

# Türkiye’s political shenanigans are back

By Gustavo Medeiros and Ben Underhill

- Uncertain over US reciprocal tariff due on 2 April remains, but recent news was more benign.
- Investors rotation from the US in early stages after Germany approved a historical policy shift.
- Türkiye intervened on TRY and tightened liquidity after political shock.
- Argentina posted another budget surplus and Brazil hiked rates by 100bps.
- Colombia replaced its finance minister as Petro struggles to pass his proposed legislation.
- Kuwait is preparing to allow its banks to sell mortgages for the first time.

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## Last Week Performance and Comments

EM Debt	Yield	Change (bp)	Spread	5 day Change	EM Equity*	PE 1yr BF	5 day Change	Comments
GBI-EM GD	6.39%	4	-	-0.5%	MSCI EM	12.3	1.1%	<ul style="list-style-type: none"> <li>• MSCI EM outperformed MSCI World, led by EM ex-China.</li> <li>• India led the rally in Asia, rising 6.4% last week. CEE saw profit taking.</li> <li>• EM Bonds marginally underperformed due to Türkiye.</li> <li>• EM LC bonds down 0.5% as the Dollar Index bounced to 104.</li> </ul>
GBI-EM FX Spot	-	-	-	-0.4%	MSCI EM ex-China	12.7	2.5%	
ELMI+	8.06%	162	-	-0.5%	MSCI EMEA	10.7	-0.4%	
EMBI GD	7.66%	0	337 bps	0.3%	MSCI Latam	8.7	1.2%	
EMBI GD ex-default	7.01%	-1	272 bps	0.3%	MSCI EM Asia	13.1	1.3%	
EMBI GD IG	5.68%	-6	131 bps	0.6%	MSCI China	11.5	-1.7%	
EMBI GD HY	9.99%	2	577 bps	0.1%	MSCI India	21.0	6.4%	
EMBI HY ex-default	8.29%	4	407 bps	0.1%	MSCI EM Growth	17.2	1.1%	
CEMBI BD	6.74%	-3	258 bps	0.3%	MSCI EM Value	9.4	1.2%	
CEMBI BD IG	5.57%	-5	141 bps	0.4%	MSCI EM Small Cap	13.6	1.9%	
CEMBI BD HY	8.32%	0	416 bps	0.2%	MSCI Frontier	9.2	0.7%	

Global Debt	Yield	Change (bp)	Spread	5 day Change	Global Backdrop*	PE 1yr BF	5 day Change	Comments
2yr UST	3.98%	-7	-	0.2%	MSCI ACWI	17.7	0.7%	<ul style="list-style-type: none"> <li>• US Treasury curve steepened as 2yr rallied 7bps and 30yr rose 3bps.</li> <li>• 10-year Bund yields dropped 11bps on profit taking, driving the EUR 0.7% lower.</li> <li>• Commodities rallied, led by oil.</li> </ul>
5yr UST	4.05%	-5	-	0.4%	MSCI World (DM)	18.6	0.7%	
10yr UST	4.29%	-1	-	0.6%	S&P 500	20.5	0.5%	
30yr UST	4.63%	3	-	0.7%	VIX Fut.**	18.8%	-2.0%	
10yr Germany	2.77%	-5	-	1.7%	DXI Index**	104.0	0.6%	
10yr Japan	1.55%	3	-	0.1%	EUR*	1.084	-0.7%	
Global Agg.***	3.65%	-5	33 bps	0.2%	JPY*	149.8	-0.4%	
US Agg. IG***	5.15%	-9	86 bps	0.5%	CRY Index**	305.8	1.0%	
EU Agg. IG***	3.31%	-9	79 bps	0.7%	Brent**	72.2	1.5%	
US Corp HY***	7.52%	-7	317 bps	0.4%	Gold**	3,025	0.9%	
EU Corp HY***	6.14%	-9	320 bps	0.5%	Bitcoin**	87,167	3.5%	

Source & Notations: See end of document.

## Global Macro

**Tariffs:** A recent Wall Street Journal article suggests a more targeted approach by the US administration regarding tariffs, which has slightly reduced market concerns related to tariff risks. The countries identified as particularly vulnerable to reciprocal tariffs include Australia, Brazil, Canada, China, the European Union (EU), India, Japan, South Korea, Mexico, Russia, and Vietnam.

