

Amuse-bouche

By Gustavo Medeiros, Ben Underhill, and Rian Durham

- The US Presidential debate and the first round of the French general elections are just starters for the political trends impacting the west.
- In contrast, the President of South Africa appointed its national unity government, which is likely to lead to positive policy developments, while Mexico's President-elect appointed market-friendly ministers to her cabinet.
- Sri Lanka agreed a debt restructuring with official creditors and China's Exim Bank, another important milestone for EM frontier reforms.
- Argentina approved its omnibus reform bill in Congress for the second time, a very positive development.
- Kenya and Bolivia proved to be exceptions, as protests and a failed coup d'etat highlighted the risks of postponing or avoiding structural reforms for too long.
- Both countries face downgrade risks in Ashmore's latest rating framework piece, where three countries were earmarked for potential downgrade and 14 for potential upgrade within the EM 'distressed space'.

¹ See – *"The untold story of improving EM fundamentals"*, The Emerging View, 27 June 2024.

Contents	Page
Global Macro	2
EM Asia	3
Latin America	4
Central and Eastern Europe	6
Central Asia, Middle East & Africa	7
Developed Markets	8
Benchmark Performance	10
Explore Further 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	6.60%	4	-	-0.1%	MSCI EM	12.2	0.1%	<ul style="list-style-type: none"> • EM stocks close to unchanged, in line with global stocks. • EM ex-China up 0.8%, EMEA outperformed again. • EM local bonds marginally outperformed sovereign Dollar assets. • EM fixed income performance in line with global fixed income.
GBI-EM China	2.16%	-6	-	0.2%	MSCI EM ex-China	13.6	0.8%	
GBI-EM FX Spot	-	-	-	-0.3%	MSCI EM Small Cap	10.1	1.0%	
ELMI+ (1-3m NDF)	7.75%	5	-	0.2%	MSCI Frontier	8.2	0.1%	
EMBI GD	8.42%	8	400 bps	-0.4%	MSCI EM Asia	13.0	-0.2%	
EMBI GD IG	5.67%	7	119 bps	-0.4%	MSCI China	9.4	-2.0%	
EMBI GD HY	11.79%	6	742 bps	-0.3%	MSCI EMEA	17.0	-0.3%	
CEMBI BD	7.03%	6	267 bps	-0.1%	MSCI Latam	9.3	0.5%	
CEMBI BD IG	5.81%	7	144 bps	-0.2%	MSCI EM Growth	13.7	0.0%	
CEMBI BD HY	8.72%	4	436 bps	0.1%	MSCI EM Value	9.0	-0.5%	

Global Debt	Yield	Change (bp)	Spread	5 day Change	Global Backdrop*	PE 1yr BF	5 day Change	Comments
2yr UST	4.76%	2	-	0.0%	MSCI ACWI	17.8	0.1%	<ul style="list-style-type: none"> • The UST curve bear-steepened with long-term yields wider despite weak economic data. • Concerns over debt supply likely to have weighed in the UST curve. • The Dollar was close to unchanged... • ...but the JPY weakened to the lowest level since 1986.
5yr UST	4.38%	10	-	-0.2%	MSCI World (DM)	18.8	0.1%	
10yr UST	4.40%	14	-	-0.7%	S&P 500	21.1	-0.1%	
30yr UST	4.56%	16	-	-2.0%	VIX Fut.*	14.0%	-0.4%	
10yr Germany	2.50%	9	-	-1.3%	DXI Index*	105.9	0.1%	
10yr Japan	1.06%	8	-	-1.1%	EUR*	1.071	0.2%	
Global Agg.**	3.90%	6	41 bps	-0.4%	JPY*	160.9	-0.9%	
US Agg. IG**	5.48%	9	88 bps	-0.6%	CRY Index*	290.5	-0.9%	
EU Agg. IG**	3.82%	4	74 bps	-0.4%	Brent*	85.0	-0.3%	
US Corp HY**	7.91%	1	309 bps	0.0%	Gold*	2,327	0.2%	
EU Corp HY**	7.02%	3	370 bps	0.0%	Bitcoin*	61,269	-0.2%	

Global Macro

French Elections

Exit polls showed the far-right National Rally (NR) with 33%; the broad left New Popular Front (NPF) alliance led with 28%; the incumbent Ensemble with 21%; centre-right Les Républicains with 10%. Other left-leaning parties received 3% and other parties 5%. The turnout was 67%, the highest in decades. The most likely scenario, if exit polls are right, is a hung parliament.

