World at a Glance

The inflation fight in a slowdown

26 April 2023

FX, Rates and Commodities
Global

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Key forecasts in FX, rates and commodities

As markets recover from recent concerns around the banking sector, focus has returned to the prospects for the fight against inflation amid a likely slowdown. Our core macro forecasts remain the same, including for EUR, CNY, the US10yr and oil.

G10 FX: still looking for rangebound euro

Our baseline views for major G10 FX remain unchanged, including our end-year forecast EUR-USD of 1.10. Since last month, we do have revisions in our forecasts for both NOK and SEK.

EM Asia: maintaining 6.70 for year-end USD-CNY

We leave our key EM currency forecasts unchanged from last month. In particular, we continue to hold our expectations of USD-CNY at 6.70 and USD-INR at 80.00 for the end of the year X.

EEMEA: optimistic medium term, cautious in Q2

End of Fed's tightening cycle + China growing faster-than-expected + light positioning = medium-term stronger EEMEA FX. Global growth slowdown in medium term to benefit the USD only for a short period. We are bullish PLN, ZAR, HUF, neutral ILS and CZK.

LatAm: mostly about the US

Markets gradually started to fade the aggressive cuts in the US that were priced last month. In our view, there is still room for the repricing to continue. While this should also lead to stronger LatAm FX, shifts will likely be highly dependent on global factors.

Interest rates: outlook largely the same

Our forecast for the end-year US10yr remains 3.25%. We maintain our forecast for a lower path for 2s & 10s + a less inverted curve. We do have a number of forecast revisions elsewhere.

Commodities: continue to expect Brent to average $88/bbl

Our forecasts for energy remain the same, highlighted by our forecast for Brent to average $88/bbl and WTI to average $82/bbl in 2023. We do have revisions for metals, and in particular, we lift our 4Q gold forecast to $2,200/oz from $2,000/oz previously.

The World at a Glance (WAAG) is our flagship monthly publication, highlighting our key forecasts in FX, rates and commodities. This edition covers each of the G10 currencies, six major developed-market interest rates, the major EM currencies, and five key commodities.

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BofA GLOBAL RESEARCH

US rates: Roadmap for Fed on hold

Mark Cabana, CFA
BofAS

Themes: lower rates & vol, steeper curve

US rates declined with bank stress but moves have recently stabilized. Recent bank stress likely makes the Fed more cautious in further policy tightening. If May is last hike of the cycle, history says be long duration; curve typically steepens after last hike but is harder to beat vs forwards.

The BofA US economics team base case remains the last & final Fed rate hike at the May meeting. We agree. Macro data justifies the Fed delivering on their dots but taking a more cautious stance as a result of the emerging tightening of Fed landing standards.

The frontloaded bull steepening we have seen recently implies a higher degree of near-term conviction from here on the duration vs the curve view. Medium term (c.1-2y horizon) we continue to think the curve will steepen. Our core guidance remains: trade duration from the long side & curve from steepening side. Trade 10yT tactically between 3.25-3.75%. Trade UST curve from steepening side, we prefer 5s30s over 2s10s.

Forecasts: 2s10s unchanged at 25bps of inversion by end '23

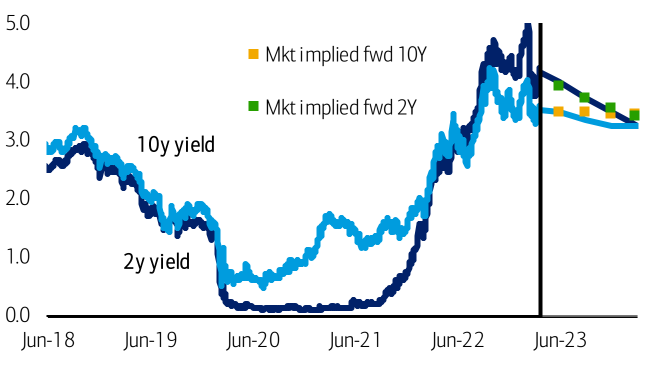
We maintain our forecast for a lower path for 2s & 10s + a less inverted curve. We expect only 25bps of inversion in 2s10s by end '23 and steeper 2s10s curve by end '24.

Our 10 & 30Y forecasts have consistently been below the forwards & the market has moved in-line with our view. Our 10 & 30Y forecasts are in-line with the forwards through Q3 '23 but remain below the forwards from Q4 '23 onwards.

Risks: more balanced

We see risks as balanced. A strong economy & sticky inflation could see rates realize above our forecasts. A deeper recession vs our base case, another round of bank stress, or a large risk off shock could see rates below our forecasts. A technical UST default around debt limit would also see most UST yields decline & curve bull steepen.

Exhibit 1: 2y and 10y Treasury yield forecasts (%)
Forecasts and market implied forwards



Source: BofA Global Research, Bloomberg

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Exhibit 2: Government bond yield forecasts (%)
Our year-end '23 forecast for 10yT is 3.25%

	Q2 23	Q3 23	Q4 23	Q1 24
O/N SOFR	5.06	5.06	5.07	4.82
2y Govt	4.00	3.75	3.50	3.25
5y Govt	3.60	3.45	3.40	3.25
10y Govt	3.50	3.35	3.25	3.25
30y Govt	3.70	3.55	3.40	3.40

Source: BofA Global Research estimates

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Exhibit 3: Swap rate forecasts (%)
Our year-end '23 forecast for 10y swaps is 3.05%

	Q2 23	Q3 23	Q4 23	Q1 24
2y	4.05	3.80	3.45	3.20
5y	3.45	3.35	3.30	3.15
10y	3.25	3.15	3.05	3.05
30y	3.05	2.90	2.80	2.80

Source: BofA Global Research estimates

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USD: drifting lower

Alex Cohen
BofAS

Themes: softening US data and focus on the Fed

April has been a choppy month for the dollar, following the Q1 rollercoaster ride. While financial stability concerns have abated, the full impact of credit contraction remains unknown. Meanwhile, US economic data has started to trend lower, suggesting the U.S. economy is cooling off from the hotter readings just a few months ago. This has broadly kept the USD on the back foot recently.

As we approach the final stages of the Fed's hiking cycle, policy expectations should remain a key source of near-term USD outlook. While the market appears to be coalescing around one additional hike at the May FOMC meeting, the medium-term dollar outlook could depend more on how the rate path for H2 unfolds, and how hard or soft the economic landing will be. In this regard, the disconnect between the Fed's forward guidance for a terminal rate hold into next year, and the market pricing for rate cuts in H2 remains in focus. This gap has narrowed somewhat since the peak financial stress last month, but still is evident.

Meanwhile, risk appetite has been resilient, despite recession fears and expectations for tighter monetary and credit conditions. The S&P 500 is approaching YTD highs, credit spreads have retraced to early-March levels, and cross-asset implied volatility measures have declined notably.

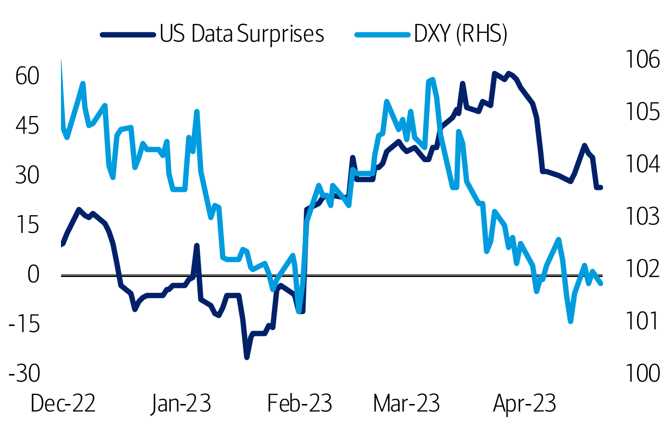
Forecasts: still unchanged

We maintain our current forecasts for the USD to be supported in the near-term, as sticky inflation keeps Fed policy oriented towards price stability. Later in the year and into 2024 we expect the dollar to gradually begin depreciating back towards equilibrium.

Risks: sticky inflation and the emerging debt ceiling debate

While inflation is clearly coming down, it should be a bumpy road back to the 2% target, keeping the Fed vigilant. There is a non-trivial risk that the consensus soft landing is not realized, which could dampen sentiment, and evoke stagflation risks. The debt ceiling debate is only just beginning, which will increase uncertainty as we move into summer.

Exhibit 4: USD & Econ Surprises
Dollar lower amid softening economic data



Source:, Bloomberg and BofA Global Research

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Exhibit 5: USD forecasts
EUR forecast is 1.10 for the end of 2023

	Q2 23	Q3 23	Q4 23	Q1 24
EUR-USD	1.05	1.07	1.10	1.10
USD-JPY	135	138	137	135

Source: BofA Global Research estimates

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Exhibit 6: Major macro forecasts
Looking for slowdown in the United States

	2022F	2023F	2024F
Real GDP (% yoy)	2.1	1.2	-0.1
CPI (% yoy)	8.0	4.2	2.5
Policy Rate (eop)	4.38	5.13	3.38
GenGov Bal (%/GDP)	-5.4	-5.0	-5.2
CurAct Bal (%/GDP)	-3.7	-3.2	-3.2

Source: Bloomberg and BofA Global Research estimates

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EU rates: more flattening potential

Sphia Salim
MLI (UK)

Themes: repricing of terminal higher, focus to shift on the path beyond terminal

The front-end of the EUR rates curve repriced higher over the last month, with the implied terminal ECB rate moving from 3.2% on the day of the last ECB meeting (Mar 16th) to 3.85% at the moment. Several factors drove this move: (1) the limited contagion from the US banking turmoil to sentiment in the Euro Area (survey data was strong), (2) the March inflation print, in which the core component reached a new high, and (3) ECB speakers reinforcing the message that more ground needs to be covered.

Risks around the pricing of the terminal rate are very balanced here (with our baseline of 4% dependent on a 50bp hike at the May meeting, and thereby on the details of the April inflation print). However, we still see upside potential for yields further out, as the market could price in a later start to the ECB cutting cycle and/or a slower pace of cuts towards neutral (see Global Rates Weekly Apr 14th). We are also biased towards further selloff in 10y German bonds and underperformance vs US treasuries given the scope for an acceleration in quantitative tightening from July onwards (see Global Rates Weekly).

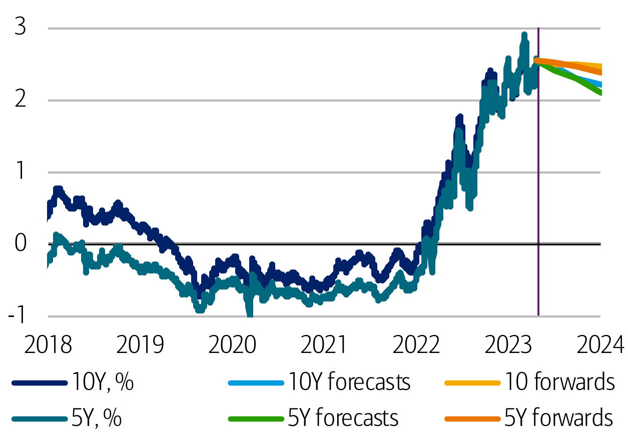
Forecasts: more 2s5s and 2s10s flattening relative to the forwards

We see upside risks to our near-term forecasts for swap rates (especially in the 2y). However we keep them unchanged for now, planning to reassess after the ECB meeting. At that point, we will also be able to judge the initial impact of the reduction in the ECB's remuneration of government deposits on repo rates and swap spreads. The key message from our forecasts is still one of further flattening in 2s5s into end of 2023, with a rates rally in 2H driven by the 5y part of the curve.

Risks: much tighter financing conditions vs a later peak in core inflation

A more rapid or pronounced monetary policy transmission, with significantly tighter financing conditions in H2 could lead the market to price in a lower terminal rate, earlier ECB rate cuts and/or faster pace of cuts, driving some bull steepening in 2s5s curve. Conversely, continued persistence in high core inflation prints may force rates curves higher than we envisage, and the 10y can cheapen further on a full QE run-off in H2.

Exhibit 7: German rates – yield forecasts and forwards*
Our forecasts are below the forwards for 2H23 onwards



Source: BofA Global Research, Bloomberg. *Forwards as of 24-Apr

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Exhibit 8: Germany bond yield forecasts, %
We take into account the impact of latest market/banking developments

	Q2 23	Q3 23	Q4 23	Q1 24
3m Euribor	3.90	4.00	4.10	4.10
2y Govt	2.75	2.85	2.80	2.65
5y Govt	2.40	2.30	2.10	2.05
10y Govt	2.45	2.30	2.20	2.20
30y Govt	2.55	2.45	2.45	2.45

Source: BofA Global Research

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Exhibit 9: Swap rate forecasts, %
We expect higher rates in 2Q23, but a rally thereafter

	Q2 23	Q3 23	Q4 23	Q1 24
2y	3.45	3.55	3.50	3.30
5y	3.10	2.95	2.75	2.65
10y	3.10	2.90	2.75	2.70

Source: BofA Global Research

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EUR: choppy strength

Athanasios Vamvakidis
MLI (UK)

Themes: good news priced

The EUR has a good year so far, performing the best in G10 after CHF and GBP. Eurozone data has surprised expectations to the upside, the winter was mild, energy prices have dropped, China's recovery from reopening has been stronger than expected, the war in Ukraine continues but has not escalated, the ECB is hawkish and the banking turmoil in March is now behind and with what seems to be limited implications for the rest of the sector and the economy. Headline inflation continues falling, together with energy prices, but core inflation has yet to peak. Our economists expect the ECB terminal rate between 3.75 to 4%, with market pricing at 3.75. The EUR remains below its long-term equilibrium of 1.25 vs. the USD, suggesting more appreciation potential.

However, we are concerned that the market may have run ahead of itself, as was the case early this year. While the Fed and most G10 central banks are about to reach their terminal rate, strong data, particularly employment, and sticky core inflation suggest we are not landing yet (Still not landing 21 April 2023). This has supported the EUR so far, as markets see it as evidence of soft landing, but it is sustainable in our view. The economy needs to land to bring inflation down. We see soft landing as the least likely. Hard landing because of sticky inflation and hawkish central banks could push EUR down again, at least short term, particularly in a stagflation scenario. We are also concerned about the implications of the increase in Italian yields this year, which the market seems to ignore simply because spreads have remained contained despite heavy supply.

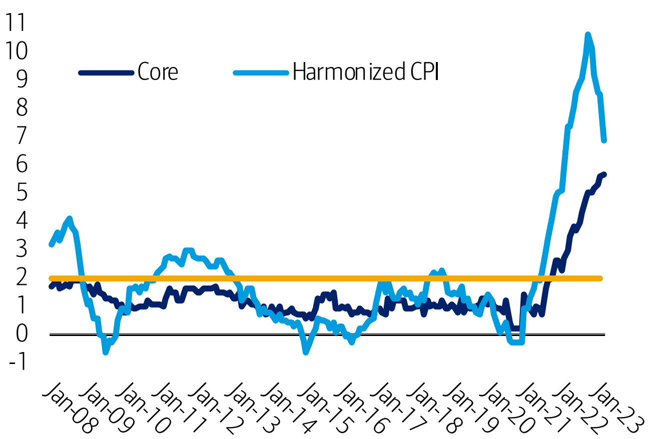
Forecasts: bullish medium to long-term, skeptical short-term

We continue to forecast EURUSD at 1.05 in h1, appreciating back to 1.10 by year-end and to 1.15 by end-2024. The timing of this path is uncertain and depends on the stickiness of Eurozone inflation vs the rest of G10, and overall risk sentiment.

Risks: uncertain landing

Main risks are related to how the Eurozone and the global economy will land and how fast the so-far-sticky inflation will decline. Italy remains vulnerable to a hawkish ECB, despite market complacency. The war in Ukraine is still a known-unknown.

Exhibit 10: Eurozone inflation
Eurozone headline inflation is falling, but core inflation has yet to peak



Source: Bloomberg and BofA Global Research

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Exhibit 11: EUR forecasts
Our forecast is 1.10 for EUR-USD at end of 2023

	Q2 23	Q3 23	Q4 23	Q1 24
EUR-USD	1.05	1.07	1.10	1.10
EUR-JPY	142	148	151	149

Source: BofA Global Research estimates

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Exhibit 12: Major macro forecasts
ECB continuing to hike in 2023

	2022F	2023F	2024F
Real GDP (% yoy)	3.5	0.6	0.8
CPI (% yoy)	8.4	5.4	2.3
Policy Rate* (end period)	2.50	4.50	3.75
Gen Gov Bal (%/GDP)	-3.7	-4.3	-3.3
CurAct Bal (%/GDP)	-1.0	0.5	0.8

*Note: Policy Rate is Refinancing Rate.
Source: Bloomberg and BofA Global Research estimates

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JP rates: JGB depends on the BoJ's move

Tomonobu Yamashita
BofAS Japan

Key theme: JGB market highly depends on what the BoJ does

The recent banking crisis overshadowed the monetary policy outlook, and the expectation for the BoJ's monetary policy normalization has been pushed back. Further YCC tweaks at the April monetary policy meeting are no longer the consensus among the economists.

While offshore investors do not challenge the BoJ's YCC given the financial instability, the BoJ keeps its large-scale JGB purchases, which absorbs too much JGBs from the market. There are factors that could raise JGB yields such as the solid results of this year's spring wage negotiations, but excessive BoJ's operations contain a rise in JGB yields, especially for superlong zones, which means the investors lose an opportunity for dip-buying.

