



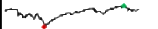


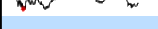
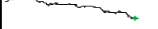

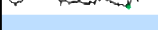



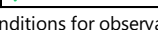
- US Treasury yields approach all-time low as curve inverts further ([link](#))
- US dollar reaches two-year high ([link](#))
- UK could face snap elections due to Brexit stand-off ([link](#))
- Possible new Italian government starts to take shape ([link](#))
- Argentina announced capital controls on September 1 ([link](#))
- CNY 7.2/dollar could be the new “line in the sand” for the PBC ([link](#))
- Indian markets respond negatively to state-owned bank consolidation plan ([link](#))

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## Taking Stock – The ABC of Investor Concerns

The month of August was marked by deteriorating risk sentiment, driven by a combination of familiar global themes and a number of idiosyncratic factors. The familiar themes include a renewed escalation of trade tensions and further expectations of monetary easing by the Fed (and most other major central banks), which led to a further inversion of the US yield curve. Beyond these global market drivers, the ABC of investor concerns comprised Argentina, Brexit, and China. Argentina's government announced a debt reprofiling last week, followed by the imposition of capital controls over the weekend. In Brexit news, PM Johnson's move to suspend parliament last week and his threat of snap elections further raised the stakes in tense negotiations domestically and with the EU, raising the perceived odds of a no-deal Brexit. Meanwhile, China's depreciating currency has drawn renewed attention of market participants and is viewed as the main driver of EM FX depreciation over the past month. In today's news, markets are trading with a risk-off tone fueled by concerns that US-China trade talks may be delayed.

Key Global Financial Indicators

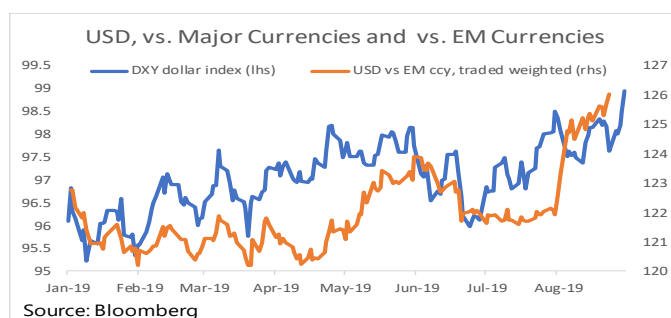
Last updated: 9/3/19 7:40 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
<b>Equities</b>			%				%
S&P 500		2926	0.0	3	0	1	17
Eurostoxx 50		3419	-0.4	1	1	1	14
Nikkei 225		20625	0.0	1	-2	-9	3
MSCI EM		40	-1.0	3	-1	-7	3
<b>Yields and Spreads</b>			bps				
US 10y Yield		1.49	0.0	2	-36	-137	-119
Germany 10y Yield		-0.72	-1.9	-3	-23	-105	-96
EMBIG Sovereign Spread		354	1	-18	16	-17	-60
<b>FX / Commodities / Volatility</b>			%				
EM FX vs. USD, (+) = appreciation		59.7	0.1	0	-3	-2	-4
Dollar index, (+) = \$ appreciation		99.3	0.4	1	1	4	3
Brent Crude Oil (\$/barrel)		57.8	-1.5	-3	-7	-26	7
VIX Index (% change in pp)		20.6	1.6	1	3	8	-5

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

In the week ahead, the market focus will likely be on **US-China trade tensions, Argentina, and UK political developments related to Brexit**. Important economic data releases this week include the US employment report (Friday, +163k expected) and PMI data across the euro area. On the monetary policy front, analysts expect central banks in emerging market economies to ease: Chile is expected to cut 50 bps on Tuesday, Ukraine 50bps on Thursday, and Russia 25bps on Friday. The Canadian and Swedish central banks are expected to stay on hold this week (Wednesday and Thursday, respectively).

## Currency Markets

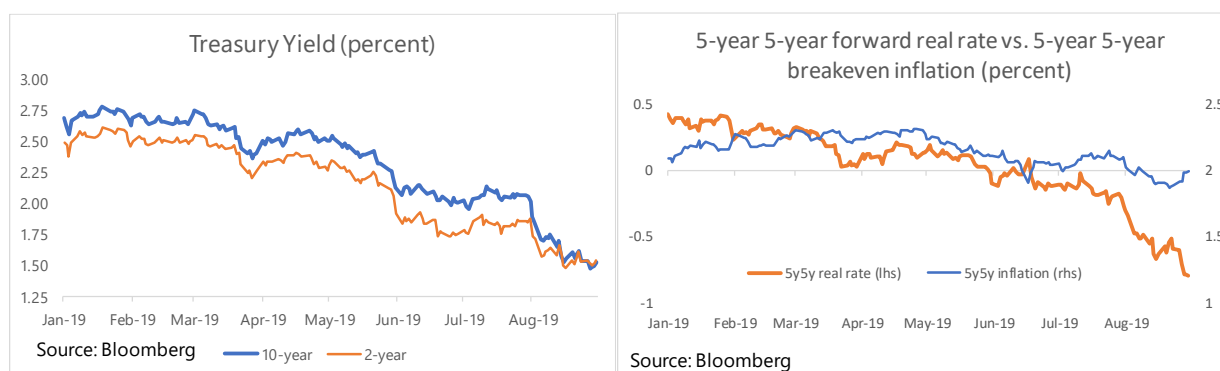
The US dollar reached its highest level in over two years, appreciating against both advanced and emerging economy currencies in August and the start of September. While market participants increasingly expect Fed easing in coming quarters, US dollar assets have continued to attract investors amid growing fears of a global economic slowdown. The cost of "flight-to-quality" trades has become cheaper as many other central banks have also cut interest rates. After being stable for most of last month, the euro is trading below \$1.10 and the pound around \$1.20, depreciating sharply over the last few sessions to their weakest levels in over two years. The yen appreciated 2.5% against the dollar last month, though most of the move happened at the very start of the month. The JPM EM currency index declined 4% in August, the worst month since August of last year. Anecdotal reports suggest elevated long positioning in safe-haven currencies such as the yen and Swiss franc.



