Chinese equities rebounded in early 2019 after declines due to trade tensions and global volatility.

Policy easing helped partly offset the tightening in financial conditions, but less so for lower-rated firms.

Figure 1.20. Recent Developments in Emerging and Frontier Markets

Stability in foreign exchange markets, along with hopes for a US-China trade deal, supported equities.

Emerging market credit came under pressure led by weaker issuers, before recovering this year.

Currencies have been relatively stable after the sharp sell-off last year.

Sources: Bloomberg Finance L.P.; Bond Radar; Haver Analytics; JPMorgan Chase & Co; Wind Information Co.; and IMF staff estimates.

Note: CSI = China Securities Index; EM = emerging market; HY = high yield.