Positive credit rating momentum continues in EM

By Gustavo Medeiros and Ben Underhill

- US Fed's 50bp cut led to risk rally last week.
- Major escalation of conflict between Israel and Hezbollah.
- Dovish moves from Chinese central bank.
- Sri Lanka elect left-wing President, sparking concerns over IMF programme.
- Brazil hike 25bp.
- Milei announces Argentina's 2025 budget.
- Credit rating upgrades in: Costa Rica, Croatia, Iceland, Mongolia, Tunisia.

Contents	Page

Last Week Performance and Comments

EM Debt	Yield	Change (bp)	Spread	5 day Change
GBI-EM GD	6.11%	-3	–	1.1%
GBI-EM FX Spot	–	–	–	0.8%
ELMI+	6.37%	-20	–	0.6%
EMBI GD	7.52%	1	373 bps	0.6%
EMBI GD ex-default	6.56%	-9	277 bps	0.6%
EMBI GD IG	5.11%	-1	123 bps	0.2%
EMBI GD HY	10.47%	-21	676 bps	1.1%
EMBI HY ex-default	7.99%	-18	428 bps	1.1%
CEMBI BD	6.38%	-4	273 bps	0.4%
CEMBI BD IG	5.21%	-1	157 bps	0.2%
CEMBI BD HY	8.04%	-9	439 bps	0.7%

EM Equity*	PE 1yr BF	5 day Change
MSCI EM	11.8	2.3%
MSCI EM ex-China	13.3	1.5%
MSCI EMEA	10.4	2.3%
MSCI Latam	9.3	-1.0%
MSCI EM Asia	12.5	2.7%
MSCI China	8.8	4.6%
MSCI India	24.3	1.7%
MSCI EM Growth	16.2	2.5%
MSCI EM Value	9.1	2.0%
MSCI EM Small Cap	13.8	1.3%
MSCI Frontier	8.9	0.0%

Comments

- EM local assets outperformed, with EMFX returning 0.8% after the Fed's 50bp rate cut.
- EM HY performed well in both the sovereign and corporate markets with yields coming down in a 'risk-on' move, post the Fed decision.
- EM equities also outperformed both MSCI ACWI and S&P 500 in a very positive 2.3% move.

Global Debt	Yield	Change (bp)	Spread	5 day Change
2yr UST	3.60%	1	–	0.1%
5yr UST	3.50%	7	–	-0.1%
10yr UST	3.74%	9	–	-0.5%
30yr UST	4.09%	10	–	-1.2%
10yr Germany	2.21%	6	–	-1.2%
10yr Japan	0.85%	0	–	-0.7%
Global Agg.***	3.32%	4	38 bps	-0.2%
US Agg. IG***	4.67%	-1	86 bps	-0.2%
EU Agg. IG***	3.34%	-1	82 bps	-0.3%
US Corp HY***	6.98%	-20	301 bps	0.8%
EU Corp HY***	6.46%	-12	363 bps	0.5%

Global Backdrop*	PE 1yr BF	5 day Change
MSCI ACWI	17.9	1.3%
MSCI World (DM)	19.0	1.2%
S&P 500	21.6	1.4%
VIX Fut.**	18.0%	1.3%
DXY Index**	100.7	-0.4%
EUR*	1.116	0.8%
JPY*	143.9	-2.0%
CRY Index**	282.4	3.1%
Brent**	74.5	4.0%
Gold**	2,622	1.7%
Bitcoin**	63,219	3.8%

Comments

- US Treasury curve bear steepened with the 10Y selling off 9bp, and the 2Y selling off just 1bp.
- Dollar index retreated 0.4% after Fed cut.
- Commodities and Bitcoin had a strong week, reflective of 'risk-on' sentiment.

Source & Notations: See end of document.

Ashmore

Global Macro

The US Federal Reserve (Fed) made a bold move on Wednesday, cutting rates by 50 basis points (bps) marking the first easing cycle in over four years. This decision appears to be a form of "soft landing insurance" as the Fed aims to sustain the current strength of the economy. Despite the rate cut, there was no indication from the Fed that a series of continued 50 bps cuts is likely, reflecting confidence in the robust economy, which they want to "keep strong". Growth projections remain unchanged, with the Fed's dot plot showing rates between 4.25% and 4.5% by the end of the year.

