



COVID-19 Crisis:
Gramercy Market Monitor - May 22nd
As of 12:00 Noon EDT

Market Monitor Features:

Market Dashboard of Index Returns

Emerging Markets Credit Metrics

Emerging Markets Asset Flow Data

Emerging Markets COVID-19 Case Summary

Global Economic Data Forecasts

Emerging Markets Sovereign Fundamental Data

Emerging Markets Corporate Fundamental Data

External Crisis Resources

Market Dashboard

Fixed Income

Emerging Markets		Current Price	1D	WTD	MTD	YTD	1Y	3Y	5Y
EM HC Sovereign Bonds	888	0.8%	3.5%	6.1%	-6.0%	0.6%	7.9%	22.8%	
EM LC Sovereign Bonds	286	0.6%	3.5%	3.5%	-8.8%	1.4%	2.9%	6.1%	
EM Corporate Bonds	338	0.5%	1.7%	3.0%	-3.7%	2.6%	10.8%	22.8%	
EM HY Corporate Bonds	436	0.6%	2.5%	4.3%	-7.7%	-1.5%	6.7%	22.8%	

Developed Markets		Current Price	1D	WTD	MTD	YTD	1Y	3Y	5Y
US IG Corporates	365	1.0%	1.4%	0.8%	2.3%	10.4%	17.6%	28.1%	
US HY Corporates	605	0.5%	2.5%	2.6%	-9.0%	-4.1%	4.7%	18.4%	

Emerging Markets		Current Spread/Yield	1D	WTD	MTD	YTD	1Y	3Y	5Y
EM HC Sovereign Bonds	525	-10	-54	-85	235	172	217	193	
EM LC Sovereign Bonds	455	-1	-12	-31	-67	-166	-189	-193	
EM Corporate Bonds	498	-8	-29	-42	187	169	201	172	
EM HY Corporate Bonds	780	-11	-51	-73	289	271	339	262	

Developed Markets		Current Spread/Yield	1D	WTD	MTD	YTD	1Y	3Y	5Y
US IG Corporates	222	-4	-22	-13	95	73	81	58	
US HY Corporates	772	-8	-67	-67	348	328	326	257	

Equities

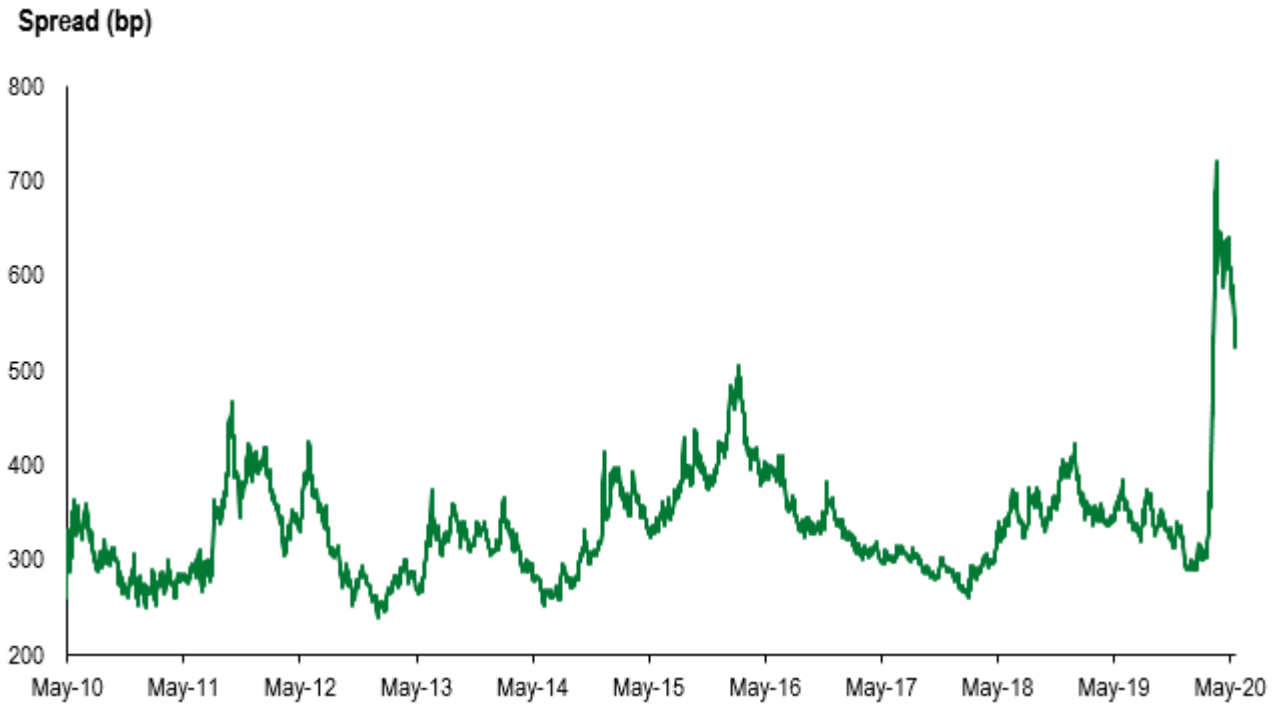
United States		Current Price	1D	WTD	MTD	YTD	1Y	3Y	5Y
S&P 500	2,949	-0.8%	3.0%	1.2%	-8.7%	3.2%	23.2%	38.7%	
DJIA	24,474	-0.4%	3.3%	0.5%	-14.2%	-5.1%	17.1%	34.2%	
Europe		Current Price	1D	WTD	MTD	YTD	1Y	3Y	5Y
Eurostoxx	2,913	0.3%	5.1%	-0.5%	-22.2%	-14.0%	-18.6%	-20.8%	
FTSE	5,988	-0.4%	3.3%	1.5%	-20.6%	-18.3%	-20.1%	-14.8%	
DAX	11,104	0.3%	6.1%	2.2%	-16.2%	-8.7%	-12.0%	-6.0%	
Asia		Current Price	1D	WTD	MTD	YTD	1Y	3Y	5Y
Nikkei	20,388	-0.8%	1.8%	1.0%	-13.8%	-4.2%	3.6%	0.6%	
Hang Seng	22,930	-5.6%	-3.6%	-7.0%	-18.7%	-17.2%	-9.7%	-18.1%	
Shanghai	2,814	-1.9%	-1.9%	-1.6%	-7.7%	-2.7%	-8.5%	-39.6%	
EM		Current Price	1D	WTD	MTD	YTD	1Y	3Y	5Y
MSCI EM	930	-0.2%	3.2%	0.5%	-16.6%	-6.8%	-7.3%	-10.4%	

