

**Table 1.** Descriptive Statistics of Yield Curves

		3M	6M	1Y	2Y	5Y	10Y
Nominal Yields	Emerging Markets						
	Average	5.1	5.3	5.4	5.7	6.3	6.8
	S. Dev.	3.2	3.3	3.2	3.2	3.0	2.9
	Advanced Countries						
	Average	2.0	2.1	2.1	2.3	2.7	3.2
	S. Dev.	2.1	2.1	2.1	2.1	2.0	1.8
Synthetic Yields	Emerging Markets						
	Average	5.1	5.2	5.3	5.3	5.8	6.3
	S. Dev.	4.3	4.1	4.0	3.7	3.4	3.2
	Advanced Countries						
	Average	1.6	1.7	1.8	2.0	2.5	3.2
	S. Dev.	2.1	2.1	2.2	2.1	2.0	2.0

*Notes:* This table reports the average, the standard deviation, the minimum and the maximum values using end-of-month data for different tenors of the nominal and synthetic yields of the emerging markets and advanced countries in the sample. All figures are expressed in annualized percentage points.

**Table 2.** Descriptive Statistics of Yield Components: Emerging Markets

	3M	6M	1Y	2Y	5Y	10Y
Expected Short Rate						
Average	5.1	5.2	5.2	5.1	4.8	4.3
S. Dev.	3.7	3.4	3.1	2.7	2.2	1.8
Term Premium						
Average	0.0	0.0	0.1	0.3	1.0	2.0
S. Dev.	1.3	1.4	1.4	1.5	1.5	1.7
Credit Risk Premium						
Average	0.4	0.5	0.6	0.7	0.9	0.8
S. Dev.	2.0	1.6	1.2	1.1	1.0	0.9

*Notes:* This table reports the average, the standard deviation, the minimum and the maximum values using end-of-month data for different tenors of the components of the emerging market nominal yields. All figures are expressed in annualized percentage points.

**Table 3.** Descriptive Statistics of Yield Components: Advanced Countries

	3M	6M	1Y	2Y	5Y	10Y
Expected Short Rate						
Average	2.0	2.0	2.0	1.9	1.6	1.3
S. Dev.	2.1	2.1	2.0	1.9	1.7	1.4
Term Premium						
Average	0.0	0.1	0.2	0.4	1.1	1.9
S. Dev.	0.0	0.1	0.2	0.3	0.7	0.9

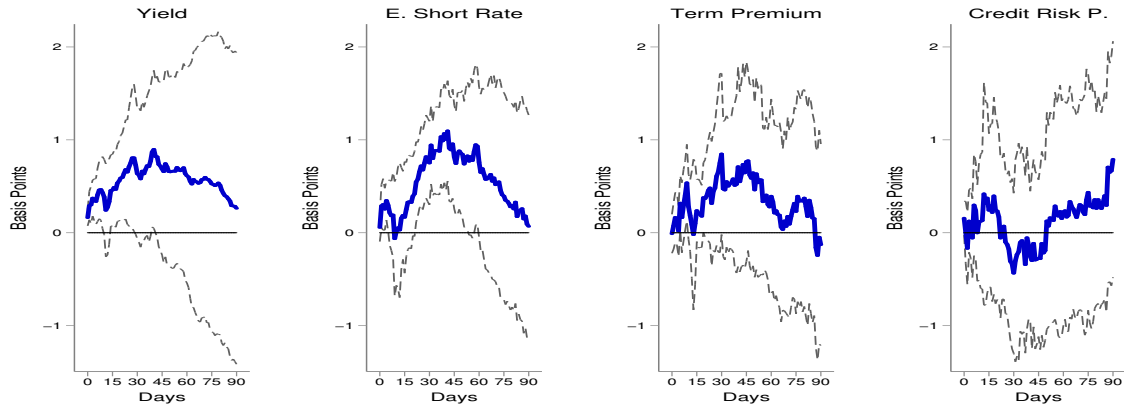
*Notes:* This table reports the average, the standard deviation, the minimum and the maximum values using end-of-month data for different tenors of the components of the advanced country nominal yields. All figures are expressed in annualized percentage points.

**Table 4.** Descriptive Statistics of U.S. Monetary Policy Shocks

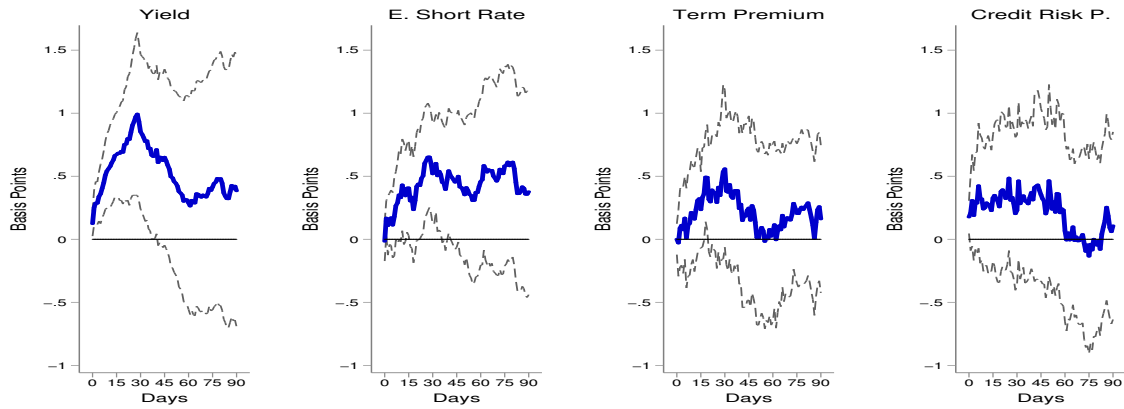
	Mean	Std. Dev.	Min.	Max.	Obs
Target Shocks (absolute values)	4.9	8.9	0.0	46.5	81
Target Shocks $> 0$	4.5	4.1	0.0	14.4	26
Target Shocks $< 0$	-8.3	12.3	-46.5	-0.5	34
Path Shocks (absolute values)	6.0	6.5	0.0	54.6	162
Path Shocks $> 0$	5.4	4.9	0.0	24.9	89
Path Shocks $< 0$	-6.7	8.0	-54.6	-0.0	73
LSAP Shocks (absolute values)	2.2	3.6	0.1	29.9	81
LSAP Shocks $> 0$	2.0	2.2	0.1	10.3	37
LSAP Shocks $< 0$	-2.4	4.5	-29.9	-0.1	44

