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**MUFG Bank, Ltd.**

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## A window of calm for emerging markets

**Macro focus:** EM outperformance suggests investors are looking through the tariff headline noise. Tariffs as a negotiating strategy may merely be a small part of the narrative and instead, the US administration could lean towards being more hawkish on trade via implementation in coming months, especially if these become a critical component of the fiscal toolkit. Taken together, today's window of calm across emerging markets may be turn out to be merely a false sense of security.

**FX views:** EM FX rebound continues driven by RUB and LatAm FX. Stronger China growth and consumption plans provide support for Latam FX. USD/MXN drops back below 20.000 after Trump administration welcomes Mexico's decision not to retaliate to US tariffs. Fed acknowledging downside risks to US growth would reinforce tailwind for EM FX from lower US yields and USD.

**Week in review:** S&P upgraded Saudi Arabia's credit rating to A+ from A (stable outlook) and Kuwait approves plan to issue debt after eight years. The IMF board has approved the fourth review of Egypt's EFF programme with an immediate disbursement of USD1.2bn. Poland kept its key policy rate unchanged at 5.75% and finally a host of inflation readings for February were released across EM MENA.

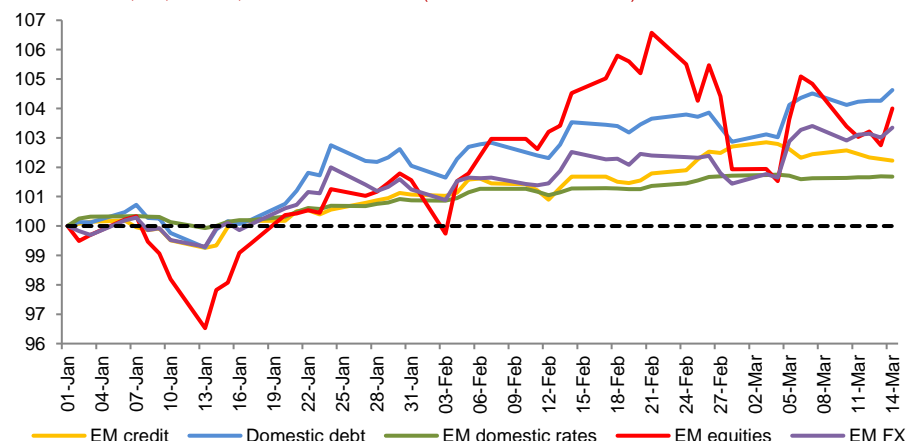
**Week ahead:** This week, there will be rates meetings in South Africa (MUFG: -25bps to 7.25%) and Russia (MUFG: on hold at 21.00%). There will be also be CPI data released in South Africa (MUFG: 3.3% y/y).

**Forecasts at a glance:** The external backdrop for EM has shifted abruptly – the soft-landing pro-risk environment and pricing of non-recessionary Fed cuts has given way to concerns around tariff risks, higher-for-longer US rates and a strong US dollar. This sets the stage for a challenging EM backdrop in 2025. (see [here](#)).

**Core indicators:** The latest monthly IIF flow data signalled that EM securities attracted USD15.9bn in February 2025 driven by USD18.1bn into debt markets, while equities faced USD2.1bn in outflows.

### CHART OF THE WEEK: 2025 YTD RETURNS ARE FUELLING EM OPTIMISM

EM EQUITIES, FX, RATES, CREDIT AND DEBT (1 JANUARY 2025 = 100)



Source: Bloomberg, MUFG Research

## Macro focus

### A window of calm across emerging markets

EM outperformance suggests investors are looking through the tariff headline noise

Notwithstanding the abundance of risks surrounding rising trade tensions and tectonic geopolitical shifts, emerging markets have largely taken this in stride. A window of calm is prevalent across emerging markets with every major cross-asset – EM credit, domestic debt, domestic rates, equities and FX – higher year-to-date. From one lens this is comprehensible, given how the recent rollercoaster of developments has led the market to look through the noise from many tariff headlines. Having said that, this setting does not sit contentedly and we are cautious to downplay US policy risks given the looming deadlines in the coming months.

Will today's window of calm across emerging markets may be turn out to be merely a false sense of security

Tariffs as a negotiating strategy may merely be a small part of the narrative and instead, the US administration could lean towards being more hawkish on trade via implementation in coming months, especially if these become an critical component of the fiscal toolkit. Taken together, today's window of calm across emerging markets may be turn out to be merely a false sense of security. Indeed, although the initial round of tariffs focused on foreign policy considerations, more recent proposals to use tariffs to address trade imbalances, facilitate re-shoring and raise revenue signals that a broader set of tariffs may be looming. Although a simple first-order reciprocal tariff would have negligible implications, it is the prospect of reciprocal tariffs extended to foreign taxes that could have far more negative impact on the global economy. What's more, given the recent policy direction of the US administration, these potential actions and respective responses should be taken more cautiously.

Any dimension of retaliation complicates the macro outlook, especially if they widen beyond tariffs to trade restrictions on imported inputs that would be challenging to substitute

To date, we have factored in a controlled retaliation from emerging markets as a whole to US tariffs. However, any dimension of retaliation complicates the macro outlook, especially if they widen beyond tariffs to trade restrictions on imported inputs that would be challenging to substitute in the short-term. The aggregate trade exposures understate the specific exposures in certain goods and the broader cascade of one critical input into downstream sectors also tends to be underestimated.

We anticipate that the policy bias will gravitationally tilt towards growth than inflation should the trade war escalate

From a monetary policy perspective, thus far the potential increase in traded goods prices have taken a back seat to growth angst in determining the direction of monetary policy across emerging markets, in aggregate. Whilst heightened uncertainty makes it challenging to determine the central bank reaction function, we anticipate that the policy bias will gravitationally tilt towards growth than inflation should the trade war escalate and downside risks to growth materialise.

