

Trump says “tariff”. How high? Read on...

By Gustavo Medeiros and Ben Underhill

- US reciprocal tariff week: Announcements expected 2 April.
- Trump voiced frustration over Russia/Ukraine ceasefire talks.
- Japan resumed talks on deepening trade relations with South Korea and China.
- China’s fertility rate continues to decline, but not because couples are having fewer children.
- IMF’s USD 20bn Argentina package to help power disinflation.
- Brazil’s Jair Bolsonaro to stand trial for alleged coup attempt.
- Colombia’s incoming Finance Minister called for “much more aggressive” monetary easing.
- Ghana’s public debt dropped to 61.8% of GDP in December 2024
- South Africa’s Democratic Alliance leader Steenhuisen said a budget agreement is close
- Massive rally held in Istanbul as crowds demanded the release of Erdoğan’s rival Ekrem İmamoğlu.
- Marine Le Pen found guilty of embezzling European Parliament funds.

Contents	Page
Global Macro	2
EM Asia	4
Latin America	5
Central and Eastern Europe	7
Central Asia, Middle East & Africa	8
Developed Markets	10
Benchmark Performance	11
Explore Further Insights	12

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%	0	-	-0.2%	MSCI EM	12.3	-0.9%	<ul style="list-style-type: none"> • EM local bonds were subdued, as EM FX spot gave up 0.3%. • EM USD sovereign bonds were down 0.5%, as sovereign HY spreads widened 16bps. • EM stocks fell 0.9% but outperformed the MSCI World.
GBI-EM FX Spot	-	-	-	-0.3%	MSCI EM ex-China	12.7	-0.8%	
ELMI+	7.22%	-84	-	-0.1%	MSCI EMEA	10.7	1.2%	
EMBI GD	7.77%	-1	348 bps	-0.5%	MSCI Latam	8.7	-1.6%	
EMBI GD ex-default	7.12%	10	282 bps	-0.5%	MSCI EM Asia	13.0	-1.0%	
EMBI GD IG	5.76%	8	138 bps	-0.5%	MSCI China	11.4	-1.1%	
EMBI GD HY	10.15%	16	594 bps	-0.6%	MSCI India	21.0	0.9%	
EMBI HY ex-default	8.43%	12	421 bps	-0.6%	MSCI EM Growth	17.1	-1.1%	
CEMBI BD	6.78%	4	263 bps	-0.1%	MSCI EM Value	9.4	-0.6%	
CEMBI BD IG	5.61%	4	146 bps	-0.1%	MSCI EM Small Cap	13.6	-1.3%	
CEMBI BD HY	8.35%	3	420 bps	0.0%	MSCI Frontier	9.2	1.1%	

Global Debt	Yield	Change (bp)	Spread	5 day Change	Global Backdrop*	PE 1yr BF	5 day Change	Comments
2yr UST	3.91%	-4	-	0.1%	MSCI ACWI	17.7	-1.4%	<ul style="list-style-type: none"> • USTs fell at the short end, but the curve steepened as the long end widened... • ...reflecting growth concerns, but also rising inflation expectations. • US stocks had a very weak Friday, with tariff fears rising... • ...which also drove gold to a new record high.
5yr UST	3.98%	-2	-	0.2%	MSCI World (DM)	18.6	-1.4%	
10yr UST	4.25%	0	-	0.1%	S&P 500	20.2	-1.5%	
30yr UST	4.63%	4	-	-0.5%	VIX Fut.**	21.0%	1.6%	
10yr Germany	2.73%	-4	-	0.2%	DXI Index**	104.0	0.0%	
10yr Japan	1.54%	2	-	0.4%	EUR*	1.083	0.3%	
Global Agg.***	3.64%	-1	34 bps	0.0%	JPY*	149.8	0.6%	
US Agg. IG***	5.17%	2	88 bps	0.0%	CRY Index**	306.9	0.2%	
EU Agg. IG***	3.27%	-4	82 bps	0.3%	Brent**	73.6	2.0%	
US Corp HY***	7.72%	20	340 bps	-0.4%	Gold**	3,085	2.1%	
EU Corp HY***	6.26%	12	338 bps	-0.1%	Bitcoin**	82,590	-4.6%	

Source & Notations: See end of document.

