



# Chart Logic

Global Rates, FX &amp; Commodities Strategy

10 June 2020

▶ G10

▶ EM

▶ GLOBAL MARKETS

## Global Fiscal & Monetary Policy Tracker

- The tables below show the fiscal stimulus and monetary policy responses to the COVID-19 crisis. The pace of announcements has slowed in recent weeks. The DM stimulus table is on page 2, the EM stimulus table on pages 3-5.
- See the following pieces for details on recent G10 policy measures:
  - [SLR Relief: Take Two](#) (15 May) & [Fed Balance Sheet Tracker](#) (28 May)
  - [Canada Reopening: What Comes Next](#) (22 May) & [Bank of Canada Balance Sheet Tracker](#) (1 June)
  - [More Questions Than Answers for the Eurozone "Game Changer"](#) (22 May)
  - [The Great Negative Rates Debate](#) (26 May)
- See the following pieces for details on recent EM policy measures, events and trade ideas:
  - [The Shape Of Asia's Opening Up \(In Charts\)](#) (4 June)
  - [India Downgraded](#) (2 June) & [Global SSA Analytics](#) (2 June)
  - [EM Hard Currency Sovereign Analytics](#) (1 June) & [China PMIs - Still In Expansion, But Trade Components Weak](#) (1 June)
  - [Hong Kong - Caught In The Crossfire](#) (29 May)
  - [Poland Again Out-Doves CEE Peers with 40bps Cut](#) (28 May)
  - [Long USDZAR stopped at 2.6% loss](#) (26 May)
  - [US - China Unhappy Together II: Buy 12mth USDCNH Forward](#) (25 May) & [US-China: Unhappy Together](#) (22 May)

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## DM Fiscal and Monetary Policy Stimulus Measures