A Deutsche Bank survey of global fund managers showed 62% of respondents anticipate the Trump administration will adopt a softer stance on tariffs than initially pledged. Overall, we still believe moderate tariffs will stick, but that the threat of more aggressive tariffs will remain. This may keep investors jittery as the US tries to extract concessions towards trade rebalancing, reciprocity, and national security concerns.

The same survey showed the perceived risk of a US recession within the next year is estimated at 43%. This is close to the back-tested even odds of the likelihood of a recession following a 10% market correction. We believe the odds of a recession have increased given the rising uncertainty of economy policies, but think there is not enough disruption to drive an economic recession yet.

Another global fund manager survey, by Bank of America, highlighted the second-largest drop in global growth expectations on record, the largest-ever reduction in US equity positions, and the most substantial increase in cash holdings since March 2020. However, investor actions contrast with those sentiments, as evidenced by last week's substantial inflows into global and US equities, marking the largest weekly inflows of 2025. Private clients at Bank of America also recorded significant stock purchases over the past two weeks. Despite recent global fund managers' rebalancing, overall asset allocations to US equities remain substantial, suggesting investors remain sensitive to negative developments.

The Federal Open Market Committee (FOMC) struck a balanced tone at its latest meeting, and Federal Reserve (Fed) Chairman Jerome Powell's remarks were taken as marginally 'dovish'. For the Fed, a one-off price increase because of a tax hike (tariffs) is less of an important consideration than its implications for the full employment side of the mandate. The Fed would struggle to be symmetrical in its approach, in our view, as aggressive tariffs would have an impact on growth that would be commensurate with higher inflation. If aggressive tariffs are a bargaining mechanism, the additional monetary policy volatility from a hike would threaten a deeper recession, which would violate the Fed's dual mandate.

Bank of Japan (BOJ) Governor Kazuo Ueda defended the central bank's quantitative easing policies in parliament, underscoring its commitment to achieving stable and sustainable inflation. These developments occur amid international scrutiny, with US President Donald Trump criticising Japan and China for currency devaluation practices, suggesting potential tariff implementations as a countermeasure.<sup>1</sup>

Deutsche Bank economists noted continued uncertainty over the scale and timing of Germany's fiscal expansion. Growth forecasts indicate real gross domestic product (GDP) growth of 1.5% in 2026 and 2.0% in 2027, despite a downward revision of 2025 estimates by 20 basis points (bps) to 0.3%. Deutsche Bank anticipates the current growth driven by deficit spending will diminish post-2027, unless significant productivity-enhancing investments and structural reforms are enacted. For investors too concentrated in US assets, the fact that the US has negative growth drivers (fiscal tightening) while European growth accelerates over the next few years is likely to be the most important consideration. The effectiveness of Germany's economic reforms may become a key concern towards the second half of 2027.

In **geopolitics**, tensions escalated following renewed Israeli military operations in Gaza after a ceasefire collapse. The US government reaffirmed its support for Israel, highlighting efforts toward hostage release and securing freedom of navigation in the Red Sea. Additionally, diplomatic engagement between Trump and Russian President Vladimir Putin led to a 30-day limited ceasefire agreement in Ukraine, halting attacks on energy infrastructure, with discussions ongoing about a more extensive ceasefire arrangement.

In commodities, Brent crude oil prices rose 2.1% to USD 72.3 per barrel, reaching their highest level since late February, influenced by new US sanctions on a Chinese refinery accused of purchasing Iranian oil. This development indicates potentially stricter enforcement of US sanctions against Iran.

<sup>1</sup> See – [https://www.reuters.com/markets/currencies/trump-says-japan-china-cannot-keep-reducing-value-their-currencies-2025-03-03/?utm\\_source=chatgpt.com](https://www.reuters.com/markets/currencies/trump-says-japan-china-cannot-keep-reducing-value-their-currencies-2025-03-03/?utm_source=chatgpt.com)

