

Brazil set to buck the trend and hike rates

By Gustavo Medeiros and Ben Underhill

- 60% probability of FOMC cutting 50bp now priced.
- More weak demand data from China.
- Javier Milei exercised veto power of a fiscal expansion policy in Argentina.
- Sri Lanka election outcome meaningful for IMF programme.
- IMF set to meet this month to discuss approval of a USD 7bn deal for Pakistan.
- Why are Brazil set to hike?
- AMLO judiciary reform approved in Mexican Senate.
- Kazakhstan sovereign rating upgraded by Moody's to Baa1.

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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	6.14%	-5	-	0.9%	MSCI EM	11.6	0.8%	<ul style="list-style-type: none"> • EM local bonds performed best this week, returning 0.9% with a combination of FX and rates gain. • EM USD bonds also did well, with IG bonds rallying 5bp, alongside treasuries. HY bonds rallied 13bp, however these gains were driven by defaulted names. • In equities, LATAM and India performed well, with China weighing on the index returns after weak economic data releases.
GBI-EM FX Spot	-	-	-	0.5%	MSCI EM ex-China	13.1	1.2%	
ELMI+	6.57%	3	-	0.5%	MSCI EMEA	10.1	-0.6%	
EMBI GD	7.61%	1	390 bps	0.7%	MSCI Latam	9.1	2.6%	
EMBI GD ex-default	6.64%	3	293 bps	0.7%	MSCI EM Asia	12.2	0.9%	
EMBI GD IG	5.12%	-5	132 bps	0.5%	MSCI China	8.5	-0.4%	
EMBI GD HY	10.68%	-13	705 bps	0.8%	MSCI India	24.3	2.0%	
EMBI HY ex-default	8.16%	12	453 bps	0.8%	MSCI EM Growth	15.9	1.3%	
CEMBI BD	6.42%	-3	285 bps	0.2%	MSCI EM Value	8.9	0.2%	
CEMBI BD IG	5.22%	-5	165 bps	0.3%	MSCI EM Small Cap	13.6	1.2%	
CEMBI BD HY	8.13%	0	455 bps	0.1%	MSCI Frontier	8.9	-0.4%	

Global Debt	Yield	Change (bp)	Spread	5 day Change	Global Backdrop*	PE 1yr BF	5 day Change	Comments
2yr UST	3.58%	-6	-	0.2%	MSCI ACWI	17.5	3.1%	<ul style="list-style-type: none"> • The Treasury curve bull steepened as more rate cuts were priced in • S&P 500 outperformed MSCI ACWI and EM, driven disproportionately by NVIDIA
5yr UST	3.43%	-5	-	0.3%	MSCI World (DM)	18.6	3.3%	
10yr UST	3.66%	-6	-	0.5%	S&P 500	21.3	4.1%	
30yr UST	3.98%	-4	-	0.8%	VIX Fut.**	16.7%	-3.8%	
10yr Germany	2.15%	-2	-	0.0%	DXY Index**	101.1	-0.1%	
10yr Japan	0.85%	-1	-	0.2%	EUR*	1.108	0.0%	
Global Agg.***	3.28%	-6	39 bps	0.4%	JPY*	140.9	1.1%	
US Agg. IG***	4.68%	-8	91 bps	0.5%	CRY Index**	273.8	2.6%	
EU Agg. IG***	3.35%	1	86 bps	0.1%	Brent**	71.6	0.8%	
US Corp HY***	7.18%	-6	322 bps	0.4%	Gold**	2,578	3.2%	
EU Corp HY***	6.58%	-2	379 bps	0.2%	Bitcoin**	60,221	6.0%	

Global Macro

After a series of benign data prints last week, the market was beginning to get comfortable with the idea of a 25 basis points (bps) cut by the United States Federal Reserve Bank this week. However, a dovish Wall Street Journal article published by the paper's chief economics correspondent Nick Timiaros on Thursday prompted markets to reprice the probability of a 50bps cut back towards 45% by Friday. As of this morning, this probability has risen to 60%, reflected in SOFR (Secured Overnight Financing Rate) options. The Japanese yen, oil and gold moved further into 'hard landing' pricing territory in response (yen up, oil /dollar down).