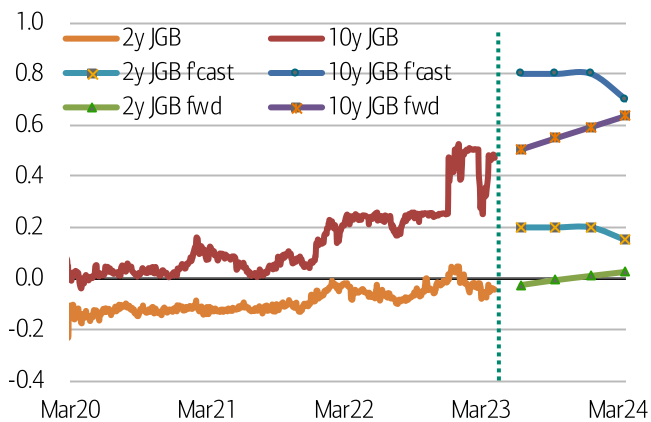
Forecast: expect the 10yr-30yr JGB curve to flatten in the near term

We still believe spring wage negotiations may drive up inflation in Japan and justify the BoJ's hawkish revision by July 2023. Thus, we have a bearish stance on JGBs, especially for up to 10yr, albeit some market participants think additional YCC tweaks will not raise JGB yields. On the other hand, superlong JGB yields would be stable at least before the BoJ's additional hawkish moves given the BoJ's excessive bond purchases. Our JGB yield forecasts at year-end are 0.80% for 10yr and 1.55% for 30yr.

Risks seen on the downside

The risk to our base case is down-sided. We see risks for new BoJ governor Ueda's more dovish stance than we expect, which may urge the market to price out the BoJ's further hawkish moves.

Exhibit 13: JGB rates – yield forecasts and forwards
We expect further YCC tweaks to raise the JGB yields



Source: BofA Global Research, Bloomberg.

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Exhibit 14: Government bond yield forecasts
Our 10yr JGB yield end-year forecast is 0.80%

	Q2 23	Q3 23	Q4 23	Q1 24
3m TORF	-0.03	-0.03	-0.03	-0.03
2y Govt.	0.20	0.20	0.20	0.15
5y Govt	0.50	0.50	0.50	0.40
10y Govt	0.80	0.80	0.80	0.70
30y Govt	1.55	1.55	1.55	1.40

Source: BofA Global Research

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Exhibit 15: Swap rate forecasts
Our Japan 10yr swap rate end-year forecast is 1.00%

	Q2 23	Q3 23	Q4 23	Q1 24
2y	0.30	0.30	0.30	0.20
5y	0.60	0.60	0.60	0.50
10y	1.00	1.00	1.00	0.90

Source: BofA Global Research

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JPY: weaker on FX carry

Shusuke Yamada, CFA
BofAS Japan

Themes: sell JPY's rally if YCC tweaked in Apr

We think the BoJ's policy uncertainty has kept the market away from the yen-carry trade despite rising carry. However, the BoJ is unlikely to turn hawkish on the front-end while YCC tweaks are well anticipated/priced.

The BoJ's April move as opposed to June or July could be a surprise to the market in terms of the timing and could lead to a JPY rally. We think that rally should be sold as long as the BoJ accompanies YCC tweaks with dovish guidance on the front end. As the policy cycle implies a weaker USD, we like cross-yen pairs and especially AUD/JPY with our constructive stance on AUD.

For more, see: Liquid Insight: Yen-carry trade redux 17 April 2023.

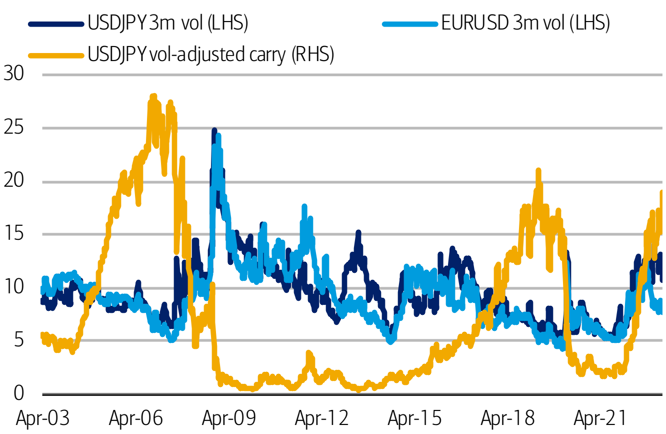
Forecasts: USD/JPY somewhat higher, cross/yen higher

We expect USD/JPY to be supported by FX carry despite our expectations for a lower USD in 2023. We expect USD/JPY to rise to 138 by September and end the year at 137.

Risks: earlier and harder US recession

We acknowledge the downside risk to USD/JPY has grown. Worsening of financial stability in the US and Europe or its negative impact on credit conditions could lead to an earlier and harder recession of the US economy and greater easing by the Fed, which would weigh over USD/JPY.

Exhibit 16: FX volatility and USD/JPY vol-adjusted carry*
USD/JPY's vol-adjusted carry contained by elevated JPY vol



Source: BofA Global Research, Bloomberg
*3m forward, 3m implied vol

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Exhibit 17: JPY forecasts
We look for 2023 year-end USD-JPY of 137

	Q2 23	Q3 23	Q4 23	Q1 24
USD-JPY	135	138	137	135
EUR-JPY	142	148	151	149

Source: BofA Global Research estimates

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Exhibit 18: Major macro forecasts (CY)
Our economics team looks for slowing recovery

	2022F	2023F	2024F
Real GDP (% yoy)	1.1	1.0	1.2
CPI (% yoy)	2.5	3.4	2.7
Policy Rate (eop)	-0.10	-0.10	0.05

Source: Bloomberg and BofA Global Research estimates

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UK rates: creeping towards terminal

Agne Stengeryte
MLI (UK)

Mark Capleton
MLI (UK)

BoE: Another 25bp in May

We changed our Bank of England (BoE) Bank rate call following last week's inflation and wage data surprises. We now look for a 25bp hike in May compared to our previous call of no change, for a terminal rate of 4.5%. We continue to forecast two 25bp rate cuts in 2024, leaving Bank Rate at 4.0% at end-2024 vs. 3.75% before. BoE aside, the Pensions Regulator's (TPR) complex update on Liability-Driven Investment's (LDI) resilience in its Annual Funding Statement confirmed that impact on long-dated nominal and inflation-linked Gilts will be limited in the immediate aftermath; the S&P revised UK's outlook to stable from negative on moderating fiscal risks while Moody's maintained UK's credit rating outlook at negative, implying slightly lower migration to a single-A Investment Grade (IG) risk in the future; and Tuesday's revision to the Debt Management Office's (DMO) Financing Remit for 2023/24 confirmed that Gilt supply delivered to private investors from the BoE and DMO will indeed reach record high in fiscal year 2023/24.

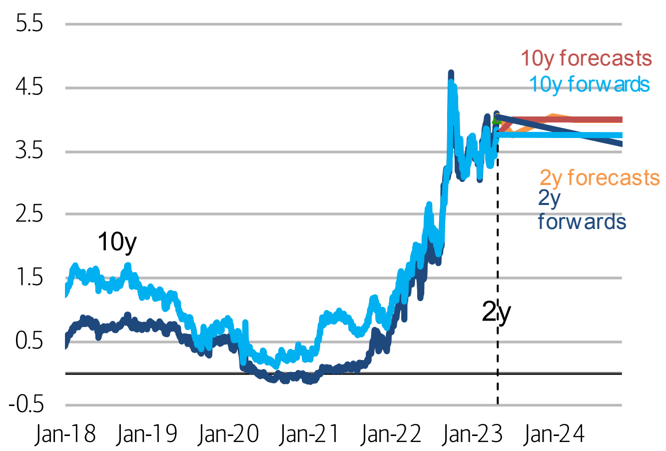
Forecasts: Slight adjustments to our projections

UK yields rose sharply over the course of February, with hawkish international environment behind the move to a large extent, driving our 10y yield forecasts below prevailing market forwards. But the banking sector turmoil in March brought yields back to levels seen in late January. At the time of writing, Gilt yields are again back towards the upper end of the year-to-date trading range and below the forwards. We therefore adjust our Gilt and Sonia yield forecasts to (1) reflect updated BoE Bank rate call and (2) bring longer-dated yield forecasts back above the forwards. We expect significant cheapening in short-dated Gilts relative to Sonia amid pickup in issuance from April. We pencil-in some flattening of 10s30s Gilt curve while 30y ASW remains stable.

Risks: More of the same

We assume the political situation remains favourable to fiscal sustainability- an assumption prone to many risks. We also note geo-political risks & turmoils from abroad.

Exhibit 19: Gilt yield benchmark histories, forwards and forecasts, %
10y Gilt yield forecast above the forwards



Source: Bloomberg, BofA Global Research

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Exhibit 20: Table: Government bond yield forecasts (%)
We expect the BoE to hike 25bp in May

	Q2 23	Q3 23	Q4 23	Q1 24
3m Sonia	4.50	4.50	4.25	4.00
2y Govt.	3.75	3.90	4.05	4.00
5y Govt	3.75	4.00	4.00	4.00
10y Govt	4.00	4.00	4.00	4.00
30y Govt	4.00	4.00	4.00	4.00

Source: BofA Global Research estimates

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Exhibit 21: Sonia swap rate forecasts (%)
Short-dated Gilts to cheapen relative to short-dated Sonia

	Q2 23	Q3 23	Q4 23	Q1 24
2y	4.25	4.15	4.05	4.00
5y	4.00	4.00	4.00	4.00
10y	3.75	3.75	3.75	3.75
30y	3.50	3.50	3.50	3.50

Source: BofA Global Research estimates.

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GBP: as good as it gets?

Kamal Sharma
MLI (UK)

Themes: some optimism – but contained

GBP has recently fallen off many investors' radars against the backdrop of concern that "something must break" as rates go higher. Thankfully for UK watchers, that concern has not focused on the UK which in itself must be considered a victory given the barrage of negativity over the last decade. Consequently, we have witnessed a rare event where GBP TWI has delivered positive returns in the first three months of the year, only the second time in 25 years and with positive April seasonality also exerting its influence, we could see an unprecedented fourth. So far so good and one of our key calls this year is that GBP should benefit from the removal of tail risk premium and news flow becoming "less bad". However, this may be as good as it gets: the best of UK data surprises may be behind us and there is little encouragement that international investors are returning to UK asset markets – a necessary condition for medium-term optimism.

Two recent reports from our research colleagues provide a strong anchor in connecting the dots on why GBP will likely continue to struggle in the absence of underlying demand for UK assets. We have focused on the regular monthly foreign gilt purchase data (European Rates Watch: Overseas buying of Gilts in February: domestics to the rescue 29 March 2023) to gauge investor sentiment towards UK plc. The Bankstats data has shown consistent foreign sales of UK gilts and this is being corroborated by our own proprietary indicators (FX Viewpoint: FX flows & positioning in Q1 18 April 2023) which shows significant official selling of GBP through Q1. In the April edition of the Global Fund Manager Survey: You Can Bank On It 18 April 2023, FMS allocation to UK equities collapsed by 15ppt MoM to net 21% underweight. April was the first monthly decline in UK equity allocation since Oct'22 and took place against the backdrop of improving sentiment towards the UK.

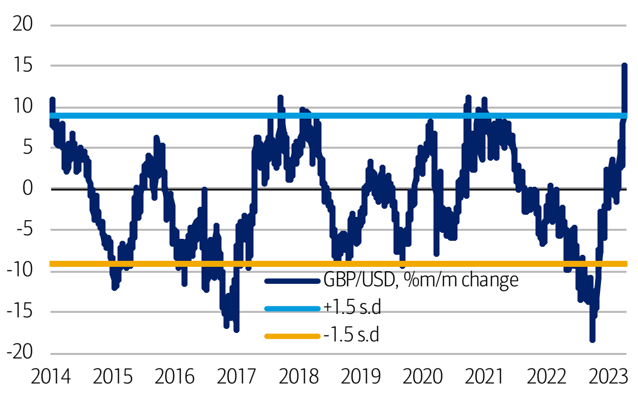
Forecasts: no changes this month

No change in forecasts.

Risks: more upside

UK downside risks have been priced out – positive surprises could provide a lift.

Exhibit 22: GBP/USD 6mth annualized change
GBP/USD momentum appears overbought



Source: BofA Global Research, Bloomberg

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Exhibit 23: GBP forecasts
Our year-end 2023 EUR-GBP forecast is 0.91

	Q2 23	Q3 23	Q4 23	Q1 24
EUR-GBP	0.89	0.90	0.91	0.91
GBP-USD	1.18	1.19	1.21	1.21

Source: BofA Global Research estimates

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Exhibit 24: Major macro forecasts
GDP to shrink in 2023

	2022F	2023F	2024F
Real GDP (% yoy)	4.0	-0.3	0.0
CPI (% yoy)	9.1	6.7	2.3
Policy Rate (eop)	3.50	4.50	4.00
Gen Gov Bal (%/GDP)	-5.7	-4.8	-3.3
CurAct Bal (%/GDP)	-5.2	-4.6	-4.1

Source: Bloomberg and BofA Global Research estimates

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CA rates: Bank stress is a spillover risk

Katie Craig
BofAS

Ralph Axel
BofAS

Themes: Bank stress stabilizing, BoC remains on pause

Economic data in Canada remains strong but is softening on the margin. Recent bank stress in the US led to some recalibration in rates markets of future BoC rate path.

Prior to the recent bank stress, rates markets were pricing in risks that strong economic data in the US and Canada would force the BoC to continue its rate hikes. However, a full 25bp cut is now priced in by YE 2023. Our CA economists expect no change to the BoC's policy rate through 2023, but acknowledges risks are skewed more to the downside given recent events in global banking.

The spreads between US and CA rates peaked just ahead of the bank stress episode as expectations for further Fed hikes were being priced in but quickly narrowed following the events. The 10y US CA rate spread came in from its peak of 81bps on March 9th to a trough of 47bps, currently 61bps. Now that the bank stress appears to have stabilized, spreads have begun to widen out as strong data puts a June Fed hike back on the table.

The BoC is likely to continue QT until they cut rates. BoC holdings indicate maturities amounting to about C$90bn in CY '23, C$56bn in '24 and C$40bn per year thereafter through '26.

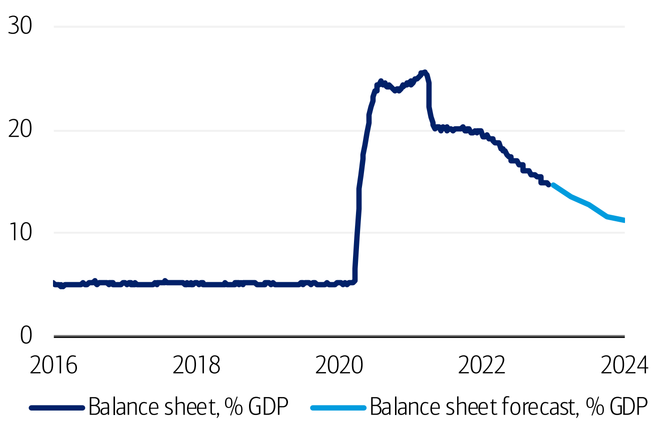
Forecasts: 2s10s to be flat by YE '23 before steepening in '24

We keep our forecasts unchanged following the recent bank stress, reflecting risks of slower growth. The curve is likely to be flat by YE 2023 with 2s and 10s at 2.7% before a steepening in the curve led by lower front-end rates in '24.

Risks: Risks skewed to downside due to potential bank stress spillover effects

Downside risks to our forecasts are a surprise cut by the BoC due to a banking crisis-led recession in the US and also risks of a faster than expected slowdown in inflation. On the upside, labor market data remains strong.

Exhibit 25: Bank of Canada balance sheet projection
We expect a vigorous pace of passive GoC rolloff ahead



Source: BofA Global Research, Bloomberg, Bank of Canada

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Exhibit 26: Government bond yield forecasts
We look for the curve to become less inverted over 2023

	Q2 23	Q3 23	Q4 23	Q1 24
2y	3.10	2.90	2.70	2.60
5y	2.60	2.50	2.40	2.40
10y	2.70	2.70	2.70	2.70

Source: BofA Global Research estimates

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Exhibit 27: Swap rate forecasts
We look for 10yr swap rates to decline to 3.1% though Q4 23

	Q2 23	Q3 23	Q4 23	Q1 24
2y	3.60	3.40	3.20	3.10
5y	2.90	2.80	2.70	2.70
10y	3.10	3.10	3.10	3.10

Source: BofA Global Research estimates

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CAD: overlooked OPEC+ supply control

Howard Du, CFA
BofAS

Themes: CAD rallied in April on announcement of OPEC+ energy supply cut

The OPEC+ announced 1.66 million barrel/day crude oil supply cut on April 2nd, which led to a ~6% oil price rally over that weekend. This was a major bullish driver for CAD in April, as USD/CAD declined from a 1.36-handle at end of March to as low as a 1.33-handle in mid-April. We have been arguing since start of the year that oil price has likely declined by too much in the second half of 2022 and the CAD would benefit from a rebound in oil price in 2023 (CAD Year Ahead: look past 2022, 04 January 2023). The impact of the supply cut announcement this month shows OPEC+'s influence on global energy price, which investors may have overlooked so far in 2023. Looking ahead, as our commodity strategists see Brent and WTI to respectively average $88/bbl and $82/bbl in 2023 (Global Energy Weekly:, 05 April 2023), CAD should continue to benefit from the bullish energy tailwind over medium term, in our view.