Global Macro

This Wednesday (2 April), US President Donald Trump will announce his reciprocal tariff salvo. He said he would have done it on 1 April, but that is April Fool's Day and he wants to avoid any confusion over his seriousness.

The average tariff rate today in the US is 6.6%, up from 2.4% last year and 1.4% in 2017. The jump reflects additional 20% tariffs on China, 25% tariffs on imports from Mexico and Canada that are non-compliant with USMCA¹ minimum content rules, and a 25% tariff on steel and aluminium. If all his *threatened* tariffs are implemented, including a 25% blanket tariff on the European Union (EU), 25% tariffs on pharma and semiconductors and a comprehensive 25% auto tariff, the average US tariff rate would rise to around 14%. This should have an estimated impact on US gross domestic product (GDP) of -2.0% and the core personal consumption expenditures (PCE) index of +1.2%, according to Bloomberg.

If Trump announces these measures on Wednesday, stocks will fall further. The dollar would probably strengthen, unless most trading partners retaliate against the US, which would make the USD impact much more ambiguous. However, we think it is unlikely all measures stick.

USMCA partners are unlikely to face 25% auto tariffs, due to the incredibly disruptive effect this would have on US automakers. We also do not think that the US will stick with a 25% tariff on EU imports, as this would go beyond the 'reciprocal' difference in tax structures and would have a significant effect on US growth (c. -0.7%) and prices (c. +0.4%). More likely, in our view, is a more moderate EU tariff that will bring the average tariff rate to around 12%. This would be a significant revenue raiser, raising between USD 200bn and USD 300bn a year, depending on substitution impact. It would also have a likely 1% **one-off** impact on growth (lower) and inflation (higher). Unpleasant, but not unbearable.

Tariff policy will determine whether the correction in US stocks we have seen so far this year will extend into a larger sell-off. Valuations and earnings estimates are still elevated given the current macro environment, and earnings expansion has been driven by the Tax Cuts and Jobs Act fiscal expansion. A renewal of these tax policies is not an additional tax cut, and tariffs are a significant tax hike. Tighter tax policy, alongside the end of US big government, the start of EU fiscal stimulus, Japan hiking rates and China's stated aim to boost domestic demand, are five vectors pointing asset allocation away from the US. That's why, in our view, the Q2 2025 tariff noise is a great opportunity for asset allocators and long-term investors. They all point to a weaker dollar, which always boosts EM assets.

Geopolitics

Trump threatened secondary tariffs on Russian oil exports. *"I was very angry, when Putin got into Zelensky's credibility and started talking about new leadership in Ukraine," Trump told NBC's Welker in a telephone call. "If Russia and I are unable to make a deal on stopping the bloodshed in Ukraine, and if I think it was Russia's fault – which it might not be – but if I think it was Russia's fault, I am going to put secondary tariffs on oil, on all oil coming out of Russia."*

Trump's more confrontational stance to Russia does not mean Ukraine is off the hook. Ukrainian media reported the US minerals agreement draft suggests Ukraine should repay all received US aid. Volodymyr Zelensky said Ukraine will not accept a deal with the US that would jeopardise its EU accession. Zelensky also firmly rejected the classification of military aid as loans. Trump reacted by saying: *"I see he (Zelensky) is trying to back out of the rare earth deal. And if he does that, he's got some problems. Big, big problems"*. French President Emmanuel Macron announced EUR 2bn of assistance to Ukraine, including air defence and anti-tank missiles. Macron reaffirmed support for Ukraine, insisting any peace deal must be solid, lasting, and backed by robust security guarantees. Macron also stressed European self-reliance and unveiled plans to significantly ramp up French defence spending and to accelerate reindustrialisation, without increasing taxes.