In terms of the mechanics, only circa 12.5% of the seats won in the first round with a 50% majority or 25% lead. Any candidate who receives at least 12.5% of the registered voters in the constituency qualifies for the second round, meaning there can be three- or even four-way second rounds.

Both incumbent Prime Minister Gabriel Attal and NPF leader Jean-Luc Mélenchon pledged to give up bids for seats they cannot win to campaign against the NR. Traditionally, the largest party is given the choice of forming a government. An NR-led minority government or a coalition including the Les Républicains are the most likely scenarios. This gives the Républicains a lot of power in terms of approval of policies and keeping NR in power (blocking or abstaining from non-confidence votes).

French and European assets traded well following the result, as the scenarios of a majority NR government or the more threatening far-left rise did not materialise. But there is some degree of complacency associated with the squaring of (short) positions. After all, a weaker minority government is unlikely to tackle France's fiscal situation, albeit a more acute fiscal crisis can probably be avoided.

There is also the risk that the NR government is short-lived (a vote of no confidence). An alternative coalition would be the fragmented NPF led by the far left may have to work with Macron's weakened Ensemble. This is a recipe for further fiscal slippage and/or chaotic policies that may play into the hands of the NR in 2027.

British elections

The general election takes place on the fourth of July. The base-case scenario is for the Labour Party to return to power and the traditional Conservative Party to suffer a major defeat, squeezed between Labour and Nigel Farage's far-right Reform UK. Interestingly, markets are likely to welcome a large Labour Party majority. Its leader Sir Keir Starmer has been bringing the party's policies to the centre, including adopting the budgetary blueprint of the Conservatives. Starmer is also likely to promote a closer *rapprochement* with the European Union (EU), which is likely to be positive for the British economy. A YouGov poll suggests more than 55% of Britons now believe leaving the EU was a mistake while only c. 30% believe it was the right decision.

US elections

The Democratic Party is in disarray after President Joe Biden's performance in the first presidential debate intensified worries over his ability to take office again. While presidential debates are normally relatively inconsequential for elections, Biden's performance highlighted the heavy toll of the presidency, and the fact that Biden is likely to look, act, sound and feel much worse at 86, after five more years. Even before the debate, Biden had the worst approval rate for all presidents since 1945.²

In terms of the process, Biden does not officially become the Democrat nominee until endorsed at the 2024 Democratic National Convention, which takes place in Chicago between 19-22 August. As a presumptive nominee, were he to be replaced before then, it would be the first time a party has done so at this stage in modern history. This could, in theory, happen in two ways. First, Biden could step aside as a candidate and nominate someone as a preferred alternative. The second option would be to resign as President and let Vice-President Kamala Harris take over. Still, this would not automatically make Harris the Democrat nominee for 2024. The party would have to complete an open convention, with around 700 party members choosing another candidate.

² See – <https://news.gallup.com/interactives/507569/presidential-job-approval-center.aspx>

EM Asia

Economic data

Industrial production in Korea and Taiwan buoyed by semiconductors. Good data in Vietnam.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
China	Industrial Profits (YTD) (YoY)	May	3.4%	–	4.3%	• Ongoing housing crisis and softening consumer demand prolonging weakness.
	Industrial Profits (YoY)	May	0.7%	–	4.0%	
Malaysia	CPI (YoY)	May	2.0%	1.9%	1.8%	• Highest since August 2024.
South Korea	Consumer Confidence	Jun	100.9	–	98.4	• Inflation expectations fell to 3%. • Surprise decline signals Q2 slowdown.
	Business Survey Manufacturing	Jul	75	–	76	
	Industrial Production (YoY)	May	3.5%	3.0%	6.2%	
Taiwan	Unemployment Rate	May	3.4%	3.4%	3.4%	• Semiconductor output up 41% y/y.
	Industrial Production (YoY)	May	16.1%	8.5%	14.5%	
Thailand	BoP Current Account Balance (USD)	May	650m	800m	-40m	• Export led improvement. • Excl. Gold 6.5% y/y down from 8.6%.
	Gross International Reserves (USD)	Jun-21	224.7bn	–	225.3bn	
	Exports (YoY)	May	7.8%	–	5.8%	
	Trade Balance (USD)	May	2,825m	–	265m	
Vietnam	Industrial Production (YoY)	Jun	10.9%	–	8.9%	• Solid activity and external accounts. • Core +2.6%. • Exports +10.5% yoy; Imports +13.1% yoy.
	CPI (YoY)	Jun	4.34%	4.45%	4.44%	
	Trade Balance (USD)	Jun	2,940m	1,137m	-1,000m	