The likelihood of a victory for Kamala Harris rose after her strong debate performance on Tuesday. According to Betfair exchange data, Harris' win probability increased to 51.8% following the debate, up from 46.3% prior. Throughout the debate, S&P 500 and NASDAQ futures declined, while 10-year yields and the dollar also fell slightly. At the open on Wednesday, S&P 500 declined around 1%, suggesting that markets still view a Democrat victory as negative for US risk assets at the margin. An NVIDIA bounce reversed those losses though later in the day, contributing 44% of the total return for the S&P 500 index. Volatility is likely to stay elevated in the coming weeks in the run up to the election. The second half of September is historically bad for equities, and share buybacks are now in a blackout period in the US before the third quarter earnings season.

It is more difficult a reform passing the senate, possibly a reaction to the lower risk to Mexican trade that a Harris presidency carries. More broadly, a Citibank survey conducted before President Biden dropped out of the race, showed that investors viewed a Democratic victory as better for EM than a Trump win.

The 2024 US election marks the first in 30 years where 'Baby Boomers' are no longer the majority voting bloc. Turnout figures for 2020, combined with today's demographic, show 65 million 'Gen Z' and 'Millennial voters' (18-43) set to outnumber 50 million 'Boomers' (60-78), for the first time.

EM Asia

Economic data

Benign CPI in India. Chinese economy still driven mainly by on exports.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
China	PPI (YoY)	Aug	-1.8%	-1.5%	-0.8%	• Even lower PPI and CPI highlights combination of weak domestic demand and excess supply.
	CPI (YoY)	Aug	0.6%	0.7%	0.5%	
	Exports (YoY)	Aug	8.7%	6.6%	7.0%	
	Imports (YoY)	Aug	0.5%	2.5%	7.2%	• Exports remained strong, but imports had a very weak month, highlighting the same dynamic non food items up just 0.2% yoy.
	Trade Balance (USD)	Aug	91.02bn	81.10bn	84.65bn	
	Money Supply M2 (YoY)	Aug	-	6.2%	6.3%	
India	CPI (YoY)	Aug	3.7%	3.5%	3.5%	• CPI higher, but remains below RBI 4% target. Case for easing cycle to begin remains strong.
	Industrial Production (YoY)	Jul	4.8%	4.6%	4.7%	
Malaysia	Industrial Production (YoY)	Jul	5.3%	5.3%	5.0%	
South Korea	Unemployment rate SA	Aug	2.4%	2.6%	2.5%	• A record low. But, October cuts still in view.
Taiwan	Exports (YoY)	Aug	16.8%	8.5%	3.1%	• Very strong, particularly to the US.
Thailand	Gross International Reserves (USD)	Sep-06	236.9bn	-	235.7bn	

Source information is at the end of the document.

Commentary

China: In response to acute demographic challenges, the retirement age will be raised for the first time since 1978. For men, the retirement age will increase from 60 to 63. For white-collar women, it will go from 55 to 58, while for blue-collar women, it will rise from 50 to 55.

Economic data in China continues to weaken, with low consumer demand leading to deflationary pressures, particularly visible in the producer prices index declines this month. Ongoing inertia in the property market continues to weigh on GDP growth, with sales volume and home completion both still dropping.

Maldives: Moody's downgraded the sovereign rating to Caa2 (Fitch at CC).

Sri Lanka: The upcoming presidential elections on September 21 are expected to be one of the most closely contested in recent history. There are 39 candidates running, but pre-election surveys suggest a tight race between three frontrunners – Ranil Wickremesinghe, Sajith Premadasa, and Anura Kumara Disanayake (AKD). In recent polls, AKD is leading with around 40% of the vote, while his two rivals have around 25% each. An outright majority of over 50% is needed to win in this round, with the two leading candidates will go into a runoff should the outright majority not be reached.

A victory for the incumbent Wickremesinghe would represent continuity, while Premadasa's win could be viewed positively by markets, especially given his commitment to staying on the International Monetary Fund (IMF)-led reform path. A win for AKD, the most socialist candidate, would carry more risks due to his nebulous policies and ambiguous stance on the IMF programme and debt restructuring. Reflecting these concerns, sovereign bond prices have dropped recently, falling below the recovery estimates implied by the July joint working framework.

