Issued: 30 September 2024

WEEKLY INVESTOR RESEARCH

Ashmore

Don't stand in the way when China goes big

By Gustavo Medeiros and Ben Underhill

- PBoC cut policy rates by 20bps, reserve requirement ratio by 50bps, RMB 700bn allocated for stock buybacks.
- Politburo pledged to support the housing market and signalled fiscal support.
- Israel killed Hezbollah leader Hassan Nasrallah.
- Oman upgraded to BBB- by S&P; Mongolia upgraded to B+ by Fitch.
- Thailand due to start its handout programme this week.
- Mexico passed a reasonable National Guard reform; Peru reformed its pension system.
- Türkiye's FX reserves rose further to USD 30bn.
- Ghana cut rates by 200bps, Nigeria hiked 50bps.
- Senegal's Finance Minister claimed the previous government misstated deficit and debt levels.

Last Week Performance and Comments

EM Debt	Yield	Change (bp)	Spread	5 day Change
GBI-EM GD	6.11%	0	–	0.8%
GBI-EM FX Spot	–	–	–	0.7%
ELMI+	5.98%	-39	–	0.7%
EMBI GD	7.52%	0	372 bps	0.1%
EMBI GD ex-default	6.58%	1	277 bps	0.1%
EMBI GD IG	5.13%	2	124 bps	-0.1%
EMBI GD HY	10.43%	-4	671 bps	0.3%
EMBI HY ex-default	7.99%	-1	427 bps	0.3%
CEMBI BD	6.35%	-3	270 bps	0.3%
CEMBI BD IG	5.20%	-1	156 bps	0.1%
CEMBI BD HY	7.98%	-6	432 bps	0.4%

EM Equity*	PE 1yr BF	5 day Change
MSCI EM	12.4	6.2%
MSCI EM ex-China	13.6	2.7%
MSCI EMEA	10.7	3.2%
MSCI Latam	9.1	1.7%
MSCI EM Asia	13.2	7.1%
MSCI China	10.0	17.1%
MSCI India	24.9	1.4%
MSCI EM Growth	17.0	6.3%
MSCI EM Value	9.5	6.1%
MSCI EM Small Cap	14.1	2.7%
MSCI Frontier	8.9	1.5%

Comments

- Chinese stocks up 17.1% last week; +24.3% YTD (vs. S&P +21.6%)
- MSCI EM ex-China up 2.7% last week; 2x MSCI World
- EM local bonds +0.8% led by EM FX +0.7%

Global Debt	Yield	Change (bp)	Spread	5 day Change
2yr UST	3.56%	-3	–	0.1%
5yr UST	3.51%	1	–	0.0%
10yr UST	3.75%	1	–	0.0%
30yr UST	4.11%	2	–	-0.3%
10yr Germany	2.13%	-7	–	0.9%
10yr Japan	0.85%	1	–	0.4%
Global Agg.***	3.30%	-2	38 bps	0.5%
US Agg. IG***	4.68%	1	85 bps	0.0%
EU Agg. IG***	3.23%	-11	83 bps	0.6%
US Corp HY***	6.98%	0	299 bps	0.1%
EU Corp HY***	6.28%	-18	355 bps	0.3%

Global Backdrop*	PE 1yr BF	5 day Change
MSCI ACWI	18.1	1.9%
MSCI World (DM)	19.1	1.4%
S&P 500	21.7	0.6%
VIX Fut.**	19.3%	1.3%
DXY Index**	100.4	-0.3%
EUR*	1.116	-0.2%
JPY*	142.2	0.9%
CRY Index**	285.9	1.3%
Brent**	72.0	-3.4%
Gold**	2,658	1.4%
Bitcoin**	65,803	4.1%

Comments

- US Treasury curve steepened with 10-yr +2bp and 2y -3bps
- Dollar Index -0.3%, close to 100
- Commodities rose 1.3%; despite oil decline on speculation of OPEC+ ramping production

Source & Notations: See end of document.