Source information is at the end of the document.

Commentary

China: As part of Xi Jinping's common prosperity plan, senior financiers will be forced to forgo deferred bonuses and repay pay more than USD 400k from previous years. All eyes will be on the third plenum and the Politburo meetings this month, when policymakers will debate economic and social policies for the next years.

Sri Lanka: Sri Lanka finalised restructuring agreements for USD 10bn in debt, including deals with an Official Creditor Committee and China's Exim Bank. The agreements include USD 5.8bn with bilateral lenders (including India, France, and Japan) and USD 4.2bn with China's Exim Bank. These will allow Sri Lanka to delay debt payments until 2028, with repayments on concessional terms until 2043. The debt overhaul enables Sri Lanka to allocate funds to essential public services and reopens the doors to further bilateral transactions and financing for development. Progress in debt restructuring is crucial for maintaining International Monetary Fund (IMF) support. Earlier this month, the IMF authorised disbursement of the latest USD 336m tranche but called for the "transparent and timely completion" of talks with private creditors.

The Sri Lankan government still needs to restructure USD 13bn of dollar debt with bondholders, and around USD 2.1bn with the China Development bank. So far, in return for a roughly 35% haircut, international bondholders have proposed converting debt into a macro-linked bond, which would offer larger payouts should Sri Lanka outperform IMF economic targets. In a national address on Wednesday, Sri Lanka's president Ranil Wickremesinghe said the country's external debt payments would fall from 9% of GDP in 2022 to 4.5% by 2043, under the deal.

Latin America

Economic data

Brazil's inflation lower, fiscal deficit wider than expected. Colombia cut by 50bps with split vote. Banxico unchanged with a split vote.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Argentina	GDP (YoY)	1Q	-5.1%	-5.3%	-1.2%	• Cyclical sectors amongst hardest hit, as Milei's shock therapy takes a toll over the s/t.
	Unemployment Rate	1Q	7.7%	-	5.7%	
	Current Account Balance (USD)	1Q	240m	1,350m	-3,420m	• Goods trades rose by USD 5.4bn yoy.
	Consumer Confidence Index	Jun	41.8	-	38.3	• Down 10.9% y/y, up from 35.7 low in Jan
	Economic Activity Index (YoY)	Apr	-1.7%	-3.5%	-8.3%	
	Economic Activity Index (MoM)	Apr	-0.1%	0.3%	-1.0%	
Brazil	Current Account Balance (USD)	May	-3,400m	-3,350m	-2,868m	• Smaller trade surplus and weak services account. Total CA deficit rose to 1.8% GDP, but fully financed by FDI.
	Foreign Direct Investment (USD)	May	3,023m	4,700m	3,867m	
	Total Outstanding Loans (USD)	May	5,955bn	-	5,912bn	
	IBGE Inflation IPCA-15 (MoM)	Jun	0.39%	0.45%	0.44%	• Slight inflation downside surprise.
	IBGE Inflation IPCA-15 (YoY)	Jun	4.06%	4.11%	3.70%	
	FGV Inflation IGPM (YoY)	Jun	2.45%	2.50%	-0.34%	• Low PPI bodes well for CPI ahead.
	Net Debt % GDP	May	62.20%	61.8%	61.2%	
Chile	Retail Sales (YoY)	May	1.5%	2.6%	3.6%	• Softer than expected activity again.
	Copper Production Total	May	444,639	-	408,454	• Rise in line with seasonality. Production to increase in 2H 2024 according to Codelco.
	Unemployment Rate	May	8.3%	8.5%	8.5%	
	Manufacturing Production (YoY)	May	-2.2%	2.1%	5.1%	
Colombia	Overnight Lending Rate	46905	11.25%	11.25%	11.75%	• 2/7 policymakers voted for 75bps, adding to -200bps since December. GDP growth forecast at 1.4% in 24' and 3.2% in 25'.
	Urban Unemployment Rate	May	10.3%	10.5%	10.3%	
	National Unemployment Rate	May	10.3%	-	10.6%	
Ecuador	Trade Balance (USD)	Apr	595.1m	-	588.0m	• Trade surplus in line.
Mexico	Overnight Rate	Jun-27	11.0%	11.0%	11.0%	• Banxico signaled cuts if inflation declines in line with its forecast at 4% yoy in 2H 2024, as one voting member voted for a 25bps cut.
	Unemployment Rate NSA	May	2.6%	2.6%	2.6%	
	International Reserves Weekly (USD)	Jun-21	22,0045m	-	21,9729m	
	Bi-Weekly CPI	Jun-15	0.21%	0.16%	-0.20%	• Higher prices led by food inflation, which were impacted by the drought (El Nino).
	Bi-Weekly Core CPI	Jun-15	0.17%	0.18%	-0.02%	
	Bi-Weekly CPI (YoY)	Jun-15	4.78%	4.73%	4.59%	
	Trade Balance (USD)	May	1,991.2m	-2,054.5m	-3,746.2m	• Remains negative (-USD 4,460m) YTD.