Commodities

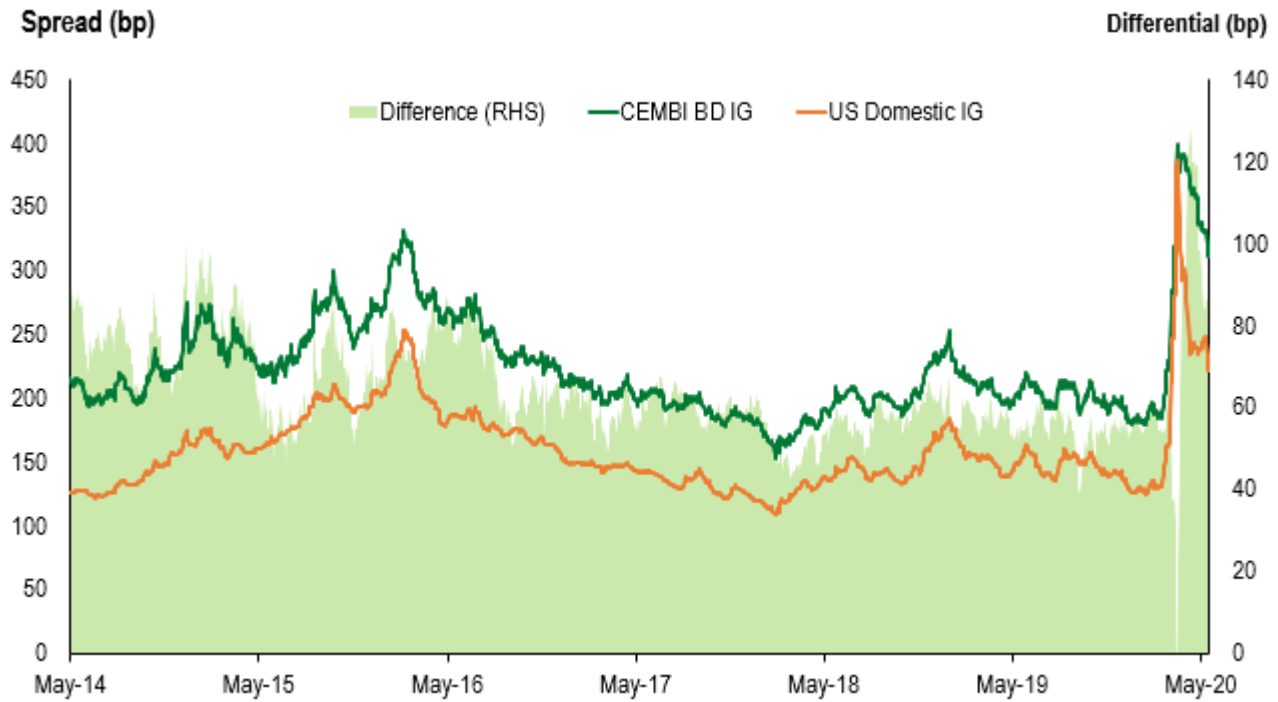
		Current Price	1D	WTD	MTD	YTD	1Y	3Y	5Y
WTI	33	-3.6%	11.1%	73.6%	-46.4%	-46.7%	-35.5%	-45.2%	
Brent	35	-3.4%	7.2%	37.9%	-47.2%	-50.9%	-35.3%	-46.7%	
Gold	1,737	0.6%	-0.4%	3.0%	14.5%	36.4%	37.8%	44.0%	
Palladium	1,978	-2.8%	5.1%	0.4%	1.7%	50.2%	156.6%	150.5%	
Copper	239	-2.4%	2.6%	1.7%	-14.4%	-10.9%	-7.5%	-15.5%	

