



ISI Markets

CEIC EMIS EPFR REDD

**CEIC, REDD Intelligence & EPFR Data:
Illuminating the opportunity in emerging and
developed markets where information can be
hard to obtain and even harder to rely upon.**



REDD

EPFR

THIS CHART PACK CONTAINS 13 VISUALISATIONS



>30 years curating the most complete and authoritative global intelligence offering



Critical insight on the economic position and outlook for global markets including EM



Unparalleled view on investor and fund manager sentiment across global markets

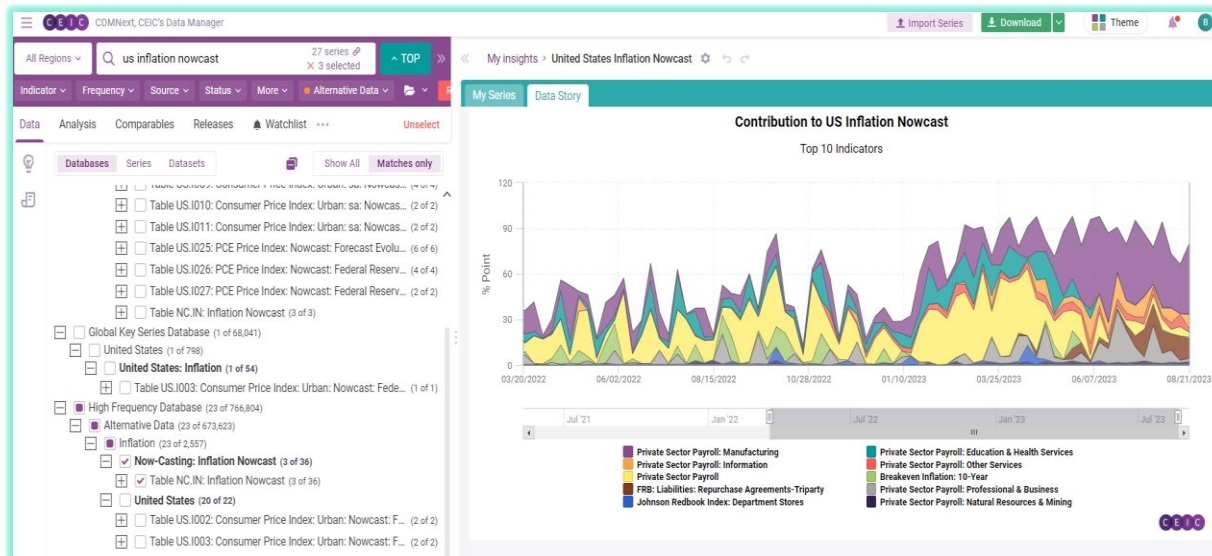


Curating the best industry and company research, data and news for emerging markets

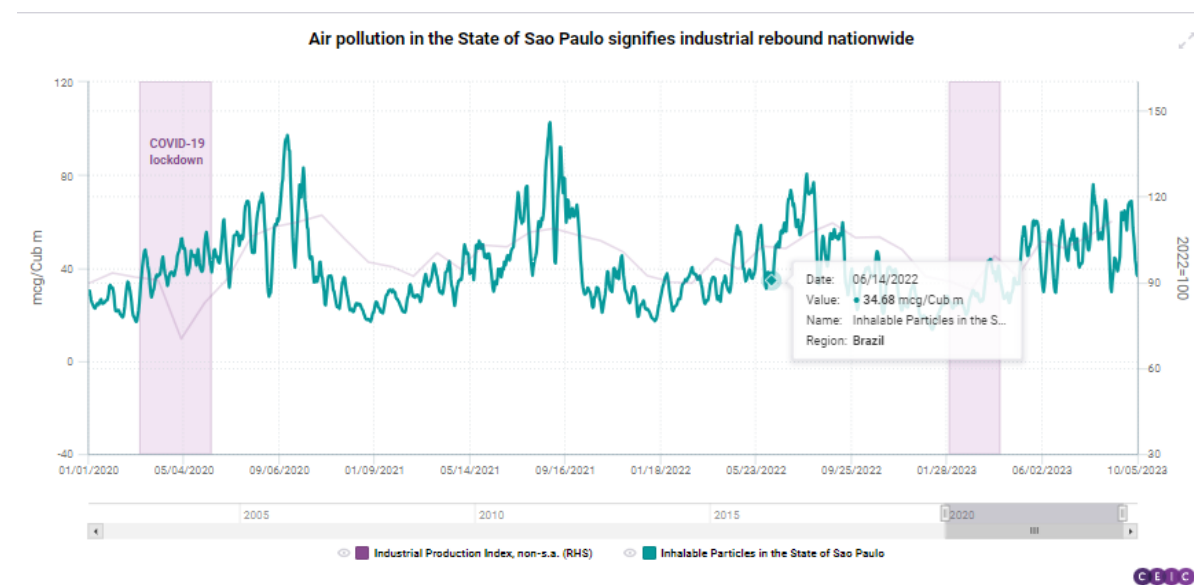


Providing alpha generating intelligence on HY, special sits and distressed debt in EM

Providing valuable and immediate insight into economic developments through high quality data and analytical tools