G10 Summary of Fiscal & Monetary Policy Measures									
Cty	Total Package		Fiscal Liquidity		Fiscal Stimulus		Quantitative Easing		Other Measures
	Size (LC)	% GDP	Measures	% GDP	Measures	% GDP	Amount	% GDP	
US	\$3613bn	17%	\$400bn (3m delay income tax filing) \$342bn (Delay Payroll Taxes for Employers) \$850bn (3rd Bill) -\$454bn (Fed Loans) -\$350bn (SBA Loans) -\$29bn (Air Industry Aid) -\$17bn (National Security Firms) \$381bn SBA Loans (4th Bill)	9%	\$8bn (1st Bill) \$191bn (2nd Bill) \$1338bn (3rd Bill) -\$293bn (Personal Tax rebates) -\$260bn (UE Benefits) -\$263bn (Other Bus Tax Relief) -\$340 (Emergency Spending) -\$32bn (Air Industry Grants) -\$150bn (COVID Relief Fund) \$103bn Hospitals (4th Bill) <b>\$1000bn (More likely)(UE Benefits, COVID spending, state support?)</b>	8%	Open-ended QE (\$3.5tn total QE expected)		-150bps to OIS+25bps to discount window primary rate 10pt cut to required reserve ratio Extended discount window borrowing to 90 days Repo Swap Lines CPFF, PDCF, MMLF, PMCCF, SMCCF, TALF, FIMA, PPPLF, MLF, MSLF
CAD	+C\$479bn	21%	C\$85bn (Tax deferral) C\$81bn (Business Loans) C\$5bn (Industry Support) Up to C\$150bn (IMPP) <b>TBD LEEFF (Large Employer Emergency Financing Facility)</b>	14%	C\$60bn (Emergency Benefits) C\$45bn (Wage Subsidies) C\$14bn (Forgivable Business Loans) C\$9bn (Direct Industry Support) C\$30bn (Other, Announced)	7%	C\$5bn/week GoCs Up to 40% of Bills \$50bn Provis		Expanded term repos CMB buybacks BA Purchase facility Expanded SLF collateral STLF, CPPP, PMMP, CBPP
EU	€617bn	4%	€20bn (EIB guarantees) €10bn (EIB liquidity lines to banks) €10bn (EIB ABS Purchasing Programme) €100bn (Unemployment Reinsurance) €200bn (EIB guarantees to SMEs) €240bn (ESM facility) <b>€250bn (Next Generation EU Loans)</b>	4%	€8bn (EU Budget) €29bn (Structural Funding) <b>€500bn (Recovery Fund)</b>	0%	€1.35tn (PEPP) until end 2020 + €120bn	12%	New temporary LTRs until June Better terms on TLTRO III from June with funding rate as low as depo minus 50bps New PELTROs starting in May at MRO minus 25bps Scrap Issuer Limits
GER	€826bn	24%	€100bn (Soffin fund loan to KfW to support €500bn in loans) €100bn (Industry funds) €400bn (Guarantees of corp debt) €25bn (Liquidity & Loans to SMEs) -€60bn (Unused liquidity transferred to stimulus spending in May)	16%	€156bn (Supplemental Budget) €105bn (New package) -€50bn (Fund to address climate change, innovation & digitisation) -€20bn (From VAT reduction) -€10bn (Aid struggling municipalities) -Other: €300/child, Social security contribution capped at 40%)	8%			
FRA	€395bn	16%	€318bn (Gov-Backed Loans) €20bn (Credit to SEA) €1bn (Funds for FESD) 2m (Partial Salary Coverage) 1m (Tax, Social Security & Other deferral) <b>€60bn (Bailout fund/TARP)</b>	14%	€57bn <b>€15bn</b>	2%	n/a	n/a	
SPA	€146bn	12%	€100bn (Gov-Backed Guarantees) €14.4bn (Other Guarantees)	9%	€21.6bn (Labour market support) €4.3bn (Health Care) €1bn (VAT reduction) €5bn (Other)	3%			
ITA	€617bn	34%	€210bn (State guarantees) €200bn (CDP guarantees) €100bn (CGF Guarantees) €15bn (New State guarantees) €10bn (Incentives) €10.7bn (Tax deferrals & contributions)	31%	€16bn (Cure Italy Decree) €40bn (April Decree) -€25.6bn (Labour market support) -€5bn (Help to SMEs) -€4bn (Tax suspension) -€6.05bn (Health, Education & Research)	3%			
UK	£465bn	21%	£330bn (Gov-Backed Loans)	15%	£18bn (Regular) £12bn (COVID-19) £20bn (Grants) £70bn wage support £15bn (Self-Employed Grant)	6%	£200bn <b>Further £150bn</b>	9%	Cut CCyB to 0% New TFSME CCFF
JPY	¥117tn	21%	¥26tr (Tax and Social Security deferrals) ¥1.6tr (Special Financing ~2/3 to SME & self-employed and remainder to tourism) ¥41tr (Other) <b>¥84tr (2nd Package financial aid for firms hit by COVID-19)</b>	13%	¥8.88tr (Additional Cash grants) ¥6tr (Cash grants) ¥33tr (Other) <b>¥33tr (2nd Package)</b>	9%			Doubled target for net purchase of ETFs to 12 Trillion Yen (US\$112 Bn) New lending programme at 0% to help businesses
AUS	A\$154bn	8%	A\$20bn SME Loans (50% Gov-guaranteed)	1%	A\$17.6bn A\$46.1bn A\$70bn (Wage Subsidies)	7%	YCC at 3y (0.25%)		Stepped up cash lending via repo Will offer cash for as long as required. Term Funding Facility - Banks access 3yr funds at 0.25%. Temporary USD \$60bswap line established.
NZ	NZ\$67bn	22%	NZ\$6.25bn (Business Finance Guarantees (80% Gov-guaranteed))	2%	NZ\$12.1bn NZ\$15.9bn (2 month extension to wage subsidy scheme) NZ\$34bn (Other)	20%	NZ\$60bn	19%	Pushed out Bank Capital requirement phase from July 2020 to July 2021 (should free up ~NZ\$50b in lending) RBNZ removed LVR restrictions until May 2021 6 month principal & interest holiday for mortgage & SME holders
SWE	SEK696bn	14%	Increased from SEK100bn to SEK300bn the credit framework for National Board of Health & Welfare Max SEK5bn (Airline credit guarantees) SEK300bn (deferral of bus taxes for up to 12m) EUR 13.6bn (SME package) EUR 3.7bn (Additional SME package)	14%	SEK41m (Public Health Agency) SEK20m (National Board of Health) SEK5m (Swedish Medical Products Agency) SEK1bn (Sport and Culture grants) Gov covers 75% of cost when staff working hours reduced	0%	SEK300bn	6%	SEK500bn (Corporate Loans) Overnight lending rate to repo+20bp
NOR	NOK196bn	6%	NOK100bn (Gov-Guaranteed Loans) Up to NOK30bn (Relief to Loss-making companies) Postponed Tax Temporary VAT reduction to 6% from 12% & postponed payment Other Tax measures	4%	NOK46bn (Stimulus package) NOK 10-20bn (Cash pay-out scheme to businesses)	2%			\$30bn Swap Line