Source for data tables: Bloomberg, JPMorgan, Gramercy. EM Fixed Income is represented by the following JPMorgan Indices: EMBI Global, GBI-EM Global Diversified, CEMBI Broad Diversified and CEMBI Broad High Yield. DM Fixed Income is represented by the JPMorgan JULI Total Return Index and Domestic High Yield Index. Fixed Income data is as of May 21, 2020, Equity and Commodity data is as of May 22 (as of 12 Noon EDT), 2020.

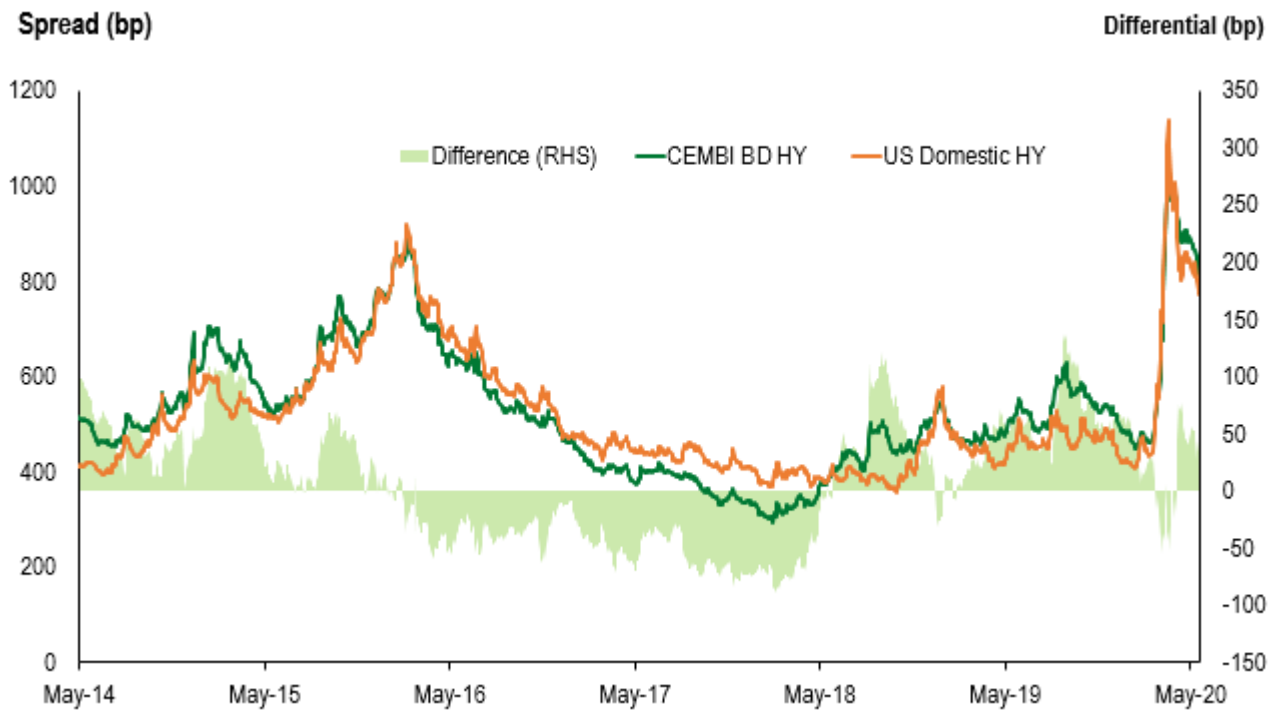
Emerging Market Credit - EMBI Global Diversified



