Global Markets Monitor

Monetary and Capital Markets Department
Global Markets Analysis Division

Tuesday, September 4, 2018

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- **US equities continue to advance (link)**
- **Italian spreads narrow on supportive official comments on the budget (link)**
- **EU negotiator Barnier is "strongly opposed" to PM May Brexit proposal (link)**
- **Argentina's central bank hikes rate to 60%, amid 16% FX slump last week (link)**
- **Impending US tariffs against Chinese products weigh on Asian currencies (link)**
- **Brazil's *real* falls 2.5% on continued political uncertainty (link)**
- **Turkish central bank signals rate hike (link)**
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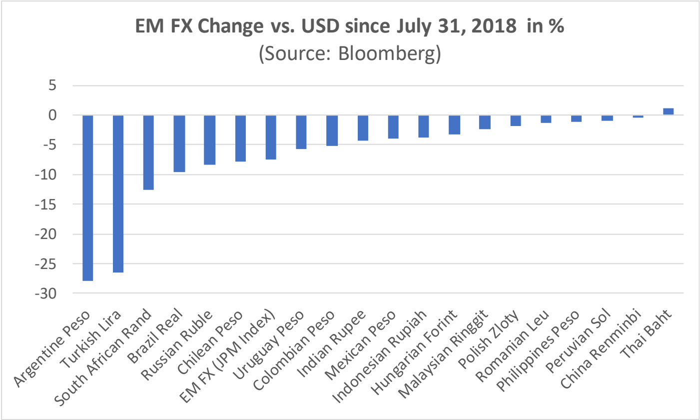
EM strains, US gains

Market performance during the month of August was marked by two opposing trends: **In emerging markets, pressures have intensified further, led by sharp currency depreciations in Argentina and Turkey.** Most of the major emerging markets have been strongly affected, with selling pressure concentrated in currency and bond markets. **By contrast, US equities have clocked new record highs, buoyed by strong profits and solid economic growth.** US-centric volatility measures like the VIX remain low and US corporate credit spreads relatively narrow. Meanwhile, asset markets in Europe have been more mixed in recent weeks, with concerns over Italy's fiscal outlook and Brexit negotiations back in focus.

Key Global Financial Indicators

Last updated: 9/4/18 7:56 AM	Level: Last 12m	Level: Index	Change from Market Close: 1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		2902	0.0	0	2	17	9
Eurostoxx 50		3350	-1.3	-3	-4	-2	-4
Nikkei 225		22697	0.0	-1	1	16	0
MSCI EM		43	0.5	0	-2	-4	-8
Interest Rates					bps		
US 10y Yield		2.86	0.4	-2	-8	70	46
Germany 10y Yield		0.34	0.2	-5	-7	-3	-9
Japan 10y Yield		0.12	0.5	3	1	13	8
FX / Commodities / Volatility					%		
Dollar index, (+) = $ appreciation		95.5	0.4	1	0	3	4
Brent Crude Oil ($/barrel)		79.3	1.5	4	8	52	19
VIX Index (%, change in pp)		13.9	1.0	2	2	4	3

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



This week, US jobs and trade developments will be the focus of market attention. The US jobs report (Friday) will have both political importance in the run-up to November's mid-term elections and implications for swelling US asset valuations and monetary policy prospects. President Trump is expected to impose another round of tariffs of 10-25% on up to $200 bn of Chinese goods—however, the scope and severity of these are still unclear. Following significant progress towards a bilateral trade agreement between the US and Mexico last week, investors will be looking to see if difficult talks with Canada will succeed. With trade tensions and EM turbulence ongoing, investors will be trying to gauge the degree to which these permeate into the real economy. Some signals may be gleaned from the PMI indicators coming to market early this week in major economies, and in industrial production numbers. US automaker sales (Tuesday) should also provide another barometer. Other focal points for markets this week will be central bank decisions from Australia and Chile (Tuesday), Canada, Malaysia and Poland (Wednesday), and Sweden (Thursday).

United States

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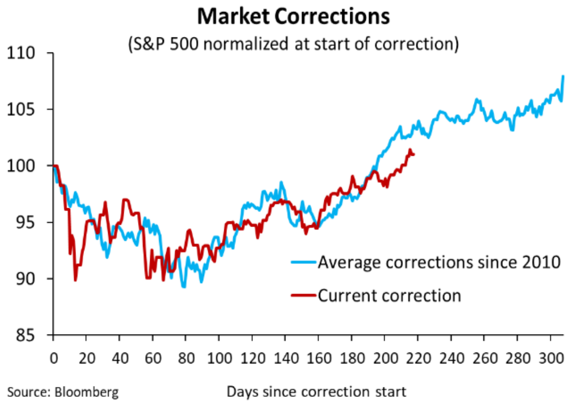
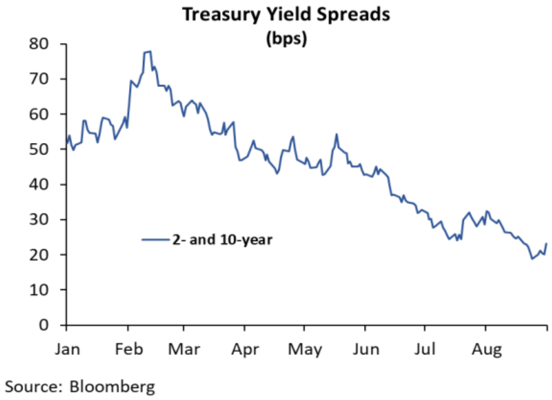
Stocks have continued to advance in August, with the S&P 500 gaining 3% during the month and up 12% since its springtime low in early April, capped by a mixed session last Friday. Markets were closed on Monday. The 2-year yield fell 2 bps Friday to 2.63% and the 10-year rose marginally to 2.86%. But yield curve flattening has been a near-constant drumbeat since February. In August, the 2-year yield fell 4 bps and the 10-year 10 bps.

