

Spotting Stagflation

By Gustavo Medeiros and Rian Durham

US economic growth has surprised to the downside, inflation to the upside. • A helicopter crash killed Iranian President Raisi. • Israel's Netanyahu faced more pressure from his cabinet. • The US announced 100% tariffs on imports of Chinese electric vehicles. • China announced sweeping measures to support the housing market. • Indonesia's President-elect to increase expenditures to boost growth. • IMF staff approved the eighth review of the Argentinian programme. • The Brazilian Central Bank minutes quelled political interpretations of dissent from committee members at its last meeting. • Mexico's presidential front-runner Sheinbaum said consumption is likely to remain strong as she vowed to increase infrastructure investments. • Georgia's President Zourabichvili vetoed the controversial 'Foreign Agent' law, but parliament may overrule her. • Türkiye received record foreign investment in local bonds last week.

Contents	Page
Global Macro	2
EM Asia	5
Latin America	6
Central and Eastern Europe	7
Central Asia, Middle East & Africa	8
Developed Markets	9
Benchmark Performance	10
Explore Latest Insights	11

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	6.48%	-5	-	1.5%	MSCI EM	12.5	2.7%	<ul style="list-style-type: none"> • MSCI EM rose 2.7%, outperforming again led by China. • EM ex-China rose 2.1%, also outperforming ACWI and S&P 500 • EM local bonds rose 1.5%, twice more than Global Agg... ...most of the outperformance from EM currencies strength.
GBI-EM China	2.31%	-1	-	0.2%	MSCI EM ex-China	13.5	2.1%	
GBI-EM FX Spot	-	-	-	1.1%	MSCI EM Small Cap	10.4	1.3%	
ELMI+ (1-3m NDF)	7.63%	7	-	1.0%	MSCI Frontier	9.0	0.6%	
EMBI GD	8.19%	-11	374 bps	0.8%	MSCI EM Asia	13.4	3.1%	
EMBI GD IG	5.65%	-11	115 bps	0.9%	MSCI China	10.6	4.3%	
EMBI GD HY	11.24%	-11	682 bps	0.7%	MSCI EMEA	17.5	3.0%	
CEMBI BD	7.08%	-10	266 bps	0.6%	MSCI Latam	9.5	2.4%	
CEMBI BD IG	5.84%	-9	142 bps	0.6%	MSCI EM Growth	13.8	2.7%	
CEMBI BD HY	8.80%	-10	437 bps	0.5%	MSCI EM Value	9.4	2.0%	

Global Debt	Yield	Change (bp)	Spread	5 day Change	Global Backdrop*	PE 1yr BF	5 day Change	Comments
2yr UST	4.83%	-4	-	0.2%	MSCI ACWI	17.9	1.7%	<ul style="list-style-type: none"> • US treasury yields declined, and the curve flattened... ...Driving IG outperformance. • The Dollar weakened driven by the stronger EUR. • Commodity prices rose another 1.5%.
5yr UST	4.45%	-7	-	0.4%	MSCI World (DM)	18.8	1.6%	
10yr UST	4.42%	-8	-	0.7%	S&P 500	20.9	1.6%	
30yr UST	4.56%	-8	-	1.3%	VIX Fut.*	12.7%	-0.9%	
10yr Germany	2.52%	0	-	0.2%	DXI Index*	104.4	-0.8%	
10yr Japan	0.95%	4	-	-0.8%	EUR*	1.087	0.8%	
Global Agg.**	3.90%	-4	37 bps	0.7%	JPY*	155.7	0.1%	
US Agg. IG**	5.47%	-8	82 bps	0.6%	CRY Index*	293.8	1.5%	
EU Agg. IG**	3.83%	0	72 bps	0.2%	Brent*	84.0	1.4%	
US Corp HY**	7.85%	-7	297 bps	0.4%	Gold*	2,415	2.3%	
EU Corp HY**	6.88%	-5	344 bps	0.3%	Bitcoin*	67,090	9.3%	