EM Investment Grade vs US Investment Grade

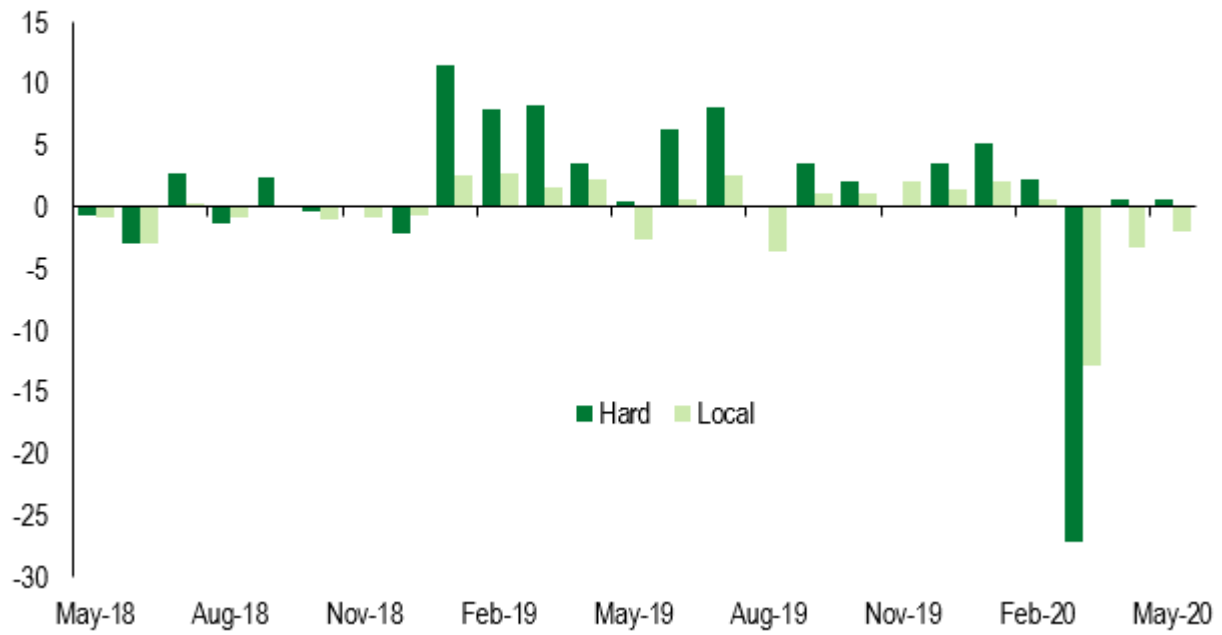


EM High Yield vs US High Yield



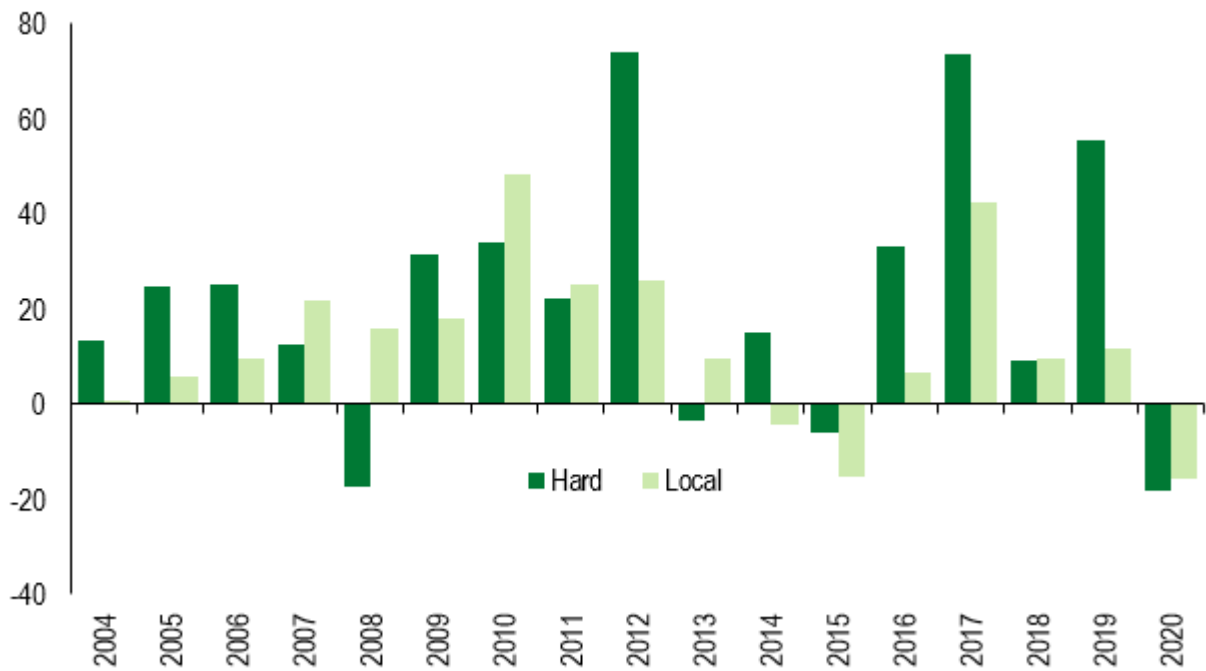
Flow Tracker - Monthly Data

Flows (Bn)



Flow Tracker - Annual Data

USD (bn)



Source for graphs: Bloomberg, JPMorgan, Gramercy. As of May 22 2020.

Emerging Markets COVID-19 Case Summary



Global Economic Forecasts

IMF April 2020 World Economic Outlook

Market Consensus

High Frequency

Gramercy Insight:

Market consensus and IMF global growth forecasts are now aligned at -3.0% albeit still subject to downside risks given challenges associated with reopening strategies and lack of clarity regarding the outlook for CV-19.

Preliminary May Composite PMI data for the US and Euro Area reflect improvement albeit remain comfortably in contractionary territory. Amid gradual reopening strategies, tracking of consumer behavior and mobility will be an important leading indicator in determining the strength and timing of recovery.

Emerging Markets Sovereign Fundamentals

Real GDP growth (% chg)	2018	2019	2020F
EM	4.5	3.7	-1.1
Asia	6.3	5.5	1.0
EM Europe	3.2	2.1	-5.2
Latin America	1.1	0.1	-5.2
ME & Central Asia	1.8	1.2	-2.8
SSA	3.3	3.1	-1.6

Government debt (% of GDP)			
EM	49.7	53.2	62.0
Asia	50.9	54.9	63.5
EM Europe	29.4	29.2	36.5
Latin America	87.1	89.5	98.2
MENAP	38.8	41.9	51.2
SSA	48.4	50.1	55.9