## United States

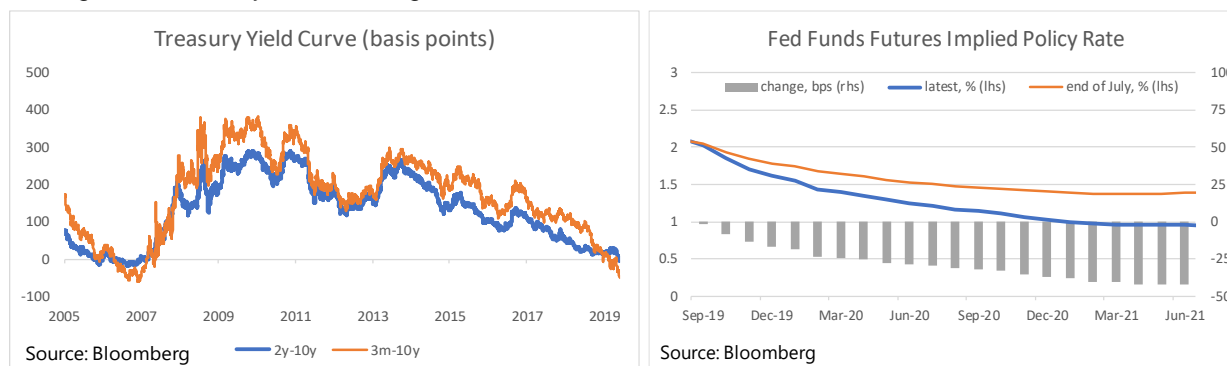
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Treasury yield fell 50bps in August on escalating trade tensions, fear of a further global economic slowdown, and expectations for more accommodative monetary policy. The 10-year yield finished the month at 1.5%, the lowest since July 2016 when it had fallen as low as 1.35%. The forward 5-year breakeven inflation rate was little changed last month at 2%, while the forward 5-year real yield fell further into negative territory. Option-implied interest rate volatility rose as the perceived probability of a full easing cycle increased.

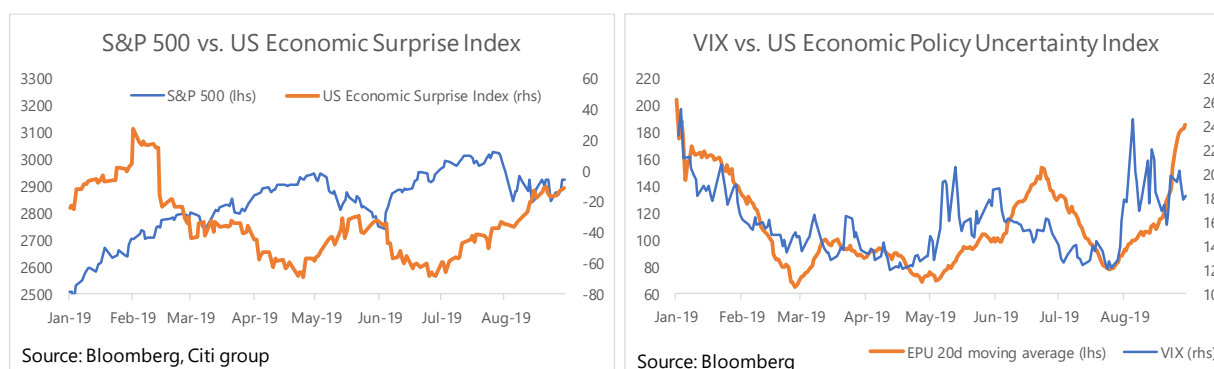


**The Treasury yield curve inverted further over the past month.** The 2-year to 10-year segment of the yield curve inverted for the first time since 2007, while the 3-month to 10-year spread fell further into negative territory. Historically, such deep inversions have typically been followed by US recessions, but it is unclear how good a recession predictor the yield curve is in today's environment. In money markets, federal funds futures currently imply 50-75 bps of additional rate cuts by the end of this year. Analysts say the Fed Chair Powell's speech at Jackson Hole in late August supported the view that more cuts would be delivered before year-end. Chair Powell argued that "along with July's cut, the shifts in the anticipated path of policy have eased financial conditions and help explain why the outlook for inflation and employment remains largely favorable."

**Long-term rates have also fallen markedly, with the yield on the 30-year bond falling below 2% for the first time.** Given historically low funding costs, US Treasury officials are discussing the possibility of issuing a 50- or 100-year ultra-long bond.



**The equity market held up well despite intensifying trade tensions, supported by growing expectations for additional monetary policy easing and better-than-expected macro data.** Consumer spending was stronger than the first reported, and corporate profits increased after a two-quarter decline. On Thursday, Q2 GDP was revised down a tick to 2.0%, but the underlying fundamentals showed resilience. Last month also saw a material improvement in Citi's economic surprise index, which measures how economic data are evolving relative to market expectations. The S&P500 finished the month down 2%, but up about 3% from the recent low in mid-August. Meanwhile, policy uncertainty appears to have increased, reflected in a higher VIX and a jump in the Economic Policy Uncertainty index. Analysts attribute these increases to US trade policy and communications by the US President, while China is viewed as having softened its rhetoric recently, for example by indicating no immediate retaliation against the latest announcement of further US tariff increases.