## EM Asia

### Economic data

Indian trade deficit narrowed as liquidity remains tight despite solid equity bounce.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
China	Industrial Production YTD (YoY)	Feb	5.9%	5.3%	-	• Industry remains resilient.
	Retail Sales YTD (YoY)	Feb	4.0%	3.8%	-	• Consumption picking up slowly, but still weak, more stimulus needed for it to rise faster.
	Fixed Assets Ex Rural YTD (YoY)	Feb	4.1%	3.2%	-	
	1-Year Loan Prime Rate	20-Mar	3.1%	3.1%	3.1%	• Property investment remains weak with confidence low. Home sales are improving a bit.
	Property Investment YTD (YoY)	Feb	-9.8%	-8.9%	-	
India	Wholesale Prices (YoY)	Feb	2.4%	2.3%	2.3%	• Indian trade deficit narrowed in February, as imports dropped -16% vs seasonal -6% av. due to weaker demand.
	Imports (YoY)	Feb	-16.3%	-	10.3%	
	Exports (YoY)	Feb	-10.9%	-	-2.4%	
Indonesia	Exports (YoY)	Feb	14.1%	7.8%	4.6%	• Trade surplus strong, manufacturing +29%.
	Trade Balance (USD)	Feb	3,117m	2,400m	3,492m	• Key rate unchanged to safeguard currency, after market selloff this week led to outflows.
	BI-Rate	19-Mar	5.75%	5.75%	5.75%	
Malaysia	Exports (YoY)	Feb	6.2%	6.5%	0.3%	• Exports to US up 29% yoy, electronics up 18% yoy.
	CPI (YoY)	Feb	1.5%	1.5%	1.7%	
South Korea	PPI (YoY)	Feb	1.5%	-	1.7%	
Taiwan	Export Orders (YoY)	Feb	31.1%	24.3%	-3.0%	• Base effects explain 30% jump, exports resilient but now 10% lower than November 2024.
	CBC Benchmark Interest Rate	20-Mar	2.0%	2.0%	2.0%	
Thailand	Customs Exports (YoY)	Feb	14.0%	8.0%	13.6%	• Thailand exports very strong in Feb, again due to front loading by importers. The Thai gov is well-prepared to negotiate with US about tariffs.
	Customs Imports (YoY)	Feb	4.0%	5.4%	7.9%	
	Gross International Reserves (USD)	14-Mar	247.5bn	-	247.4bn	

Source information is at the end of the document.

### Commentary

**Korea:** The first 20-day exports in March rose 4.5% yoy, broadly in line with the Jan-Feb data. Tech exports are expected to offer some buffer in the near term, particularly from memory chips. but non-tech exports are likely to remain weaker.

**Taiwan:** The defence budget will soon exceed 3% of GDP, up from 2.5% currently. Taiwan buys most of its cutting-edge weaponry from the US.

## Latin America

### Economic data

Better than expected economic data in Argentina, Brazil, and Chile.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Argentina	Budget Balance (USD)	Feb	1,176,915m	-	2,434,865m	
	GDP (YoY)	4Q	2.1%	1.7%	-2.0%	• Robust growth in Q4, despite full-year contraction. Domestic demand boomed in 4Q with investment 11.3% higher than 3Q and 2% higher yoy, and private consumption 3.2% higher on quarter, and 2.8% on year.
	Trade Balance (USD)	Feb	227m	750m	162m	
	Unemployment Rate	4Q	6.4%	-	6.9%	
	Exports Total (USD)	Feb	6,092m	-	5,915m	
	Imports Total (USD)	Feb	5,864m	-	5,753m	
Brazil	FGV CPI IPC-S	15-Mar	1.0%	-	1.2%	
	Economic Activity (MoM)	Jan	0.9%	0.3%	-0.6%	• Economic activity resilient despite high rates.
	Economic Activity (YoY)	Jan	3.6%	2.4%	2.6%	
	Selic Rate	19-Mar	14.25%	14.25%	13.25%	• Hike as expected, forward guidance more dovish.
Chile	GDP (QoQ)	4Q	0.4%	0.4%	1.5%	• Chilean activity and demand still rising, while mining and export growth moderated.
	GDP (YoY)	4Q	4.0%	3.7%	2.0%	
	Overnight Rate Target	21-Mar	5.0%	5.0%	5.0%	
Colombia	Trade Balance (USD)	Jan	-1,278.9m	-1,300.0m	-828.4m	• Exports 15% mom, widening trade deficit.
Mexico	International Reserves Weekly (USD)	14-Mar	236,288m	-	235,940m	
	Aggregate Supply and Demand	4Q	1.9%	1.9%	2.4%	

Source information is at the end of the document.