Ashmore

Global Macro

Last Tuesday, The People's Bank of China (PBoC) announced an unexpectedly substantial liquidity support plan. The scope of the plan signals a change of mood amongst policymakers who will now respond more forcefully to deteriorating economic conditions. The first monetary moves include a 20 basis points (bps) cut in the seven-day repo rate to 1.5% and a 50bps cut in the reserve requirement ratio, freeing up around RMB 1trn of liquidity for banks, equivalent to USD 142bn. Existing mortgage rates were also cut by 50bps, which should lead to up to RMB 150bn of interest savings per year. A large PBoC re-lending programme also will begin for non-financial corporations, offering preferential rates of just over 2% to fund share buybacks.

Two days after the PBoC announcement, the Politburo released a statement pledging to implement more aggressive fiscal policy and to arrest the decline in property prices. Whilst monetary policy will be supportive, most economists believe that substantial fiscal stimulus will be needed to reflate the economy from current levels. So far, the financial press mentioned the issuance of an additional RMB 2trn of special bonds to stimulate consumption and investment and help local governments to deleverage. Other sources reported an RMB 1trn bank recapitalisation, which, if confirmed, would be the first since 1998.

China also announced a cash handout of RMB 800 per child to households with more two or more children. This suggests the current leadership has changed its stance on cash transfers – unfavoured in the past due to the risk of creating a 'lazy' attitude. Living subsidies will also be issued to disadvantaged groups, including the poor and orphans before the National Day Holiday.

This stimulus package was a step-up from China's usual piecemeal approach and drove a large surge in Chinese stocks last week. But these measures alone will not be enough to fix the problems in the economy. The core issues that still need addressing are: (a) finishing the houses that were sold, but not completed; (b) absorbing the inventory of idle houses; (c) supporting local governments while land sales remain depressed. A recovery in the housing market would reverberate through the entire economy, with the property slump weighing severely on domestic consumption since 2020, even as domestic manufacturing investment has risen.

Tackling these issues would require c. 2.5% of GDP (RMB 3.3trn) per year for two years according to Nomura's Ting Lu,[1] if done efficiently. Other economists estimate a necessary package of up to RMB 10tn to reflate domestic consumption. Politburo comments on the need for 'counter-cyclical fiscal policy' have indeed raised hope of more meaningful fiscal stimulus. But there is a good chance China will wait until after the US elections on 5th November before enacting any large fiscal expansion programme. If Trump gets elected, authorities may need to spend to counterbalance incoming tariffs.

Even if the announcement of fiscal measures is delayed, last week's 17.1% rally (driven partially by short covering), likely has more legs, in our view. Several Chinese companies have already been implementing large buyback programmes,[2] but the availability of preferential relending rates means most companies are now likely to buy back more. After all, the MSCI China index trades at 10x earnings, or 10% earnings yield, against 2.2% on 10-year government bonds, which is not far from the relending rate. The 7.8% gap between China's earnings yield and the 10-year government bond is nearly twice the Emerging Market (EM) average and compares with just 0.9% in the S&P 500 index – which has been supported by share buybacks for more than 10-years now.

A re-rating of the stock market would help rekindle some confidence in the economy. But a lot more fiscal and monetary support will be required for China to overcome its macroeconomic challenges. Policy direction, therefore, should continue to be more expansionary from here, especially with both local and foreign sentiment still so fragile.

Geopolitics

The Hezbollah leader Hassan Nasrallah was killed alongside southern front commander Ali Karki and other leaders last weekend, following a severe purge of Hezbollah leadership and infrastructure by the Israeli Defence Forces (IDF). Hezbollah has few good options to retaliate considering its leadership was severely weakened, while Israel holds a massive advantage (anti-missile defence system and intelligence). Axios reported that Hezbollah had asked Iran to attack Israel prior to the attack on Friday. Yesterday, Israel struck the Houthi rebels in Yemen. It is unlikely, in our view, that Israel will stop its attacks at least until 5th November. Ratings agency Moody's downgraded Israel's sovereign rating by two notches to Baa1 from A2 and kept the negative outlook.

[1] See – https://www.eastisread.com/p/ting-lu-advises-against-common-cash
[2] See – *"EM Asia regulators acting to boost cheap equity market valuations"*, Weekly Investor Research, 12 February 2024.