### WILL THE US LEAD MORE HAWKISH ON TRADE?

US ADMINISTRATION TARIFF ACTIONS AND RETALIATION MEASURES TO 17 MARCH 2024

Target	Tariff	Status	Authority	Retaliation
Most countries	25% on steel and aluminium	Effective 12 March	Section 232	Pledged by EU and other economies
Canada, Mexico	25% on most goods, 10% on Canadian energy	Effective 4 March	IEEPA*	Canada targeted USD107bn worth of US goods, Mexico pledged unspecified retaliation
China	20% on all goods	10% took effect on 4 February and another 10% on 4 March	IEEPA*	China hit USD14bn worth of US goods
Colombia	25% on all goods, 50% after a week	Threated and resolved on 26 January	Migration emergency	Colombia threatened 25% tariffs on US goods
Global	Reciprocal tariffs	Plans announced on 13 February, review demand is 1 April	Section 301, 232, possibly IEEPA*	Pledged by EU and other economies
Global	25% on autos, chips and pharmaceuticals	Set to take effect on 2 April	To be determined	To be determined

Source: Bloomberg, White House, MUFG Research; \* International Emergency Economic Powers Act

## FX views

### EM FX: On track for strongest quarterly performance since Q4 2020

#### EM FX rebound continues driven by RUB and LatAm FX

Emerging market currencies have continued to rebound against the USD at the start of this year, and they are currently on track for their best quarterly performance since Q4 2020 following the negative COVID shock. The best performing emerging market currencies over the past week have been the RUB (+3.9% vs. USD), MXN (+2.1%), BRL (+2.0%), COP (+1.9%) and CLP (+1.7%). While the MYR (-0.6% vs. USD), IDR (-0.4%), TRY (-0.4%) and TWD (-0.3%) have underperformed. The RUB has benefitted from building optimism over a potential ceasefire deal between Russia and Ukraine. According to press reports, Presidents Trump and Putin are expected to speak again tomorrow to discuss territory and dividing up certain assets. President Trump has expressed optimism that there is a “very good chance” for a deal.

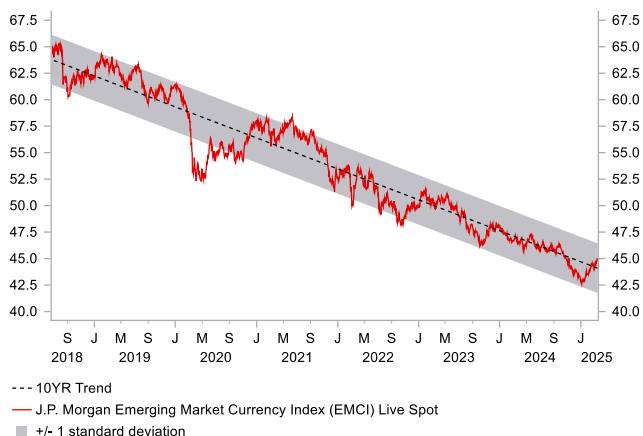
#### Stronger China growth and consumption plans provide support for LatAm FX. USD/MXN drops back below 20.000 after Trump administration welcomes Mexico's decision not to retaliate to US tariffs.

LatAm currencies have outperformed supported in part by the pick-up in commodity prices this month. The price of copper has risen up to its highest level since Q2 of last year. It follows the announcement towards the end of February that President Trump has ordered an investigation into copper imports which is encouraging market participants to bring forward demand. At the same time, the latest activity data from China at the start of this year is proving stronger than expected providing support for commodity prices and related-currencies. Retail sales (+4.0% YTD YoY), industrial production (+5.9% YTD YoY) and fixed asset investment excluding rural (+4.1% YTD YoY) all came in stronger than expected in February. It provides some comfort for Chinese policymakers before the 20 percentage points of tariff hikes were put in place on imports from China at the start of Trump's second term. China has provided updated guidelines for providing fresh support for consumption including room for expanding the goods trade-in program and childcare subsidies although it was short on details.

#### Fed acknowledging downside risks to US growth would reinforce tailwind for EM FX from lower US yields and USD.

The weaker USD and lower US yields are providing a tailwind for emerging market currencies. Building fears over slower US growth in response to heightened policy uncertainty and trade tariffs have hurt business and consumer confidence. At this week's FOMC meeting, we expect the Fed to acknowledge that downside risks to US growth have increased but still reiterate that they are not in a rush to resume rate cuts right now. The US rate market has already moved to bring forward expectations for the next Fed rate cut to June and is pricing in 2-3 further cuts in total this year which should help to dampen the negative impact on the USD from the Fed's policy update.

### EM FX STAGES STRONG REBOUND IN Q1



Source: Bloomberg, Macrobond & MUFG Research

### LOWER US YIELDS PROVIDE TAILWIND FOR EM FX



Source: Bloomberg, Macrobond & MUFG Research

## Week in review

**EM fund flows surged by USD15.9bn in February - debt inflows persist as equities struggle**

### Capital flows: EM fund attracted USD15.9bn inflows in February

The latest monthly IIF flow data signalled that EM securities attracted USD15.9bn in February 2025 driven by USD18.1bn into debt markets, while equities faced USD2.1bn in outflows. China's USD11.2bn equity flows contrasted with broader EM struggles, particularly in India, South Korea, and Taiwan, amid trade tensions and weak earnings expectations. Strong US dollar pressured EM currencies, while local currency debt remained resilient, attracting investors with higher yields. Latin America and the Middle East led sovereign and corporate debt issuance. With US interest rates expected to stay high, EM debt is likely to outperform equities in the near term.