### Commentary

**Argentina:** Former President Cristina Fernández de Kirchner was banned from entering the US. The announcement provides her with political ammunition to rally supporters and counterattack domestically. However, increased polarisation may also benefit President Javier Milei, as it reduces Kirchner's capacity to reclaim influence, especially given the current economic recovery and rising purchasing power.

The country achieved another nominal surplus in February and maintained a primary surplus of 0.4% of GDP year-to-date. Despite this positive headline figure, spending growth of 16.5% has significantly outpaced revenue increases of 4.6% in real terms, driven mainly by higher provincial transfers, capital investment, and expanded social programmes. While future revenues face challenges from the elimination on purchases of foreign exchange (PAIS) tax and lower export duties, anticipated strength in VAT, income taxes, and social security contributions amid economic growth should enable the government to maintain a balanced budget this year.

**Brazil:** In March 2025, Brazil's central bank raised the Selic rate by 100bps to 14.25%, aligning with market expectations. Policymakers signalled a potential slowdown in future hikes, with markets anticipating a 50bps increase in May, suggesting the tightening cycle may be nearing its end. Last week, the government proposed exempting individuals earning up to BRL 5,000 per month (c. USD 881) from income tax, fulfilling a longstanding promise. The BRL remained stable following the announcement, as markets had largely anticipated the reform since its proposal in late 2024. The plan also requires congressional approval, and its full implementation as well as policies to compensate for lower taxes remain uncertain.

## Latin America (continued)

**Colombia:** After just three months in office, Finance Minister Diego Guevera submitted his resignation after his proposal to freeze COP 12bn in the national budget was turned down. This proposal came as strong spending pressure from the budgetary backlog left over from 2024 has continued into 2025, with the tax collection outlook for the year looking less favourable than reflected in the 2025 financial plan.

In a related development, President Gustavo Petro's proposed labour reform was recently rejected by a Senate committee, prompting him to announce plans for a national referendum on the matter. This referendum, intended to be held in April or May 2025, would allow voters to decide on the labour and healthcare reforms stalled in Congress. For the referendum's outcome to be binding, it requires the approval of Congress beforehand and must achieve participation from at least one-third of registered voters. The next general elections in Colombia are scheduled for May 2026, with any new administration taking office in August 2026.

## Central and Eastern Europe

### Economic data

Inflation softens in Czech and Poland.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Czech Republic	PPI Industrial (YoY)	Feb	-0.1%	0.1%	0.5%	• Producer prices in negative territory yoy for first time since early 2024.
	Current Account Monthly (CZK)	Jan	34.08bn	33.00bn	14.07bn	
Poland	CPI Core (MoM)	Feb	0.4%	0.4%	0.5%	• CPI pressures continuing to abate, with PPI prices now firmly in negative territory, and industrial output continuing to decline.
	CPI Core (YoY)	Feb	3.6%	4.0%	3.7%	
	Current Account Balance (EUR)	Jan	-168m	449m	-803m	
	Average Gross Wages (YoY)	Feb	7.9%	8.7%	9.2%	
	Sold Industrial Output (MoM)	Feb	-0.4%	0.0%	2.5%	
	Sold Industrial Output (YoY)	Feb	-2.0%	-1.1%	-0.9%	
	PPI (MoM)	Feb	-0.2%	-0.2%	-0.2%	
	PPI (YoY)	Feb	-1.3%	-1.2%	-1.0%	

Source information is at the end of the document.

## Central Asia, Middle East & Africa

### Economic data

Inflation declining in Nigeria and South Africa.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Egypt	Trade Balance (USD)	Jan	-3,420.0m	-	-4,151.0m	
Nigeria	CPI (YoY)	Feb	23.2%	-	24.5%	• Inflation eased for second month. Peaked?
Qatar	CPI (YoY)	Jan	-1.2%	-	0.2%	
South Africa	CPI (MoM)	Feb	0.9%	1.2%	0.3%	• CPI was lower than expected mom, and core inflation came in below consensus, however, the SARB halted their rate cutting cycle, citing external uncertainties due to Trump's trade policies potential impact on inflation.
	CPI (YoY)	Feb	3.2%	3.4%	3.2%	
	CPI Core (MoM)	Feb	1.1%	1.3%	0.2%	
	CPI Core (YoY)	Feb	3.4%	3.5%	3.5%	
	Retail Sales Constant (YoY)	Jan	7.0%	3.9%	3.2%	
	Retail Sales (MoM)	Jan	1.2%	0.3%	-0.4%	
	SARB Announce Interest Rate	20-Mar	7.50%	7.50%	7.50%	
Türkiye	Foreign Tourist Arrivals (YoY)	Feb	-5.3%	-	6.1%	

Source information is at the end of the document.

