

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	1.06*** (0.18)	0.44*** (0.07)	0.78*** (0.09)	-0.16 (0.14)
U.S. E. Short Rate	0.18 (0.18)	0.25** (0.08)	0.29** (0.09)	-0.36** (0.13)
Policy Rate	0.27*** (0.03)	0.27*** (0.02)	0.02 (0.02)	-0.01 (0.02)
Inflation	16.25*** (2.62)	5.68*** (1.44)	5.74** (1.86)	4.82 (2.56)
Unemployment	16.44*** (3.87)	0.86 (2.21)	8.57*** (1.52)	7.00*** (2.03)
LC per USD (Std.)	29.92*** (5.02)	27.74*** (3.15)	14.47*** (3.25)	-12.29* (4.84)
Log(Vix)	57.14*** (13.36)	-24.77* (11.12)	42.20*** (8.62)	39.70*** (10.88)
Log(EPU U.S.)	2.69 (5.78)	-5.90* (2.65)	-3.96 (3.54)	12.55** (4.60)
Log(EPU Global)	-27.10 (18.16)	-27.18*** (7.62)	-7.93 (10.37)	8.01 (13.05)
Global Ind. Prod.	-0.04 (0.90)	-0.28 (0.69)	-0.67* (0.33)	0.91 (0.73)
Fixed Effects	Yes	Yes	Yes	Yes
Lags	4	4	4	4
No. Countries	15	15	15	15
Observations	1726	1726	1726	1726
R^2	0.67	0.61	0.50	0.19

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.