In the meantime, *The Economist* reported preparations are underway in Ukraine for the nomination of Zelensky for a second presidential term. Russia has been insisting elections in Ukraine are a pre-condition for a longer ceasefire, maybe due to hopes that Zelensky would be voted out, or due to the fact it could disrupt the process and break Ukraine's unity due to its control of the Donetsk territories. Grigory Karasin, a member of the Russian delegation at the talks with the Americans, claims that a ceasefire will be possible only next year, a timeline that would allow for elections to take place.

In the Middle East, Iran rejected direct negotiations with the US administration. President Masoud Pezeshkian said: *"They must prove that they can build trust regarding their decisions, and I hope this will happen. It's the behaviour of the Americans that determines the future path of negotiations."* Trump threatened to "bomb Iran" if they wouldn't come to the table.

¹ The United States-Mexico-Canada free trade agreement.

Global Macro (continued)

In Asia, US Secretary of Defense Peter Hegseth said the US will upgrade Japan's operations to a War-Fighting Command. This means more US 'boots on the ground' and will involve working closely with a newly-created Japanese military command with the objective to direct any initial US military response to a crisis in the region. The US and Japan will deepen their defence coordination, with Japan increasing its defence spending and the US committing to remain engaged in the region.

Despite the closer military alliance, Japan announced it has resumed talks on deepening trade relations with South Korea and China. That these countries are overlooking their deep historical scars in the name of free trade shows how focused the rest of the world is on opening to more trade as the US closes itself to the rest of the world.

EM Asia

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
China	Industrial Profits YTD (YoY)	Feb	-0.3%	-	-	• Decline driven by smokestack manufacturing.
Malaysia	Foreign Reserves (USD)	14-Mar	118.0bn	-	118.3bn	
South Korea	Consumer Confidence	Mar	93.4	-	95.2	• Retail sales growth driven by e-commerce, bricks and mortar retail sales in decline.
	Department Store Sales (YoY)	Feb	-3.6%	-	10.3%	
	Retail Sales (YoY)	Feb	4.4%	-	11.7%	
Taiwan	Unemployment Rate	Feb	3.4%	3.4%	3.4%	• Semiconductor output rose 20% yoy, strong demand for electronics across the board.
	Industrial Production (YoY)	Feb	17.9%	17.3%	4.9%	

Source information is at the end of the document.

Commentary

China: China's fertility rate is declining, but not because couples are having fewer children. Gavekal Research² found that the fall in China's total fertility rate from 2.25 in 1990 to 1.3 in 2020 was driven primarily (90%) by delayed marriage, and secondarily by women staying in school for longer (22%). The marital fertility rate, or the number of births per married woman, rose over this period, offsetting some (12%) of the decline due to those other factors. Gavekal's calculation indicates that the relaxation of tough official family-planning policies did indeed encourage families to have more children – just not enough to offset the effects of marriage being delayed for educational and other reasons.

China's Premier Xi Jinping has encouraged global business leaders to push back against protectionism and promoted China as a reliable partner. Unlike in 2024, Xi invited reporters into the room when he gave a closing statement. Seven executives spoke in the meeting, including Aramco's Amin H. Nasser, who pledged to expand investment in chemical production in China and praised the country for "becoming an oasis of certainty." Executives of FedEx, Mercedes, Sanofi, HSBC, Hitachi, and SK Hynix were also present.