Most members of the Federal Open Market Committee (FOMC) now see the risks to unemployment as skewed to the upside, while they view inflation risks as "balanced". Economic forecasts have been slightly adjusted, with the 2025 core Personal Consumption Expenditures (PCE) inflation projection lowered from 2.3% to 2.1%, and the unemployment rate revised upward from 4.2% to 4.4%.

Historical context reveals that the last time the Fed cut rates by 50 bps, in 2001 and 2007, the S&P 500 fell by 35% within 12-18 months. However, unlike 2007, we are not in the middle of a credit bubble. The index level price to earnings valuation today is similar to 2001, at around 22x. What differs though is the price/earnings-to-growth (PEG) ratio is lower at 2.2 compared to 4.4 in 2001, suggesting these valuations are backed by better growth expectations. Nonetheless, elevated earnings expectations could still pose a risk of disappointment.

Historically, "soft cuts," such as those seen in 1984, 1995, and 2019, when the Fed cuts into a "soft landing," have been positive for both stocks and bonds. In these instances, the S&P 500 typically rose by 10% within six months of the first cut, while the 10-year US Treasury yield fell by 56 basis points in the same period. History therefore suggests the current easing cycle could provide a supportive backdrop for financial markets if economic conditions remain favourable. On the other hand, "hard cuts" – rate cuts made during more severe economic downturns – as observed in 1973, 1974, 1980, 1981, 1989, 2001, and 2007 are negative for stocks, with the S&P 500 typically dropping by 6% within three months, while the 10-year Treasury yield declined by 38 bps over the following six months on average.

Geopolitics

Israeli Defence Minister Yoav Gallant has said a "new phase of war" has begun, after two waves of exploding telecommunications devices in Lebanon early last week, first pagers then walkie-talkies According to two sources, including a senior Lebanese security official, Israel rigged 5,000 devices with explosives after intercepting a Hezbollah order from a Taiwanese company. The intention for switching to these low-tech devices in the first place was to replace smartphones with devices Israel couldn't hack and track.

Ibrahim Aqil, leader of the Radwan Force, a special unit tasked with cross-border attacks on Israel, was killed alongside more than 12 senior commanders in an air strike on Friday. Hezbollah has been launching c. 150 rockets daily into Israel since Friday. Israeli Defence Force (IDF) Chief of Staff Herzi Halevi said: "Hezbollah will keep getting hit until [the c. 60k] people [evacuated from northern Israel] return to their homes." Mohammed Bin Salman, Crown Prince and Prime Minister of Saudi Arabia, said this week that Saudi will have no ties with Israel without a Palestinian State.

Commodities

Commodity prices rose by 3.1% last week as Brent futures rose by 4.0% and gold +1.7% to 2,622. The reversal was caused by extreme bearish position in some markets, including oil, coming against a backdrop of better economic data, a 50bps cut by the FOMC, and very low inventories (oil).

Ashmore

EM Asia

Economic data

Indonesia cut rates; Taiwan hiked RRR; Indian gold imports surged.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
China	1-Year Loan Prime Rate	Sep-20	3.35%	3.35%	3.35%	• 14-day reverse repo cut by 10bpt to 1.85%. Followed by a rare brief this morning.
	5-Year Loan Prime Rate	Sep-20	3.85%	3.85%	3.85%	
India	Exports (YoY)	Aug	-9.3%	–	-1.5%	• Stagnation in non-oil exports reflects slower demand in US and Europe.
	Wholesale Prices (YoY)	Aug	1.3%	1.8%	2.0%	
	Imports (YoY)	Aug	3.3%	–	7.5%	
	Trade Deficit (USD)	Aug	-29,643m	-22,800m	-23,497m	• Record gold imports (USD 10bn) widen deficit.
Indonesia	BI-Rate	Sep-18	6.00%	6.25%	6.25%	• Cut due to low inflation, stabilising IDR the BI view of "bigger and faster" Fed cuts, and the need to support domestic demand.
	Imports (YoY)	Aug	9.5%	9.3%	11.1%	
	Exports (YoY)	Aug	7.1%	4.1%	6.6%	
	Trade Balance (USD)	Aug	2,900m	1,930m	500m	• Higher exports to China and the US.
Malaysia	Trade Balance (MYR)	Aug	5.67bn	10.80bn	6.40bn	• Imports rose driven by capital and int. goods. LNG and oil exports slowed, but tech exports remain robust.
	Exports (YoY)	Aug	12.1%	11.8%	12.3%	
	Imports (YoY)	Aug	26.2%	21.2%	25.4%	
Taiwan	CBC Benchmark Interest Rate	Sep-19	2.00%	2.00%	2.00%	• Hiked RRR and tightened credit controls to cool the housing market.
	Money Supply M2 avg (YoY)	Aug	5.80%	–	6.20%	

Source information is at the end of the document.