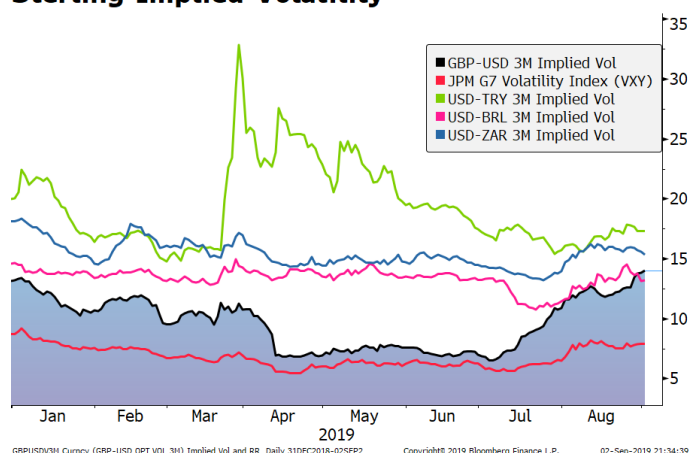
## Europe

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### United Kingdom

The prospect of a snap election has increased after PM Boris Johnson moved to suspend parliament from September 9 to October 14, in what many have described as a constitutional crisis. The rationale behind the move was to make it more difficult for MPs to prevent a no-deal Brexit, thus clearing the way for leaving the EU on October 31, with or without a deal. **Today, opposition MPs and Tory rebels will try to pass legislation forcing the government to request a Brexit extension until January 31 if there hasn't been a deal passed by parliament.** If they succeed, PM Johnson plans to dissolve parliament and hold a snap election on October 14. Nervousness about the UK's future has been reflected in sterling implied volatility trading far above that of other G7 currencies and close to levels seen in emerging markets. For what it's worth, JP Morgan updated their probabilities last week and assign a 40% chance (their base case) to a Brexit extension prompted by a general election. But they also increased their odds of a no-deal Brexit by 10 ppts to 35%.

### Sterling Implied Volatility



### Scenarios for Brexit at end October 2019

Scenario	Probability (%)	Old probability (%)
No deal, reversion to WTO norms to govern trade	35	25
Exit on terms specified by Withdrawal Agreement	15	15
As currently configured	5	5
With "softer" political declaration	0	5
With modified/time-limited Irish backstop	10	5
Further Article 50 extension, owing to:	50	60
General election	40	30
Second referendum	5	10
Other	5	20

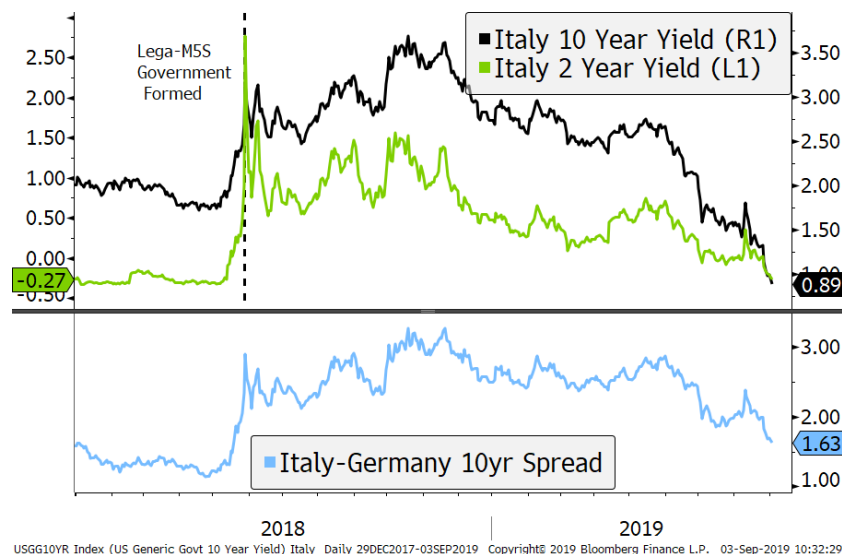
Source: J.P. Morgan

### Italy

**Yields have fallen sharply reaching record lows as the new coalition of M5S and PD (with Conte re-appointed as PM) begins to materialize.** There are two steps needed before this happens, both of which are expected to go smoothly: an online poll held today by the M5S, and the vote of confidence in the House and Senate. The prospective new government would sideline the far-right party (Lega) and should mean a

more pro-Europe administration, hence the positive market reaction. Some analysts have even argued that a change in approach increases the odds of more fiscal leniency from the EU. The 10-year Italian yield fell over 50 bps in August to 0.8%, while the 2-year declined 18 bps last month to -0.21%. The 10-year spread to German bunds declined to 167 bps, narrowing over 120 bps since the highs for the year.