² Source: <https://research.gavekal.com/> (paywalled)

Latin America

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Argentina	Current Account Balance (USD)	4Q	1,029m	750m	1,440m	
	Economic Activity Index (YoY)	Jan	6.5%	5.0%	6.0%	• Economic activity continues to pick up after declining for most of 2024.
	Economic Activity Index (MoM)	Jan	0.6%	0.2%	0.8%	
Brazil	Formal Job Creation Total	Feb	431,995	227,500	137,303	
	Current Account Balance (USD)	Feb	-8,758m	-9,000m	-8,560m	
	Foreign Direct Investment (USD)	Feb	9,300m	5,500m	6,501m	
	IBGE Inflation IPCA-15 (YoY)	Mar	5.26%	5.30%	4.96%	• CPI at the highest level in two years, led by housing and food. But inflation surprised to downside relative to expectations and is likely to be peaking.
	IBGE Inflation IPCA-15 (MoM)	Mar	0.64%	0.70%	1.23%	
	Central Govt Budget Balance (BRL)	Feb	-31.7bn	-30.2bn	84.9bn	
	FGV Inflation IGPM (YoY)	Mar	8.6%	8.8%	8.4%	
Chile	Unemployment Rate	Feb	8.4%	8.1%	8.0%	
Mexico	Bi-Weekly CPI (YoY)	15-Mar	3.7%	3.7%	3.8%	• Inflation continues to tick down, whilst retail sales picked up in January.
	Economic Activity IGAE (YoY)	Jan	-0.1%	0.0%	-0.4%	
	Retail Sales (YoY)	Jan	2.7%	1.1%	-0.2%	• Baxico 2nd consecutive 50bps cut on a unanimous decision due to downside growth risks from US policies.
	International Reserves Weekly (USD)	21-Mar	236,731m	-	236,288m	
	Trade Balance (USD)	Feb	2,212.4m	-527.5m	-4,558.0m	
	Overnight Rate	27-Mar	9.0%	9.0%	9.5%	• Inflation expectations are above target, but stable at 3.9%.
	Unemployment Rate NSA	Feb	-	2.6%	2.7%	

Source information is at the end of the document.

Commentary

Argentina: Federico Furiase, board member of Argentina's central bank (BCRA) said analysis on the impact of the new USD 20bn International Monetary Fund (IMF) programme should focus on the central bank getting a capitalisation of the same amount and should not be netting out future IMF payments, according to comments made in an interview with the TV channel A24. The size of the programme was announced by Finance Minister Luis Caputo, but not yet confirmed by the IMF.

Furiase, who is part of Caputo's inner circle, said what really matters here is there will be a new USD 20bn coming into the BCRA's reserves, which will significantly strengthen the central bank's balance sheet. Furiase gave assurances this will power the disinflation process, help keep foreign exchange (FX) markets steady, and lead to further decline in country risk.

Brazil: The unemployment rate rose to 6.8%, as expected, but record high payrolls and real wage growth suggest economic activity remains more resilient than feared. The average real monthly wage rose by 8.6% yoy to BRL 3.4k in February, matching the growth pace in January and extending its near three-year streak of rises. This is the highest recorded average wage since the data series began in 2012, attributed to a decline in the informal job totals and an increase in formal employment.

In political news, the First Group of the Supreme Federal Court (STF), comprising five of the court's 11 justices, unanimously approved a criminal case against former President Jair Bolsonaro for an attempted coup. Bolsonaro and seven others are accused of an alleged coup attempt in the invasion of the Brazilian Congress on 8 January 2022, following President Luiz Inácio Lula da Silva's election victory.

Latin America (continued)

The STF is working to conclude the case this year to avoid ruling close to the 2026 elections, but this remains uncertain due to potential appeals and legal delays available to the defence. Regardless of the trial's outcome, Bolsonaro remains ineligible to run for office until 2030. The criminal proceedings will now move forward with phases including evidence collection, witness testimony, interrogations, and final arguments before the final ruling.

Colombia: Incoming Finance Minister Germán Ávila called for “much more aggressive” monetary easing, saying recent interest rate decisions have been “too moderate”. Ávila expects a “much more significant interest rate reduction” and will attend his first central bank policy meeting on 31 March.

The risks for policy interference are increasing, as the board is currently divided between three hawkish members and three very dovish ones (Ávila alongside two new appointees). The ‘kingmaker’ is Olga Lucía Acosta, who has been dovish, but keeping an economically sound reasoning, suggesting policy remains independent.

