

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	1.01*** (0.14)	0.57*** (0.08)	0.88*** (0.08)	-0.44*** (0.11)
U.S. E. Short Rate	0.23* (0.09)	0.31*** (0.05)	0.12* (0.06)	-0.20*** (0.06)
UCSV-Perm	-63.81*** (17.42)	-52.88*** (14.37)	-41.07*** (10.33)	30.14* (13.49)
Policy Rate	0.25*** (0.03)	0.30*** (0.02)	0.01 (0.02)	-0.07*** (0.02)
Inflation	16.20*** (2.63)	2.67 (1.72)	7.78*** (1.44)	5.75*** (1.68)
Unemployment	25.78*** (3.43)	2.77 (2.07)	12.02*** (1.61)	10.98*** (2.03)
LC per USD (Std.)	40.02*** (5.26)	31.69*** (3.22)	20.92*** (2.92)	-12.59*** (3.61)
Log(Vix)	59.49*** (13.10)	-12.44 (10.47)	36.16*** (10.71)	35.77*** (9.68)
Log(EPU U.S.)	7.87 (5.61)	-3.10 (2.64)	0.05 (2.73)	10.92** (3.93)
Log(EPU Global)	-63.04** (20.09)	-40.30*** (6.46)	-20.82 (11.26)	-1.92 (10.77)
Global Ind. Prod.	0.96 (1.03)	0.56 (0.86)	-0.29 (0.41)	0.69 (0.93)
Fixed Effects	Yes	Yes	Yes	Yes
Lags	4	4	4	4
No. Countries	15	15	15	15
Observations	2192	2192	2192	2192
R^2	0.69	0.72	0.49	0.24

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.