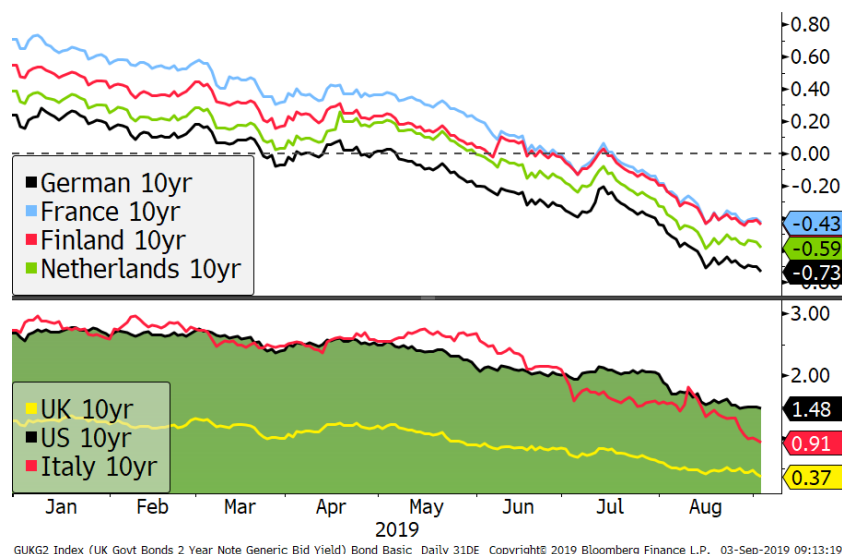
## Italian Yields



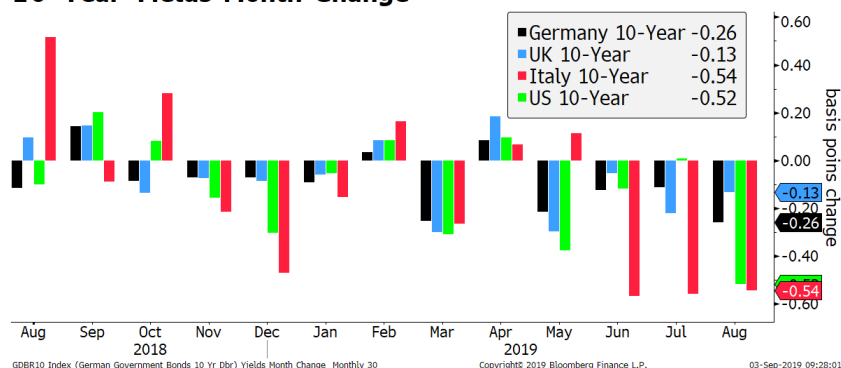
## Europe

**Equity indices and bond yields across the region are mostly lower on the day.** The EuroStoxx 600 is down 0.4%, after falling 1.6% on net during August. Still, the index is up 12% on the year, with Italy (+17%) and France (+15%) outperforming. In fixed income markets, yields continue to decline, falling as much as 4 bps in core markets and 7 bps in Italy. The 10-year German bund is at -0.7% (-26 bps in August). There was no market reaction to last weekend's regional election in Germany when far-right AfD placed second in Saxony and Brandenburg (about 8% of the country's population).

## 10-Year Yields



## 10-Year Yields Month Change



## Other Mature Markets

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## Japan

**Japanese equities edged higher in thin trading today**, with the Topix up 0.4% as investors continue to digest implications of the trade impasse between the U.S. and China. Shares had been trading in a narrow range in August amid an escalation in U.S-China trade tension. Meanwhile, **the yen gained 0.2% to ¥106.06/dollar, remaining well within the narrow range set in August, while JGB yields declined further.** The yen had touched ¥104.46 per dollar last week, its strongest level since November 2016, compared to the ¥109.35/dollar level expected by big manufacturers for this fiscal year, according to the Tankan survey. Meanwhile, the benchmark 10-year note fell 2 bps to -0.297% on the day, well below the trading range set by the BoJ, despite its reduced purchases in recent weeks. Contacts noted that the strong yen is increasingly putting pressure on the BoJ to offer more stimulus to support the economy.

## Australia

**The Reserve Bank of Australia left its policy rate unchanged at 1%, in line with expectations**, following 50-bps of cuts in June and July. RBA indicated that it kept the policy rate at a record low to gauge the impact of interest-rate cuts and tax reliefs on the economy, while property prices in Sydney are showing renewed strength. RBA Governor Lowe noted in a statement that it is “reasonable” to expect “an extended period” of low interest rates in order to meet the inflation target and to reduce unemployment. The Australian dollar was little changed on the day, having lost about 4% of its value since June following the rate cuts.




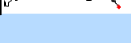





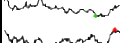


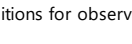

## Emerging Markets

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**Growth-sensitive assets (FX and Equities) have been under pressure over the past month, in the wake of the hawkish Fed rate cut at end-July and a re-escalation of trade tensions in early August. EM hard currency bonds fared better amid a global duration rally that overshadowed a relatively small increase in credit spreads.** The two main events in the EM space were Argentina’s full-blown debt and currency crisis after the results of the PASO election on August 11 and the depreciation of the Chinese RMB, which contributed to the worst month for EM FX since May 2012. In **Latin America**, besides Argentina, Brazilian assets were the main underperformer as President Bolsonaro is dealing with various domestic scandals and declining popularity in polls. The BCB in August engaged in its first spot market intervention since 2009 amid reduced domestic USD liquidity. In **EMEA**, Turkish and Polish equities suffered the largest drops in the region in August, losing about 6% and 5% respectively. Similarly, in FX markets, the Russian ruble saw the largest drop (about 5%), followed by the Turkish lira (-4.6%) and the Polish zloty (-3.3%).