Source: Various Sources, TD Securities; **Pending Spending: Spending not yet announced but expected by TD Securities**; Shares of GDP reflect announced measures

## EM Fiscal and Monetary Policy Stimulus Measures

Country	Stimulus Size	% GDP	Key Features	Rate Decision	Additional Liquidity Support	Remarks
MYR	MYR 295 billion	19.3	Total value of first 2 packages at MYR 260 Billion - of which, 128 billion for public welfare, 100 billion to support businesses especially SMEs. 3rd package valued at MYR 10 Billion, of which approx. MYR 8 Billion will be utilized to increase wage subsidies for employees as announced in the first 2 packages. Third package of MYR 35bn, with MYR 10bn direct fiscal spending and 40 other initiatives.	Lowered Policy Rate by 25bps in March and 50bp in May. Next meeting on 7 July	Lowered Statutory Reserve Requirement Rate by 100bps from 3.0% to 2.0%, releasing approx. MYR 14.8 billion liquidity into the economy	Another 25bp cut likely in July
SGD	SGD 96.7 Billion	19.1	1st stimulus at SGD 6.4 billion; topped up with 2nd stimulus worth SGD 48 billion. Includes SGD 17bn drawdown from reserves. Major component is ramping up jobs support scheme; 3rd stimulus valued at SGD 5.1 billion to further complement measures from first 2 packages; further topped up by another SGD 3.8 billion to boost jobs support scheme. 4th package worth SGD 33 billion	MAS adopted unprecedented policy action of recentering the midpoint and adopting a neutral stance (0% pa)	We believe that the recentering of the midpoint is akin to a devaluation of approx. 0.5% to the \$SNEER; Eased banking capital requirements to boost lending, allowing banks to recognise as capital more of their regulatory loss allowance reserve until Sep; Deferred the implementation of the final set of Basel III reforms by one year	Sizeable fiscal stimulus will provide a strong buffer, but exports and overall GDP still likely to fall sharply
CZK	CZK 1 Trillion	17.7	10% direct help and 90% indirect help to businesses (CZK160bn already approved). The state will provide interest-free loans for businesses affected by the coronavirus outbreak and is considering co-financing workers' wages. A phased lifting of the lockdown has commenced on 25 May	The CNB delivered a 50bps emergency rate cut on 16 March and cuts of 75bps on 26 March and 7 May	Reversed the decision to increase countercyclical capital buffer to 2% in July 2020 and decided to keep it unchanged at 1.75%	The CNB may deliver more easing to bring Repurchase rate to 0.05%, a tad above 0
THB	THB 2.42 Trillion	14.3	~45% of original THB 400 billion stimulus allocated to soft loans at 2.0% i/r; Tax and expenses reduction as well as debt moratoriums. In 2nd stimulus package of THB 117 billion, 45 billion allocated to cash handouts and 60 billion to special loans; 3rd package valued at 1.9t THB includes 600b for health steps, 400b for the economy, where 150b are allocated for cash handouts to 10 million farming households. The remaining 900b are administered by the BoT	Lowered Benchmark Rate by 25bps to 1.0% on 5th February. On hold at May 20 meeting	Aid bond markets with a THB 1 trillion fund to curb liquidity issues; later expanded the scope to include money market funds as well; 900b THB announced in the third package is for liquidity support through 500b in soft loans through banks to SMEs and 400b to set up a corporate bond stabilisation fund; Cut contributions to the financial bailout fund from commercial banks to 0.23% from 0.46% of deposits	Concerns about strengthening THB may lead to further action by BoT. Next meeting 24 June
PLN	PLN 312 Billion	13.3	PLN67bn (around 3% of GDP) is direct spending. The rest are guarantees, zero interest loans and other liquidity support measures under the "anti-crisis shield" programs (1 & 2). A phased lifting of the lockdown has commenced on 20 April and further relaxations came in effect on 18 May.	Lowered key rate by 140bps to 0.1%. Cut by 50bps on 17 March and 8 April, and 40bps on 28 May	The NBP initiated repo operations and first ever Polish QE of government and state guaranteed bonds which we estimate could surpass 10% of GDP. Largest in the CEE region	Government says size of the package in practice will likely be PLN400bn
