	5	-5	33
US High Yield		511	4.7	7	2	41	118
Europe IG		54	1.4	2	0	6	10
Europe HY		333	9.9	22	-14	94	126
EMBIG Sovereign Spread		416	5.0	-3	-5	76	123
Exchange Rates			%				
USD/Majors		93.40	0.7	1	0	-5	-3
EUR/USD		1.18	-0.2	-1	0	7	5
USD/JPY		106.1	0.1	0	0	1	2
EM/USD		54.9	-0.6	-1	0	-10	-11
Commodities			%				
Brent Crude Oil (\$/barrel)		40	-3.8	-11	-9	-34	-39
Industrials Metals (index)		118	-0.9	-1	4	0	3
Agriculture (index)		38	-0.8	-1	8	3	-8
Implied Volatility			%				
VIX Index (%, change in pp)		34.8	4.0	8.4	12.6	19.8	21.0
US 10y Swaption Volatility		57.2	0.4	2.0	7.0	-20.8	-4.8
Global FX Volatility		9.2	0.0	0.0	-0.1	2.0	3.2
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		167	4.8	9	15	-56	2
Italy		153	1.8	7	9	1	-7
Portugal		85	0.7	1	4	2	22
Spain		82	0.9	1	4	1	17

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: 9/8/2020 8:28 AM	Exchange Rates						Local Currency Bond Yields (GBI EM)							
	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	
	vs. USD		(+)= EM appreciation					% p.a.						
China		6.85	-0.2	-0.2	2	4	2		3.3	3.1	8	17	24	18
Indonesia		14765	-0.2	-1.3	-1	-5	-6		6.8	0.1	2	-2	-67	-37
India		74	-0.3	-1.0	2	-3	-3		6.1	4.3	-14	13	-59	-75
Philippines		49	0.2	-0.1	1	7	4		3.6	0.0	2	-4	-74	-67
Thailand		31	0.0	-1.1	-1	-3	-5		1.5	0.0	-1	14	-6	-9
Malaysia		4.17	-0.2	-0.6	1	0	-2		2.5	1.4	-4	8	-90	-90
Argentina		75	-0.3	-0.6	-3	-25	-20		44.7	18.4	-43	152	-2090	-1789
Brazil		5.38	-1.5	0.2	2	-24	-25		5.4	0.0	-16	25	-133	-88
Chile		779	-0.5	-1.0	3	-8	-3		2.5	0.0	8	13	-8	-76
Colombia		3715	-0.6	0.8	2	-9	-12		5.0	-0.7	-22	-5	-69	-97
Mexico		21.84	-1.1	-0.3	3	-10	-13		6.0	-0.9	-5	8	-113	-97
Peru		3.5	-0.2	0.2	0	-5	-6		4.1	-0.2	12	-1	-16	-39
Uruguay		42	0.0	0.4	1	-14	-12		8.0	0.0	-17	-39	-305	-292
Hungary		306	-0.6	-2.4	-4	-2	-4		1.7	-0.3	-2	21	49	50
Poland		3.77	-0.5	-2.3	-1	4	1		0.8	0.7	1	8	-98	-104
Romania		4.1	-0.3	-1.3	0	4	4		3.3	-1.0	-21	-25	-41	-69
Russia		76.3	-0.7	-3.6	-4	-14	-19		5.8	1.7	6	24	-112	-37
South Africa		17.0	-1.3	-1.8	4	-13	-17		10.0	-2.9	-9	-7	73	50
Turkey		7.49	-0.5	-1.6	-3	-23	-20		13.3	0.3	-15	-35	-196	157
US (DXY; 5y UST)		93	0.7	1.4	0	-5	-3		0.27	-2.5	2	4	-116	-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		4694	0.5	-3	0	19	15		212	0	0	4	25	36
Indonesia		5244	0.3	-1	2	-17	-17		220	3	0	0	40	64
India		38365	-0.1	-1	1	4	-7		212	-2	-7	-19	71	87
Philippines		6034	1.7	4	3	-24	-23		133	1	-8	15	59	67
Malaysia		1519	0.2	0	-4	-5	-4		145	0	-3	0	22	33
Argentina		45691	1.4	-2	-13	65	10		2149	2	-5	58	120	380
Brazil		101242	0.0	-1	-1	-2	-12		308	6	2	-2	74	93
Chile		3854	1.1	3	-3	-20	-17		171	5	-4	6	39	38
Colombia		1243	0.2	-1	9	-21	-25		250	6	9	22	74	87
Mexico		36637	0.5	-1	-4	-14	-16		466	7	15	-6	136	174
Peru		18198	0.3	-2	1	-6	-11		148	4	-2	9	32	41
Hungary		34988	-0.2	1	-3	-13	-24		121	3	-9	-12	26	35
Poland		49799	-2.0	-2	-4	-12	-14		25	3	-1	-5	-8	7
Romania		9113	0.5	1	6	-1	-9		247	-13	-18	-16	40	73
Russia		2894	-1.3	-3	-3	3	-5		210	7	12	21	16	79
South Africa		54435	0.1	-3	-4	-2	-5		493	9	-2	-19	185	173
Turkey		1088	-0.9	0	3	10	-5		598	0	-1	-88	101	197
Ukraine		500	0.0	0	0	-5	-2		625	3	10	-63	159	205
EM total		44	-0.8	-3	1	8	-1		416	5	-3	-5	76	123

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

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