

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

	Nominal	E. Short Rate	Term Premium	Credit Risk
U.S. Term Premium	1.87*** (0.38)	2.46*** (0.34)	0.13 (0.30)	-0.71 (0.40)
U.S. E. Short Rate	-0.01 (0.04)	-0.04 (0.03)	0.07 (0.03)	-0.04 (0.04)
Policy Rate	0.73*** (0.03)	0.69*** (0.04)	0.13*** (0.03)	-0.09** (0.03)
Inflation	7.48** (2.30)	-1.60 (3.10)	8.31** (2.74)	0.76 (3.09)
Unemployment	4.98 (2.81)	-1.87 (2.30)	-3.26 (2.01)	10.10*** (2.48)
LC per USD (Std.)	28.41*** (4.61)	26.53*** (5.78)	19.35*** (4.89)	-17.46** (5.83)
Log(Vix)	33.84*** (7.50)	-25.93 (14.79)	-13.53 (10.70)	73.30*** (12.16)
Log(EPU U.S.)	4.71 (3.36)	-1.29 (4.95)	-10.23** (3.10)	16.23** (5.20)
Log(EPU Global)	-50.90*** (12.55)	-36.89** (11.58)	-7.68 (10.10)	-6.33 (14.83)
Global Ind. Prod.	2.28** (0.77)	-0.07 (0.97)	-2.22* (0.86)	4.57*** (0.82)
Fixed Effects	Yes	Yes	Yes	Yes
Lags	4	4	4	4
No. Countries	15	15	15	15
Observations	2194	2194	2194	2194
R^2	0.82	0.76	0.25	0.20

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.