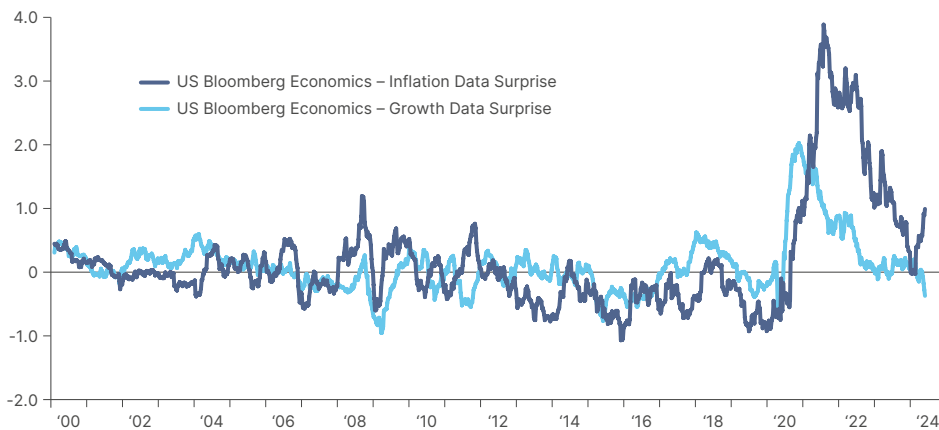
Source & Notations: See end of document.

Global Macro

At the latest Federal Open Market Committee press conference, Federal Reserve (Fed) Chairman Jerome Powell responded to a question on ‘stagflation’ by saying, “I don’t see the ‘stag’ or the ‘-flation’, actually”, as economic activity remained robust and inflation surprises were concentrated on a few items that are likely to decline. While it is true the US economy has remained more resilient than expected, the evolution of the data shows a clear trend where activity has surprised to the downside and inflation to the upside. It is increasingly obvious to us that US exceptionalism was a matter of inflating nominal gross domestic product (GDP) with inflationary fiscal policies.

For instance, the Bloomberg Surprise Indexes of inflation (containing 33 indicators) and growth (66 indicators) have posted a large and rare divergence since February. Inflation surprises moved from zero in early February to +1 last week, while growth surprises declined from +0.2 to -0.4 over the same period, as per Fig 1. It is very unusual for inflation and activity to diverge, and indeed have diverged to the same magnitude only during the pandemic:

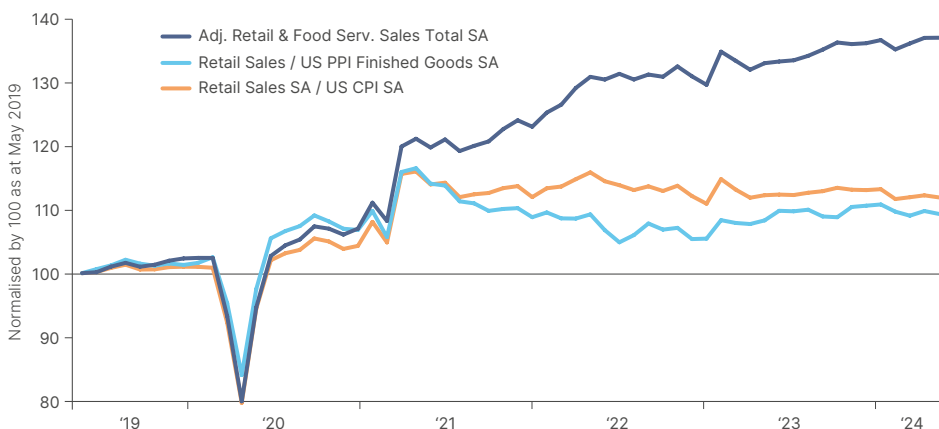
Fig 1: **Bloomberg Surprise Index: Growth vs. Inflation**



Sources: Ashmore, Bloomberg. Data as at 17 May 2024.