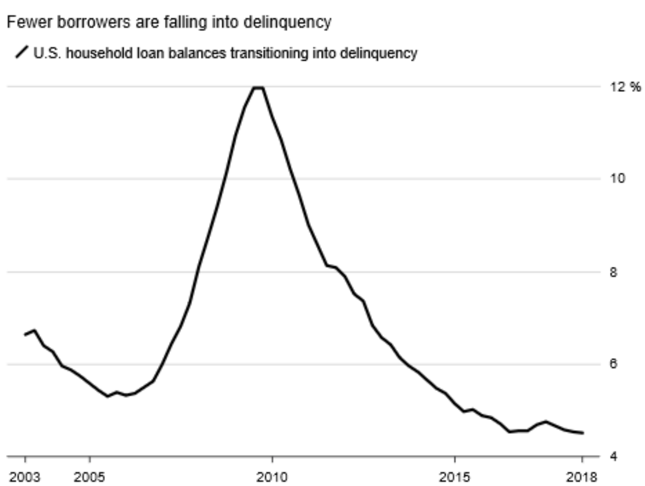




The short-dated corporate debt market is facing pressure from two sources: Fed rates hikes and tax changes affecting the repatriation of US overseas cash holdings. Fed rate hikes have seen yields on fixed income products with shorter maturities rise, and the prospect of further normalization should see this trend continuing. Moreover, US tax law changes mean that big (tech) firms have less incentive to buy shorter-dated debt. Bank of America reckons that the top 20 cash-rich companies used to buy some $25 bn of debt per quarter, but this has turned around, and they are now selling $50 billion per quarter.

Source: Bloomberg

While household debt continued to expand in Q2, **loan delinquencies** declined further. Household debt rose 0.6% m/m (+3.5% yoy) in Q2 to $13.3 tn. **Delinquent loans fell to 4.5% of the total, the lowest in the, which go back to 2003**. Most new mortgage loans (58%) are being taken by those with credit scores of 760 or higher. Student loan debt outstanding fell slightly, but still totaled just over $1.4 tn, and the delinquency rate rose to 10.9% from 10.7% in the prior quarter.



Source: Federal Reserve Bank of New York

Europe

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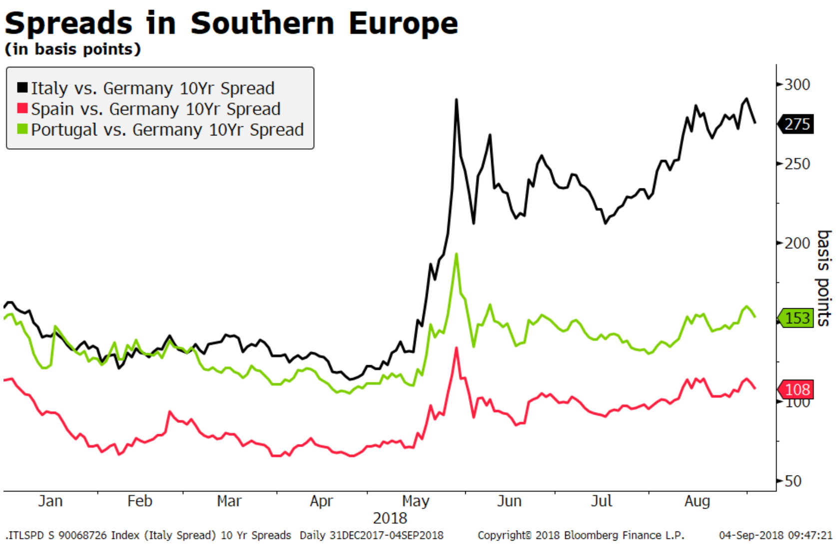
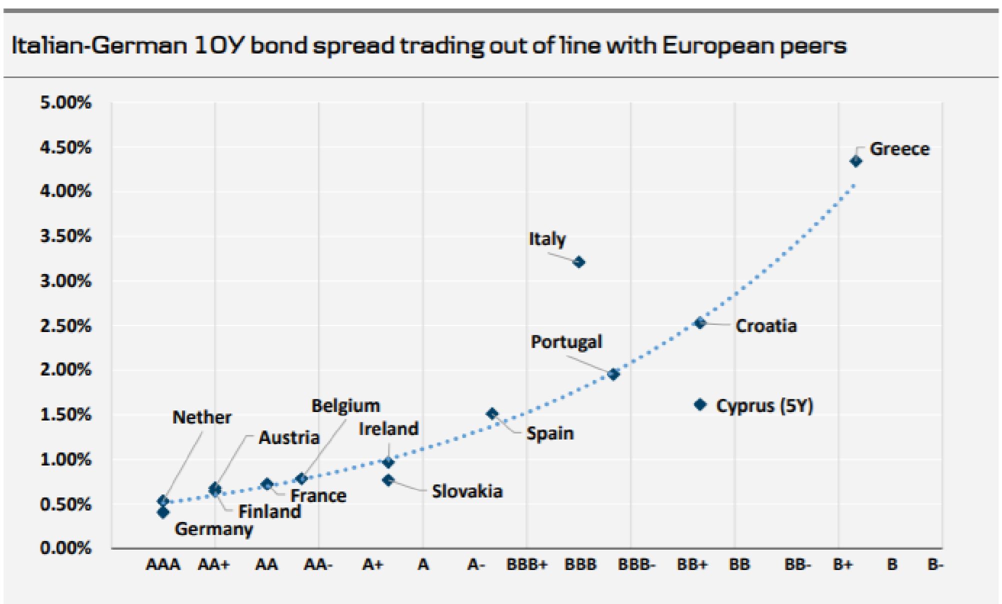
European equity indices are broadly lower and core yields are little changed. The EuroStoxx index is down 0.8% on the day and down 4.5% since the start of August. The 10-year bund yield is trading at 0.34%, flat on the day but down 13 bps since early August.