Latin America

Economic data

Policy divergence looming as Brazil likely to hike its policy rate this week.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Argentina	National CPI (MoM)	Aug	4.2%	4.0%	4.0%	• Stalling CPI shows disinflation progress may require more measures.
	National CPI (YoY)	Aug	236.7%	235.8%	263.4%	
Brazil	FGV CPI IPC-S	Sep-07	0.1%	-	-0.2%	• Inflation slowed in August, however this is unlikely to convince BCB hawks, as it was mainly driven by lower food and transport.
	IBGE Inflation IPCA (YoY)	Aug	4.2%	4.3%	4.5%	
	IBGE Inflation IPCA (MoM)	Aug	0.0%	0.0%	0.4%	
	Retail Sales (YoY)	Jul	4.4%	4.4%	4.1%	• Retail sales growth remains robust, showing strong consumer led demand growth. Another reason for the incoming hike.
	Retail Sales (MoM)	Jul	0.6%	0.5%	-0.9%	
	Economic Activity (MoM)	Jul	-	-0.9%	1.4%	
	Economic Activity (YoY)	Jul	-	4.3%	3.2%	
Mexico	CPI (MoM)	Aug	0.0%	0.1%	1.1%	• Inflation flat mom. Banxico should deliver its first cut in September. However, CPI still elevated and weaker peso are raising inflation expectations, making path forward trickier.
	CPI (YoY)	Aug	5.0%	5.1%	5.6%	
	CPI Core (MoM)	Aug	0.2%	0.2%	0.3%	
	International Reserves Weekly (USD)	Sep-06	22,5427m	-	22,4778m	
	Industrial Production NSA (YoY)	Jul	2.1%	0.8%	-0.7%	
Peru	Reference Rate	Sep-12	5.25%	5.25%	5.50%	

Source information is at the end of the document.

Commentary

Argentina: This week marked both a victory and a setback for President Javier Milei's administration as it seeks to stabilise the country's finances. On the one hand, a proposed pension hike was blocked in Congress. On the other hand, inflation has remained stubbornly high, failing to drop below the 4% monthly threshold over recent weeks.

Disinflation has stalled due to an economic rebound and a recovery in wages, both of which are contributing to inflationary pressures. However, a recent import tax cut from 17.5% to 7.5% is expected to help curb price increases in the upcoming months. With inflation at these levels, the currency is still appreciating in real terms as it is tracking above the crawling peg which devalues the Argentine peso by 2% each month.

Brazil: The Central Bank of Brazil is likely to hike policy rates next week, even though consumer price index (CPI) inflation is at 4.2%, one standard deviation below its 20-year average. While this is above the centre of the new 3.0% target, it is still within the 150bps tolerance band.

So why hike? Brazil's economy is running hot and as a result, inflation expectations for both 2025 and 2026 have de-anchored from the centre of the target, now sitting at 3.6%. The unemployment rate is below 7% – the lowest level since 2015 – and GDP growth has surprised to the upside for the second consecutive year, reaching 3.3% year-on-year in Q2 2024. A widening fiscal deficit leads financial markets to price in unsustainable debt dynamics, driving the BRL weaker and impacting inflation through higher imported prices (“inflation pass-through”).

Many economists are puzzled as to why the economy is still performing so well when the ex-ante real policy rate is above 7%. There are two principal reasons. First is the extraordinary performance of the external accounts. 12-month exports remain elevated at USD 342bn, while imports have slowed to USD 252bn, resulting in the largest trade surplus in history. The second reason is less positive. Since the Covid-19 shock, the Brazilian government has followed the political steps of the US. Both countries implemented one of the largest fiscal stimuli during the pandemic, with the primary budget

Latin America (continued)

widening from -0.7% of GDP to -8% in 2020. Some consolidation in 2021 ensued, but when Luiz Inácio Lula da Silva (Lula) returned to power in 2023, fiscal profligacy worsened, with a primary surplus of 2.1% in June 2022 flipping quickly to a 2.3% deficit in July on a 12-month cumulative basis. Like the US, Brazil's pro-cyclical fiscal stance has kept economic activity buoyant.

The problem is that Brazil cannot afford such a decadent fiscal stance, especially with rates so high. During the pandemic, the central bank slashed policy rates to 2.0%, containing interest costs and supporting economic activity. When the economy rebounded, nominal gross domestic product (GDP) surpassed interest costs by a large margin, allowing debt/GDP to decline from 87% to 72%, despite the fiscal deficit. Since then, higher interest rates and fiscal expansion have driven debt/GDP to around 78% (or 62% after factoring in FX reserves). With ex-ante real interest rates around 4-5% above real GDP growth, Brazil needs to generate a primary surplus to keep debt/GDP unchanged. This ex-ante rate already includes the 175bps of rate hikes priced in by the market, including a 25bps hike expected this week on 19 September.