Commentary

China: China cut its 14-day repo rate on Monday, aligning it with the seven-day repo rate that was last reduced in July. The seven-day repo rate currently serves as the de-facto reference rate in Chinese monetary policy. People's Bank of China (PBoC) Governor Pan Gongsheng has pledged to "continue to maintain an accommodative monetary policy stance and enhance precision of monetary policy adjustments." However, the PBoC finds itself in a challenging position, caught between the need to stimulate a struggling economy and the risks associated with further rate cuts. Despite deflationary pressures and weakened consumer sentiment, the central bank has been hesitant to cut rates too aggressively due to concerns over banks already depressed net interest margins (NIMs) and the risk of capital outflows. It is an important dynamic to understand that the issue of limited credit expansion in China is not solely a matter of demand; it also reflects supply-side challenges within the banking sector.

Mongolia: Fitch Ratings recently upgraded Mongolia's credit rating to B+, its highest level for a decade. The upgrade reflects significant reductions in both public and external debt burdens, driven by the strong performance of the mining sector. The mining sector's success has allowed Mongolia to build up larger foreign exchange (FX) reserves, further stabilising the country's financial outlook.

Philippines: The Bangko Sentral ng Pilipinas (BSP) cut the reserve requirement ratio (RRR) for large banks by 250bps, bringing it down to 7.00%. This move will initially inject PHP 450bn into the Philippine economy. BSP Governor Felipe Medalla indicated that another substantial RRR cut is planned for next year, with a goal of reducing the RRR further to 5%. This strategic easing of reserve requirements aims to boost liquidity and support economic growth

South Korea: Exports rose by a business-adjusted yoy rate of 18% in the first 20-days of September, the same level as the previous month, led by strong semiconductor sales.

EM Asia (continued)

Sri Lanka: Anura Kumara Dissanayake, a neo-Marxist outsider candidate, has won the Sri Lankan presidency, delivering the nation's biggest political upset since independence from Britain and throwing fresh doubt on its fragile IMF-backed debt restructuring. After a hectic five-week campaign, the 55-year-old leftist beat incumbent President Ranil Wickremesinghe, who took power in 2022 after the country defaulted on its foreign debt and its leader Gotabaya Rajapaksa fled.

Dissanayake emerged as the frontrunner early on Sunday, winning 42 per cent of the votes when they were first counted. The ballot went to a second count between the top two contenders — him and Premadasa — because of rules that allow voters to give second and third choices. These are considered if the top candidate's support is under 50 per cent. After the second count, Dissanayake emerged as the clear winner, with a final tally of 5,740,179 votes and Premadasa on 4,530,902.

Ashmore

Latin America

Economic data

Shock therapy has driven GDP lower in Argentina, Brazil hiked rates.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Argentina	GDP (YoY)	2Q	-1.7%	-1.4%	-5.2%	• GDP lowest since pandemic, the cost of Milei's shock therapy.' Exports a bright spot, due to better crop yields after drought last year.
	Unemployment Rate	2Q	7.6%	–	7.7%	
	Budget Balance (ARS)	Aug	899,660m	–	908,253m	
	Trade Balance (USD)	Aug	1,963m	1,400m	1,575m	
Brazil	Selic Rate	Sep-18	10.75%	10.75%	10.50%	• Hawkish statement to control inflation expectations amidst tight labour market conditions.
	Tax Collections	Aug	201,622m	203,500m	231,044m	
Colombia	Retail Sales (YoY)	Jul	1.6%	2.8%	1.5%	
	Manufacturing Production (YoY)	Jul	2.0%	-1.1%	-4.9%	
	Trade Balance (USD)	Jul	-6,17.0m	-280.0m	-582.9m	• Wider deficit as imports rise more sharply.
Mexico	CPI (YoY)	Aug	5.0%	5.1%	5.6%	• Inflation remains well above 3% (+/- 1) target however, downwards momentum and Fed cut should give Banxico space to keep cutting.
	CPI Core (MoM)	Aug	0.2%	0.2%	0.3%	
	Industrial Production NSA (YoY)	Jul	2.1%	0.8%	-0.7%	
Peru	Reference Rate	Sep-12	5.25%	5.25%	5.50%	• Cuts continue, now 250bp lower than last Sep.