**Saudi Arabia upgraded by S&P to A+ on diversification progress**

### Saudi Arabia: S&P upgrades Saudi Arabia's rating to A+ from A, stable outlook

S&P upgraded Saudi Arabia's credit rating to A+ from A (stable outlook) for the first time in two years. They cite "the institutional settings for Saudi Arabia have strengthened in the context of socioeconomic reforms and transformation under Vision 2030 and are now in line with most peers rated in the A category". The stable outlook reflects the view that stronger non-oil economic growth and the kingdom's ongoing efforts to develop its capital markets will counterbalance any stresses linked to rising government debt and debt servicing costs. The rating is now on par with G20 members Japan and China, though it remains below Saudi's own rating assessment by Moody's.

**Kuwait moves to issue debt after eight-year hiatus amid reform push**

### Kuwait: Kuwait approves plan to issue debt after eight years

According to press reports, a draft of the long-awaited debt law has been approved by the Council of Ministers and is now pending sign-off by HRH Emir Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah. Details of the law have not been published yet, but an earlier, preliminary draft proposed a limit of KWD20-30bn (USD65-95bn) in debt issuance over a period of up to fifty years.

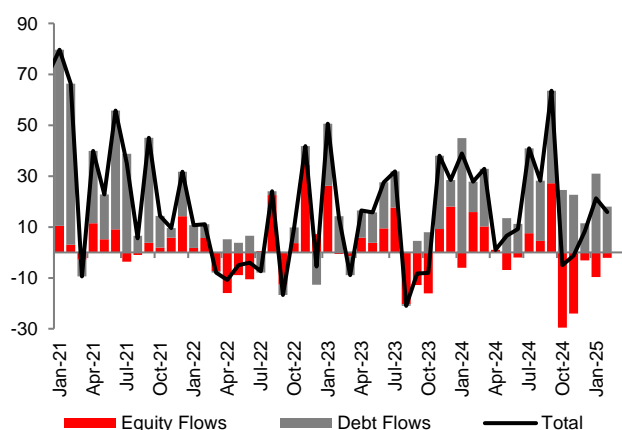
**IMF approves USD2.5bn for Egypt, urges further reforms**

### Egypt: IMF approves fourth review EFF for Egypt, approving USD2.5bn in funding

The IMF board has approved the fourth review of Egypt's Extended Fund Facility (EFF) programme with an immediate disbursement of USD1.2bn. The request for an

### EM SECURITIES ATTRACTED USD15.9BN IN FEBRUARY 2025, WITH EM LATAM THE DOMINANT FORCE

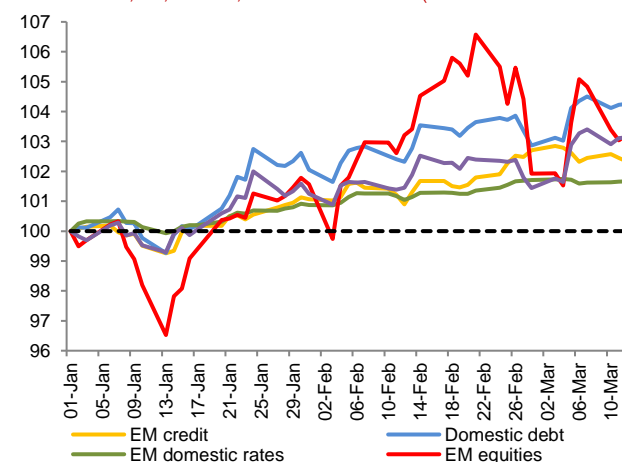
EM FUND FLOWS – EM EQUITY AND DEBT, (USD BN)



Source: IIF, MUFG Research

### EM CROSS-ASSETS HAVE RALLIED WITH A DETERIORATING US GROWTH OUTLOOK TOP OF MIND

EM EQUITIES, FX, RATES, CREDIT AND DEBT (1 JANUARY 2025 = 100)



Source: Bloomberg, MUFG Research

arrangement under the Resilience and Sustainability Facility (RSF) was also approved with access of about USD1.3bn through the remaining program period. The IMF re-emphasised the need for authorities to step up implementation of key structural reforms that will help accelerate divestments, boost growth, and increase revenues.

### Inflation across EM EMEA: a host of February CPI readings

Inflation for February were released in Egypt, Hungary, Russia, Romania, Poland and Israel

Inflation readings for February were released across Egypt, Hungary, Russia, Romania, Poland and Israel:

1. **Egypt.** Inflation fell to 12.8% y/y in February from 24.0% y/y in January, lower than our expectations (14.3% y/y). The sharp base effects drop was anticipated, raising expectations of rate cuts at the next Central bank of Egypt (CBE) meeting.
2. **Hungary.** Inflation rose to 5.6% y/y in February from 5.5% y/y in January against our (and consensus) expectation of 5.3% y/y. This was driven by higher food prices and FX pass-through effects.
3. **Russia.** Inflation slightly increased from 9.9% y/y in January to 10.0% y/y in February in line with our (and consensus) forecast. This was driven by surging government military spending despite the Central Bank of Russia's (CBR) aggressive rate hikes to 21.00%.
4. **Romania.** Inflation unexpectedly rose to 5.0% y/y in February from 4.9% y/y in January, higher than our (5.0% y/y) and consensus forecasts (4.7% y/y). The increase was predominantly driven by higher service prices as well as food and non-food prices.
5. **Poland.** Inflation fell from 5.3% y/y in January to 4.9% y/y in February (consensus 5.4% y/y). Our expectations are that food price inflation will continue to contribute positively, offsetting lower fuel price inflation.
6. **Israel.** Inflation fell from 3.8% y/y in January to 3.4% y/y in February lower than our (and consensus) expectation of 3.7% y/y. It suggests that policy measures may be effectively curbing inflation.