In the April BoC meeting, the central bank highlighted that ""inflation expectations are coming down slowly, service price inflation and wage growth remain elevated, and corporate pricing behavior has yet to normalize". So while we believe BoC policy rate will remain on hold for rest of 2023, risk remains skewed to the upside (Canada Watch: 12 April 2023). The market currently expects the Federal Reserve to also pause the rate hike cycle after May. With policy rates at both central banks likely to be on hold, we believe FX regime would likely switch from rates-driven to growth-driven (The growth regime for FX, 11 April 2023). CAD could prevail vs the USD on higher growth outlook for this year, as we have discussed before (FX Viewpoint: 13 March 2023).

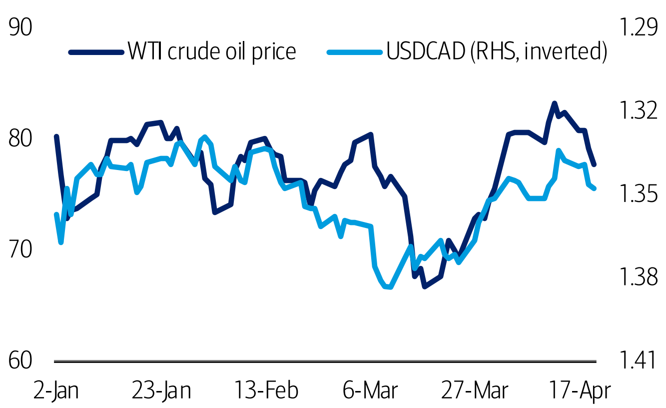
Forecast: maintain medium-term bullish CAD outlook for 2023

We make no changes to the forecast path and anticipate lower USD/CAD over the medium term.

Risks: wider terminal policy rate divergence between the Fed and BoC

The risk to our bullish CAD view is the Fed hiking rates by more than market expects this year, further widening the differential vs BoC.

Exhibit 28: Surge of energy price in April was bullish for CAD
WTI crude oil price vs USD/CAD



Source: BofA Global Research, Bloomberg

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Exhibit 29: CAD forecasts
We expect lower USD/CAD in 2023

	Q2 23	Q3 23	Q4 23	Q1 24
USD-CAD	1.34	1.30	1.28	1.25

Source: BofA Global Research estimates

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Exhibit 30: Major macro forecasts
Bank of Canada has paused the rate hike but upside risks remain

	2022F	2023F	2024F
Real GDP (% yoy)	3.4	1.0	0.4
CPI (% yoy)	6.8	3.6	2.2
Policy Rate (eop)	4.25	4.50	3.50

Source: Bloomberg and BofA Global Research estimates

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AU rates: bull steepening ahead

Oliver Levingston
Merrill Lynch (Australia)

Themes: long end trading rich after flattening

After rallying March, AU rates markets have given up most of their gains, especially in the belly of the curve. The AU 2y has moved in line with our fair value estimate while the 10y is trading about 17bps rich of fair value. We now see the curve steepening into year-end as the market takes out rate hikes and bonds reposition for a long pause (Australia Rates Viewpoint: Fair value update: positioning for the long pause 12 April 2023).

In the near-term, the swaps market is pricing a 40% probability of a hike at the May RBA meeting and a 100% probability of a hike by the RBA meeting in August. Although we acknowledge the upside risks from a strong quarterly CPI print later this week, front-end swaps look rich. We see the OIS market gradually nudging lower, pulling down the front end and belly of the yield curve as an extended pause comes into view.

Our economists forecast that gross domestic product (GDP) will slip below 2% YoY from next quarter, bottoming at 1% in Q1 2024. Short-duration trades performed well in 2022 in large part because of a rally in real rates after breakevens reset higher in 2020/21. As growth falls below trend while inflation slowly decelerates to the RBA's target band, declining real rates are likely to lead the rally in nominal ACGBs.

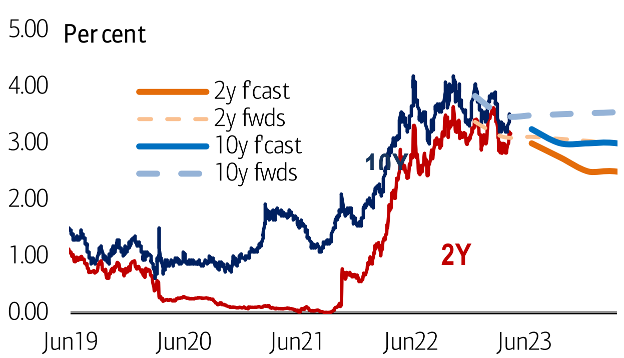
The main risk to our view would be a bear flattening (i.e., higher yields and a flatter curve in the coming quarters). If growth remains resilient despite the fixed-rate mortgage cliff, there may not be enough loosening in labour market demand to bring inflation down to target over the medium term. This may require the RBA to resume hikes later in the year. It is unlikely we will know the size of the impact until H2 2023.

Swap spreads: budget on the horizon

Swap spreads tightened after bank turmoil and we expect further tightening in the near term. The latest Commonwealth Monthly Financial Statement indicates that the Australian Government's underlying cash balance is running a little over $20bn ahead of forecast. Although the budget in May should see downward further revisions to the Commowealth Government's funding task, a substantial fall in maturities next year will mechanically reset net bond supply higher.

We forecast that swap spreads will normalise over the coming quarters as supply picks up and cross-market compression reduces outsized paying flow in IRS. Given the unique richness of 3y bonds to swap, we expect 10y swap spreads will lag tightening moves.

Exhibit 31: Bonds to bull steepen during extended pause
Curve to flatten modestly and sell off



Source: BofA Global Research, Bloomberg

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Exhibit 32: Government bond yield forecasts
Bonds to bull steepen through extended RBA pause

	2Q 23	3Q 23	4Q 23	1Q 24
3m BBSW	3.70	3.70	3.70	3.70
2y Govt.	3.00	2.75	2.50	2.50
5y Govt	3.10	2.85	2.60	2.60
10y Govt	3.25	3.00	3.00	3.00

Source: BofA Global Research

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Exhibit 33: Swap rate forecasts
Spreads to narrow after budget season

	2Q 23	3Q 23	4Q 23	1Q 24
3y	3.35	3.05	2.80	2.80
10y	3.65	3.40	3.35	3.35

Source: BofA Global Research

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AUD: China impulse not priced in

Adarsh Sinha
Merrill Lynch (Hong Kong)

Themes: is China reopening priced in?

AUD FX has been among the worst performing G10 currencies since March, driven by a combination of risk off sentiment, dovish RBA and positioning. The trade-weighted index is now trading close to October 2022 lows. This represents attractive levels to enter AUD longs in our view – the short-term risks of RBA pausing and global risk-off are close to well priced in but the medium-term upside from China's recovery is not.

While China reopening trades have generally retraced lower, the pullback in AUD has been disproportionately larger. At the beginning of February, the AUD trade-weighted index's retracement from November 2022 lows (pre-reopening) to March 2022 highs (pre Shanghai lockdown) was in line with other China-linked asset prices (~65%), but it now ranks lowest in term of reopening "pricing". It is especially notable that commodity prices (copper and iron ore) have held up much better.

China's property sector (commodity demand) and service imports (tourism and education) are the primary channels for Australia. However, these are also sectors that have been slow to recover following the reopening. Nevertheless, there are signs of green shoots that bode well for China's import impulse for Australia later this year (Liquid Insight 23 March 2023). Our China economists have revised up their GDP forecast to 6.3% for 2023, well above consensus estimates (China Watch 21 April 2023).

Forecasts: AUD recovery in 2H 2023

We are bullish AUD/USD in the medium term due to the lagged impact of China property easing and reopening, alongside the Fed ending its tightening cycle in 2023. We forecast 0.74 by year end but more neutral near term especially given the broader USD resilience we expect in 2Q 23.

Risks: China reflation sentiment

The downside risk to our forecast profile arise from deterioration in China reflation sentiment and associated risk off, which also drives commodity prices lower.

Exhibit 34: China imports from Australia vs. steel production

Steel production leads China's imports from Australia by 2-quarters

Source: Bloomberg

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Exhibit 35: AUD forecasts

Our end-year 2023 AUD-USD forecast is 0.74

	Q2 23	Q3 23	Q4 23	Q1 24
AUD-USD	0.68	0.72	0.74	0.76
AUD-CAD	0.91	0.94	0.95	0.95

Source: BofA Global Research estimates

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Exhibit 36: Major macro forecasts

Softening domestic backdrop in 2023

Australia	2022F	2023F	2024F
GDP (% yoy)	3.6	1.8	1.4
CPI (% yoy)	6.6	5.6	3.1
Policy Rate (eop)	3.10	3.60	3.60

Source: Replace this text

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NZD: not so fast

Adarsh Sinha
Merrill Lynch (Hong Kong)

Themes: domestic growth risk from higher rates

The RBNZ maintains a surprisingly hawkish profile for its official cash rate (OCR) looking for it to peak at 5.5% in 2023. While it acknowledged some signs of price pressure easing, high core inflation, still-strong labour market and elevated near-term inflation expectations keep it on a decisive tightening path for now. However, the risks are for a lower terminal rate than it is currently projecting.

Inflation recently surprised weaker and there are increasing signs of economic weakness even outside the housing market. Consumer and business confidence have dropped sharply, while the labour market may be turning as well. The impact of recent weather events will be inflationary, but the RBNZ is likely to look through this one-off impact. To the extent the RBNZ began its tightening cycle earlier than most central banks, taking the OCR to highly restrictive levels is likely to weigh on growth and the currency.

Meanwhile a strong US labour market and the stickiness of core services inflation suggests the Fed will continue to push back against market pricing of rate cuts in 2023 which may eventually slow the pace of USD depreciation. This and any associated risk-off is more likely to weigh on NZD, which has less terms of trade buffer compared to other commodity currencies

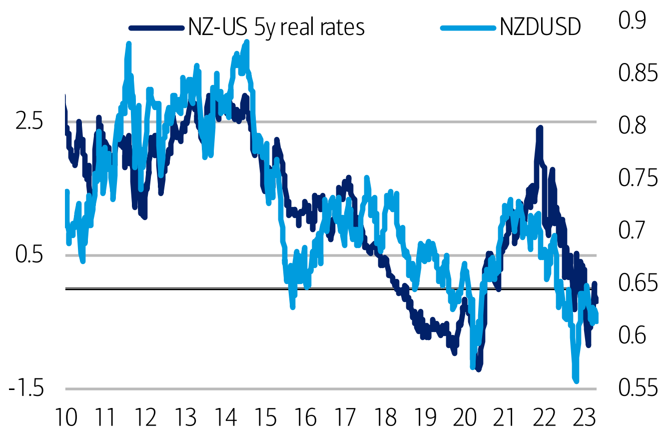
Forecasts: slower NZD recovery relative to AUD

We expect a gradual recovery in NZD vs. USD in 2023 to 0.66 by year end but expect it to underperform AUD, as the latter is better poised to benefit from China's policy pivot (Antipodean divergence 01 December 2022). Near term risks are to the downside due to broader USD resilience in 2Q 23.

Risks: growth stays resilient to RBNZ tightening

The upside risk to our forecast profile arises from domestic resilience to RBNZ rate hikes that would be associated with a higher terminal rate relative to other countries.

Exhibit 37: NZD/USD vs. 5y real rate differential
Real rates consistent with low NZD/USD



Source: Bloomberg

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Exhibit 38: NZD forecasts
Looking for 2023 end-year NZD-USD at 0.66

	Q2 23	Q3 23	Q4 23	Q1 24
NZD-USD	0.62	0.64	0.66	0.67
AUD-NZD	1.10	1.13	1.12	1.13

Source: BofA Global Research estimates

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Exhibit 39: Major macro forecast
Growth slowing in 2023

New Zealand	2022F	2023F	2024F
Real GDP (% yoy)	2.9	1.6	-0.4
CPI (% yoy)	7.2	6.3	3.2
Policy Rate (eop)	4.25	5.50	3.75

Source: Bloomberg and BofA Global Research estimates

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CHF: Onwards & Upwards

Kamal Sharma
MLI (UK)

Themes: defying the consensus (not ours)

One of the markets popular calls this year has been for a weaker CHF particularly versus EUR on the view that relative ECB hawkishness and a higher terminal rate vis a vis SNB would drive EUR/CHF back above 1.00. We have disagreed with this call, arguing that the SNB reaction function was different to that of the ECB. For this reason, we have been more constructive on CHF than the consensus. The primary reason for our expectation for a lower terminal rate in Switzerland is due to its intention to reduce the size of its balance sheet which remains comfortably above 100% of GDP. The SNB has been consistent in its views: inflation remains its primary objective and recent comments suggest that further hikes are likely (in line with the view from our economists) but it is also willing to sell FX (the balance sheet) to ring fence the economy from imported inflation. We think the latter dynamic is the one that markets have underestimated. In our view, the process of balance sheet tapering has already begun according to our analysis of Swiss reserves data.

Beyond the domestic tailwinds from CHF and our view that the SNB has been the most credible inflation fighting central bank, the global economy appears to be at a tipping point. Yield compression, slowing growth and the end of the tightening cycle should prove supportive for a currency with the low beta properties of the CHF. Not even a domestic banking crisis has been able to derail the progress of CHF which is the best performing currency this year. Enough has been written on the recent crisis, but speed with which the Swiss authorities have reacted to ringfence contagion effects as well as a strong external/internal balance has been a significant factor which has helped Switzerland.

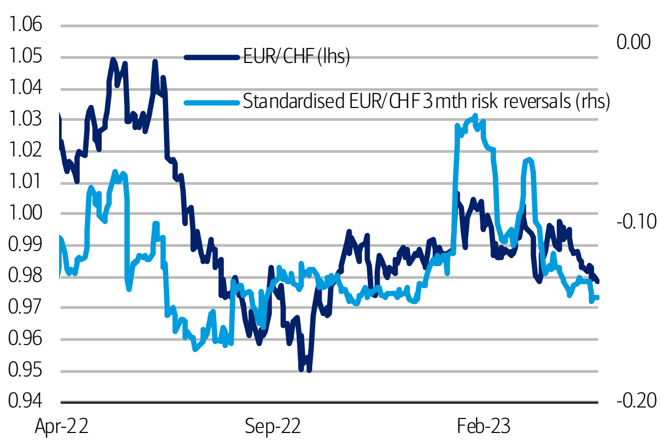
Forecasts: No forecast changes this month

No change in forecasts.

Risks: Risk melt-up

Global risk melt-up could be a factor which weighs on CHF.

Exhibit 40: EUR/CHF vs 3mth standardized risk reversals
Higher EUR/CHF consensus trade continues to be unwound



Source: BofA Global Research, Bloomberg.

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Exhibit 41: CHF forecasts
Our 2023 year-end EUR-CHF forecast is 0.98

	Q2 23	Q3 23	Q4 23	Q1 24
EUR-CHF	0.98	0.98	0.98	0.99
USD-CHF	0.93	0.92	0.89	0.90

Source: BofA Global Research estimates

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Exhibit 42: Major macro forecasts
The economy is slowing this year

	2022F	2023F	2024F
Real GDP (% yoy)	2.1	0.5	1.2
CPI (% yoy)	2.8	2.4	1.5
Policy Rate (eop)	1.25	1.50	1.50

Source: Bloomberg and BofA Global Research estimates

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NOK: Counting on Norges and China

Michalis Rousakis
MLI (UK)

Themes: NOK's never-ending weakness has surprised us

We have been surprised by NOK's recent weakness, from a much undervalued level. We remain constructive on NOK for later in the year, counting on higher oil and Norges.

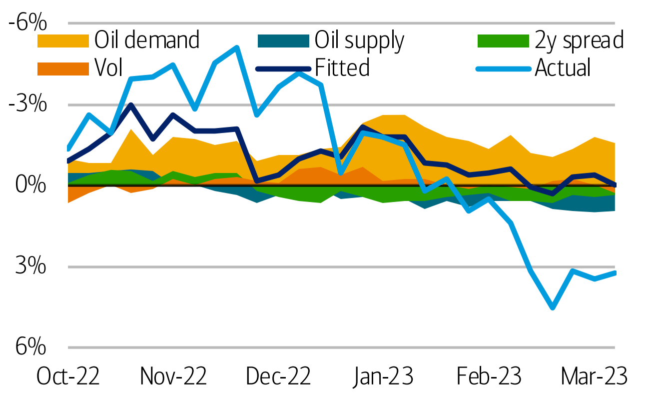
In hindsight, NOK's performance (trade-weighted terms) from October until February was in line with its past performance. While we would have expected a roughly flat NOK since, it has instead weakened by 4-5% despite the flat oil prices (their demand-supply mix has only slightly moved against NOK) and relative monetary policy unlikely to have mattered. Granted, NOK's implied volatility spread has worsened notably (possible drivers over this period are the financial turmoil, oil-price volatility, and NOK's low liquidity), but we would need to over-stretch its typical impact. Besides positioning and/or technicals, adverse oil-related flows by Norges & Norway's oils combined may have also mattered.

Going forward, we remain constructive on NOK, especially in 2H, counting on: (1) More stable risk sentiment and a softer USD, after the Fed rate cuts for this year are priced out. (2) Higher oil prices, wth our commodities team expecting Brent at $90+/bbl in 2H, partly counting on China's reopening (OPEC+'s whatever it takes moment 5 Apr 23). (3) Norway's under-appreciated fundamentals and Norges' willingness to help avoid more and/or persistent NOK weakness. (4) More favourable oil-related NOK flows in H2, partly in reflection of Norway's higher fiscal needs and the lower energy prices vs. last year. (5) Lighter positioning for Hedge Funds although Real Money remain long NOK.