## Key Emerging Market Financial Indicators

Last updated: 9/3/19 8:05 AM	Level		Change				YTD
	Last 12m	index	1 Day	7 Days	30 Days	12 M	
<b>Major EM Benchmarks</b>			%				%
MSCI EM Equities		40.19	-0.8	3	-1	-7	3
MSCI Frontier Equities		28.84	0.6	0	-2	3	10
EMBIG Sovereign Spread (in bps)		354	1	-18	16	-17	-60
EM FX vs. USD		59.73	0.1	-1	-3	-2	-4
<b>Major EM FX vs. USD</b>			%, (+) = EM currency appreciation				
China Renminbi		7.18	-0.1	0	-2	-5	-4
Indonesian Rupiah		14228	-0.2	0	0	4	1
Indian Rupee		72.39	-1.4	-1	-2	-2	-4
Argentine Peso		56.02	6.2	-1	-20	-31	-33
Brazil Real		4.19	-1.0	-1	-7	-1	-7
Mexican Peso		20.09	0.3	-1	-2	-4	-2
Russian Ruble		67.03	-0.4	-1	-2	2	4
South African Rand		15.14	0.7	1	-2	-2	-5
Turkish Lira		5.76	0.7	1	-3	15	-8
EM FX volatility		8.85	0.0	-0.2	0.9	-3.8	-0.9

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

## Performance of EM Assetss in August 2019:

	FX vs USD	External Credit spread	Local rates	Equities
	%	bps	bps	%
EM	-4.0	24	-15	-5.0
Argentina	-26.1	1746	3302	-42.3
Turkey	-4.6	85	54	-5.8
Brazil	-8.5	38	31	-1.7
China	-3.8	11	-11	-2.2
Peru	-3.1	6	-6	-5.4
Russia	-4.9	21	-14	0.2
Colombia	-4.1	7	6	-0.5
Poland	-3.3	5	-23	-4.5
Hungary	-2.6	19	-35	-2.6
Chile	-2.8	7	-29	-3.9
Philippines	-2.3	14	-25	-2.1
India	-3.6	3	2	-0.2
Romania	-1.4	28	-16	2.7
Mexico	-4.9	8	-43	3.6
Malaysia	-1.9	8	-27	-1.9
Thailand	0.8	0	-49	-3.0

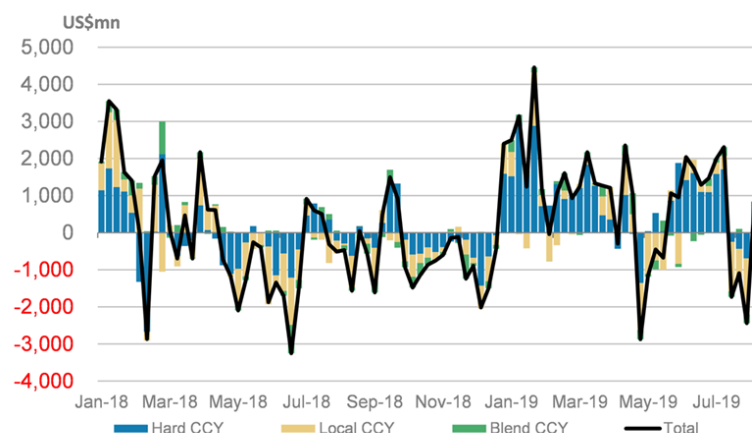
Source: Bloomberg

## EM fund flows

**EM debt-dedicated funds saw inflows of \$801 mn in the week through August 28, after three weeks of outflows totaling \$5.3 bn.** Hard currency bonds were the main beneficiary with \$828mn of inflows, of which 78% coming from non-ETFs. Local currency on the other hand saw net outflows of \$39 mn, making it the fourth consecutive week of outflows but substantially more moderate than the prior week's -\$1.5 bn. Year-to-date performance currently stands at 13.3% and 6.5% for hard and local currency, respectively. Year-to-date flows stand at \$31.6 bn, out of which \$30.7bn were in hard currency.

**EM equity funds had the fifth week running of a \$2 bn+ outflow,** with the pickup of outflows driven by ETFs (-\$1.9 bn, from -\$1.1 bn) and Asia ex Japan regional funds.

EM debt-dedicated funds saw inflows of US\$801 million

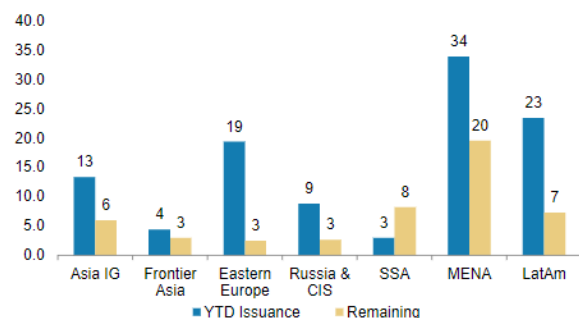


Source: EPFR, Morgan Stanley Research

## EM issuance

**Hard currency sovereign issuance fell close to zero in August, in line with previous years.** The main highlight was a \$863 mn Samurai issuance from the Philippines. Year-to-date sovereign issuance is now at \$120 bn, compared to \$125 bn during the same period last year. Looking ahead, Morgan Stanley estimates financing needs of \$22 bn and \$27.9 bn remain to be fulfilled across IG and HY sovereigns, respectively. By region, MENA is estimated to have the largest issuance remaining to be fulfilled in the rest of the year, mainly from UAE. Asia IG, Latin America and Sub-Saharan Africa each have about \$7-8 bn left to be issued.