Global Macro (continued)

Commodities

Commodities rallied 1.3% last week as the Chinese stimulus measures boosted precious and industrial metals. The Energy Information Administration (EIA) reported commercial crude oil inventories fell by 4.5 million barrels last week, hitting the lowest since April 2022. Nevertheless, oil declined after rumours Saudi Arabia was about to increase volumes. It is likely OPEC+ has been waiting for the current round of policy easing from the US and China, hoping for a revival of demand from China before releasing more barrels into the market. After all, cutting production to keep prices stable has cost OPEC+ a severe decline in market share. Commodity traders are net short oil – the most bearish position in 12 years (since inception of Brent and West Texas Intermediate (WTI) crude trading on CME's commodity index) and investors hold the largest underweight in the energy sector.

Ashmore

EM Asia

Economic data

China's monetary bazooka deployed after the Fed cut 50bps.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
China	7D Reverse Repo Rate	Sep-24	1.50%	–	1.70%	• 20bps cut unexpected post FOMC 50bps and weaker economic activity. RRR cut freeing RMB 1trn liquidity. Deposit rates also lowered to preserve banks net interest margins. Monetary easing followed through by Politburo meeting.
	Reserve Req. (Major Banks)	Sep-24	9.50%	–	10.00%	
	1-Yr Med-Term Lending Facility Rate	25-Sep	2.00%	2.00%	2.30%	
	Industrial Profits YTD (YoY)	Aug	0.5%	–	3.60%	
	Industrial Profits (YoY)	Aug	-17.8%	–	4.10%	
India	BoP Current Account Balance (USD)	2Q	–	-10.1bn	5.7bn	
Malaysia	CPI (YoY)	Aug	1.90%	2.00%	2.00%	• Inflation remains subdued, but Bank Negara seems unwilling to cut policy rate from 3% level.
	Foreign Reserves (USD)	Sep-24	117.6bn	–	116.8bn	
Philippines	Budget Balance (PHP)	Aug	-54.2bn	–	-28.8bn	
South Korea	PPI (YoY)	Aug	1.6%	–	2.6%	• Soft PPI confirms goods disinflation momentum.
	Consumer Confidence	Sep	100.0	–	100.8	
Taiwan	Unemployment Rate	Aug	3.36%	3.30%	3.3%	• Export orders and ind. production confirms solid semiconductors industry momentum.
	Export Orders (YoY)	Aug	9.10%	8.20%	4.80%	
	Industrial Production (YoY)	Aug	13.42%	9.40%	13.01%	
Thailand	Customs Exports (YoY)	Aug	7.0%	6.0%	15.2%	
	Customs Imports (YoY)	Aug	8.9%	6.5%	13.1%	
	Gross International Reserves (USD)	20-Sep	240.9bn	–	238.9bn	

Source information is at the end of the document.

Commentary

Mongolia: Fitch upgraded sovereign rating to B+ with a stable outlook, citing continued mining strength – both coal and copper – supporting gross domestic product (GDP) growth to average around 6% in 2024-2026, and allowing the country to achieve the second consecutive year without a fiscal deficit. Debt/GDP levels are forecasted to decline to 44% at the end of 2024.

Thailand: The budget deficit declined to THB 546.3bn in the first 11 months of fiscal year 2024, down from THB 667.1bn in the same period of FY2023. Tax collection rose by a yoy rate of 3.1% and expenditures dropped by 1.3% yoy. Handouts worth THB 145bn will be disbursed this week to 12.4 million welfare cardholders and 2.15 million persons with disabilities who are set to receive THB 10k each.

Sri Lanka: President Anura Kumara Dissanayake (known as AKD) dissolved Parliament and appointed a new caretaker government ahead of parliamentary elections to be held on 14 November. AKD indicated he will renegotiate certain parts of the USD 2.9bn International Monetary Fund (IMF) programme, a risky strategy considering a revenue-based fiscal consolidation is essential for the IMF, given debt/GDP at elevated 110% levels.

