

**Table 1.** Drivers of the Emerging Market 10-Year Nominal Yield and Its Components

	Nominal	E. Short Rate	Term Premium	Credit Risk
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)
Policy Rate	0.24*** (0.03)	0.30*** (0.02)	0.01 (0.02)	-0.06*** (0.02)
Inflation	15.26*** (2.27)	1.77 (1.56)	7.06*** (1.36)	6.43*** (1.73)
Unemployment	23.88*** (3.43)	1.14 (2.09)	10.74*** (1.65)	12.00*** (2.23)
LC per USD (Std.)	41.58*** (5.74)	33.11*** (3.52)	22.07*** (3.18)	-13.61*** (3.85)
Log(Vix)	49.95*** (12.63)	-20.18 (10.45)	30.13** (10.49)	40.01*** (9.59)
Log(EPU U.S.)	7.08 (5.58)	-3.81 (2.69)	-0.44 (2.72)	11.32** (3.93)
Log(EPU Global)	-61.04** (20.51)	-38.72*** (6.98)	-19.64 (11.75)	-2.68 (10.72)
Global Ind. Prod.	1.16 (1.13)	0.79 (0.86)	-0.10 (0.46)	0.46 (0.93)
Fixed Effects	Yes	Yes	Yes	Yes
Lags	4	4	4	4
No. Countries	15	15	15	15
Observations	2194	2194	2194	2194
$R^2$	0.68	0.71	0.49	0.23

*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.