*Notes:* This table reports the average, the standard deviation, the minimum and the maximum values on monetary policy announcement days for the target, path and LSAP shocks, see section ?? for the definitions. Target shocks are considered from 2000 to 2008, LSAP shocks are considered from 2009 to 2019, and path shocks span the whole sample period.

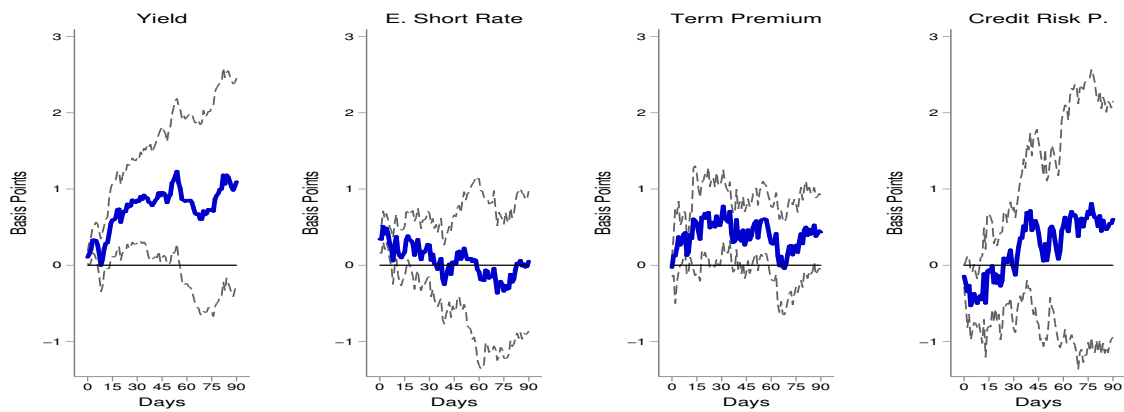
**Figure 1.** Response of 2-Year Emerging Market Yield to U.S. Monetary Policy Shocks



