

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	2.20*** (0.64)	1.00* (0.46)	0.64 (0.48)	0.55 (0.64)
U.S. E. Short Rate	-0.15* (0.06)	-0.10* (0.04)	0.05 (0.04)	-0.09* (0.05)
Policy Rate	0.56*** (0.05)	0.68*** (0.04)	0.08 (0.04)	-0.20*** (0.03)
Inflation	9.40** (3.21)	-9.70** (2.95)	11.14*** (2.94)	7.97** (2.60)
Unemployment	8.43 (4.56)	-1.27 (4.71)	7.93* (3.30)	1.76 (4.59)
LC per USD (Std.)	34.68*** (9.78)	54.65*** (6.71)	8.73 (7.52)	-28.70* (11.53)
Log(Vix)	9.23 (25.87)	28.25 (16.23)	-46.74* (17.84)	27.73 (22.84)
Log(EPU U.S.)	-6.25 (6.51)	-3.99 (3.62)	-4.75 (5.05)	2.50 (5.11)
Log(EPU Global)	8.52 (33.32)	-58.46** (21.22)	-9.03 (20.51)	76.00* (31.75)
Global Ind. Prod.	10.75*** (2.84)	2.85 (2.13)	0.40 (1.76)	7.50** (2.70)
Fixed Effects	Yes	Yes	Yes	Yes
Lags	3	3	3	3
No. Countries	9	9	9	9
Observations	468	468	468	468
R^2	0.65	0.70	0.29	0.32

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.