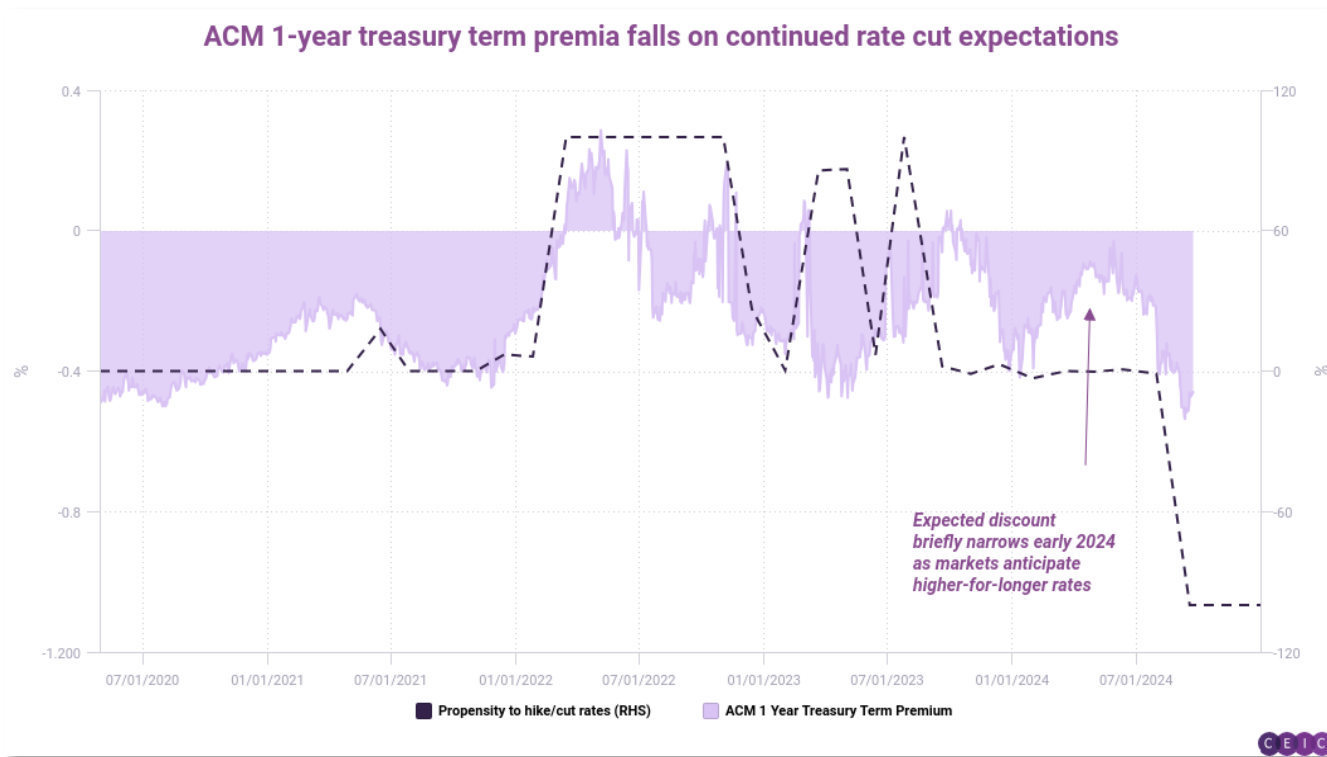


- Traditional and alternative / high frequency data sets = unique source of alpha gen.
- Provides insight into EM and DM economic performance and outlook.



- Available via API and desktop UI.
- Easy charting & visualization of insights.
- Drag and drop data into analytical environment.

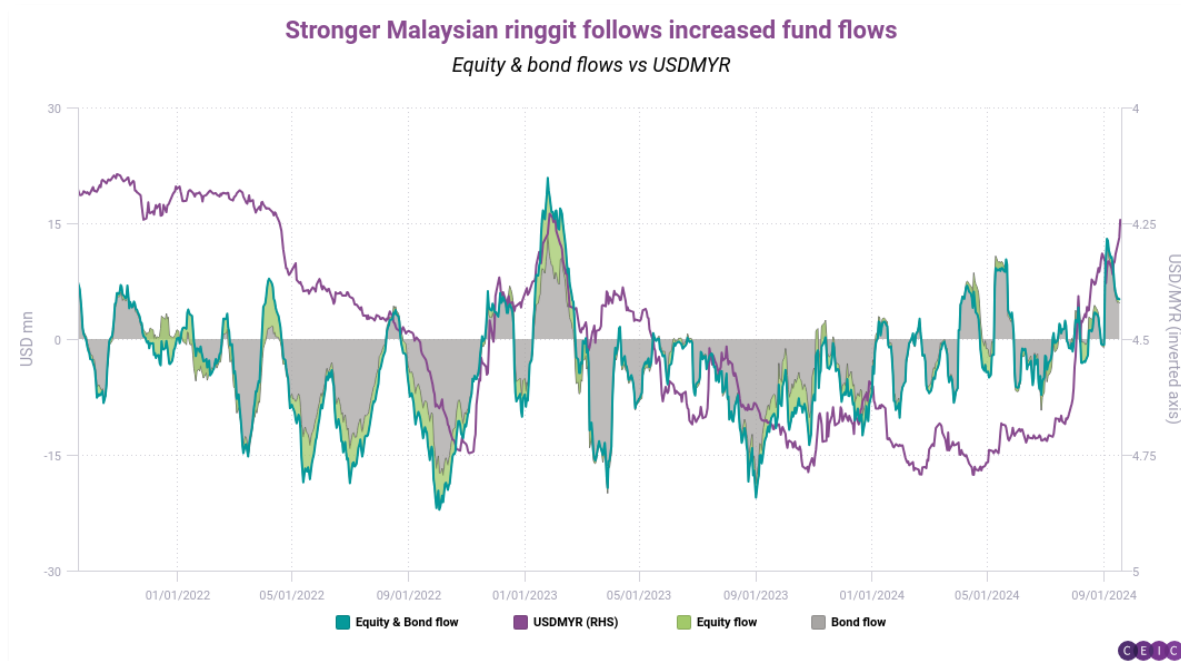
An alternative indicator of US financial conditions: term premia



- Why do investors demand to "lock up" their money in 10-year securities rather than rolling over short-term bills? The answer lies in the "term premium", extracted by the Adrian, Crump, and Moench model and available within CEIC.
- Investors who expect interest rates to rise will want more premium. Indeed, we can see that the premium went into positive territory for much of the inflation and rate-hiking cycle of 2022. For much of the past two years, however, the premium was in negative territory -- implying that lower rates were seen as likely, an expectation that took a long time to come true.
- After the Fed's bold rate cut, term premia are at their lowest in 20 years -- indicating more rate cuts are seen as likely and that investors are willing to accept discount to their potential returns.