Ashmore

Latin America

Economic data

Better than expected activity data across the board.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Argentina	Economic Activity Index (YoY)	Jul	-1.3%	-4.2%	-4.00%	• Solid rebound as 3m growth up to -1.0%, much higher than -8.4% and -6.8% in 1Q and 2Q, with gains spread across sectors.
	Economic Activity Index (MoM)	Jul	1.7%	0.6%	-0.30%	
	Current Account Balance (USD)	2Q	3,490m	3,224m	240m	
Brazil	Current Account Balance (USD)	Aug	-6,589m	-5,000m	-4,946m	• Wider current account still fully financed by FDI.
	Foreign Direct Investment (USD)	Aug	6,104m	7,500m	7,258m	
	IBGE Inflation IPCA-15 (MoM)	Sep	0.13%	0.28%	0.19%	• Lower inflation despite higher energy costs as avg. five core CPI indicators monitored by the BCB -11bps to 0.18% mom and service slowed to 0%.
	IBGE Inflation IPCA-15 (YoY)	Sep	4.12%	4.29%	4.35%	
	FGV Inflation IGPM (YoY)	Sep	4.53%	4.39%	4.26%	
	Total Outstanding Loans	Aug	6,117bn	–	6,046bn	
	National Unemployment Rate	Aug	6.6%	6.7%	6.8%	• Job market remains tight, confirming the BCB assessment of a positive output gap.
	Formal Job Creation Total	Aug	232,513	237,500	188,021	
Chile	PPI (MoM)	Aug	-2.7%	–	0.20%	
Mexico	Retail Sales (YoY)	Jul	-0.6%	-0.7%	-3.10%	• July economic data better than expected while inflation continued to decline.
	Retail Sales (MoM)	Jul	0.7%	0.3%	-0.50%	
	Economic Activity IGAE (YoY)	Jul	3.8%	2.0%	-0.38%	
	Economic Activity IGAE (MoM)	Jul	0.6%	0.1%	0.19%	
	Bi-Weekly CPI (YoY)	15-Sep	4.66%	4.71%	4.83%	• Downside surprise led by food prices, but services inflation also slowing down.
	Bi-Weekly CPI	15-Sep	0.09%	0.13%	-0.06%	
	Bi-Weekly Core CPI	15-Sep	0.21%	0.21%	0.10%	• Core CPI at 3.95% yoy, within the target zone.
	International Reserves Weekly (USD)	20-Sep	226,465m	–	226,109m	
	Overnight Rate	26-Sep	10.50%	10.50%	10.75%	
	Trade Balance (USD)	Aug	-4,868.0m	-149.0m	-72.0m	• Exports -1% yoy; Imports +5.7% yoy.

Source information is at the end of the document.

Commentary

Argentina: Net foreign exchange (FX) reserves rose by USD 500m to negative USD 5.2bn in August, according to the Central Bank of Argentina. The increase in reserves came after a decline of USD 4.5bn in the two previous months. Gross FX reserves now sit at USD 26.7bn. The mining company First Quantum said it aims to start construction of its USD 3.6bn Argentinian copper project in 2025. The project has capacity to produce some 275 tons of copper in 10 years, equivalent to annual exports of c. USD 2bn or more. A key question for large foreign direct investment (FDI) remains whether Argentina's government will manage to liberalise its FX regime ahead of the 2025 mid-term elections. It is likely the government will seek a new IMF programme ahead of a fresh round of currency depreciation for that aim.

Brazil: Minutes of Banco Central do Brasil's monetary policy committee (MPC) highlighted the 25bps hike last week was the beginning of a cycle and pointed to upside asymmetries to inflation. The MPC sees a positive output gap, as the economy is growing beyond its capacity. At the same time, Governor Roberto Campos Neto said the market's concern over fiscal policy transparency is somewhat excessive. Neto expects lower public spending in the coming years, forced by the fiscal framework itself.

Latin America (continued)

Mexico: Congress approved a constitutional reform that moves the administration of the National Guard to the Defence Ministry. The reform militarises security activities and is not of great concern to investors, in our view. The main concern is the fact that President Andrés Manuel López Obrador (AMLO) granted the military several non-security activities, including welfare policies, airports and customs, building public infrastructure (i.e., hospitals) and even the operation of a public bank. President-elect Claudia Sheinbaum assumes power on 1 October. She would do well to bring the army's focus to security activities, in our view.