Brazilian economic policy is imbalanced. Tighter fiscal policy is needed, to help lower inflation and then interest rates, which will support debt stabilisation. The orthodox wing of the government, led by Finance Minister Fernando Haddad and Vice President Geraldo Alckmin, is fighting against the Workers' Party of President Lula to implement fiscal consolidation and achieve a zero primary deficit by 2025. Achieving this target would be a way to avoid an unnecessary crisis. After all, Brazil is benefiting from a record agricultural harvest, while energy production – both oil and renewables – is increasing sharply. It would be a pity to miss the opportunity to stabilise the economy.

Mexico: Andrés Manuel López Obrador (AMLO)'s judiciary reform has been approved by the Senate. Once the Lower House and the Senate confirm the quorum count for its enactment, an electoral process to replace the judges will begin, with half the votes to be cast next year, and half in 2027. Moody's reported the reform poses risks to Mexico's sovereign credit quality. The peso did not sell off following the news. Instead, it rallied slightly after Harris's strong performance in the US presidential debate, suggesting risks stemming from the judiciary reform are now largely priced into Mexican assets.

Venezuela: The US State Department rejected allegations of CIA involvement in an assassination plot against Venezuelan President Nicolás Maduro, after Venezuelan officials arrested three Americans, two Spaniards and a Czech national on Saturday. A US statement read: "Any claims of US involvement in a plot to overthrow Maduro are categorically false. The United States continues to support a democratic solution to the political crisis in Venezuela."

Diosdado Cabello, Venezuela's Interior Minister, announced on television on Saturday that these foreign citizens, which included a member of the US Navy, had been part of a plot, led by the CIA, to overthrow the Venezuelan government. During the broadcast, Cabello showed pictures of rifles he claimed were confiscated from those arrested.

Central and Eastern Europe

Economic data

Inflation remains elevated in Poland, but at much lower levels in Czechia and Hungary, opening space for monetary policy divergence.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Czech Republic	CPI (MoM)	Aug	0.3%	0.0%	0.7%	
	CPI (YoY)	Aug	2.2%	2.0%	2.2%	
	Current Account (CZK)	Jul	-13.74bn	-20.65bn	-26.5bn	
Hungary	CPI (MoM)	Aug	0.0%	0.2%	0.7%	• Lowest CPI for 3.5 years, may prompt NBH to extend cuts after pause in August.
	CPI (YoY)	Aug	3.4%	3.6%	4.1%	
Poland	CPI (MoM)	Aug F	0.10%	-	0.1%	• Services inflation remains above 6% yoy.
	CPI (YoY)	Aug F	4.30%	-	4.3%	
	Current Account (EUR)	Jul	-1,462m	-448m	588m	
Romania	Trade Balance	Jul	-2,949.2m	-	-2,791.3m	
	CPI (MoM)	Aug	0.2%	0.1%	0.6%	• Declining inflation alongside weak output data puts rate cuts in play. Policy rates have been unchanged at 6.5% since July.
	CPI (YoY)	Aug	5.1%	5.0%	5.4%	
	Industrial Output (YoY)	Jul	-	0.6%	0.5%	
Russia	Trade Balance (USD)	Jul	8.7bn	-	11.6bn	

Source information is at the end of the document.

Commentary

Croatia: S&P Ratings upgraded sovereign rating to A-. Fitch at BBB+ and at Moody's Baa2.

Central Asia, Middle East & Africa

Economic data

Kazakhstan upgraded; Pakistan closer to a deal with the IMF.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Egypt	Urban CPI (YoY)	Aug	26.2%	–	25.7%	• Mom rise in CPI for first time since February, mainly driven by food and transport.
	CPI Core (YoY)	Aug	25.1%	–	24.4%	
South Africa	Manufacturing Prod NSA (YoY)	Jul	1.7%	0.9%	-5.5%	
	Manufacturing Prod SA (MoM)	Jul	2.1%	1.2%	-0.4%	
Türkiye	Industrial Production (MoM)	Jul	0.4%	–	-2.4%	• Industrial production, unemployment and external accounts improved in July.
	Unemployment rate	Jul	8.8%	–	9.2%	
	Current Account Balance (USD)	Jul	0.57bn	0.60bn	0.33bn	

Source information is at the end of the document.