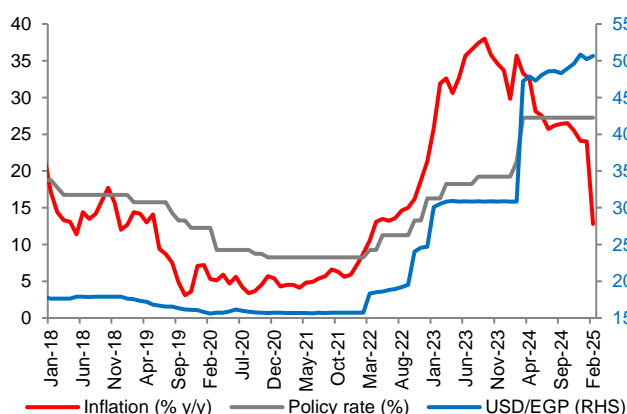
### Poland: NBP kept its key policy rate unchanged at 5.75%,

Poland held rates at 5.75%, signalled no imminent cuts

The National Bank of Poland (NBP) kept its key policy rate unchanged at 5.75%, in line with our (and consensus) expectations. The decision came with a neutral stance on future decisions based on inflation and economic data. However, the statement indicated a pivot towards stronger domestic demand and prolonged inflation.

### EGYPT'S INFLATION FELL SHARPLY, PAVING THE WAY FOR RATE CUTS

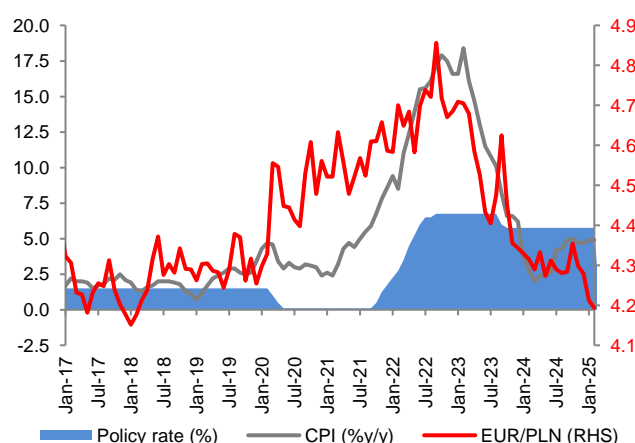
EGYPT POLICY RATE (%), INFLATION (% Y/Y), AND USD/EGP



Source: Bloomberg, CBE, MUFG Research

### POLAND HELD RATES AT 5.75%, SIGNALLED NO IMMINENT CUTS

POLAND POLICY RATE (%), INFLATION (% Y/Y) AND EUR/PLN



Source: Bloomberg, NBP, MUFG Research

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## Week ahead

### **South Africa:** inflation to rise to 3.3% y/y in February from 3.2% y/y in January

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Inflation in South Africa for February is set to slow, paving way for rate cuts

South Africa's inflation data will be released on 19 March, and we expect headline inflation to increase to 3.3% y/y in February (consensus 3.4%) from 3.2% y/y in January, and core inflation to remain at 3.5% y/y. While a rise in medical aid premiums may push monthly prices higher in February, declining transport costs from a high base last year will likely keep year-on-year inflation subdued. Looking ahead, transport price deflation should keep inflation near 3.0% until mid-2025, before rising to 4.0% by year end. This mild inflation outlook provides room for policymakers to cut rates by 25bps in March, bringing the policy rate to 7.25%, in our view.

### **South Africa:** SARB to cut rates by 25bps to 7.25%

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South Africa expected to cut rates amid lower inflation

The South African Reserve Bank (SARB) will meet on 20 March, and we (and consensus) expect the SARB will cut the rate by 25bps to 7.25%. Recent inflation has been lower than anticipated, driven by declining fuel prices. Annual inflation is likely to near the lower end of the SARB's 3-6% target until mid-2025, before rising to 4% by year-end. While inflation expectations have eased, the South African Rand (ZAR) has weakened markedly since the turn of the year. Given the emphasis that the Monetary Policy Committee (MPC) has historically placed on the global rate environment and on FX, we anticipate this to imply a hawkish shift in communication from the MPC.





### **Russia:** CBR set to keep rates on hold at 21.00% but may weaken its hawkish stance

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Russia poised to hold rates but may signal easing ahead

The Central bank of Russia (CBR) will meet on 21 March, and we (and consensus) expect it will keep policy rates at 21.00%. However a more dovish tone is expected in its forward guidance. Inflation in February in annualised terms rose from 9.9% y/y to 10.1% y/y. The CBR has acknowledged that achieving its 4.0% y/y inflation target will take until 2026, while recent inflation figures align with its forecast of 7-8% by end of 2025. Meanwhile, a sharp decline in the PMI composite index from 54.7 in January to 50.4 in February, along with the Russian Rouble's (RUB) more than 30% appreciation year-to-date, suggests that the CBR may begin propelling market expectations towards a rate cut in the Q2 2025.
























# Weekly calendar
























	Country	Day	GMT	Indicator/Event	Period	MUFG Forecast	Consensus	Previous	Market Moving
	South Africa	19/03/2025	12:00	CPI, % (y/y)	Feb	3.30%	3.40%	3.20%	!!!
	South Africa	19/03/2025	12:00	Core CPI, % (y/y)	Feb	3.50%	3.50%	3.50%	!!!
	South Africa	20/03/2025	---	Policy Rate, %	---	7.25%	7.25%	7.50%	!!!
	Russia	21/03/2025	14:30	Policy Rate, %	Feb	21.00%	21.00%	21.00%	!!!