Forecasts: EURNOK profile higher. Risks: risk sentiment, oil & China, Norges

We revise our EURNOK profile higher, expecting EURNOK at 10.60 by year-end vs. 10.30 previously, USDNOK at 9.64 (vs. 9.36) and NOKSEK at 1.04 (vs. 1.05). Key risks remain around risk sentiment & the USD; oil prices, recession risks and the impact of China; Norges Bank staying the course and not disregarding the ECB.

Exhibit 43: Fitted vs. actual NOK I-44 (inverted values)
NOK in line with history until late-Feb, but its recent weakness overdone



Source: BofA Global Research, Bloomberg, Federal Reserve Bank of New York, Oil Price Dynamics Report, https://www.newyorkfed.org/research/policy/oil_price_dynamics_report.html. Lower values of the import-weighted krone index (NOK I-44) show a stronger NOK. Weekly data through Apr 7. Regression estimates are for Jan 2018- Sep 2022. We regress changes in (log) NOK I-44 (Norges's import-weighted krone index) on: demand-driven and supply-driven changes in (log) Brent crude spot prices as per the New Fed Oil Price Dynamics Report data; changes in Norway's 2-year trade-weighted swap spread; and changes in the idiosyncratic NOK implied-vol spread.

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Exhibit 44: NOK forecasts
Year-end EUR-NOK forecast of 10.60 in 2023

	Q2 23	Q3 23	Q4 23	Q1 24
EUR-NOK	11.20	10.90	10.60	10.40
USD-NOK	10.67	10.19	9.64	9.45

Source: BofA Global Research estimates

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Exhibit 45: Major macro forecasts
Norway recovery continuing into 2023

	2022F	2023F	2024F
Real GDP (% yoy)	3.4	1.0	1.2
CPI (% yoy)	5.7	4.5	2.6
Policy Rate (eop)	2.75	3.50	2.80
GenGov Bal (%/GDP)	16.2	17.8	16.0
CurAct Bal (%/GDP)	25.6	18.4	142

Source: Bloomberg and BofA Global Research estimates.

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SEK: still bearish

Michalis Rousakis
MLI (UK)

Themes: prolonged weakness

We stay bearish on SEK through 3Q—despite finding it undervalued from a long-term perspective—worried about Sweden's weakness, particularly seen in retail sales and the housing market, and risks around commercial real estate.

While we think the Riksbank is unlikely to disappoint markets near term, we also think it is unlikely to help SEK meaningfully given where market pricing is. The Riksbank (and SEK) could also be caught between a rock and a hard place if Eurozone inflation proved stickier, forcing a more hawkish ECB stance, given Sweden's much higher rate sensitivity and tighter fiscal stance.

But not all has been "doom and gloom" lately: we find the two-year wage deal and the well-behaved inflation expectations positive developments. We are also encouraged by early (hopefully, not premature) signs of some stabilisation in the housing market.

Still, the worst for SEK is unlikely to be over until inflation starts falling meaningfully (similarly to our economists' base case), which would let the Riksbank soften its stance and lower "harder landing" risks. To this end, the renewed divergence between EURSEK and EURUSD remains striking. Meanwhile, we remain cautious on risk sentiment until the Fed rate cuts for this year are priced out and China's reopening gains steam.

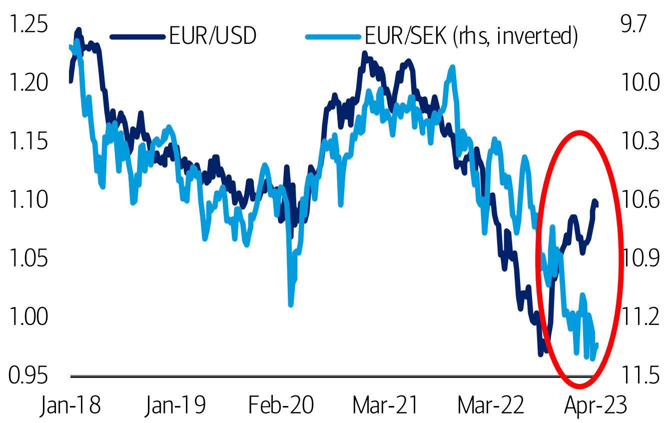
Forecasts: SEK weakness for longer

We remain bearish on SEK for longer than before, expecting EURSEK to test its recent highs in the coming months. We forecast EURSEK at 11.00 by year-end vs. 10.80 previously, USDSEK at 10.00 (vs. 9.82 previously) and NOKSEK at 1.04 (1.05 previously).

Risks: inflation stickiness, Swedish property markets, ECB

Risks are around the Fed stance and risk sentiment, the ECB stance, and the Swedish property markets. We still think risks are for more and prolonged SEK weakness. We would be encouraged from a medium-term perspective if Swedish inflation started falling fast and/or property markets showed consistent signs of relief. Meanwhile, we think a more hawkish ECB stance could prove a double-edged sword for SEK.

Exhibit 46: EURSEK vs EURUSD
SEK has been unable to participate in the recent EUR rally



Source: Bloomberg, BofA Global Research

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Exhibit 47: SEK forecasts
Our EUR-SEK forecast at end-2023 is 11.00

	Q2 23	Q3 23	Q4 23	Q1 24
EUR-SEK	11.40	11.50	11.00	10.70
USD-SEK	10.86	10.75	10.00	9.73

Source: BofA Global Research estimates

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Exhibit 48: Major macro forecasts
The Riksbank is very serious about inflation

	2022F	2023F	2024F
Real GDP (% yoy)	2.7	-0.9	0.5
CPI (% yoy)	8.1	6.3	1.9
Policy Rate (eop)	2.50	3.75	2.75

Source: Bloomberg and BofA Global Research estimates

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Asia

China: Upgrade growth forecast

Helen Qiao	Claudio Piron	Miao Ouyang	Xiaoqing Pi
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Upgrade GDP growth forecast on new credit cycle kicking off

We upgrade our China GDP growth forecast to 6.3% in 2023, from 5.5% previously. This adjustment will put us well above the current Bloomberg consensus of 5.3%.

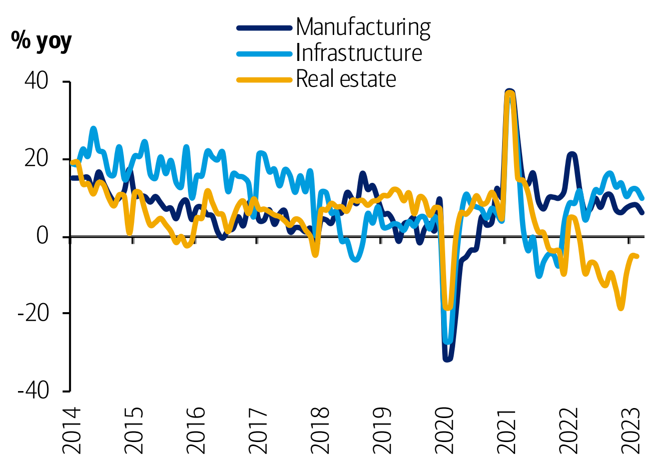
In mid-March, we first highlighted upside risks to our growth forecasts on better-than-expected money and credit data in Jan-Feb. More importantly, the pick-up in the pace of credit expansion was also consistent with our bottom-up channel checks – China banks seemed to have extended sizable loans with low rates to strategically important sectors since late last year, facilitated by the PBoC's structural monetary policy tools. Since then, we saw continued credit strength in March and additional evidence of favorable bank lending rates extended beyond those strategically important sectors.

In our view, we are seeing the beginning of a new credit cycle, which will fuel investment growth more than consumption and lift cyclical momentum in China. In other words, the policy stimulus the market had wished for did arrive, but not in the anticipated form of interest rate cuts or consumer subsidies. Instead, it has taken the form of credit impulse, with the help of structural monetary policy tools. Nonetheless, the difference between this round of credit expansion and those in 2008–09 and 2015–16 is that much less credit has been diverted to support the property sector.

1Q GDP beat expectations on consumption rebound

China's 1Q GDP growth rebounded to 4.5% yoy from 2.9% in 4Q22, as the post-reopening consumption recovery gained traction. March activity data were a mixed bag. Nominal retail sales rose by 10.6% yoy (vs. 3.5% in Jan-Feb), mostly helped by the low year-ago base (-3.5% in last Mar). Services output growth accelerated notably (9.2% yoy, vs. 5.5% in Jan-Feb). IP growth picked up to 3.9% yoy in Mar from 2.4% previously, but the pace of recovery is slower than expected. FAI growth edged down to 4.8% yoy in Mar from 5.5% in Jan-Feb. The data confirmed that the consumption-driven rebound is under way. Going forward, we believe the retail sales growth will stay elevated for coming months, but at a slower pace given faded pent-up demand and sluggish inflation. Investment momentum may pick up in coming quarters, with the robust credit growth spurring capex in 2Q-3Q.

Exhibit 49: FAI sector breakdown
Growth of both manufacturing. and infrastructure FAI slowed in Mar



Source: BofA Global Research, CEIC, NBS

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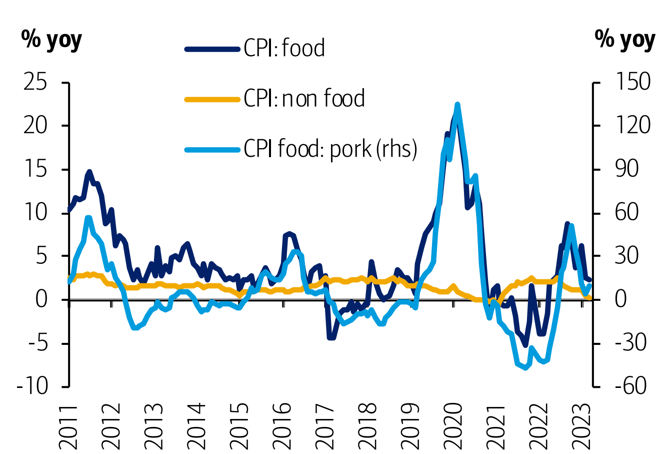
Exhibit 50: CPI inflation
CPI inflation of both food and non-food moderated



Source: BofA Global Research, CEIC, NBS

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Both CPI and PPI inflation softened further in Mar

CPI inflation softened to 0.7% yoy in Mar (from 1.0% in Feb). Core CPI inflation came in at 0.7% yoy. The softer CPI inflation print was mainly due to the sequential decline of food and transportation prices. PPI deflation widened to -2.5% yoy (vs. -1.4% previously). The muted inflation highlighted that China is still in the early stage of a consumption recovery post reopening. Looking ahead, PPI will remain in deflation due to high year-ago base. That said, with the upcoming Labor Day holiday in late Apr, we expect inflationary pressure in services to further build up and help to offset the disinflation pressure in consumer goods.

Robust March credit data confirm a new credit cycle has started

Our BofA China Financial Condition Indicator (FCI) eased further to 99.8 in March (from 100.3 in February), the lowest level since June 2020. The easing was driven by faster yoy CNY NEER depreciation and the improvement in TSF growth despite higher nominal interest rates. New loans and TSF both beat market expectations by a wide margin. M2 growth moderated to 12.7% yoy (vs. 12.9% in February). New MLT corporate loans stayed robust in March, and household loans rebounded notably. The strong Mar credit data has confirmed our view that China has kicked off a new credit cycle. We expect this pick-up in credit momentum will eventually boost capex amid stronger confidence, which will likely lead to stronger economic activities in the next 1-2 quarters.

FX outlook: USD/CNY underperformance sustains, maintain 6.70 year-end

Our premise that the CNY will be managed to be basically stable against its trade-weighted basket appears consistent with the CFETS (China Foreign Exchange Trading System) basket continuing to trade a 99-100 range so far this year. The PBOC continues to provide ample CNY liquidity that exacerbates the yield gap with the USD and keeps forward points very negative. Our estimates of FX value adjusted reserve accumulation suggest a rise of USD47bn in 1Q, USD25bn of which accrued in the month of March. This is consistent with policy makers leaning into CNY strength modestly.

Evidence of economic recovery is showing in the leading indicators such as credit, but mixed real time data (soft CPI/PPI/imports) means inflows are showing some hesitancy. Indeed, swap and bond yields have rallied lower since we last wrote as positioning for higher rates and recovery are fading. Policy makers and foreign investors alike are looking for a stronger signal of self-sustaining economic recovery before committing to tighter financial conditions and further inward investments.

Exhibit 51: CNY forecasts

CNY likely to appreciate slightly in the near term

	Q2 23	Q3 23	Q4 23	Q1 24
USD-CNY	6.80	6.75	6.70	6.60

Source: BofA Global Research

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Exhibit 52: Major macro forecasts

Our 2023 annual GDP growth forecast is 6.3%

China	2022	2023F	2024F
Real GDP (% yoy)	3.0	6.3	5.2
CPI (% yoy)	2.0	1.7	2.6
1y Loan Prime Rate (eop)	3.65	3.65	3.65
Fiscal Bal (%/GDP)	-2.8	-3.0	-3.0
CurAct Bal (%/GDP)	2.2	0.7	0.3

Source: BofA Global Research

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India Pause, not pivot in policy

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Merrill Lynch (Singapore)

RBI surprises with a hold...

RBI MPC decided to keep the policy repo rate unchanged at 6.5% "to assess the progress made so far", against our and consensus expectations for a 25bp hike. Policy stance will also stay "focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth" – a subtle tweak from the previous "to ensure inflation remains within the target". The policy rate decision was unanimous, while the stance was opposed only by external member Prof. Jayanth R. Varma. FY23/24 growth forecast was nudged up from 6.4% previously to 6.5%, while inflation forecast was lowered by 10bp to 5.2% even as the MPC warned the "the lagged pass-through of input costs could ... keep core inflation elevated".

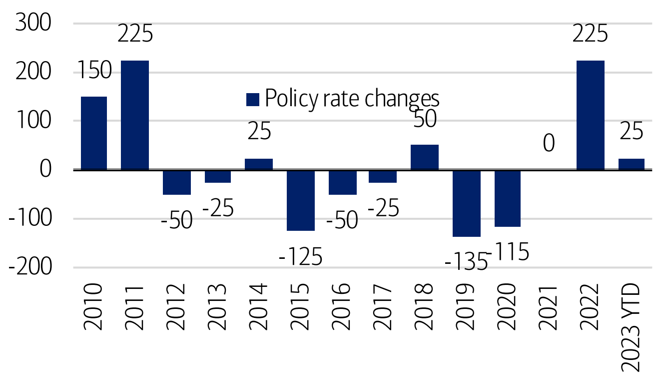
..but ready if needed; Unwavering on price stability

Despite the pause, RBI struck a relatively hawkish tone – emphasizing that the decision to pause was "for this meeting only" and the MPC is ready to act again if the situation warrants. With cumulative 290bp in effective rate hikes and 320bp increase in WACR, the MPC deemed it appropriate to pause to assess the impact of its policy actions so far. RBI's inflation projection continues to show further softening of headline inflation but upside risks remain (from unseasonal rains, adverse climate conditions, etc.). On the growth front, RBI noted that data has remained resilient while expecting the drag from net external demand to continue. The MPC remains much concerned about elevated core inflation. Governor Das noted that monetary policy remains "unwaveringly focused on inflation" and the MPC remains "firm and resolute in our pursuit of price stability".

Terminal rate likely reached; High bar for cuts

While the RBI did not close the door for further hikes, it appears quite likely that we have reached peak policy rate with inflation forecasted to moderate and Governor Das emphasizing the need to be "extremely prudent" given the cumulative actions so far. With repo rate staying at 6.5%, bringing real rates closer to its pre-pandemic average of around 1% will be a more gradual process and achieved solely via. disinflation Rate hikes could, however, be back on the table if core inflation does not ease despite the expected moderation in headline inflation in coming months. Meanwhile, we reiterate our view that the bar for any rate cuts is quite high – given India's growth resilience, inflation stickiness and RBI's hawkish tone. The reference to the 2019 rate cut cycle (when inflation was around 2% & repo rate at 6.5%) and quarterly inflation forecasts staying above 5% through FY23/24 reinforces this view. The MPC also noted that it remains "resolutely focused on aligning inflation with the target", with Governor Das emphasizing that "the war against inflation has to continue".

Exhibit 53: Changes to policy repo rate (bp, CY10 to CY23 YTD)
250bp hike in this cycle is the steepest since post-GFC 2010-11



Source: BofA Global Research estimates, RBI

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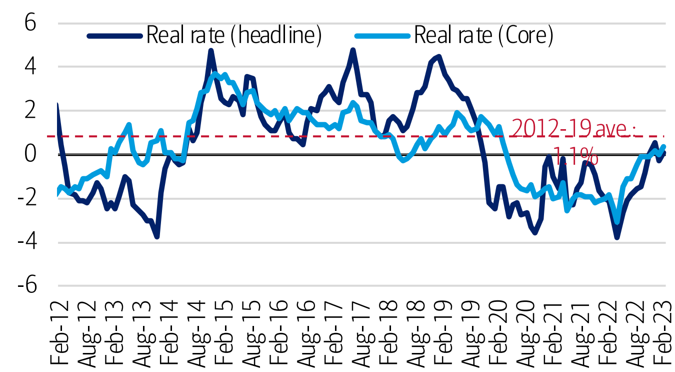
Exhibit 54: Real policy rates (%)
Real policy rate has averaged 1.1% over 2012-19, on an ex-post basis



Source: BofA Global Research estimates, Haver

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Strategy: Constructive on improving current account and carry

INR has been trading in a tight range over the last few months, exhibiting low beta to USD moves, which makes INR attractive on carry-to-volatility metrics. Fundamentals are improving with narrowing trade balance over the last few months, partly due to usual seasonality in 1Q. But, lower commodity prices and improving services exports to around USD 14Bn monthly average would keep current account deficit contained. Portfolio flows in equities have been trickling-in, registering USD 1.3 Bn over the last month. India may begin to get more debt inflows for carry exposure and via corporate debt fund raising.