### Commentary

**Kuwait:** The country is preparing to allow banks to sell mortgages for the first time. This change in regulation can unlock a market with a potential size of USD 65bn and could significantly improve Kuwaiti banks' profitability. Until now, mortgages were not permitted due to concerns over the political consequences of foreclosures on homes. Instead, the government has a public housing scheme for married couples which offers highly-subsidised housing with a low interest loan. However, the system has become inefficient, with a backlog of around 100k requests which could have taken around a decade to fill.

**Türkiye:** In March 2025, Turkish authorities detained Istanbul Mayor Ekrem İmamoğlu at his residence, following the annulment of his university diploma, a move that potentially disqualifies him from contesting the 2028 presidential election. İmamoğlu, a prominent opposition figure, has been considered a leading challenger to President Recep Tayyip Erdoğan. In a voice message, İmamoğlu condemned the police action as politically motivated.

The detention sparked significant unrest across Turkey, with nearly a million demonstrators rallying in Istanbul and other cities to express support for İmamoğlu. These protests, reminiscent of the 2013 Gezi Park demonstrations, were largely peaceful, but underscore growing public frustration amid economic strains and perceived democratic erosion.

Financial markets reacted negatively to the political turmoil. The Turkish lira depreciated over 10% before stabilising, following interventions and assurances from Finance Minister Mehmet Şimşek that economic policies remain unchanged. The Central Bank of Turkey (CBT) responded by raising the overnight lending rate from 44% to 46%, while maintaining the one-week repo rate at 42.5% and the overnight borrowing rate at 41%. Additionally, the CBT suspended one-week repo auctions, effectively increasing the average cost of funding to 46%, and resumed Turkish lira-settled forward foreign exchange (FX) transactions to preserve reserves during heightened currency volatility.

Over the weekend, authorities implemented further measures to stabilise financial markets, including broadening the short-selling ban to encompass all listed companies and easing share buyback regulations. These steps aim to mitigate market volatility and reinforce investor confidence.

On Sunday, a court formally arrested İmamoğlu on corruption charges, though a request to detain him on terrorism-related charges was denied. The Istanbul municipality is set to hold internal elections to appoint a new mayor, with the opposition

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## Central Asia, Middle East & Africa (continued)

Republican People's Party (CHP) holding the majority. However, the Interior Ministry retains the authority to appoint a trustee to the mayoral position, depending on the progression of legal proceedings.

The CBT's net reserves are estimated at approximately USD 45bn, following a USD 12bn decline on Wednesday. Despite significant outflows and a reduction in foreign positions by c. 50%, the CBT's interventions have maintained a positive net reserve position of c. USD 20bn, which is significantly above the net USD -66bn at the bottom one year ago. However, the risk of dollarisation from companies and individuals in Türkiye persists, emphasising why authorities are doing all they can to maintain TRY stability and elevated deposit rates.

Beyond the clear negative impact on the rule of law and democratic values, in the short term, these developments are likely to have a negative impact on economic growth. If the Turkish lira remains stable, the resulting slowdown may contribute to faster disinflation, aiding in the stabilisation of the economy amid ongoing political challenges.