Source information is at the end of the document.

Commentary

Argentina: Argentina's Congress approved President Javier Milei's signature pro-business reforms, marking an inflection point for the outsider to govern with a hostile political class he continues to rail against. The Chamber of Deputies passed a sweeping bill, known in Spanish as the Ley de Bases, early Friday in a final 147 to 107 vote. The biggest victory came minutes later, however, when lawmakers also approved the return of income taxes in the accompanying fiscal package by a narrower 136-116 margin, reversing the Senate's bid to undo the measure.

Latin America (continued)

Bolivia: In a dramatic turn of events, rebel soldiers drove a tank into Bolivia's presidential palace in a failed coup attempt against President Luis Arce's socialist government, resulting in celebrations by his supporters. This development comes as Arce's popularity has declined due to a significant drop in natural gas exports and the depletion of central bank reserves, which has hampered the government's ability to maintain food and diesel subsidies. The administration is struggling with broader economic issues, including fuel shortages and a lack of hard currency. Compounding these challenges are internal political dynamics, as Arce faces competition from former President Evo Morales for control of the ruling party, straining the government's finances and eroding its majority in congress. Some local news have claimed the coup d'etat to be "staged".

Brazil: The central bank raised GDP growth estimates to 2.3% for 2024, up from 1.9% previously, citing tight labour market to contribute to a strong growth momentum.

Mexico: President-elect Claudia Sheinbaum announced key appointments to her upcoming administration. Luz Elena Gonzalez, formerly the finance chief for Mexico City and a close ally of Sheinbaum, was named the new Energy Minister. Gonzalez's experience includes overseeing an expansion of the tax base and improving revenue collection in Mexico City. Raquel Buenrostro, the current Economy Minister, was appointed the new Federal Comptroller, reflecting Sheinbaum's focus on financial oversight. Additionally, David Kershenobich was selected as new Health Minister.