Colombia’s fiscal deficit widened to 6.8% of GDP last year, the highest since the pandemic. The new Finance Minister was appointed after his predecessor tried to cut expenditures. However, Ávila has had a slightly better than feared approach to fiscal policies, acknowledging the fiscal risks and not acting as if Brazil can grow expenditures while controlling its deficit.

Central and Eastern Europe

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Czech Republic	Repurchase Rate	26-Mar	3.75%	3.75%	3.75%	• Held as expected, awaiting more clarity on US policy.
Hungary	Central Bank Rate Decision	25-Mar	6.50%	6.50%	6.50%	• As above.
Poland	Retail Sales (YoY)	Feb	0.6%	4.8%	6.1%	• Poland domestic demand now weakening more quickly, with jobs market stable but softening.
	Unemployment Rate	Feb	5.4%	5.4%	5.4%	
	Retail Sales Real (MoM)	Feb	-6.0%	-2.3%	-17.3%	

Source information is at the end of the document.

Commentary

Czechia: The Czech National Bank (CNB) adopted a more hawkish stance after unanimously deciding to hold the two-week repo rate steady at 3.75%. The CNB highlighted increased inflation risks, describing them as “inflationary,” an escalation from the “modestly inflationary” assessment in February. The CNB also expressed caution regarding the potential impacts of US trade tariffs and noted that, unless defence spending is offset by savings elsewhere, inflation risks could rise. Governor Aleš Michl did not rule out future monetary policy tightening, though a final 25 basis point (bps) cut in May remains a possibility.

Romania: Romania’s Finance Ministry raised EUR 2.75bn in two tranches: EUR 2.25bn at 335bps spread to mid-swaps for a 2032 bond and EUR 0.5bn at 400bps above mid-swaps for a 2039 bond. Borrowing costs came under initial price target as demand was two times over issuance.

Central Asia, Middle East & Africa

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Nigeria	Current Account Balance (USD)	4Q	3.8bn	-	6.1bn	
Qatar	GDP Constant Prices (YoY)	4Q	6.1%	-	2.0%	
South Africa	BER Consumer Confidence	1Q	-20.00	-	-6.00	
	PPI (YoY)	Feb	1.0%	1.3%	1.1%	
Türkiye	Real Sector Confidence SA	Mar	103.20	-	102.80	• Real sector confidence remains robust in March despite political noise. Trade deficit widened as exports fell 1.5% yoy, with imports 2.4% higher.
	Real Sector Confidence NSA	Mar	104.10	-	102.40	
	Capacity Utilisation	Mar	74.4%	-	74.5%	
	Trade Balance (USD)	Feb	-7.77bn	-8.20bn	-7.54bn	

Source information is at the end of the document.

Commentary

Arab Emirates: Abu Dhabi's GDP rose by 3.8% in 2024, with the non-oil sector (55% of economy) expanding 6.2%.

Ghana: Public debt dropped to 61.8% of GDP in December 2024, from 68.9% in September 2024 and 96.1% in November 2022. External debt decreased by 6.6% yoy and domestic debt rose 20.4% yoy.

Foreign trade surplus surged to USD 1.6bn (1.9% of GDP) in the first two months of the year. Exports rose c. 50% yoy on higher (prices and volume of) gold and cocoa. Imports rose by 7.3% yoy driven by higher fuel imports. Foreign reserves rose to USD 9.4bn in February, covering 4.2 months of imports.

Ivory Coast: Ivory Coast issued USD 1.75bn in a 2036 Eurobond (10-year weighted average life) at 8.45% yield. This provides USD 1.0bn of new finance, in line with budget, with USD 0.7bn destined to repay other Eurobonds.

Kyrgyzstan: S&P initiated coverage with a B+, stable outlook rating. The ratings agency noted the successful reorientation of regional trade, and strong domestic demand has driven real GDP growth of 9% from 2022-2024. The Kyrgyz Republic called this a "significant achievement, the result of large-scale structural reforms." Moody's currently rates Kyrgyzstan at B3 with a stable outlook, two notches below S&P's rating.

