

Table 1. Drivers of the Emerging Market 2-Year Nominal Yield and Its Components

	Nominal	E. Short Rate	Term Premium	Credit Risk
U.S. Term Premium	1.74*** (0.24)	1.85*** (0.17)	0.63*** (0.17)	-0.74*** (0.21)
U.S. E. Short Rate	-0.01 (0.04)	0.00 (0.03)	0.05 (0.03)	-0.07* (0.03)
UCSV-Perm	-62.91** (20.81)	-71.73*** (18.47)	-22.55* (11.35)	31.37* (15.39)
Policy Rate	0.64*** (0.03)	0.56*** (0.03)	0.13*** (0.02)	-0.05 (0.03)
Inflation	10.26*** (2.45)	1.25 (2.44)	7.82*** (2.27)	1.19 (2.30)
Unemployment	11.60*** (2.81)	1.82 (1.88)	0.80 (1.57)	8.97*** (1.93)
LC per USD (Std.)	24.40*** (4.85)	22.73*** (4.89)	16.94*** (3.89)	-15.27*** (4.43)
Log(Vix)	57.50*** (9.96)	-7.64 (14.34)	-5.02 (8.19)	70.15*** (12.44)
Log(EPU U.S.)	9.85* (3.81)	1.08 (3.74)	-6.64* (2.70)	15.41*** (4.17)
Log(EPU Global)	-64.80*** (13.26)	-49.19*** (8.93)	-12.44 (8.95)	-3.17 (12.71)
Global Ind. Prod.	2.27*** (0.66)	0.04 (0.92)	-1.26* (0.57)	3.49*** (0.78)
Fixed Effects	Yes	Yes	Yes	Yes
Lags	4	4	4	4
No. Countries	15	15	15	15
Observations	2192	2192	2192	2192
R^2	0.80	0.76	0.35	0.30

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.