Commentary

Kazakhstan: Moody's upgraded the long-term sovereign rating from Baa2 to Baa1 with stable outlook. The rating upgrade reflects the ongoing improvement of the institutional and political environment, combined with sustainable economic diversification. The strong fiscal performance was based off the country's low and highly affordable debt stock, and the government's prudent policy of maintaining the budget deficit at 2.5-3.0% of GDP.

New reforms, including the introduction of new budget and tax laws, should continue to improve the effectiveness of fiscal policy, financial accountability and tax revenues. Several corporations were also upgraded to Baa1 following the sovereign's upgrade, including the fintech, payments and marketplace company Kaspi. The corporation, one of Kazakhstan's star companies, was upgraded to Baa3 – the first investment grade level.

Morocco: Morocco has overtaken China as the leading automotive supplier to the European Union (EU) in value terms. In 2023, Morocco's automotive exports to the EU reached EUR 15.1bn, surpassing China's exports, which totalled EUR 13.6bn. However, in terms of the number of vehicles exported to Europe, China remains the leader, shipping 782,000 vehicles compared with Morocco's 536,000.

Pakistan: The IMF has confirmed its Executive Board will meet on September 25 to discuss the approval of Pakistan's USD 7bn Extended Fund Facility (EFF), though the meeting has not yet been listed on its website. This development follows Pakistan securing necessary financing assurances from its development partners. State Bank of Pakistan (SBP) Governor Jameel Ahmad confirmed the country arranged over USD 2bn in external financing from lenders other than the IMF. Additionally, Finance Minister Muhammad Aurangzeb announced that all matters with the IMF have been successfully settled.

Egypt: Minister of Finance Ahmed Kouchouk unveiled a new package of tax incentives aimed at simplifying tax processes and enhancing economic productivity. The new measures will benefit small and micro enterprises, startups, freelancers, and professionals with an annual turnover of less than EGP 15m, providing them with a more streamlined and integrated tax system.

Developed Markets

Economic data

Market is pricing nearly six 25bps cuts by the ECB over the next seven meetings, reaching 2.0% in July 2025.
SOFR futures are pricing 9.5 cuts in seven meetings by the FOMC to reach 2.9% in July 2025.
Is monetary policy divergence exaggerated?

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Eurozone	Deposit Rate	Sep-12	3.5%	3.5%	3.8%	• Lagarde said direction of rates is "obvious". Spread between refinance and deposit rates narrowed to boost policy effectiveness.
	ECB Main Refinancing Rate	Sep-12	3.7%	3.7%	4.3%	
	ECB Marginal Lending Facility	Sep-12	3.9%	3.9%	4.5%	
Japan	GDP Annualized SA (QoQ)	2Q F	2.9%	3.2%	3.1%	• Expansion in Q2 slower than estimated, but good enough to keep BOJ on track to hike later in the year. BOJ expects growth potential to be just 0.6%, so in those terms this is a hot economy.
	BoP Current Account Balance (JPY)	Jul	3,193.0bn	2,498.0bn	1,533.5bn	
	Money Stock M2 (YoY)	Aug	1.3%	-	1.5%	
	PPI (YoY)	Aug	2.5%	2.8%	3.0%	
	Industrial Production (MoM)	Jul F	-	-	2.8%	
UK	ILO Unemployment Rate 3Mths	Jul	4.1%	4.1%	4.2%	• Unemployment ticks down, but wage growth dropped to 2 year low.
	Industrial Production (YoY)	Jul	-1.2%	-0.1%	-1.4%	
	Trade Balance (GBP)	Jul	-7,514m	-5,100m	-5,324m	
United States	CPI (MoM)	Aug	0.2%	0.2%	0.2%	• Steady CPI numbers for August suggest a 25bp cut for September, particularly against a more benign job market data.
	CPI Ex Food and Energy (MoM)	Aug	0.3%	0.2%	0.2%	
	CPI (YoY)	Aug	2.5%	2.5%	2.9%	
	PPI Final Demand (MoM)	Aug	0.2%	0.1%	0.0%	• PPI slightly above keeps Core PCE data in two weeks with an upside bias (c. 2.7% from 2.6%).
	PPI Final Demand (YoY)	Aug	1.7%	1.7%	2.1%	
	Initial Jobless Claims	Sep-07	230k	226k	228k	
	Continuing Claims	Aug-31	1,850k	1,850k	1,845k	
	Monthly Budget Statement (USD)	Aug	-380.1bn	-292.5bn	-243.7bn	

Source information is at the end of the document.

