As if the global trade tensions, commodity volatility and US rate normalization was not enough, emerging markets are staring at a potentially destabilizing reckoning.The event was one of the most significant macroeconomic events for these emerging markets, given the consequent impact on their current account and fiscal deficit.The emerging markets on the other hand, even though had access to energy reserves themselves, were dealing with inefficient supply chains and supply-demand mismatches (accentuated by their depreciating currencies), creating inflationary pressures until January 2016, when the Iranian sanctions were lifted.As anticipated, tampering with Iran oil supplies had far reaching ramifications on oil importing emerging markets, which reckoned the commodity key to their stability and fuel to their economic expansion.The evolving situation will disrupt the ongoing fiscal consolidations across the emerging market space and batter its asset classes if experts remain less vigilant.This is because they have to tread a very thin line between domestic macroeconomic stability and catching up with rising developed markets interest rates, which have implication not only on their exchange rates but also their financial asset valuations.While these dependent economies, popularly known as EMs were left to the vagaries of an appreciating dollar, the protected nations ensconced themselves from the liquidity crises considerably.Nevertheless, emerging markets have not been impacted as much and inflation remained under control, rising by just 30 bps in calendar year 2018, as on September.The countries, which were running high inflationary pressures in the recent past are experiencing a period of relative stability despite increasing crude prices.This is reducing interest rate differential between 'safe haven' developed markets and 'risky' emerging markets, theoretically dangerous at a time when global capital begins its westward migration.Therefore, as soon as interest rates go up in the US, EU or Japan, invested money in emerging markets financial assets loses its sense of permanence and panic ensues.Post the 2008 financial crises, the arrangement allowed the identified member central banks (namely, the ECB, Bank of Japan, Bank of Canada, Bank of England and the Swiss Central Bank) to borrow dollar from the US Fed and stabilize not only their own economies but dependent regional economies as well.As normalization in the rich world will not stop and frankly wouldn't provision for risks to emerging markets, the invigorating flows of global capital will be suddenly emaciated.While inflation in BRICS countries (proxy for emerging markets) is declining or stable - that of developed markets is inching up faster than expected.However, developed market interest rate normalization is occurring .faster, given rising inflationary trends - creating volatility