Read more: [An alternative indicator of US financial conditions: term premia](#)

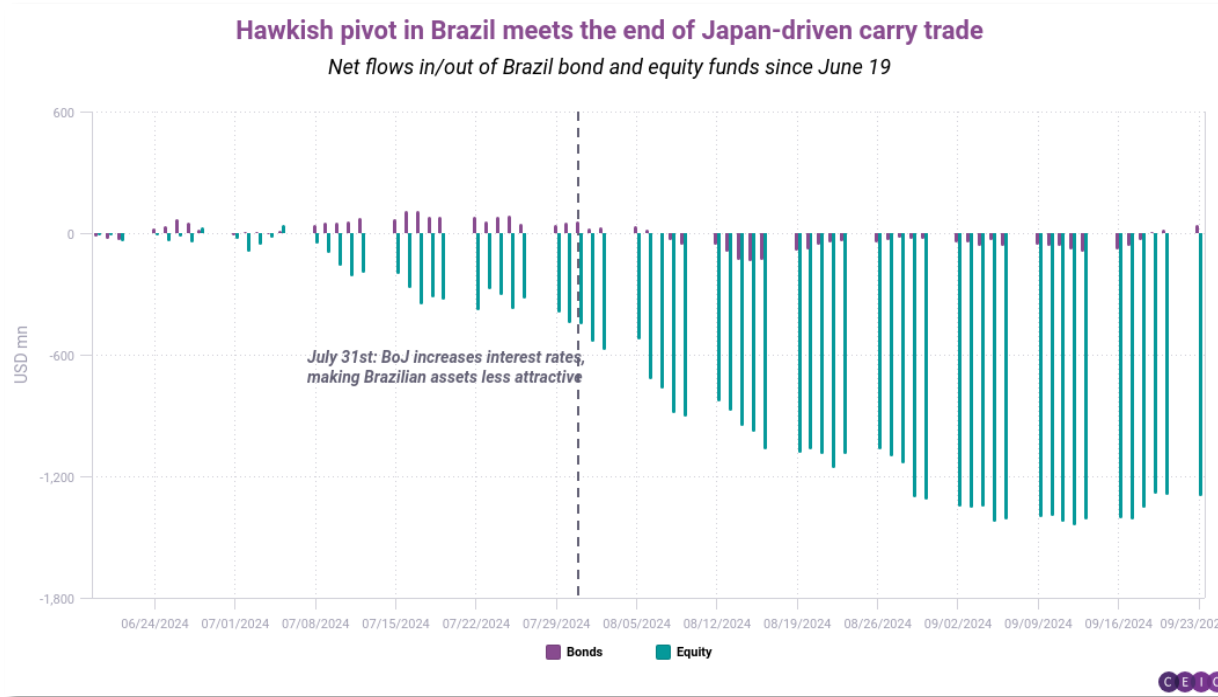
Fund flows into Malaysia support the ringgit



- Inflows to a nation's bond and stock markets can significantly influence exchange rates. We can explore this trend in Malaysia and the broader ASEAN-6 bloc thanks to our partnership with EPFR and its wealth of data on fund flows and asset allocation.
- Our chart tracks the USD/MYR exchange rate. Inflows to bond and equity funds gradually turned positive recently; July and August saw the ringgit jump against the dollar.

Read more: [Fund flows into Malaysia support the ringgit](#)

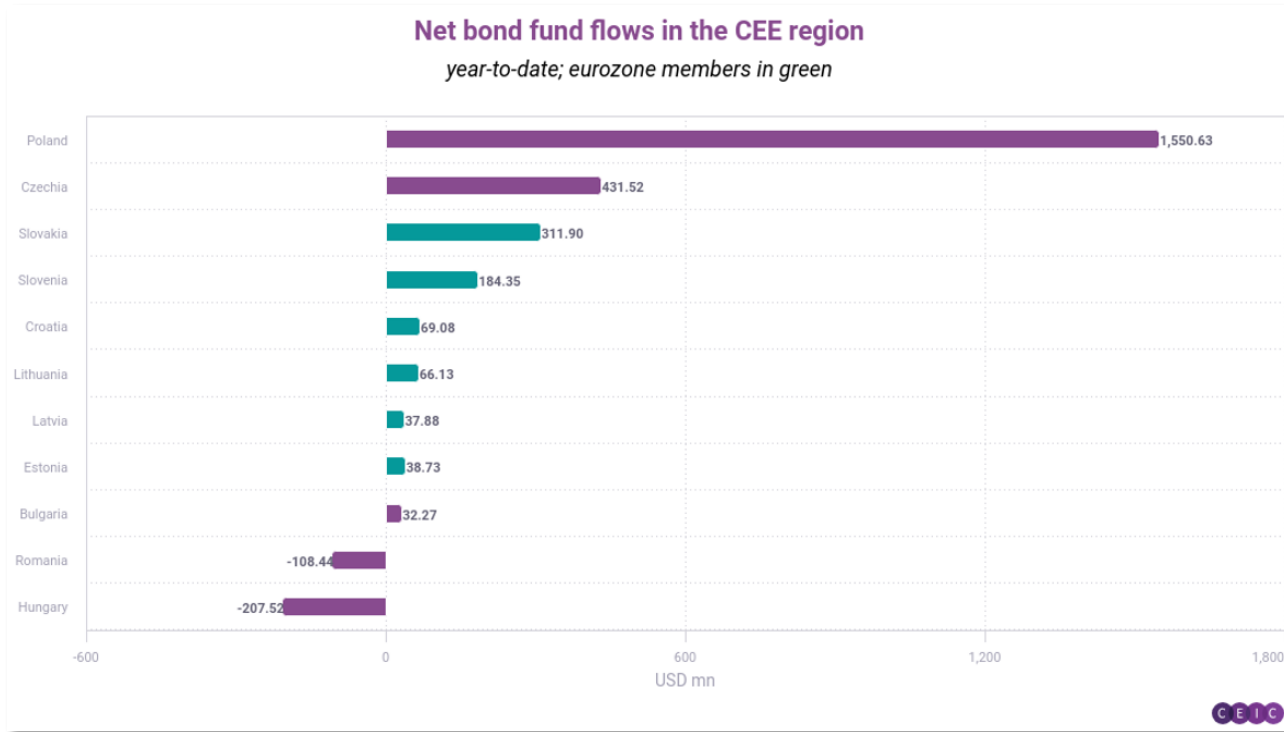
Equity outflows in Brazil gather pace as carry trade disrupted



- Brazilian assets were a favourite target of "carry trade." Driven by cheap global liquidity courtesy of the Bank of Japan's multi-decade, ultra-stimulative monetary policy, investors would borrow in yen and invest in assets with higher rates of return including Brazilian bonds, with their globally high yields, as well as the nation's equities.
- The Bank of Japan's surprise decision to raise rates to 0.25% on July 31 disrupted this situation, exacerbating a global selloff in assets from US tech stocks to cryptocurrencies.