**Exhibit 6:** Progress on 2019 sovereign issuance needs (US\$ billion)



Source: Bond Radar, Bloomberg, Morgan Stanley Research



## Asia

**Asian emerging-market currencies weakened against the dollar, extending their August losses, amid ongoing trade tension between the U.S. and China.** With the U.S. and China struggling to agree on a schedule for their planned September meeting, the onshore CNY had underperformed its Asian peers, losing 3% in August. On the day, the RMB extended its losses, with the onshore CNY losing another 0.1%. Elsewhere, the **Indian rupee depreciated by 1.2% on the day, underperforming others following the release of soft Q2 GDP.** Data from last Friday showed Q2 GDP rose 5%, yoy, lower than expected amid broad-based softness in activities. At INR 72.25/dollar, the rupee fell to its weakest level for the year and has raised concerns about potential capital outflows. In **Korea**, the won depreciated by 0.4%, its biggest single-day loss in more than a week after it registered record-low inflation in August. The August CPI was unchanged on a 12-month basis, its lowest since 1964 though the Bank of Korea indicated expectations for inflation to rebound later in the year.

## China

**PBC's CNY fixings suggest a possible new line in the sand for the RMB.** The RMB depreciated further from its August levels as China and the U.S. struggled to set a date for its September trade talks after Washington rejected Beijing's request to delay the tariffs that took effect over the weekend. The onshore CNY depreciated 0.1% to CNY 7.175/dollar, its weakest level since February 2008. The offshore CNH depreciated as much as 0.5% overnight, inching closer to the CNH 7.2 per dollar level, before reversing losses to end the day little changed. The PBC has set its daily fixing for the CNY at a level stronger than the previous day's closing for a 10th consecutive day (see chart); contacts noted that this pattern suggests that the RMB 7.2/dollar level could be the new threshold beyond which it could see sizable PBC resistance. Although volatility in recent weeks has stabilized somewhat, analysts expect the RMB to weaken further over time. A survey of selected market contacts suggests expectations for the CNY to depreciate to the range of 7.2 to 7.4 CNY/dollar by year-end.

### Show of Strength

China keeps yuan fix stronger than 7.1 even as traders push currency to new lows



Source: Bloomberg, CFETS

CNY Currency (China Renminbi Spot) cny vs fixing Daily 03SEP2018-03SEP2019

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## India

**Markets responded negatively to planned consolidation of state-owned bank sector.** The Indian government on Friday announced plans to merge 10 of the remaining state-owned ("PSU") banks into four institutions, taking the total number of PSU banks to 12 (from 27 at the end of FY2017). This initiative is intended to facilitate balance sheet cleanups as Indian banks continue to address a prolonged cycle of elevated corporate defaults and bank provisions. Because the cycle has depleted many banks' capital, the consolidating entities will also receive a large portion of the government's announced INR 700 bn PSU recapitalization plan. In addition, the government has taken care to combine banks with similar information

technology platforms. Nonetheless, past mergers (for example, those involving State Bank of India and Bank of Baroda) have triggered large earnings hits as the combined entity aligns the recognition of non-performing assets, pension and tax provisioning; and the market has responded negatively to this restructuring plan. The four 'core' banks of the merged entities – Punjab National Bank (-8.5%), Canara Bank (-10.1%), Union Bank of India (-9%) and Indian Bank (-11.2%) – all saw share prices decline on Tuesday, the first trading day after the announcement.

## Argentina

**On Sunday, authorities introduced capital flow management (CFMs) measures to stem the decline in reserves.** After an acceleration in the decline of foreign reserves on Friday, when reserves fell by \$2 bn (and down \$12 bn to \$54 bn since the primaries on August 11), the government announced extensive CFM outflow restrictions ([Decree 609/2019](#) and [BCRA communication](#)). Additionally, last Wednesday following an unsuccessful auction to roll over maturing bills, the government implemented through a decree a **mandatory re-profiling of short-term Treasury bills** held by institutional investors. Authorities also stated a desire to re-profile maturities of foreign and local law bonds in a voluntary manner. Given the upcoming election on October 27, analysts expect that any negotiations with bondholders on a debt exchange will have to wait until a new government is in place. On Monday, the peso traded stronger closing at 56.01 vs. the dollar (from 59.51 last Friday) in a slow session due to the US holiday, with local banks adjusting positions to comply with the new regulations.

**Exhibit 1: Argentina CDS gapped 2700bp wider following the PASO results**

5y CDS spread, bp



Source: J.P. Morgan.

**Exhibit 2: The ARS has weakened 22% versus the dollar since the PASO results**

USD/ARS



Source: J.P. Morgan.

## Mexico

**Pemex dollar bond spreads tightened by 40 bps at the end of last week after the FT reported that the president is re-considering his opposition to joint ventures with the private sector.** Despite the tightening, spreads remain elevated as market participants are skeptical that any change is imminent. The

### Comeback

Pemex 30-year spreads fell after news that AMLO may reconsider energy reform



Source: Bloomberg

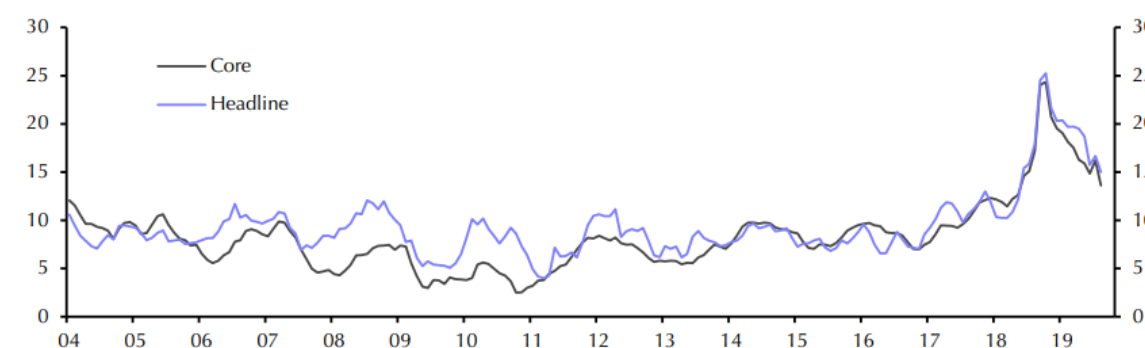
FT article only mentioned "senior officials" as a source and a subsequent article in Dow Jones quoted two officials saying that the president had not yet changed his position and was unlikely to shift in the short term. Analysts highlight that the restart of joint ventures remains the most tangible option for the government in order to square its conflicting objectives of unrealistic oil production figures and prudent fiscal stance that leaves insufficient resources to the public sector for investment in the upstream sector.

