

# Global Policy Tracking: 2020 Coronavirus Response – DM (1)

Developed Markets									
	Monetary Policy			Financial Market and Other Measures				Fiscal Policy	
	2020 Rate Cuts So Far	Policy Rate Today	2020 Y/E Rate (analyst forecast)	FX Intervention	Asset Purchase Program	Fed Swap Line	Other	% of GDP*	Stimulus Details
US	1.50%	0.25%	0.25%		Open-ended purchases of US Treasuries, Agency MBS and Agency CMBS (over USD 2.5 trillion purchased since March announcement date)  Current pace: 80bn per month of UST, 90bn per month of gross Agency MBS (net 40bn) and 1-2bn per month of Agency CMBS	NA	Enhanced forward guidance that communicates policy will remain accommodative till the Fed achieves its new average inflation objective.  Credit and lending facilities including MSLF, MSELF, PMCCF, SMCCF, TALF and MLF with 2.3 trillion in capacity with ability to grow larger with further allocation of capital from existing federal legislation. Additional new facilities include: CPFF, PDCF, MMLF and FIMA.  Increased size of existing repo facilities, expanded US dollar swap lines for Foreign Central Banks, narrowed discount window rate, cut Reserve Requirements, implemented forward guidance promise to keep rates low for duration of health crisis and adjusted bank leverage rules and capital treatment for Treasuries, Reserves, PPP loans and participation in the PPPLF and MMLF	7.0%	Direct Spending (7%): Approximately 1.2 trillion in total in spending & tax breaks as part of CARES Act and additional \$200bn in aid prior to the passage of the act. \$260bn in unemployment insurance expansion, \$150bn in state and local funds, \$290bn in tax cuts, \$290 in Direct Payments to families, \$126bn in health care/hospitals, \$45bn to FEMA, \$31 in Education Stabilization, \$27bn in Vaccines and Stockpiles, \$25bn in infrastructure, \$131bn additional funding. Additional fiscal measures including \$75bn for hospitals and \$25bn for expanded testing passed post the CARES act  Loans and grants (5.3% of GDP): Over \$650bn in small business loans/grants (PPP) and over \$500 to big business in loans with approximately \$450bn earmarked as capital for the Fed's lending programs which can be leveraged up to 10 times (4.5 trillion)
EZ	0.00%	-0.50%	-0.50%		120bn APP + 1350bn PEPP, on top of existing EUR 20bn/m purchase (total ~14.5% GDP)	Y	New temporary LTROs, PELTROs, more favorable terms for TLTRO III, temporarily relax bank capital requirement and collateral standards	Germany: up to 6% France: 11% Spain: 3.3% Italy: 5.7%	EC: EUR max 540bn package including access to ESM to be used for direct and indirect health spending, expanded role for EIB and temporary unemployment insurance scheme(SURE), and EUR 750bn Recovery Fund package with EUR 390bn in grants; EUR 37bn Coronavirus Investment Fund; Germany: headline package ~EUR 270bn but spending closer to 6% of GDP; Government committed to provide unlimited state guarantees; France: EUR 270bn stimulus package (11% of GDP) including health spending, support for short-time work and SMEs, including a EUR 100bn 3-pillar package aimed at strengthening competitiveness, facilitate ecological transition and social cohesion. Unlimited state guarantees and loan provisions; Spain: EUR 31bn (2.6% of GDP) stimulus package including EUR 17bn package to fund unemployment benefits with additional EUR 14bn for tax deferral, additional supports for car and tourism industries worth around combined EUR 8bn (0.6% of GDP); EUR 100bn state loan guarantees; Italy: EUR 105bn stimulus package (5.7% of GDP) including health spending, subsidies for furloughed workers, tax suspensions and supports for loss-marking companies
UK	0.65%	0.10%	0.10%		GBP 300bn, mainly gilts with around GBP 10bn corporates (total ~13.5% GDP)	Y	Term funding scheme, Countercyclical buffer reduced to 0%, Covid Corporate Financing Facility; CBILS to provide loan guarantees for SMEs and TFSME to provide BoE loans to banks. BoE and UK Treasury to temporarily extend the "Ways and Means" facility to provide additional liquidity through government's pre-existing overdraft at the BoE	8.8%	Up to GBP 195bn (8.8% of GDP) including extra resources for NHS, sick pay measures, unemployment and insurance benefits, wage supports for affected employees and self-employed; Job retention scheme further extended till end of October; ~GBP 20bn supports for jobs and new starters, temporary VAT cut, eat out to help out scheme and stamp duty holiday. Wage subsidy program worth 4bn and some further VAT tax cut extension. GBP 18bn additional public spending for 2020/21 (non-virus related); GBP 330bn (15%) loan guarantees
<b>Median DM</b>	<b>0.58%</b>	<b>0.05%</b>	<b>0.05%</b>					<b>6.0%</b>	

