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EAGLEs Quarterly Report

Cross-Country Emerging Markets Analysis

Hong Kong,
Third Quarter 2011

Economic Analysis

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- During 2011 Q2 **EAGLEs' economic growth maintained a downward trend.** Domestic demand continued to lose its momentum, while weaker industrial production signaled a more subdued economic expansion. **Despite an increase in global risk aversion, consumer confidence maintained a high level as unemployment remains resilient.** In Egypt, some of the economic activity indicators signal a rebound in the country's economic activities.

- **Most of the EAGLEs maintained a solid external position,** reducing their vulnerability to external shocks. External demand maintained its growth rate for most of the EAGLEs, in spite of the **continuation of real appreciation pressures.**

- Slower economic growth and a slight decline in commodity prices are **reducing inflationary pressures.** Previous interest rate hikes and lower domestic demand have been contributing to moderate credit growth. **The increase in Global Economic uncertainty has prompted a pause in the monetary tightening cycle.**

- **Higher global risk aversion hit EAGLEs' stock markets and triggered an increase in risk premiums.** Most of the exchange rates depreciated responding to the global risk aversion. Nevertheless, RMB has continued its appreciation process which will contribute to correct global external imbalances.

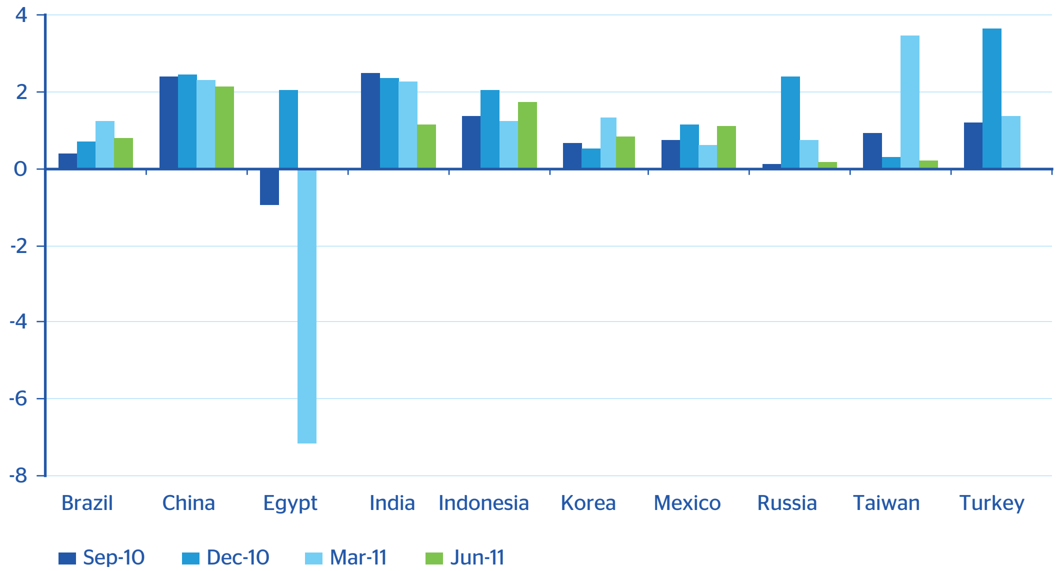
Closing date for charts: September 1st, 2011

1. Activity: Economic growth maintained a downward trend

1.1. Cross-Country GDP

- Most economies' growth pace has moderated further.
- Political turmoil had a major negative impact on the Egyptian economy as expected.
- Economic slowdown mitigates the risk of overheating in some of the EAGLEs.

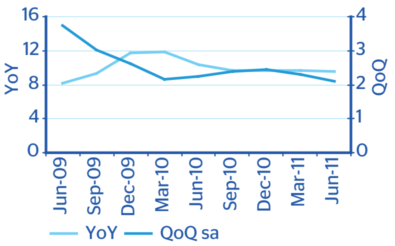
GDP Quarterly Growth Rate (%)



Note: Lack of data for Egypt and Turkey in the last period
Source: Haver

1.1. GDP

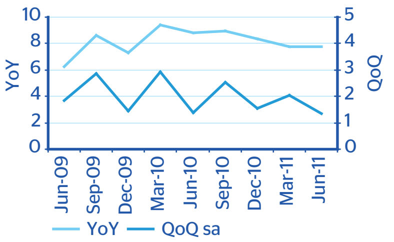
China



Source: Haver

Q2 GDP growth eased to 9.5% y/y, in line with a soft landing; however inflation is still a concern.

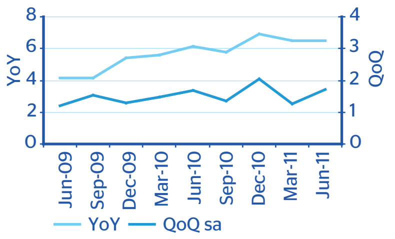
India



Source: Haver

GDP growth has slowed following aggressive interest hikes to tame inflation.

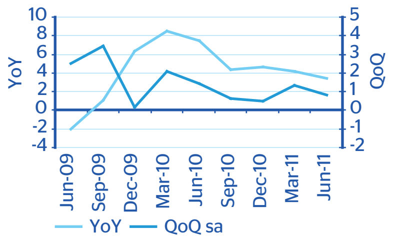
Indonesia



Source: Haver

Indonesia's second quarter GDP grew in line with expectations, at 6.5% y/y, driven by private consumption and exports.

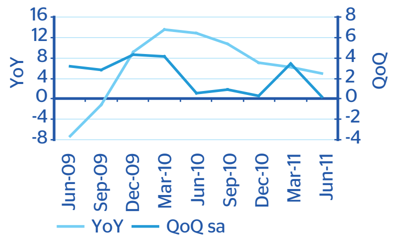
Korea



Source: Haver

Moderating overseas demand and measures to curb inflation dragged down Korea's GDP growth.

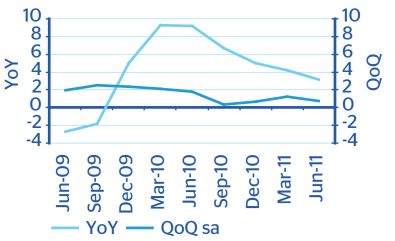
Taiwan



Source: Haver

Moderation in growth in Q2, with headwinds from the faltering global economic recovery and disruption of Asian value chain due to Japan's earthquake.

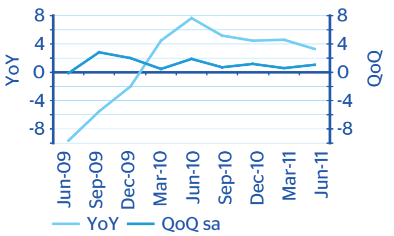
Brazil



Source: Haver

Investment and public consumption supports GDP on quarterly basis. Yearly growth rates continued to moderate.

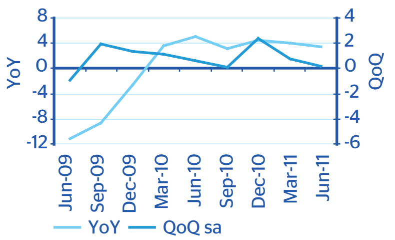
Mexico



Source: Haver

Decelerated growth on annual comparison, QoQ recovery relying on domestic demand. Slowdown in external demand gives a downward bias to the outlook.

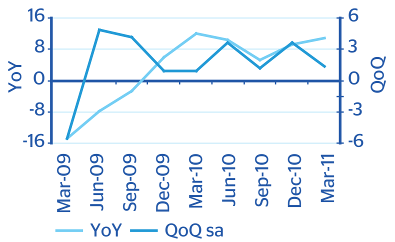
Russia



Source: Haver

Growth rate slowed further in the second quarter consistent with a mild expansion in 2011.

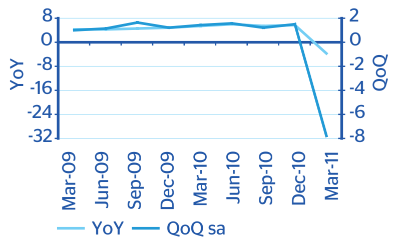
Turkey



Source: Haver

Economic activity continued expanding at high rates increasing concerns about overheating.

Egypt



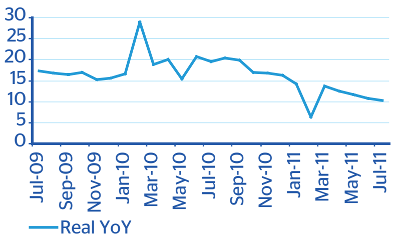
Source: Haver

GDP fell sharply on protests.

1.2. Retail Sales

- In almost all EAGLEs internal demand has lowered momentum.
- Household expenditure in Mexico and Indonesia slightly picked up.

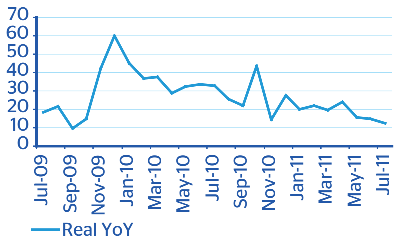
China



Source: Haver

Retail sales growth has moderated in recent months mainly due to lower auto sales as incentive schemes expire and restrictions are imposed to reduce traffic congestion.

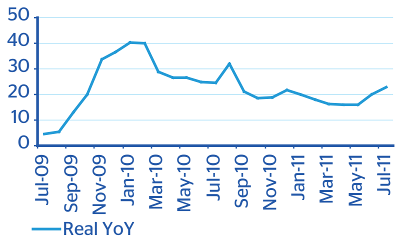
India



Note: Motor Vehicle Sales
Source: CEIC

The growth of Motor Vehicle sales moderated further in recent months.

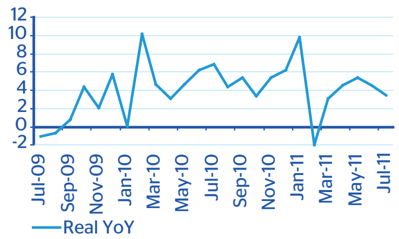
Indonesia



Source: Haver

Despite the rebound in June, the trend in retail sales continues to moderate..

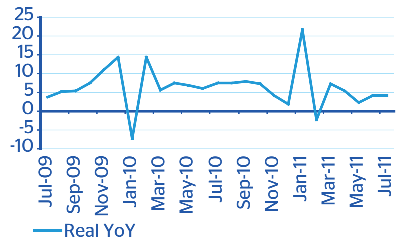
Korea



Source: Haver

Higher demand, driven by strong employment pushed up retail sales.

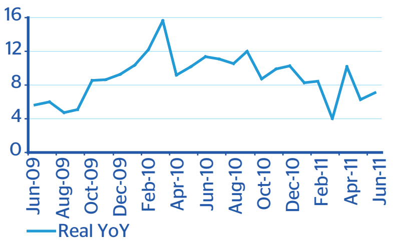
Taiwan



Source: Haver

Domestic demand remained solid.

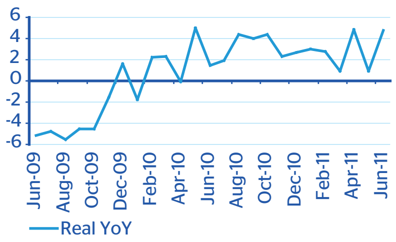
Brazil



Source: Haver

Less dynamic household expenditure decelerates retail sales..

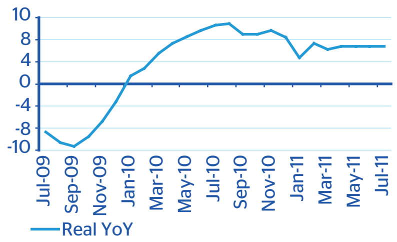
Mexico



Source: Haver

Households expenditure protracted growth at the beginning of Q3.

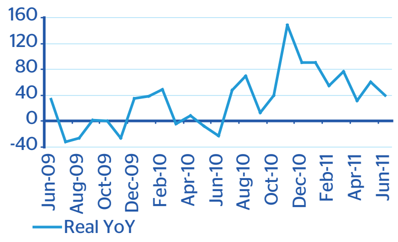
Russia



Source: Haver

Steady at healthy growth rates.

Turkey



Note: Registered Motor Vehicles
Source: Haver

Still at robust levels but moderating.

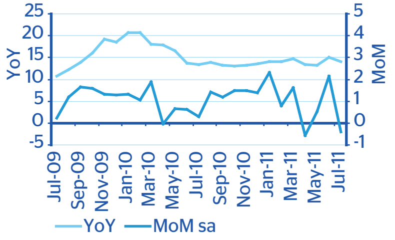
Egypt

Not available

1.3. Industrial Production

- Slowdown in industrial production is signaling a weaker economic expansion.
- Egyptian economic activity seemed to rebound in Q2.

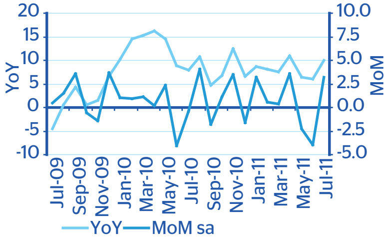
China



Source: Haver

IP eased further as growth in output in heavy and light industry declined.

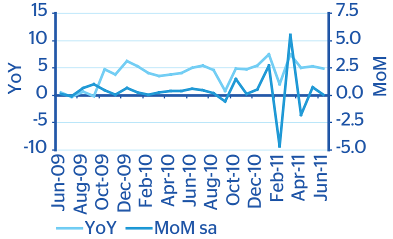
India



Source: Haver

IP has been trending down in recent months, on the impact of monetary tightening and high margin pressures on account of elevated prices.

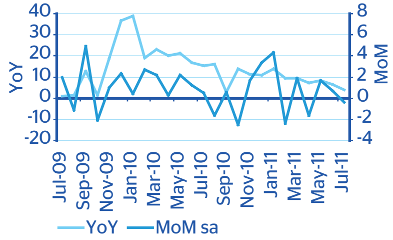
Indonesia



Source: Haver

Industrial production maintained a strong pace during Q2.

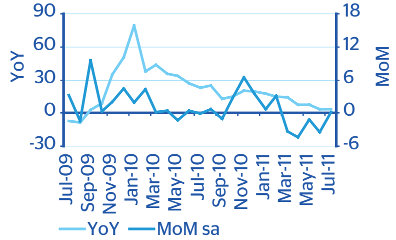
Korea



Source: Haver

IP slowed down as production in electronics remains weak.

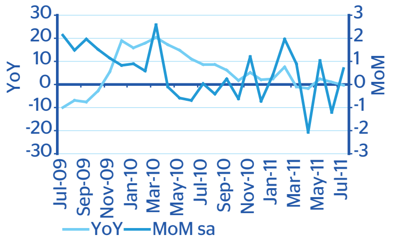
Taiwan



Source: Haver

IP in the manufacturing sector further slowed compared to the first quarter.

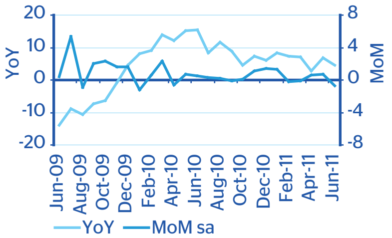
Brazil



Source: Haver

Industrial Production loses momentum anticipating slower economic growth in Q2.

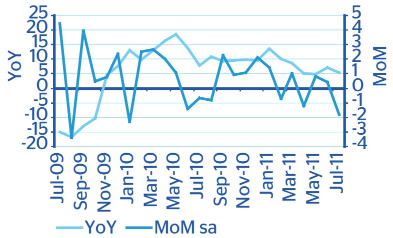
Mexico



Source: Haver

Industrial production moderates as foreign demand softens.

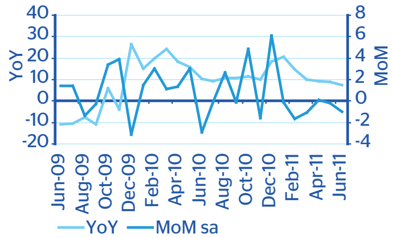
Russia



Source: Bloomberg

Anticipates a further slowdown in the Q3.

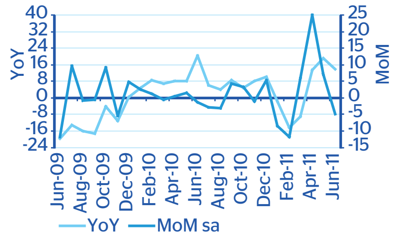
Turkey



Source: Haver

Industrial production moderates.

Egypt



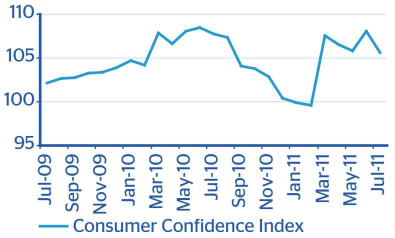
Source: Haver

IP rebound anticipates an economic recovery in Q2.