Another element suggesting inflation has been the main factor supporting the US exceptionalism, is retail sales. A first look shows a robust picture, with retail sales nearly 40% above pre-pandemic levels and more than 15% higher than April 2021. However, after adjusting for inflation, retail sales are up only c. 10% above pre-pandemic levels and have declined over the last three years, as per Fig 2:

Fig 2: **Retail and Food Services Sales**
Seasonally Adjusted – nominal terms and adjusted for inflation

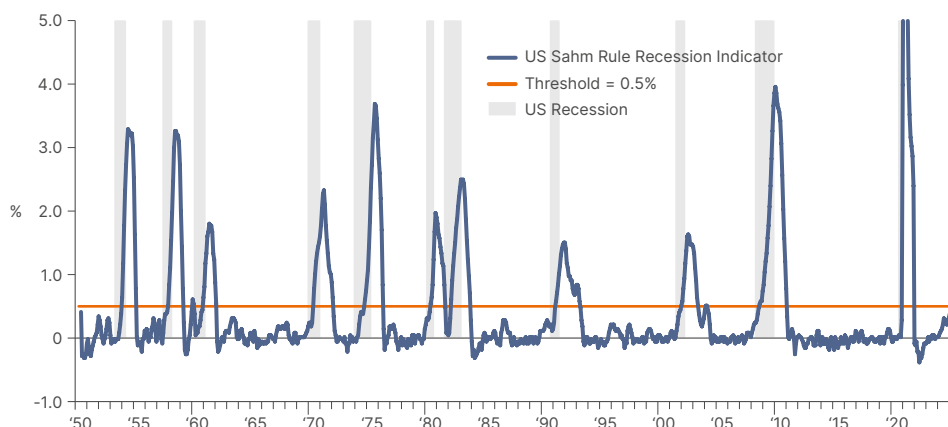


Sources: Ashmore, Bloomberg. Data as at 17 May 2024.

Global Macro (continued)

Further, small business confidence remains at very weak levels, the level of defaults on credit card and consumer loans continues to increase and the labour market has been softening. The Sahm Rule, a simple indicator comparing the three-month moving average (MA) of the unemployment rate against its lows is close to breaching the 0.5% level that signals a recession.

Fig 3: **Sahm Rule**

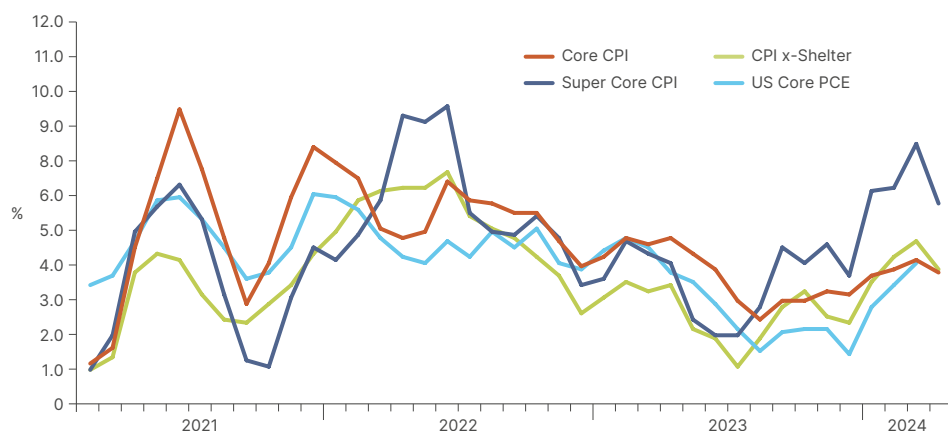


Sources: Ashmore, Bloomberg. Data as at 17 May 2024.

Against this backdrop, Fed officials Loretta Mester, John Williams and Neel Kashkari have noted that price deceleration is slower than expected, partly due to limited supply chain improvements. Mester stated that “Incoming economic information indicates that it will take longer to gain confidence for cuts” and that “maintaining our restrictive stance for longer is prudent as we gain clarity about inflation.”