(a) Target Shock: 2000-2008



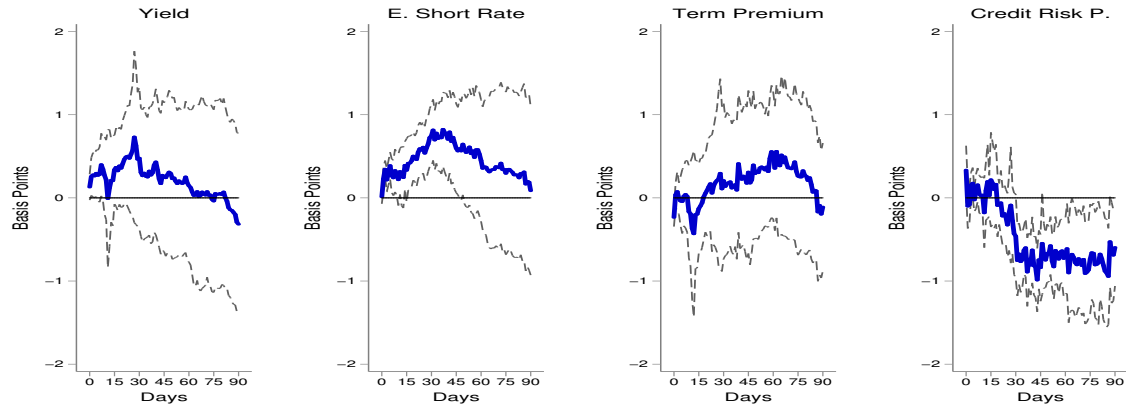
(b) Path Shock: 2000-2019



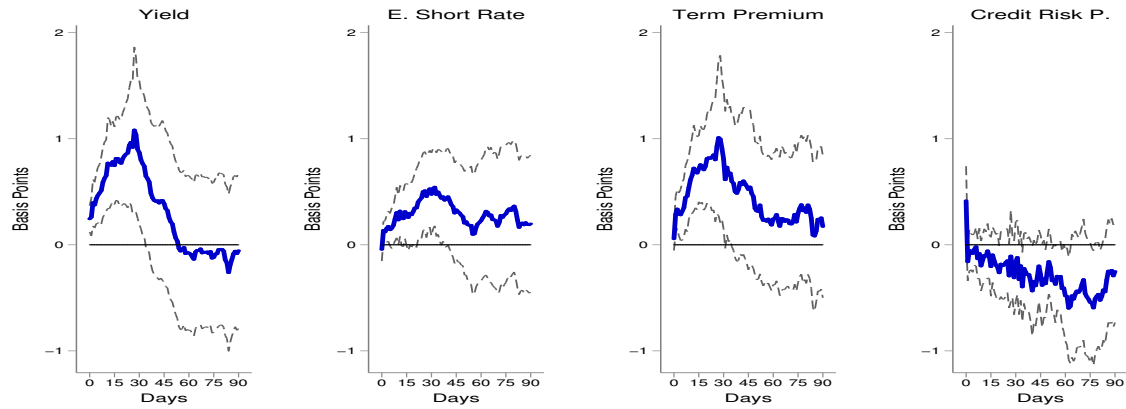
(c) LSAP Shock: 2009-2019

*Notes:* This figure shows the response following ? of the 2-year emerging market nominal yield and its components to U.S. monetary policy shocks. The nominal yield is decomposed into an expected future short-term interest rate (ER), a term premium (TP) and a credit risk premium (CRP). The target, path and LSAP shocks are identified using high-frequency data around Fed's monetary policy announcements, see section ?? for details.

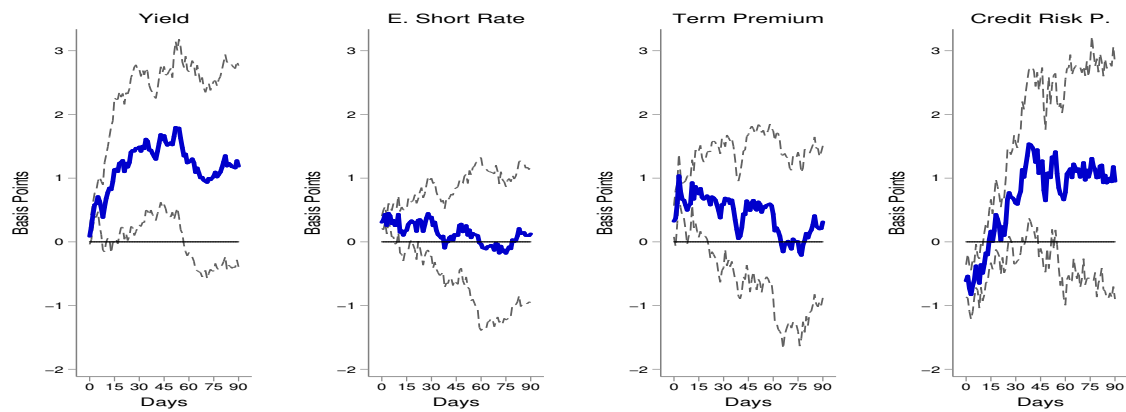
**Figure 2.** Response of 10-Year Emerging Market Yield to U.S. Monetary Policy Shocks