Source: Bloomberg, MUFG Research


























## Forecasts at a glance
























EM EMEA economic growth, fiscal balance and current account balance									
	Real GDP (% y/y)			Fiscal balance (% of GDP)			Current account (% of GDP)		
	Latest	2025	2026	Latest	2025	2026	Latest	2025	2026
 Bahrain	-4.18	3.00	2.90	-10.55	-5.30	-5.00	5.86	4.20	1.90
 Czech Rep.	1.80	2.30	2.40	-3.83	-2.30	-2.20	0.38	0.90	0.80
 Egypt	6.28	4.20	4.80	-5.77	-7.80	-6.00	-1.20	-4.50	-3.20
 Greece	5.73	2.10	2.00	-0.91	-0.80	-0.80	-6.87	-5.60	-5.00
 Hungary	0.40	2.30	3.20	-6.69	-4.40	-3.90	0.19	1.90	1.80
 Iraq	4.43	4.07	5.20	-1.22	-8.17	-8.95	4.54	-3.42	-4.42
 Israel	7.00	3.50	3.90	-4.84	-5.10	-3.70	4.85	4.00	3.70
 Jordan	2.62	2.60	2.70	-7.21	-4.00	-3.40	-3.46	-4.60	-4.30
 Kenya	1.00	5.00	5.30	-5.76	-4.60	-4.50	-3.97	-3.60	-3.40
 Kuwait	-2.72	3.00	2.90	29.92	-5.70	-3.40	31.40	17.00	17.20
 Lebanon	-0.70	--	--	-2.67	--	--	-18.08	--	--
 Morocco	4.30	3.90	3.80	-4.40	-3.80	-3.30	-0.62	-2.40	-2.30
 Nigeria	3.84	3.30	3.40	-4.16	-4.20	-4.10	1.66	2.90	2.50
 Oman	1.19	3.20	3.00	6.69	-0.50	-1.10	2.42	-0.70	0.20
 Poland	3.20	3.30	3.20	-5.10	-5.60	-4.80	1.55	-0.30	-0.50
 Romania	0.74	2.90	2.90	-5.61	-7.30	-7.30	-6.97	-7.18	-7.18
 Qatar	2.00	2.70	5.20	5.55	2.60	5.00	17.12	13.10	14.50
 Russia	3.06	1.60	1.40	-2.27	-1.20	-1.10	2.49	2.60	2.40
 Saudi Arabia	4.48	4.60	4.60	-2.02	-3.20	-3.20	3.19	-0.20	-0.20
 South Africa	0.90	1.70	1.90	-4.26	-4.60	-4.20	-1.60	-1.90	-2.20
 Turkey	3.00	2.60	3.50	-5.31	-3.50	-3.00	-3.98	-1.30	-1.40
 Ukraine	2.00	3.40	4.80	-19.61	-17.70	-10.70	-5.41	-7.50	-7.90
 UAE	7.90	5.00	4.20	4.96	4.30	4.50	10.67	8.20	8.40

EM EMEA inflation, interest rates and FX									
	Inflation (% y/y, average)			Policy interest rates (%)			FX (against USD)		
	Latest	2025	2026	Latest	End-2025	End-2026	Latest	End-2024	End-2025
 Bahrain	0.00	1.7	1.9	6.00	5.50	5.25	0.38	0.38	0.38
 Czech Rep.	2.70	2.3	2.1	3.75	3.25	3.00	25.02	21.88	23.70
 Egypt	12.80	18.5	12.0	27.25	18.25	13.25	50.76	45.50	48.70
 Greece	2.54	2.1	2.0	2.65	2.25	2.00	1.09	1.12	--
 Hungary	5.60	4.2	3.5	6.50	5.75	5.00	367.44	356.30	393.50
 Iraq	2.90	3.5	3.5	4.00	3.50	3.25	1310.00	1310.00	1310.00
 Israel	3.43	2.9	2.3	4.50	4.00	3.00	3.64	3.10	--
 Jordan	2.12	2.0	2.2	7.25	6.75	6.50	0.71	0.71	0.71
 Kenya	3.50	4.9	5.2	10.75	9.75	9.50	129.44	138.83	--
 Kuwait	2.50	2.5	2.3	4.00	3.50	3.25	0.31	0.30	0.30
 Lebanon	16.09	--	--	2.75	--	--	89550.00	--	--
 Morocco	2.00	2.2	2.1	2.50	2.00	1.75	9.69	9.77	--
 Nigeria	24.50	25.8	15.0	27.50	25.00	19.00	1546.44	--	--
 Oman	1.00	1.3	1.2	5.07	4.50	4.25	0.38	0.39	0.39
 Poland	4.90	4.4	3.2	5.75	5.00	4.00	3.85	3.84	4.03
 Romania	5.02	3.9	3.9	6.50	4.50	4.50	4.58	4.50	4.69
 Qatar	-1.15	1.7	1.9	4.85	4.25	4.00	3.64	3.64	3.64
 Russia	10.06	7.6	5.4	21.00	17.00	11.00	118.69	92.03	121.62
 Saudi Arabia	2.00	1.9	1.9	4.50	4.00	4.00	3.75	3.75	3.75
 South Africa	3.20	4.1	4.5	7.50	7.00	7.00	18.22	18.75	19.00
 Turkey	39.05	32.5	21.0	42.50	28.50	22.00	36.68	35.50	43.25
 Ukraine	13.40	11.6	6.7	15.50	13.50	11.00	41.42	--	--
 UAE	1.87	2.0	2.1	4.33	3.75	3.50	3.67	3.67	3.67


