INR	INR 21.7 Trillion	10.2	1st package worth INR 1.7 Trillion Includes cash payments as well as resources for food security; Plan also encompasses free cooking gas for the poor and insurance cover for medical workers; 2nd package worth 20t rupees would be catered to various sections, including micro, small and medium enterprises, labourers and the middle-class	Cut Policy Rates by 75bps to 4.40% from 5.15% in the meeting brought forward to 27th March; Cut Policy Rate from 4.40% to 4.0% on 22nd May	Enhance liquidity to standalone primary dealers through the Standing Liquidity Facility and conducting more repo auctions to address additional demand for liquidity; Reduce Reverse Repo Rate by 90bps to 4%, Conduct LTRO for up to 3y tenors for INR 1Trillion; adds LTRO II for initial INR 500bn, cuts Cash Reserve Ratio by 100bps to 3% and Fixed Rate Reverse Repo to 3.75% from 5% on 17th April; Announced 500b special liquidity for mutual funds, allows banks to borrow from the central bank and use the funds to lend to mutual funds or buy investment-grade fixed income securities from them	We think the government will need to add to fiscal stimulus given extended lockdown. RBI has enhanced state governments liquidity needs and relaxed export repatriation limits
HKD	HKD 287.5 Billion	10.0	~60% of 1st package allocated to HK\$10,000 (~1,300 USD) cash payout; HK\$700 million to promote tourism; 2nd package valued at HKD 137.5 Billion with most of the funds allocated to subsidizing half of workers' wages in affected industries	Lowered Base Rate by 64bps to 0.86% on 16th March, after the Fed's 100bps cut	Reduced the countercyclical capital buffer from 2% to 1%	Tensions over HK security legislation add another threat to the economy
TRY	TRY 350 Billion	7.9	Phased reopening of the economy from May to July. Announcement of TRY 75bn in fiscal measures and TRY 25bn for doubling the credit guarantee fund: (1) Increase of min pension to TRY1,500; TRY2bn earmarked to relieve hh stress; increased employment protection; tax breaks for affected sectors, e.g. tourism, and vulnerable individuals; support for hh utility-bill payments; 3m ban on layoffs and cash payouts for affected staff; 2/3 govt contribution of salary payment for affected firms. (2) Hiring of 32k new medical staff; support for farmers; increased allowances for social assistance and solidarity activities; direct support for Turkish Airlines and other firms; VAT on domestic air travel initially cut to 1% from 18% for 3m. (3) On 16 April, Parliament passed legislation allowing the Turkish Wealth Fund (TWF) to take over distressed private companies. TWF to inject 0.4% of GDP into three SO banks, funded with TURKGB issuance. (4) On 20 May, the FinMin announced a total package expanded to TRY 350bn including deferred loan repayments. To partially fund the support measures, on 24 May the govt increased 'Banking and Insurance Transaction Tax' on FX and gold purchases of individuals to 1% from 0.2%, and the withholding tax on interests on banks' commercial bonds to 15% from 10%	CBRT cut the repo rate by 100bps on 17 March, 100bps on 22 April, and finally another 50bps to 8.25% on 21 May	Unspecified amount of QE under OMO outright purchases (31 March). Expanded securities accepted as collateral (including ABS & MBS). Unlimited liquidity provision by CBRT, including additional 91-day repo auctions at 8.25%. Higher limits for Primary Dealers. Increased FX swap volumes (including an expanded \$15bn swap line with Qatar, from \$5bn prior announced on 20 May) and maturities to 1yr with i/r at 8.25% for \$, €, gold. RRR cuts worth ~\$5.1bn. Maturity extension for repayments of rediscount credits. New TRY lending facility for SMEs in export sector. Forbearance measures on security-valuation on banks' BS. Increase of LTV on mortgages to 90%. BDDK introduced a mandatory ratio of loans-to-deposits to incentivize lending or TURKGB purchases by banks - below prescribed levels would trigger penalty payments for banks.	BDDK reduced limits of FX swaps to 1% of bank equity capital from 10%

Source: TD Securities, Central Banks, National Budgets, IMF, Other sources / Data updated on 05 Jun 2020