## Developed Markets

### Economic data

European and EM data continues to surprise to upside relative to US data.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Eurozone	CPI (YoY)	Feb F	2.3%	2.4%	2.4%	• Inflation coming back towards 2% target, however upside risks from German fiscal expansion. Market pricing 2 more cuts this year.
	CPI (MoM)	Feb F	0.4%	0.5%	0.5%	
	CPI Core (YoY)	Feb F	2.6%	2.6%	2.6%	
	Consumer Confidence	Mar P	-14.5	-13.00	-13.60	
Japan	Core Machine Orders (MoM)	Jan	-3.5%	-0.1%	-0.8%	• Strong exports due to tariff frontloading, BOJ held rates despite inflation stronger than expected after the resumption of energy subsidies, partially to prevent spike in the Yen. More clarity on tariffs will come in April, and CB expected to hike again in the summer.
	Exports (YoY)	Feb	11.4%	12.6%	0.0%	
	BOJ Target Rate	19-Mar	0.50%	0.50%	0.50%	
	Industrial Production (MoM)	Jan F	-1.1%	-	-1.1%	
	Industrial Production (YoY)	Jan F	2.2%	-	2.6%	
	Natl CPI (YoY)	Feb	3.7%	3.5%	4.0%	
	Natl CPI Ex Fresh Food (YoY)	Feb	3.0%	2.9%	3.2%	
UK	Average Weekly Earnings 3M/(YoY)	Jan	5.8%	5.8%	6.1%	• Wage growth remains resilient in UK, making more difficult for CB to cut. Rachel Reeves spring statement will help shape CPI outlook.
	ILO Unemployment Rate 3Mths	Jan	4.4%	4.4%	4.4%	
	Claimant Count Rate	Feb	4.7%	-	4.5%	
	Bank of England Bank Rate	20-Mar	4.50%	4.50%	4.50%	
United States	Empire Manufacturing	Mar	-20.00	-1.90	5.70	• Retail sales improved after dropping in Jan, but remain soft, with restaurant and bar sales a proxy for services strength, falling 1.5% mom.  • Fed held rates as expected, citing extreme uncertainty over inflation and growth outlook due to tariffs. FOMC members see risks to core PCE inflation to the upside, with the median dot plot signalling two more 25bp cuts this year.  • Jobs market remains resilient, with jobless and continuing claims stable, despite DOGE firings. Full brunt of DOGE will become more evident in the data in the months to come.
	Retail Sales Advance (MoM)	Feb	0.2%	0.6%	-1.2%	
	Retail Sales Ex Auto (MoM)	Feb	0.3%	0.3%	-0.6%	
	Housing Starts	Feb	1,501k	1,385k	1,350k	
	Building Permits	Feb P	1,456k	1,453k	1,473k	
	Import Price Index (MoM)	Feb	0.4%	0.0%	0.4%	
	Industrial Production (MoM)	Feb	0.7%	0.2%	0.3%	
	Capacity Utilisation	Feb	78.2%	77.8%	77.7%	
	MBA Mortgage Applications	14-Mar	-6.2%	-	11.2%	
	FOMC Rate Decision (Lower Bound)	19-Mar	4.25%	4.25%	4.25%	
	FOMC Median Rate Forecast: Current Yr	19-Mar	3.88%	3.88%	4.38%	
	FOMC Median Rate Forecast: Next Yr	19-Mar	3.38%	3.38%	3.88%	
	Net Long-term TIC Flows (USD)	Jan	-45.2bn	-	75.0bn	
	Total Net TIC Flows (USD)	Jan	-48.8bn	-	103.2bn	
	Current Account Balance (USD)	4Q	-303.9bn	-330.0bn	-310.3bn	
	Initial Jobless Claims	15-Mar	223k	224k	220k	
	Continuing Claims	8-Mar	1,892k	1,887k	1,870k	
	Philadelphia Fed Business Outlook	Mar	12.50	9.00	18.10	
	Leading Index	Feb	-0.3%	-0.2%	-0.2%	
	Existing Home Sales	Feb	4.26m	3.95m	4.09m	

Source information is at the end of the document.

## Developed Markets (continued)

### Commentary

**Japan:** In March 2025, Japan's Finance Minister Katsunobu Katō emphasised that the nation has not yet overcome deflation, despite rising consumer prices and notable wage increases. He highlighted the necessity of a comprehensive assessment of underlying price trends before declaring an end to deflation. This cautious stance reflects concerns that current inflation may be driven by external factors, such as a weak yen and elevated commodity costs, rather than a sustainable cycle of domestic demand and wage growth.<sup>2</sup>

On other news, the Government Pension Investment Fund (GPIF) announced a briefing on its new mid-term plan scheduled for 31 March. Nikkei reported the GPIF is likely to maintain its current asset allocation strategy, reflecting a steady approach amid ongoing economic uncertainties.