Panama: Social Security Fund Director Enrique Lau Cortés said there were some 41.6k non-payers, who owe some USD 311m to the fund. The government is investigating previous corruption schemes, trying to consolidate the large fiscal deficit left by the previous administration.

Peru: The government approved an overhaul of the pension system, under discussion for one year. The objective is to improve retirees' pensions by improving both coverage and efficiency. The national and private pension systems will merge into a single universal system with four pillars: non-contributory, semi-contributory, contributory, and voluntary. The law sets a minimum pension of PEN 600, establishes a consumption-based contribution mechanism, and prohibits new withdrawals from private pension funds. The reform, while adding pressure on public expenditure, is positive as it allows nearly 10 million informal and independent workers into the system and prevents further withdrawal of funds. Withdrawals since the Covid-19 shock have significantly undermined the pension system.

Ashmore

Central and Eastern Europe

Economic data

Türkiye's reserves are increasing fast. Czechia and Hungary cut rates as expected, with the former keeping a less dovish stance than the latter.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Czechia	Repurchase Rate	25-Sep	4.25%	4.25%	4.50%	• MPC still sees some inflationary pressures demanding "tight monetary policy and to carefully consider any further rate cuts".
Hungary	Avg Gross Wages (YoY)	Jul	13.9%	13.6%	13.3%	• Inflation dropped in July, suggesting food price increases might be temporary.
	Central Bank Rate	24-Sep	6.50%	6.50%	6.75%	
	Current Account NSA	2Q	1,953m	1,832m	2,382m	
	Unemployment Rate	Aug	4.2%	4.2%	4.2%	
Poland	Retail Sales (YoY)	Aug	3.2%	3.7%	5.0%	
	Unemployment Rate	Aug	5.0%	5.0%	5.0%	

Source information is at the end of the document.

Commentary

Hungary: The 25bps cut was in line with consensus after inflation dropped in July, suggesting food inflation might be temporary, and following the Fed's 50bps cut last week. Governor Barnabás Virág suggested there is room for two more 25bps rate cuts by year end.

Montenegro: S&P upgraded the country sovereign rating by one notch to B+ while Moody's upgraded Moldova to Ba3. This is a rare case where Moody's has a higher rating than its peer.

Poland: S&P Global Ratings raised its Polish real GDP growth forecast by 10bps to 3.0% for 2024 and 3.4% for 2025.

Ashmore

Central Asia, Middle East & Africa

Economic data

Ghana cut 200bps; Nigeria unexpectedly hiked 50bps. Senegal shenanigans.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Nigeria	Central Bank Interest Rate	45536	27.25%	26.75%	26.75%	• Hike to anchor expectations and NGN.
South Africa	Leading Indicator	Jul	113.6	–	112.8	• Leading indicator higher, producer prices lower.
	PPI (YoY)	Aug	2.8%	3.5%	4.2%	
Türkyie	Real Sector Confidence SA	Sep	99.2	–	98.0	
	Capacity Utilisation	Sep	74.9%	–	75.4%	• Economy slack supports ongoing disinflation.
	Foreign Tourist Arrivals (YoY)	Aug	2.5%	–	2.6%	
	Net Change in Non-Resident Bond Holdings (USD)	44075	1,583m	–	1,647m	• Foreign purchases of local bonds remains solid.
	Trade Balance (USD)	Aug	-4.99bn	-4.90bn	-7.29bn	

Source information is at the end of the document.

Commentary

Ghana: The Bank of Ghana cut its policy rate by 200bps to 27%, as inflation is expected to decline to around 15% by the end of the year and should meet the 6-10% target by the end of 2025. The committee noted the robust implementation of fiscal consolidation with the committed budget deficit of 2.4% of GDP from January to July, below the 2.8% target for the period. Private sector credit rose +21.7% yoy in August from 17.7% yoy in July, while non-performing loans remained elevated at 24.3%, compared with 20.0% in the same period last year.

The trade surplus rose to 3.3% of GDP in Jan-Aug up from 2.2% GDP over the same period last year, with gold exports rising 62% yoy and oil +16.7%, compensating for cocoa -42.7% yoy. FX reserves rose to USD 7.5bn at the end of August, up from USD 5.9bn at the end of 2023.