## Chart Logic

Country	Stimulus Size	% GDP	Key Features	Rate Decision	Additional Liquidity Support	Remarks
ZAR	ZAR 370 Billion	7.3	A phased lifting of the lockdown has commenced on 1 May; with further relaxation starting on 1 June. A ZAR500bn package was announced on 21 April: (1) ZAR200bn for fighting covid-19; (2) ZAR50bn for social relief of most vulnerable (grants include child support, elderly pensions, food parcels, 6m grants for unemployed and don't receive other grant); (3) ZAR20bn for municipalities for service provision; (4) ZAR100bn to job protection/creation; (5) ZAR40bn income support for employees of troubled companies; (6) ZAR200bn NT+SARB loan guarantees; (7) ZAR70bn for tax relief. Funding: (i) ZAR130bn is re-prioritization of existing expenditure (comes at zero fiscal balance); (ii) ZAR200bn is guarantees. The rest, ZAR170bn, is funded through multilateral lending by the likes of IMF, WB, AfDB, BRICS bank, and from the Unemployment Insurance Fund (UIF)	SARB cut the repo rate by 100bps on 19 March, 100bps to 4.25% on 14 April and by 50bps to 3.75% on 21 May	The SARB announced (1) refinancing operations out to 12m; (2) Intraday Overnight Supplementary Repo Operations (IOSROs) brought repos up to 2 per day to improve intraday liquidity at policy rate until 11 May, when it returned to 1 repo auction per day; (3) reduction of the upper/lower bounds of the Standing Facilities so that SARB can lend at repo rate and borrow at repo minus 200bps; (4) increase in size of the weekly Main Refinancing Operation; (5) on 25 March, SARB announced an open-ended SAGB purchase program in the secondary market extending to the whole curve. SARB introduced new guidelines on debt relief measures for bank customers and on capital requirements for banks, cutting the liquidity coverage ratio to 80% from 100%, limiting dividend distribution and bonus payments, and introduced additional prudential measures.	South Africa's stat agency suspended data collection. We expect more easing at next 23 July meeting
PEN	PEN 54 Billion	7.0	PEN1.1bn for health emergency and PEN3.4bn direct transfer for poor. 3m extension for income tax filing for SMEs and PEN300m fund for SMEs. Utility bill moratorium. Second economic package increases support by ca. 5.6% GDP	BCRP cut the Reference Rate by 100bps to 1.25% on 19 March, and by 100bps to 0.25% on 9 April	BCRP cut RRRs, provided liquidity through repos, and announced PEN80bn liquidity assistance plan to support lending (with govt guarantees) and the payment system. Loans can be modified/restructured without changing their classification for a maximum period of up to 6m	More monetary stimulus possible based on the inflation dynamic
BRL	BRL 1015bn	6.5	Primary surplus target suspended. Disbursement of BRL 600 to those not already on a government support program (such as Bolsa Familia). BRL 60bn in total in support. Suspension of Fiscal Responsibility law until Dec 31. Government to provide states BRL 85.8bn in Covid response funding. BRL 55bn to BNDES to support the economy	BCB cut Selic 50bps to 3.75% at 18 March meeting	BCB will purchase USD denom. sov bonds from financial institutions. National Monetary Council allows bank to extend loan maturities for next 6mths without requiring banks to increase loan-loss provisions. Bank capital requirements relaxed by BRL 56bn (potentially allowing BRL 637bn in fresh lending). BCB announces BRL 1.22trn to further support credit to banking sector	For BCB growth appears favoured over inflation for future policy. Next meeting May 8
ILS	ILS 80 Billion	6.4	Focused on providing cheap loans and guarantees to businesses. A phased lifting of the lockdown has commenced on 17 April	Rate cut to 0.10% on 6 April	The Bank of Israel re-started QE and swap sales. It also indicated that it may consider buying corporate bonds as well	Additional government aid for the economy is likely
COP	-	6.1	National Emergency Mitigation Fund created by emergency decree. New credit line provided to tourism companies, and for payroll payment for SMEs. Tax deferrals and tariff reductions for strategic health imports and food staples. Delayed utility bill payments for the poor. Increased transfers	Cut cumulative 150bps to 2.75%	CB to buy notes issued by domestic lenders in terms of 3yrs or less. Total amount authorized will be COP 10trn. Auction \$400m in USD FX swaps for 60 days. Banrep extends institutions with access to liquidity window, and extend maturity of liquidity operations. Increase REPOS operation total allotment to COP 23.5 trn from COP 20 trn. Lowering reserve ratios on selected accounts. Obtained FIMA repo and flexible line of credit with IMF renewed for two more years.	Liquidity measures announced at March 19 extraordinary session. Next meeting June 26.