Morocco: Morocco sold EUR 2bn Eurobonds in two tranches: EUR 0.9bn for a 4-year bond at 3.937% (155bps over mid-swap) and EUR 1.1bn 10-year bond at 4.843% (mid-swap + 215bps). Demand was over EUR 6.75bn, which allowed the country to issue tighter than Romania, despite BB+ rating vs. Romania's BBB-, reflecting the country's solid credit worthiness.

South Africa: Democratic Alliance (DA) leader John Steenhuisen suggested last Friday that a budget agreement is "closer than many think". This suggests the African National Congress (ANC) may agree on some of the demands of its coalition partner. The DA is opposed to a value added tax (VAT) hike, but the most important issues lie outside of the budget itself. Parliament will vote on a fiscal framework on 2 April, the first big test for the Government of National Unity.

Türkiye: A massive rally took place in Istanbul, as crowds demanded the release of Ekrem İmamoğlu. The CHP, İmamoğlu's party, estimated as many as 2.2m attended the rally (not independently verified). The magnitude and intensity of protests are expected to decline due to public holidays and half-term school holidays this week. In other news, Swedish journalist Joakim Medin was arrested on a terrorism charge. Medin was the author of a 2023 book about the involvement of Türkiye in Sweden's NATO ratification process.

Central Asia, Middle East & Africa (continued)

Zambia: The government presented a draft of constitutional reforms to parliament. The Justice Minister presented 13 proposed amendments, which only includes issues deemed non-contentious. Amendments included expanding representation by increasing MPs, guaranteeing seats for marginalised groups, and enhancing constituency delimitation. Reforms to election laws are expected to save ZMW 264m plus ZMW 3.9m per candidate in by-election costs, with electoral petitions to be resolved in 90 or 14 days. Public consultations are scheduled for May-June 2025, with a final vote set for the end of July.

Developed Markets

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Eurozone	ECB 1 Year CPI Expectations	Feb	2.6%	2.5%	2.6%	• Elevated expectations adds concerns to ECB policymakers ahead of pivotal April meeting.
	Consumer Confidence	Mar F	-14.50	-	-14.50	
Japan	Tokyo CPI (YoY)	Mar	2.9%	2.7%	2.8%	• Higher inflation will keep BOJ on a hiking path.
	Tokyo CPI Ex-Fresh Food (YoY)	Mar	2.4%	2.2%	0.02	
UK	CPI (MoM)	Feb	0.4%	0.5%	-0.1%	• UK CPI came in slightly softer than expected, with 'recreation and culture' prices dropping the most.
	CPI (YoY)	Feb	2.8%	3.0%	3.0%	
	CPI Core (YoY)	Feb	3.5%	3.6%	3.70%	
	GDP (QoQ)	4Q F	0.1%	0.1%	0.1%	• A jump in retail sales belied ongoing consumer caution, with real wage growth still supporting decent consumer spending in Feb.
	GDP (YoY)	4Q F	1.5%	1.4%	1.4%	
	Retail Sales Ex Auto Fuel (MoM)	Feb	1.0%	-0.5%	1.6%	
	Retail Sales Ex Auto Fuel (YoY)	Feb	2.2%	0.4%	0.8%	
United States	Chicago Fed Nat Activity Index	Feb	18.0%	-17.0%	-0.08	• Consumer confidence continues its dive since start of 2025, although confidence between Democrats and Republicans is drastically split, so the data is less useful than usual.
	Building Permits	Feb F	1459k	1455k	1456k	
	FHFA House Price Index (MoM)	Jan	0.2%	0.3%	0.5%	
	New Home Sales	Feb	676k	680k	664k	
	Conf. Board Consumer Confidence	Mar	92.90	94.00	100.10	
	MBA Mortgage Applications	21-Mar	-2.0%	-	-6.2%	
	Durable Goods Orders	Feb P	0.9%	-1.0%	3.3%	
	Durables Ex Transportation	Feb P	0.7%	0.2%	0.1%	
	Personal Consumption	4Q T	4.0%	4.2%	4.2%	
	GDP Price Index	4Q T	2.3%	2.4%	2.4%	
	Core PCE Price Index (QoQ)	4Q T	2.6%	2.7%	2.7%	• Personal spending now down 5.2% yoy from 5.7% yoy in November.
	Wholesale Inventories (MoM)	Feb P	0.3%	0.7%	0.8%	
	Initial Jobless Claims	22-Mar	224k	225k	225k	• Consumers focusing on goods that are likely to see price increase due to tariffs.
	Continuing Claims	15-Mar	1856k	1886k	1881k	
	Pending Home Sales (MoM)	Feb	2.0%	1.0%	-4.6%	• Saving rates up to 4.6% from 4.3% also point to cautious consumers.
	Personal Income	Feb	0.8%	0.4%	0.9%	
	Personal Spending	Feb	0.4%	0.5%	-0.2%	• Core PCE index, the Fed's key metric, rose at the fastest pace since Jan 2024, led by services.
	Core PCE Price Index (YoY)	Feb	2.8%	2.7%	2.6%	
	U. of Mich. Sentiment	Mar F	57.0	57.90	57.90	• The one-, three-, and six-month annual basis, core PCE inflation rose to 4.5%, 3.6%, and 3.1%.