Sovereign spreads in southern Europe have been trending higher for the last few months but Italian debt has decidedly underperformed. Markets have focused on headlines suggesting an earlier-than-expected implementation of some of the 5-Star-Lega economic program, for example the possibility of a universal basic income starting from 2019. Some estimate this item alone would cost nearly 1% of GDP. Ten-year spreads have widened about 70 bps since mid-July. **However, Italian yields have fallen 15 bps since the start of the week** as deputy PM Salvini and Economy Minister Tria assured the deficit will not breach the 3.0% level. Salvini said the government will target a deficit of up to 2% in its upcoming 2019 budget discussions.



Fitch affirmed Italy's credit rating at BBB, but changed the outlook to negative from stable. Some investors had feared a downgrade. Still, analysts remain concerned about the risk of further credit actions against Italy, noting how its bonds are trading out of line with other European sovereigns.



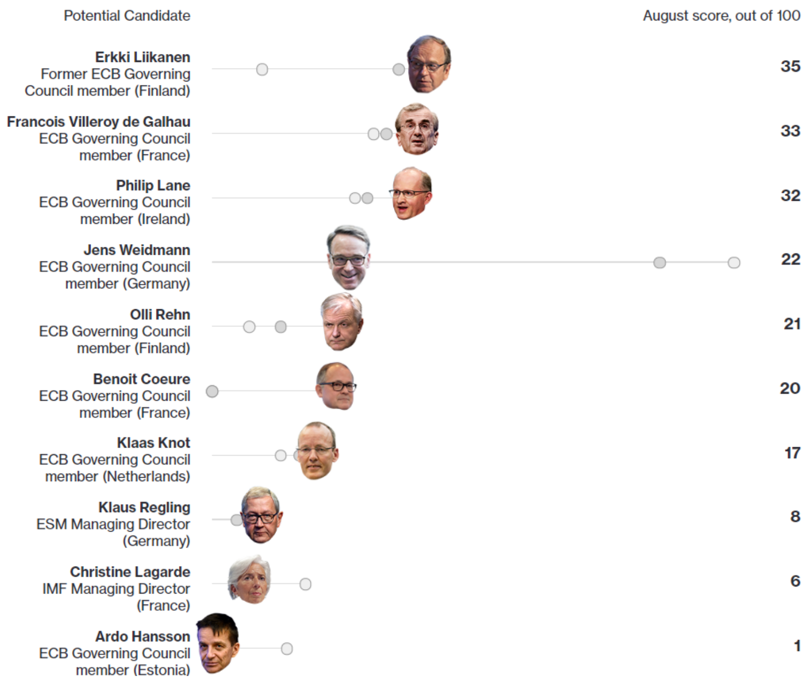
Sources: Rating agencies, Danske Bank

Bloomberg released its latest poll for the most likely new ECB president. Finnish ECB Governing Council member Erkki Liikanen is now holding a narrow lead over France's Francois Villeroy de Galhau and

Ireland's Philip Lane. Draghi's 8-year term ends in October 2019, along with two members of the Executive Board (Benoit Coeure and Chief Economist Peter Praet). Analysts at Standard Chartered see a good chance that a more hawkish Governing Council emerges by the end of 2019. However, they note the impact on medium-term monetary policy may not prove significant since the ECB has already outlined its exit path from unconventional monetary policy.

The Most-Likely Nominees to Succeed Draghi as ECB President

Ranking based on a Bloomberg survey of economists (survey methodology below)



United Kingdom

Brexit negotiations over the summer continue to be a volatile and largely inconclusive process. The most recent development was an interview by EU negotiator Barnier in which he effectively shot down PM May proposal developed at Chequers. He "strongly opposed" the idea of a plan with a common rulebook for goods but not for services. A spokesperson for German Chancellor Merkel endorsed Barnier's position. The negative news, along with much lower-than-expected August manufacturing and construction PMI figures weighed on sterling. The currency is down 1.5% against the dollar over the last two sessions.

Other Mature Markets back to top

Japan

Equities softened amid ongoing trade tension between the US and its trading partners. The Topix fluctuated before paring intraday gains (-0.1%) as automakers slumped amid concerns that possible US automobile tariffs could affect Japan as well. The yen weakened (-0.4%) to 111.5, hovering around levels seen since late July.

JGBs held mostly steady after the BoJ announced efforts to inject more volatility and trading into the bond market. Last Friday, the central bank announced that it is cutting back on the frequency of purchases and will buy bonds maturing in the one-to-10 year sectors on only 5 days this month, down from 6 in August. Moreover, for the first time, BoJ's policy statement noted that purchases will be done in a "flexible manner." The 10-year benchmark note had climbed to 0.15% in early August, an 18-month high, but soon edged down again. The 10-year JGB yield is currently 0.11% while the 2-year note is at -0.12%.