1.4. Business and Consumer Surveys

- Despite economic slowdown and higher global risk aversion, most of the EAGLEs households kept high levels of confidence as unemployment remains resilient.
- Rising inflation and monetary policy tightening are having a negative effect on consumer confidence in China, India, Korea and Brazil.

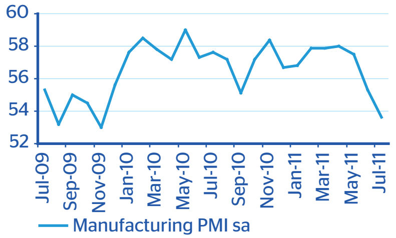
China



Source: CEIC

Business and consumer surveys: Consumers confidence declined slightly due to still rising food prices.

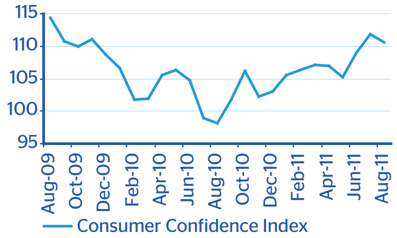
India



Source: HSBC

PMI still remains in expansionary mode, but has been moderating due to a fall in output, new orders and new export orders.

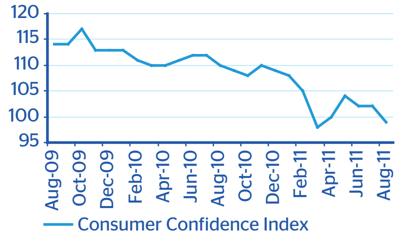
Indonesia



Source: Haver

Indonesian consumers remain optimistic.

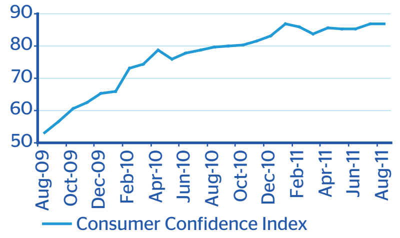
Korea



Source: Haver

Consumer confidence continued to decrease driven by the stock market decline and accelerating inflation.

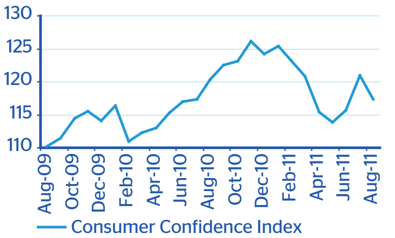
Taiwan



Source: CEIC

CCI climbed to a record high since 2001, showing optimistic expectations to the domestic employment outlook.

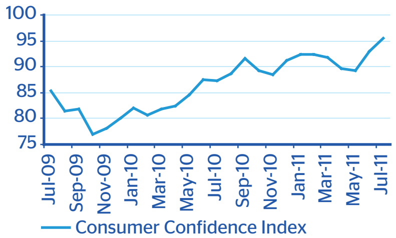
Brazil



Source: Haver

Inflationary pressures, interest rates hikes and global uncertainty hit consumer confidence.

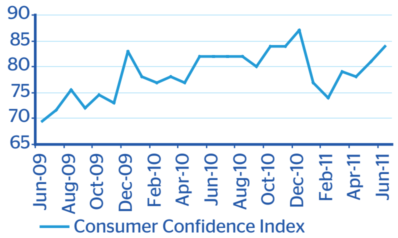
Mexico



Source: Haver

Resilience of consumer confidence as employment and income remain robust.

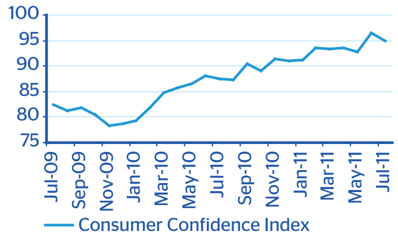
Russia



Source: Bloomberg

Consumer confidence remains resilient to global economic uncertainty.

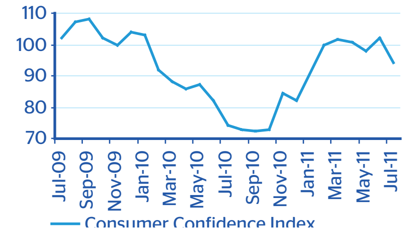
Turkey



Source: Haver

The consumer confidence maintain very high levels but PMI declines.

Egypt



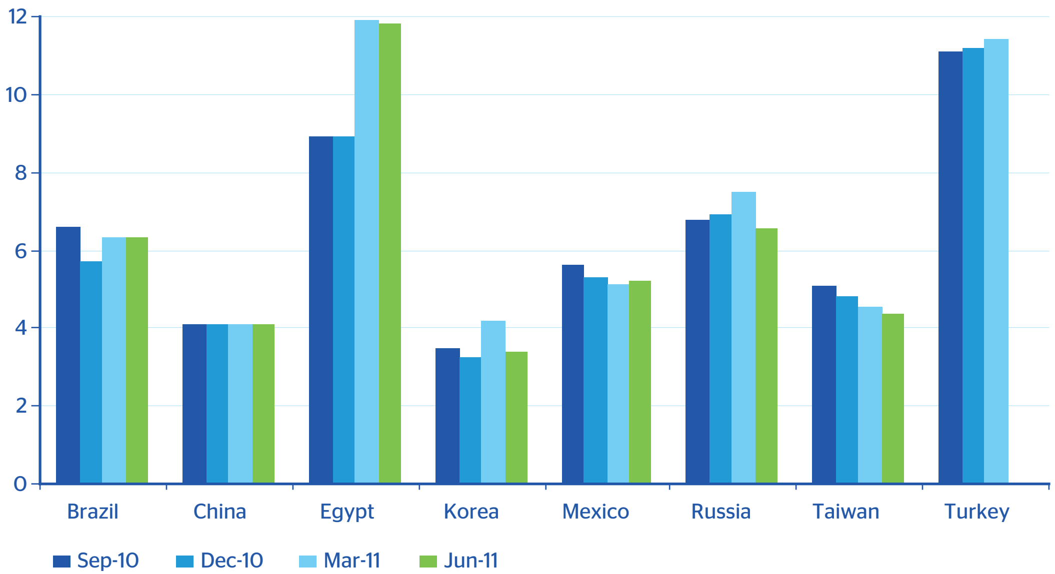
Source: Haver

Consumer confidence remains resilience to the political situation.

1.5. Cross-Country Unemployment

- The job market maintained its dynamism.
- The Egyptian unemployment rate stabilized during the second quarter.

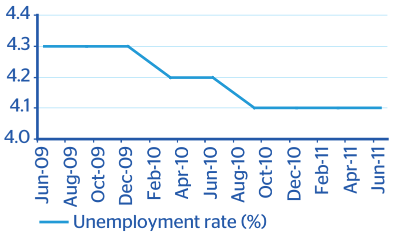
Unemployment Rate (%)



Note: Quarterly data not avaialbe for India and Indonesia.
Note: Lack of data for Turkey in the last period
Source: Bloomberg

1.5. Unemployment

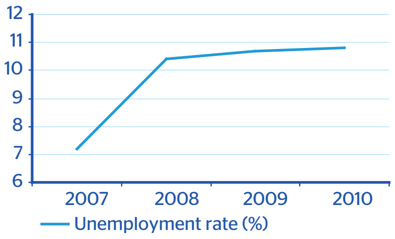
China



Source: Bloomberg

Unemployment rate expected to remain low in the coming months.

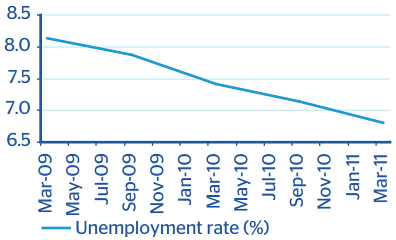
India



Source: Haver

The unemployment rate is still high.

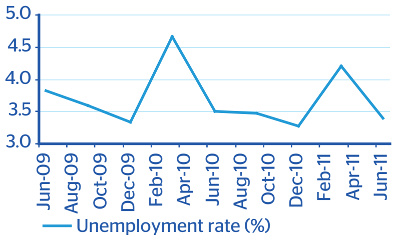
Indonesia



Source: Haver

Unemployment continues to fall amidst strong growth.

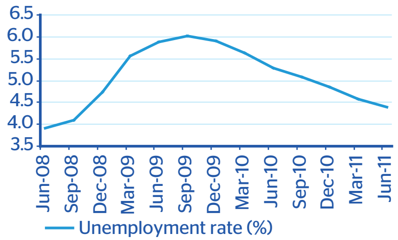
Korea



Source: Bloomberg

Higher employment in manufacturing and service sector decreased unemployment rate.

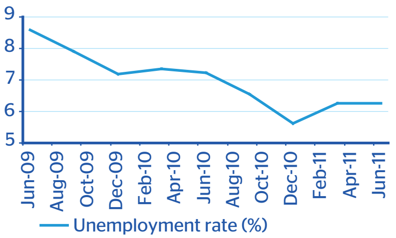
Taiwan



Source: Bloomberg

The labour market has improved steadily since the end of 2009, supporting consumption growth.

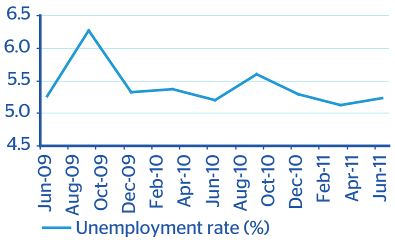
Brazil



Source: Bloomberg

The unemployment rate maintained its historical minimums.

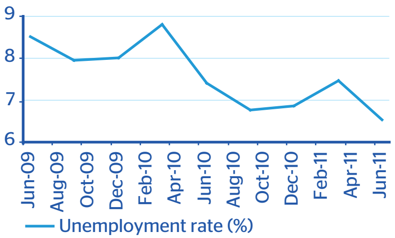
Mexico



Source: Bloomberg

Unemployment remains stable.

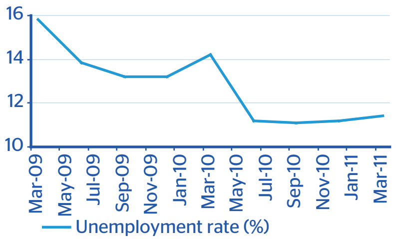
Russia



Source: Bloomberg

Decreasing trend in unemployment rate.

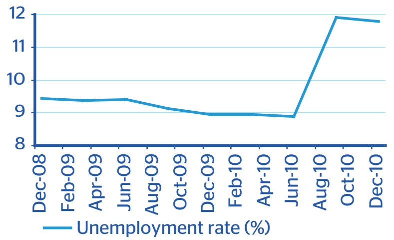
Turkey



Source: Bloomberg

Unemployment stable during the last two quarters.

Egypt



Source: Bloomberg

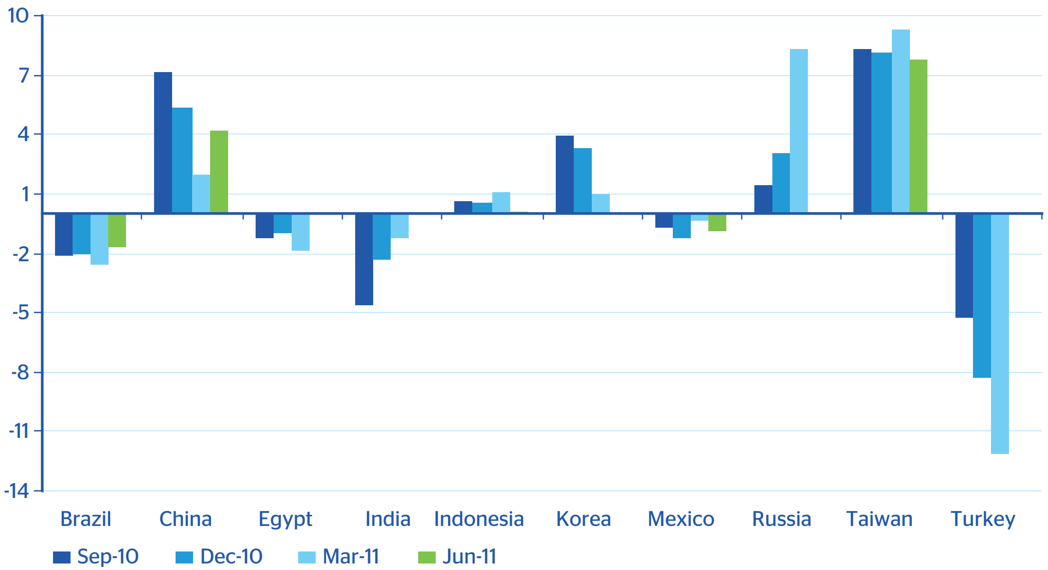
Unemployment soared after economic disruption in Q1.

2. External Sector: Most of the EAGLEs have a solid external position

2.1. Cross-Country Current Account Balance

- Most of the EAGLEs have a strong external balance.
- Economies with current account deficit maintain comfortable levels. Turkey´s imbalance is at worrisome levels.

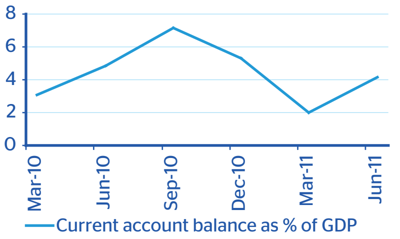
Current Account Balance (% of GDP)



Note: Lack of data for Egypt, India, Korea, Russia and Turkey in the last period
Source: Haver and CEIC

2.1. Current Account Balance

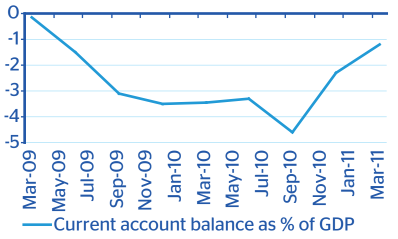
China



Source: CEIC and Haver

Fast raising foreign trade keeps current account surplus.

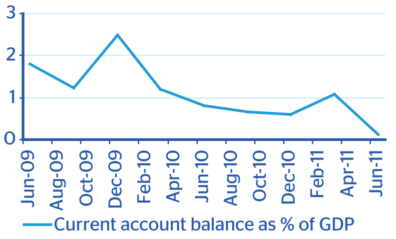
India



Source: Haver

The current account deficit declined in Q1 on strong export performance.

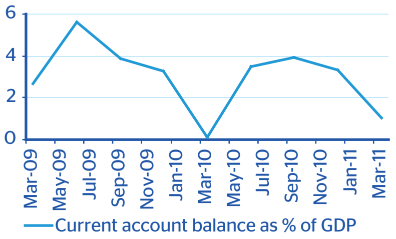
Indonesia



Source: Haver

Current account shrunk but still in surplus.

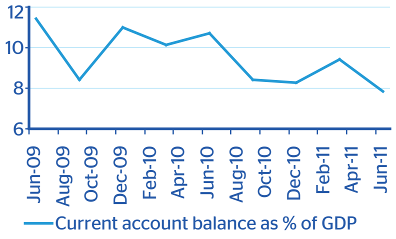
Korea



Source: Haver

Current account surplus narrowed as consequence of the lower trade surplus.

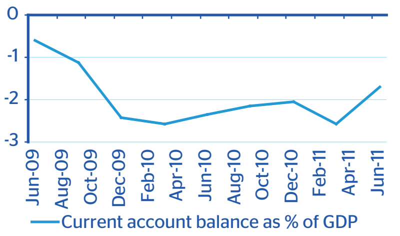
Taiwan



Source: Haver

Positive external balance due to the trade surplus.

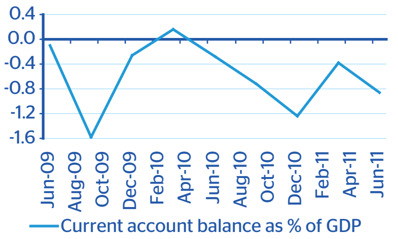
Brazil



Source: Haver

External imbalance persists in spite of a widening trade surplus.

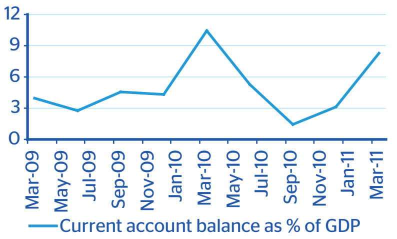
Mexico



Source: Haver

External imbalance persists at low levels consistent with the lack of demand pressures. CA is not a source of external vulnerability.

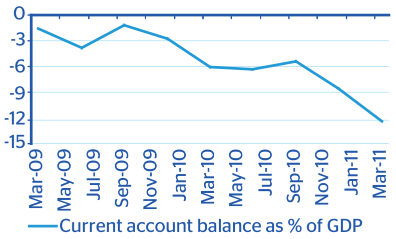
Russia



Source: Haver

Growing current account balance driven by trade balance.