KRW	KRW 108.9 Trillion	5.7	First package worth 11.7t: ~20% will be allocated to medical institutions and fund quarantine efforts; ~26% going to small- to medium-sized businesses struggling to pay wages to their workers, and child care subsidies. 2nd stimulus package worth 12.2t won for cash handouts to its people; A KRW 35.3 trn third package is to aid struggling businesses, strengthen workers safety net	Cut Base Rate by 50bps to 0.75% on 16th March emergency meeting; Cut Base Rate to 0.50% on 28 May	Broadened the eligible collateral for open market operations to include bank financial debentures that are not credit risk-free; Provided emergency fund amounting to KRW 100 Trillion to provide liquidity and subsequently pledging "unlimited liquidity". BoK to commence outright bond purchases	KRW 23.8 trn government bonds will be issued to help fund the third extra budget
HUF	HUF 2500 Billion	5.4	Direct spending is HUF700bn (1.5% of GDP) in form of breaks on payroll taxes and tourism development fee. There's also a proposal for '13th month' pension. The rest are guarantees and loans. The government claims that the total package size is 18-20% of GDP, but this seems to refer to the amount of assets impacted. Phased reopening of the economy from May to July.	Hiked collateralized overnight and one-week rate from 0.9% to 1.85%. Left longer term instruments at 0.9%	Restarted HGB and MBS purchases, removed crowd-out liquidity target, introduced daily 1-week FX swap auctions, relaxed rules related to collateral and capital buffers, introduced new collateralised loan instrument with unlimited liquidity and new deposit facility, made HUF1.5trn cheap funding available to SMEs	We estimate QE at around 3% of GDP, but implementation has been very modest so far
CLP	USD 11.75 Billion	4.7	Stimulus target at job loss mitigation and income support for those affected by crisis	Cumulative 125bp of cuts of Overnight Rate Target to 0.5%	CB purchase bank bonds up to \$4trn. Conditional funding facility to fund commercial and consumer loans. Corp bonds eligible as collateral for all liquidity operations. Expand provision for 30-day FX swaps to \$400m per day. A number of measures to ensure credit flow to households and businesses.	Next policy decision June 16
IDR	IDR 677.2 Trillion	4.6	First two fiscal packages amounting to IDR 33.2 trn and IDR 405 trn. New stimulus of IDR 677.2 trn unveiled. Deficit projected at 6.34% of GDP. Government will provide IDR 87.55 trn for healthcare, IDR 203.9 trn for social safety net programs and IDR 123.46 trn for micro, small and medium businesses. Up to IDR 120.6 trn allocated for tax incentives, IDR 97.11 trn for ministries and regional administrations, IDR 44.57 trn for SOEs and labor-intensive businesses	Cut its 7-Day Reverse Repo Rate by 25bps to 4.50% on 19th March; Kept rate unchanged during the scheduled meeting on 19th May	BI undertaking triple interventions in DNDP, spot and bond markets. Extending the SBN repo tenor, increasing the frequency of FX swap auctions, strengthening foreign currency term deposit instruments. Rules changed to allow BI to buy government securities in the primary market Cut reserve requirement ratio for commercial banks by 200bps	Further easing on the cards after recent pause, with likely 50bp more cuts
CNY	~ CNY 3.6 Trillion	3.5	NPC dropped growth target, but pledged CNY 3.6 trn in extra stimulus. Government will spend an extra CNY 1 trn including via tax cuts, rent reductions etc. CNY 1 trn in special treasury bonds will be issued, with local government permitted to issue up to CNY 3.75 trn in special bonds. The budget deficit is likely to increase to 3.6% of GDP as a result	In the Q1 Monetary Policy Report PBoC noted it will keep liquidity ample, and continue to deepen interest rate reforms.	Previously lowered 1y LPR and 5y LPR, introduced special re-lending funds' Special Bond Issuance; Reduced RRR. Additional 1% cut for Qualified Banks. RRR cut of 1% for smaller banks on 3 Apr and cutting i/r on banks' excess reserves	Focusing on "targeted" measures through liquidity support. Further MLF, LPR and RRR cuts likely