Indeed, the consumer price index (CPI) of inflation was revised lower in March, compensating for the higher-than-expected inflation in April. However, the super core CPI (services excluding housing) remains high at 0.4% month-over-month. While the three-month moving average of core CPI inflation may have declined, it remains on an upward trend that started in August 2023. The three-month MA of both super core and CPI ex-shelter are at very elevated levels at 6.3% and 4.2%, respectively as per Fig 4. The six-month MAs are all rising, with core CPI up to 4.1% yoy from 3.9% in March, super core CPI having risen to 6.5% (from 6.1%) and CPI ex-shelter up 20bps to 4.0%.

Fig 4: **CPI and Core CPI measures: 3-month moving average**



Sources: Ashmore, Bloomberg. Data as at 17 May 2024.

On the other hand, European Central Bank (ECB) officials are signalling a 25 basis points (bps) cut at the 6 June meeting as certain. The market expects three more 25bps cuts over five meetings in 2024, or one every other meeting, barring a significant slowdown in economic data. Such monetary policy divergence has been well-telegraphed and priced in recent weeks. Indeed, the weaker US activity and Powell’s dovish statement capping the two-year rates at 5.0% worked against the Dollar last week.

Global Macro (continued)

Geopolitics

Iranian President Ebrahim Raisi and Foreign Minister Hossein Amirabdollahian died in a helicopter crash in mountainous terrain in heavy fog after a visit to the border in Azerbaijan. The accident led to speculation of a US or Israeli plot to assassinate the president. Presidents hold little power in Iran, but Raisi was a frontrunner to replace the Supreme Leader Ayatollah Ali Khamenei. More important than whether the US/Israel killed the president is whether Iran chooses to blame foreign powers with the intention of retaliating. Tehran has been careful to avoid a meaningful escalation that would pose a threat to the regime.

In Gaza, Israeli forces have taken control of the Rafah crossing, with Israel and Egypt blaming each other for its continued closure amid a worsening humanitarian crisis. Israeli Defence Minister Yoav Gallant stated that politicians will not allow the military to devise a post-war plan for Gaza. The next day, war cabinet member Benny Gantz threatened to leave the government unless Netanyahu agreed on six conditions, including establishing an international task force to manage Gaza after the war. This political bickering is unlikely to fracture the coalition, in our view. Netanyahu is likely to retain the majority in parliament even if Gantz exits the government. The US plans to send an additional USD 1bn in weapons and ammunition to Israel, with delivery details yet to be released.¹ The EU is urging an end to the Rafah operation, warning it threatens already deteriorating ties.²

President Biden has accused China of “cheating” on trade and announced tariffs on products accounting for USD 18bn in annual imports.³ Tariffs on electric vehicles (EVs) will rise to 100%. The measure is largely political and has little impact on bilateral trade, as the US does not import many EVs from China. Levies of 25% to 50% will target semiconductors, batteries, solar cells, critical minerals, and medical supplies, adding to previously increased tariffs on steel, aluminium, and EVs, but some tariffs will rise only in 2025 and 2026, allowing time for the industries to adapt.

Amid growing trade tensions, the EU is taking a different approach to Chinese imports. Despite joining the US in accusing China of overproducing EVs and other renewable energy products, the EU is much more dependent on international trade. Europe has been relying on an export-led growth model, supported by Russian energy, since 2011. Thus, it is very challenging for Europe to decouple from China and Russia at the same time, in our view. Stellantis announced a joint venture with Chinese EV startup Leapmotor to start selling electric cars in nine European countries later this year.⁴

President Vladimir Putin visited Beijing to meet with President Xi Jinping on his first post-inauguration foreign trip. They agreed to enhance cooperation, which Putin described as “one of the main stabilising factors in the international arena.” Notably, 90% of trade between Russia and China is now conducted in Rubles or Yuan, which Putin claims protects their trade and investments from third-country influences.