(a) Target Shock: 2000-2008



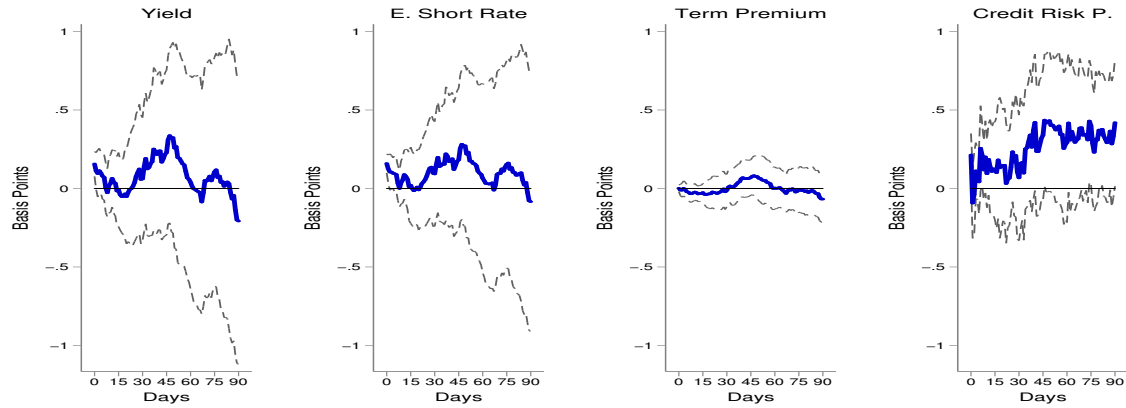
(b) Path Shock: 2000-2019



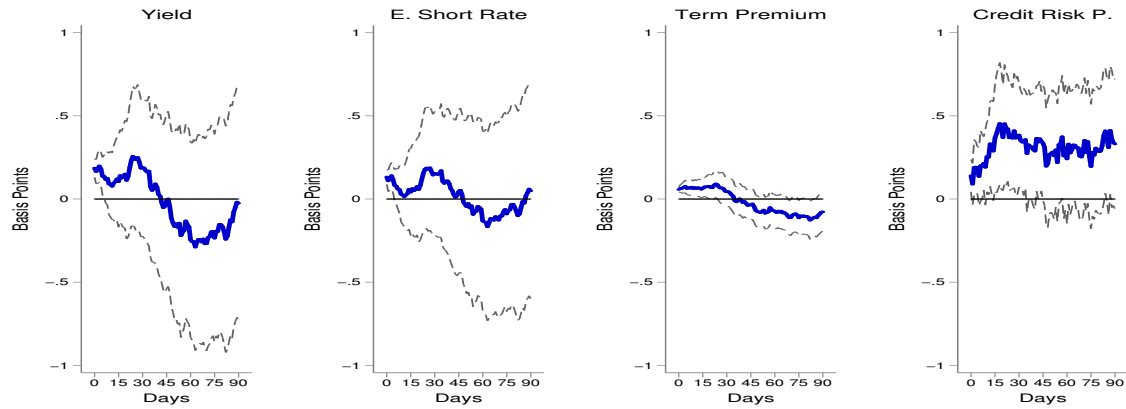
(c) LSAP Shock: 2009-2019

*Notes:* This figure shows the response following ? of the 10-year emerging market nominal yield and its components to U.S. monetary policy shocks. The nominal yield is decomposed into an expected future short-term interest rate (ER), a term premium (TP) and a credit risk premium (CRP). The target, path and LSAP shocks are identified using high-frequency data around Fed's monetary policy announcements, see section ?? for details.

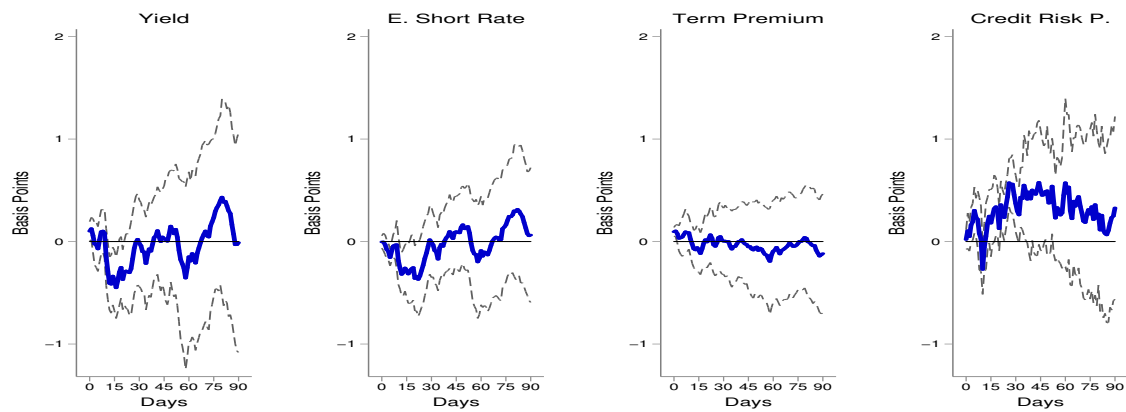
**Figure 3.** Response of 2-Year Advanced Country Yield to U.S. Monetary Policy Shocks