## Turkey

**August inflation dropped more than expected, raising prospects of further policy rates cuts.**

Turkey's headline CPI came in at 15% and core at 13.6%, compared to expectations of 15.6% and 14.7%, respectively. The fall in inflation was broad-based, with many analysts noting weakening economic sentiment and anticipating a rate cut of about 200-250 bps at next week's central bank meeting. The lira strengthened 0.5% to the dollar today and stocks advanced 0.8%.

Chart 1: Turkey Consumer Prices (% y/y)



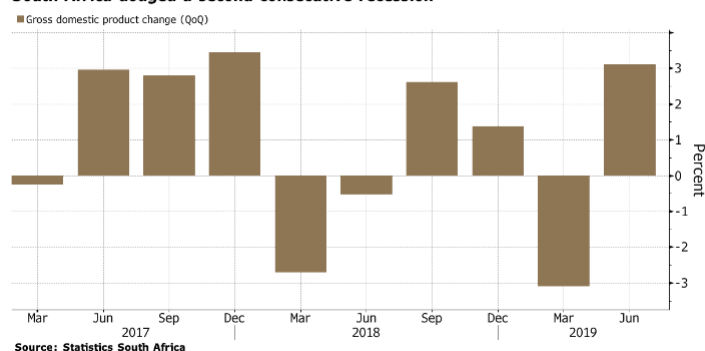
Sources: Refinitiv, Capital Economics

## South Africa

**South Africa's GDP growth beat expectations, recovering mainly due to base effects.** GDP for 2019Q2 came in at 3.1% q/q, saar, compared to a 2.5% forecast and -3.2% in Q1. Analysts noted that the surge in growth reflected statistical base effects as well as the stabilization of energy supply following severe blackouts during Q1. The SARB expects growth to be around 0.6% y/y in 2019. The rand gained 0.5% vs. the dollar this morning, while equities are about 0.6% lower.

### Economic Recovery

South Africa dodged a second consecutive recession



Source: Statistics South Africa

## List of GMM Contributors

*Global Markets Analysis Division, MCM Department*

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<b>Anna Ilyina</b> <i>Division Chief</i>	<b>David Jones</b> <i>Senior Financial Sector Expert</i>	<b>Robin Koepke</b> <i>Economist</i>
<b>Peter Breuer</b> <i>Deputy Division Chief</i>	<b>Sanjay Hazarika</b> <i>Senior Financial Sector Expert</i>	<b>Thomas Piontek</b> <i>Financial Sector Expert</i>
<b>Will Kerry</b> <i>Deputy Division Chief</i>	<b>Juan Solé</b> <i>Senior Economist</i>	<b>Jochen Schmittmann</b> <i>Economist</i>
<b>Evan Papageorgiou</b> <i>Deputy Division Chief</i>	<b>Jeffrey Williams</b> <i>Senior Financial Sector Expert</i>	<b>Ilan Solot</b> <i>Financial Sector Expert</i>
<b>Sergei Antoshin</b> <i>Senior Economist</i>	<b>Akihiko Yokoyama</b> <i>Senior Financial Sector Expert</i>	<b>Martin Edmonds</b> <i>Senior Data Mgt Officer</i>
<b>John Caparusso</b> <i>Senior Financial Sector Expert</i>	<b>Dimitris Drakopoulos</b> <i>Financial Sector Expert</i>	<b>Yingyuan Chen</b> <i>Senior Research Officer</i>
<b>Sally Chen</b> <i>Senior Economist</i>	<b>Rohit Goel</b> <i>Research Officer</i>	<b>Piyusha Khot</b> <i>Research Assistant</i>
<b>Fabio Cortés</b> <i>Senior Economist</i>	<b>Tryggvi Gudmundsson</b> <i>Economist</i>	<b>Xingmi Zheng</b> <i>Research Assistant</i>
<b>Mohamed Jaber</b> <i>Senior Financial Sector Expert</i>	<b>Henry Hoyle</b> <i>Financial Sector Expert</i>	

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## Global Financial Indicators