Source: IMF April 2020 World Economic Outlook - Apr 20

Fiscal balance (% of GDP)	2018	2019	2020F
EM	-3.7	-4.7	-8.9
Asia	-4.5	-5.9	-9.7
EM Europe	0.2	-0.8	-6.0
Latin America	-5.1	-4.0	-6.6
ME & Central Asia	-2.1	-3.4	-10.1
SSA	-3.6	-4.3	-7.0

Current account balance (% of GDP)			
EM	-0.1	0.1	-0.9
Asia	-0.1	0.6	0.1
EM Europe	1.7	1.4	-0.4
Latin America	-2.4	-1.7	-1.5
ME & Central Asia	2.5	0.4	-5.7
SSA	-2.5	-4.0	-4.7

Emerging Markets Corporate Fundamentals

Gross Leverage	2017	2018	LTM 3Q19	
EM	2.8x	2.4x	2.6x	
Asia	2.9x	2.6x	2.9x	
EM Europe	2.5x	1.7x	1.8x	
Latam	3.1x	2.6x	2.6x	
ME&A	2.6x	2.4x	2.5x	
Interest Coverage				
EM	6.8x	7.2x	6.5x	
Asia	8.5x	7.5x	6.8x	
EM Europe	7.6x	8.9x	7.9x	
Latam	4.2x	5.3x	5.0x	
ME&A	9.5x	8.8x	8.1x	
EBITDA Margin				
EM	18.0%	18.0%	18.0%	
Asia	15.0%	14.0%	13.0%	
EM Europe	22.0%	24.0%	24.0%	
Latam	23.0%	25.0%	25.0%	
ME&A	34.0%	34.0%	33.0%	
HY Default Rate				
	2017	2018	LTM 3Q19	2020 Forecast[^]
EM	2.2%	1.6%	1.5%	9.4%
Asia	1.0%	2.5%	1.6%	5.9%
EM Europe	3.6%	0.0%	0.0%	5.7%
Latam	2.0%	2.1%	2.2%	13.4%
ME&A	3.2%	0.0%	1.6%	5.7%

Source: JPMorgan for 2017-2019 data, BAML for 2020 forecast. As of April 16, 2020.

Additional Crisis Resources:

Johns Hopkins [COVID-19 Case Tracker](#)

IMF [Global Policy Response Monitor](#)

*Please contact Matt Christ, Managing Director, with any questions:
mchrist@gramercy.com*

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