(a) Target Shock: 2000-2008



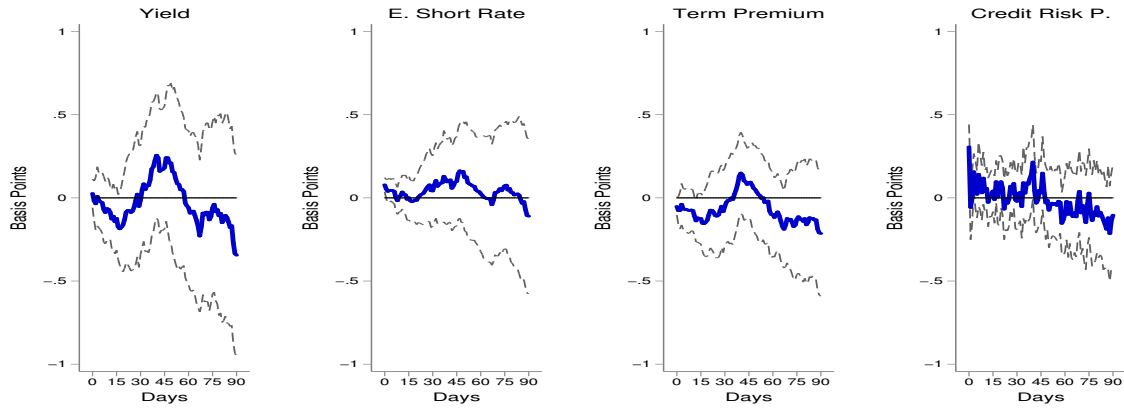
(b) Path Shock: 2000-2019



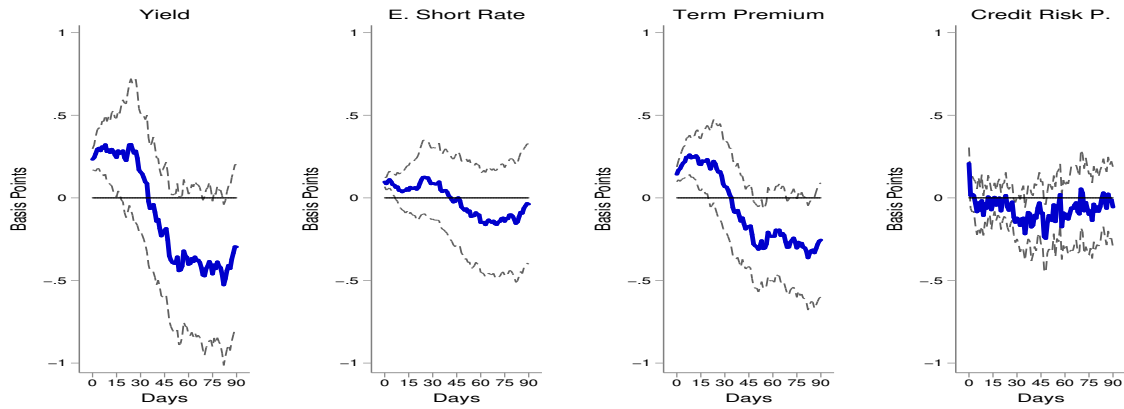
(c) LSAP Shock: 2009-2019

*Notes:* This figure shows the response following ? of the 2-year advanced country nominal yield and its components to U.S. monetary policy shocks. The nominal yield is decomposed into an expected future short-term interest rate (ER) and a term premium (TP). The target, path and LSAP shocks are identified using high-frequency data around Fed's monetary policy announcements, see section ?? for details.

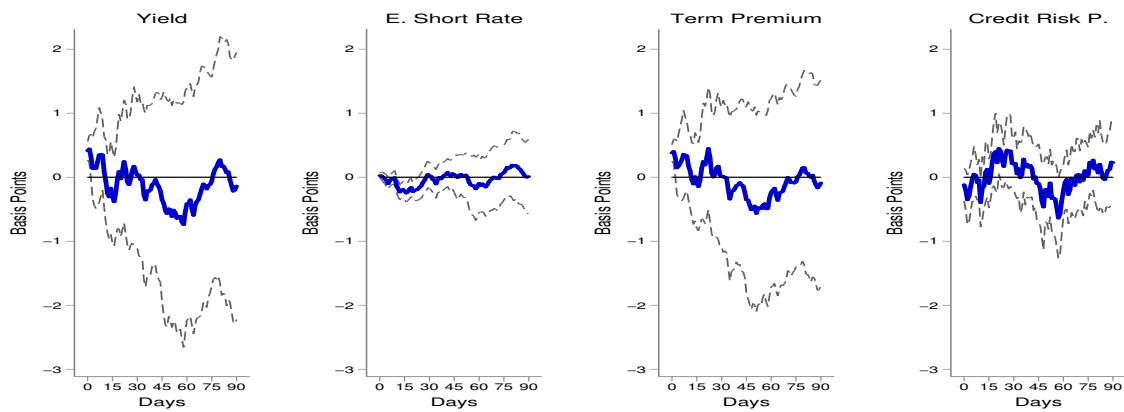
**Figure 4.** Response of 10-Year Advanced Country Yield to U.S. Monetary Policy Shocks