¹ See – <https://apnews.com/article/us-israel-arms-gaza-ebe971ca8878ff430ce6458c04151585>

² See – <https://www.washingtonpost.com/world/2024/05/15/israel-hamas-war-news-gaza-palestine-rafah/>

³ See – <https://blinks.bloomberg.com/news/stories/SDHEBZT1UM0W>

⁴ See – <https://www.euronews.com/business/2024/05/15/stellantis-and-leapmotor-to-sell-electric-cars-in-europe-from-september>

EM Asia

Economic data

Weak Chinese data. Indian trade not as bad as it seems. Korean export prices increasing.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
China	Industrial Production (YoY)	Apr	6.7%	5.5%	4.5%	• Export-led recovery still prevalent as IP improved, but retail sales and fixed asset investment declined.
	Retail Sales (YTD) (YoY)	Apr	4.1%	4.6%	4.7%	
	Fixed Assets Ex Rural (YTD) (YoY)	Apr	4.2%	4.6%	4.5%	
India	Foreign Exchange Reserves (USD)	1 May	644.2bn	-	641.6bn	• FX reserves increased despite wider trade deficit.
	Trade Balance (USD)	Apr	-19,103m	-17,300m	-15,598m	• Deficit increase was benign driven by seasonals, and higher import of consumer goods (non-gold and oil).
	Imports (YoY)	Apr	10.3%	-	-6.0%	• Current account deficit likely to remain below 1% GDP.
	Exports (YoY)	Apr	1.1%	-	-0.7%	
Indonesia	Exports (YoY)	Apr	1.7%	4.4%	-3.8%	
	Imports (YoY)	Apr	4.6%	8.7%	-12.8%	
South Korea	Import Price Index (YoY)	Apr	2.9%	-	-0.5%	• Export price index up suggests more pressure on global supply chains.
	Import Price Index (MoM)	Apr	3.9%	-	0.5%	
	Export Price Index (MoM)	Apr	4.1%	-	0.3%	
	Export Price Index (YoY)	Apr	6.2%	-	2.3%	

Source information is at the end of the document.

Commentary

China: The People's Bank of China scrapped the nationwide minimum mortgage interest rate and reduced the minimum down payment ratio to 15% for first-time buyers and 25% for second homes. These significant policy changes aim to revitalise the country's struggling real estate sector. Additionally, local state-owned enterprises will receive support to purchase built and unsold homes that meet certain criteria for working-class basic needs (affordable housing). The companies purchasing the homes should not be financed by local government financing vehicles or be involved in local government "hidden debt". The cabinet aims to formalise the draft plan by June. In other news, Bloomberg reported China has sold a record USD 53.3bn in US Treasury bonds. We would be cautious in making political inferences from the data, noting it is challenging to establish China's Treasuries positions, as its holdings are often held by global custodians that do not disclose the ownership origin.⁵ It would be reasonable to expect China and its state-owned banks to be selling US Treasuries as China has been intervening to defend the RMB.

Indonesia: President-elect Prabowo Subianto urged the government to adopt a more aggressive spending approach to stimulate the economy. He said the current 3.0% legal limit on the budget deficit is arbitrary and expressed confidence in achieving 8% GDP growth within the next two to three years, aiming to position the country as the fastest-growing major economy globally. Economic Minister Airlangga Hartarto announced government support for projects aimed at leveraging the world's largest nickel reserves to attract foreign investment.

Thailand: Finance Minister Pichai Chunhavajira and Bank of Thailand Governor Sethaput Suthiwartnarueput met to ease tensions between the government and the central bank over strategies to "rejuvenate" the nation's economy, particularly regarding the inflation target. In their first meeting since taking office, Pichai emphasised that "Providing access to lending is more important than the level of interest rate."

