

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	0.76* (0.36)	0.62*** (0.17)	0.39* (0.17)	-0.24 (0.14)
U.S. E. Short Rate	-0.58* (0.24)	0.06 (0.11)	-0.59*** (0.15)	-0.05 (0.12)
Policy Rate	0.17** (0.06)	0.25*** (0.04)	0.04 (0.03)	-0.13*** (0.02)
Inflation	9.58** (3.49)	0.07 (2.46)	3.06 (1.96)	6.44** (1.89)
Unemployment	30.94*** (5.19)	4.53 (3.71)	19.47*** (2.76)	6.93* (3.33)
LC per USD (Std.)	52.26*** (14.87)	48.93*** (6.71)	11.68 (6.34)	-8.35 (10.14)
Log(Vix)	-32.98 (26.08)	27.85* (11.66)	-60.12*** (13.93)	-0.71 (10.64)
Log(EPU U.S.)	-0.53 (9.82)	-4.37 (3.78)	3.95 (6.03)	-0.12 (4.41)
Log(EPU Global)	-23.12 (42.10)	-34.75 (22.09)	-20.40 (22.13)	32.03 (19.38)
Global Ind. Prod.	7.56* (3.42)	7.50*** (1.53)	0.42 (1.56)	-0.36 (2.22)
Fixed Effects	Yes	Yes	Yes	Yes
Lags	3	3	3	3
No. Countries	9	9	9	9
Observations	468	468	468	468
R^2	0.50	0.51	0.49	0.14

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.