We expect Reserve Bank of India (RBI) to take comfort in the increase in FX reserves over the last two quarters. Correction in real exchange rate should reduce concerns in over-valuation and allow RBI to take a softer approach in accumulating further reserves. We expect that to open up room for INR to appreciate further. On the top-side, we expect RBI resistance against a break of 83/USD unless broader USD strength picks-up.

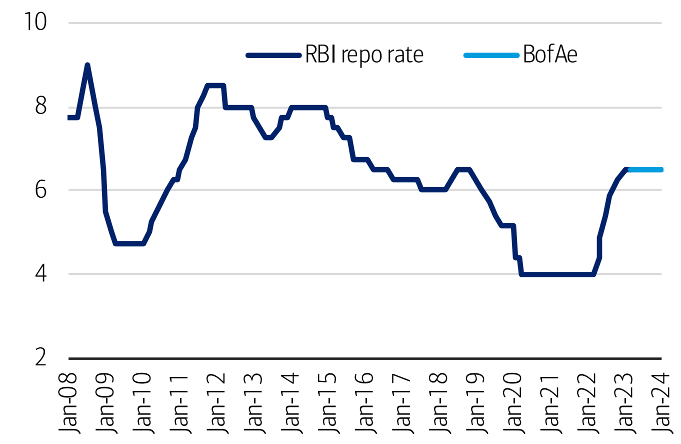
Bonds may hold-up well as market demand for duration could improve further after RBI signaled end of hiking cycle. Higher taxes this year could, however, deter demand from insurance sector due to slower premium flows. Foreign investors' withholding tax is also set to increase from around 5% to 15-20% from July. Fiscal year start also provides more room for banks to participate in auctions but may need more accommodative monetary conditions later to sustain that support. Expectations of policy easing could also open-up more room for front-end bonds to rally.

Risks

Key risks include the headwinds from an extended period of sticky & high inflation and spillovers from global downturn. External balances appear more manageable with lower oil.

Exhibit 55: RBI policy repo rate: Path ahead

Policy rate likely to be held steady at 6.5% through 2023



Source: BofA Global Research estimates, RBI

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Exhibit 56: INR forecasts

Carry flows to support INR. End-2023 forecast at 80/USD

	Q2 23	Q3 23	Q4 23	Q1 24
USD-INR	81.5	81.0	80.0	79.5

Source: BofA Global Research

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Exhibit 57: Major macro forecasts

Indonesia's macro fundamentals are in a relatively good place in 2023

India	FY2022/23	FY 2023/24	FY 2024/25
Real GDP (% yoy)	6.8	6.0	5.5
CPI (% yoy)	6.7	5.2	4.5
Policy Rate (eop)	6.50	6.50	6.50
Fiscal Bal (%/GDP)	-6.4	-5.8	
CurAct Bal (%/GDP)	-3.0	-3.0	

Source: BofA Global Research

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Indonesia: BI pause & export resilience

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Themes: Bank Indonesia holds policy at 5.75%; Export sector resilience

Bank Indonesia (BI) kept its policy rate unchanged at 5.75% for a third consecutive meeting as expected by us and consensus. The outlook for the economy remains broadly intact vs. Mar. Headline inflation is seen returning to the 2-4% target range earlier from Aug, and core inflation staying within the range throughout 2023. Capital & financial accounts surplus is now seen higher on greater support from foreign capital inflows.

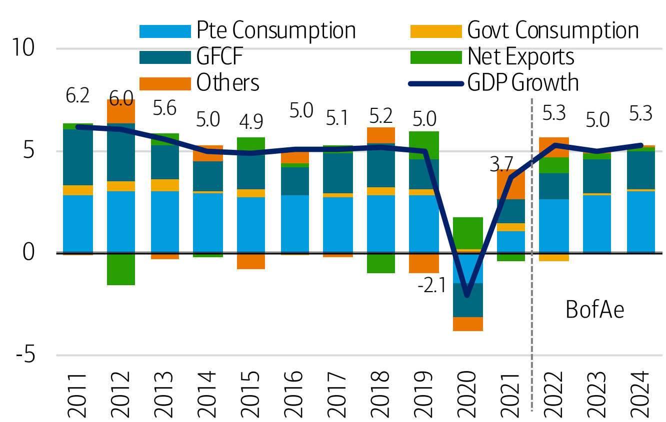
BI's growth outlook broadly was similar to Mar. BI maintained its 2023 global GDP forecast at 2.6%, with improving prospects in the US offsetting slower-than-expected lift from China's reopening. BI Governor Perry sees domestic GDP in the upper half of the 4.5-5.3% range, with easing inflation supporting consumption outlook. In the Q&A, BI guided for 1Q'23 GDP slightly above 5%, and 2Q'23 GDP at 5.1% or slightly above.

BI appears more comfortable on inflation than in Mar. In the Q&A, BI sees headline inflation returning to the 2-4% target range earlier (as we had flagged in our Mar CPI note, see report) from Aug (one month earlier than the previous guidance). Core inflation is seen staying within the 2-4% target range throughout 2023, an expansion from the previous guidance to stay within the range in 1H'23. That said, Governor Perry remains cautious on the inflation outlook, pointing out that global inflation is not slowing as fast as expected.

As with Mar, BI expects a current account surplus in 1Q'23, with full year seen at -0.4% to +0.4% of GDP. This corroborates with our constructive view of current account, with 1Q goods trade surplus of $12.3bn pointing to a surplus of 0.5% of GDP in 1Q and a balanced position for this year. Meanwhile, BI sees capital & financial account surplus higher than earlier thought, on greater support from FDI and portfolio investments inflows. On the latter, BI expects net foreign capital inflows in portfolio investments (1Q: $4.7bn) to continue into April.

Loans growth rose by 9.9% yoy in Mar (2M'23: 10.3%), and with deposits growth easing to 7% (2M'23: 8.8%), excess deposits in the banking system declined further, amounting to IDR 1,313tr as of end-Mar vs. 1,426tr in Feb and peak of 1,544tr in Dec-22 Meanwhile, BI flattened the market term structure, likely aimed at aligning it with the expected inflation trajectory going forward.

Exhibit 58: GDP growth (% yoy) and its drivers
Growth expected to moderate in 2023, before picking up in 2024



Source: BofA Global Research estimates, CEIC, Haver

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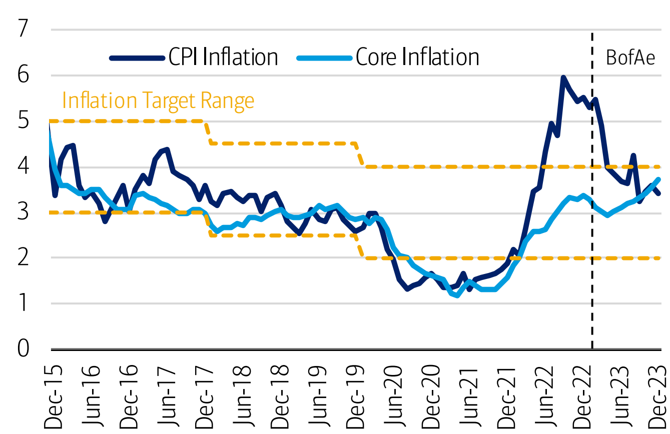
Exhibit 59: Headline and Core Inflation (% yoy)
Headline inflation likely peaked & should return to target range by mid-23



Source: BofA Global Research estimates, CEIC, Haver

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BI to stay on an extended pause

BI's hiking cycle is likely over, given receding inflationary pressures and resilience in external accounts. The bar for rate cuts this year is still quite high in our view, with BI likely to remain vigilant against potential upside risks from global inflation and the possibility of sticky food prices amidst the potential return of El Nino later this year. However, a more dovish pivot by global central banks (not our base case at this point) could potentially bring forward BI easing from next year to later this year.

Strategy: Positive momentum to sustain on portfolio flows

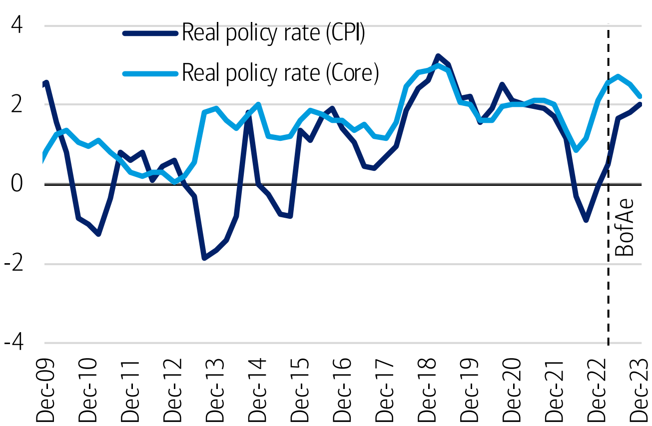
Strong portfolio flows drove IDR appreciation over the last month, led by USD 1.7Bn into bonds and USD 0.7 Bn in equities. Equity fund-raising activity has picked-up with three offerings in Mar-Apr period raising USD 1.8 Bn. These flows more than covered demand for USDs for dividend outflows and higher imports during festive season. IDR strength likely also triggered conversion of corporate's excess USD deposits. With more IPOs lined-up for this quarter and next, equity inflows may continue to support IDR. Our real-money tracker shows that investors were neutral on Indonesia bonds in Feb'23 and overweight on FX. Debt flows are likely to stay supported as Indonesia fares favorably on fiscal improvement and real rates compared to other markets in Asia offering comparable yields.

Commodity terms-of-trade has moderated but would be offset by structural improvement in manufactured products exports this year as more capacity comes online. We remain constructive on IDR due to solid external accounts and further improvement in investment flows. Sharper commodity price correction could pose some risk to this view. The key impediment to IDR strength this year could be from dovish policy bias leading to flush liquidity and negative carry on domestic IDR deposit rates compared to offshore USD deposits. This would, however, be positive for bonds along with high positive real rates and improvement in fiscal balance with a large cash buffer. We expect bonds to stay supported by dovish policy bias, negative net issuance in 2Q and further pick-up in foreign demand.

Risks appear quite balanced on growth, but upside for inflation

Risks to growth are well-balanced, with upside from a stronger commodity boost and downside from weaker investments. Inflation has surprised to downside, but upside risks remain from any new food shocks. Current account could remain in surplus, if coal prices are supported by reopening demand in China.

Exhibit 60: Real policy rate (%)
Real policy rates are expected to rise as inflation eases



Source: BofA Global Research estimates, CEIC, Haver

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Exhibit 61: IDR forecasts
Constructive view. Forecast end-23 at 14,800/USD

	Q2 23	Q3 23	Q4 23	Q1 24
USD-IDR	15,000	14,900	14,800	14,800

Source: BofA Global Research

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Exhibit 62: Major macro forecasts
Indonesia's macro fundamentals are in a relatively good place in 2023

Indonesia	2022	2023F	2024F
Real GDP (% yoy)	5.3	5.0	5.3
CPI (% yoy)	4.2	4.0	3.6
Policy Rate (eop)	5.50	5.75	4.75
Fiscal Bal (%/GDP)	-2.4	-2.9	-2.6
CurAct Bal (%/GDP)	1.0	0.0	-1.1

Source: BofA Global Research

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Korea: Holding hard onto hawkish tone

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Themes: BoK Review: Holding hard onto hawkish tone

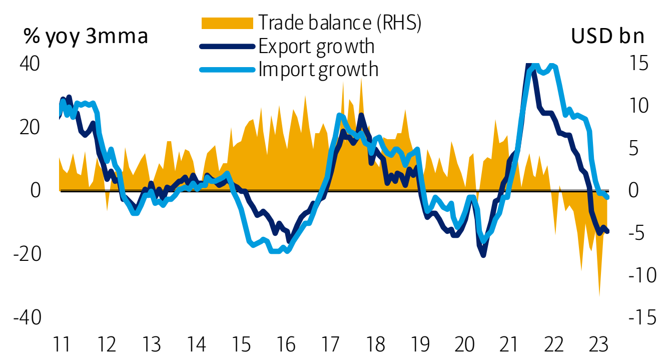
The Bank of Korea (BoK) kept the policy rate unchanged at 3.5% on 11 April, as widely expected. The unanimous no-change decision marks the official end to its hiking cycle, in our view. After having one dissenter for a hike in the last meeting Feb, clearly no members were convinced enough to see the need for another rate hike. Despite the terminal rate expectation by five out of six members (excluding the governor) did not come down from 3.75%, we see this as a communication tool to convey the Monetary Policy Committee (MPC)'s policy priority continuing to be price stability, but not as an outright signal to higher terminal rate. We maintain our view of highly limited chance of a further hike by the BoK and keep our view of a pause through the next two quarters.

Along with the unanimous no-change decision, the Committee presented a weakening outlook on the economy. After slashing the growth forecast to 1.6% from 1.7% in February, the BoK saw another downward revision at the upcoming meeting in May. On inflation, they saw the headline inflation forecast unchanged at 3.5% while addressing the core inflation forecast at 3.0%, facing upside risk. This is in line with the latest CPI print which slowed mostly on oil price drop whilst services inflation persisted. While we remain more upbeat on export turnaround in the 2H23 vs the BoK, we agree on growing downward pressure on growth with the consumption slowdown expected to accelerate in 2H23; in this sense, we see core inflation slowing faster than the BoK's view.

Throughout the press conference, Governor Rhee appeared highly guarded against the rate cut expectations by the market. He commented that 'several members caution against early rate cut expectations', and strongly stated that 'discussions on rate cut inappropriate until inflation comes down more visibly'. We agree that views on a rate cut as early as this August seems overdone. We expect a gradual build-up of rate cut expectations through 3Q23 when the headline inflation falls well below 3.5%-handle. While the BoK likely continues to show cautious against easing, we expect them to signal easing in 3Q with dovish dissenters voting for a cut and actual cut delivered in 4Q. Gov Rhee likely continues to hold onto hawkish narrative at May meeting especially when we expect the growth forecast to be revised lower.

Nonetheless, we see another unanimous no-change decision at the next meeting in May. We expect the BoK to continue holding onto hawkish tone as core inflation likely remains sticky in 2Q23. Only when services inflation starts to drag on the headline more meaningfully in 2H23 led by consumption deterioration, we expect dovish members to raise their voice on removing the tightening bias. With our forecast of sub-3% outlook on both the headline and core inflation in the 4Q23, we expect dovish dissent votes in 3Q23 and the first rate cut in 4Q, followed by three more cuts to 2.5% by end-2024.

Exhibit 63: Korea export & import growth and trade balance
Exports slowed to -13.6% in March from -12% in Jan-Feb



Source: BofA Global Research, MOTIE

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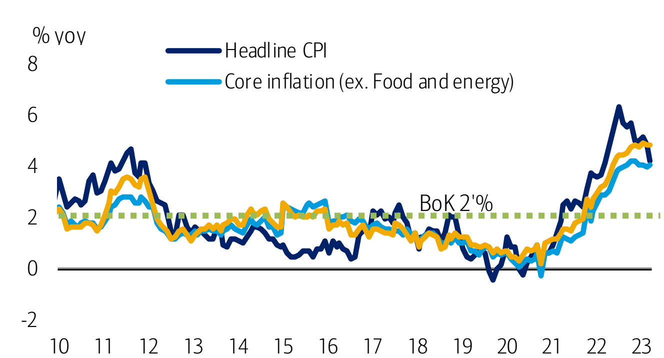
Exhibit 64: CPI inflation and core trend (% yoy)
Headline CPI inflation slowed to 4.2% YoY in Mar, lowest in a year



Source: BofA Global Research, Korea statistics

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Feb Data: Export bottoming out, lowest CPI in a year

Exports slowed to -13.6% year-on year in March from -12% in Jan-Feb, partially on high base from March last year when exports surged 19% but due to a broad-based subdued demand globally. We think the worst likely is over as we assess the underlying export momentum has entered a recovery stage. The per-day export growth narrowed the contraction to -17.2% year-on-year in March vs -18.7% in Jan-Feb, bringing the per-day value up to USD2.3bn in March, highest in 5 months vs a recent slowdown to USD2.08bn. While China's re-opening effect appeared delayed, once China's production normalization feeds through, we believe export growth will continue to improve from here, more visibly from 2Q23.

CPI inflation recorded the lowest print in 12 months in March. It moderated to 4.2% year-on-year from 4.8% in Feb, lower than the market consensus at 4.3% and below our forecast of 4.4%. Sequentially, it notably slowed to 0.2% month-on-month vs 0.3% in Feb and 0.8% in Jan. Favorable base effect in energy items drove this sharp disinflation as oi prices peaked in March last year amid Russia-Ukraine tensions. Meanwhile, both the core excluding agriculture and oil products and excluding food and energy inflation stayed unchanged at 4.8% year-on-year and 4.0%, respectively, capturing still-strong demand side price pressure.