(a) Target Shock: 2000-2008



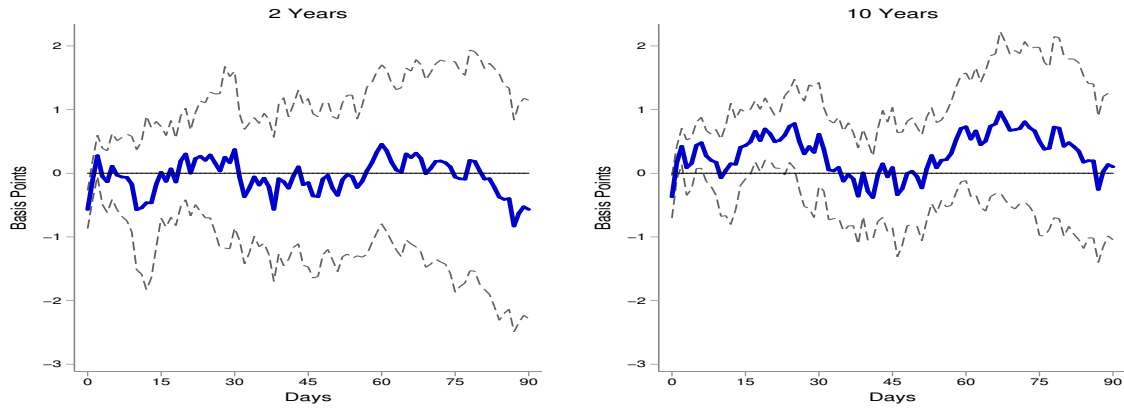
(b) Path Shock: 2000-2019



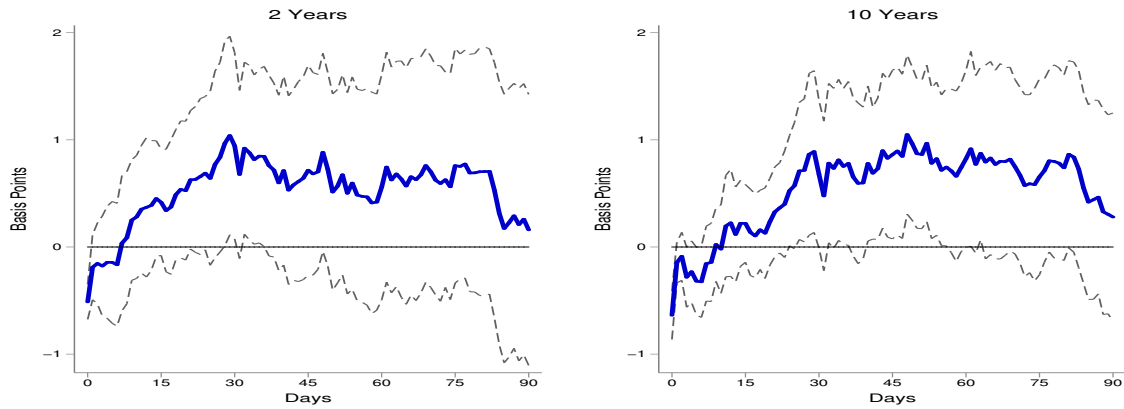
(c) LSAP Shock: 2009-2019

*Notes:* This figure shows the response following ? of the 10-year advanced country nominal yield and its components to U.S. monetary policy shocks. The nominal yield is decomposed into an expected future short-term interest rate (ER) and a term premium (TP). The target, path and LSAP shocks are identified using high-frequency data around Fed's monetary policy announcements, see section ?? for details.

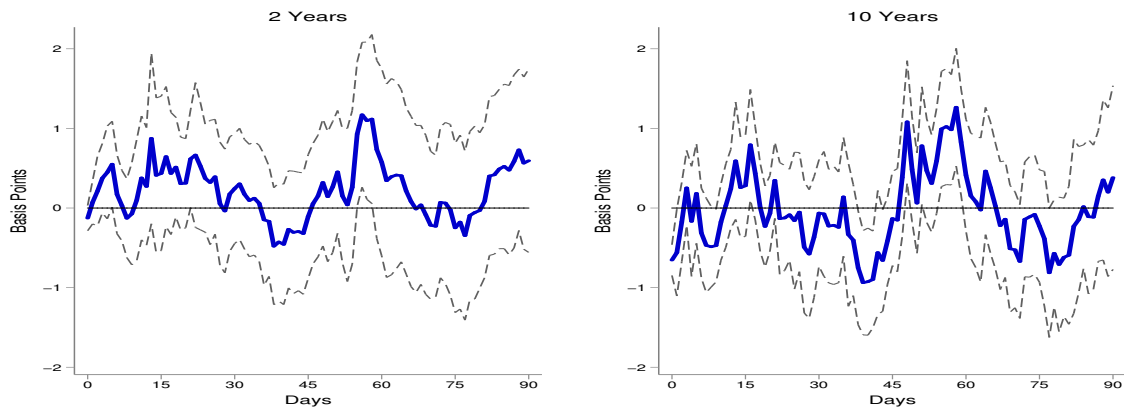
**Figure 5.** Response of the Forward Premium to U.S. Monetary Policy Shocks: EM



(a) Target Shock: 2000-2008



(b) Path Shock: 2000-2019

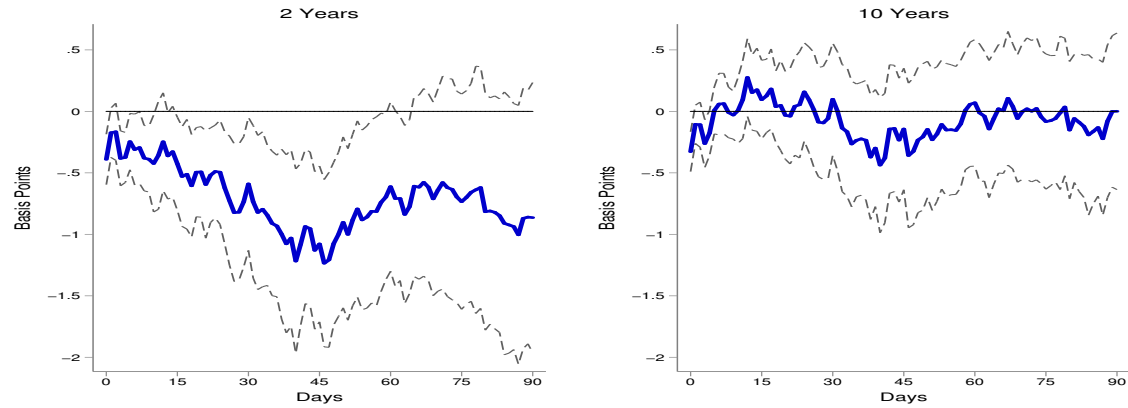


(c) LSAP Shock: 2009-2019

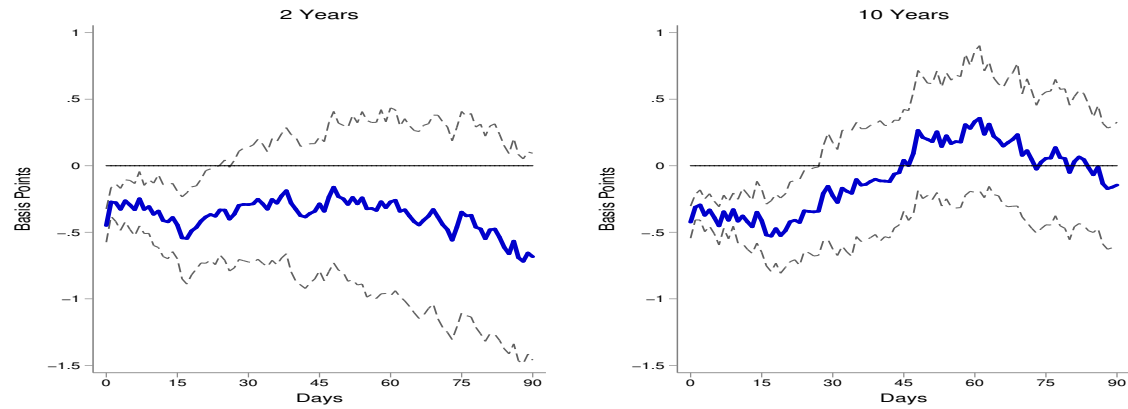
*Notes:* This figure shows the response following ? of the 2- and 10-year forward premium for emerging markets (EM) to U.S. monetary policy shocks. The forward premium is calculated using cross-currency swaps, which are in turn constructed using cross-currency basis swaps and interest rate swaps, see section ?? for details. The target, path and LSAP shocks are identified using high-frequency data around Fed's monetary policy announcements, see section ?? for details.



