

Table 1. Drivers of the Emerging Market 5-Year Nominal Yield and Its Components

	Nominal	E. Short Rate	Term Premium	Credit Risk
U.S. Term Premium	1.38*** (0.35)	0.90*** (0.19)	0.39* (0.18)	0.09 (0.13)
U.S. E. Short Rate	-0.20 (0.13)	0.04 (0.09)	-0.24** (0.07)	-0.01 (0.05)
Policy Rate	0.30*** (0.06)	0.36*** (0.04)	0.05 (0.03)	-0.11*** (0.02)
Inflation	8.67* (3.41)	-2.59 (2.51)	4.98* (2.05)	6.28*** (1.76)
Unemployment	26.68*** (4.78)	2.97 (3.89)	16.06*** (2.70)	7.65* (3.20)
LC per USD (Std.)	45.62*** (12.00)	49.36*** (6.67)	10.41 (5.99)	-14.16 (9.05)
Log(Vix)	8.10 (26.79)	49.73*** (13.28)	-54.96*** (15.90)	13.33 (10.05)
Log(EPU U.S.)	-1.52 (8.51)	-5.13 (3.73)	0.92 (5.34)	2.69 (3.12)
Log(EPU Global)	-2.96 (39.52)	-30.36 (23.58)	-7.66 (17.19)	35.07* (16.73)
Global Ind. Prod.	11.46*** (3.07)	7.74*** (1.50)	1.83 (1.45)	1.89 (2.17)
Fixed Effects	Yes	Yes	Yes	Yes
Lags	3	3	3	3
No. Countries	9	9	9	9
Observations	468	468	468	468
R^2	0.55	0.57	0.40	0.16

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.