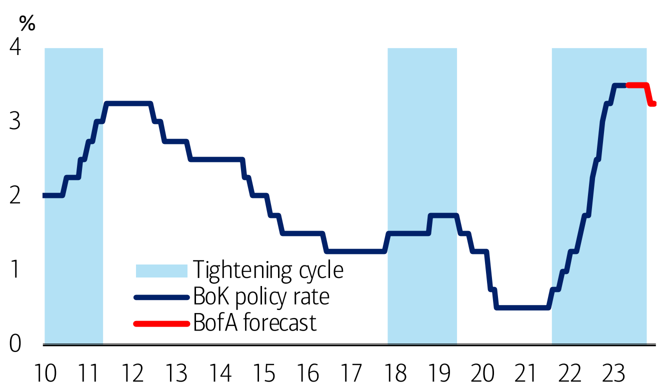
Strategy: The DXY and USDKRW divergence grows

In our last FX revision, we expected the gradual weakness in the US$ from the Fed pivot and the rally in US rates would result in a strong rally in the Korean won. However, these expectations have not yet come true and USDKRW continues to head higher while the DXY falls. The unique underperformance of the Korean won appears to be mostly be explained by: 1) weakness in portfolio inflows; and 2) the continued underperformance of Korean exports especially to China.

Korea's April 20-day prints continued to show that year-on-year exports have bottomed but sequential strength remains to be weak. With our economists signaling that China will likely start a new credit cycle, we think eventually Korea's export to China will eventually pick-up but this will likely occur closer to 4Q and year-end. For now, with exports remaining weak and geopolitical tensions between Korea and China on the rise, we think the risks are skewed towards even higher USDKRW and is a risk to our near-term forward for USDKRW at 1,270 by the end of 2Q 2023.

Exhibit 65: Policy rate forecast

We expect BoK to cut in 4Q23 on growth concerns and waning inflation



Source: BofA Global Research

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Exhibit 66: KRW forecasts

KRW to remain on an appreciation trend

	Q2 23	Q3 23	Q4 23	Q1 24
USD-KRW	1270	1245	1210	1180

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 67: Major macro forecasts

Korean economy will gradually wane to potential growth

Korea	2021	2022	2023F
Real GDP (% yoy)	4.1%	2.6%	1.9%
CPI (% yoy)	2.5%	4.9%	3.7%
Policy Rate (eop)	1.0%	3.5%	3.25%
Fiscal Bal (%/GDP)	-4.0%	-4.3%	-4.7%
CurAct Bal (%/GDP)	4.7%	1.7%	2.5%

Source: BofA Global Research

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Hong Kong: CPI inflation stayed subdued

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CPI inflation stayed subdued; underlying pressure building

CPI inflation stayed at 1.7% yoy in Mar, unchanged from Feb and below market consensus at 1.9%. Moderating food price inflation was the major drag. Netting out the government's one-off relief measures, the underlying inflation also stayed at 1.7%.By breakdown, food price inflation decreased to 1.6% yoy from 2.5%, given a high year-ago base during the Covid outbreak and food hoarding in Mar 2022.

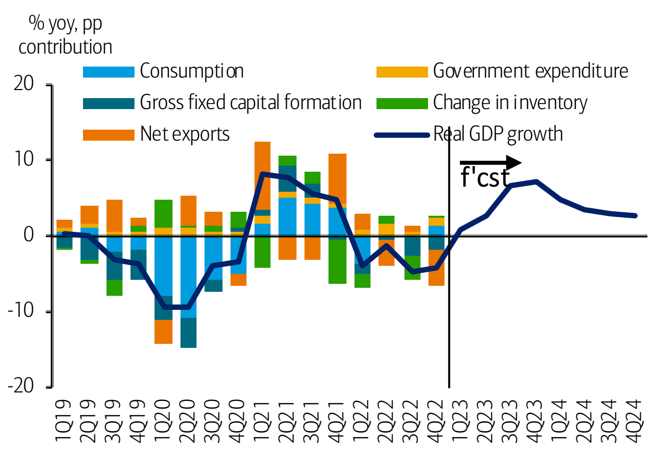
While the headline trailed estimates, we believe the underlying inflationary pressure is gradually building, and will show up more notably in data once the base effect gradually fades out. We maintain our view that the return of tourists (about 60% of 2018-19 avg level on Apr 20) will boost services price inflation in coming months. That said, we believe the overall inflation will remain benign this year as financial conditions are likely to remain tight.

FX and Rates: Aggregate balance lowest since 2008

Wide interest rate differentials between HONIA and SOFR has led the FX market to, on net, continue buy US$. This action has resulted in the HKMA to further defend the 7.85 weak-side and has drained the aggregate balance down to HK$ 49bn, the lowest level since 2008 and below the lowest point reached in the 2019 cycle (at HK$ 54bn).

With the Fed firmly on hold for the foreseeable future, we expect the HKMA's aggregate balance to be further drained as HONIA cannot sustainably close the gap with SOFR, resulting to tom-next to generally remain wide and negative. As such, we expect the volatility to exponentially increase as the aggregate balance falls a post GFC low.

Exhibit 68: Hong Kong quarterly GDP by expenditure
We expect a stronger rebound upon free travel with the mainland



Source: BofA Global Research estimates, CEIC, Census and Statistics Department

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Exhibit 69: HKD forecasts
We expect spot HKD to stay at weaker end of band in 2023

	Q2 23	Q3 23	Q4 23	Q1 24
USD-HKD	7.85	7.85	7.85	7.83

Source: BofA Global Research estimates

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Exhibit 70: Major macro forecasts
We expect the economy to recover in 2023 following the 2022 dip

Hong Kong	2022	2023F	2024F
Real GDP (% yoy)	-3.5	4.0	3.5
CPI (% yoy)	1.9	2.2	2.0
Policy Rate (eop)	4.99	4.00	3.60
Fiscal Bal (%/GDP)	-4.9	-1.8	0.3
CurAct Bal (%/GDP)	8.9	6.7	6.7

Note: Policy rate refers to 3M HIBOR. Fiscal balance is consolidated balance of fiscal year.
Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Malaysia: Approaching Neutral

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Themes: Hawkish BNM points to May OPR hike

Updates to BNM's projections: (1) 2023 GDP is seen at 4.4%, with risks to growth outlook "fairly balanced", (2) Output gap is seen turning positive in 2H'23, and balanced for the year, and (3) Both headline and core CPI for 2023 are seen at 2.8-3.8%. Risks to inflation outlook are tilted to the upside due to persistent inflationary pressures and BNM remains vigilant to cost factors. Policy guidance was hawkish in our view, with BNM "watchful over the persistency of price pressures" and its "near-term strategy is to ensure the OPR remains at an appropriate level to manage inflationary pressures".

We now expect BNM to deliver a final OPR hike (by 25bp) in the upcoming May meeting, on heightened concerns about inflation persistence amidst output gap turning positive, even as Mar inflation eased. BNM also gave its preliminary assessment that the transmission of cumulative 100bp rate has been orderly. The Governor's explicit press comments that "there is potential for the degree of accommodation to be further adjusted" also indicate a strong bias to tighten. If OPR is hiked as expected, it would take the policy rate to its pre-pandemic 3%, at which the policy stance should be neutral. Thereafter, we expect BNM to hold policy rate steady over 2023-24.

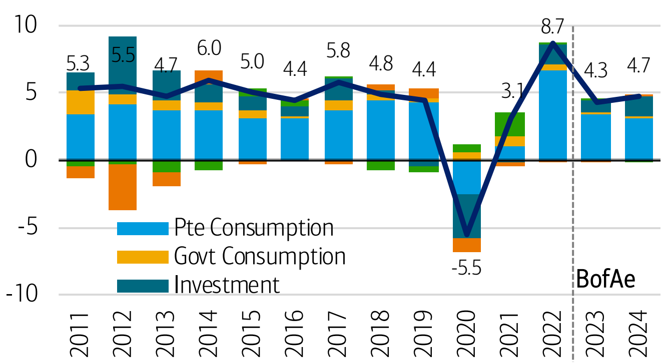
Strategy: Neutral outlook – risks from dovish policy and terms-of-trade

Fundamental flows remain balanced as moderating terms of trade could be offset by tourism recovery and growth impulse from China re-opening. But BNM's accommodative policy stance and negative carry on MYR vs. USD reduces incentive for conversion of export proceeds. Our RM tracker shows a small underweight in bond positions as of Feb'23 and flat position in FX for indexed investors. Bonds have stabilized over the last month, despite the volatility in global rates. Low net issuance this quarter and accommodative monetary conditions would continue to support the bonds. Longer tenor bonds are likely to see better demand from pension funds but prospect of further hikes and ample supply this year would limit further rally.

Growth risks are balance; Inflation risks tilted to the upside

Growth risks are balanced in our view. Faster fiscal consolidation could be a source of downside risk and also pose upside risks to inflation if subsidies are rationalized significantly. Slight upside risk to BNM terminal policy rate if data surprise to the upside.

Exhibit 71: GDP growth (% yoy) and its drivers
We see 2023 GDP at 4.3%, and close to official forecasts



Source: BofA Global Research estimates, CEIC

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Exhibit 72: MYR forecasts over next year
Positive momentum from China re-opening

	Q2 23	Q3 23	Q4 23	Q1 24
USD-MYR	4.36	4.32	4.28	4.26

Source: BofA Global Research

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Exhibit 73: Major macro forecasts
Below trend growth, smaller C/A surplus & still-large fiscal deficit in 202

Malaysia	2022	2023F	2024F
Real GDP (% yoy)	8.7	4.3	4.7
CPI (% yoy)	3.4	3.0	2.7
Policy Rate (eop)	2.75	2.75	2.75
Fiscal Bal (%/GDP)	-5.6	-5.0	-4.5
CurAct Bal (%/GDP)	2.6	1.8	1.8

Source: BofA Global Research

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Philippines: Inflation starts to recede

Jojo Gonzales ^^
Philippine Equity Partners

Abhay Gupta
Merrill Lynch (Singapore)

Inflation looks to have peaked

The consumer price index (CPI) looks to have already peaked at 8.7% YoY in January, coming in at 8.6% and 7.6% YoY in February and March, respectively. Unless we see resurgent food and oil prices or foreign exchange volatility, it may be safe to say that inflation is starting to normalize. This has raised divergent opinion of what the next move of the Bangko Sentral may be, at their next meeting on May 18.

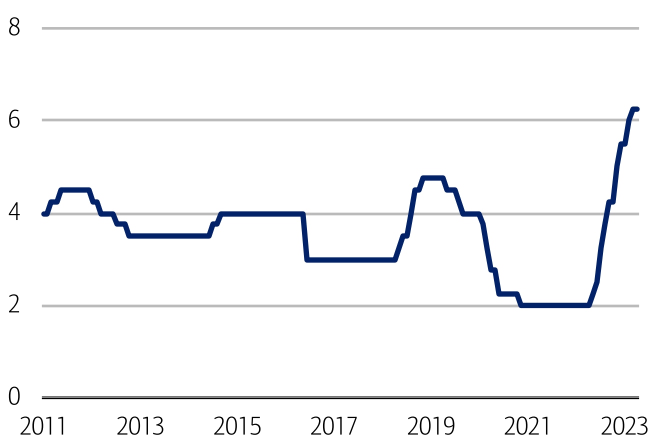
Will the BSP pause?

A growing number of observers believe the BSP may pause in May, with the policy rate already at 6.25% and inflation on a downward path. However, this still implies a negative real rate today and with the peso vulnerable to depreciation, we maintain that the terminal rate may be 6.5% - which implies one more 25bp hike, in our view.

PHP – Relative weakness likely as focus shifted to twin deficits

PHP weakened sharply over the last few weeks after the Easter related remittance inflows were over. Over the last few months, BSP's (Bangko Sentral ng Pilipinas) hawkish bias, government's USD bond issuance and position unwinding supported PHP, along with expectations of easier external funding conditions. However, most of these flows are behind us now and BSP has shifted towards a more dovish direction recently after the downside inflation surprise. Policymakers' tolerance for excessive PHP weakness also remains low, which was signaled by recent news on wider coverage of domestic NDF program to non-trade flows. The government is also looking to raise offshore retail bonds in the range of USD 1.5-2Bn which could be potentially used to support PHP. The government is still looking to raise offshore retail bonds in the range of USD 1.5-2Bn which could support PHP against excessive weakness. Lower inflation is also critical in ensuring that real rates in Philippines remain high enough and BSP's dovish turn is matched by easing inflation. We expect PHP to remain weaker vs the regional peers this year and likely against USD in the near-term. Over the medium-term, direct investment flows could turn more supportive due to active efforts by the government to raise more investments.

Exhibit 74: Policy rate at 6.25%
We reckon the terminal rate is 6.5%



Source: CEIC data

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Exhibit 75: PHP forecasts
PHP forecasted at 55/USD by end-2023

	Q2 23	Q3 23	Q4 23	Q1 24
USD-Php	55.0	56.0	55.0	55.0

Source: BofA Global Research

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Exhibit 76: Major macro forecasts
GDP growth declining in 2023

Philippines	2021A	2022E	2023E
Real GDP (% yoy)	5.6	6.5	4.5
CPI (% yoy, base year 2012)	4.4	5.5	3.1
Policy Rate (eop)	2.0	5.5	6.0
Fiscal Bal (%/GDP)	-10.2	-9.0	-7.5
CurAct Bal (%/GDP)	-0.5	-4.8	-4.8

Source: BofA Global Research

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Singapore: Taking a breather

Mohamed Faiz Nagutha
Merrill Lynch (Singapore)

Abhay Gupta
Merrill Lynch (Singapore)

Themes: MAS keeps policy unchanged after five tightening moves

MAS kept its FX policy settings unchanged after five successive tightening moves since Oct'21. This was not a major surprise as we saw 30-40% odds for unchanged policy (see MAS Preview). However, our baseline 50bp slope increase did not materialize. MAS justified the pause by noting that past tightening moves "are still working through the economy and should dampen inflation further". MAS also "assessed that the current appreciating path of the S$NEER policy band is sufficiently tight & appropriate for securing medium-term price stability".

Given the unchanged policy and somewhat dovish communications, the market is likely to conclude that MAS' tightening cycle is over. Our baseline sees core inflation averaging 3.2% (2.3% without GST) in 4Q'23 – around 70bp above MAS' forecast and historical average. If our inflation path materializes and growth holds up (admittedly a big if), a delayed tightening move could still be on the table in October. However, the bar for further tightening is indeed high. On the other hand, barring a broad-based downturn or core inflation falling (or seen to fall) below 1.5% on a sustained manner, we see little chance of MAS easing monetary policy settings in the next few scheduled meetings.

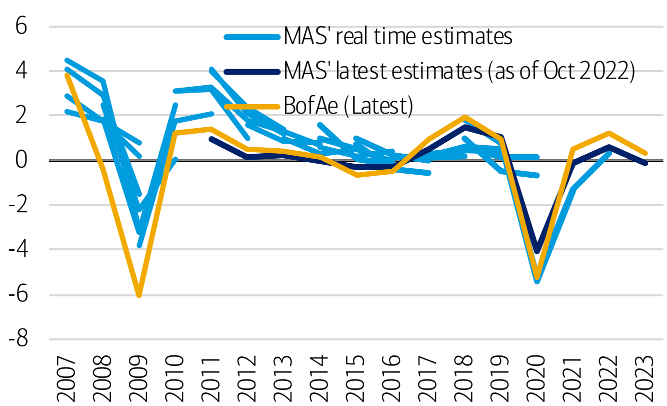
Strategy: SGD NEER range-bound on higher downside risks

SGD NEER (nominal effective exchange rate) corrected slightly, triggered by dovish surprise from MAS in the April meeting. Higher downside risks increase the possibility of further correction within the band but we expect buy-on-dips demand to keep SGD NEER above the mid of the band. Positive carry on slope also supports more patient long SGD NEER positions if levels become more attractive. We remain bullish on rates driven by more dovish MAS which would likely reduce the premium built-in SGD rates curve. We expect Singapore bonds to perform better than US treasuries on stronger demand from domestic investors over the year but may weaken ahead of July long-end issuance. Transmission of further US rate hikes to SORA may be weaker, thus creating a skew towards lower rates but liquidity operations by MAS will be key to watch.

Risks are balanced on inflation, but downside on growth

The key downside risks are a major global downturn and drags from any tightening of global financial conditions. Inflation risks are broadly balanced.

Exhibit 77: MAS vs BofA output gap estimates (% of potential)
Latest GDP series suggest 2022-23 output gap will likely be more +ve



Source: BofA Global Research estimates, MAS

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Exhibit 78: SGD forecasts
SGD relative outperformance in 2023

	Q2 23	Q3 23	Q4 23	Q1 24
USD-SGD	1.31	1.30	1.29	1.285

Source: BofA Global Research

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Exhibit 79: Major macro forecasts
We see growth slowing in 2023, but inflation staying high

Singapore	2022	2023F	2024F
Real GDP (% yoy)	3.6	1.0	2.5
CPI (% yoy)	6.1	5.0	3.4
Policy Rate (eop)	n.a.	n.a.	n.a.
Fiscal Bal (%/GDP)	-0.3	-0.1	0.5
CurAct Bal (%/GDP)	20.8	20.7	21.5

Source: BofA Global Research

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Taiwan: exports remained weak

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March CPI inflation moderated slightly

CPI inflation eased slightly to 2.35% yoy in Mar (vs. 2.43% in Feb), but still higher than the market expected. Core CPI inflation stayed steady at 2.55% yoy. The higher-than-expected headline CPI print was mainly driven by continued price pressure from both services (+2.66% yoy, vs. +2.51% in Feb) and food (4.9% yoy, vs. 4.3% in Feb). The upside surprise in Mar CPI data underscores the persistent inflationary pressure in Taiwan. Looking ahead, CPI will likely remain above the CBC's implicit target of 2% in the coming months. The CBC still faces tough choices to balance inflation vs. growth concerns. Our base case remains that the CBC will stay on hold for the rest of the year.