Source: TD Securities, Central Banks, National Budgets, IMF, Other sources / Data updated on 05 Jun 2020

## Chart Logic

Country	Stimulus Size	% GDP	Key Features	Rate Decision	Additional Liquidity Support	Remarks
RUB	RUB 3.2 Trillion	2.9	Total fiscal stimuli account for ca. RUB 3.2trn. Key measures include: (1) increased compensation for key frontline workers such as medical staff; compensations for quarantined individuals and min 3m-wage-worth of unemployment benefits; payouts for children up to 15y and families with children. (2) Subsidized i/r for SMEs and systemically important firms; additional SME rental and wage-payment support measures, including forgivable loans for all affected firms; state-guaranteed loans. (3) Tax breaks for all affected companies and 6m deferrals of social contributions for SMEs; permanent cuts of contributions; self-employed can claim back taxes already paid for 2019 and get partial refund for 2020; deferrals on rent payment to local/central govts; zero import duties on pharma goods and other key supplies/equipment	CBR cut 50bps to 5.50% on 24 April, after holding on 20 March.	Easing bank lending requirements, facilitating loan restructuring and reduce/postpone provisioning for bad loans. Forbearance on provisioning for restructured corporate loans. More favorable terms for FX loans to select sectors. Advantageous valuation criteria for banks' security portfolios. Change in regulation for the classification of bad loans. CBR selling FX from NWF based on price of Urals crude, and for govt purchase of Sberbank. Increased limits on FX swaps. Temporary introduction of long-term repos (1m and 1yr). CBR introduced RUB500bn facility for SME lending, plus RUB150bn of loans for urgent employment-support needs of SMEs and RUB50bn for non-SME borrowers. CBR reduced to 3.5% the i/r on existing SME lending. Banks above a certain rating can receive uncollateralized loans from the CBR in order to support more SME lending	CBR may cut more on 19 June meeting
MXN	-	1.8	Efforts made to front load social support payments by four months, debt support for workers laid off, small business support program for worker retention. Accelerating VAT refunds. Though we lack an accurate number, the program may be worth up to 1.8% of GDP	Two 50bp inter-meeting rate cuts plus another 50bps rate cut at the scheduled May meeting, to bring policy rate to 5.50%	Expand NDF FX hedge program from \$20bn to \$30bn, and extend it to outside of Mexico trading hours to settle in USD. Re-introduce USD sales, funded by \$60bn swap line by Fed (not FX reserves). Cut cost of funding at Additional Liquidity Facility. Reduced Monetary Regulation Deposit for banks MXN 50bn. Substantial central bank debt purchase financing of lending and liquidity programs (amounting to MXN 750bn)	Next policy decision is June 25. Central Bank stands ready to cut inter-meeting if needed.
PHP	PHP 227.1 Billion	1.2	~50% of 27.1 Billion will go towards supporting tourism-related programs and projects; ~40% towards support for SMEs and workers and the remainder to be put towards acquiring virus test kits; 2nd package worth PHP 200 Billion to help low income families; Total of 5-6% of GDP set aside for stimulus measures	Cut its policy rate by 50bps to 3.25% on 19th March; Cut its policy rate by 50bps to 2.75% in an unscheduled off-cycle move on 16th April, cancelling scheduled May 21 meeting	Approved relaxation in other bank regulations (including compliance reporting, penalty calculations, single borrower limits). Reduction of Banks' Reserve Ratio by 200bps, injecting between PHP 180 - 200 billion of liquidity	BSP set to ease further, alongside more RRR cuts. Pressure from businesses for a bigger government stimulus package is growing
TWD	TWD 60 billion	0.3	~1/3 of the budget will be allocated 'outbreak preventive measures' fund, providing compensation for quarantine and acquiring more medical resources; ~2/3 will be used for economic bailouts and revitalisations	Cut Policy Rates by 25bps to 1.125% at the meeting held on 19th March	Provided liquidity totalling TWD 200 Billion to banks	CBC less inclined to cut further but still delivered a 25bps cut in the March meeting

Source: TD Securities, Central Banks, National Budgets, IMF, Other sources / Data updated on 05 Jun 2020





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# Global Strategy

## Global Rates, FX & Commodities Strategy

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