Read more: [Equity outflows in Brazil gather pace as carry trade disrupted](#)

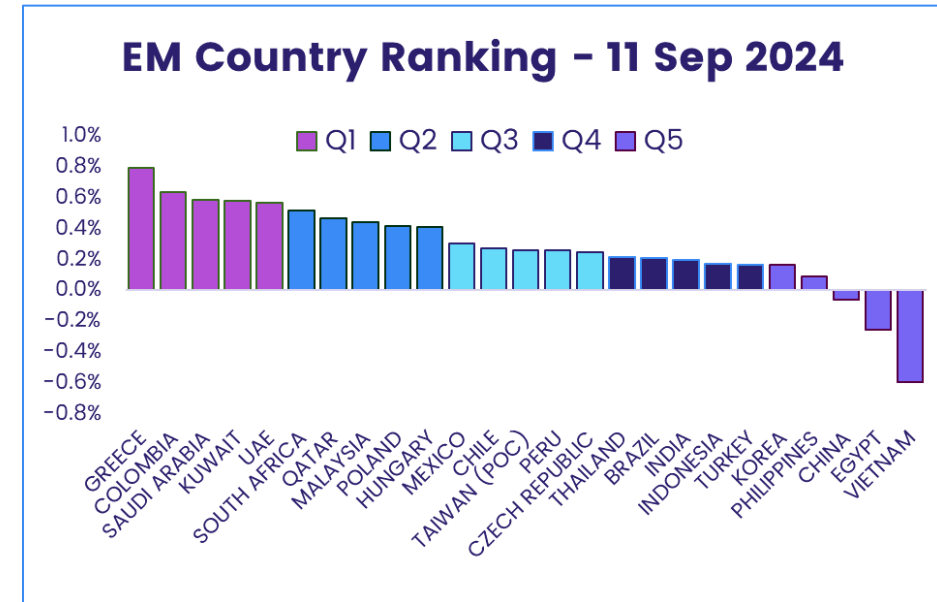
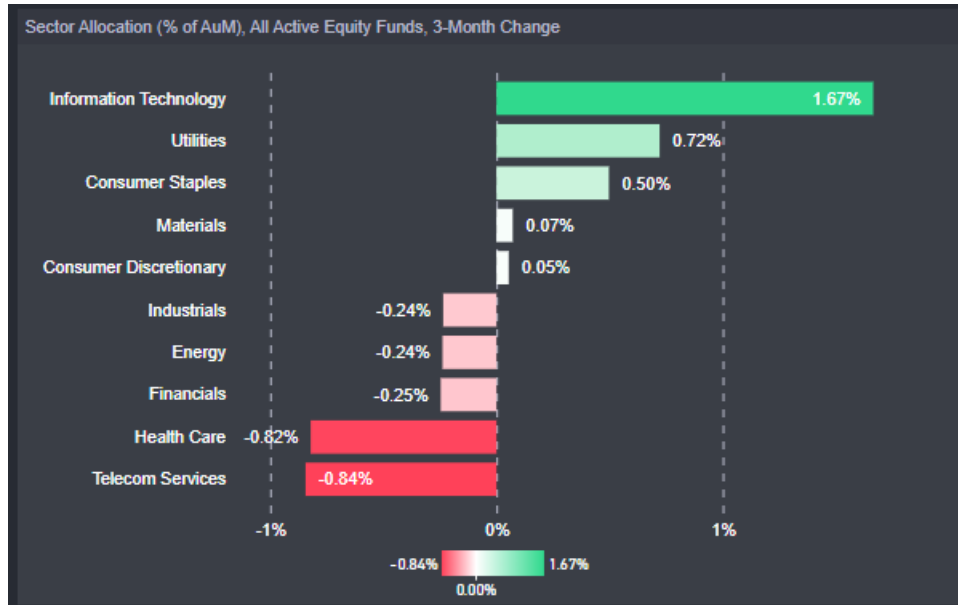
Poland and Baltic stand out in CEE fund flow data



Read more: [Poland and Baltics stand out in CEE fund flow data](#)

- The European Bank for Reconstruction and Development upgraded GDP growth forecast for Poland, citing the strength of domestic demand, EU-funded investments, and falling inflation enabling stimulative government spending.
- Consequently, Poland's equity and bond markets have been popular with international investors this year. EPFR fund-flow data shows how the nation is outpacing peers elsewhere in central and eastern Europe.
- So far this year, investors have put a net USD 1.2 billion into Polish bonds (both sovereign and corporate). Czechia is a distant second, with USD 326 billion of bond fund inflows. Romania and Hungary are notable for posting bond fund outflows.

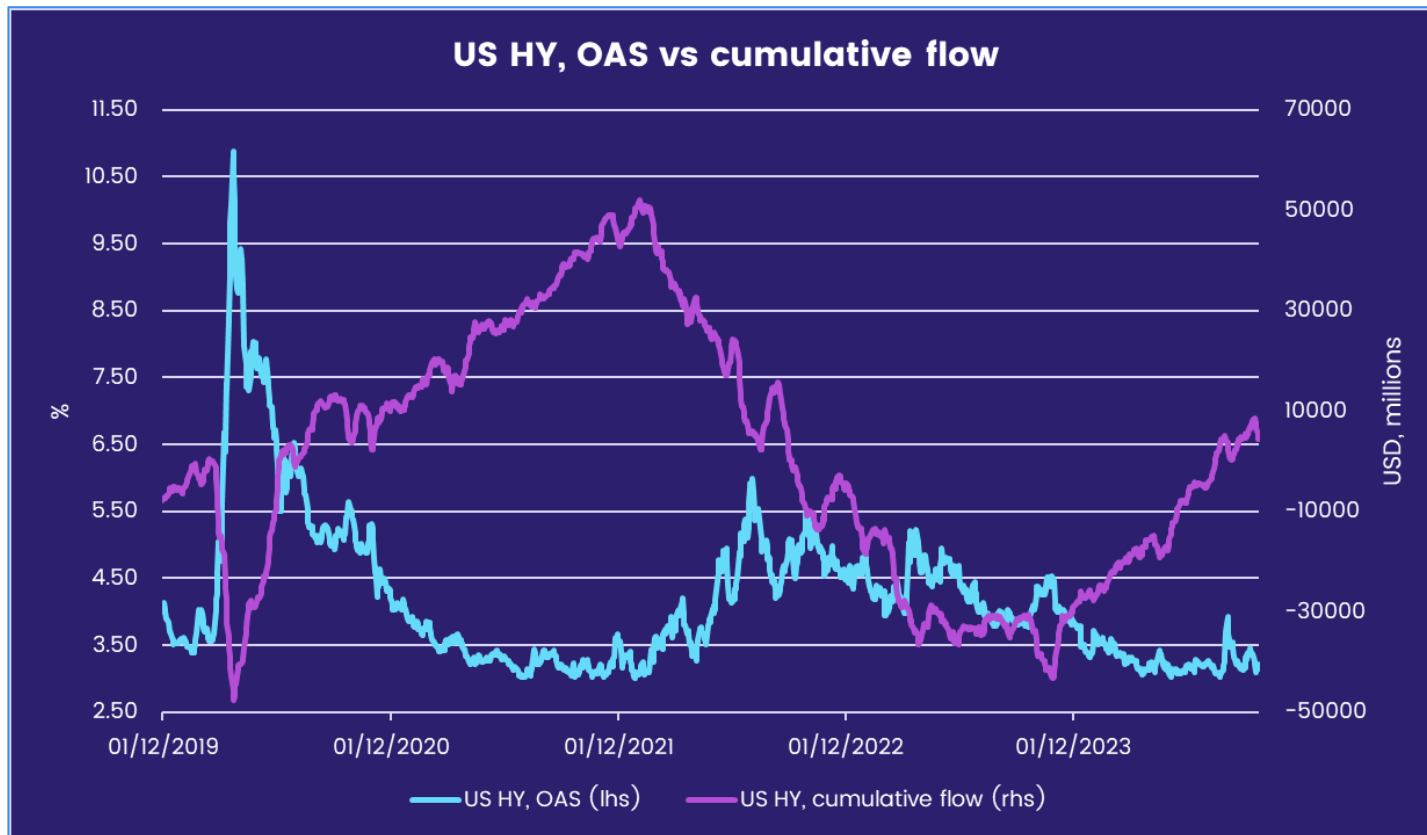
Providing the most timely and granular view of global fund flows to buy-side, sell-side and supranational organizations