Source information is at the end of the document.

Commentary

Argentina: Last week, Argentine President Javier Milei announced the 2025 budget on television. The punchline is that still, "no hay plata" ("there is no money"). Milei outlined his intention to "shackle the state" and launched a fierce attack on opposition lawmakers, whom he described as "miserable rats" betting against the country. His budget is ambitious, including significant public service cuts and targeting a primary surplus of 1.3% of GDP. The budget forecasts a dramatic economic turnaround with 5% GDP growth and inflation at 18% in in 2025, a stark contrast to the current projections of a 3.8% GDP contraction and 123% inflation for the same year. Inflation is currently running at 4.2% month-on-month, translating to an annualised rate of around 64% year-on-year. Milei also called on provincial administrations to implement an additional USD 60bn in spending cuts. He stated that any excess revenues compared with the budget's projections would be used to lower taxes.

Brazil: The Central Bank of Brazil raised the Selic policy rate by 25bps to 10.75%, the first hike in two years, and issued a somewhat hawkish statement, leaving the door open for a potential rate cut of 25 or 50bps at the next meeting. Tax collections have risen 11% year-over-year in real terms. However, there was a negative surprise regarding Q3 spending amendments, which are unlikely to be sufficient to contain the widening fiscal deficit. Meanwhile, Congress remains at a standstill as municipal elections approach in early October.

Colombia: The deadline for the economic committee in Congress to conclude the first debate on the budget is 25 September. If this deadline is missed, discussions will be taken to the plenary of the Senate and Lower House on 1 October, with a final approval deadline of 20 October. Should an agreement not be reached by this date, the executive branch would have the authority to approve the budget by decree. Rating agencies would be closely watching this scenario, as it could impact Colombia's fiscal credibility.

Costa Rica: Moody's upgraded Costa Rica's credit rating from B1 to Ba3, maintaining a positive outlook due to the country's strong fiscal profile and marked improvement in debt affordability. Stronger-than-expected GDP growth is helping reduce government debt ratios, positioning Costa Rica as a key beneficiary of nearshoring trends.

Latin America (continued)

Mexico: Mexican spreads have continued to tighten following the recent Federal Open Market Committee (FOMC) meeting. The upcoming policy decision by Banxico is drawing attention, with key data releases such as retail sales, bi-weekly CPI inflation, and the IGAE expected before the meeting, though these data points are not listed on next week's calendar. The reform of autonomous agencies is likely to be postponed until after 1 October, while for the remainder of September, focus may shift towards the reform of the National Guard, which would bring it under the Defence Ministry, and addressing rights for indigenous people.

Peru: Central Bank Chair Julio Velarde expressed confidence that inflation would remain within target, around 2.0% in September. The economy is projected to grow by 3.1% in 2024, although a rescue package for Petroperú, the Peruvian state-owned enterprise, is expected to cost 0.6% of GDP. Prime Minister Gustavo Adrianzén announced that new members of Petroperú's Board would be selected next week. S&P recently improved Petroperú's outlook to stable and affirmed its B rating, reflecting slightly improved confidence in the state-owned company's financial stability.

Ashmore

Central and Eastern Europe

Economic data

Croatia and Iceland sovereign ratings were upgraded by Fitch and Moody's.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Czech Republic	**PPI Industrial** (MoM)	Aug	-0.4%	-0.1%	0.6%	
	PPI Industrial (YoY)	Aug	1.1%	1.5%	1.7%	
Poland	**CPI Core** (MoM)	Aug	0.3%	0.3%	0.4%	• Poland's position as fastest growing EU econ. still solid, but weak external demand is affecting growth of its industrial output.
	CPI Core (YoY)	Aug	3.7%	3.8%	3.8%	
	Sold Industrial Output (MoM)	Aug	-5.2%	-3.8%	-3.0%	

Source information is at the end of the document.