Source information is at the end of the document.

Commentary

France: National Rally leader Marine Le Pen was found guilty of embezzling European Parliament funds. She will be ineligible to run for elections for the next five years. Several polls had her as the strongest contender to succeed Emmanuel Macron in 2027. This ruling now leaves Jordan Bardella, Marine Le Pen's apparent successor and National Rally President, as the prominent far-right figurehead in France.

Benchmark Performance

Emerging Markets	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI EM	2.4%	4.7%	4.7%	10.3%	2.6%	8.5%
MSCI EM ex-China	1.9%	0.1%	0.1%	0.0%	1.9%	12.5%
MSCI EMEA	3.4%	8.8%	8.8%	13.6%	1.4%	8.6%
MSCI Latam	5.8%	13.7%	13.7%	-12.8%	-1.0%	12.0%
MSCI Asia	1.9%	3.8%	3.8%	13.8%	2.9%	7.7%
MSCI China	3.5%	16.8%	16.8%	42.7%	4.4%	2.0%
MSCI India	9.4%	-3.0%	-3.0%	1.8%	7.0%	20.5%
MSCI EM Growth	1.8%	3.7%	3.7%	11.2%	1.5%	6.7%
MSCI EM Value	3.0%	5.8%	5.8%	9.3%	3.7%	10.3%
MSCI EM Small Cap	1.7%	-3.8%	-3.8%	-0.2%	2.9%	16.4%
MSCI Frontier	3.4%	8.5%	8.5%	12.6%	2.3%	9.7%
GBI-EM-GD	1.5%	4.2%	4.2%	3.9%	3.2%	2.2%
GBI-EM China	-0.1%	-0.3%	-0.3%	4.6%	0.0%	3.2%
EM FX spot	1.2%	2.1%	2.1%	-2.6%	-3.2%	-1.3%
ELMI+ (1-3m NDF)	1.3%	3.2%	3.2%	3.3%	1.4%	2.0%
EMBI GD	-0.7%	2.3%	2.3%	6.8%	3.7%	3.5%
EMBI GD IG	-0.4%	2.6%	2.6%	3.7%	0.3%	0.0%
EMBI GD HY	-1.1%	2.0%	2.0%	9.8%	7.2%	7.5%
CEMBI BD	0.1%	2.4%	2.4%	7.7%	4.8%	4.9%
CEMBI BD IG	0.1%	2.4%	2.4%	6.3%	2.8%	2.6%
CEMBI BD HY	0.0%	2.4%	2.4%	9.8%	7.6%	8.2%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	-3.6%	-1.0%	-1.0%	7.6%	7.0%	15.6%
MSCI World (DM)	-4.3%	-1.6%	-1.6%	7.2%	7.6%	16.5%
S&P 500	-6.2%	-4.8%	-4.8%	7.6%	8.5%	18.8%
DXY Index**	-3.3%	-4.1%	-4.1%	-0.5%	1.6%	1.1%
EUR*	4.0%	4.2%	4.2%	-0.8%	-2.6%	-1.6%
JPY*	0.2%	4.1%	4.1%	-3.4%	-10.9%	-9.1%
CRY Index**	1.7%	3.4%	3.4%	5.7%	1.3%	20.3%
Brent**	0.6%	-1.4%	-1.4%	-15.8%	-13.2%	24.2%
Gold**	8.0%	17.6%	17.6%	38.8%	16.8%	13.6%
Bitcoin**	-1.2%	-12.1%	-12.1%	17%	21.8%	66.6%
1-3yr UST	0.4%	1.6%	1.6%	5.4%	2.9%	1.1%
3-5yr UST	0.5%	2.5%	2.5%	5.4%	2.0%	-0.1%
7-10yr UST	0.0%	3.5%	3.5%	4.3%	-0.7%	-2.5%
10yr+ UST	-1.7%	3.8%	3.8%	0.4%	-6.9%	-8.1%
10yr+ Germany	-5.8%	-6.6%	-6.6%	-6.3%	-10.0%	-8.4%
10yr+ Japan	-2.6%	-4.7%	-4.7%	-10.2%	-6.1%	-4.8%
Global Agg.***	0.5%	2.5%	2.5%	2.9%	-1.3%	-1.4%
US Agg. IG***	-0.2%	2.5%	2.5%	4.6%	0.7%	-0.3%
EU Agg. IG***	-1.5%	-0.8%	-0.8%	2.1%	-1.5%	-1.7%
US Corp HY***	-1.0%	1.1%	1.1%	7.8%	5.3%	7.6%
EU Corp HY***	-0.9%	0.8%	0.8%	8.1%	4.9%	6.7%