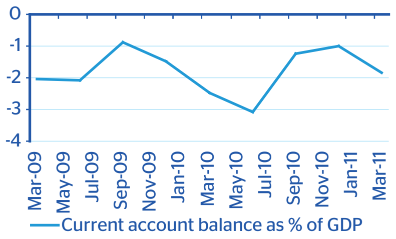
Turkey



Source: Haver

Worrisome increasing in the external imbalance.

Egypt



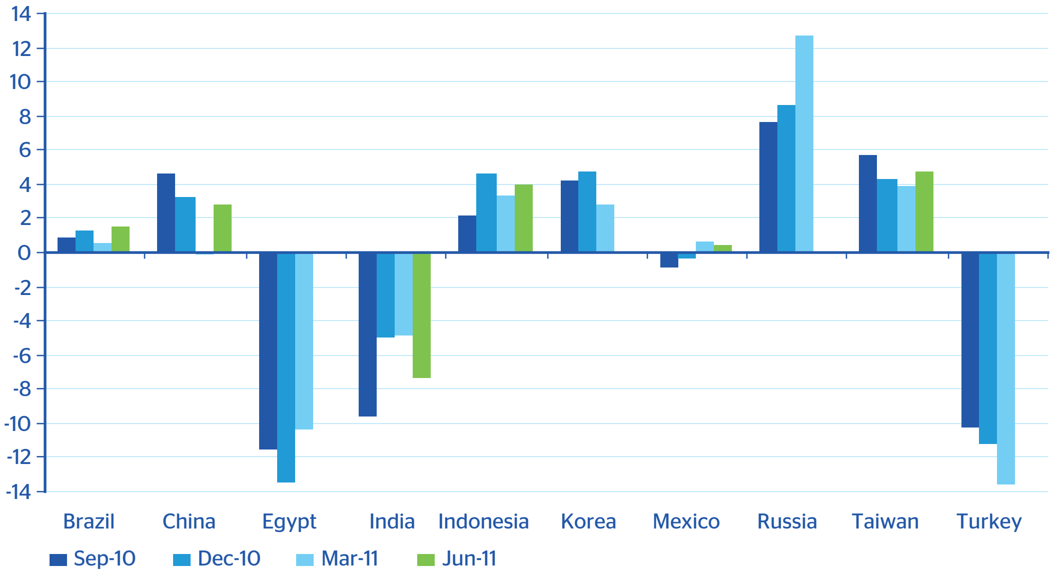
Source: Haver

External imbalance widened although it remains at reasonable levels.

2.2. Cross-Country Trade Balance

- Relatively positive terms of trade and export-oriented economies support trade surplus in most of the countries.
- Regardless a considerable trade deficit, Egypt and India have managed to maintain comfortable current account imbalances.
- High Trade deficit persists in Turkey despite the Lira depreciation.

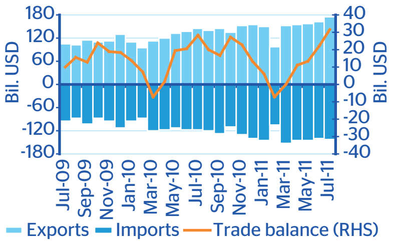
Trade Balance (% of GDP)



Note: Lack of data for Egypt, Korea, Russia and Turkey in the last period
Source: Haver

2.2. Trade Balance

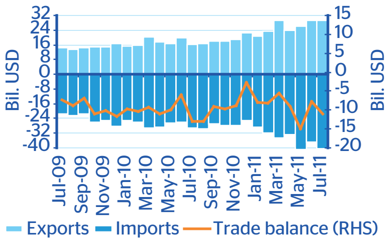
China



Source: Haver

The trade balance remains in surplus on strong export growth.

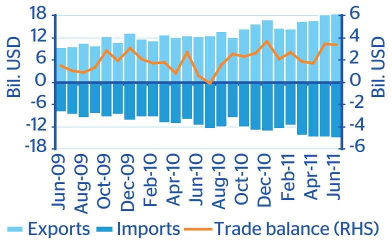
India



Source: Haver

On a quarterly basis the trade deficit has widened substantially in Q2 as compared to Q1.

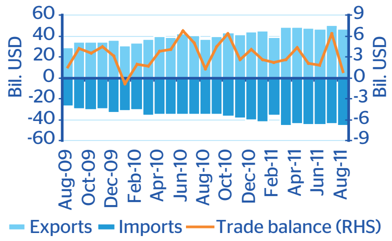
Indonesia



Source: Haver

Surplus continued widening supported by higher external demand.

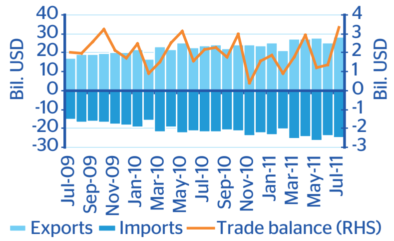
Korea



Source: Haver

The trade surplus narrowed in August, as high import levels offset strong export growth.

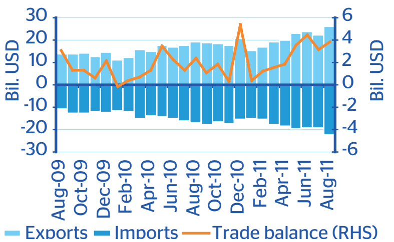
Taiwan



Source: Haver

Trade surplus widened through July due to strong demand for electronic exports.

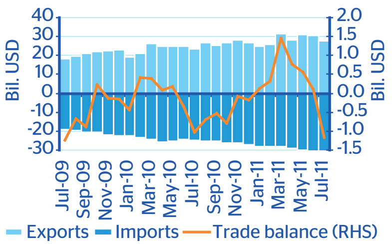
Brazil



Source: Haver

Trade surplus widens due to higher commodity prices and still dynamic external demand.

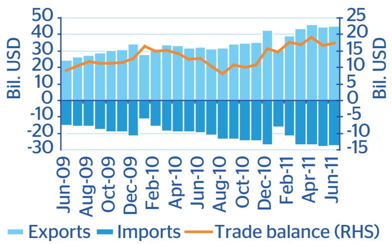
Mexico



Source: Haver

Deficit widening during the second quarter pushed by 1H11 halt in the US growth.

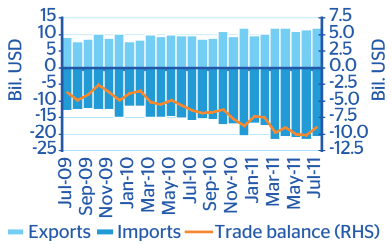
Russia



Source: Haver

The trade balance surplus widens.

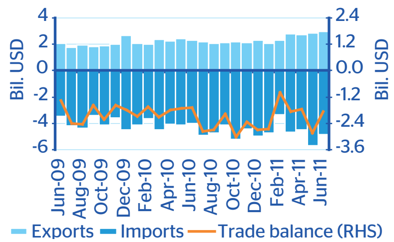
Turkey



Source: Haver

Imports growth drives the trade deficit widening.

Egypt



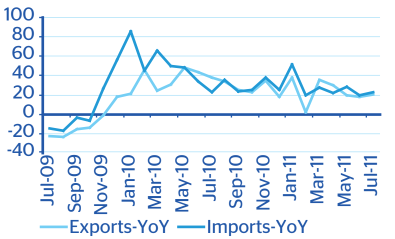
Source: Haver

Q2 trade deficit widened as import returns to normal levels.

2.3. External trade

- External demand maintained its growth rate for most of the EAGLEs.
- In India and Indonesia the pickup on exports growth signals that external demand is supporting economic activity.

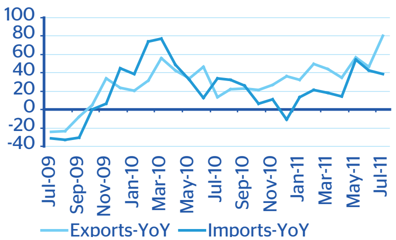
China



Source: Haver

Both imports and exports growth remain high, notwithstanding the global downturn.

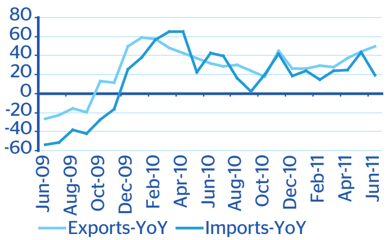
India



Source: Haver

Exports and imports are still strong reflecting robust domestic and external demand, despite the deteriorating global outlook.

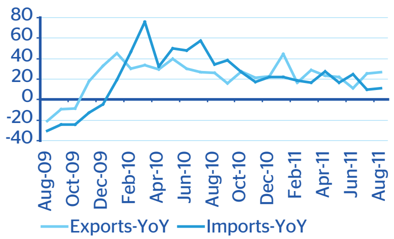
Indonesia



Source: Haver

Exports growth continued accelerating on strong commodity demand.

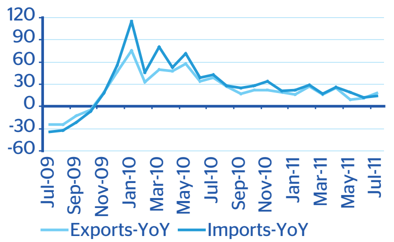
Korea



Source: Haver

Exports is expected to face headwinds from the struggling US and EU.

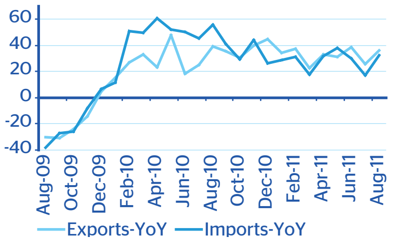
Taiwan



Source: Haver

Both export and import accelerated at the beginning of Q3. Risk is to the downside considering the ongoing external headwinds.

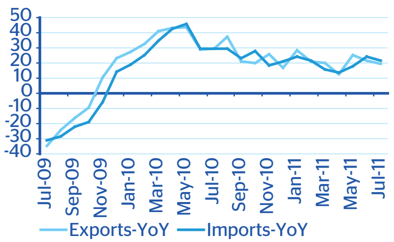
Brazil



Source: Haver

Imports and exports soften.

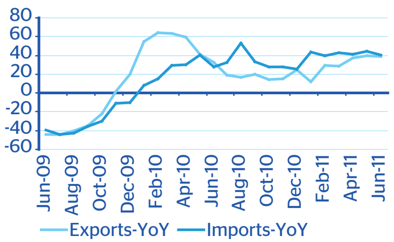
Mexico



Source: Haver

Trade flows maintain growth rates in spite the slowdown of American economy.

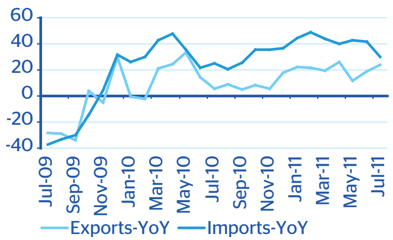
Russia



Source: Haver

Robust exports growth rate relying on high terms of trade.

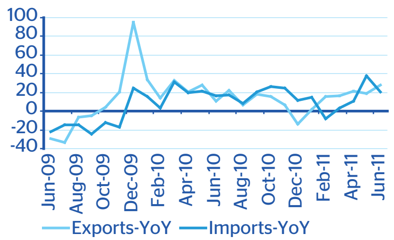
Turkey



Source: Haver

Imports growth slightly moderates but keeps growing at strong rates.

Egypt



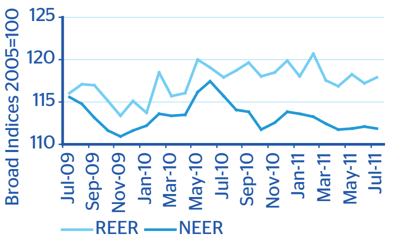
Source: Haver

Imports and exports recovered from Q1 political turmoil.

2.4. Effective Exchange Rates

- Appreciation pressures continued in most of the EAGLEs.
- Turkish Lira depreciation was driven by the Central Bank rate cuts and the increasing current account deficit.

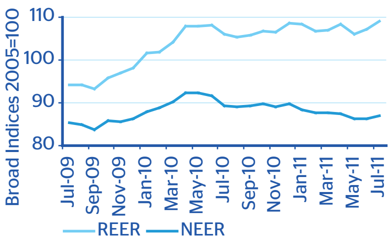
China



Source: BIS

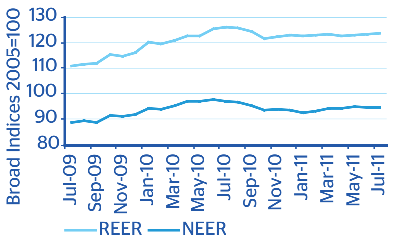
Despite nominal appreciation against the USD, there has been little appreciation in effective terms.

India



Source: BIS

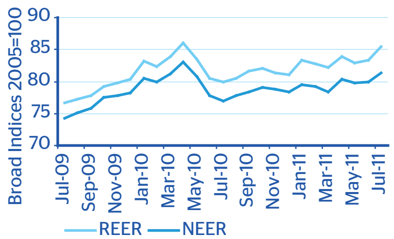
Indonesia



Source: BIS

Indonesia's real effective exchange rate has been stable over the year.

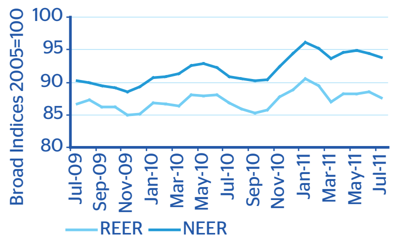
Korea



Source: BIS

Won kept appreciating moderately alleviating inflation pressure.

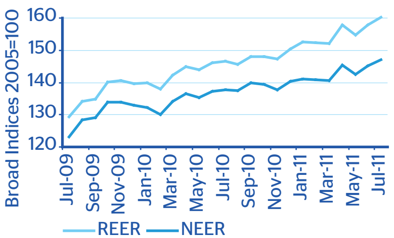
Taiwan



Source: BIS

Appreciation pressures seem to be under control.

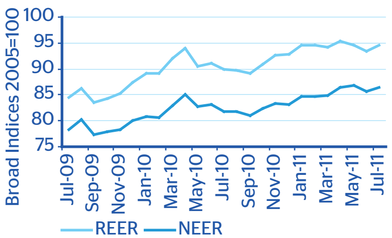
Brazil



Source: BIS

Brazilian Real appreciation process has continued during the year.

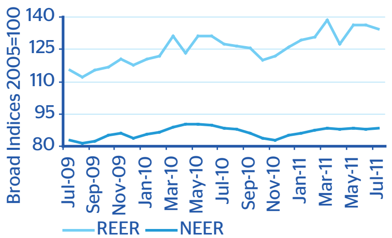
Mexico



Source: BIS

Appreciation path without relevant negative impact on Mexican quotas on the US market.

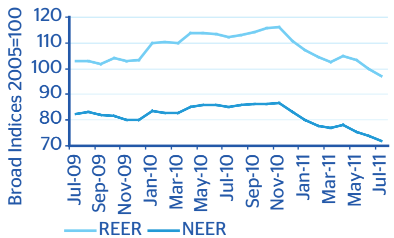
Russia



Source: BIS

Appreciation pressures continue.

Turkey



Source: BIS

Appreciation pressures have receded in the last quarters.

Egypt

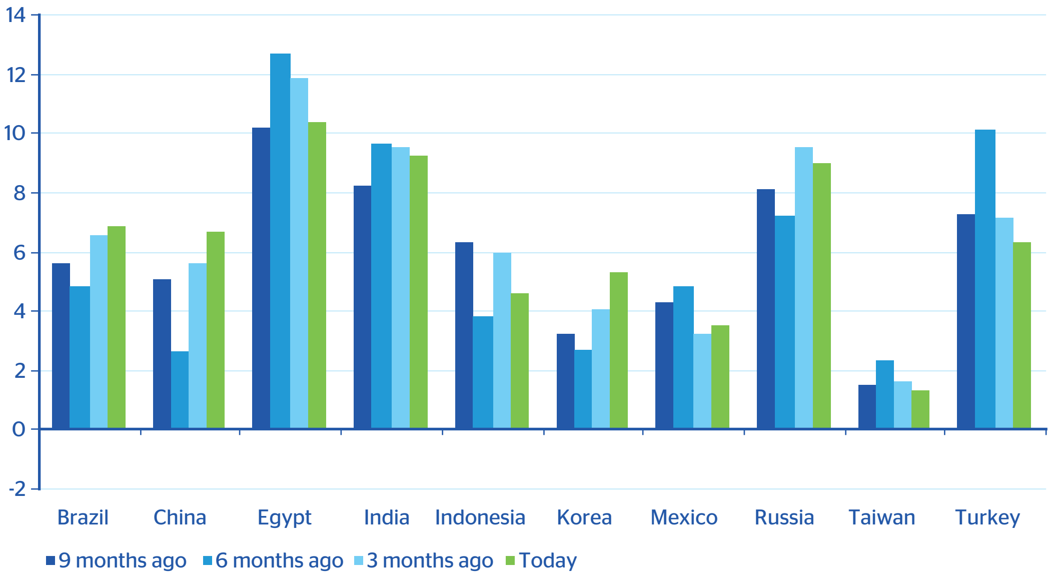
Not available

3. Inflation: Slower economic activity and a slight decline on commodity prices are reducing inflationary pressures

3.1. Cross-Country Consumer Prices

- Inflationary pressures are starting to recede in most of the EAGLEs.
- Monetary policy tightening, a moderation in economic expansion and a slight reduction in commodity prices are helping in containing inflation.

