

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

	Nominal	E. Short Rate	Term Premium	Credit Risk
U.S. Term Premium	1.67*** (0.41)	1.64*** (0.39)	-0.20 (0.38)	0.23 (0.47)
U.S. E. Short Rate	-0.05 (0.06)	0.19*** (0.05)	0.05 (0.05)	-0.28*** (0.08)
Policy Rate	0.73*** (0.03)	0.61*** (0.05)	0.11* (0.05)	0.01 (0.04)
Inflation	8.53** (2.74)	8.02** (2.60)	9.92 (5.31)	-9.41* (4.00)
Unemployment	5.35 (3.06)	5.74* (2.72)	-3.61 (3.30)	3.22 (2.77)
LC per USD (Std.)	25.13*** (4.52)	16.81* (6.97)	22.12*** (5.29)	-13.81 (7.99)
Log(Vix)	33.05*** (8.21)	-34.09* (14.11)	-2.07 (10.23)	69.22*** (13.48)
Log(EPU U.S.)	3.39 (3.56)	-6.11 (6.14)	-12.18** (3.87)	21.67** (7.23)
Log(EPU Global)	-27.17 (13.77)	-42.82** (14.17)	-1.73 (13.18)	17.38 (17.32)
Global Ind. Prod.	1.08* (0.54)	-1.12 (0.95)	-2.33** (0.81)	4.53*** (0.84)
Fixed Effects	Yes	Yes	Yes	Yes
Lags	4	4	4	4
No. Countries	15	15	15	15
Observations	1726	1726	1726	1726
R^2	0.77	0.69	0.21	0.22

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.