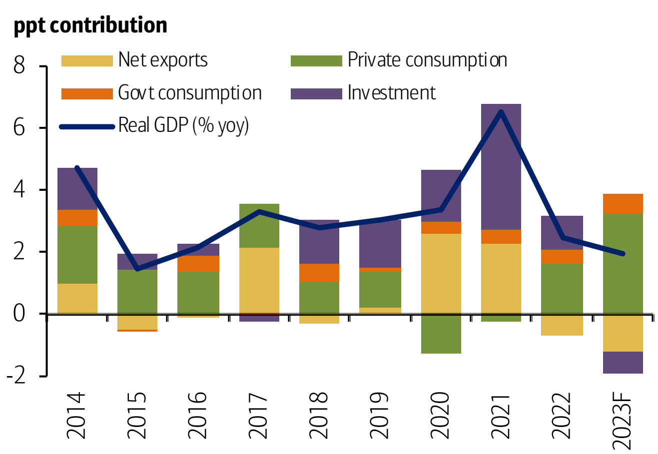
March exports remained sluggish while imports extended drop

Exports continued to see significant contraction in Mar (-19.1% yoy, vs. -19.2% in Jan-Feb), worse than the market consensus forecast. Import growth weakened further to -20.1% yoy from -13.3% in Jan-Feb combined, trailing the market expectation by a wide margin. The continued weakness in Mar exports data point to persisting headwinds from the global tech downcycle and overall demand slowdown. While the new export orders sub-index of Taiwan's Manufacturing PMI has picked up in recent months (49.5 in Feb & 48.3 in Mar), it is still early to call a turnaround in export outlook. In our view, as the comparison base remains relatively high in the near term, Taiwan's export growth could stay in negative territory over the next 1-2 quarters.

Strategy: USDTWD rise as lifers pull back from FX hedging

Spot USDTWD continues to climb higher following the general path set by USDCNH. Like Korea, Taiwan's total export remains weak dragged by stagnant demand from China. Portfolio inflows into Taiwan has also stagnated as the NASDAQ appears to have found a resistance level at close to 12,100. With USD-Asia on a general trend of stabilization, the lifers have little incentive to increase hedging ratio and sell US$ given the very deep carry on the NDF curve. We see the current stagnation of USDCNH and the lack of mainland Chinese demand for Taiwanese exports to be an upside risk to our 2Q forecast for USDTWD of 30.25.

Exhibit 80: Taiwan GDP contribution by expenditure
We expect private consumption recovery to drive growth in 2023



Source: BofA Global Research, DGBAS

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Exhibit 81: TWD forecasts
We expect USDTWD to edge lower this year

	Q2 23	Q3 23	Q4 23	Q1 24
USD-TWD	30.3	30.0	29.5	29.2

Source: BofA Global Research estimates

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Exhibit 82: Major macro forecasts
Our base case remains no change in the policy rate for the rest of the year

Taiwan	2022F	2023F	2024F
Real GDP (% yoy)	2.4	2.0	2.4
CPI (% yoy)	2.9	2.1	1.7
Policy Rate (eop)	1.750	1.875	1.625
Fiscal Bal (%/GDP)	-1.0	-2.3	-1.8
CurAct Bal (%/GDP)	13.3	11.0	11.9

Source: BofA Global Research estimates

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Thailand: Election is coming up

Pipat Luengnaruemitchai
Kiatnakin Phatra Securities

Abhay Gupta
Merrill Lynch (Singapore)

Theme: Upcoming elections

Thailand's general election is scheduled for 14 May and is expected to be highly contested. The involvement of 250 senators in the selection of Prime minister creates high uncertainty in outcome predictions as winning elections may not guarantee the right to form government. Since most senators are expected to side with the current coalition parties, we see three possible outcomes: the status quo, a landslide, and a reconciliation. Given the track record of Thailand, in our view political surprises cannot be completely ruled out.

The policies currently at the center of political attention include, among other policies, welfare payments to fragile groups, a debt moratorium, Bt535bn digital token handout, and minimum wage hikes. If executed, these policies could provide a short-term boost to consumption growth in 2024, after the stalled consumption recovery this year. Fiscal situation is not a short-term concern yet but slower growth, a deteriorating dependency ratio, and climate change related liabilities over long term would make fiscal resources more scarce.

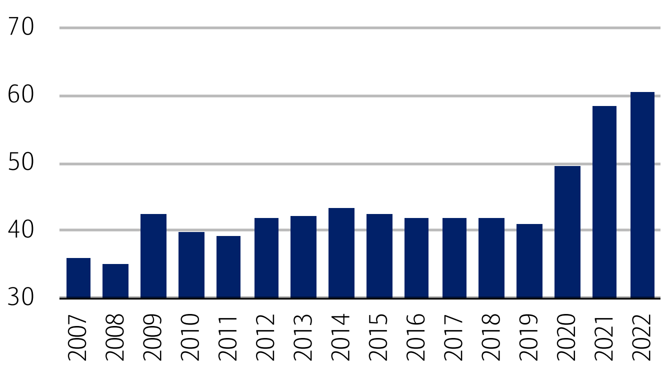
Risk

While additional policies could stimulate domestic consumption growth after the election, it could complicate the path of policy rate hikes by the Bank of Thailand as more inflationary pressure could build up amid external growth slowdowns. On the other hand, any political surprises that lead to political uncertainty could lead to capital outflow as well as weaken USDTHB from rising political uncertainty risks.

Strategy: Room for more appreciation this year but turn neutral near-term

The fundamental outlook for THB remains strong but NEER (Nominal effective exchange rate) has also appreciated, exports have weakened recently and that has led to more vocal resistance from exporters and sympathetic comments from the government. Positioning of long THB seems cleaner now as portfolio outflows of over USD 3Bn this year from inflow of USD 2 Bn earlier. THB would appreciate further in 2H as current account improves more materially. But in the near-term, THB's negative carry and high-beta to USD could lead to weakness over May. Bonds have traded weaker as domestic investors are likely waiting for more visibility on terminal rate in this policy cycle.

Chart 1: The public debt ratio rose sharply after Covid, while the politics focus on short-term spending
Public debt to GDP (%)



Source: PDMO, Kiatnakin Phatra Securities

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Exhibit 83: USD/THB forecasts lowered
Tourism recovery led appreciation in 2023

	Q2 23	Q3 23	Q4 23	Q1 24
USD-THB	33.0	32.0	31.0	31.0

Source: BofA Global Research

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Exhibit 84: Major macro forecasts
GDP growth higher in 2023

Thailand	2022E	2023F	2024F
Real GDP (% yoy)	3.2	3.6	3.4
CPI (% yoy)	6.1	3.3	1.7
Policy Rate (eop)	1.25	2.25	2.0
Fiscal Bal (%/GDP)	-7.6	-4.0	-4.4
CurAct Bal (%/GDP)	-3.5	1.3	4.0

Source: BofA Global Research

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EEMEA

Poland: dovish data, but no cuts soon

Mai Doan
MLI (UK)

Themes: NBP dovish leaning but inflation too high to start easing debate

Inflation has likely peaked, but we do not think the outlook for CPI and growth justifies a policy rate cut from 6.75% in 2023. Inflation dropped markedly to 16.1% yoy in March from 18.4% in February, but this was driven primarily by fuel rather than core items, with the latter accelerating to 12.3% from 12.0%. Underlying price growth still looks concerning across different breakdowns. In particular, the 3m/3m annualized rate in CPI ex volatile items continued on its sharp upward trend to 22% in March. CPI ex food and energy, CPI ex regulated items, and 15% trimmed mean all recorded an uptick in momentum too. But the National Bank of Poland (NBP) is more likely to hold rates high for longer rather than hike. We expect no rate cuts until March 2024 and for them to fall to 4.50% by YE2024.

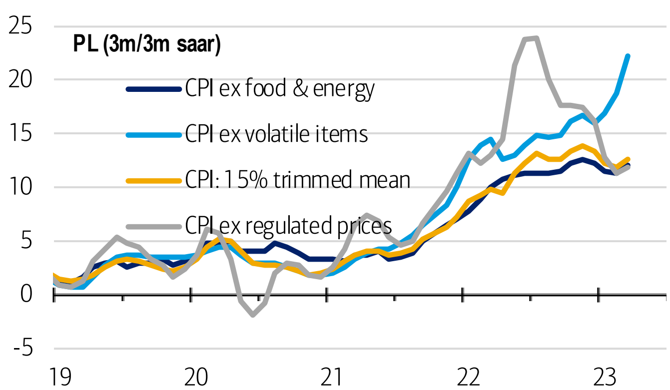
Activity data have been generally softer than expected recently, but economic conditions overall are probably not weak enough to motivate the NBP to initiate a rate-cuts debate soon. Retail sales contracted further in March, by -7.3% yoy, the weakest reading since Jan 2021, with rather broad based declines (fuel -20.7% yoy, household goods -15.2%, newspapers & books -17.8%, food -4.6%). Industrial output also fell by -2.9% yoy. Meanwhile, the labour market is recovering across industry, retail, and services. This could reinforce wages, and thus inflation pressures.

Polish assets may be vulnerable to different sources of headline risk in the coming quarters, though long-term fundamentals remain solid. CHF loans litigation suggests uncertainty in the banking sector will not improve until a legislative solution is clear – likely after the elections. The lack of agreement on funding with the EU implies less of a cushion for the PLN during bouts of risk aversion. The ruling PiS's lack of a majority in the opinion polls may lead to a populist push. But there is good support for local bonds thank to advanced financing, with c.70% of borrowing needs covered.

Strategy: keeping positive PLN bias

We expect a stronger PLN than forwards imply from Q3 2023 as the broader dollar weakens. However, in the short term, we see risks to the PLN coming from low real interest rates at home and some rebound in the USD stemming from stronger data. Meanwhile, POLGBs will likely be driven more by core rates rather than domestic factors, with the latter still burdened by high inflation, dovish central bank, and election spending risks.

Exhibit 85: Poland – core CPI details
Momentum accelerating, implying still strong underlying pressures



Source: Haver, BofA Global Research

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Exhibit 86: PLN forecasts
Short-term headwinds, but long-term fundamentals are supportive

	Q2 23	Q3 23	Q4 23	Q1 24
EUR-PLN	4.70	4.63	4.55	4.51

Source: BofA Global Research

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Exhibit 87: Major macro forecasts
Loose policies ahead of elections supports growth, but keeps inflation high

Poland	2022	2023F	2024F
Real GDP (% yoy)	5.2	0.8	3.0
CPI (% yoy)	14.3	12.4	6.0
Policy rate (%, end of period)	6.75	6.75	4.50
Fiscal bal (%/GDP)	-3.8	-4.5	-3.1
CurAct bal (%/GDP)	-3.0	-1.7	-0.5

Source: BofA Global Research

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South Africa: sticky inflation, one more SARB hike

Tatonga Rusike
MLI (UK)

Upside inflation surprises

February and March inflation prints have surprised on the upside, remaining sticky around 7%. February inflation printed 7%, while March inflation printed 7.1% year on year. Goods inflation remains high 9.4%, year on year, while services inflation is more moderate, 4.6%, year on year. Food prices are still one of the largest contributors. Fuel inflation is decelerating, while services inflation is still rising from a low base. Inflation is decelerating but risks remain on the upside. Inflation risks are related to food prices, currency weakness and additional load-shedding costs. We expect inflation to average 6.2% in 2023 from 5.9% previously. Officially moving to a lower inflation target such as 4.5% mid point or 3% point target remain on the table but is not yet firm.

SARB to hike 25bp in May, with minority favoring 50bp

Hiking cycle appears not done yet until the central bank is convinced inflation is back into target. The SARB targets the mid-point of 4.5%, within its official de jure 3-6% inflation target. Inflation readings outside the target band – and far from 4.5% – make it difficult for the hawkish SARB to stop hiking. We think that the debate will be between 25bp vs 50bp hike. Given the upside surprise in domestic inflation data, a hike is a base case, the debate will be on the size of hikes. In our view, a 25bp hike by the SARB could potentially conclude the hiking cycle with a terminal rate of 8% – that is 450bp worth of hikes since November 2021. The last aggressive hiking cycle was 2006-08, with 500bp of hikes to deal with double-digit inflation. We have to wait until 2024E for our descent with two 25bp cuts to move the policy rate back to 7%.

Energy investment bright spot on gloomy outlook

The economic outlook is gloomy, with near zero growth in 2023E. A likely contraction in 1Q GDP data means a technical recession. Electricity supply shortages in 2Q intensified and will likely lead to another weak quarterly performance. Structural bottlenecks to energy and rail/port logistics are key drivers of economic weakness. A bad performance in 2Q 23 could easily push full year 2023 growth into a contraction. Our baseline is for no further contraction, which keeps us barely above zero. We keep our 0.1% real GDP growth forecast for 2023, with risks tilted to the downside. However, the key reform taking place in South Africa right now is private sector energy generation. Investment in electricity generation could reach ZAR1 trillion, about 14% of GDP, over the medium term. At the same time, economic performance should pick up to 1.6% and 1.7% in 2024 and 2025, respectively. Stability trumps reforms. Since December 2022, political pressures on president Ramaphosa to step down has cooled, but not eliminated. They are considered low risk, but high impact. Going into May 2024 elections, President Ramaphosa provides stability more than strong views on reforms.

Weaker current account deficit over medium term

In the short term, we expect investment in electricity generation to lead to a rise in imports. The good times of current account surpluses are likely behind us, even with China's reopening being positive for South Africa commodities. Overall commodity prices have moderated from 2021 highs. Coal, Iron ore, gold, and platinum group metals are the main four commodities, which contribute up to 60% of export receipts in good times and 40% in a low-price environment. For example, coal prices peaked above $400/metric tonne (mt) in 2022 but prices dropped to $200/mt in 1Q23. Our house view is for coal prices to average $300/mt. due to increase in imports related to electricity generation and overall moderation in commodity export receipts lead us to a weaker current account outlook. We forecast the current account deficit to weaken to 1.6% of GDP in 2023 (previously 1.3%) and to increase to over 2% of GDP in 2024 and 2025.

Fiscal risks ahead

Fiscal outperformance is behind us. Fiscal risks are both on expenditure and revenue sides. Downside risks to fiscal relate to increased spending from higher wage settlements, the unlikely unwinding of temporary social grants and spending related to weak state-owned enterprises. A weaker economy in 2023 suggests revenue underperformance compared to the National Treasury baseline. The government agreed with public service unions a two year deal for wage increase of 7.5% in 2023, and inflation linked increase in 2024. The agreement is higher than currently budgeted. Effective increase in the budget is about 4.5% including the cash gratuity component, which leaves a gap of about 3% or just under R20 billion. Overall, we estimate a fiscal deficit of about 5% of GDP in fiscal year 2023/24.

Downside risk to sovereign ratings limited

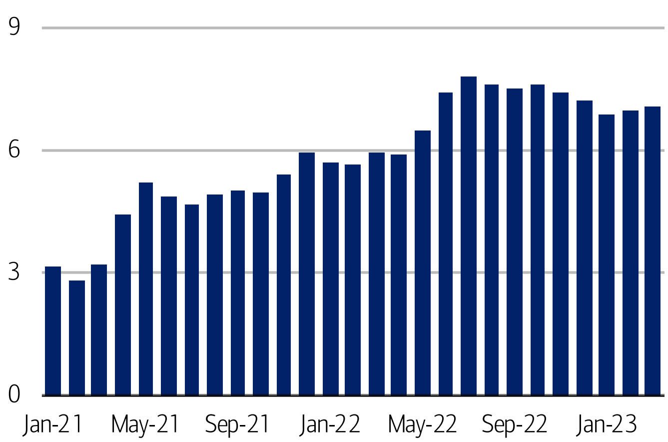
Despite blackouts induced economic weakness, rating agencies are less likely to move lower into single B territory. BB category appears to capture South Africa sovereign risks, and can withstand current pressures in BB category, in our view. Fitch BB-/stable has taken a medium term view to consider downside risks on the ratings. S&P on the other hand recently pulled back from BB-/positive to BB-/stable. Had the economic weakness not intensified with loadshedding, perhaps South Africa could have been upgraded to BB level. Moodys operates one notch higher than Fitch/S&P at Ba2/stable. It is possible for Moodys to change its outlook to negative, rather than outright move to one level lower.

Main risks

Main risks to our outlook are prolonged tighter global financing conditions and increasing domestic weaknesses. The continued tightening of monetary policy in advanced countries could weaken investor sentiment and portfolio flows to and from emerging markets. Domestic weakness relates to pronounced energy supply shortages, weakening macro and slower fiscal consolidation.