Commentary

Croatia: The rating agency Fitch upgraded the long term sovereign rating to 'A-', bringing it in line with S&P and two notches above Moody's 'Baa2' rating. Robust economic growth, rising real wages and further integration into the eurozone since EMU accession in 2023 has lifted GDP per capita significantly. Real GDP is now 19% above its 2019 level. Debt has fallen from 63% of GDP in 2023 to 59% of GDP as of now and is forecast to continue declining in the coming years.

Iceland: The rating agencies Moody's upgraded the long-term sovereign rating to 'A1', the same level as S&P at 'A+' and a notch above Fitch's 'A'. The key driver is the improving fiscal metrics, with a sizeable budget deficit reduction and a clear downwards trend in government debt since 2020.

Ashmore

Central Asia, Middle East & Africa

Economic data

Inflation sliding further in Egypt and Türkiye.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Egypt	Trade Balance	Jul	-4,600.0m	–	-2,870.0m	
	Urban CPI (YoY)	Aug	26.2%	–	25.7%	• Inflation pickup persists in Egypt, spillover from cuts to fuel subsidies.
	CPI Core (YoY)	Aug	25.1%	–	24.4%	
Nigeria	CPI (YoY)	Aug	32.2%	32.2%	33.4%	• Inflation expectations still very elevated no rate change likely for coming month.
	Current Account Balance (USD)	2Q	–	–	2.7bn	
South Africa	SARB Interest Rate	Sep-19	8.00%	8.00%	8.25%	• 25bp cut as expected, inflation expectations now lower, and inflation back to the centre of the 3%-6% target band.
	CPI (YoY)	Aug	4.4%	4.5%	4.6%	
	CPI (MoM)	Aug	0.1%	0.2%	0.4%	
	CPI Core (MoM)	Aug	0.0%	0.2%	0.3%	• Other African CB's likely to follow suit in next meetings, such as Ghana and Morocco.
	Retail Sales Constant (YoY)	Jul	2.0%	2.8%	4.1%	
	Retail Sales (MoM)	Jul	-0.2%	0.1%	1.6%	
	Manufacturing Prod NSA (YoY)	Jul	1.7%	0.9%	-5.5%	• Manufacturing production recovery will be supported by lower rates.
	Manufacturing Prod SA (MoM)	Jul	2.1%	1.2%	-0.4%	
Türkiye	One-Week Repo Rate	Sep-19	50.0%	50.0%	50.0%	• MPC removed reference to further tightening as the CBT will continue to use macroprudential and liquidity tools to support policy effectiveness.
	Industrial Production (MoM)	Jul	0.40%	–	-0.024	
	Industrial Production (YoY)	Jul	-3.90%	–	-0.05	
	Current Account Balance	Jul	0.57bn	0.60bn	0.33bn	

Source information is at the end of the document.

Commentary

Tunisia: Fitch Ratings recently upgraded Tunisia's credit rating by two notches to CCC+, reflecting increased confidence in the country's strengthened external position. This improvement suggests Tunisia's FX reserves are now at a level sufficient to meet its external payments and debt obligations, bolstered in part by lower current account deficits. Despite these positive developments, Tunisia faces substantial upcoming obligations, including a USD 1bn Eurobond maturing in January 2025 and a EUR 700m bond maturing in July 2026.

Public debt in Tunisia is expected to remain high, exceeding 80% of GDP, with local banks anticipated to continue financing most of this debt. State-owned banks, in particular, are expected to take on a larger share of the burden. President Kais Saied, whose governance Fitch notes as a strength, is widely expected to secure re-election for a second term on 6 October. Despite the high debt levels, the improved credit rating reflects some optimism about Tunisia's ability to manage its financial challenges.