## Core indicators

EM EMEA sovereign bond yields (%)										
		Maturity	14-Feb	21-Feb	28-Feb	07-Mar	14-Mar	Change in yield (basis points)		
								Week	MTD	YTD
	Bahrain	10 years	6.82	6.75	6.74	6.87	6.86	-1.00	9.38	-32.82
	Czech Rep.	10 years	3.57	3.57	3.53	3.72	3.63	-9.00	10.96	-9.19
	Egypt	8 years	9.74	9.86	9.76	10.12	10.08	-4.50	31.36	16.83
	Greece	8 years	2.51	2.52	2.42	2.72	2.70	-2.20	27.94	20.73
	Hungary	8 years	6.55	6.45	6.40	6.60	6.76	15.20	37.95	37.50
	Israel	9 years	5.36	5.40	5.28	5.40	5.43	3.30	14.58	-19.03
	Jordan	5 years	7.61	7.51	7.35	7.62	7.57	-4.60	21.13	-21.45
	Kenya	7 years	8.38	8.46	7.91	8.24	8.35	11.30	44.20	-55.46
	Kuwait	6 years	4.65	4.64	4.58	4.62	4.63	1.00	5.09	-36.65
	Lebanon	10 years	38.99	38.80	38.91	39.03	39.82	78.90	94.14	-906.67
	Morocco	11 years	3.99	3.97	3.91	4.02	4.16	13.80	25.52	4.01
	Nigeria	9 years	8.80	8.71	8.71	9.08	9.31	22.70	59.83	-21.35
	Oman	7 years	5.67	5.64	5.47	5.53	5.58	5.90	10.70	-16.05
	Poland	8 years	2.53	2.53	2.48	2.67	2.70	2.80	22.42	17.00
	Romania	7 years	4.04	4.04	3.96	4.19	4.15	-3.80	18.71	-2.52
	Qatar	9 years	4.79	4.79	4.58	4.64	4.66	1.40	7.05	-22.46
	Russia	5 years	32.65	33.12	33.86	37.06	40.58	352.90	683.40	1117.12
	Saudi Arabia	9 years	5.29	5.25	5.09	5.15	5.19	3.80	8.39	-25.09
	South Africa	9 years	10.47	10.58	10.53	10.52	10.59	7.20	6.15	27.95
	Turkey	10 years	7.29	7.33	7.23	7.29	7.26	-2.90	2.90	-15.46
	Ukraine	8 years	19.10	19.18	19.35	18.81	18.56	-25.00	-128.00	51.00
	Abu Dhabi	9 years	4.94	4.90	4.69	4.73	4.75	1.80	6.41	-27.07
	Dubai	4 years	4.63	4.56	4.38	4.42	4.47	4.90	9.15	-6.77




















EM EMEA equity market (index)										
		07-Feb	14-Feb	21-Feb	28-Feb	07-Mar	14-Mar	Change (%)		
								Week	MTD	YTD
	Bahrain	1,882	1,892	1,940	1,960	1,974	1,972	-0.08	0.45	-0.85
	Czech Rep.	1,916	1,974	1,987	1,976	2,033	2,070	1.81	4.76	17.60
	Egypt	30,012	29,997	30,915	30,610	30,947	31,291	1.11	2.38	5.37
	Greece	1,558	1,604	1,618	1,608	1,627	1,694	4.07	5.34	15.24
	Hungary	86,718	87,542	88,019	87,147	88,230	87,873	-0.40	0.83	10.77
	Israel	2,508	2,499	2,515	2,470	2,467	2,511	1.78	2.43	5.63
	Jordan	2,608	2,579	2,599	2,593	2,612	2,615	0.10	0.91	5.12
	Kenya	130	131	133	132	134	130	-3.12	-1.96	4.91
	Kuwait	7,895	8,019	8,143	8,101	8,119	7,908	-2.60	-2.73	7.03
	Lebanon	2,514	2,517	2,491	2,386	2,452	2,383	-2.78	-0.11	-9.29
	Morocco	16,326	16,452	16,843	16,724	16,610	16,614	0.02	-0.66	12.46
	Nigeria	105,933	108,054	108,497	107,821	106,539	105,995	-0.51	-1.69	2.98
	Oman	4,564	4,478	4,444	4,436	4,396	4,387	-0.18	-1.22	-4.25
	Poland	2,488	2,576	2,618	2,580	2,643	2,754	4.23	6.78	25.66
	Romania	17,064	17,682	17,525	17,521	17,607	17,270	-1.91	-1.43	3.29
	Qatar	10,616	10,619	10,654	10,446	10,514	10,423	-0.86	-0.23	-1.41
	Russia	---	---	---	---	---	---	---	---	---
	Saudi Arabia	12,434	12,385	12,388	12,112	11,811	11,726	-0.72	-2.13	-1.52
	South Africa	79,636	80,972	81,392	78,549	81,180	80,678	-0.62	2.71	7.03
	Turkey	9,952	9,878	9,602	9,659	10,507	10,841	3.17	12.24	10.27
	Ukraine	82	95	93	92	97	92	-5.28	0.66	22.49
	Abu Dhabi	9,586	9,626	9,618	9,565	9,448	9,419	-0.31	-1.53	0.00
	Dubai	5,238	5,362	5,359	5,318	5,223	5,141	-1.57	-3.33	-0.35