Sources: JPMorgan Asset Management and Central Banks (US, Eurozone, UK, Japan, Canada, Australia, New Zealand, Switzerland, Sweden, Norway). As of November 4<sup>th</sup>, 2020

\* Direct Spending excluding Grants, Loans & Loan Guarantees

# Global Policy Tracking: 2020 Coronavirus Response – DM (2)

Developed Markets									
	Monetary Policy			Financial Market and Other Measures				Fiscal Policy	
	2020 Rate Cuts So Far	Policy Rate Today	2020 Y/E Rate (analyst forecast)	FX Intervention	Asset Purchase Program	Fed Swap Line	Other	% of GDP*	Stimulus Details
Japan	0.00%	-0.10%	-0.10%		Removed JGB purchase upper limit (JPY 80tn); Increased limits for ETFs and J-REITs to JPY 12tn and JPY 180bn respectively, increased commercial paper and corporate bond purchase upper limit to JPY 7.5tn each	Y	Lending facility to help corporate financing. Fund-supplying scheme to support bank lending to SME, total to around Yen 110tr	Up to 10%	Up to JPY 57.6tr (~10% of GDP) direct spending includes disease control and medical spending, supports for employment and business and vouchers to subsidize future economic recoveries, the broader package amounts to 225tr Yen (~41% GDP)
Canada	1.50%	0.25%	0.25%		QE of Canadian Gov't bond of a minimum of CAD 5bn per week, CAD 50bn provincial bonds purchase and CAD 10bn corporate bonds purchase	Y	Commercial Paper Purchase Program; Various liquidity measures including standing liquidity facility, eased collateral terms and extended term repo operations	4.5%	CAD 105 bn (4.5%) direct supports to individuals and businesses, and another CAD 155bn tax deferrals and business credit supports
Australia	0.50%	0.10%	0.10%		Yield Curve Control targeting 3y @0.1% and AUD 100bn bond buying program targeting 5-10y (5% of GDP)	Y	Term funding facility extended till June 2021, expanded collateral eligibility to include non-bank IG credit for open market operations	10.0%	AUD 200bn (10% of GDP) including AUD 86bn wage subsidy, direct payments to businesses, increased unemployment benefits, cash payments to households, "Home Builder" scheme, support for the airline industry and infrastructure spending; Up to AUD 20bn (1% of GDP) to guarantee new lending to SMEs
New Zealand	0.75%	0.25%	0.25%		Program expanded to NZD 100bn (~33% GDP)	Y	Term auction facility	10.0%	NZD 30bn (10 % of GDP) wage subsidies, income support, tax deductions and airline supports, with a total of NZD 50bn budgeted for the Covid-19 Recovery Fund; NZD 6.3bn ( 2% of GDP) loan guarantees
Switzerland	0.00%	-0.75%	-0.75%	Y		Y	Reduced negative interest rate burden on banks	3.0%	CHF 20bn (3% of GDP) economic package for workers and SMEs. Up to CHF 20bn (3% GDP) loan guarantees
Sweden	0.00%	0.00%	-0.25%		Up to SEK 500bn (~10% GDP) purchase including SGB, municipal, covered and corporate bonds	Y	Reduced Countercyclical buffer, up to SEK 500bn bank lending, lowered overnight lending rate	6.0%	SEK 300bn stimulus package (6% of GDP) includes temporary layoff programs, support local authorities, sick pay and tax deferrals. SEK 200bn (4% GDP) loan guarantees
Norway	1.50%	0.00%	0.00%	Y		Y	Reduced Countercyclical buffer, Up to 3m NOK loans to banks	4.0%	NOK 139bn (4% GDP) total fiscal measures including health spending, tax deferrals, change to sick pay and temporary low rate VAT cut. NOK 49bn (1.4% of GDP) supports for companies and loss provisions of NOK 16bn. NOK 100bn (3% GDP) loan guarantees
<b>Median DM</b>	<b>0.58%</b>	<b>0.05%</b>	<b>0.05%</b>					<b>6.0%</b>	

Sources: JPMorgan Asset Management and Central Banks (US, Eurozone, UK, Japan, Canada, Australia, New Zealand, Switzerland, Sweden, Norway). As November 4<sup>th</sup>, 2020

