

Table 1. Drivers of the Emerging Market 5-Year Nominal Yield and Its Components

	Nominal	E. Short Rate	Term Premium	Credit Risk
U.S. Term Premium	1.37*** (0.22)	0.78*** (0.11)	0.77*** (0.10)	-0.18 (0.17)
U.S. E. Short Rate	-0.01 (0.13)	0.16* (0.06)	0.16* (0.07)	-0.33** (0.10)
Policy Rate	0.43*** (0.03)	0.35*** (0.03)	0.06** (0.02)	0.02 (0.03)
Inflation	14.31*** (2.50)	6.60*** (1.75)	6.44** (2.10)	1.27 (2.51)
Unemployment	13.46*** (3.23)	2.66 (2.31)	6.52*** (1.31)	4.28** (1.49)
LC per USD (Std.)	23.82*** (5.16)	24.12*** (3.75)	10.73** (3.57)	-11.03* (4.88)
Log(Vix)	59.02*** (11.66)	-28.73* (12.48)	24.40*** (7.03)	63.34*** (10.20)
Log(EPU U.S.)	5.67 (5.15)	-4.69 (3.25)	-3.57 (3.36)	13.92** (4.23)
Log(EPU Global)	-34.80 (18.23)	-33.25*** (9.63)	-13.89 (9.70)	12.34 (12.06)
Global Ind. Prod.	1.09 (0.72)	-0.40 (0.77)	-0.56 (0.28)	2.06** (0.66)
Fixed Effects	Yes	Yes	Yes	Yes
Lags	4	4	4	4
No. Countries	15	15	15	15
Observations	1726	1726	1726	1726
R^2	0.70	0.65	0.38	0.30

Notes: Driscoll–Kraay standard errors in parenthesis. Lag length up to which the residuals may be auto-correlated is indicated. *, **, *** asterisks respectively indicate significance at the 10%, 5% and 1% level.