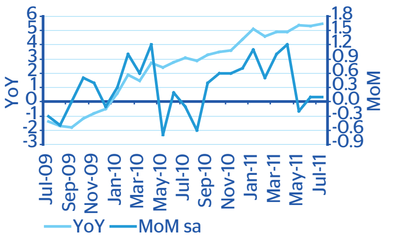
Inflation Rate (YoY, %)



Source: Haver

3.1. Consumer Prices

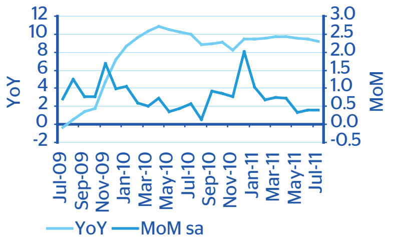
China



Source: Haver

Inflation stays high but it is expected to moderate during the remainder of the year.

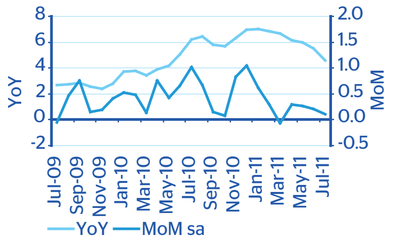
India



Source: Haver

Inflation (WPI) remains high, but is declining following interest rate hikes and a steady easing in supply side pressures.

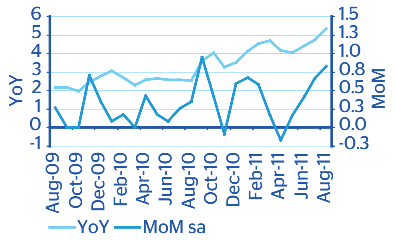
Indonesia



Source: Haver

Headline inflation has been easing, although underlying pressures remain.

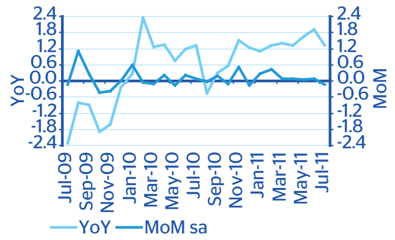
Korea



Source: Haver

Inflation surged due to food price increases.

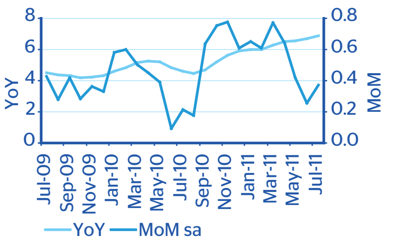
Taiwan



Source: Haver

Inflationary pressure was eased recently in line with the decline of the global commodity price and calmer weather during the typhoon season.

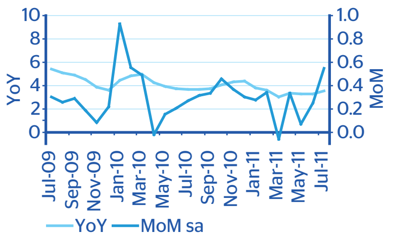
Brazil



Source: Haver

Inflation reached a new high deviating further from the Central Bank's target.

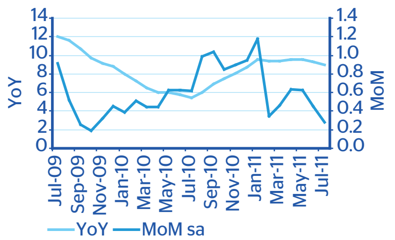
Mexico



Source: Haver

Lack of inflationary pressures.

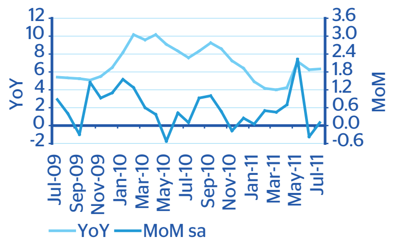
Russia



Source: Haver

Inflationary pressures relax on weaker domestic demand and energy prices moderation.

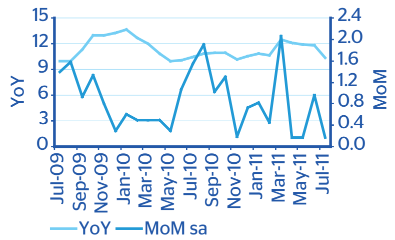
Turkey



Source: Haver

Inflation rate remains above Central Bank target.

Egypt

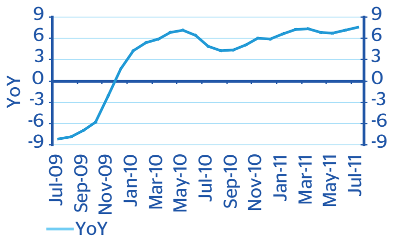


Source: Haver

Inflationary pressures slightly receded due to lower energy prices but inflation remains a concern.

3.2. Producer Price Index

China



Source: CEIC

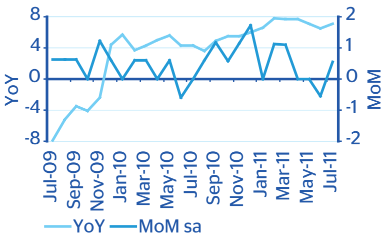
Producer prices have risen on high input costs, especially of commodities.

India

Not available

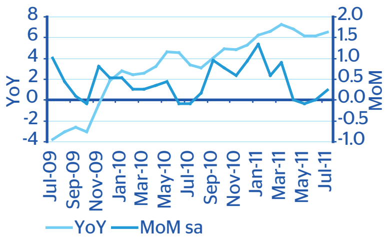
Source: Haver

Indonesia



Source: Haver

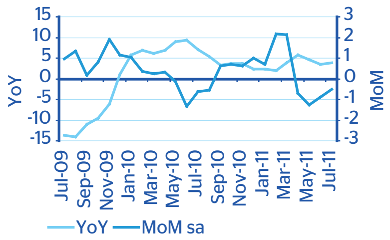
Korea



Source: Haver

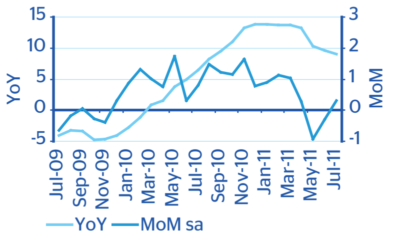
PPI kept increasing due to the food price jump caused by heavy rainfall and the pass-through of higher raw material prices.

Taiwan



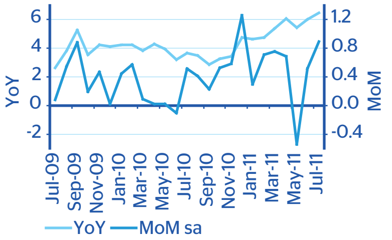
Source: Haver

Brazil



Source: Haver

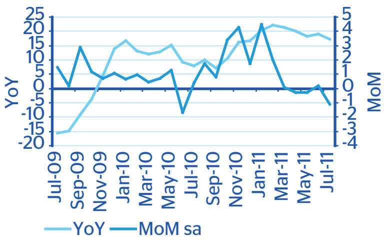
Mexico



Source: Haver

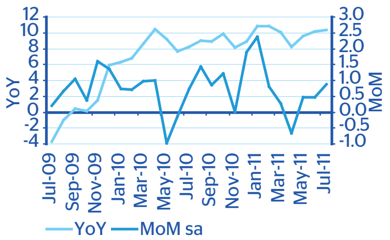
Anchored exchange rate and moderated growth prevent PPI pass-through to consumer prices.

Russia



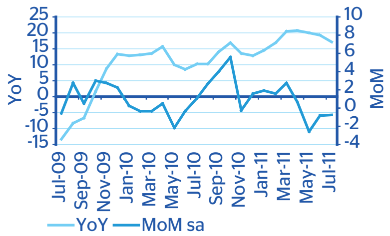
Source: Haver

Turkey



Source: Haver

Egypt



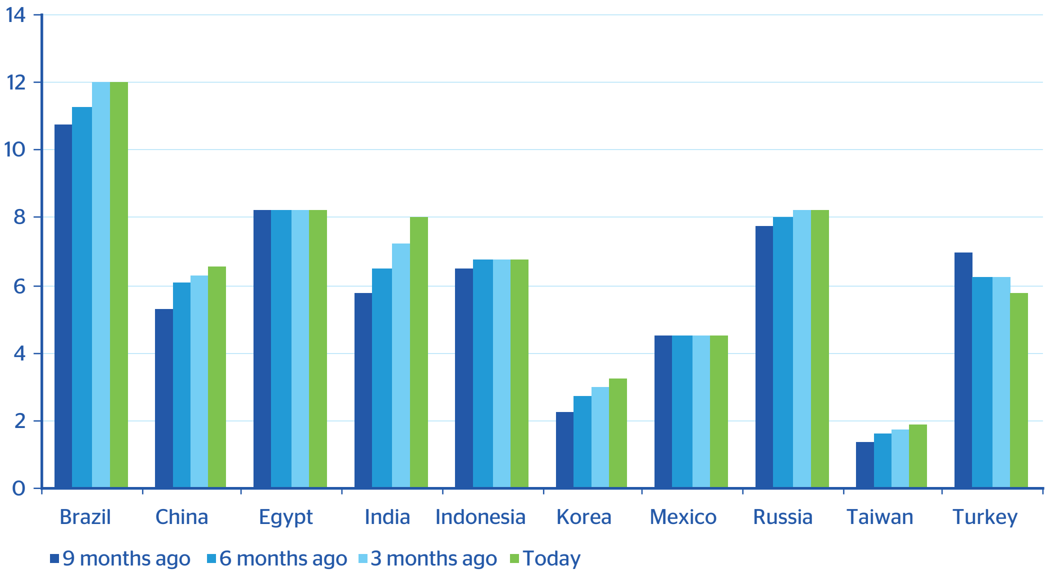
Source: Haver

4. Money and Finance: Policy makers are considering a pause to monetary tightening

4.1. Cross-Country Policy Interest Rates

- Monetary authorities continued with their tightening cycle in Q2.
- The recent increase in global economic uncertainty leads to a "wait and see" attitude. Turkey and Brazil reduced their official interest rates.

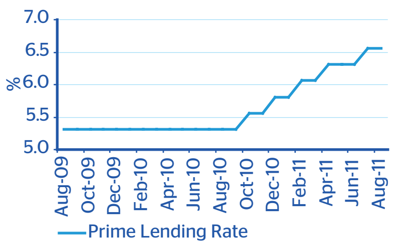
Central Bank Reference Rate (%)



Source: Bloomberg

4.1. Monetary Policy Interest Rates

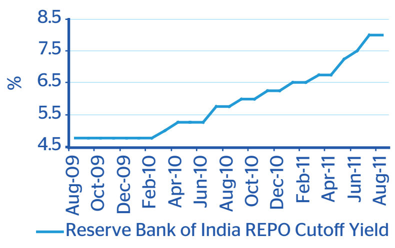
China



Source: Bloomberg

The monetary tightening cycle may be nearing an end.

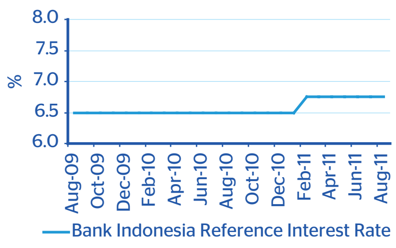
India



Source: Bloomberg

Interest rate hikes may have come to an end.

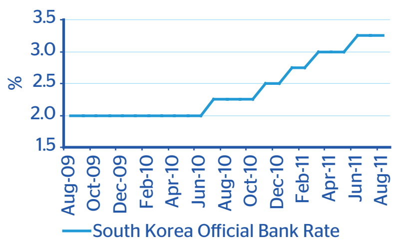
Indonesia



Source: Bloomberg

Bank Indonesia has been on hold, at 6.75%.

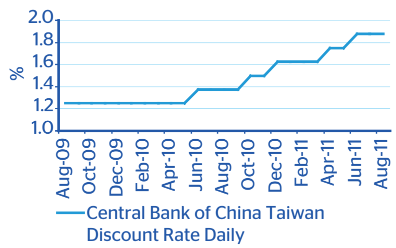
Korea



Source: Bloomberg

Korean Central Bank continued hiking benchmark interest rate to subdue inflationary pressure.

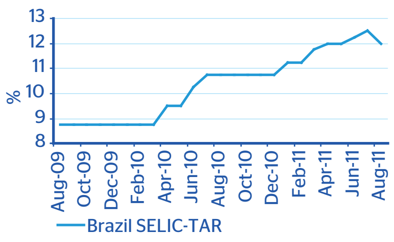
Taiwan



Source: Bloomberg

A possible slowing in the monetary tightening cycle on global turbulence and low inflation pressures.

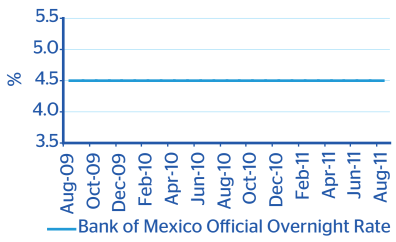
Brazil



Source: Bloomberg

The Central Bank interest rate cut in August was motivated by concerns on global economic outlook.

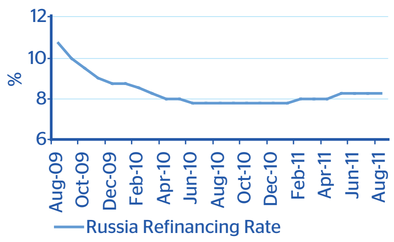
Mexico



Source: Bloomberg

The lack of inflationary pressures continue to support steady policy rates.

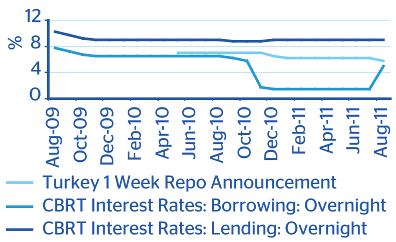
Russia



Source: Bloomberg

The Central Bank pause the monetary policy tightening on weaker domestic demand and increasing global uncertainty.

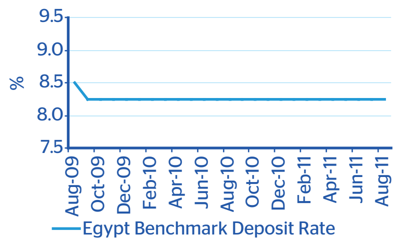
Turkey



Source: Bloomberg and Haver

The Central Bank surprised again the markets cutting the reference rate by 50 base points.

Egypt



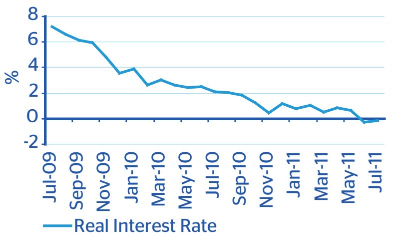
Source: Bloomberg

Central Bank has been kept interest rate unchanged due to still economic weakness.

4.2. Real Interest Rates

- Despite interest rate hikes in most of the EAGLEs, real rates are still negative or close to zero.
- Slower global growth and higher uncertainty may trigger a change in the monetary policy stance.

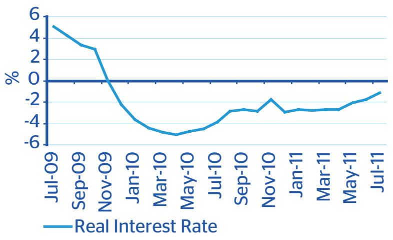
China



Source: Bloomberg

Real interest rates have fallen due to rising inflation.

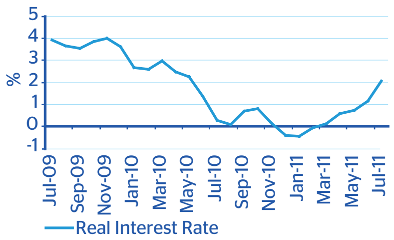
India



Source: Bloomberg

Real interest rates have risen with the policy rate hikes.