Ashmore

Developed Markets

Economic data

Fifty by the Fed, BOE and BOJ unchanged on a more *careful* stance.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Eurozone	**CPI** (MoM)	Aug F	0.1%	0.2%	0.2%	• Cost pressures continuing to ease in Eurozone. No surprise on the final release.
	CPI (YoY)	Aug F	2.2%	2.2%	0.0%	
	CPI Core (YoY)	Aug F	2.8%	2.8%	2.8%	
Japan	**Tertiary Industry Index** (MoM)	Jul	1.4%	0.9%	-1.2%	• CPI ticks up, however rates held as BOJ chief also signalled an October hike is unlikely.
	Natl CPI (YoY)	Aug	3.0%	3.0%	2.8%	
	BOJ Target Rate	Sep-20	0.3%	0.3%	0.3%	
	Core Machine Orders (MoM)	Jul	-0.1%	0.5%	2.1%	• Recent yen strength is limiting upside risk to prices, however the currency sold off after the rate decision.
	Exports (YoY)	Aug	5.6%	10.6%	10.2%	
	Imports (YoY)	Aug	2.3%	15.0%	16.6%	
UK	**Bank of England Bank Rate**	Sep-19	5.00%	5.00%	5.00%	• Governor Bailey said *"need to be careful not to cut too fast or by too much"*, but "should be able to reduce rates gradually over time".
	CPI (YoY)	Aug	2.2%	2.2%	2.2%	
	CPI Core (YoY)	Aug	3.6%	3.6%	3.3%	
	CPI (MoM)	Aug	0.3%	0.3%	-0.2%	• Pick up in retail sales notable, reflective of real wage growth. Sentiment indicators weak.
	Retail Sales Ex Auto Fuel (YoY)	Aug	2.5%	1.1%	1.4%	
United States	**FOMC Rate Decision**	Sep-18	5.00%	5.25%	5.50%	
	Retail Sales Ex Auto (MoM)	Aug	0.1%	0.2%	0.4%	• Consumer growth weakening mom, but a recovery in industrial production and some strength in housing market perhaps due to lower rates bringing confidence into more capital intensive areas of the economy.
	Industrial Production (MoM)	Aug	0.8%	0.2%	-0.9%	
	MBA Mortgage Applications	Sep-13	14.2%	–	1.4%	
	Housing Starts	Aug	1,356k	1,318k	1,237k	
	Building Permits	Aug	1,475k	1,410k	1,406k	
	Initial Jobless Claims	Sep-14	219k	230k	230k	• Jobs data more benign than expected, falling to lowest since May.
	Continuing Claims	Sep-07	1,829k	1,850k	1,850k	

Source information is at the end of the document.

Commentary

United Kingdom: Public debt hit 100% of GDP in August, with the government borrowing GDP 13.7bn, the highest on record, apart from the pandemic.

