Credit Market Turmoil and Emerging Markets

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Mature Market Equities: 1999-01 and Today

MSCI indices (US$ returns), index=100 at market peak

Days relative to market peak

Market peaks
1999-01: Mar 27, 2000
Emerging Market Equities: 1999-01 and Today

MSCI indices (US$ returns), index=100 at market peak

Market peaks
1999-01: Feb 19, 2000
High-yield Credit Spreads: 1999-01 and Today

change in bps relative to market low

1999-01
2007-08

Days relative to market low

Low spreads
2007-08: Jun 5, 2007
1999-01: Jun 11, 1999
EMBIG Sovereign Spreads: 1999-01 and Today

- Change in bps relative to market low
- Days relative to market low

Low spreads
2007-08: Jun 1, 2007
1999-01: Sep 6, 2000
Equity Volatility and EM Bond Spreads

- Equity volatility, VIX index (left axis)
- EMBIG sovereign spread (right axis)
Emerging Market Equity Indices by Region

MSCI indices (US$ returns), end-2006=100

- Latin America
- Europe
- Asia

Jan-07 to May-08
Emerging Markets – Local Currency Bond Yields vs. Inflation

- JP Morgan GBI-EM yield (percent)
- EM inflation (year-over-year percent change)
Inflation and Policy Rates

- **Year-over-year CPI inflation-April 2008 (percent)**
- **Policy rate (percent)**

### EMEA
- EMEA
- Ukraine
- Russian Federation
- Bulgaria
- South Africa
- Turkey
- Egypt
- Romania
- Hungary
- Czech Republic
- Tunisia
- Algeria
- Poland
- Slovakia
- Morocco

### Asia
- Asia
- Vietnam
- Indonesia
- China
- Philippines
- India
- Thailand
- Korea
- Malaysia

### Latin America
- Latin America
- Latam
- Venezuela
- Argentina
- Chile
- Uruguay
- Colombia
- Peru
- Brazil
- Mexico
Current Account and FX Change

- 2007 Current account balance (% GDP)
- FX appreciation, ytd* (percent)

* Asia and Latin America: vis-à-vis the U.S. dollar. EMEA: vis-à-vis the euro.