Australia

The RBA left its policy rate unchanged at 1.5%, a record low. Governor Lowe noted that the current policy stance will eventually tighten the labor market and spur wage growth to raise inflation. However, rising mortgage rates and falling property prices could dent household spending. The Australian dollar was little changed at USD0.717/AUD.

Emerging Markets

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EM assets and currencies have come under renewed pressure since early August. While Argentina and Turkey have clearly stood out as the extreme cases punctuated by large external debt, elevated inflation, and other policy challenges, broader EMs have been affected as well. Market analysts maintain that investors continue to differentiate across EMs based on fundamentals and the strength of policy frameworks. That said, most major EMs have been under selling pressure recently, but arguably for different reasons. Mid-August was the worst period for EM currencies during this episode and pressures have re-intensified last week.

Key Emerging Market Financial Indicators

Last updated:	Level		Change				
9/4/18 7:59 AM	Last 12m	index	1 Day	7 Days	30 Days	12 M	YTD
Prices/Returns of Major EM Benchmarks					%		%
MSCI EM Equities		43.17	0.5	0	-2	-4	-8
MSCI Frontier Equities		27.94	1.5	-3	-6	-9	-16
Hard Currency Sovereign Debt		819.46	-0.1	-1	-2	-3	-5
Local Currency Sovereign Debt		16.16	-0.1	-2	-6	-17	-15
Major EM FX vs. USD					**%, (+) = EM currency appreciation**		
China Renminbi		6.84	0.0	-1	0	-5	-5
Indonesian Rupiah		14974	-0.5	-2	-3	-11	-9
Indian Rupee		71.51	-0.4	-2	-4	-10	-11
Argentine Peso		38.08	0.0	-17	-28	-55	-51
Brazil Real		4.16	0.0	0	-10	-24	-20
Mexican Peso		19.40	-1.1	-2	-5	-8	1
Russian Ruble		68.30	-0.5	-1	-7	-15	-16
South African Rand		15.19	-2.2	-6	-12	-15	-19
Turkish Lira		6.69	-0.8	-6	-20	-49	-43
Dollar vs. Mature FX (DXY index)		95.51	0.4	1	0	3	4

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

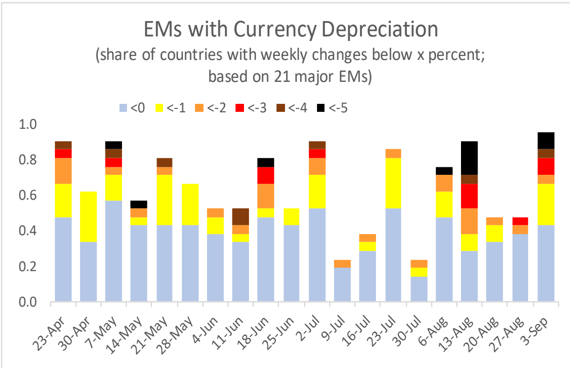
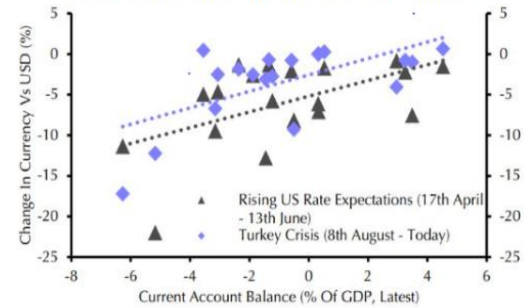


Chart 1: Changes In EM Currencies Vs US Dollar & Current Account Balances

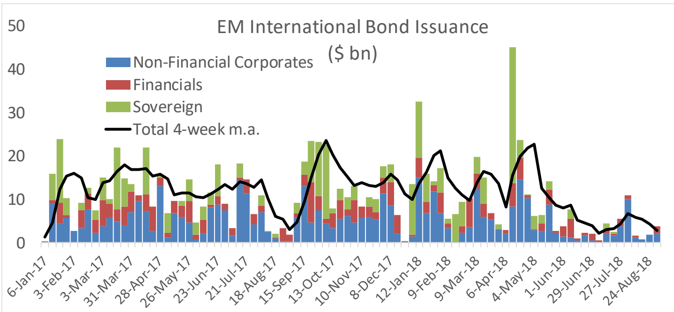


Sources: Bloomberg, CE

Key EM developments include:

- The **external backdrop for EMs has become less favorable**. On top of the gradual monetary policy normalization by the Fed, US corporates—especially in the high-tech sector—have posted strong Q2 earnings and distributed massive amounts to shareholders, making EM assets relatively less attractive.
- **In China, equity markets have tumbled** an additional 12% since mid-June (down 17% year-to-date), as growth concerns have been aggravated by a further escalation of trade tensions with the US amid another round of tariffs in the works.
- **In India and Indonesia, the currencies have dropped to all-time and 1998 Asian crisis lows, respectively** (down 10% and 9% year-to-date). In Indonesia, drivers included surging oil prices over the last two weeks, a widening current account deficit, political risks, and fiscal spending. In India, a robust GDP release which showed the economy expanded 8.2% yoy in Q2 did little to support the currency.
- **In Brazil, the political landscape has remained uncertain** and investors are increasingly concerned about taking on additional interest rate risks. Spreads on dollar debt have widened 100 bps since mid-April and the *real* has depreciated 18%, which are worse outcomes than those in the taper tantrum.
- **In Russia, existing US sanctions and the potential for additional measures continue to weigh on asset valuations and the currency**. Russian equity price-to-book ratios are at 0.53—lower than in Turkey and Lebanon—and the currency is down 15% this year.
- **Geopolitical risks have risen in Syria**, where the US and Russia are reportedly building up forces. Further negative developments may worsen the global risk sentiment, raise oil prices, weaken the outlook for oil importers, and increase the likelihood of heavier US sanctions on Russia.