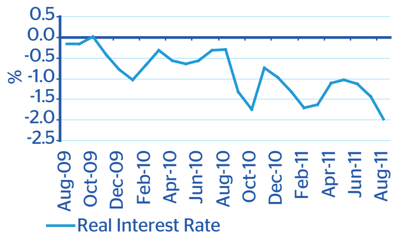
Indonesia



Source: Bloomberg

Real interest rates have risen with the decline in inflation.

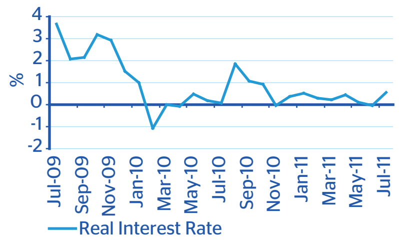
Korea



Source: Bloomberg

Real interest rate decline as inflation outpace the raising in policy interest rate.

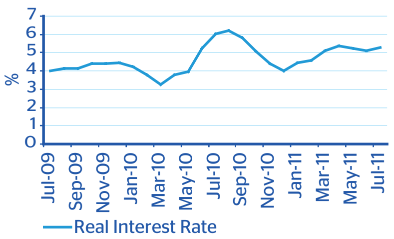
Taiwan



Source: Bloomberg

Real interest rate slightly picked up during the past quarter, in line with a moderated inflation and stable policy rate.

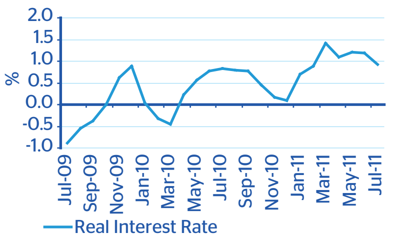
Brazil



Source: Bloomberg

RIR stays high compared to other EM.

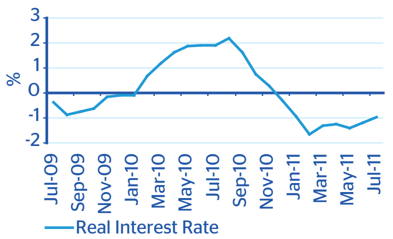
Mexico



Source: Bloomberg

Positive but not enough to tighten monetary conditions of the Mexican economy.

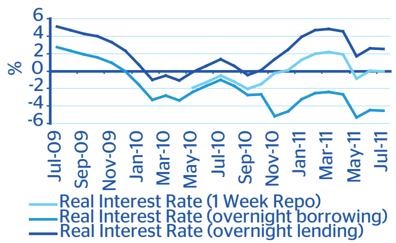
Russia



Source: Bloomberg

Real interest rate remains in negative territory.

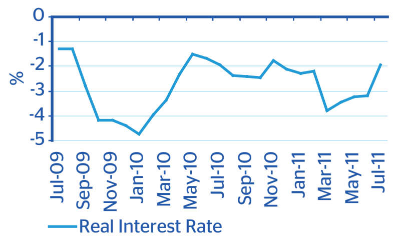
Turkey



Source: Bloomberg and Haver

Keeping the zero real interest rate policy.

Egypt



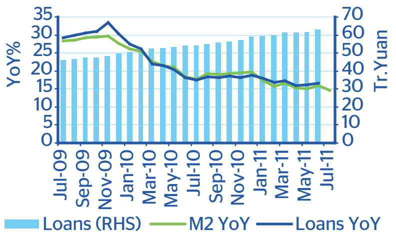
Source: Bloomberg

Monetary policy still supportive.

4.3. M2 and Lending

- Monetary tightening has successfully slowed down credit growth.
- Credit growth moderation will slow domestic demand dynamics.

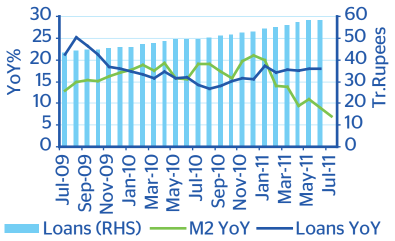
China



Source: Haver

M2 and loan growth have moderated on tightening measures in line with the authorities' targets.

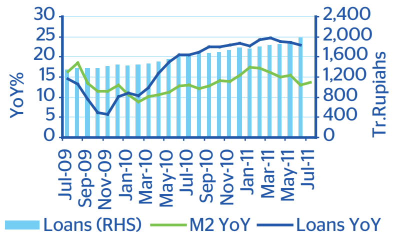
India



Source: Haver

M2 declined in line with Indian authorities with moderating growth in loans.

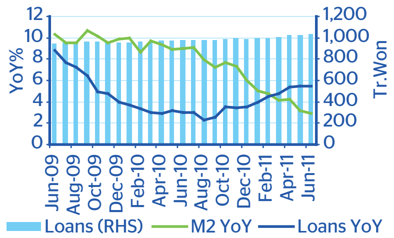
Indonesia



Source: Haver

Credit growth confirms the dynamics of domestic demand.

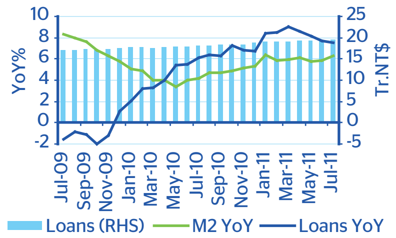
Korea



Source: Haver

Money supply growth continued to decelerate to contain inflation pressure while household credit growth still rising.

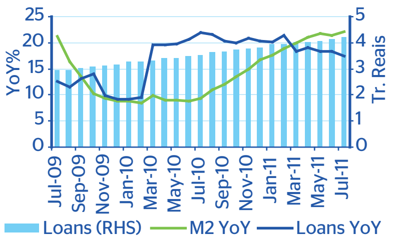
Taiwan



Source: Haver

Credit growth continued at a constant pace, fuelling domestic demand.

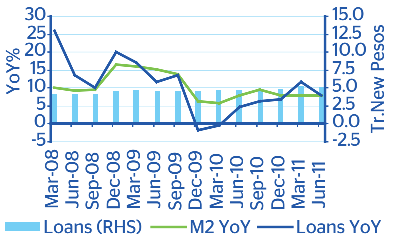
Brazil



Source: Haver

Credit growth moderation is consistent with a slow down in economic growth.

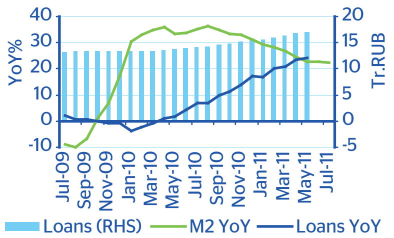
Mexico



Source: Haver

Credit an money supply remain stable.

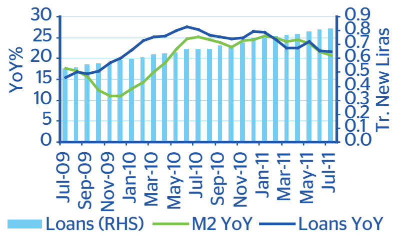
Russia



Source: Haver

Credit growth remains growing at robust growth rates.

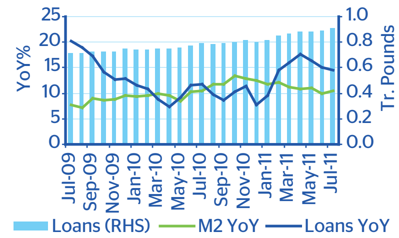
Turkey



Source: Haver

Credit growth remains above sustainable growth rates.

Egypt



Source: Haver

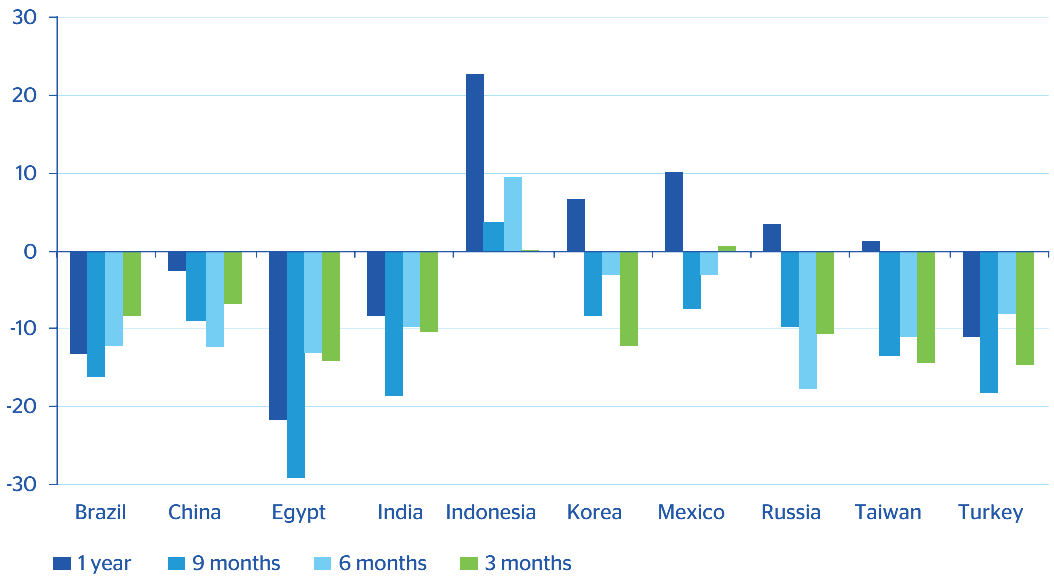
Loans and monetary base moderated.

5. Financial Markets: Higher global risk aversion hit EAGLEs' stock markets and risk premium

5.1. Cross-Country Stock Markets

- Most of the stock markets suffered from the rise in global risk aversion.
- In some cases, the adjustment process moves towards long term prices according to fundamentals.

Stock Market Returns (%)



Source: Bloomberg

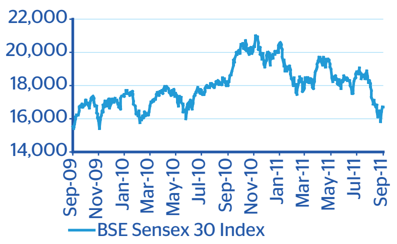
5.1. Stock Markets

China

Source: Bloomberg

Global financial turbulence and monetary tightening have undermined stock market performance.

India



Source: Bloomberg

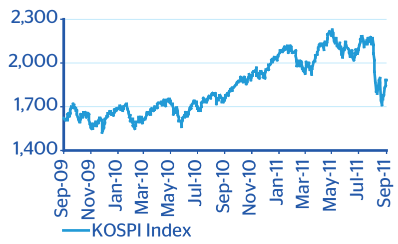
The stock market has declined in line with global trends.

Indonesia

Source: Bloomberg

The stock market has held up relatively well, despite higher global risk aversion.

Korea



Source: Bloomberg

Turbulence in global financial market led to a large drop in stock market.

Taiwan

Source: Bloomberg

Taiex got hit by recent global financial turmoil.

Brazil

Source: Bloomberg

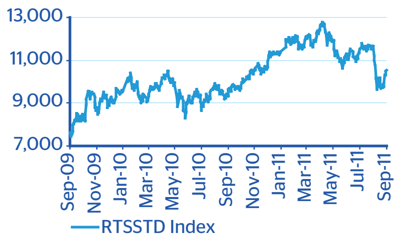
Brazilian stock exchange fell sharply on international financial turmoil.

Mexico

Source: Bloomberg

In spite of a decline along the year, Mexican stock market is among the best performers during the August turmoil.

Russia



Source: Bloomberg

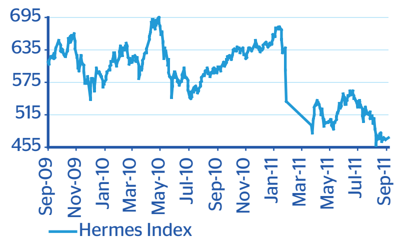
Stock market reacted to the international financial turmoil.

Turkey

Source: Bloomberg

Higher global risk aversion triggers stock market correction.

Egypt



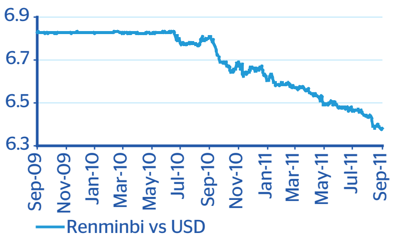
Source: Bloomberg

Political turmoil and higher risk aversion hit the stock market.

5.2. Exchange Rate Markets

- Some of the EAGLEs' FX have depreciated recently given the increase in their risk premium.
- Chinese RMB continued its appreciation process contributing to correct global external imbalances.

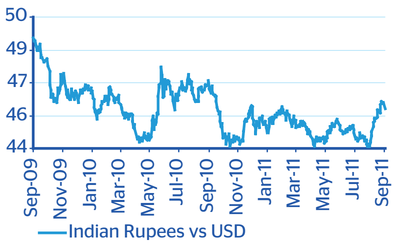
China



Source: Bloomberg

The RMB has hit new highs against the USD, continuing the gradual appreciating trend.

India



Source: Bloomberg

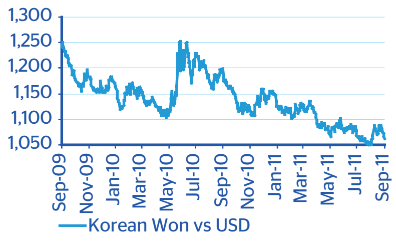
The currency has depreciated with the rise in global risk aversion.

Indonesia

Source: Bloomberg

Appreciation pressure continued in the last quarter.

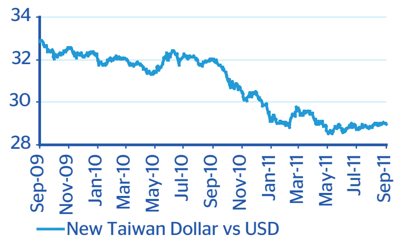
Korea



Source: Bloomberg

Won keeps its moderating appreciation due to hikes in policy rates.

Taiwan



Source: Bloomberg

The TWD remains stable in spite of the spike in global uncertainty and risk aversion.

Brazil

Source: Bloomberg

In spite of higher global uncertainty appreciation pressures over Brazilian Real persists.

Mexico

Source: Bloomberg

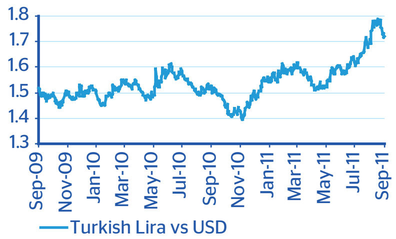
Higher global risk aversion drives the recent depreciation.

Russia

Source: Bloomberg

The Rubble reacted to the increase in global risk aversion and lower energy prices.

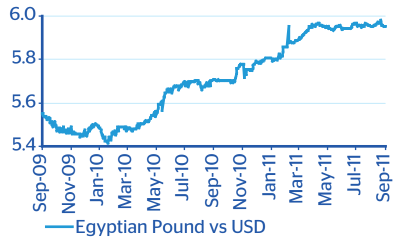
Turkey



Source: Bloomberg

Further depreciation has not been able to stop external imbalance widening.

Egypt

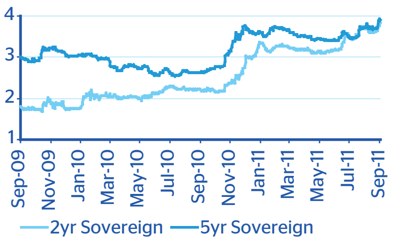


Source: Bloomberg

Smooth depreciation of the Egyptian pound controlled by the Central Bank.

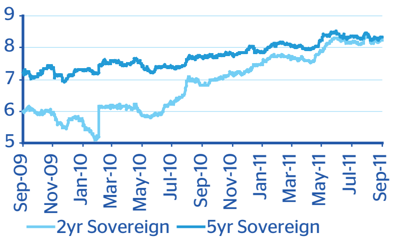
5.3. Sovereign Bond Yields

China



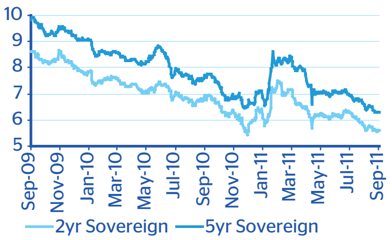
Source: Bloomberg

India



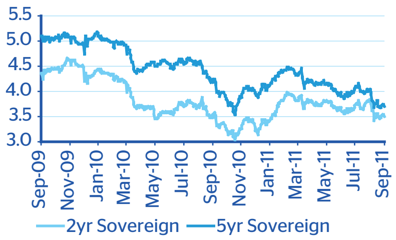
Source: Bloomberg

Indonesia



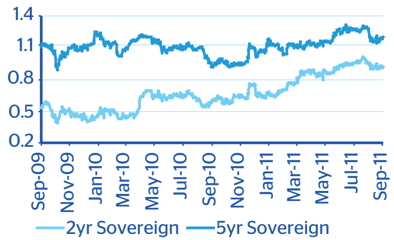
Source: Bloomberg

Korea



Source: Bloomberg

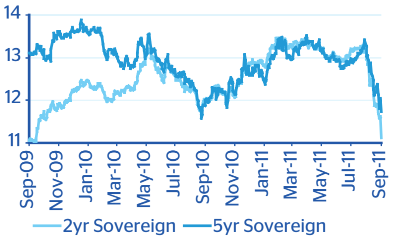
Taiwan



Source: Bloomberg

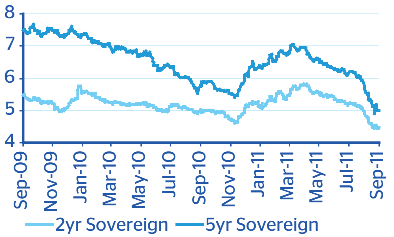
Sovereign bond indexes declined in light of moderated growth outlook and inflation expectations.

