

Drivers of Emerging Market Nominal Yields and Their Components

	Nominal	E. Short Rate	Term Premium	Credit Risk
10Y				
U.S. Term Premium	0.97*** (0.14)	0.54*** (0.08)	0.85*** (0.09)	-0.42*** (0.11)
U.S. E. Short Rate	0.17 (0.09)	0.25*** (0.05)	0.08 (0.06)	-0.17** (0.06)
Local Policy Rate	0.24*** (0.03)	0.30*** (0.02)	0.01 (0.02)	-0.06*** (0.02)
Log(Vix)	49.95*** (12.63)	-20.18 (10.45)	30.13** (10.49)	40.01*** (9.59)
R^2	0.68	0.71	0.49	0.23
2Y				
U.S. Term Premium	1.59*** (0.22)	1.68*** (0.17)	0.58*** (0.17)	-0.68** (0.21)
U.S. E. Short Rate	-0.03 (0.04)	-0.02 (0.03)	0.05 (0.03)	-0.06 (0.04)
Local Policy Rate	0.64*** (0.03)	0.56*** (0.03)	0.13*** (0.02)	-0.05 (0.03)
Log(Vix)	46.41*** (8.16)	-20.29 (13.92)	-9.10 (7.68)	75.79*** (11.92)
R^2	0.80	0.75	0.35	0.29
No. Countries	15	15	15	15
Observations	2194	2194	2194	2194

Notes: Driscoll–Kraay standard errors in parenthesis. *, **, *** asterisks respectively indicate significance at the 10%, 5% and 1% level.