EM bond issuance was low in August—but strong seasonal patterns makes it difficult to assess the impact of EM stress. Total EM international bond issuance was $21.6 bn in August—similar to the $22.9 bn a year ago, as bond issuance typically slows down sharply in August. The aggregate trend since mid-April has been clearly downward, with a significant decline in the sovereign international bond issuance (figure). The non-financial corporate and financial issuance has recently been concentrated in China and other Asian countries. Outside Asia and Central Europe, many EMs have not issued international bonds for several months (table).



Source: Bank of America Merrill Lynch; Bloomberg; and staff estimates.

Table. Selected EMs: International Bond Issuance in 2018

Country	Date of last issuance	Issuance in January - mid-April	Issuance in mid-April - August
ARGENTINA	26-Apr-18	11.7	0.5
BRAZIL	12-Jul-18	12.1	1.3
CHILE	28-Jun-18	3.5	1.7
CHINA	30-Aug-18	62.2	52.8
COLOMBIA	20-Jun-18	0.4	1.0
EGYPT	9-Apr-18	6.5	0.0
HUNGARY	4-May-18	0.0	0.2
INDIA	2-Aug-18	5.8	0.3
INDONESIA	21-Aug-18	4.9	6.8
LEBANON	27-Apr-18	0.0	0.3
MALAYSIA	26-Jul-18	0.0	0.4
MEXICO	18-May-18	12.2	5.3
PERU	24-May-18	1.5	1.0
PHILIPPINES	28-Aug-18	3.6	1.0
POLAND	29-Aug-18	1.9	2.3
RUSSIA	16-Mar-18	8.9	0.0
SAUDI ARABIA	10-Apr-18	11.5	0.0
SOUTH AFRICA	2-Aug-18	0.0	4.8
SRI LANKA	11-Apr-18	2.5	0.0
THAILAND	20-Mar-18	0.7	0.0
TURKEY	30-Apr-18	5.2	2.9

Source: Bloomberg; and staff estimates.

EM flows data suggests a tentative halt in aggregate outflows, but global fund managers still appear to be uneasy, and some country-specific trends have deteriorated rapidly. EM fund flows turned positive last week after three weeks of outflows, according to EPRF data. EM bond fund flows rebounded to +$0.2 bn from -$1.5 bn the prior week, with a broad-based improvement across hard currency, local currency, and blend funds. Analysts suggest that the recovery in flows reflects a lagged investor response to the recent increase in returns on EM bonds. EM equity fund flows turned up to +$0.2 bn from -$0.5 bn the previous week. The improvement was due to a revival in regional fund flows after 12 weeks of outflows, as the funds increased their exposures to Asia and Latam but sold EMEA assets. However, GEM funds which had invested heavily over the last three years continued to shed assets. Both bond ETFs and equity ETFs continued to invest in EM assets, while, in contrast, actively-managed funds are the ones who had done most of the selling in August. Thus, **the selling of EM assets has so far been largely discrete and the potential of a broad-based sell-off in a tail-risk scenario still looms large.** High-frequency data on EM portfolio flows compiled by JPMorgan and Bloomberg shows that investors sold local bonds in South Africa and offloaded equities in India, Indonesia, Malaysia, Thailand, and South Africa. These developments represent a notable deterioration relative to recent trends (table).

Exhibit 4: Weekly EM retail bond fund flows

USD billion

Exhibit 9: Weekly EM retail equity fund flows

USD billion

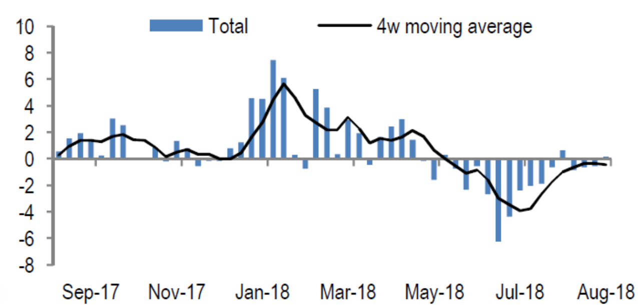
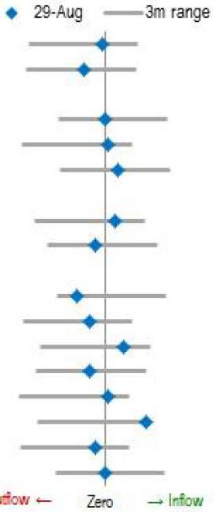


Exhibit 23: High-frequency non-resident gross portfolio flows into EM local bonds and EM equities
USD million

	29-Aug	28-Aug	27-Aug	24-Aug	23-Aug	1w	1m	3m
EM local bonds	**-50**	**213**	**-183**	**14**	**-15**	**-21**	**-3,560**	**-7,294**
South Africa	-151	-9	-8	-107	60	-215	-1,160	-3,263
Turkey*	-	-	-	-	-	-	-182	-426
Hungary	0	209	-128	48	-44	84	479	-32
India	10	-10	-1	63	-67	-5	-505	-3,062
Indonesia	91	23	-47	10	36	115	637	1,032
Mexico^	-	-	-	-	-	-	-2,830	-1,542
EM equities	**247**	**166**	**728**	**-5**	**342**	**1,477**	**1,474**	**-7,993**
South Africa	-50	-261	-37	36	-50	-362	-853	-1,083
Turkey*	-	-	-	-	-	-	77	-271
India	-199	-7	62	-8	59	-92	18	-170
Indonesia	-33	55	46	2	37	107	-108	-700
Korea	132	125	249	90	192	788	1,006	-304
Malaysia	-30	9	6	-6	19	-2	-35	-1,626
Philippines	2	9	0	-7	10	13	-87	-382
Taiwan	457	229	336	-98	88	1,012	828	-1,887
Thailand	-33	-30	-18	-43	0	-124	-211	-2,035
Brazil	0	39	84	29	-14	138	838	465