## EM EMEA FX against USD\*

		07-Feb	14-Feb	21-Feb	28-Feb	07-Mar	14-Mar	Change (%)		
								Week	MTD	YTD
	USD Index	108.04	106.71	106.61	107.61	103.84	103.72	0.12	-3.58	-4.35
	Bahrain**	0.38	0.38	0.38	0.38	0.38	0.38	0.01	-0.02	0.07
	Czech Rep.	24.33	23.85	23.99	24.16	23.03	23.00	0.13	4.99	5.81
	Egypt	0.02	0.02	0.02	0.02	0.02	0.02	0.00	0.00	0.00
	Greece***	1.03	1.05	1.05	1.04	1.08	1.09	-0.42	4.81	5.02
	Hungary	392.37	383.65	385.48	387.97	367.40	366.87	0.14	5.59	8.17
	Israel	3.57	3.55	3.57	3.60	3.62	3.66	-0.93	-1.50	-0.58
	Jordan**	0.71	0.71	0.71	0.71	0.71	0.71	0.00	0.00	0.00
	Kenya	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00
	Kuwait	0.31	0.31	0.31	0.31	0.31	0.31	0.00	-0.01	0.55
	Lebanon	89525.00	89537.50	89500.00	89550.00	89550.00	89550.00	0.00	0.00	-0.03
	Morocco	10.04	9.96	9.96	9.97	9.73	9.69	0.41	2.92	4.58
	Nigeria	1498.71	1510.00	1502.23	1499.30	1515.00	1546.44	-2.08	-3.05	-0.15
	Oman**	0.39	0.39	0.39	0.39	0.39	0.39	0.00	-0.03	0.05
	Poland	4.06	3.97	3.98	4.04	3.85	3.84	0.22	5.01	7.32
	Romania	4.82	4.74	4.76	4.80	4.59	4.57	0.39	4.79	4.96
	Qatar**	3.64	3.64	3.64	3.64	3.64	3.64	-0.03	0.01	0.00
	Russia	97.00	91.34	88.50	89.46	90.00	85.50	5.00	4.63	32.77
	Saudi Arabia**	3.76	3.76	3.76	3.76	3.76	3.76	0.00	0.01	0.01
	South Africa	18.40	18.39	18.38	18.69	18.24	18.20	0.25	2.59	3.43
	Turkey	35.99	36.24	36.43	36.47	36.46	36.57	-0.30	-0.57	-3.60
	Ukraine	41.52	41.59	41.63	41.59	41.27	41.42	-0.38	0.41	1.42
	UAE**	3.67	3.67	3.67	3.67	3.67	3.67	0.00	-0.01	0.00

Note: \* Exchange rate quoted as amount of USD per currency in line with market convention, other exchange rates are amount per USD; \*\* 12 month forward given pegged against USD; \*\*\* EUR per USD

## EM EMEA 5 year CDS spreads (basis points)

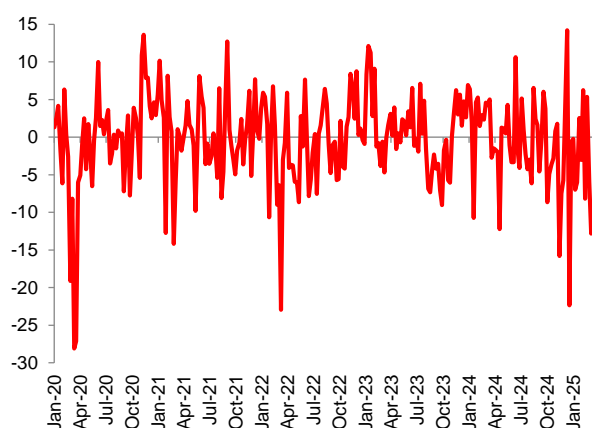
		07-Feb	14-Feb	21-Feb	28-Feb	07-Mar	14-Mar	Change (basis points)		
								Week	MTD	YTD
	Bahrain	172.08	166.98	173.85	175.86	187.89	190.67	2.78	14.81	-11.84
	Czech Rep.	28.04	28.26	29.26	29.23	28.05	28.20	0.15	-1.03	-3.97
	Egypt	526.46	513.30	536.09	524.83	552.61	564.56	11.95	39.73	-530.41
	Greece	119.74	119.74	119.74	119.74	119.74	119.74	0.00	0.00	0.00
	Hungary	122.30	118.77	117.78	117.79	116.85	118.30	1.45	0.51	-9.35
	Israel	85.07	87.10	87.10	80.15	80.10	80.14	0.04	-0.01	-26.81
	Kenya	463.50	454.00	451.50	459.50	470.00	490.50	20.50	31.00	471.00
	Kuwait	60.00	59.00	59.00	60.00	60.00	60.50	0.50	0.50	21.00
	Morocco	98.51	98.51	95.05	95.05	95.05	95.05	0.00	0.00	-14.83
	Nigeria	377.00	377.00	377.00	377.00	377.00	377.00	0.00	0.00	-171.00
	Oman	97.41	93.88	95.25	97.95	98.25	98.58	0.33	0.64	-15.29
	Poland	69.13	66.25	66.26	66.23	65.15	65.22	0.07	-1.01	2.00
	Romania	198.81	198.50	208.29	208.35	193.84	193.68	-0.16	-14.67	51.32
	Qatar	39.63	35.34	36.34	36.30	37.15	35.76	-1.39	-0.54	-9.94
	Saudi Arabia	62.63	59.76	60.77	60.49	63.13	63.20	0.07	2.71	10.99
	South Africa	200.30	190.72	197.04	196.63	201.29	205.02	3.73	8.39	1.26
	Turkey	252.29	242.06	255.72	254.36	257.21	259.87	2.66	5.51	-20.36
	Abu Dhabi	37.63	35.33	35.33	35.54	36.15	36.26	0.11	0.72	-4.99
	Dubai	59.17	59.30	59.30	55.30	54.19	54.28	0.09	-1.02	-6.97