⁵ See – <https://blinks.bloomberg.com/news/stories/SDM6PMT1UM0W>

Latin America

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Colombia	GDP NSA (YoY)	1Q	0.7%	0.8%	0.3%	• Economic data remains soft overall.
	Manufacturing Production (YoY)	Mar	-11.1%	-7.5%	-2.2%	
Brazil	Economic Activity (YoY)	Mar	-2.2%	-2.0%	2.5%	• Economic activity slowed in line with consensus.
Mexico	ANTAD Same-Store Sales (YoY)	Apr	-	-	7.9%	

Source information is at the end of the document.

Commentary

Argentina: The International Monetary Fund (IMF) have approved the eighth review of Argentina's USD 44bn loan agreement, paving the way for c. USD 800m in loans for the country. President Javier Milei said the nation is on the brink of lifting foreign exchange controls and emphasised the government's eagerness to do so swiftly.

Brazil: President Lula removed Petrobras CEO Jean Paul Prates following a prolonged dispute over dividend payments. Prates, along with CFO Sergio Caetano Leite, was officially ousted during a board meeting, leading to a sharp decline in the oil giant's share price. The new CEO is a technocrat with a good reputation and plenty of experience in the sector and with Petrobras. Central Bank Governor Roberto Campos Neto emphasised that most monetary policy committee members recognised the need for a change in response to significant developments, including a deteriorating inflation outlook, following last week's rate cut by 25bps to 10.5%. The minutes of the monetary policy committee, where four directors appointed by Lula dissented in favour of a larger 50bps cut, stated the disagreements were about breaking the previous forward guidance, rather than the substance of (a more cautious stance to) monetary policy.

Colombia: President Gustavo Petro criticised the central bank, asserting that the current interest rate "strangles the economy". The government has persistently advocated for a swifter reduction in the policy rate, despite the country having one of Latin America's highest inflation rates.

Mexico: Presidential candidate Claudia Sheinbaum predicted that despite a potential US economic slowdown, Mexico's robust domestic consumption will fuel economic growth through 2025. She emphasised plans to construct one million homes and undertake significant infrastructure projects as additional drivers of economic expansion. These assertions coincide with Mexico's record-breaking foreign direct investment (FDI) of USD 20.3bn in Q1, indicating the nation's advantageous position to capitalise on global trade tensions amidst escalating US-China conflicts.

Central and Eastern Europe

Economic data

Inflation still softening.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Czechia	CPI (MoM)	Apr	0.7%	0.2%	0.1%	• Food prices drove CPI higher, but core inflation benign at 2.6% yoy.
	CPI (YoY)	Apr	2.9%	2.4%	2.0%	
Romania	Industrial Sales (YoY)	Mar	7.0%	6.8%	7.0%	• Kept policy unchanged. Consensus was 25bps cut.
	Interest Rate Announcement	Apr	0.1%	0.4%	0.4%	
	CPI (MoM)	Apr	0.1%	2.7%	3.0%	• CPI drop driven by electricity and natural gas prices • Weaker GDP and slowing inflation allows CB to cut policy rate over the next meetings.
	GDP (YoY)	1Q A	2.8%	-1.9%	-1.6%	
	Industrial Output (YoY)	Mar	2.8%	-1.9%	-1.6%	
Poland	CPI Core (MoM)	Apr	0.7%	0.7%	0.5%	
	CPI Core (YoY)	Apr	4.1%	4.1%	4.6%	
Russia	Trade Balance (USD)	Mar	18.8bn	-	8.2bn	• Trade surplus remains solid despite sanctions.

Source information is at the end of the document.

Commentary

Georgia: President Salome Zourabichvili vetoed the 'Foreign Agent' bill passed by parliament last week, saying the law "in its essence and spirit, is fundamentally Russian" and an obstacle to Georgia's path to EU membership. Georgia was granted EU candidate status in December 2023, but both the EU and US criticised the bill. Parliament can vote to override her veto with a simple majority. The legislation would require organisations receiving more than 20% of their funding from abroad to register as "agents of foreign influence" or face a fine, a similar law passed in Russia in 2012. Russia and Georgia have had no formal relations since Russia invaded Georgia in 2008, but Russians are allowed to live and work in Georgia with lax visa requirements, and the number of Russian expats increased significantly post-Russian invasion of Ukraine.