- **Market Insights:** A comprehensive view of where money is moving across geographies, sectors, industries, and securities.
- **Core and Proprietary Datasets:** Extensive fund and security-level solutions, offering detailed and actionable data.
- **Data Granularity:** Timely, detailed data supporting both bottom-up and top-down asset allocation strategies.

- **Investor Sentiment:** Exclusive insights into fund manager & investor sentiment, revealing market trends, active weighting, and behavioral patterns.
- **Comprehensive Coverage:** Tracks 151,000+ share classes and > \$58 trillion in assets across equity, bond, money market, alternative, multi-asset fund flows.
- **Actionable Intelligence:** Key insights at macro & stock levels.
- **Historical Data:** 25+ years of data to identify investor sentiment trends and interpret market shifts accurately.

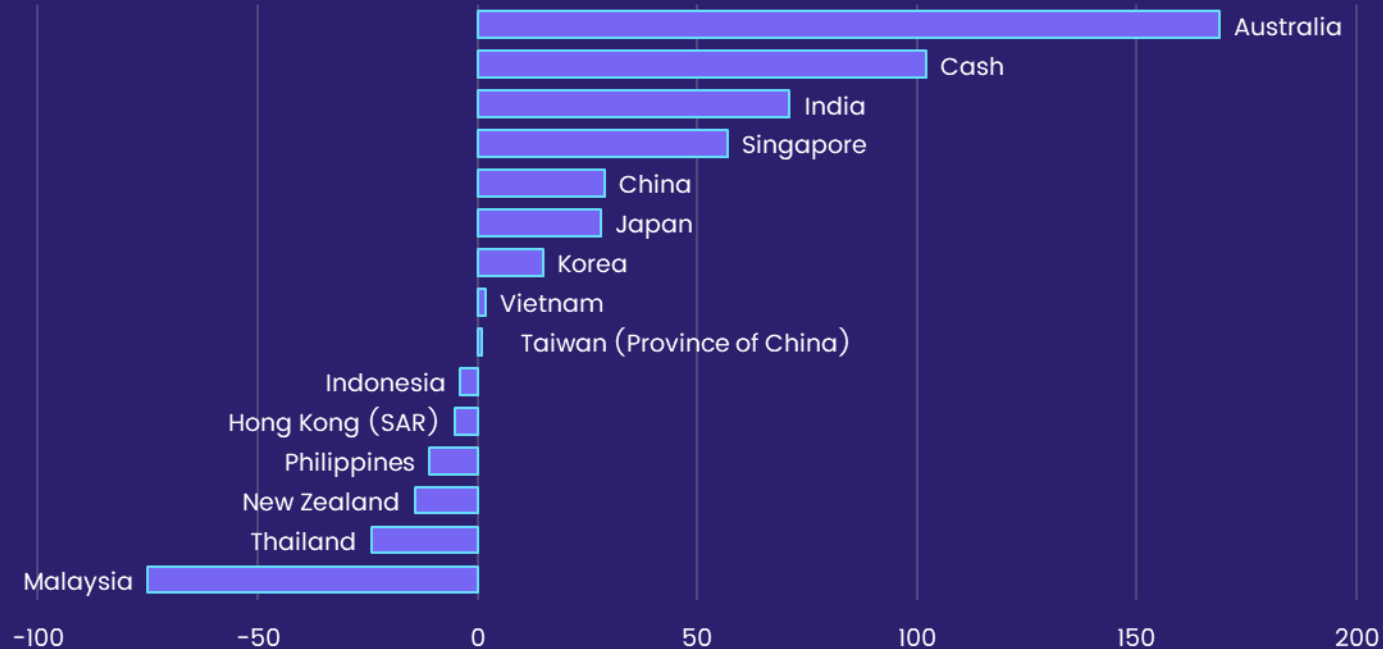
Investors seem to garner interest in bond funds when market conditions are favourable



- As bond markets experience stress, spreads (OAS) tend to increase sharply, whilst contemporaneously, there seem to be tangible outflows in bond funds.
- Flows into bond funds tend to pick up when spreads are tightening.
- The inverse relationship between cumulative flow and spreads is palpable – especially when it comes to the US high yield market.