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<sup>2</sup> See – <https://www.ft.com/content/7a6f5482-4fef-4557-bd11-e25b180aa6ac>

## Benchmark Performance

Emerging Markets	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI EM	3.3%	5.7%	5.7%	10.5%	3.2%	9.7%
MSCI EM ex-China	2.7%	0.9%	0.9%	0.5%	2.4%	13.8%
MSCI EMEA	2.2%	7.5%	7.5%	12.2%	1.6%	9.1%
MSCI Latam	7.5%	15.6%	15.6%	-11.1%	0.7%	13.6%
MSCI Asia	3.0%	4.8%	4.8%	13.8%	3.4%	9.0%
MSCI China	4.7%	18.1%	18.1%	41.6%	5.3%	3.2%
MSCI India	8.4%	-3.8%	-3.8%	2.4%	7.7%	19.9%
MSCI EM Growth	3.0%	4.9%	4.9%	11.8%	2.1%	8.0%
MSCI EM Value	3.7%	6.5%	6.5%	9.1%	4.3%	11.5%
MSCI EM Small Cap	3.1%	-2.5%	-2.5%	0.6%	3.7%	17.8%
MSCI Frontier	2.2%	7.3%	7.3%	12.3%	1.8%	10.3%
GBI-EM-GD	1.6%	4.4%	4.4%	3.7%	3.1%	2.9%
GBI-EM China	0.0%	-0.2%	-0.2%	4.4%	0.1%	3.4%
EM FX spot	1.5%	2.5%	2.5%	-2.7%	-3.0%	-1.0%
ELMI+ (1-3m NDF)	1.4%	3.3%	3.3%	2.8%	1.6%	2.2%
EMBI GD	-0.2%	2.8%	2.8%	7.7%	3.7%	4.6%
EMBI GD IG	0.1%	3.1%	3.1%	4.5%	0.2%	1.2%
EMBI GD HY	-0.5%	2.6%	2.6%	10.9%	7.3%	8.3%
CEMBI BD	0.1%	2.5%	2.5%	8.1%	4.8%	5.2%
CEMBI BD IG	0.2%	2.5%	2.5%	6.8%	2.7%	2.7%
CEMBI BD HY	0.0%	2.4%	2.4%	10.0%	7.7%	8.9%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	-2.3%	0.4%	0.4%	9.1%	8.1%	18.1%
MSCI World (DM)	-2.9%	-0.2%	-0.2%	8.9%	8.7%	19.2%
S&P 500	-4.7%	-3.3%	-3.3%	9.6%	10.0%	21.6%
DXY Index**	-3.4%	-4.2%	-4.2%	-0.4%	1.7%	0.4%
EUR*	4.1%	4.3%	4.3%	-1.6%	-2.3%	-1.2%
JPY*	0.3%	4.3%	4.3%	-3.5%	-10.7%	-8.4%
CRY Index**	1.3%	3.1%	3.1%	7.0%	0.1%	19.0%
Brent**	-1.4%	-3.3%	-3.3%	-15.5%	-15.4%	21.6%
Gold**	5.8%	15.3%	15.3%	39.1%	15.5%	13.2%
Bitcoin**	4.3%	-7.2%	-7.2%	33%	25.8%	67.2%
1-3yr UST	0.3%	1.4%	1.4%	5.4%	2.7%	1.2%
3-5yr UST	0.3%	2.3%	2.3%	5.5%	1.6%	0.0%
7-10yr UST	0.0%	3.5%	3.5%	5.0%	-1.1%	-2.1%
10yr+ UST	-1.2%	4.3%	4.3%	2.7%	-6.9%	-7.1%
10yr+ Germany	-6.0%	-6.8%	-6.8%	-4.7%	-10.3%	-8.4%
10yr+ Japan	-3.0%	-5.2%	-5.2%	-10.0%	-6.7%	-4.8%
Global Agg.***	0.5%	2.5%	2.5%	3.1%	-1.7%	-0.8%
US Agg. IG***	-0.2%	2.6%	2.6%	5.3%	0.5%	0.2%
EU Agg. IG***	-1.7%	-1.1%	-1.1%	2.4%	-1.8%	-1.6%
US Corp HY***	-0.5%	1.5%	1.5%	8.4%	5.3%	8.8%
EU Corp HY***	-0.7%	0.9%	0.9%	8.3%	4.9%	7.6%

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. DX Y 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, DX Y and CRY which are shown as percentage change.

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