Central Asia, Middle East & Africa

Economic data

Türkiye's foreign investor inflows to bonds surged in the week of 10 May.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Qatar	CPI (YoY)	Apr	0.7%	-	1.0%	
Nigeria	CPI (YoY)	Apr	33.7%	34.2%	33.2%	• Inflation rose by less than consensus, but still too elevated.
South Africa	Retail Sales Constant (YoY)	Mar	2.3%	-0.6%	-0.7%	
Turkey	Non-Resident Bond Holdings (USD)	10 May	2,833m	-	761m	• Current account deficit wider, but foreign investors added nearly USD 2.8bn in the second week of May and USD 4.3bn in the prior four weeks combined.
	Current Account Balance (USD)	Mar	-4.54bn	-3.75bn	-3.64bn	
	Central Gov't Budget Balance (USD)	Apr	-177.8bn	-	-209.0bn	

Source information is at the end of the document.

Commentary

Egypt: The country has received the second USD 14.0bn tranche from the United Arab Emirates (UAE) deal, coinciding with the commencement of exchanging a USD 6.0bn UAE deposit into Egyptian pounds.⁶

⁶ See – <https://www.ashmoregroup.com/en-gb/insights/big-picture-behind-egypts-big-deal>

Developed Markets

Economic data

US inflation in line, but elevated. Activity weaker.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Eurozone	CPI (YoY)	Apr F	2.4%	2.4%	2.4%	• Final revision. Significant inflation revisions are sparse in Europe.
	CPI (MoM)	Apr F	0.6%	0.6%	0.6%	
	CPI Core (YoY)	Apr F	2.7%	2.7%	2.7%	
Japan	GDP Annualized SA (QoQ)	1Q P	-2.0%	-1.2%	0.0%	• Growth -0.9% in Q3-23; flat in Q4; -0.5% in Q1-24
United States	PPI Ex Food and Energy (YoY)	Apr	2.4%	2.3%	2.1%	<ul style="list-style-type: none"> • Producer prices slightly higher than expected, but consumer prices slowed in line with consensus. • Housing costs declining encouraging, but inflation remains elevated. • Retail sales stagnated in real terms since March 2021 • Continuing claims is a better leading indicator than initial jobless claims. • Higher import prices threat to disrupt goods dis-inflation, unless margins compress
	CPI (MoM)	Apr	0.3%	0.4%	0.4%	
	CPI Ex Food and Energy (MoM)	Apr	0.3%	0.3%	0.4%	
	CPI (YoY)	Apr	3.4%	3.4%	3.5%	
	Retail Sales Advance (MoM)	Apr	0.0%	0.4%	0.6%	
	Initial Jobless Claims	11 May	222k	220k	232k	
	Continuing Claims	4 May	1,794k	1,780k	1781k	
	Import Price Index (MoM)	Apr	0.9%	0.3%	0.6%	
	Leading Index	Apr	-0.6%	-0.3%	-0.3%	