*lagged weekly data ^daily data with a 10-day lag
Source: JPMorgan, Bloomberg

Argentina

The peso depreciated yesterday despite the government's announcement of new fiscal measures and a policy rate hike last week. President Macri said the government would impose taxes on exporters and would cut in half the number of ministries to improve its fiscal position. The government now targets a balanced budget in 2019 and a primary surplus of 1% of GDP in 2020. The fiscal measures were reportedly intended to highlight the government's commitment to accelerated fiscal reforms, as it is set to discuss with the IMF today a fast-tracked disbursement of funds from a $50 bn credit line. Argentine equities fell 1.3% Monday, led by an aluminum exporter. The peso fell 4% in thin trading, adding to a 16% decline last week (down 52% year-to-date). The peso's slide was temporarily stalled last Friday after the central bank raised its policy rate by 15 ppts to 60%.

Investor attention has turned squarely to Argentina's fiscal policy and external debt. The country's funding needs for this year and next are reportedly estimated at $77 bn. Furthermore, Argentina's sovereign debt becomes more burdensome if the peso depreciates since 80% of the debt is denominated in US dollars. Government debt may reportedly reach 90% of GDP this year. Analysts point out that the country is trying to cope simultaneously with high inflation, a historic drought harming its soybean exports, and high interest rates, and is widely expected to enter its second recession in three years. After the last policy rate hike, investors reportedly indicated that the central bank had done its job, and now the biggest uncertainty was around the government's fiscal policy path. In addition, some investors reportedly noted that official communications should be improved to bolster market confidence.

Brazil

The real resumed its slide as the political environment remained uncertain after former President Lula was barred from next month's election. Brazil's top electoral court ruled last Friday that Lula cannot run for a third term. This decision finally removed the front-runner from the race but left the political landscape largely unpredictable. Lula had the support of 39 percent of voters, with a big lead over the next rival with 19 percent. Lula is expected to officially endorse his running mate Haddad who currently polls at only 4 percent. Reports said it is unclear whether Haddad would be able to garner additional support in the remaining five weeks before the election. As the Lula ruling was widely expected, the market reaction was limited. The real briefly rallied Friday but sagged 2.5% yesterday (down 20% year-to-date). Equities were slightly lower.

China

Equities staged late-day gains amid rumored official support. Both the Shanghai and the Shenzhen Composites surged in late afternoon trading by around 1%, offering their first advances in 6 sessions (Shanghai: +1.1%; Shenzhen: +1.2%). The sudden and robust gains prompted observers to speculate that the authorities had offered support to a market that has declined to its lowest level in 2½ years. Meanwhile, in another sign that the authorities are providing support to domestic assets, a local paper reported that CBIRC issued a notice exempting commercial banks from the purchase cap on local government bonds they underwrite; the cap was 20%.

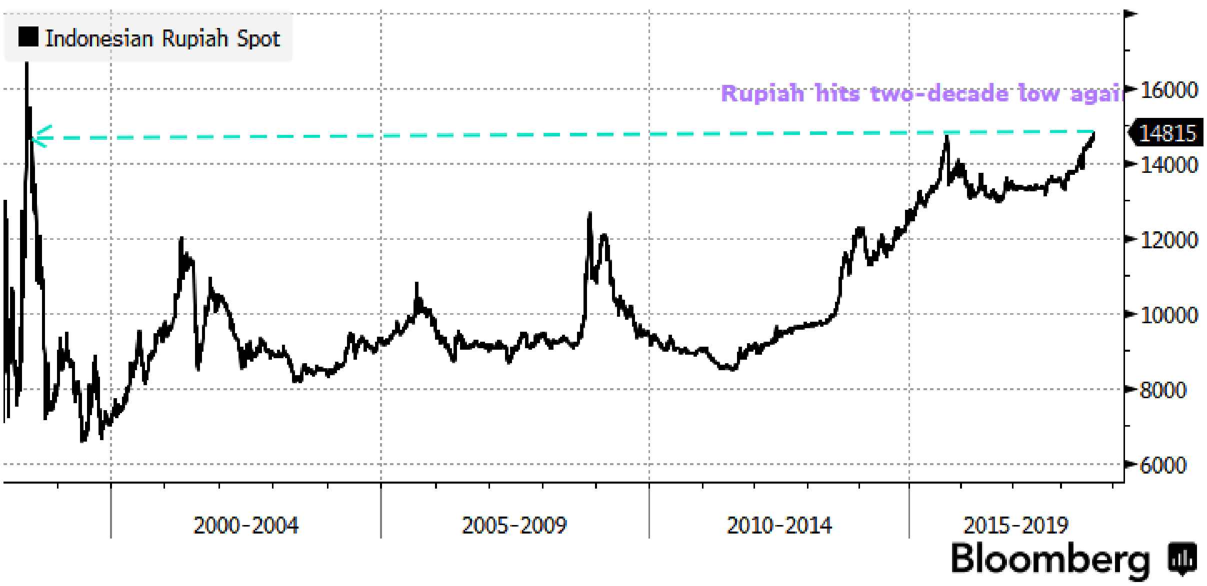
Concerns over the impact of new US tariffs and trade negotiations weighed on the RMB. Amid broad-based dollar strength, the RMB weakened late in the session despite a stronger-than-expected fixing. The onshore CNY pared early gains (-0.14%) to end the day at 6.833. Implementation of tariffs on as much as $200 bn in additional Chinese products could come as soon as Thursday and is widely expected to incite retaliatory measures from the Chinese authorities. Although most analysts expect the domestic policy stance to loosen and offset the tariffs' impact, reduced trade and the corresponding negative impact on China's trading partners have weighed on investment sentiment, particularly regarding currencies in EM Asia. Key data releases for the week include China's FX reserves, August trade data and trade balance with the US.