Central and Eastern Europe

Economic data

Czechia cut the policy rate by 50bps – more than expected.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Czechia	Repurchase Rate	Jun-27	4.75%	5.00%	5.25%	• Softer consumer demand brought the Czech National Bank to cut 50bps.
	GDP (QoQ)	1Q F	0.2%	0.3%	0.3%	
	GDP (YoY)	1Q F	0.3%	0.2%	0.2%	
Hungary	PPI (YoY)	May	-0.2%	-	-2.0%	• Wider surplus led by stronger exports.
	Trade Balance (EUR)	Apr F	1,860m	-	1,766m	
Poland	Retail Sales (YoY)	May	5.4%	6.2%	4.3%	• Total unemployed people -21k to 777k. • June preliminary CPI in line with est.
	Unemployment Rate	May	5.0%	5.0%	5.1%	
	CPI (MoM)	Jun P	0.10%	0.20%	0.10%	
	CPI (YoY)	Jun P	2.60%	2.60%	2.50%	
Russia	Industrial Production (YoY)	May	5.3%	2.3%	3.9%	• CA revised lower.
	Gold and Forex Reserve (USD)	Jun-21	593.1bn	--	596.2bn	
	Current Account Balance (USD)	1Q F	22,555m	--	25900m	

Source information is at the end of the document.

Central Asia, Middle East & Africa

Economic data

CBT pledged to keep tightening policy via “other tools”.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
South Africa	BER Consumer Confidence	2Q	-12	-	-15	
	PPI (YoY)	May	4.6%	4.9%	5.1%	
	Money Supply M3 (YoY)	May	4.7%	-	5.8%	
	Trade Balance Rand	May	20.1bn	15.0bn	10.5bn	
Turkey	One-Week Repo Rate	Jun-27	50.0%	50.0%	50.0%	• No cuts before sustained CPI decline CBT will keep tightening liquidity.
	Trade Balance (USD)	May	-6.5bn	-6.50bn	-6.55bn	
	Real Sector Confidence NSA	Jun	102.8	-	105.4	
	Capacity Utilisation	Jun	76.3%	-	76.3%	
	Foreign Tourist Arrivals (YoY)	May	14.0%	-	8.7%	

Source information is at the end of the document.

Commentary

Kenya: President William Ruto withdrew a bill to raise taxes after violent protests erupted around the country following its approval in Parliament. In his first public response following the protests, Ruto said he would not pull back the bill, arguing the new taxes were essential to control Kenya's debt, which stands at USD 80bn and costs the country over 50% of its annual tax revenue to service. However, as violence intensified, Ruto addressed the nation again, and said he “conceded” to the protestors. The protests were largely organised by young people via social media. At least 22 protestors were killed, and around 200 wounded by the police and military, after thousands of demonstrators stormed Parliament and set parts of the building on fire. The use of live ammunition by security forces has been widely condemned, including by United Nations Secretary General, António Guterres.

South Africa: President Cyril Ramaphosa announced the National Unity cabinet, a positive catalyst for South African assets after last week's delays. Finance Minister Enoch Godongwana was re-appointed, signalling fiscal policy continuity. It is likely that Godongwana will press for an increase in the primary surplus, from 0.5% in FY23/24. Parties composing the coalition with the ruling African National Congress (ANC) now hold 12 out of 32 ministerial posts, of which six are held by the centre-right Democratic Alliance (DA), including Home Affairs and Agriculture. The DA also holds six Deputy Minister positions, including at the key economic ministries of Finance, Trade & Industry and Energy & Electricity. The cabinet means potential upside reform scenarios are materialising. Risks are protests, particularly in Kwa Zulu Natal province, and either the ANC itself or the coalition breaking down due to policy disagreements.

Türkiye: A global financial watchdog removed Türkiye from its “grey list” of countries with lapses in anti-money laundering and counterterrorism financing policies, marking a significant achievement for Ankara's efforts in financial regulation.