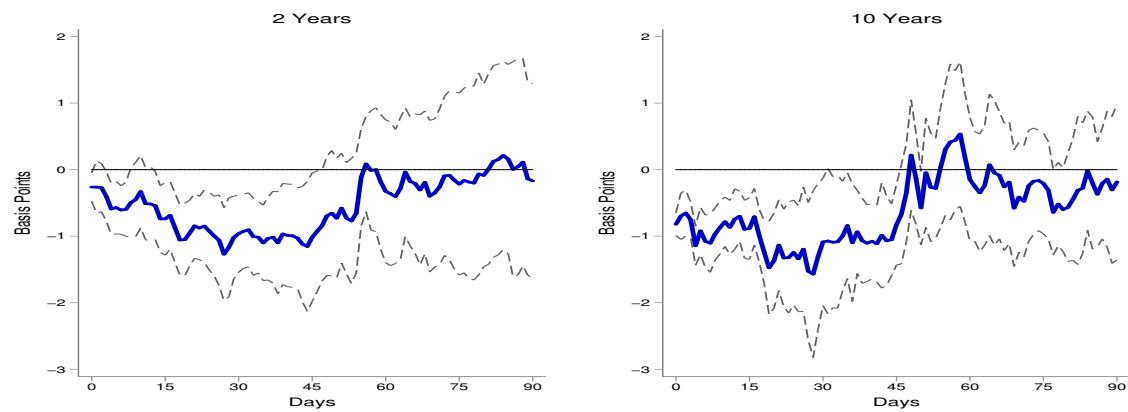
**Figure 6.** Response of the Forward Premium to U.S. Monetary Policy Shocks: AE



(a) Target Shock: 2000-2008



(b) Path Shock: 2000-2019



(c) LSAP Shock: 2009-2019

*Notes:* This figure shows the response following ? of the 2- and 10-year forward premium for advanced countries (AE) to U.S. monetary policy shocks. The forward premium is calculated using cross-currency swaps, which are in turn constructed using cross-currency basis swaps and interest rate swaps, see section ?? for details. The target, path and LSAP shocks are identified using high-frequency data around Fed's monetary policy announcements, see section ?? for details.

fitrprtmy2	fitrprtmy3	fitrprtmy4	fitrprtmy5	fitrprtmy8	fitrprtmy10
0.25	0.50	1.00	2.00	5.00	10.00
10.41	16.04	18.17	17.88	18.74	22.81
10.87	18.45	18.18	15.43	21.39	17.66
7.19	11.65	15.42	9.72	6.71	8.75
8.41	12.34	13.27	7.44	6.60	8.44
12.01	14.07	14.28	6.32	6.37	9.56
15.77	28.25	18.04	5.18	7.70	8.23
17.59	33.53	27.19	18.12	15.67	25.51
30.42	68.94	43.10	16.87	22.52	18.30
7.15	4.07	9.86	5.82	6.27	8.93
7.54	4.00	10.32	6.33	6.81	11.48
5.40	5.62	7.72	5.06	6.53	7.60
6.72	6.46	7.90	4.52	7.33	6.80
6.87	7.83	7.56	4.38	4.64	5.51
6.69	9.38	7.14	3.76	3.63	4.21
9.30	21.80	24.01	7.04	7.03	15.78
7.15	15.86	18.96	5.50	5.65	12.34
7.31	11.33	15.00	11.66	6.53	9.46
6.50	11.75	13.05	9.65	4.91	6.82
21.48	35.58	30.71	16.44	14.64	22.83
21.17	44.16	61.53	27.64	11.97	20.93
6.22	4.32	8.69	4.83	5.72	7.13
9.07	4.85	8.86	5.17	8.60	10.30
9.38	13.05	8.81	6.33	8.37	9.07
12.05	16.78	9.44	5.85	7.92	5.01
6.37	9.54	10.62	4.71	5.81	6.92
10.14	21.83	19.44	5.13	5.52	6.88
9.25	9.82	11.96	7.39	7.19	9.14
11.45	12.84	14.09	7.43	6.72	8.00
7.49	6.29	7.85	3.62	4.94	3.89
7.49	5.66	8.25	3.29	4.54	3.62