Indonesia

The rupiah weakened to a 2-decade low as the authorities sought to shore up domestic assets. Amid ongoing investor concerns, the rupiah slumped to 14,935, its weakest level since July 1998, extending its losses to over 9% this year. Analysts viewed Bank Indonesia's plans to introduce new hedging instruments as useful but insufficient to arrest investor concerns. The central bank plans to introduce overnight index swaps, interest-rate swaps as well as a one-month tenor foreign-exchange swap hedging facility in the coming days.

New Crisis?

Emerging market rout deepens selloff in Indonesian rupiah



IDR Curncy (Indonesian Rupiah Spot) IDR1 Daily 09JAN1998-03SEP2018 Copyright© 2018 Bloomberg Finance L.P. 04-Sep-2018 17:03:13

Turkey

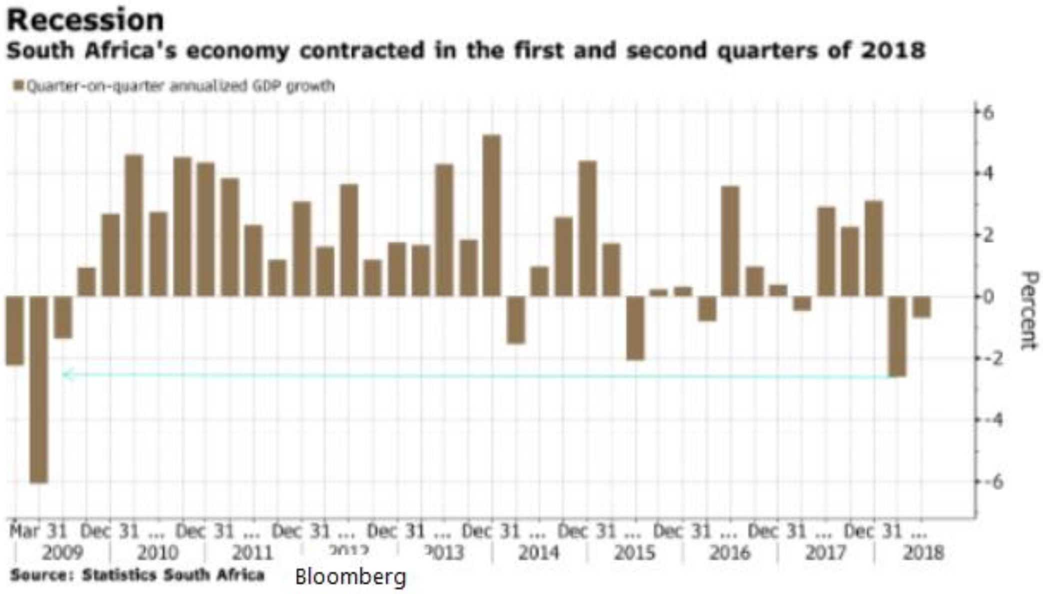
Central bank signaled higher interest rates. After the August CPI rose more than forecast (17.9% yoy vs. 17.6% expected) and PPI surged to 32.1% yoy on Monday, both at the highest over last 15 years, the central bank hinted at a rate hike with their statement saying "the monetary stance will be adjusted at the September monetary policy committee meeting in view of the latest developments." The Turkish lira strengthened on the headline. Some analysts argue that the central bank created expectations that the increase will be big enough to stem the rise in inflation. With inflation likely to head well over 20% foreign investor sentiment is unlikely to be allayed without real interest rates moving well into positive territory, which in nominal terms suggests a likely 1,000bp rate hike from 17.75% at present, according to analysts. The lira weakened to 6.8 against the dollar Tuesday morning following the Asian session, getting closer to the historic low of 7.2 that was reached earlier in August, in part due to market participants' concerns over president Erdogan's aversion to high rates and his consistent push for fast economic growth. There has been no progress in diffusing the diplomatic spat with the US. Moody's downgraded 20 Turkish financial institutions last week but no major disruptions were reported so far. The monetary policy committee is next due to meet on September 13.

Turkish lira FX spot rate
1 USD in TRY

Source: Bloomberg

South Africa

The economy contracted at an annual rate of 0.7% in Q2 (0.6% expected). This was the second consecutive quarter of contraction, a threshold often used to mark a recession, after -2.2% q/q, saar, in the previous quarter, largely due to weak farming output and consumer spending. The rand traded weaker against USD to breach 15.0 ahead of the release of data, and weakened further afterward to 15.2.