Brazil



Source: Bloomberg

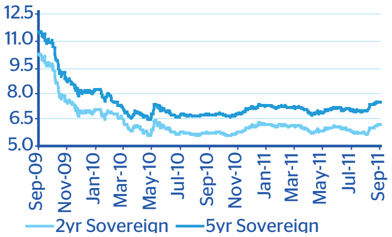
Mexico



Source: Bloomberg

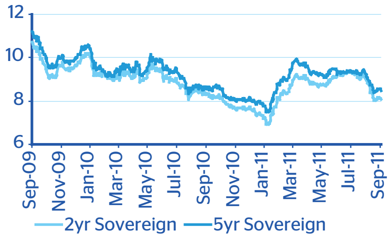
It evolves at the rhythm of global factors due to lack of fiscal growth or inflationary domestic risks.

Russia



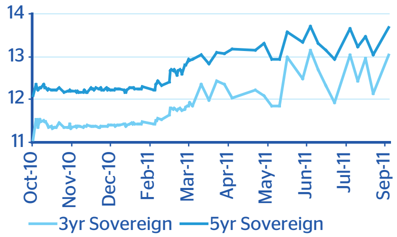
Source: Bloomberg

Turkey



Source: Bloomberg

Egypt



Source: Bloomberg

5.4. Yield Curve

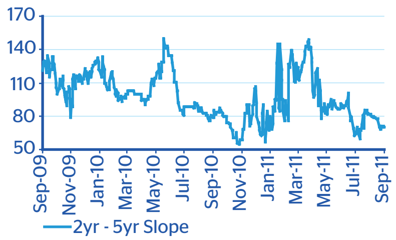
China

Source: Bloomberg

India

Source: Bloomberg

Indonesia



Source: Bloomberg

Korea

Source: Bloomberg

Taiwan

Source: Bloomberg

Brazil

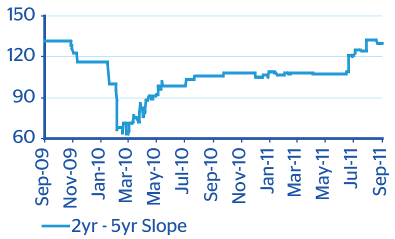
Source: Bloomberg

Mexico

Source: Bloomberg

Low levels are consistent with the expectation of moderated growth and longer monetary pause.

Russia

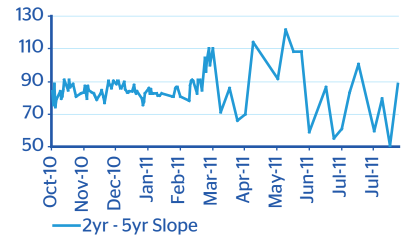


Source: Bloomberg

Turkey

Source: Bloomberg

Egypt

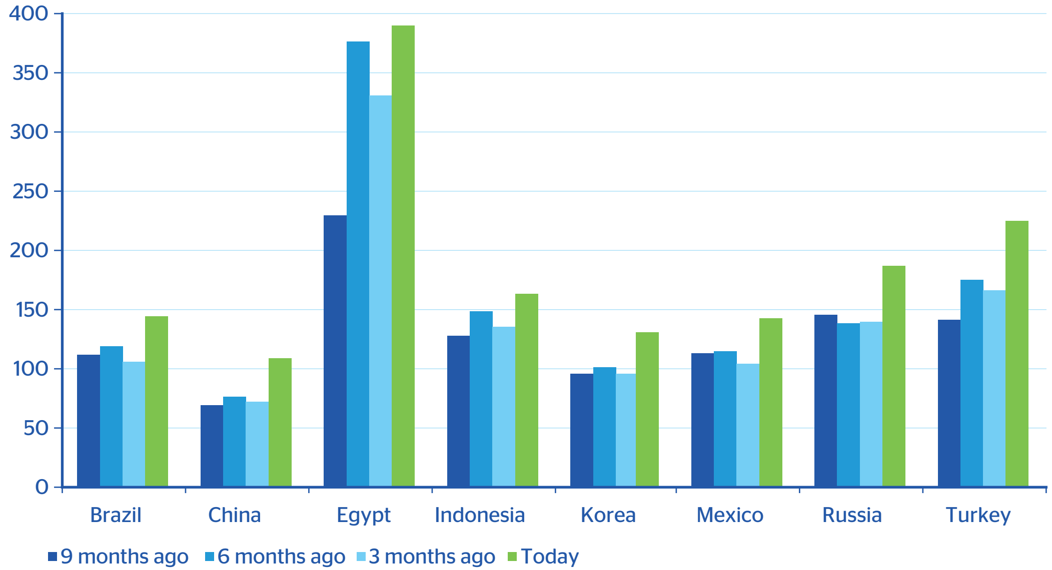


Source: Bloomberg

5.5. Cross-Country Risk Premiums

- The rise in global risk aversion explains the recent increase in risk premiums.
- The recent increase in global uncertainty has reduced investors' appetite for EM assets.

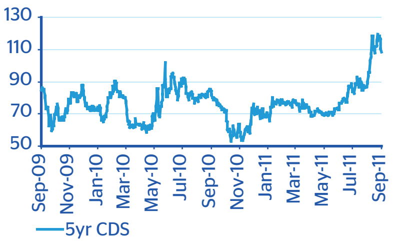
5 Year CDS (Basis Points)



* Data for India and Taiwan is not available
Source: Bloomberg

5.5. Risk Premiums

China



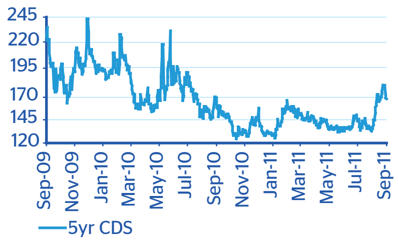
Source: Bloomberg

Risk premium have jumped on rising global risk aversion.

India

Not available

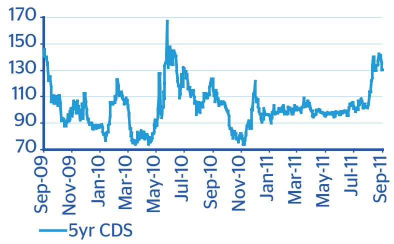
Indonesia



Source: Bloomberg

Higher global risk aversion increased Indonesian risk premium.

Korea



Source: Bloomberg

Risk premium increased due to global risk aversion.

Taiwan

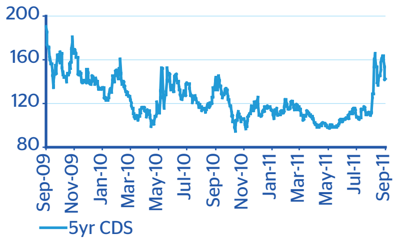
Not available

Brazil

Source: Bloomberg

Brazilian risk premium jumped in the last month amidst the European debt crisis and fears about a new global recession.

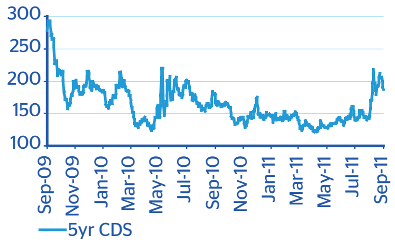
Mexico



Source: Bloomberg

The risk premium increased during August due to the increased concerns on the global economy. Domestic strength anchors its evolution.

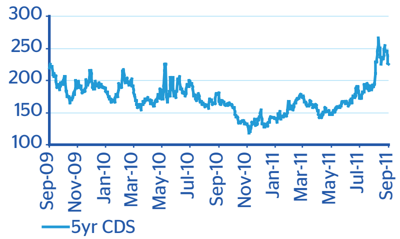
Russia



Source: Bloomberg

Global risk aversion hits risk premium.

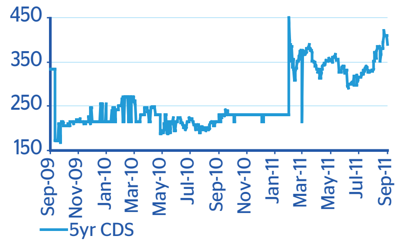
Turkey



Source: Bloomberg

Risk Premium jumped on global uncertainty woes.

Egypt

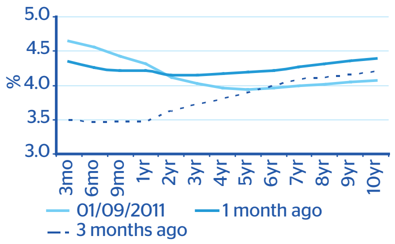


Source: Bloomberg

Risk premium jumped due to higher local and global uncertainty.

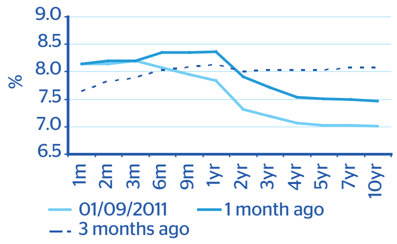
5.6. Swap Curve

China



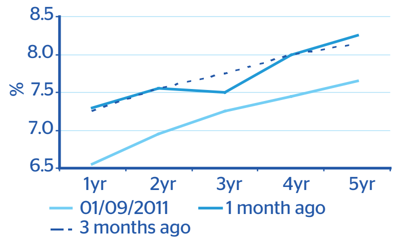
Source: Bloomberg

India



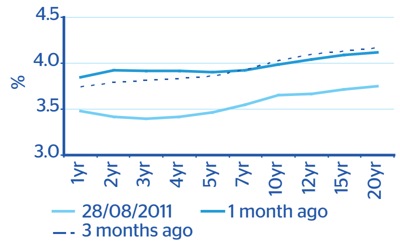
Source: Bloomberg

Indonesia



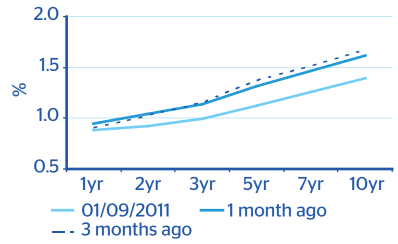
Source: Bloomberg

Korea



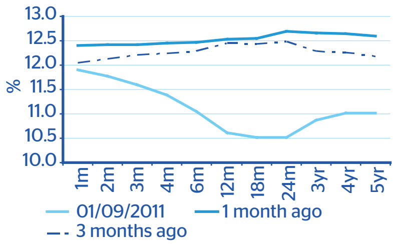
Source: Bloomberg

Taiwan



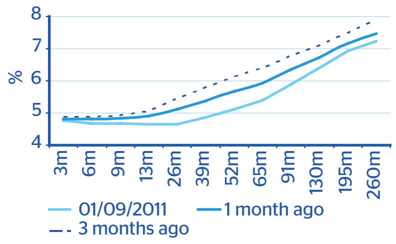
Source: Bloomberg

Brazil



Source: Bloomberg

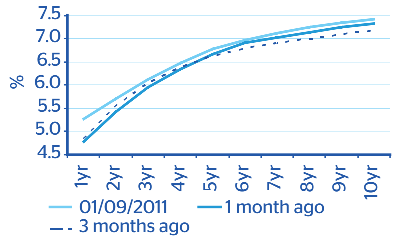
Mexico



Source: Bloomberg

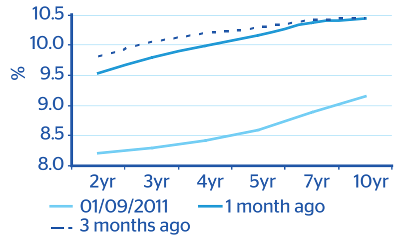
It incorporates lower expectations on global and domestic cycle and longer monetary pause.

Russia



Source: Bloomberg

Turkey



Source: Bloomberg

Egypt

Not available

Statistical Annex

Activity

Table 1
Retail Sales (% YoY Real Growth)

		2010												2011						
Country	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**
Brazil	9.2	10.4	12.2	15.7	9.2	10.2	11.4	11.1	10.5	12.0	8.7	9.9	10.2	8.2	8.5	4.0	10.2	6.3	7.1	
China	15.6	16.6	28.9	18.9	20.1	15.4	20.7	19.6	20.4	19.9	16.9	16.7	16.3	14.2	6.3	13.7	12.5	11.7	10.8	10.2
Egypt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
India*	60.1	45.1	36.7	37.7	28.9	32.2	33.5	32.8	25.6	21.9	43.8	14.5	27.7	19.8	22.1	19.4	23.9	15.6	14.6	12.4
Indonesia	36.5	40.3	40.0	28.8	26.6	26.7	24.9	24.6	32.0	21.1	18.5	18.8	21.8	20.0	18.0	16.4	16.0	16.0	19.9	22.9
Korea	5.8	0.1	10.2	4.7	3.1	4.6	6.2	6.9	4.4	5.4	3.4	5.4	6.2	9.7	-2.0	3.1	4.6	5.4	4.6	3.4
Mexico	1.6	-1.8	2.2	2.3	-0.1	5.0	1.4	1.9	4.4	4.0	4.3	2.3	2.7	3.0	2.7	1.0	4.9	0.9	4.8	
Russia	-2.7	1.2	2.3	4.7	6.1	7.2	8.0	8.9	9.1	7.5	7.5	8.1	7.0	4.0	6.2	5.2	5.7	5.7	5.7	5.7
Taiwan	14.4	-7.3	14.3	5.7	7.5	6.9	6.1	7.4	7.6	8.0	7.3	4.1	1.8	21.6	-2.2	7.2	5.4	2.2	4.2	4.1
Turkey*	35.2	39.2	48.7	-4.5	9.1	-7.6	-22.8	47.5	69.7	12.7	40.0	148.7	91.0	90.9	54.3	77.2	31.2	60.9	39.9	

Note: India. Motor Vehicle Sales: Total. Turkey Registered Motor Vehicles: Units
Source: Haver and CEIC

Table 2
Industrial Production (% YoY Growth)

	2009	2010												2011						
Country	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**
Brazil	19.0	15.8	18.0	20.5	17.3	14.7	11.2	8.6	8.5	6.3	1.6	5.1	2.0	2.4	7.6	-1.1	-1.8	2.5	0.9	-0.3
China	18.5	20.7	20.7	18.1	17.8	16.5	13.7	13.4	13.9	13.3	13.1	13.3	13.5	14.1	14.1	14.8	13.4	13.3	15.1	14.0
Egypt	0.1	4.7	8.7	6.7	8.2	8.1	20.4	6.2	3.8	8.7	4.8	8.1	10.0	-1.8	-14.5	-9.2	13.5	19.4	14.0	
India	10.2	14.5	15.3	16.3	14.4	8.9	7.9	10.8	4.7	6.9	12.4	6.5	8.7	8.1	7.5	11.0	6.3	6.1	10.0	
Indonesia	6.3	5.3	4.0	3.5	3.8	4.1	5.0	5.5	4.7	0.8	4.9	4.7	5.4	7.4	2.1	7.4	5.0	5.3	4.9	
Korea	36.6	38.7	18.9	23.2	20.1	21.2	16.9	15.2	16.2	2.8	13.7	11.4	11.0	14.0	9.3	9.4	7.1	8.4	6.6	3.8
Mexico	4.5	8.1	9.0	13.8	12.0	15.1	15.4	8.5	11.6	8.8	4.6	7.3	6.0	8.3	7.3	7.2	2.8	6.8	4.6	
Russia	7.6	13.1	10.0	13.1	16.3	18.5	13.9	8.0	10.8	9.3	9.6	9.9	9.5	13.5	10.1	8.6	5.2	4.9	7.0	5.4
Taiwan	50.7	79.4	38.0	44.0	35.5	33.8	26.8	22.6	24.8	13.0	15.2	20.2	19.7	17.5	15.1	14.3	7.4	7.5	3.7	3.7
Turkey	26.3	15.2	20.0	24.3	18.6	15.9	10.5	9.2	10.9	10.9	11.4	10.1	18.5	20.6	14.6	10.1	9.2	8.8	7.6	