Ashmore

Benchmark Performance

Emerging Markets	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI EM	0.8%	2.7%	10.4%	16.9%	-1.6%	4.1%
MSCI EM ex-China	0.5%	3.1%	11.8%	23.2%	2.9%	7.9%
MSCI EMEA	0.8%	5.5%	8.3%	16.1%	-5.6%	-0.2%
MSCI Latam	-0.5%	3.1%	-13.1%	-2.5%	6.8%	1.8%
MSCI Asia	1.3%	3.1%	13.1%	18.6%	-1.8%	4.7%
MSCI China	1.7%	1.3%	6.1%	1.5%	-11.4%	-3.8%
MSCI India	2.1%	7.3%	25.4%	38.8%	11.7%	16.7%
MSCI EM Growth	1.5%	3.2%	12.0%	18.1%	-4.4%	3.8%
MSCI EM Value	-0.1%	2.1%	8.7%	15.6%	1.5%	4.3%
MSCI EM Small Cap	0.7%	2.5%	9.7%	18.0%	4.0%	11.2%
MSCI Frontier	-0.8%	3.1%	9.2%	10.4%	-3.1%	3.3%
GBI-EM-GD	2.7%	8.3%	4.3%	10.5%	-0.1%	0.4%
GBI-EM China	1.6%	4.7%	5.8%	10.3%	1.5%	4.4%
EM FX spot	1.4%	4.1%	-1.3%	0.4%	-2.6%	-2.8%
ELMI+ (1-3m NDF)	1.3%	4.5%	3.1%	7.7%	0.7%	1.1%
EMBI GD	1.7%	6.0%	8.5%	16.1%	-1.0%	0.7%
EMBI GD IG	1.4%	5.8%	5.3%	11.7%	-3.5%	-0.5%
EMBI GD HY	1.9%	6.2%	11.7%	20.6%	1.6%	1.9%
CEMBI BD	1.0%	4.2%	8.2%	13.6%	0.8%	2.8%
CEMBI BD IG	1.1%	4.3%	6.5%	11.8%	-0.8%	1.3%
CEMBI BD HY	0.8%	4.0%	10.7%	16.2%	3.0%	4.7%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	0.5%	4.7%	16.6%	26.0%	7.0%	11.6%
MSCI World (DM)	0.5%	5.0%	17.3%	27.1%	8.1%	12.6%
S&P 500	1.1%	4.8%	20.8%	31.4%	11.1%	15.6%
DXY Index**	-1.0%	-4.9%	-0.6%	-4.4%	8.0%	2.2%
EUR*	1.0%	3.9%	-0.2%	2.4%	-3.1%	-1.1%
JPY*	1.6%	10.7%	-5.7%	-2.8%	-10.8%	-6.9%
CRY Index**	1.9%	-2.8%	7.0%	-1.3%	8.7%	11.6%
Brent**	-5.5%	-13.8%	-3.3%	-20.4%	0.3%	3.2%
Gold**	4.7%	12.7%	27.1%	34.7%	16.3%	14.6%
Bitcoin**	7.2%	2.8%	48.4%	137.7%	15.3%	104.7%
1-3yr UST	0.9%	3.0%	4.2%	7.1%	1.3%	1.5%
3-5yr UST	1.2%	4.4%	4.4%	8.8%	-0.4%	1.0%
7-10yr UST	1.7%	6.1%	4.4%	9.9%	-3.1%	-0.5%
10yr+ UST	2.7%	8.6%	3.1%	11.2%	-9.4%	-3.9%
10yr+ Germany	0.4%	3.4%	-1.9%	8.4%	-10.9%	-7.2%
10yr+ Japan	0.3%	2.4%	-4.3%	-3.6%	-5.5%	-3.9%
Global Agg.***	1.4%	6.7%	3.3%	10.1%	-3.6%	-0.9%
US Agg. IG***	1.6%	5.5%	4.7%	10.4%	-1.7%	0.5%
EU Agg. IG***	0.6%	3.1%	1.8%	7.7%	-3.7%	-2.1%
US Corp HY***	1.5%	5.1%	7.8%	14.5%	3.0%	4.6%
EU Corp HY***	0.7%	3.3%	6.6%	12.1%	2.1%	2.9%

Source and notations for all tables in this document: Source: Bloomberg, JP Morgan, Barclays, Merrill Lynch, Chicago Board Options Exchange, Thomson Reuters, MSCI. As at latest data available on publication date. *EMBI GD and EMBI GD HY Yield/Spread ex-default yields and spreads calculated by Ashmore. Defaulted EMBI securities includes: Ethiopia, Ghana, Lebanon, Sri Lanka, and Venezuela. **Price only. Does not include carry. ***Global Indices from Bloomberg. Price to Earnings: 12 months blended-forward. **Index Definitions:** **VIX Index:** Chicago Board Options Exchange SPX Volatility Index. **DXY Index:** The Dollar Index. **CRY Index:** Thomson Reuters/CoreCommodity CRM Commodity Index. Figures for more than one year are annualised other than in the case of currencies, commodities and the VIX, DXY and CRY which are shown as percentage change.

Explore Further Insights

Subscribe to our Insights

At Ashmore we want to keep you well informed and engaged on both the local and global macro events shaping our investments in Emerging Markets. By subscribing, you get notified as soon as we publish our content. **Find out more →**

Head office

Ashmore Investment Management Limited, 61 Aldwych, London, WC2B 4AE T: +44 (0)20 3077 6000

Local offices

Bogota
T: +57 1 316 2070

Dubai
T: +971 440 195 86

Dublin
T: +353 1588 1300

Jakarta
T: +6221 2953 9000

Mumbai
T: +9122 6269 0000

New York
T: +1 212 661 0061

Riyadh
T: +966 11 483 9100

Singapore
T: +65 6580 8288

Tokyo
T: +81 03 6860 3777

Other locations
Lima

Fund prices
www.ashmoregroup.com
Bloomberg
FT.com
Reuters
S&P
Lipper

www.ashmoregroup.com @AshmoreEM