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Last updated: 9/4/18 7:56 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		2902	0.0	0	2	17	9
Europe		3350	-1.3	-3	-4	-2	-4
Japan		22697	0.0	-1	1	16	0
China		2751	1.1	-1	0	-19	-17
Asia Ex Japan		71	0.4	0	0	-1	-6
Emerging Markets		43	0.5	0	-2	-4	-8
Interest Rates					basis points		
US 10y Yield		2.86	0.4	-2	-8	70	46
Germany 10y Yield		0.34	0.2	-5	-7	-3	-9
Japan 10y Yield		0.12	0.5	3	1	13	8
UK 10y Yield		1.40	-0.9	-6	7	34	21
Credit Spreads					basis points		
US Investment Grade		103	0.3	1	4	-7	12
US High Yield		344	0.8	-2	7	-61	-31
Europe IG		68	0.1	3	4	14	24
Europe HY		298	-0.4	12	1	61	64
EMBIG Sovereign Spread		370	-1.0	13	39	75	85
Exchange Rates					%		
Dollar Index (DXY)		95.52	0.4	1	0	3	4
USDEUR		1.16	-0.5	-1	0	-3	-4
USDJPY		111.2	-0.1	0	0	-1	1
EM FX vs. USD		60.3	-0.6	-2	-7	-15	-13
Commodities					%		
Brent Crude Oil ($/barrel)		79	1.5	4	8	52	19
Industrials Metals (index)		115	-2.4	-4	-5	-12	-17
Agriculture (index)		42	-0.6	0	-6	-13	-11
Implied Volatility					%		
VIX Index (%, change in pp)		13.9	1.0	1.7	2.3	3.8	2.9
10y Treasury Volatility Index		3.7	-0.1	0.1	0.0	-0.3	0.1
Global FX Volatility		8.9	0.0	0.3	0.9	0.7	1.5
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		448	2.3	28	37	-105	36
Italy		307	-8.9	-12	15	103	106
Portugal		187	-3.7	-1	9	-96	-7
Spain		143	-2.2	-3	1	-12	-14

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: 9/4/2018 8:01 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		6.84	0.0	-0.5	0	-5	-5		3.6	-0.1	-2	13	-18	-41
Indonesia		14974	-0.5	-2.2	-3	-11	-9		8.4	13.9	36	39	141	174
India		72	-0.4	-1.8	-4	-10	-11		8.1	0.9	7	16	123	66
Philippines		54	-0.2	-0.5	-1	-4	-7		5.9	0.0	0	1	105	108
Thailand		33	-0.4	-0.7	2	1	-1		2.8	-0.6	3	4	55	50
Malaysia		4.14	-0.4	-0.9	-1	3	-2		4.1	1.7	2	1	17	17
Argentina		38	0.0	-17.4	-28	-55	-51		24.7	0.2	218	447	897	869
Brazil		4.16	0.0	-0.5	-10	-24	-20		10.6	13.9	42	115	162	154
Chile		691	-1.1	-4.1	-6	-10	-11		4.8	0.0	5	-7	37	-1
Colombia		3046	0.1	-1.9	-5	-4	-2		6.5	-0.5	8	0	3	29
Mexico		19.40	-1.1	-1.7	-5	-8	1		7.9	2.3	14	21	97	28
Peru		3.3	0.0	-0.2	-1	-2	-2		5.5	-0.1	-2	7	2	28
Uruguay		32	0.2	-1.4	-7	-11	-11		11.4	0.0	89	112		285
Hungary		283	-0.7	-2.2	-2	-9	-8		2.5	-0.2	6	8	69	124
Poland		3.72	-0.9	-1.9	-1	-4	-6		2.6	2.6	4	7	-10	-9
Romania		4.0	-0.6	-0.9	0	-4	-3		4.4	4.0	7	-32	153	52
Russia		68.3	-0.5	-0.7	-7	-15	-16		8.4	-0.5	3	74	80	111
South Africa		15.2	-2.2	-6.3	-12	-15	-19		9.6	1.5	12	28	32	25
Turkey		6.69	-0.8	-6.3	-20	-49	-43		23.3	-62.3	-102	357	1277	1140
US (DXY; 5y UST)		96	0.4	0.8	0	3	4		2.74	0.2	-3	-7	100	53

	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		2751	1.1	-1	0	-19	-17		185	0	1	-2	34	33
Indonesia		5905	-1.0	-2	-2	2	-7		189	-1	5	0	8	23
India		38158	-0.4	-2	2	20	12		157	-3	0	5	19	47
Philippines		7882	0.6	0	1	-2	-8		108	0	4	2	12	13
Malaysia		1813	0.0	0	2	2	1		135	-1	-1	0	0	25
Argentina		28807	-1.7	13	-1	22	-4		771	0	83	202	374	421
Brazil		76193	-0.6	-2	-6	6	0		338	0	13	70	80	104
Chile		5236	0.0	-1	-3	2	-6		141	1	2	7	14	22
Colombia		1536	-0.4	-1	0	2	1		183	-1	8	4	-7	9
Mexico		49488	-0.1	-2	0	-3	0		281	0	8	7	41	36
Peru		19467	0.1	-1	-4	9	-3		148	0	3	5	0	11
Hungary		36989	0.0	0	1	-1	-6		124	0	-5	9	23	36
Poland		59734	-1.0	-3	0	-8	-6		62	0	-3	2	10	15
Romania		8326	0.2	-1	3	4	7		184	4	-2	19	44	70
Russia		2335	-0.5	1	2	17	11		235	0	-8	43	59	57
South Africa		58102	-1.0	-3	2	3	-2		340	4	34	68	83	86
Turkey		93345	-0.6	2	-2	-15	-19		602	4	82	180	329	313
Ukraine		528	0.0	0	2	83	67		604	0	38	100	91	149
EM total		26	0.2	0	-1	0	-3		370	-1	13	39	75	85

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