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.

Explore Further Insights

The Emerging View

Germany's historic fiscal shift: The impact on emerging markets

20 March 2025

By Gustavo Medeiros and Ben Underhill



Seismic US policy shifts have been advancing political and policy changes across the world in response. In this piece, we offer an overview of the global macro context behind Germany's historic fiscal reform, and the impact it can have on emerging markets (EM).

[Find out more →](#)

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	Jakarta T: +6221 2953 9000	Riyadh T: +966 11 483 9100	Lima T: +511 391 0396	Fund prices www.ashmoregroup.com Bloomberg FT.com Reuters S&P Lipper
Dubai T: +971 440 195 86	Mumbai T: +9122 6269 0000	Singapore T: +65 6580 8288		
Dublin T: +353 1588 1300	New York T: +1 212 661 0061	Tokyo T: +81 03 6860 3777		

www.ashmoregroup.com  [@AshmoreEM](https://twitter.com/AshmoreEM)

No part of this article may be reproduced in any form, or referred to in any other publication, without the written permission of Ashmore Investment Management Limited © 2025.

Important information: This document is issued by Ashmore Investment Management Limited (Ashmore), which is authorised and regulated by the Financial Conduct Authority. The information and any opinions contained in this document have been compiled in good faith, but no representation or warranty, express or implied, is made as to accuracy, completeness or correctness. Save to the extent (if any) that exclusion of liability is prohibited by any applicable law or regulation, Ashmore, its officers, employees, representatives and agents expressly advise that they shall not be liable in any respect whatsoever for any loss or damage, whether direct, indirect, consequential or otherwise however arising (whether in negligence or otherwise) out of or in connection with the contents of or any omissions from this document. Past performance is not a reliable indicator of future results. This document does not constitute and may not be relied upon as constituting any form of investment advice and prospective investors are advised to ensure that they obtain appropriate independent professional advice before making any investment.