\* Direct Spending excluding Grants, Loans & Loan Guarantees

# Global Policy Tracking: 2020 Coronavirus Response – EM (1)

Emerging Markets									
	Monetary Policy			Financial Market and Other Measures				Fiscal Policy	
	2020 Rate Cuts So Far	Policy Rate Today	2020 Y/E Rate (forecast)	FX Intervention	Asset Purchase Program	USD Swap Line	Other Easing Measures	% of GDP	Stimulus Details
China <sup>1</sup>	0.30%	2.95%	2.95%				Targeted RRR cuts ~ RMB550bn liquidity Re-lending/discount windows ~800bn RMB Policy Banks increase lending ~350bn RMB Cuts to repo rate and LPR (loan prime rate)	4.8%	1.2% of GDP measures approved including spending on epidemic control, tax relief (VAT, social security), and accelerated unemployment insurance Local gov't bonds and related infra (+3tn RMB) Rent, interest payment, utility cost cuts
Korea	0.75%	0.50%	0.50%	Eased regulation for ore USD liquidity - lowered FX forward cap 25%	Equity and bond market stabilization funds; direct purchase of KTBs and corporate bonds; Korea Credit Guarantee Fund  Total ~40tn KRW	60bn USD Fed Swap Line	Lending and guarantee for SMEs (22.5tn KRW); Increased limit of Bank Int. Lending Support Facility to 35tn KRW and lowered rate; Bank debentures included as OMO eligible assets; Additional lending programs and liquidity injection	2.7%	Supplementary budgets Tax cuts (autos, landlords, self-employed) Transfers to quarantined households Loans and guarantees for businesses
Indonesia	1.00%	4.00%	4.00%	Heavily intervenes, almost the only USD seller	Heavily intervenes. "Burden-sharing" plan has Bank Indonesia buying 3.6% of GDP of local government debt based on a mix of policy rate to policy rate -1% with repatriation of dividends back to MOF.			5.1%	Two initial packages targeting tourism sector and low income households; additional targeted tax exemptions and deferrals. Subsequent larger package provides additional spending and tax relief and credit guarantees for the private sector.
India	1.15%	4.00%	4.0%	More than US\$ 100bn bought in the market to prevent INR appreciation	RBI bought 1.0% of GDP of Gov bonds by end of Auust		Systematic action to offer liquidity lines to big banks, large LTRO and OMO and operation twist to anchor rates onshore	1.8%	Package announced targeting vulnerable populations via disbursements of cash and goods. Some additional state-level support also announced.
Brazil	2.50%	2.00%	2.00%	Discretionary intervention to restore liquidity	Ongoing (6.9bn USD so far)	60bn USD Fed Swap Line	Cut RRR rate Eased bank regulation	7.3%	Emergency package, majority reallocation of existing budget. Income support to vulnerable households, tax breaks and credit lines for firms, transfers to states. Public banks also to provide additional credit. Loan guarantees worth 4.6% of GDP.
Mexico	3.00%	4.25%	4.00%	NDF program increased to 30bn USD, used 7.5bn so far	Gov't bond swaps (up to 8bn USD)  Reduced auction calendar	60bn USD Fed Swap Line, to finance USD credit auctions	Lower required bank deposits at CB Lower additional lending facility rate  Increased credit facilities to SMEs, introduced term repos, and relaxed collateral requirements (worth ~3% of GDP)	1.0%	Primarily re-allocating existing spending plans, accelerating pension payments to elderly, accelerating tender process for public spending, Health Emergency Fund, and a national energy infrastructure plan that consists primarily of already considered projects. Support from development banks.
Chile	1.25%	0.50%	0.50%	FX Intervention: US\$2.55/10bn spot used, US\$2.75bn/10bn NDF outstanding  Weekly Min. of Fin. USD sales	Special Asset Purchase Program (8bn USD) to buy bank bonds, legacy BCCh instruments and selective purchase of gov't bonds  BCCh repo facility for bank bonds US\$10bn CC-VP program, US\$8bn term deposit purchase program	24bn USD IMF 2 year FCL	Bank bond purchase (up to \$8bn, started Mar 2020), BCCh debt buyback (\$6.1bn/8.5bn done) Additional credit lines for banks (24bn initial, increased by another 16bn) Repo operations	12.0%	Supporting employment and firms' liquidity (40bn in lines of credits to SMEs). Includes healthcare spending, subsidies and unemployment benefits, tax deferrals, liquidity + tax cuts to SMEs, and accelerated disbursement of public contracts. 2bn USD fund for informal workforce, subsidized job creation
Colombia	2.50%	1.75%	1.75%	NDF program of 1bn USD/auction \$400mm FX Swap	QE worth ~1.4% of GDP including short-term corporate debt and government debt (TES) up to 2n COP/month Reduced auction calendar	IMF FCL increased from \$11bn to \$17bn, drawing down \$5bn	Repo program to allow private debt instruments, total program size reaching 24tn COP; Broadened entities with access to CB liquidity facilities Lowered reserve requirements	2.1%	Front-loading measures on VAT reduction for poor households and deferring taxes for travel and health sectors. Financed from stabilization funds. In addition, 6% of GDP of credit guarantees for SME
<b>Median EM</b>	<b>1.40%</b>	<b>2.00%</b>	<b>2.00%</b>					<b>2.7%</b>	

Sources: JPMorgan Asset Management, and Central Banks (China, Korea, Indonesia, India, Brazil, Mexico, Chile, Colombia). As of November 1<sup>st</sup>, 2020.