Source: Bloomberg, MUFG Research

## EM capital flows

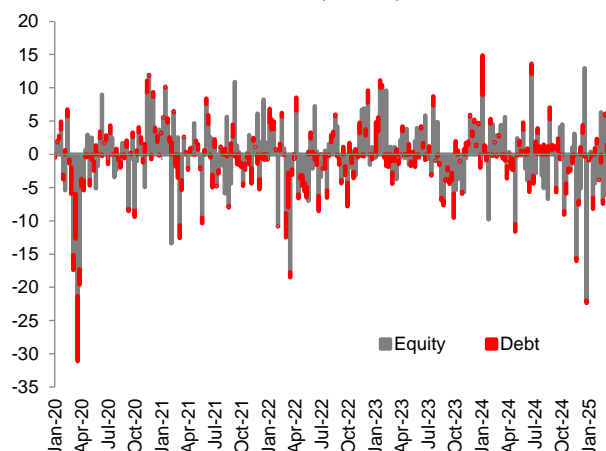
WEEKLY TOTAL EM OUTFLOWS OF USD9.2BN – 14 MARCH

TOTAL WEEKLY PORTFOLIO FLOWS (DEBT AND EQUITY) (USD BN)



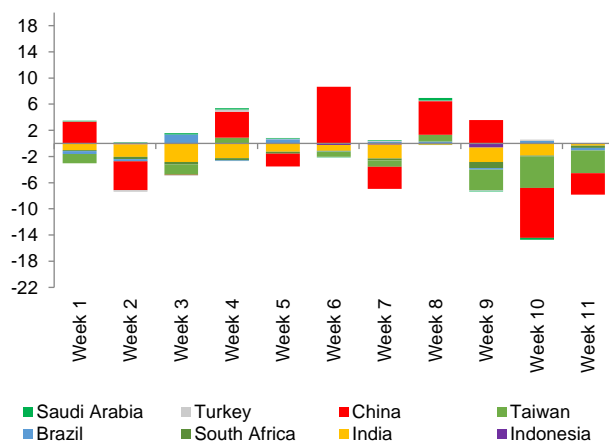
WEEKLY EM OUTFLOWS FROM EQUITY (USD9.6BN) AND DEBT INFLOWS (USD0.4BN) – 14 MARCH

WEEKLY DEBT AND EQUITY FLOWS (USD BN)



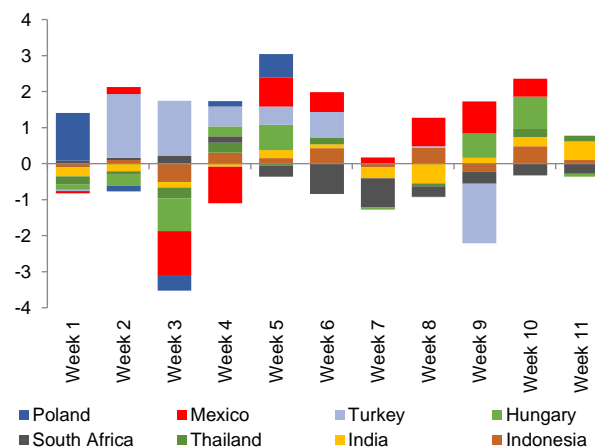
TAIWAN (USD3.5BN) LED WEEKLY EM EQUITY OUTFLOWS – 14 MARCH

WEEKLY PORTFOLIO FLOWS BY COUNTRY, WEEK 1 = JANUARY 2025 (EQUITY) (USD BN)



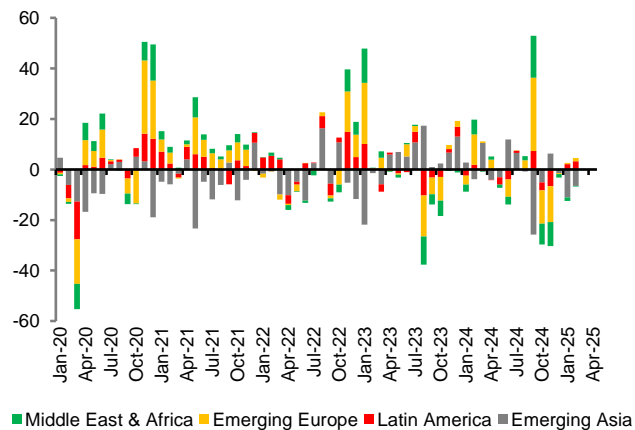
INDIA (USD0.5BN) LED WEEKLY EM DEBT INFLOWS – 14 MARCH

WEEKLY PORTFOLIO FLOWS BY COUNTRY, WEEK 1 = JANUARY 2025 (DEBT) (USD BN)



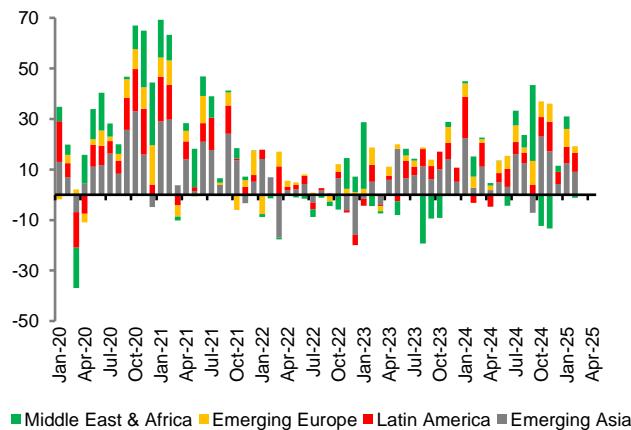
EM EQUITY OUTFLOWS TOTALLED USD2.1BN IN FEBRUARY, LED BY EM ASIA (USD6.5BN)

MONTHLY PORTFOLIO FLOWS BY REGION (EQUITY) (USD BN)



EM DEBT INFLOWS TOTALLED USD18.1BN IN FEBRUARY, LED BY EM ASIA (USD9.1BN)

MONTHLY PORTFOLIO FLOWS BY REGION (DEBT) (USD BN)



Source: Bloomberg, IIF, MUFG Research

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