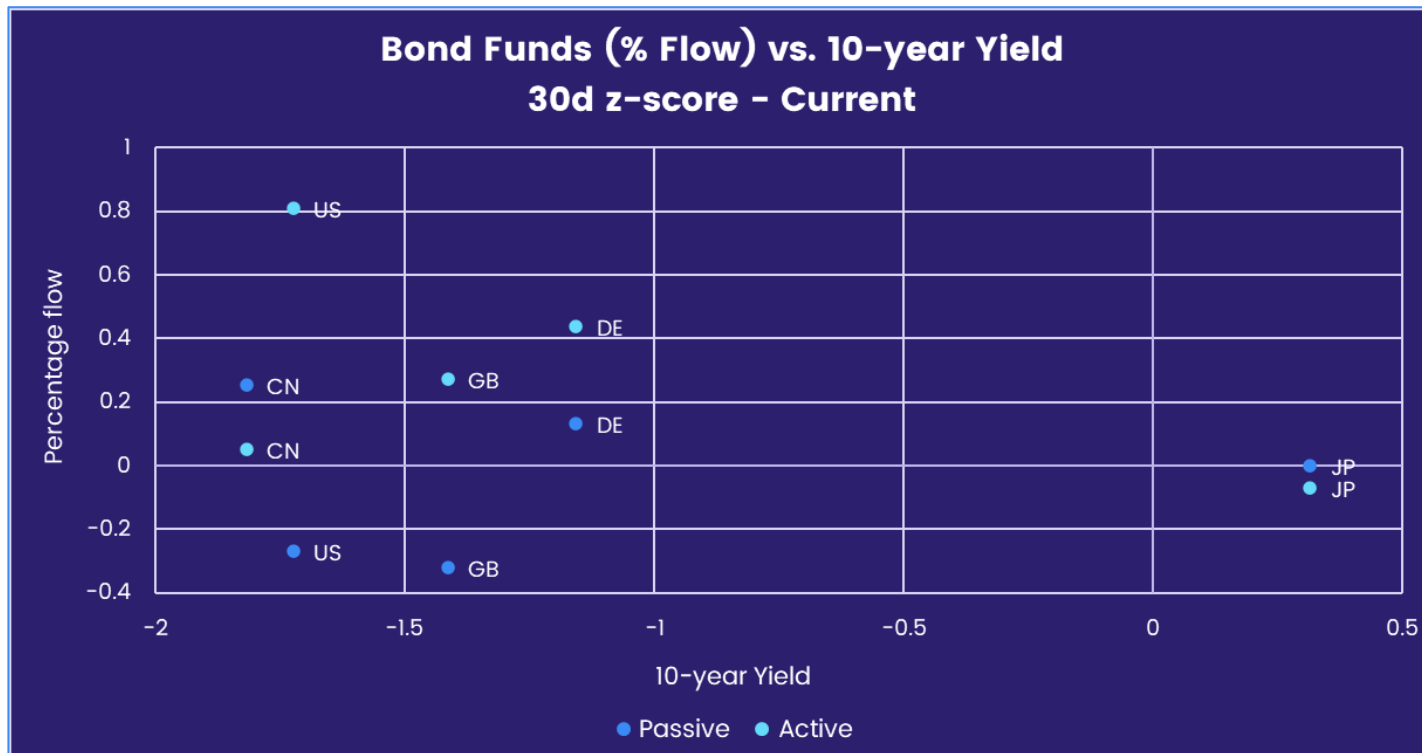
Portfolio Managers stick to Japanese Bonds, but all eyes are on Australia, India and Singapore

Change (in basis points) since 1Q23 to Global ex-US Bond Fund allocations for major Asian markets



- Managers of Global ex-US Bond Funds, which have pulled in over \$21 billion so far this year, have increased their exposure to Japan over the past eight months.
- However, they have been more aggressive in boosting their allocations to Australia, India and Singapore, as EPFR's chart represents.
- In light of the Bank of Japan's tightening scheme, whilst several central banks are simultaneously easing (or, at least, holding their policy rate), investors are likely to pull money – both domestic and foreign – from Japanese debt.

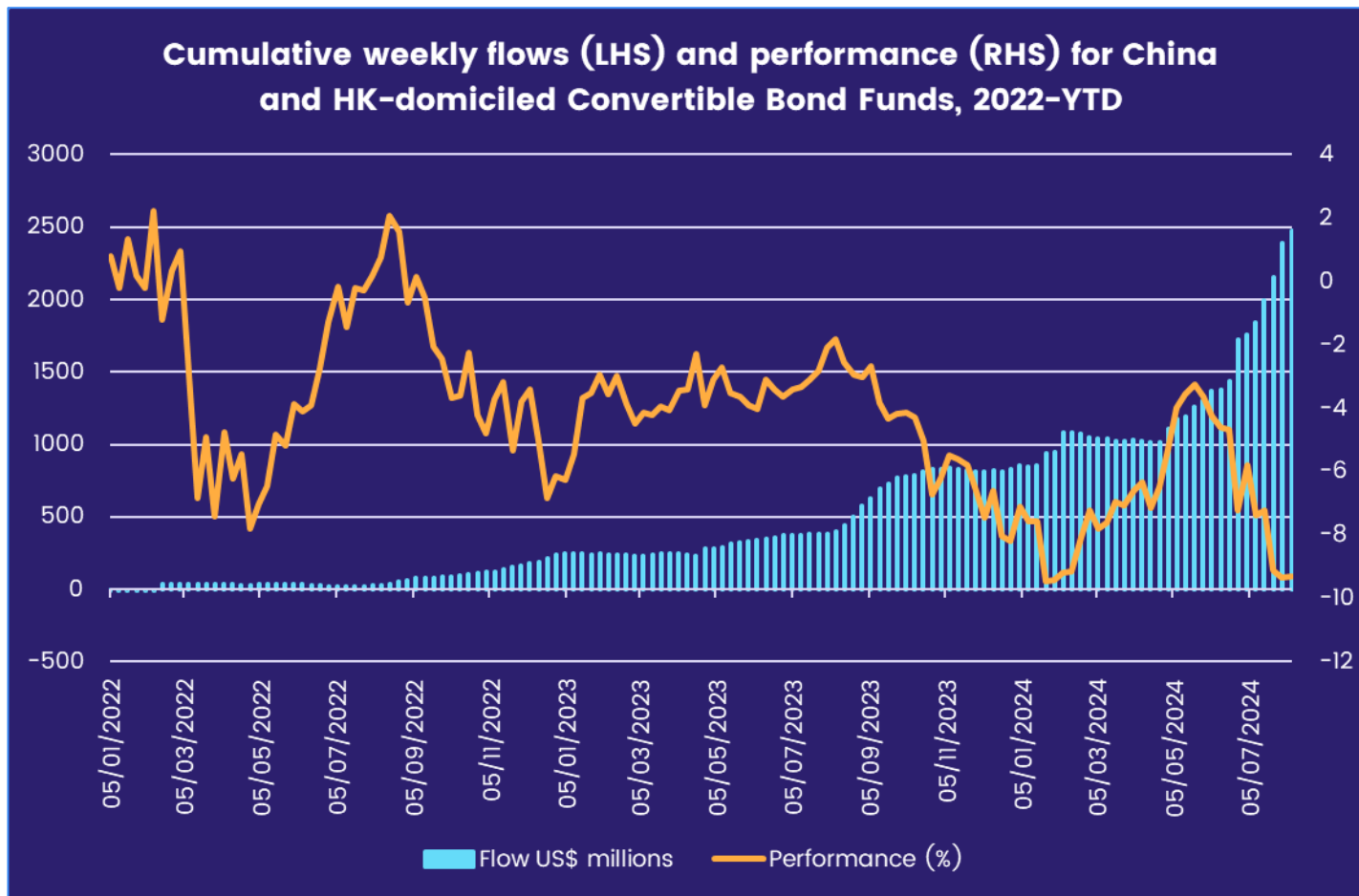
Unlocking new investment opportunities with EPFR's "Percentage Flow" factor