Source: Haver and Bloomberg

Table 3
Consumer Confidence Index

	2009	2010												2011							
Country	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**
Brazil	114.1	116.4	111.0	112.3	113.0	115.3	117.0	117.4	120.4	122.5	123.1	126.2	124.2	125.4	123.1	120.8	115.4	113.9	115.7	121.0	117.3
China	103.9	104.7	104.2	107.9	106.6	108.0	108.5	107.8	107.3	104.1	103.8	102.9	100.4	99.9	99.6	107.6	106.6	105.8	108.1	105.6	
Egypt	104.0	103.0	92.0	88.0	86.0	87.0	81.9	74.1	72.6	72.3	72.9	84.3	82.1	n.a.	99.7	101.4	100.7	98.1	102.0	94.4	
India	55.6	57.6	58.5	57.8	57.2	59.0	57.3	57.6	57.2	55.1	57.2	58.4	56.7	56.8	57.9	57.9	58.0	57.5	55.3	53.6	
Indonesia	108.7	106.7	101.8	101.9	105.6	106.3	104.8	99.0	98.1	101.8	106.2	102.2	103.0	105.6	106.4	107.1	106.9	105.3	109.0	111.8	110.6
Korea	113.0	113.0	111.0	110.0	110.0	111.0	112.0	112.0	110.0	109.0	108.0	110.0	109.0	108.0	105.0	98.0	100.0	104.0	102.0	102.0	99.0
Mexico	80.1	82.1	80.6	81.8	82.5	84.6	87.5	87.4	88.7	91.6	89.2	88.5	91.2	92.3	92.3	91.7	89.7	89.3	93.0	95.5	
Russia	83.0	78.0	77.0	78.0	77.0	82.0	82.0	82.0	82.0	80.0	84.0	84.0	87.0	77.0	74.0	79.0	78.0	81.0	84.0		
Taiwan	65.4	66.0	73.2	74.3	78.7	76.0	77.8	78.6	79.7	80.1	80.2	81.7	83.2	86.8	85.9	83.7	85.8	85.4	85.3	86.8	86.9
Turkey	78.8	79.2	81.9	84.7	85.8	86.6	88.0	87.5	87.4	90.4	89.0	91.3	91.0	91.3	93.6	93.4	93.5	92.9	96.4	94.8	

Source: Haver, CEIC, Bloomberg and HSBC

Table 4
GDP (% YoY Growth)

	2009				2010					2011	
Country	**Jun**	**Sep**	**Dec**	**2009**	**Mar**	**Jun**	**Sep**	**Dec**	**2010**	**Mar**	**Jun**
Brazil	-2.8	-1.8	5.0	-0.6	9.3	9.2	6.7	5.0	7.6	4.2	3.1
China	8.2	9.4	11.7	8.9	11.9	10.4	9.7	9.6	10.4	9.7	9.5
Egypt	4.3	4.6	5.0	4.6	5.5	6.1	5.5	5.7	5.7	-3.8	
India	6.3	8.6	7.3	7.2	9.4	8.8	8.9	8.3	8.9	7.8	7.7
Indonesia	4.2	4.2	5.4	4.6	5.6	6.1	5.8	6.9	6.1	6.5	6.5
Korea	-2.1	1.0	6.3	0.3	8.5	7.5	4.4	4.7	6.2	4.2	3.4
Mexico	-9.6	-5.5	-2.0	-6.1	4.5	7.6	5.1	4.4	5.4	4.6	3.3
Russia	-11.2	-8.6	-2.6	-7.9	3.5	5.0	3.1	4.5	4.0	4.1	3.4
Taiwan	-7.2	-1.2	9.2	-1.9	13.6	12.9	10.7	7.1	11.1	6.2	5.0
Turkey	-7.8	-2.8	5.9	-4.9	12.0	10.3	5.2	9.2	9.2	11.0	

Source: Haver

External Sector

Table 5
Exports (% YoY Growth)

	2009	2010												2011							
Country	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**
Brazil	4.7	15.6	27.2	33.2	23.0	47.7	18.2	25.0	39.0	35.9	30.5	39.8	44.6	34.6	37.2	22.6	33.1	31.1	38.6	25.9	36.0
China	17.7	21.1	45.6	24.3	30.4	48.3	43.9	38.0	34.4	25.1	22.9	35.0	17.9	37.6	2.4	35.8	29.8	19.4	17.9	20.4	
Egypt	94.7	34.0	13.7	32.8	20.9	27.7	10.5	22.3	6.3	17.8	15.5	6.8	-14.0	1.5	15.8	16.6	21.8	19.2	27.9		
India	23.4	20.9	32.0	56.2	42.2	34.2	46.6	13.2	22.5	23.2	21.3	26.5	36.4	32.4	49.7	44.4	34.4	56.9	46.4	80.7	
Indonesia	50.0	59.3	57.7	48.3	42.4	37.4	31.4	28.9	30.2	23.8	17.6	45.1	26.1	26.0	29.1	28.1	37.5	44.5	49.3		
Korea	32.8	45.4	30.1	33.8	29.6	39.8	30.5	26.7	26.0	16.2	27.6	21.4	22.6	44.7	16.5	28.8	23.5	22.0	11.2	25.2	27.1
Mexico	23.2	27.2	32.6	41.0	43.0	43.8	28.9	29.5	37.6	21.0	20.0	26.0	17.0	28.6	21.0	20.1	12.6	25.4	21.6	19.4	
Russia	19.7	54.5	64.4	63.8	59.2	40.9	32.2	19.1	16.5	19.5	14.0	15.1	24.6	12.1	29.0	28.8	37.6	40.0	38.6		
Taiwan	46.8	75.7	32.6	50.1	47.7	57.5	34.1	38.5	26.6	17.5	21.9	21.8	19.0	16.6	27.2	16.6	24.6	9.4	10.8	17.6	
Turkey	30.2	-0.7	-2.0	21.2	24.3	33.4	14.6	5.6	8.7	5.0	8.6	5.4	17.6	22.0	21.8	19.5	26.4	11.7	19.0	24.2	

Source: Haver

Table 6
Imports (% YoY Growth)

	2009	2010												2011							
Country	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**
Brazil	6.9	11.4	50.9	49.8	60.8	52.2	50.3	45.4	56.1	41.4	29.6	44.5	26.6	29.0	31.6	17.8	31.9	38.1	29.9	17.1	32.3
China	55.9	85.7	45.1	66.0	50.0	48.3	33.8	22.8	35.2	24.0	25.4	37.9	25.6	51.3	19.5	27.5	21.8	28.3	19.3	22.9	
Egypt	25.0	15.7	3.5	31.3	19.6	21.8	16.3	17.7	7.9	20.7	25.9	24.5	11.3	15.0	-8.4	3.4	11.1	38.0	20.6		
India	45.2	38.6	73.7	77.1	48.9	32.5	12.5	34.3	32.3	26.1	6.8	11.2	-11.0	13.1	21.2	18.2	14.1	54.1	42.5	38.6	
Indonesia	33.0	43.8	59.9	67.4	67.5	30.6	48.2	45.4	25.4	13.4	28.5	47.6	27.6	32.3	23.7	32.0	32.5	48.6	28.3		
Korea	23.9	26.7	37.4	48.7	42.8	48.9	37.2	28.0	28.7	17.6	21.7	30.9	21.7	32.7	17.0	27.9	24.3	30.0	27.3	25.0	29.2
Mexico	14.2	19.2	25.0	34.9	42.7	45.8	29.7	29.7	29.3	23.2	27.9	18.3	20.9	24.0	21.8	16.0	13.5	18.0	24.2	21.6	
Russia	-9.8	8.0	15.4	29.7	30.1	40.5	27.4	32.4	53.3	33.7	27.6	27.4	25.2	43.4	39.6	43.0	40.9	44.2	40.1		
Taiwan	55.6	115.3	45.7	80.0	52.6	71.7	39.2	42.6	27.9	24.9	27.9	33.8	21.4	21.9	28.7	16.7	25.7	19.4	12.5	14.0	
Turkey	31.7	26.0	29.8	42.8	47.7	35.5	21.9	25.1	20.5	25.3	35.4	35.8	36.9	44.6	48.7	44.0	40.2	42.8	41.7	29.9	

Source: Haver

Table 7
Current Account Balance (% of GDP)

	2009				2010					2011	
Country	**Jun**	**Sep**	**Dec**	**2009**	**Mar**	**Jun**	**Sep**	**Dec**	**2010**	**Mar**	**Jun**
Brazil	-0.6	-1.1	-2.4	-1.4	-2.6	-2.3	-2.1	-2.0	-2.3	-2.6	-1.7
China*	n.a.	n.a.	n.a.	5.2	3.0	4.8	7.1	5.3	5.1	2.0	4.2
Egypt	-2.1	-0.9	-1.5	-1.6	-2.5	-3.1	-1.3	-1.0	-2.0	-1.9	
India	-1.5	-3.1	-3.5	-2.1	-3.4	-3.3	-4.6	-2.3	-3.4	-1.2	
Indonesia	1.8	1.2	2.5	2.0	1.2	0.8	0.7	0.6	0.8	1.1	0.1
Korea	5.6	3.9	3.3	3.9	0.1	3.5	3.9	3.3	2.7	1.0	
Mexico	-0.1	-1.6	-0.3	-0.7	0.2	-0.3	-0.7	-1.2	-0.5	-0.4	-0.9
Russia	2.8	4.5	4.3	3.9	10.5	5.3	1.5	3.1	5.1	8.3	
Taiwan	11.4	8.4	11.0	11.4	10.1	10.6	8.3	8.1	9.3	9.3	7.8
Turkey	-3.7	-1.1	-2.7	-2.3	-5.9	-6.1	-5.3	-8.3	-6.4	-12.1	

* Note: Quarterly date for China available from 2010
Source: Haver and CEIC

Table 8
Nominal Effective Exchange Rate (2005=100)

	2009	2010												2011						
Country	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**
Brazil	132.9	132.2	130.2	134.1	136.5	135.4	137.4	137.8	137.6	139.8	139.3	137.6	140.3	141.1	140.9	140.5	145.4	142.6	145.1	147.2
China	111.7	112.2	113.6	113.3	113.5	116.2	117.4	115.7	114.1	113.8	111.8	112.6	113.8	113.6	113.2	112.4	111.7	111.9	112.1	111.9
Egypt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
India	86.3	88.0	88.7	90.3	92.4	92.3	91.7	89.2	89.0	89.3	89.7	89.1	89.8	88.4	87.6	87.6	87.5	86.3	86.3	87.0
Indonesia	91.5	94.2	93.8	95.2	96.7	96.8	97.7	96.9	96.5	95.3	93.3	93.6	93.4	92.4	93.2	94.0	94.2	94.8	94.6	94.3
Korea	78.2	80.4	80.0	81.2	83.0	80.8	77.8	76.9	77.8	78.4	79.0	78.8	78.3	79.5	79.2	78.4	80.4	79.8	79.9	81.4
Mexico	80.1	80.8	80.6	82.9	85.1	82.8	83.2	81.8	81.7	81.1	82.4	83.3	83.2	84.6	84.8	84.9	86.4	86.8	85.6	86.4
Russia	83.9	85.4	86.7	88.6	90.2	90.3	89.6	88.4	88.1	85.9	83.6	82.7	85.0	86.0	87.4	88.6	87.8	88.5	88.1	88.5
Taiwan	89.2	90.7	90.8	91.3	92.6	92.9	92.3	90.9	90.5	90.2	90.5	92.3	94.4	96.2	95.1	93.7	94.6	94.9	94.4	93.8
Turkey	80.3	83.4	83.0	82.7	85.3	85.9	85.9	85.3	86.1	86.3	86.2	86.6	83.1	80.1	77.8	77.0	78.2	75.4	73.9	71.9

Source: BIS and Haver

Table 9

Real Effective Exchange Rate (2005=100)

	2009	2010												2011						
Country	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**
Brazil	139.6	139.9	138.0	142.3	145.0	144.0	146.2	146.6	145.7	148.1	148.1	147.3	150.5	152.5	152.3	152.1	157.9	154.8	157.8	160.2
China	115.1	113.8	118.5	115.6	116.1	120.0	119.0	117.9	118.7	119.7	118.0	118.5	119.9	118.0	120.7	117.6	116.8	118.2	117.2	117.9
Egypt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
India	98.1	101.6	101.8	104.1	108.0	107.9	108.1	106.1	105.3	105.8	106.7	106.4	108.5	108.4	106.7	107.0	108.3	106.0	107.2	109.0
Indonesia	115.9	120.3	119.6	121.0	122.6	122.6	125.4	126.1	125.9	124.4	121.5	122.4	123.1	122.6	123.0	123.3	122.6	123.1	123.5	123.8
Korea	80.4	83.2	82.4	84.0	86.1	83.4	80.5	79.9	80.5	81.6	82.1	81.4	81.1	83.3	82.8	82.1	83.9	82.9	83.3	85.5
Mexico	87.5	89.2	89.1	92.0	93.9	90.6	91.2	89.8	89.6	89.2	90.9	92.6	92.8	94.6	94.5	94.2	95.3	94.5	93.4	94.6
Russia	117.7	120.6	121.8	131.0	123.4	131.3	131.2	127.5	126.3	125.7	120.2	122.1	126.1	129.3	130.6	138.8	127.4	136.3	136.4	134.5
Taiwan	85.1	86.8	86.7	86.3	88.1	87.9	88.0	86.8	85.9	85.3	85.7	87.7	88.8	90.5	89.4	87.0	88.3	88.3	88.5	87.6
Turkey	103.5	110.0	110.4	109.8	113.8	113.8	113.3	112.1	113.1	114.3	115.8	116.2	110.6	107.3	104.4	102.7	105.0	103.2	99.7	97.0

Source: BIS and Haver

Unemployment

Table 10

Unemployment Rate (%)

	2009				2010					2011	
Country	**Jun**	**Sep**	**Dec**	**2009**	**Mar**	**Jun**	**Sep**	**Dec**	**2010**	**Mar**	**Jun**
Brazil	8.6	7.9	7.2	8.1	7.4	7.3	6.6	5.7	6.7	6.3	6.3
China	4.3	4.3	4.3	4.3	4.2	4.2	4.1	4.1	4.2	4.1	4.1
Egypt	9.4	9.4	9.4	9.4	9.1	9.0	8.9	8.9	9.0	11.9	11.8
India*	n.a.	n.a.	n.a.	10.7	n.a.	n.a.	n.a.	n.a.	10.8	n.a.	
Indonesia*	n.a.	7.9	n.a.	7.9	7.4	n.a.	7.1	n.a.	7.1	6.8	
Korea	3.8	3.6	3.3	3.6	4.7	3.5	3.5	3.3	3.7	4.2	3.4
Mexico	5.3	6.3	5.3	5.5	5.4	5.2	5.6	5.3	5.4	5.1	5.2
Russia	8.5	8.0	8.0	8.4	8.8	7.4	6.8	6.9	7.5	7.5	6.6
Taiwan	5.9	6.0	5.9	5.8	5.6	5.3	5.1	4.8	5.2	4.6	4.4
Turkey	13.8	13.2	13.2	14.0	14.2	11.2	11.1	11.2	11.9	11.4	

* Note: Quarterly data for India and Indonesia is not available.
Source: Bloomberg and CEIC

Inflation

Table 11

Consumer Price Index (% YoY Growth)

	2009	2010												2011							
Country	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Brazil	4.31	4.59	4.83	5.17	5.26	5.22	4.84	4.60	4.49	4.70	5.20	5.63	5.91	5.99	6.01	6.30	6.51	6.55	6.71	6.87	
China	-0.50	0.60	1.90	1.50	2.70	2.40	2.80	3.10	2.90	3.30	3.50	3.60	4.40	5.10	4.60	4.90	4.90	5.40	5.30	5.50	
Egypt	13.24	13.64	12.71	12.00	10.81	9.92	10.11	10.41	10.88	10.91	10.97	10.18	10.58	10.80	10.68	12.50	12.12	11.87	11.82	10.38	
India	7.15	8.68	9.65	10.36	10.88	10.48	10.25	9.98	8.87	8.98	9.08	8.20	9.45	9.47	9.54	9.68	9.74	9.56	9.44	9.22	
Indonesia	2.78	3.72	3.81	3.43	3.91	4.16	5.05	6.22	6.44	5.80	5.67	6.33	6.96	7.02	6.84	6.65	6.16	5.98	5.54	4.61	
Korea	2.80	3.07	2.69	2.31	2.57	2.66	2.58	2.57	2.56	3.61	4.06	3.26	3.51	4.12	4.54	4.70	4.15	4.06	4.42	4.75	5.33
Mexico	3.57	4.46	4.83	4.97	4.27	3.92	3.69	3.64	3.68	3.70	4.02	4.32	4.40	3.78	3.57	3.04	3.36	3.25	3.28	3.55	
Russia	8.84	8.01	7.21	6.52	6.01	5.98	5.74	5.45	6.04	6.94	7.46	8.09	8.76	9.58	9.43	9.37	9.53	9.55	9.32	8.98	
Taiwan	-0.25	0.26	2.34	1.26	1.34	0.76	1.19	1.31	-0.47	0.29	0.56	1.52	1.24	1.10	1.33	1.40	1.31	1.65	1.93	1.32	
Turkey	6.53	8.19	10.13	9.56	10.19	9.10	8.37	7.58	8.33	9.24	8.62	7.29	6.40	4.90	4.16	3.99	4.26	7.17	6.24	6.31	