Benchmark Performance

Emerging Markets	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI EM	-1.5%	0.4%	7.9%	13.9%	-3.4%	3.6%
MSCI EM ex-China	-1.1%	1.6%	10.1%	21.5%	1.7%	7.7%
MSCI EMEA	-1.5%	3.1%	5.8%	13.3%	-7.1%	-0.9%
MSCI Latam	0.5%	4.1%	-12.2%	0.4%	4.7%	1.8%
MSCI Asia	-1.4%	0.3%	10.1%	14.7%	-3.8%	4.0%
MSCI China	-2.8%	-3.1%	1.5%	-4.3%	-14.5%	-5.0%
MSCI India	0.5%	5.5%	23.4%	35.9%	10.9%	16.6%
MSCI EM Growth	-0.9%	0.7%	9.3%	14.2%	-6.1%	3.4%
MSCI EM Value	-2.1%	0.1%	6.5%	13.7%	-0.4%	3.7%
MSCI EM Small Cap	-0.6%	1.1%	8.2%	16.2%	3.0%	11.0%
MSCI Frontier	-0.7%	3.1%	9.2%	10.1%	-3.3%	3.0%
GBI-EM-GD	1.6%	7.1%	3.1%	9.1%	-1.0%	0.0%
GBI-EM China	0.6%	3.6%	4.7%	9.0%	1.2%	4.1%
EM FX spot	0.6%	3.3%	-2.1%	-0.3%	-3.3%	-3.2%
ELMI+ (1-3m NDF)	0.7%	3.9%	2.5%	7.2%	0.2%	0.9%
EMBI GD	1.0%	5.3%	7.8%	15.4%	-1.4%	0.8%
EMBI GD IG	1.2%	5.6%	5.1%	11.3%	-3.6%	-0.4%
EMBI GD HY	0.8%	5.0%	10.5%	19.7%	0.8%	1.8%
CEMBI BD	0.6%	3.8%	7.8%	13.1%	0.5%	2.7%
CEMBI BD IG	0.9%	4.2%	6.4%	11.5%	-0.9%	1.4%
CEMBI BD HY	0.1%	3.3%	10.0%	15.6%	2.6%	4.6%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	-0.7%	3.4%	15.1%	23.6%	5.7%	11.2%
MSCI World (DM)	-0.7%	3.8%	15.9%	24.8%	6.8%	12.2%
S&P 500	-0.3%	3.3%	19.1%	27.8%	9.7%	15.2%
DXY Index**	-0.6%	-4.5%	-0.2%	-3.5%	9.1%	2.9%
EUR*	0.2%	3.1%	-1.0%	1.5%	-3.6%	-1.4%
JPY*	3.7%	13.0%	-3.7%	-1.0%	-10.2%	-6.6%
CRY Index**	-1.2%	-5.7%	3.8%	-5.4%	7.4%	9.9%
Brent**	-9.1%	-17.1%	-7.0%	-22.1%	-0.9%	3.8%
Gold**	3.0%	10.8%	25.0%	35.0%	14.6%	14.6%
Bitcoin**	2.1%	-2.1%	41.4%	128.3%	8.4%	97.3%
1-3yr UST	0.8%	2.9%	4.1%	6.8%	1.2%	1.6%
3-5yr UST	1.3%	4.5%	4.5%	8.3%	-0.3%	1.1%
7-10yr UST	2.1%	6.5%	4.9%	9.4%	-3.0%	-0.2%
10yr+ UST	4.0%	9.9%	4.4%	11.2%	-8.8%	-3.1%
10yr+ Germany	1.6%	4.7%	-0.7%	8.5%	-10.6%	-6.6%
10yr+ Japan	1.0%	3.1%	-3.7%	-3.0%	-5.3%	-3.7%
Global Agg.***	1.7%	6.9%	3.5%	10.0%	-3.6%	-0.7%
US Agg. IG***	1.8%	5.7%	4.9%	10.0%	-1.6%	0.7%
EU Agg. IG***	0.9%	3.4%	2.2%	7.9%	-3.7%	-2.0%
US Corp HY***	0.6%	4.3%	7.0%	13.4%	2.6%	4.5%
EU Corp HY***	0.2%	2.8%	6.1%	11.9%	1.9%	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. 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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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	Jakarta T: +6221 2953 9000	Riyadh T: +966 11 483 9100	Other locations Lima	Fund prices www.ashmoregroup.com Bloomberg FT.com Reuters S&P Lipper
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