*"Percentage flow" factor = US dollar amount flow per fund, normalised by a fund's AuM

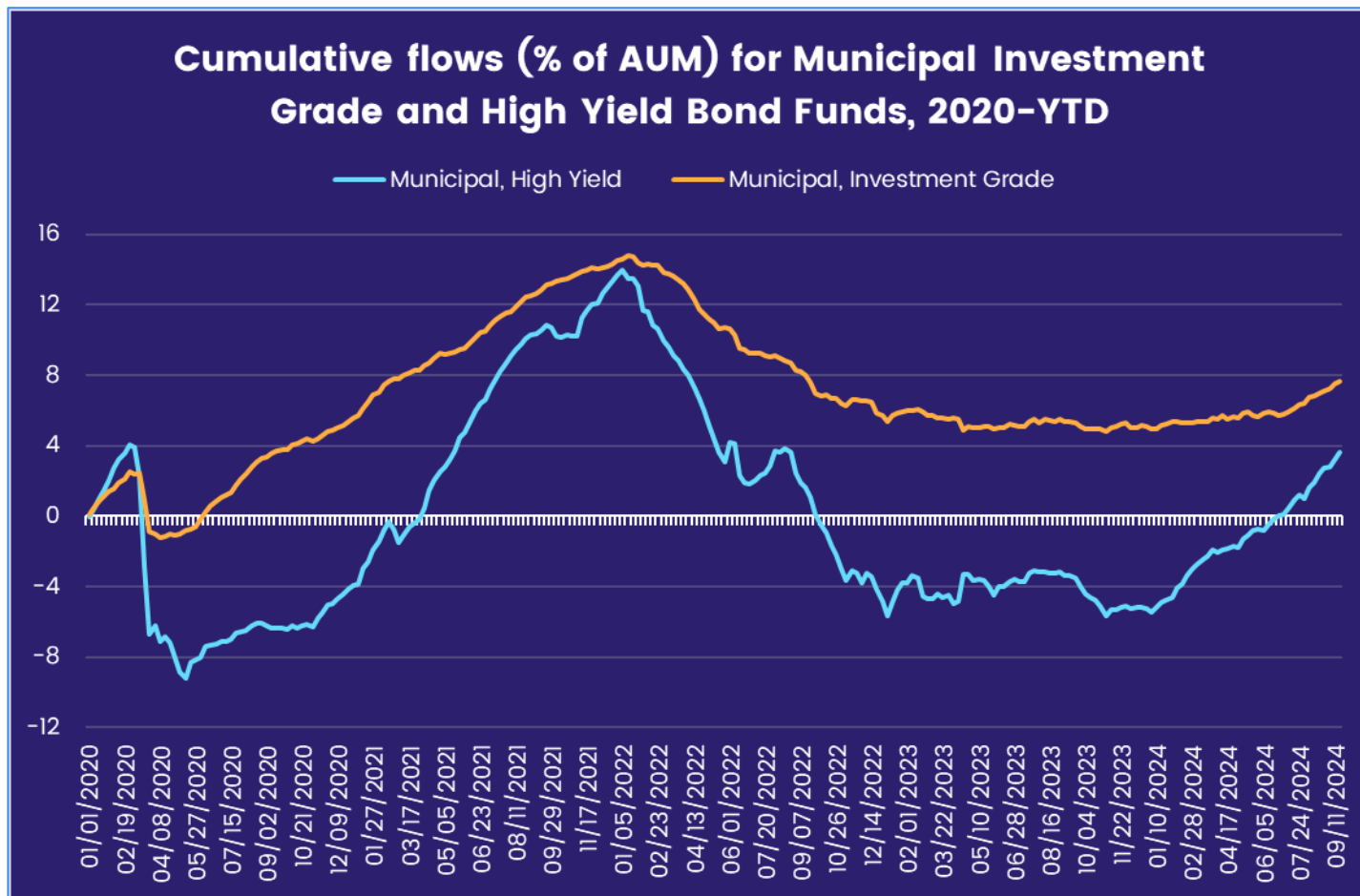
- Monitoring yield trends in conjunction with EPFR's "Percentage Flow" factor* seems to bring some interesting insights.
- As yield renders a negative trend, actively-managed bond funds tend to see a positive trend in percentage flow.
- Passively-managed bond funds, on the contrary, have negative trending flow for the most part.
- A positive trending yield tends to lead to a negative trend in percentage flow for active bond funds, whilst the trend for passive bond funds seems to be relatively neutral.
- Therefore, investors could see opportunities in actively-managed bond funds in the event of lower trending yield.