1. Policy rate shown is Medium-Term Loan Facility Rate but there are several key policy rates

# Global Policy Tracking: 2020 Coronavirus Response – EM (2)

Emerging Markets									
	Monetary Policy			Financial Market and Other Measures				Fiscal Policy	
	2020 Rate Cuts So Far	Policy Rate Today	2020 Y/E Rate (forecast)	FX Intervention	Asset Purchase Program	USD Swap Line	Other Easing Measures	% of GDP	Stimulus Details
Israel	0.15%	0.10%	0.10%	Bol intervention program to sell ILS. YTD purchases at record levels this year (around 15bn USD)	QE program of ILS 100bn total (85bn Govt, 15bn Corp). Govt purchases so far 31bn. Corp program announced on 6th Jul, govt purchases extended on 22 <sup>nd</sup> Oct.	15bn USD Swap line – now unwound.	3Y targeted lending at policy rate (0.1%) for banks to finance SME loans; Repo operations with banks. Bol providing 10bn ILS LTRO at -0.1% for 4Y.	10.0%	Mostly direct budgetary spending: funds for healthcare, expanded unemployment benefits, grants for business owners. In addition, credit/ loan guarantees. Increase expected following re-lockdown.
Czech Republic	1.75%	0.25%	0.25%	No intervention but could happen.	Cleared legal hurdle but not officially announced yet by CNB.	EUR Swap Line	Cut bank countercyclical buffer to 1%.	2.5%	Income support to those impacted by shutdowns and credit lines for businesses. Also pledged 16% of GDP worth of guarantees to businesses.
Hungary	0.30%	0.60%	0.60%		NBH is conducting some HGB long end tender at the moment (15yr +). It is quite opportunistic and its intention is to prevent excess steepening of the curve.	EUR Swap Line	HUF injecting FX swap program continued.	2.0%	2020 budget being revised, so far measures are targeted to those most affected (tourism, health, small business)
Poland	1.40%	0.10%	0.10%		Official QE by NBP. State owned bank BGK allowed to buy bonds.	EUR Swap Line	RRR cut for banks to 0.5% from 3.5%.	3.1%	New spending including: funds for healthcare, wage subsidies, guarantees for businesses, allowance for parents with school closures, establishing a new public infrastructure fund. Additional loan guarantees of much larger size.
Russia	2.00%	4.25%	4.00%	Selling \$80mn USD daily (+ \$50-100 when oil <\$25)		5bn USD FX Swap	RUB 500bn repo facility RUB 500bn subsidized funds at 4% for SMEs	2.0%	Fiscal rule has automatic stabilizers <\$42 and emergency fund (300bn RUB) to be key funding source. 1.4% of GDP in loan guarantees. Increased compensation for health sector, cash subsidies for families, additional sick leave, tax deferrals, deferred rent payments for SMEs, guaranteed loans to SMEs and affected industries.
South Africa	3.00%	3.50%	3.50%		SARB to buy SAGB across the yield curve in the secondary market, no commitment on program size		Opened 3-mth repo facility, supplementary to its 7d weekly operations	3.0%	Extraordinary healthcare and sanitation spending, temporary increase in social grants, tax relief package for SMEs. Additionally, 4% of GDP in loan guarantees in partnership with local banks and SARB, 0.4% of GDP disbursements from the Unemployment Insurance Fund
Turkey	1.75%	10.25%	9.00%				Longer dated (1m-3m) repo & USD TRY swaps with banks at lower rates	2.5%	1.5% of GDP in measures announced including cash assistance to families in need, tax relief for affected industries, and direct support to Turkish Airlines and other entities. Further measures focused on guarantees and banking sector
<b>Median EM</b>	<b>1.40%</b>	<b>2.00%</b>	<b>2.00%</b>					<b>2.7%</b>	

Sources: JPMorgan Asset Management, and Central Banks (Israel, Czech Republic, Hungary, Poland, Russia, South Africa, Turkey). As of November 1<sup>st</sup>, 2020.