Developed Markets

Economic data

Economic data remains weak. US Q1 GDP consumption revised lower for third time. Claims increasing. Core Personal Consumption Expenditures (PCE) down 10bps to lowest in four years.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Japan	Tokyo CPI Ex-Fresh Food (YoY)	Jun	1.80%	2.00%	1.9%	• Core CPI below 2% discourages a sharper monetary policy tightening.
	Tokyo CPI (YoY)	Jun	2.30%	2.30%	2.2%	
	Retail Sales (YoY)	May	3.0%	2.0%	2.0%	• But retail sales above consensus driven by tourism. Tourism spending in Q1 24 was 52% above pre-pandemic levels.
	Jobless Rate	May	2.6%	2.6%	2.6%	
	Job-To-Applicant Ratio	May	1.24	1.26	1.26	
	Industrial Production (MoM)	May P	2.80%	2.00%	-0.9%	
UK	GDP (QoQ)	1Q F	0.7%	0.6%	0.6%	• Small upward revision in final Q1 2024 GDP readings.
	GDP (YoY)	1Q F	0.3%	0.2%	0.2%	
United States	Dallas Fed Manf. Activity	Jun	-15.1	-15.0	-19.4	• Production indicators contributed +0.23.
	Chicago Fed Nat Activity Index	May	0.2	-0.3	-0.3	
	Conf. Board Consumer Confidence	Jun	100.4	100.0	101.3	
	Richmond Fed Manufact. Index	Jun	-10.0	-3.0	0.0	• Activity slowed across the board, with index at lowest level since March.
	New Home Sales	May	619k	635k	634k	• Consumption 3rd negative review as the advance print was 2.5%, down from 3.3% in Q4 2023, and 3.8% in Q1 2023.
	GDP Annualised (QoQ)	1Q T	1.4%	1.4%	1.3%	
	Personal Consumption	1Q T	1.5%	2.0%	2.0%	
	GDP Price Index	1Q T	3.1%	3.0%	3.0%	
	Core PCE Price Index (QoQ)	1Q T	3.7%	3.6%	3.6%	• Continuing claims higher again.
	Initial Jobless Claims	Jun-22	233k	235k	238k	
	Continuing Claims	Jun-15	1,839k	1,828k	1,821k	
	Durables Ex Transportation	May P	-0.1%	0.2%	0.4%	
	Pending Home Sales (MoM)	May	-2.1%	0.6%	-7.7%	
	Personal Spending	May	0.5%	0.3%	0.1%	
	Personal Income	May	0.2%	0.4%	0.3%	• 1y and l/t inflation est down to 3.0%.
	U. of Mich. Sentiment	Jun F	68.2	66	65.6	
Core PCE Price Index (MoM)	May	0.08%	0.10%	0.30%	• Lowest since 2020, supporting a cut over the next couple of meetings.	
Core PCE Price Index (YoY)	May	2.60%	2.60%	2.70%		

Source information is at the end of the document.

Commentary

Japan: The Yen weakened to its lowest level against the Dollar since 1986, prompting concerns from Japanese officials about potential market intervention to stabilise the currency. The decline is attributed to the wide interest rate gap between the US and Japan, despite Japan's previous efforts to bolster the yen through selling dollars in the foreign exchange (FX) market. The Japanese government may hesitate to intervene again due to the limited success of previous interventions, and may wait for strategic moments, such as post-election periods or dollar-bearish US economic data releases, to act. A USD/JPY 165 level is currently seen as the next "line in the sand" leading to intervention. For now, the Yen carry trade is back on, which has the potential to put further downwards pressure on the currency with negative

Developed Markets (continued)

implications for EM Asian currencies but positive implications for higher-yielding currencies. The trend is ultimately unsustainable. Prime Minister Kishida's approval rating has declined to only 25%, while his disapproval rating is close to 67% according to Nikkei.³ While voters attribute their disapproval to poor policy reform perspective, the policy angle is likely to be just a channel to vent frustration from lower purchasing power because of the currency. The policy is also eventually self-defeating. Tourism is surging with 14.5 million people travelling to Japan in the first five months of the year, 70% above 2023, as arrivals are likely to surpass 2019's record 32 million.⁴

³ See – <https://asia.nikkei.com/Politics/Japan-s-Kishida-approval-rating-sinks-to-new-low-of-25-Nikkei-survey#:~:text=TOKYO%20%2D%2D%20Support%20for%20Japanese,that%20launched%20in%20October%202021>

⁴ See – <https://www.bloomberg.com/news/articles/2024-06-28/why-it-feels-like-everyone-in-the-world-s-heading-to-japan-right-now?embedded-checkout=true>