Largest inflows to China Bond Funds since 1Q22



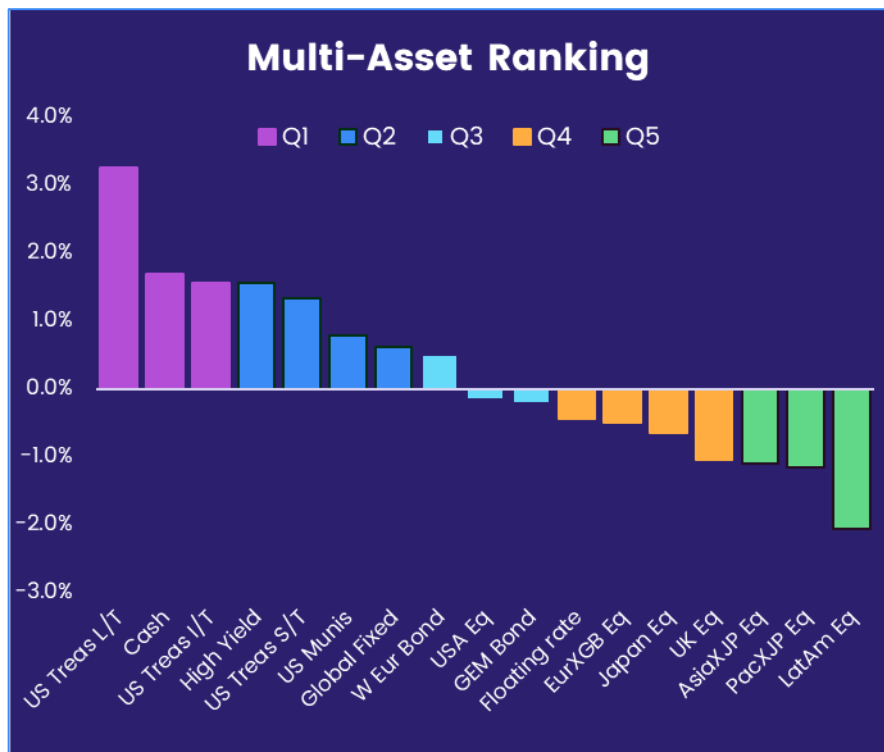
- In August, outflows from Emerging Markets Hard Currency Funds offset flows into ones with local currency mandates. In the case of the latter, strengthening appetite for exposure to Chinese debt has been a key driver.
- Inflows tracked by EPFR data to China Bond Funds in mid-August were the largest since mid-1Q22.
- Our data also reported a marked increase in demand for Chinese convertible bonds.

Bond Funds on track to set a new full-year inflow record



- With just under a quarter of 2024 left, EPFR-tracked Bond Funds remain on track to set a new full-year inflow record as the year-to-date climbed over the \$590 billion mark in mid-September.
- At the asset class level, EPFR users can drill down into Inflation Protected Bond Funds, Convertible Bond Funds, High Yield Bond Funds, or Municipal Bond Funds (among others) for further insights.
- As of the week ending 18th September, Municipal Bond Funds reported 12 consecutive weeks of inflows. Interestingly, during that run funds with IG mandates consistently attracted bigger inflows than their HY counterparts in cash terms, but lagged them in % of AuM terms.

Portfolio Managers stick to cash and fixed income investments



Position at 11-Sep-24			
	Asset	Current	Rank Change
	US Treas L/T	3.3%	0
	Cash	1.7%	0
	US Treas I/T	1.6%	0
▲	High Yield	1.6%	+1
▼	US Treas S/T	1.3%	-1
	US Munis	0.8%	0
	Global Fixed	0.6%	0
	W Eur Bond	0.5%	0
▲	USA Eq	-0.1%	+1
▲	GEM Bond	-0.2%	+2
▲	Floating rate	-0.4%	+2
▼	EurXGB Eq	-0.5%	-1
▼	Japan Eq	-0.6%	-4
	UK Eq	-1.0%	0
	AsiaXJP Eq	-1.1%	0
	PacXJP Eq	-1.1%	0
	LatAm Eq	-2.1%	0

- EPFR uses flow into an asset class as a percentage of assets held in that asset class, summed over the trailing four weeks, to predict future performance of - and drive cross-sectional models for - equity and fixed-income asset classes.
- Recent weekly multi asset rankings developed by EPFR continue to show a marked preference for cash and fixed income among managers who invest across multiple asset classes.
- Treasuries, cash, junk bonds and municipal debt fill six of the seven slots in the top two quintiles.

News, research, and analysis on EM high yield, distressed, and private credit opportunities

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REDD proprietary intelligence covers:

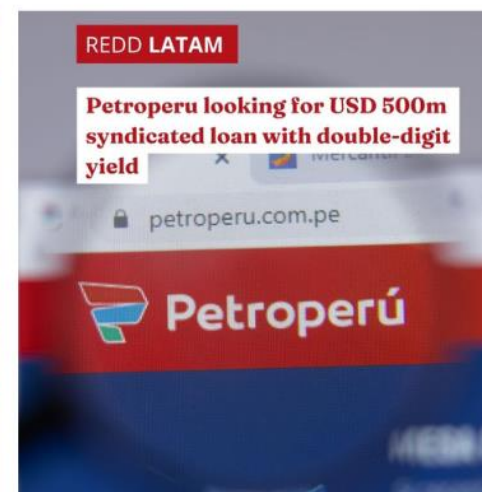
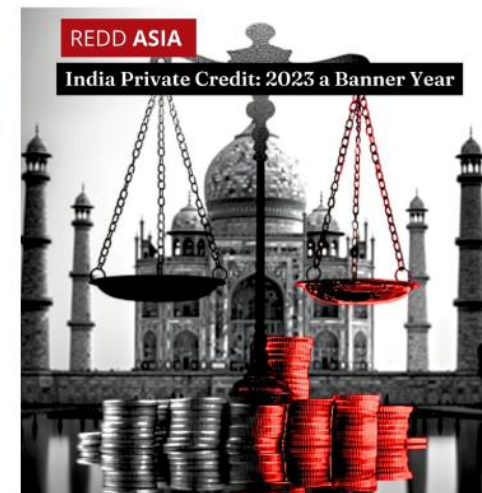
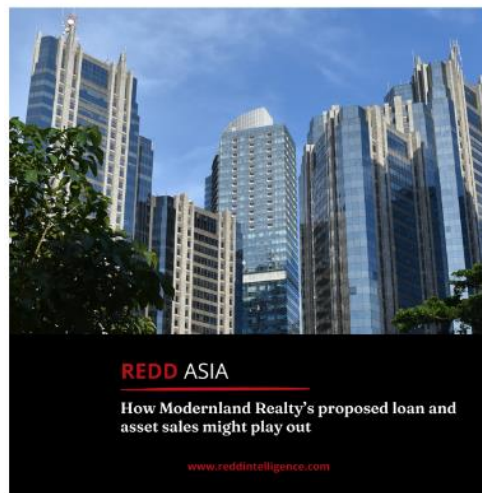
- Special Situations.
- Distressed Debt.
- Restructurings.
- Primary Markets.
- Regulatory Updates.
- M&A.
- ESG.

Aggregated news sources include:

- Stock Exchange Announcements.
- Rating Agency Updates.
- Local, Regional, and International Media.

REDD proprietary research includes:

- Company Briefs.
- Company Reports.
- Sector Reports.
- REDD Radar - a report compiling the main developments in special sits tracked by our team, the previous month.
- Sovereign Debt Radars.
- Legal Analysis (e.g. CAC Index).
- Policy and Political reports.





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Thank you.
Contact us with questions.



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