Nigeria: The Central Bank of Nigeria (CBN) hiked its policy rate by 50bp to 27.25%, while also raising the cash reserve requirements for deposit banks by 500bp to 50% and merchant banks by 200bps to 16%. The hawkish step came after inflation declined for two consecutive months to 32.2%. Governor Yemi Cardoso said "a lot more" is needed to achieve price stability. The hike also aims to help achieve long-term economic stability.

Oman: S&P upgraded the sovereign rating to 'BBB-', the first rating agency to move Oman back to investment grade. The rating agency indicated it could further raise Oman's ratings in the next two years if reforms lead to steady growth in GDP per capita, and momentum in non-oil growth continues. Strengthening economic diversification and the development of local capital markets will also be key. Fitch rates Oman 'BB+' and Moody's 'Ba1.'

Senegal: Finance Minister Abdourahmane Sarr said an audit revealed the country's debt and budget deficit were significantly understanded with a deficit of over 10% of GDP in 2023, more than twice the level reported by the former government. Public debt was 10% higher on average in the last 5-years at 76.3% vs 65.9% previously. Given this revelation, the country paused its request for IMF disbursement, to avoid reporting false data.

Türkyie: Net reserves rose by USD 3.5bn to USD 30bn in the week of 15-20 September. Inflows of USD 3.2bn: USD 1.4bn local, USD 1.2bn equities and USD 0.5bn eurobonds. Of the USD 3.5bn 10-year eurobonds placed last week, USD 1.65bn were in cash and the remainder amortising existing 2024 and 2025 bonds.

Ashmore

Developed Markets

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Eurozone	M3 Money Supply (YoY)	Aug	2.9%	2.5%	2.3%	
	ECB 1 Year CPI Expectations	Aug	2.7%	2.7%	2.8%	
Japan	PPI Services (YoY)	Aug	2.7%	2.6%	2.7%	
	Nationwide Dept Sales (YoY)	Aug	3.9%	–	5.5%	• Dept. sales growth slowed further in August.
	Tokyo CPI (YoY)	Sep	2.2%	2.2%	2.6%	• Tokyo CPI in line as core back to 2.0% levels.
	Tokyo CPI Ex-Fresh Food (YoY)	Sep	2.0%	2.0%	2.4%	
United States	FHFA House Price Index (MoM)	Jul	0.1%	0.2%	0.0%	
	S&P C.Logic CS HPI (YoY) NSA	Jul	5.0%	–	5.5%	• Weak housing market data overall as lower rates leads to higher refinancing activity, but new sales remain subdued.
	Conf. Board Cons. Confidence	Sep	98.7	104.0	105.6	
	Richmond Fed Manufact.	Sep	-21.0	-12.0	-19.0	
	MBA Mortgage Applications	44075	11.0%	–	14.2%	
	New Home Sales	Aug	716k	700k	751k	
	Durable Goods Orders	Aug P	0.0%	-2.6%	9.9%	• Durable goods better than expected.
	Durables Ex Transportation	Aug P	0.5%	0.1%	-0.1%	
	Initial Jobless Claims	Sep-21	218k	223k	222k	• Jobless claims dropped further, but continuing claims inched up.
	Continuing Claims	Sep-14	1,834k	1,828k	1,821k	
	Pending Home Sales NSA (YoY)	Aug	-4.3%	-5.5%	-4.6%	
	Personal Income	Aug	0.2%	0.4%	0.3%	• Personal income and spending declined.
	Wholesale Inventories (MoM)	Aug P	0.2%	0.2%	0.2%	
	Personal Spending	Aug	0.2%	0.3%	0.5%	
	Core PCE Price Index (MoM)	Aug	0.1%	0.2%	0.2%	• Yoy rate rose by 10bps to 2.7%, in line with est.
	U. of Mich. Sentiment	Sep F	70.1	69.3	69	

Source information is at the end of the document.

Commentary

United States: Economic activity revisions saw higher real spending and savings rates which were revised to 5.3% from 3.5% previously.