Benchmark Performance

Emerging Markets	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI EM	3.9%	5.0%	7.5%	12.5%	-5.1%	3.1%
MSCI EM ex-China	6.1%	4.2%	8.4%	18.5%	1.4%	6.6%
MSCI EMEA	3.8%	1.6%	2.7%	9.3%	-6.8%	-2.2%
MSCI Latam	-6.1%	-12.2%	-15.7%	-5.6%	0.9%	0.1%
MSCI Asia	4.3%	7.2%	9.7%	12.9%	-5.8%	3.5%
MSCI China	-1.9%	7.1%	4.7%	-1.6%	-17.7%	-4.3%
MSCI EM Growth	4.5%	4.9%	8.5%	11.1%	-8.7%	3.2%
MSCI EM Value	3.3%	5.1%	6.5%	14.1%	-1.1%	2.9%
MSCI EM Small Cap	3.2%	5.9%	7.0%	20.0%	2.5%	10.0%
MSCI Frontier	0.0%	0.6%	5.9%	12.3%	-3.2%	2.2%
GBI-EM-GD	-1.1%	-1.6%	-3.7%	0.7%	-3.3%	-1.3%
GBI-EM China	0.5%	1.1%	1.0%	4.7%	0.6%	3.1%
EM FX spot	-1.9%	-2.5%	-5.2%	-4.8%	-4.5%	-4.2%
ELMI+ (1-3m NDF)	-0.9%	-0.3%	-1.4%	2.9%	-1.1%	-0.1%
EMBI GD	0.6%	0.3%	2.3%	9.2%	-2.6%	0.0%
EMBI GD IG	1.1%	0.3%	-0.5%	3.0%	-4.9%	-0.8%
EMBI GD HY	0.1%	0.3%	5.2%	15.8%	-0.2%	0.7%
CEMBI BD	0.9%	1.5%	3.8%	9.3%	-0.3%	2.2%
CEMBI BD IG	0.9%	1.1%	2.1%	6.5%	-1.9%	1.0%
CEMBI BD HY	1.0%	2.1%	6.4%	13.5%	1.8%	3.9%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	2.2%	2.9%	11.3%	19.4%	5.4%	10.7%
MSCI World (DM)	2.0%	2.6%	11.7%	20.2%	6.9%	11.8%
S&P 500	3.6%	4.3%	15.3%	24.6%	10.0%	15.0%
DXY Index*	1.1%	1.3%	4.5%	2.9%	15.2%	10.1%
EUR*	0.0%	0.0%	-3.9%	-3.4%	-4.8%	-2.5%
JPY*	0.1%	0.1%	-14.7%	-15.2%	-12.7%	-8.2%
CRY Index*	0.1%	0.1%	10.1%	10.9%	11.8%	12.1%
Brent*	4.1%	-2.8%	10.3%	14.8%	4.6%	5.5%
Gold*	0.0%	0.0%	12.8%	21.7%	10.2%	13.0%
Bitcoin*	-8.7%	-13.1%	43.8%	101.6%	26.5%	80.3%
1-3yr UST	0.6%	0.9%	1.2%	4.5%	0.3%	1.0%
3-5yr UST	0.9%	0.6%	0.0%	3.6%	-1.6%	0.2%
7-10yr UST	1.3%	-0.2%	-1.6%	0.3%	-4.5%	-1.3%
10yr+ UST	1.7%	-1.8%	-5.0%	-5.6%	-10.5%	-4.3%
10yr+ Germany	2.0%	-2.7%	-5.2%	-1.2%	-11.3%	-6.9%
10yr+ Japan	0.2%	-5.7%	-6.6%	-11.4%	-6.1%	-4.2%
Global Agg.**	0.1%	-1.1%	-3.2%	0.9%	-5.5%	-2.0%
US Agg. IG**	0.9%	0.1%	-0.7%	2.6%	-3.0%	-0.2%
EU Agg. IG**	0.3%	-0.9%	-1.2%	3.6%	-4.5%	-2.3%
US Corp HY**	0.9%	1.1%	2.6%	10.4%	1.6%	3.9%
EU Corp HY**	0.4%	1.4%	3.2%	11.1%	1.4%	2.7%

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.

*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

27 June 2024



The untold story of improving EM fundamentals

EM debt has outperformed, despite a difficult backdrop as, under the hood, fundamentals have been improving. May 2024 was the twentieth successive month in which EM has surpassed Developed Markets (DM) in both manufacturing and services Purchasing Manager Indices (PMIs). **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.