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	5.3%	5.8%	8.3%	15.8%	-3.2%	4.6%
MSCI EM ex-China	3.3%	1.6%	5.7%	20.9%	2.3%	7.8%
MSCI EMEA	2.9%	3.1%	4.2%	12.4%	-5.6%	-0.5%
MSCI Latam	3.5%	-0.1%	-4.1%	14.7%	7.1%	5.3%
MSCI Asia	6.1%	7.4%	10.0%	14.6%	-4.1%	4.6%
MSCI China	10.9%	18.2%	15.6%	4.6%	-13.5%	-1.8%
MSCI EM Growth	5.5%	5.8%	9.3%	14.3%	-6.6%	4.5%
MSCI EM Value	5.2%	5.8%	7.2%	17.4%	0.5%	4.5%
MSCI EM Small Cap	2.8%	4.8%	5.9%	25.4%	5.1%	11.0%
MSCI Frontier	3.6%	0.5%	5.8%	14.6%	-1.7%	3.1%
GBI-EM-GD	3.3%	1.1%	-1.0%	5.3%	-2.4%	0.6%
GBI-EM China	0.4%	0.7%	0.6%	1.3%	0.5%	3.1%
EM FX spot	2.2%	0.9%	-1.9%	-1.3%	-3.7%	-3.0%
ELMI+ (1-3m NDF)	2.1%	1.5%	0.3%	4.9%	-0.6%	0.8%
EMBI GD	2.4%	0.3%	2.4%	11.8%	-2.2%	0.7%
EMBI GD IG	2.7%	-0.2%	-0.9%	2.6%	-4.5%	-0.2%
EMBI GD HY	2.2%	0.8%	5.8%	22.2%	0.2%	1.5%
CEMBI BD	1.5%	0.6%	2.9%	9.5%	-0.2%	2.5%
CEMBI BD IG	1.5%	0.3%	1.3%	5.7%	-1.8%	1.3%
CEMBI BD HY	1.4%	1.1%	5.3%	15.1%	1.9%	4.2%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	5.2%	1.8%	10.1%	24.0%	6.2%	11.3%
MSCI World (DM)	5.2%	1.3%	10.3%	25.0%	7.4%	12.2%
S&P 500	5.4%	1.1%	11.8%	29.5%	10.1%	15.0%
DXY Index*	-1.7%	-0.1%	3.1%	1.5%	15.8%	6.6%
EUR*	1.7%	0.5%	-2.3%	-1.4%	-4.9%	-2.0%
JPY*	1.0%	-3.4%	-11.3%	-16.5%	-12.2%	-7.5%
CRY Index*	0.8%	1.2%	11.3%	12.1%	15.6%	12.3%
Brent*	-4.4%	-4.0%	9.0%	9.1%	7.0%	3.3%
Gold*	5.2%	8.3%	17.1%	21.7%	9.8%	17.8%
Bitcoin*	11.3%	-4.8%	57.5%	149.9%	22.9%	168.8%
1-3yr UST	0.6%	0.2%	0.5%	2.9%	0.1%	1.1%
3-5yr UST	1.3%	-0.3%	-0.8%	0.8%	-2.0%	0.4%
7-10yr UST	2.1%	-1.1%	-2.5%	-2.4%	-4.4%	-0.8%
10yr+ UST	3.7%	-2.6%	-5.8%	-6.3%	-9.2%	-3.4%
10yr+ Germany	1.0%	-2.9%	-5.3%	0.0%	-10.5%	-6.2%
10yr+ Japan	-1.4%	-3.9%	-4.8%	-10.1%	-5.5%	-3.4%
Global Agg.**	1.9%	-0.6%	-2.7%	0.5%	-5.4%	-1.3%
US Agg. IG**	1.9%	-0.6%	-1.4%	1.4%	-2.9%	0.1%
EU Agg. IG**	0.6%	-0.6%	-1.0%	4.0%	-4.0%	-1.8%
US Corp HY**	1.3%	0.4%	1.9%	11.3%	1.9%	4.1%
EU Corp HY**	0.8%	0.7%	2.5%	11.2%	1.4%	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.

*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 Latest Insights

Live at the Sub-ICs

15 May 2024



EM's role in the AI revolution: disruptor or disrupted?

As Artificial Intelligence (AI) evolves, it has the potential to be transformational for Emerging Markets (EM) through the advancement of economic development, by disrupting industries and, in some EM companies' cases, by leading the global AI revolution itself. [Find out more →](#)

Market Commentary

16 May 2024



Rooting for change: Investor engagement and EM deforestation risk

The pivotal role of forest preservation in the battle against climate change is well understood. Forests provide a crucial carbon sink, the destruction of which will further accelerate global warming.

[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	Other locations Lima	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

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 © 2024.

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.