**Table 5.** Model Fit

**Table 6.** Drivers of the Emerging Market 2-Year Nominal Yield and Its Components

	Nominal	Synth.	ESR	TP	CRP	FP
US ER	0.27* (0.10)	0.42* (0.18)	0.29 (0.16)	0.14* (0.06)	-0.08* (0.03)	-0.58** (0.18)
US TP	2.08* (0.79)	3.32*** (0.76)	2.48*** (0.56)	0.88 (0.47)	-0.93** (0.30)	2.35** (0.75)
Inflation	44.28*** (6.44)	44.87*** (7.89)	30.41** (8.10)	14.63*** (2.32)	-0.88 (3.17)	44.89*** (7.87)
Unempl.	21.04* (9.71)	7.91 (9.96)	7.02 (7.26)	1.20 (3.94)	9.76 (5.68)	7.66 (9.92)
Log(Vix)	69.28* (32.14)	-15.07 (30.39)	2.80 (25.73)	-22.31 (16.21)	103.52*** (23.21)	-17.80 (30.53)
Log(EPU)	-41.16 (40.34)	-45.61 (38.72)	-43.09 (29.92)	1.21 (15.83)	-15.79 (15.88)	-44.41 (38.77)
Global IP	1.25 (1.36)	-1.94 (1.57)	-0.12 (1.27)	-1.81 (1.61)	4.30** (1.35)	-2.01 (1.56)
FX	0.02 (0.02)	0.01 (0.02)	0.00 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.02)
S&P	0.01 (0.01)	-0.02 (0.01)	-0.01 (0.01)	-0.01 (0.00)	0.03*** (0.00)	-0.02 (0.01)
Oil	-0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	-0.00** (0.00)	-0.00 (0.00)	-0.00 (0.00)
Obs.	2333	2257	2257	2257	2197	2257
$R^2$	0.60	0.52	0.49	0.28	0.25	0.37

*Notes:* This table reports the estimated slope coefficients of panel data regressions of the 2-year nominal yields and their components on selected explanatory variables. The sample includes monthly data for 15 emerging markets starting in 2000:1 and ending in 2019:12. The dependent variables are the nominal (Nominal) and synthetic (Synth.) yields, the expected short rate (ESR), the term premium (TP), the credit risk premium (CRP) and the forward premium (FP). All dependent variables are expressed in basis points. The explanatory variables are the U.S. expected short rate (US ER) and term premium (US TP) according to ?, domestic inflation and unemployment, the log of the Vix (Log(Vix)) and the global economic policy uncertainty index (Log(EPU)) based on ?, the global activity index based in industrial production (Global IP) from ? and the monthly returns of the exchange rate (FX), the Standard & Poor's stock market index (S&P) and the price of oil for the West Texas Intermediate benchmark (Oil). All cases include country fixed effects. Heteroskedasticity and autocorrelation consistent standard errors are in parenthesis. \*, \*\*, \*\*\* asterisks respectively indicate significance at the 10%, 5% and 1% level.

**Table 7.** Drivers of the Emerging Market 10-Year Nominal Yield and Its Components

	Nominal	Synth.	ESR	TP	CRP	FP
US ER	0.55** (0.17)	0.84** (0.23)	0.68** (0.16)	0.22 (0.14)	-0.20 (0.12)	-0.16 (0.23)
US TP	0.88*** (0.14)	1.32*** (0.21)	0.45 (0.21)	0.80*** (0.17)	-0.48** (0.12)	0.34 (0.21)
Inflation	29.11*** (4.14)	27.19*** (4.02)	18.79*** (3.73)	8.22*** (1.87)	2.51 (3.41)	26.87*** (4.08)
Unempl.	29.78** (9.55)	16.72 (8.77)	6.02 (5.59)	10.11* (4.14)	10.05 (6.64)	16.38 (8.75)
Log(Vix)	24.72 (21.41)	-18.33 (20.46)	-40.18* (17.69)	12.03 (11.92)	59.67** (14.50)	-28.82 (20.56)
Log(EPU)	-5.50 (29.77)	-4.70 (24.80)	-7.78 (19.30)	5.25 (7.54)	-7.58 (16.91)	-2.80 (24.88)
Global IP	-1.34 (1.27)	-1.95 (0.99)	-1.19 (0.75)	-1.38 (0.86)	0.83 (1.31)	-2.18* (0.99)
FX	0.03** (0.01)	0.02 (0.01)	0.01 (0.01)	0.02 (0.01)	0.01 (0.01)	0.02 (0.01)
S&P	-0.00 (0.01)	-0.02** (0.01)	-0.02** (0.01)	-0.01 (0.01)	0.02*** (0.01)	-0.03** (0.01)
Oil	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)
Obs.	2333	2257	2257	2257	2197	2257
$R^2$	0.61	0.60	0.51	0.45	0.18	0.29

*Notes:* This table reports the estimated slope coefficients of panel data regressions of the 10-year nominal yields and their components on selected explanatory variables. The sample includes monthly data for 15 emerging markets starting in 2000:1 and ending in 2019:12. The dependent variables are the nominal (Nominal) and synthetic (Synth.) yields, the expected short rate (ESR), the term premium (TP), the credit risk premium (CRP) and the forward premium (FP). All dependent variables are expressed in basis points. The explanatory variables are the U.S. expected short rate (US ER) and term premium (US TP) according to ?, domestic inflation and unemployment, the log of the Vix (Log(Vix)) and the global economic policy uncertainty index (Log(EPU)) based on ?, the global activity index based in industrial production (Global IP) from ? and the monthly returns of the exchange rate (FX), the Standard & Poor's stock market index (S&P) and the price of oil for the West Texas Intermediate benchmark (Oil). All cases include country fixed effects. Heteroskedasticity and autocorrelation consistent standard errors are in parenthesis. \*, \*\*, \*\*\* asterisks respectively indicate significance at the 10%, 5% and 1% level.