Benchmark Performance

Emerging Markets	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI EM	7.0%	9.1%	17.2%	27.1%	0.1%	5.8%
MSCI EM ex-China	3.2%	5.9%	14.9%	30.1%	3.4%	8.7%
MSCI EMEA	4.0%	8.8%	11.7%	21.7%	-5.2%	0.7%
MSCI Latam	1.1%	4.8%	-11.6%	5.8%	6.3%	2.1%
MSCI Asia	8.4%	10.4%	21.1%	29.4%	0.3%	6.6%
MSCI China	19.1%	18.7%	24.3%	20.3%	-6.7%	0.1%
MSCI India	3.5%	8.8%	27.2%	41.9%	11.5%	16.6%
MSCI EM Growth	7.9%	9.7%	19.0%	28.8%	-2.7%	5.5%
MSCI EM Value	6.0%	8.3%	15.3%	25.2%	3.2%	6.0%
MSCI EM Small Cap	3.5%	5.2%	12.7%	23.4%	4.6%	12.1%
MSCI Frontier	0.7%	4.6%	10.9%	15.9%	-2.6%	3.3%
GBI-EM-GD	3.6%	9.2%	5.1%	14.7%	0.4%	0.6%
GBI-EM China	2.2%	5.3%	6.4%	11.2%	1.8%	4.6%
EM FX spot	2.2%	4.9%	-0.6%	3.3%	-2.3%	-2.5%
ELMI+ (1-3m NDF)	2.0%	5.3%	3.8%	9.9%	1.0%	1.3%
EMBI GD	1.8%	6.1%	8.6%	18.3%	-0.6%	0.8%
EMBI GD IG	1.3%	5.7%	5.2%	13.7%	-3.2%	-0.5%
EMBI GD HY	2.2%	6.5%	12.0%	23.1%	2.2%	2.1%
CEMBI BD	1.2%	4.5%	8.5%	14.5%	1.0%	2.8%
CEMBI BD IG	1.2%	4.5%	6.7%	12.7%	-0.6%	1.4%
CEMBI BD HY	1.3%	4.5%	11.2%	17.1%	3.2%	4.8%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	2.4%	6.7%	18.8%	32.6%	7.2%	12.2%
MSCI World (DM)	1.9%	6.5%	19.0%	33.2%	8.1%	13.1%
S&P 500	1.7%	5.4%	21.6%	36.2%	10.6%	16.0%
DXY Index**	-1.3%	-5.2%	-0.9%	-5.9%	7.5%	1.3%
EUR*	0.8%	3.7%	-0.4%	4.5%	-3.1%	-1.0%
JPY*	2.4%	11.6%	-5.0%	-0.6%	-10.3%	-6.8%
CRY Index**	3.2%	-1.6%	8.4%	0.5%	8.3%	12.9%
Brent**	-8.7%	-16.7%	-6.6%	-25.4%	-3.2%	3.3%
Gold**	6.2%	14.2%	28.9%	41.7%	17.2%	15.5%
Bitcoin**	11.6%	7.0%	54.5%	143.1%	19.8%	143.3%
1-3yr UST	0.9%	3.0%	4.3%	7.1%	1.3%	1.5%
3-5yr UST	1.2%	4.4%	4.4%	9.2%	-0.2%	0.9%
7-10yr UST	1.6%	6.0%	4.3%	11.6%	-2.7%	-0.6%
10yr+ UST	2.4%	8.2%	2.8%	16.2%	-8.6%	-4.2%
10yr+ Germany	1.3%	4.4%	-1.0%	11.9%	-10.1%	-7.2%
10yr+ Japan	0.7%	2.8%	-4.0%	-3.2%	-5.3%	-3.9%
Global Agg.***	1.9%	7.2%	3.8%	12.6%	-3.2%	-0.8%
US Agg. IG***	1.6%	5.4%	4.7%	12.1%	-1.4%	0.4%
EU Agg. IG***	1.1%	3.7%	2.4%	9.2%	-3.4%	-2.1%
US Corp HY***	1.6%	5.3%	8.0%	16.0%	3.0%	4.7%
EU Corp HY***	1.0%	3.6%	7.0%	13.0%	2.2%	3.1%

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.

Ashmore

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