Last updated: 9/3/19 7:40 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
United States		2926	0.0	3	0	1	17
Europe		3419	-0.4	1	1	1	14
Japan		20625	0.0	1	-2	-9	3
China		2930	0.2	1	2	8	17
Asia Ex Japan		65	0.3	2	-1	-9	3
Emerging Markets		40	-1.0	3	-1	-7	3
<b>Interest Rates</b>			basis points				
US 10y Yield		1.49	0.0	2	-36	-137	-119
Germany 10y Yield		-0.72	-1.9	-3	-23	-105	-96
Japan 10y Yield		-0.28	-1.8	-2	-12	-40	-29
UK 10y Yield		0.38	-3.7	-12	-17	-103	-90
<b>Credit Spreads</b>			basis points				
US Investment Grade		134	0.6	3	16	31	-13
US High Yield		482	0.9	-8	47	138	-39
Europe IG		50	0.9	0	-7	-18	-37
Europe HY		257	4.8	-8	-29	-41	-96
EMBIG Sovereign Spread		354	1.0	-18	16	-17	-60
<b>Exchange Rates</b>			%				
USD/Majors		99.29	0.4	1	1	4	3
EUR/USD		1.09	-0.3	-1	-2	-6	-5
USD/JPY		106.1	0.1	0	0	5	3
EM/USD		59.7	0.1	0	-3	-2	-4
<b>Commodities</b>			%				
Brent Crude Oil (\$/barrel)		58	-1.5	-3	-7	-26	7
Industrials Metals (index)		114	-0.8	2	2	-4	4
Agriculture (index)		37	-0.4	-1	-5	-13	-11
<b>Implied Volatility</b>			%				
VIX Index (% change in pp)		20.6	1.6	1.3	3.0	7.7	-4.8
10y Treasury Volatility Index		5.3	0.1	-0.3	0.4	1.6	0.7
Global FX Volatility		8.1	0.0	0.1	0.8	-0.7	-0.8
<b>EA Sovereign Spreads</b>			10-Year spread vs. Germany (bps)				
Greece		233	1.9	-18	-20	-178	-182
Italy		162	-4.6	-21	-41	-121	-88
Portugal		85	1.1	4	6	-73	-63
Spain		83	0.2	6	9	-29	-34

Colors denote **tightening**/**easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations.

Data source: Bloomberg.

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## Emerging Market Financial Indicators

Last updated: 9/3/2019 8:06 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		7.18	-0.1	-0.2	-2	-5	-4		3.1	1.8	1	-5	-46	-9
Indonesia		14228	-0.2	0.2	0	4	1		7.4	-0.9	8	-13	-79	-71
India		72	-1.4	-1.3	-2	-2	-4		6.7	0.0	3	8	-141	-73
Philippines		52	-0.5	-0.1	-1	2	0		4.4	0.0	0	-15	-154	-192
Thailand		31	-0.1	-0.3	0	7	6		1.5	-0.7	-2	-37	-131	-113
Malaysia		4.22	-0.4	-0.4	-1	-2	-2		3.3	0.0	-1	-24	-72	-76
Argentina		56	6.2	-1.3	-20	-31	-33		58.6	2.2	516	2794	3385	3555
Brazil		4.19	-1.0	-0.7	-7	-1	-7		6.9	5.7	11	21	-354	-128
Chile		725	-0.4	-0.7	-2	-6	-4		2.7	0.0	1	-15	-205	-174
Colombia		3459	-0.5	-0.4	-2	-12	-6		5.8	4.8	9	12	-77	-73
Mexico		20.09	0.3	-0.5	-2	-4	-2		7.1	0.6	-4	-41	-79	-158
Peru		3.4	-0.1	-0.7	-1	-3	-1		4.4	-0.2	-1	-20	-113	-134
Uruguay		37	-0.5	-0.9	-6	-12	-12		11.2	0.0	11	136		49
Hungary		302	-0.2	-1.8	-4	-7	-7		1.0	0.0	-2	-16	-147	-117
Poland		3.99	-0.5	-1.2	-3	-8	-6		1.7	0.8	-5	-14	-87	-57
Romania		4.3	-0.4	-1.3	-2	-8	-6		3.7	-1.0	0	-17	-65	-58
Russia		67.0	-0.4	-0.9	-2	2	4		6.9	-3.0	-13	-35	-149	-150
South Africa		15.1	0.7	1.1	-2	-2	-5		9.3	-6.1	-8	-9	-22	-27
Turkey		5.76	0.7	1.1	-3	15	-8		15.4	-36.2	-100	16	-853	-144
US (DXY; 5y UST)		99	0.4	1.3	1	4	3		1.37	-1.3	0	-28	-136	-114

	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		2930	0.2	1	2	8	17		187	1	4	5	2	-7
Indonesia		6262	-0.5	0	-1	5	1		187	6	-7	-1	-3	-49
India		36563	-2.1	-2	-1	-5	1		139	3	-4	6	-21	-57
Philippines		7805	-1.4	1	-4	0	5		83	2	-8	1	-25	-38
Malaysia		1592	-1.3	-1	-2	-13	-6		124	1	-2	5	-12	-38
Argentina		26195	6.4	1	-37	-9	-14		2594	61	591	1761	1823	1779
Brazil		100626	-0.5	4	-2	32	14		243	2	-1	26	-95	-30
Chile		4772	-0.7	3	-2	-9	-7		135	1	-4	3	-5	-31
Colombia		1561	0.1	3	1	2	18		181	2	-11	-8	-3	-47
Mexico		42108	-1.2	5	5	-15	1		334	1	-25	-4	53	-20
Peru		19280	0.9	3	-2	-1	0		123	1	-6	-4	-25	-45
Hungary		39162	-1.4	0	-3	6	0		107	2	-6	-4	-17	-41
Poland		56069	-1.6	0	-4	-7	-3		40	2	-1	-8	-22	-45
Romania		9260	0.0	0	2	11	25		212	2	0	29	32	-9
Russia		2765	-0.3	4	3	18	17		205	-3	-11	-6	-30	-47
South Africa		54616	-0.3	1	-3	-7	4		321	2	-12	3	-15	-44
Turkey		99278	1.0	2	0	6	9		520	-7	-14	45	-78	91
Ukraine		528	0.0	0	-2	0	-6		495	-9	-41	5	-109	-292
EM total		40	-0.8	3	-1	-7	3		354	1	-18	16	-17	-60

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

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