Source: Haver and CEIC

Table 12

Producer Price Index (% YoY Growth)

	2009	2010												2011						
Country	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Brazil	-4.07	-2.83	-1.19	0.80	1.59	3.78	4.90	6.49	8.23	9.49	11.02	13.26	13.83	13.83	13.66	13.75	13.25	10.27	9.6	9.1
China	1.70	4.32	5.39	5.91	6.81	7.13	6.41	4.84	4.32	4.33	5.04	6.06	5.93	6.64	7.23	7.31	6.82	6.79	7.1	7.5
Egypt	13.38	12.97	13.06	13.64	15.79	9.92	8.57	10.36	10.27	14.11	16.95	13.50	12.77	14.62	16.84	20.44	20.61	20.05	19.4	17.2
India	7.15	8.68	9.65	10.36	10.88	10.48	10.25	9.98	8.87	8.98	9.08	8.20	9.45	9.47	9.54	9.68	9.74	9.56	9.4	9.2
Indonesia	4.40	5.70	3.73	4.35	4.97	5.59	4.29	4.29	3.64	4.88	5.49	5.45	6.02	6.59	7.78	7.74	7.69	7.06	6.5	7.1
Korea	1.82	2.83	2.45	2.62	3.24	4.63	4.55	3.42	3.13	4.03	4.96	4.85	5.27	6.21	6.64	7.30	6.81	6.16	6.2	6.5
Mexico	4.15	4.26	4.22	3.85	4.29	3.94	3.20	3.67	3.50	2.85	3.26	3.41	4.74	4.64	4.75	5.41	6.05	5.45	6.1	6.5
Russia	13.83	16.60	13.16	12.03	12.80	15.14	9.23	7.97	9.91	7.27	10.62	16.10	16.67	20.46	22.07	21.50	20.09	18.27	19.2	17.2
Taiwan	5.76	6.80	6.09	6.87	9.06	9.43	7.02	5.32	3.33	3.77	3.67	2.42	2.34	1.97	3.87	5.82	4.66	3.40	3.8	4.0
Turkey	5.93	6.30	6.82	8.58	10.42	9.21	7.64	8.24	9.03	8.91	9.92	8.17	8.87	10.80	10.87	10.08	8.21	9.63	10.2	10.3

Source: Haver and CEIC

Money and Finance

Table 13

Policy Rates (% Per Annum)

		2009	2010												2011							
Country	Description	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Brazil	Brazil SELIC-TAR	8.75	8.75	8.75	8.75	9.50	9.50	10.25	10.75	10.75	10.75	10.75	10.75	10.75	11.25	11.25	11.75	12.00	12.00	12.25	12.50	12.00
China	Prime Lending Rate	5.31	5.31	5.31	5.31	5.31	5.31	5.31	5.31	5.31	5.31	5.56	5.56	5.81	5.81	6.06	6.06	6.31	6.31	6.31	6.56	6.56
Egypt	Egypt Benchmark Deposit Rate	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
India	Reserve Bank of India REPO Cutoff Yield	4.75	4.75	4.75	5.00	5.25	5.25	5.25	5.75	5.75	6.00	6.00	6.25	6.25	6.50	6.50	6.75	6.75	7.25	7.50	8.00	8.00
Indonesia	Bank Indonesia Reference Interest Rate	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Korea	South Korea Official Bank Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.25	2.50	2.50	2.75	2.75	3.00	3.00	3.00	3.25	3.25	3.25
Mexico	Bank of Mexico Official Overnight Rate	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Russia	Russia Refinancing Rate	8.75	8.75	8.50	8.25	8.00	8.00	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	8.00	8.00	8.00	8.25	8.25	8.25	8.25
Taiwan	CB of China Taiwan Discount Rate Daily	1.25	1.25	1.25	1.25	1.25	1.25	1.38	1.38	1.38	1.38	1.50	1.50	1.63	1.63	1.63	1.63	1.75	1.75	1.88	1.88	1.88
Turkey	1-week repo rate	n.a.	n.a.	n.a.	n.a.	n.a.	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.50	6.25	6.25	6.25	6.25	6.25	6.25	6.25	5.75
Turkey	CBRT Interest Rates: Borrowing: Overnight	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	5.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	5.00
Turkey	CBRT Interest Rates: Lending: Overnight	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.75	8.75	8.75	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

Source: Bloomberg and Haver

Table 14
Deposit Rates (% Per Annum)

		2009	2010												2011							
Country	**Deposit Rates**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**
Brazil	30-Day CD Rate	8.21	8.23	8.07	8.20	8.45	8.57	9.19	9.57	9.17	9.15	8.63	9.32	9.89	9.80	9.05	10.93	11.10	11.82	11.78	12.28	
China	3-Month CD Rate	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.50	2.50	2.75	2.75	3.00	3.00	3.25	3.25	3.25		
Egypt	Deposits of less than 1 year	5.90	5.90	5.90	6.00	6.00	5.90	6.30	6.30	6.30	6.40	6.60	6.60	6.60	6.50	6.50	6.50	6.60	6.70			
India	India Bank Deposit 90-180 day	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	
Indonesia	3-Month time deposit	7.48	7.31	7.08	6.99	6.98	6.95	6.95	6.95	6.96	6.95	6.99	7.03	7.06	6.88	6.82	6.91	6.96	6.91	6.95		
Korea	91-Day CD Rate	4.50	4.70	4.40	3.90	3.40	3.50	3.70	3.90	3.90	3.80	3.60	3.70	3.90	4.00	4.30	4.20	4.20	4.20			
Mexico	1-Month Financial Promissory Notes (%)	1.30	1.30	1.30	1.30	1.29	1.30	1.30	1.30	1.28	1.14	1.13	0.95	0.96	0.95	0.95	0.95	0.95	0.95	0.96		
Russia	1-Month Time Deposit	8.20	8.10	7.40	6.90	6.70	6.20	5.80	5.60	5.40	5.10	5.00	5.00	4.90	4.50	4.40	4.20	4.10	4.10			
Taiwan	3-Month NTD Deposit	0.53	0.53	0.53	0.53	0.53	0.53	0.66	0.66	0.66	0.66	0.74	0.74	0.74	0.79	0.79	0.79	0.87	0.87	0.87	0.94	0.94
Turkey	3-Month Time Deposit TL	16.22	15.87	15.92	15.93	15.82	15.91	15.95	15.72	15.78	15.78	13.82	13.83	12.90	12.08	12.15	12.16	12.90	14.75	14.89		

Source: Haver and Datastream

Table 15
M2 (% YoY Growth)

	2009	2010												2011						
Country	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**
Brazil	8.8	8.7	8.5	9.9	9.1	9.1	8.8	9.4	11.0	12.0	13.5	14.9	16.7	17.6	18.9	19.9	21.0	21.7	21.4	22.1
China	27.6	26.1	25.5	22.5	21.5	21.0	18.5	17.6	19.2	19.0	19.3	19.5	19.7	17.3	15.7	16.6	15.4	15.1	15.9	14.7
Egypt	9.5	9.4	9.5	9.8	9.6	8.4	10.4	10.4	11.8	11.8	13.4	12.8	12.4	11.8	12.2	11.2	10.8	11.0	10.0	10.4
India	17.8	18.9	17.5	19.2	15.7	15.6	19.1	19.1	17.2	15.7	19.8	21.1	19.9	14.0	13.8	9.4	10.9	9.1	7.0	
Indonesia	13.0	10.7	8.8	10.2	10.6	11.2	12.8	13.1	12.1	12.7	14.2	13.8	15.4	17.5	17.1	16.1	15.0	15.5	13.1	13.8
Korea	9.9	10.0	8.6	9.7	9.3	9.0	9.0	9.1	8.0	7.2	7.7	7.3	6.0	5.0	4.8	4.1	4.3	3.2	2.9	
Mexico*	6.4	n.a.	n.a.	5.7	n.a.	n.a.	8.0	n.a.	n.a.	9.6	n.a.	n.a.	8.0	n.a.	n.a.	7.9	n.a.	n.a.	7.9	n.a.
Russia	17.7	30.4	32.9	35.0	36.0	33.6	33.6	35.2	36.3	35.0	33.4	33.2	31.1	29.5	28.2	26.7	24.5	22.6	22.7	22.2
Taiwan	5.7	5.0	4.9	4.0	4.0	3.4	4.0	4.2	4.7	4.7	4.9	5.1	5.3	6.4	5.8	5.9	6.2	5.7	5.9	6.3
Turkey	11.0	12.8	14.3	16.8	19.1	22.4	24.7	25.1	24.4	23.9	22.7	24.2	24.4	25.3	24.9	24.0	24.4	23.6	21.5	20.8

* Note: Quarterly data
Source: Haver

Table 16

Loans (% YoY Growth)

		2009	2010												2011						
Country	**Description**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**
Brazil	Domestic Credit (EOP, NSA)	9.1	9.3	9.4	19.6	19.6	19.8	20.7	22.0	21.6	20.3	20.0	20.8	20.3	20.1	21.4	18.3	19.0	18.4	18.4	17.4
China	Domestic Credit (NSA)	30.4	27.4	26.2	21.9	21.4	20.4	18.2	17.5	18.4	18.1	18.6	18.1	18.8	18.0	16.9	17.3	15.9	16.1	16.6	
Egypt	Domestic Credit (EOP, NSA)	12.8	11.6	10.9	8.8	7.3	9.2	11.5	11.7	9.7	8.6	10.3	11.4	7.8	9.6	14.5	15.9	17.7	16.4	15.1	14.6
India	Domestic Credit (EOP, NSA)	17.2	16.6	15.7	17.2	15.8	16.0	14.2	13.3	14.0	15.0	15.8	15.5	18.6	17.0	17.8	17.5	18.0	17.9		
Indonesia	O/S Loans inc Fgn Cur for Com & Rural Banks: Total (EOP, NSA)	10.1	11.0	10.4	12.5	15.8	18.8	20.6	20.5	21.2	22.5	22.5	22.8	23.3	22.6	24.3	24.7	23.8	23.5	22.9	
Korea	Loans of Commercial and Specialized Banks (CSB): Total	4.0	3.7	3.4	3.0	2.9	3.2	3.0	3.0	2.3	2.6	3.5	3.4	3.5	4.0	4.5	4.7	5.4	5.5	5.5	
Mexico	Total Loans in Billions	-1.7	n.a.	n.a.	-0.4	n.a.	n.a.	4.8	n.a.	n.a.	6.3	n.a.	n.a.	6.8	n.a.	n.a.	11.6	n.a.	n.a.	7.9	n.a.
Russia	Loans in Rubles (NSA)	-1.0	-3.7	-2.2	-0.7	1.1	1.9	4.3	6.8	7.1	9.9	11.4	13.8	17.1	16.7	20.0	21.0	23.5	24.1		
Taiwan	Loans/Discounts: All Banks: Total	1.1	2.0	3.2	3.3	4.0	5.4	5.5	6.1	6.4	6.3	7.2	6.8	6.8	8.4	8.5	9.0	8.6	8.1	7.7	7.5
Turkey	Mon Survey: Domestic Credit (NSA)	20.1	22.1	24.3	25.2	25.4	26.7	27.5	26.9	25.6	25.1	24.7	24.9	26.5	26.2	24.4	22.4	22.5	24.1	21.8	21.6

Source: Haver

Table 17

Swap Spread

		3y-1y			10y-5y		
Country	**Description**	**01-Sep-11**	**1 month ago**	**3 months ago**	**01-Sep-11**	**1 month ago**	**3 months ago**
Brazil	Swap rates pre * DI	26.63	12.95	-17.37	n.a.	n.a.	n.a.
China	Onshore quarterly vs. 7-day repo	-28.25	-6	25	13.5	20	31
Egypt		n.a	n.a.	n.a.	n.a.	n.a.	n.a.
India	MIBOR Onshore Swap Rates	-66	-65	-9	-1	-5	3
Indonesia	Onshore Quarterly vs. 3mo SBI	70	20	50	n.a.	n.a.	n.a.
Korea	Onshore KRW/KRW Swap Rates	-7	3.75	18	15	5	20
Mexico*	MXN SWAP (TIIE)	20.4	46.2	71.9	98.5	78.95	71.1
Russia	RUB SWAP VS MOSPRIME	64	115	120	64	66	54
Taiwan	Onshore TWD/TWD swap rate	11	19.5	25	27.5	30	30
Turkey	TRY SWAP (vs 3M)	n.a	n.a.	n.a.	55.5	27	16

* Mexico (38m-13m; 130m-65m)
Source: Bloomberg

Table 18
Stock Index Returns (%)

Country	Description	1 Month	YTD	1 Year
Brazil	Bovespa Index	1.41	-16.14	-13.35
China	Shanghai SE Composite Index	-4.60	-7.51	-0.74
Egypt	Hermes Index	-6.67	-29.20	-20.64
India	BSE Sensex 30 Index	-7.91	-17.72	-5.80
Indonesia	Jakarta Composite index	-8.05	5.54	27.36
Korea	KOSPI Index	-11.34	-8.30	7.76
Mexico	Mexico IPC Index	2.36	-6.54	11.85
Russia	RTSSTD Index	-8.87	-5.74	11.95
Taiwan	Taiwan Taiex Index	-9.63	-10.12	5.25
Turkey	ISE National 100 Index	-12.65	-16.37	-7.74

Source: Bloomberg

Table 19
FX Returns (%)

Country	Description	Rate	1 Month	YTD	1 Year
Brazil	Brazilian Real	1.62	-3.23	1.70	7.80
China	Renminbi	6.38	0.89	3.53	6.73
Egypt	Egyptian Pound	5.95	0.05	-2.51	-4.13
India	Indian Rupees	46.10	-3.95	-2.99	1.56
Indonesia	Rupiah	8508.00	-0.38	5.64	5.90
Korea	Won	1061.30	-0.99	6.12	11.63
Mexico	Peso	12.26	-3.87	-0.09	6.73
Russia	Rouble	28.97	-3.94	5.48	5.97
Taiwan	New Taiwan Dollar	28.95	-0.41	0.49	10.64
Turkey	Turkish Lira	1.72	-0.74	-9.62	-11.96

Source: Bloomberg

Table 20
Fiscal Balance (% of GDP)

		2009				2010					2011	
Country	Description	Jun	Sep	Dec	2009	Mar	Jun	Sep	Dec	2010	Mar	Jun
Brazil	Natl Treasury Performance Summary	-1.15	-4.74	2.73	-1.88	-5.24	-1.40	-1.67	1.84	-1.46	-4.46	
China	Govt Finance: Budget	4.14	1.50	-12.51	-2.26	6.47	4.62	-1.04	-11.76	-1.63	n.a.	4.04
Egypt*	Budget Sector Cash Deficit	n.a.	n.a.	n.a.	-6.90	n.a.	n.a.	n.a.	n.a.	-8.10	n.a.	n.a.
India	Central Govt: Gross Fiscal	-9.08	-5.17	-6.90	-6.99	-6.32	-2.42	-5.50	-1.96	-3.72	-9.83	-8.40
Indonesia	Govt Finance: Budget	-0.62	-1.90	-3.73	-1.58	1.21	1.88	-0.44	-4.83	-0.54	0.33	2.71
Korea	Govt Finance: Budget	-5.87	0.82	2.82	-1.65	-2.62	-1.49	6.18	n.a.	1.42	-1.54	
Mexico	Public Sector Budgetary	-1.96	-0.94	-4.42	-2.29	0.08	-3.49	-2.19	-5.54	-2.86	-0.17	-3.58
Russia	Federal Budget	-7.50	-5.80	-8.99	-5.93	-2.56	-1.35	-2.58	-8.63	-4.03	1.56	
Taiwan	Central Government	3.79	-1.15	-3.17	2.09	12.23	0.14	1.44	-2.12	2.54	10.74	2.12
Turkey	Central Government	-1.78	-6.73	-4.48	-5.53	-4.69	-1.53	-1.97	-6.14	-3.68	-1.45	

* Note: Quarterly data for Egypt is not available
Source: Haver

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