Exhibit 88: Headline Inflation trend

Upside surprises in inflation in Feb and March



Source: BofA Global Research

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Exhibit 89: ZAR Forecasts

Strengthening ZAR in 2023 largely due to weaker USD

	Q2 23	Q3 23	Q4 23	Q1 24
USD-ZAR	18.2	17.5	16.5	16.3

Source: BofA Global Research

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Exhibit 90: Major macro forecasts

Weakening economic growth outlook

South Africa	2021	2022	2023F
Real GDP (% yoy)	4.9	2.0	0.1
CPI (% yoy)	4.6	6.9	5.9
Policy Rate (eop)	3.8	7.00	8
Fiscal Bal (%/GDP)	-5.3	-4.5	-5
CurAct Bal (%/GDP)	3.7	-0.3	-1.6

*Consolidated Govt. Bal **Source:** BofA Global Research

BofA GLOBAL RESEARCH

Türkiye: pressure builds on TRY

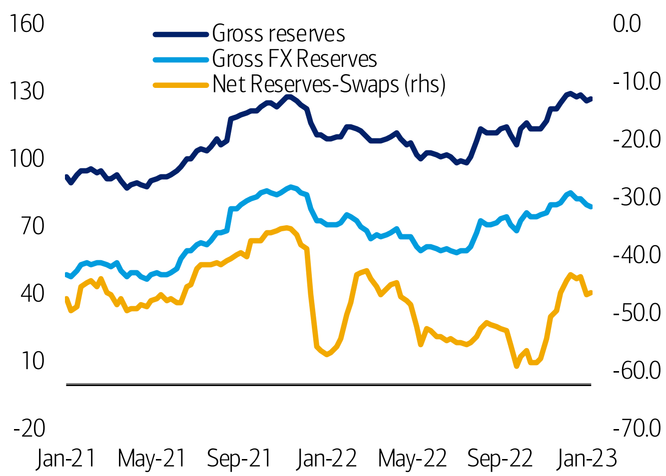
Zumrut Imamoglu
MLI (UK)

Themes: Elections (on May 14) will determine the course of economic policy
Turkiye will hold presidential and parliamentary elections on May 14. The opposition pledges to go back to orthodoxy and defends independence of the Central Bank and other economic institutions. The current government has an unorthodox economic model and will likely continue with the same framework after the elections, if they are elected. However, we believe that the economy needs to rebalance no matter the outcome of the elections. We expect weaker TRY following the elections to help balance the current account deficit and tightening in financial conditions.

Reserves slide as the CBT defends the TRY
Türkiye's gross FX reserves decreased to $69.4bn and gold reserves were $52.1bn as of April 14. Net reserves were down to $12bn from $20bn and excluding swaps they edged down to -$46.4bn. Usable reserves (calculated as gross FX reserves excluding the Treasury cash buffer, IMF SDRs and international swaps) were $23bn, down from $27bn mid-March. Net foreign asset position turned negative as well since early April. Corporate and retail demand for FX has been increasing as elections get closer and the market expects a weaker TRY no matter who wins. We see fair value of the TRY at 24, although there is room for volatility, especially following the election day.

The current account deficit has been increasing and loan growth continued to accelerate pushing consumer spending higher. Strong domestic demand weighs on the TRY but policy makers are not likely to take any precautions until after the election. In the meantime, regulations and controls are used to keep the currency under control.

Exhibit 91: Gross and net reserves excluding swaps (USD bn)
Net reserves excluding swaps still largely negative



Source: Haver, CBT

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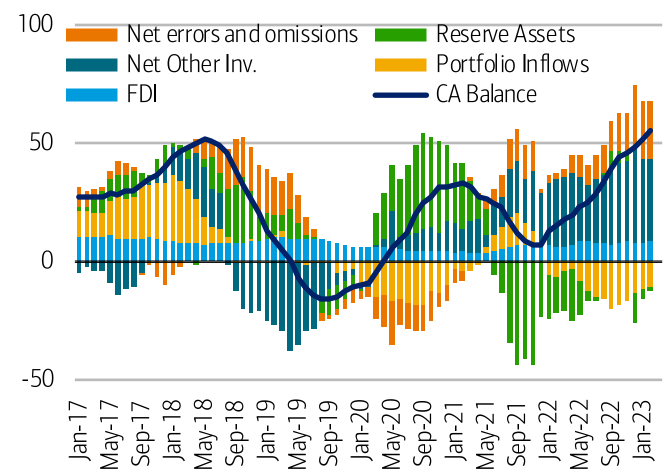
Exhibit 92: Financial Account 12-month trailing
Net errors and omissions are important source for funding the CA deficit



Source: Haver, CBT

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Commercial loan growth accelerates, consumer spends through cards
Loan growth has accelerated for corporates since last month while consumer loans cooled off little (Exhibit 93). Due to tight controls and interest rate caps on corporate sector loans, SME and consumer loans have been increasing faster. However, the limit of credit guarantee fund package has been increased to TRY400bn from TRY200bn and since then commercial loans started to accelerate. State bank lending is still faster compared to private banks. The CBT introduced an interest rate cap on the consumer

loans that are greater than TRY70K but credit card spending continues to rally. Domestic demand remains resilient while foreign demand is now gaining strength. Real sector confidence index as well as PMIs pointed to revival in export orders. On the domestic side, retail volumes remain strong. We continue to expect domestic demand led growth in the first half of the year.

Inflation trending down

CPI inflation peaked at 85.5% in October and decreased to 64.3% at the end of the year. In March, it was down to 50.5%. Stable exchange rate and decrease in energy prices are still supportive but services and basic goods inflation remains high. PPI inflation decreased to 62.4% from a peak of 158%. Food inflation edged down to 68% from 102.5% and energy inflation decreased to 35.7% from its peak at 151%. Core B-index inflation was down from 55.2% to 52.1%, services inflation decreased from 61.6% to 60%. Decreasing energy prices in industries are now reflecting on prices but momentum in consumer goods is still strong. Due to large base effects, we see inflation going down to 40% by June. Inflation path in the second half will depend on the policy set of the winning party.

The current account deficit widened due to seasonality and gold

Strong tourism revenues and drop in energy prices helped keep CA deficit down. Still, trailing deficit increased to $55.4bn by February. Energy deficit was $78.4bn and gold deficit increased from $23.7bn to $27.1bn. Services balance was $51.4bn. Net errors and omissions were $24.5bn. Portfolio outflows were down to $11bn, inflows from other investments were $35bn and FDI was $8.3bn (Exhibit 92). We expect gold imports to slow down and reach its usual trend of $10-12bn over time.

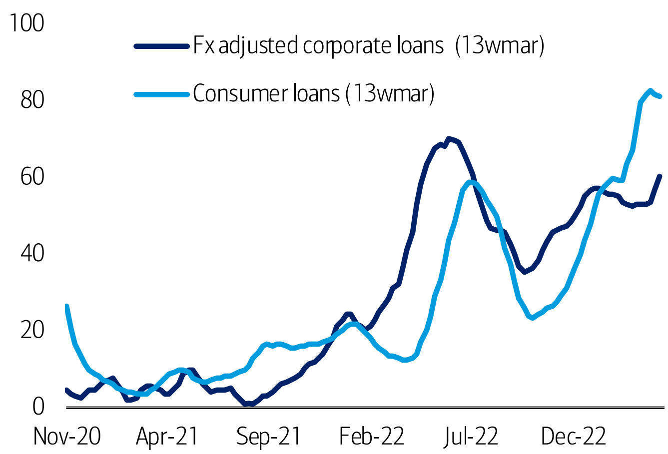
Forecasts

We see TRY relatively stable until the elections but weaker afterwards. More stimulus or large domestic loan packages could pose upside risk to our forecasts.

Main risks

Higher energy prices and geopolitical events.

Exhibit 93: Credit growth, annualized 13-week moving average, %
Consumer loan growth accelerates faster than commercial loans



Source: CBT, BRSA, BofA Global Research

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Exhibit 94: TRY forecasts
We expect TRY weakness to continue after elections

	Q2 23	Q3 23	Q4 23	Q1 24
USD-TRY	24.00	23.00	24.00	25.00

Source: BofA Global Research

BofA GLOBAL RESEARCH

Table 1: Major macro forecasts
High inflation and external financing needs weighs on medium term growth

	2022F	2023F	2024F
Real GDP (% yoy)	5.6	2.8	4.0
CPI (% yoy)	64.3	40	25
Policy Rate (eop)	8.5	45.0	25.0
Fiscal Bal (%/GDP)	-1.1	-4.8	-4.1
CurAct Bal (%/GDP)	-5.6	-4.0	-3.2

Source: BofA Global Research
BofA GLOBAL RESEARCH

Czechia: CNB, current account +ve CZK

Mai Doan
MLI (UK)

Themes: CNB not to hike, but rhetoric hawkish to support CZK

Price growth has peaked, but the inflation-focused Czech National Bank (CNB) is far from comfortable, confirming our view that rate cuts are unlikely any time soon. We still expect cuts to start with 25bp from November 2023 to assess the results of pay negotiations in 2Q but we see rising risks of a delay due to sticky wage pressures.

Czechia is the only country in CE3 that displays a firm downtrend in underlying inflation. Headline inflation slowed to 15% yoy in March from 16.7%, and core has been declining steadily across goods and services since 4Q. Inflation should slow to single-digit rates in the summer and to around 7% by YE2023, in our view.

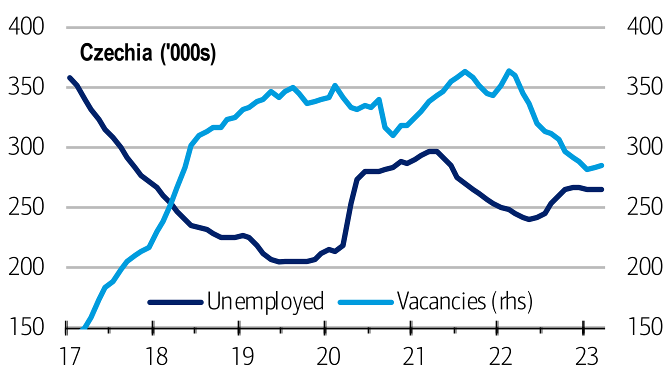
The CNB is particularly concerned about the labour market and a potential wage-price spiral that could slow the disinflation process towards the 2% target. Several board members are worried about the risk of wage growth above 10%, which could eliminate the possibility of rate cuts this year. In the first two months of 2023, industrial wage growth was running at c.11-12%. Skoda Auto unions recently negotiated a 10.1% increase of base pay, while Hyundai employees received an 11.7% rise. Hiring intentions, according to business surveys, have improved recently. This is also reflected in the recent uptick in vacancies, widening the positive gap again between vacancies and unemployment. We think wage developments are more relevant to the timing of rate cuts, rather than reopening a rate-hike debate. In addition, the CNB is worried about imbalances in the housing market that have not yet corrected, despite mortgage demand collapsing since last year. This adds further to the arguments to be cautious with easing.

The CNB's hawkish rhetoric is conducive to its intention to maintain a strong CZK, contributing to the fight against inflation. The CZK is further supported by the recent turnaround in the current account dynamics, with the 12m deficit narrowing to -5.3% of GDP from the trough of -6.6% in November 2022.

Strategy: CZK outperformance later in the year

A stronger USD in Q2 should drive EUR/CZK higher. Starting from Q3, a weakening US dollar and a credible central bank with a significant amount of reserves should drive the CZK stronger in the following quarters. Meanwhile, local bonds may be burdened in the near term by spending pressures. But we think consolidation efforts and lower redemption in 2024 would bring support.

Exhibit 95: Czechia – vacancies vs unemployed
Labour market is tightening again as vacancies-unemployment gap re-widens



Source: Haver, BofA Global Research

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Exhibit 96: CZK forecasts
The CNB likes a strong CZK but only intervenes to deter depreciation

	Q2 23	Q3 23	Q4 23	Q1 24
EUR-CZK	24.0	23.8	23.5	23.4

Source: BofA Global Research

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Exhibit 97: Major macro forecasts
Inflation to slow but still elevated in 2023, so rate cuts only from late 2023

Czech Rep	2022	2023F	2024F
Real GDP (% yoy)	2.5	0.0	2.5
CPI (% yoy)	15.1	11.3	2.5
Policy rate (%, end of period)	7.00	6.50	4.00
Fiscal bal (%/GDP)	-3.6	-4.0	-3.0
CurAct bal (%/GDP)	-6.1	-3.7	-2.6

Source: BofA Global Research

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Egypt: IMF puts focus on reform, support

Jean-Michel Saliba
MLI (UK)

View: sidelined

Egypt's current status quo is tenuous, in our view. The next 12-18 month period is likely to be crucial to judge reform momentum within the IMF program and the scale of external constraints, in our view. The recent EGP weakness will likely elicit a strong narrowing of the current account deficit. However, external debt amortisations are due to pick up over the duration of the IMF program. Closing the medium-term financing gap requires robust reform momentum, strong FDI and mobilizing GCC financial support.

The 3Q22 current account deficit stood at US$3.2bn, and narrowed sequentially to US$15.7bn (3.8% of GDP) on a trailing basis, from a peak of US$20.5bn (6.0% of GDP) in 4Q16. Net international reserves (NIRs) stood at US$34.4bn in March (5 months of import coverage), from US$33.2bn in September 2022. The CBE now only holds an additional US$3.6bn in Fx deposits not reported in reserves.

The carry trade is unlikely to return in the same way as in the 2016 IMF program. Foreigners held US$10.4bn of T-bills in January. Banks' Net Foreign Assets (NFAs) stood at -US$13.8bn in February 2023.

Urban CPI inflation was 32.6%year-on-year (yoy) in March. The inflation target is 7% (+/- 2%) by 4Q24 and 5% (± 2%) by 4Q26. We expect the Central Bank of Egypt (CBE) to have a tightening bias, given the global backdrop and impact of Fx weakness.

Fiscal consolidation is likely to be restored within the IMF program to help anchor debt dynamics. The primary surplus target is 2.5% of GDP in FY24 and over the medium-term.

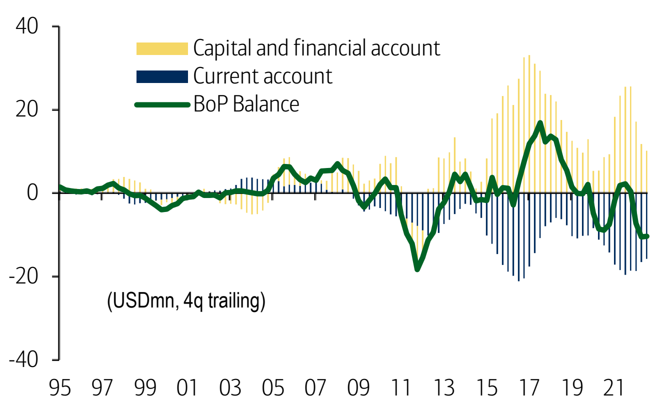
Forecasts: increased flexibility in USD/EGP

USD/EGP volatility is likely to increase under a "durably flexible" FX arrangement. The implied EGP path in the IMF program suggests nominal depreciation broadly in line with inflation differentials to maintain REER competitiveness going forward.

Drivers

CBE Monetary Policy Committee meeting (18 May), IMF Extended Fund Facility first review (possibly by end-June 2023), fiscal and Fx reserves data, Fx flexibility, geopolitics.

Exhibit 98: Egypt Balance of Payments dynamics
Current account deficit needs to narrow



Source: Haver, BofA Global Research

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Exhibit 99: EGP forecasts
USD/EGP to exhibit increased flexibility

	Q2 23	Q3 23	Q4 23	Q1 24
USD-EGP	31.0	31.5	32.5	33.0

Source: BofA Global Research

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Exhibit 100: Major macro forecasts
USD/EGP flexibility is key to narrow external imbalance

Egypt	2022F	2023F	2024F
Real GDP (% yoy)	6.6	4.0	5.0
CPI (% yoy, avg)	8.5	19.0	15.0
Policy Rate (eop)	11.25	18.25	18.25
Fiscal Bal (%/GDP)	-6.4	-7.8	-8.4
CurAct Bal (%/GDP)	-3.5	-2.8	-2.3

Source: BofA Global Research

BofA GLOBAL RESEARCH

Hungary: easing starts, but high caution

Mai Doan
MLI (UK)

Themes: a strong HUF is key anchor for NBH policy decision

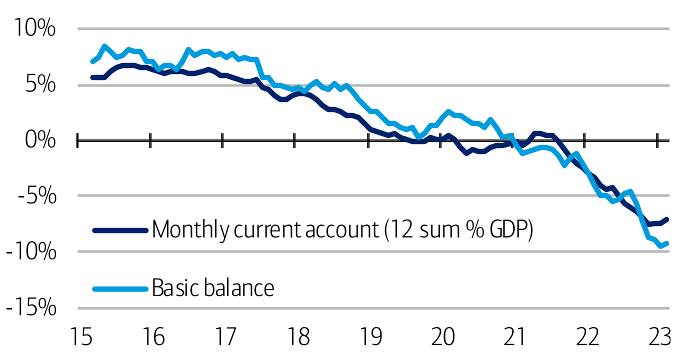
Inflation has slowed since January, but the detail still makes for uncomfortable reading, likely implying a cautious easing process by the National Bank of Hungary (NBH). Headline CPI stood at 25.2% yoy in March, marginally lower than 25.4% in February. Underlying CPI accelerated across the board last month. The momentum of the demand-sensitive component of market services is still rising sharply, with the 3m/3m annualized rate up to 21% in March. Positively, industrial goods momentum has been slowing – it is thus important for the NBH to maintain this trend via the HUF. Following the cut to the top end of the interest rate corridor in April from 25% to 20.5%, we think the NBH is ready to deliver the first overnight deposit rate cut from 18% from the 23 May meeting, likely in 100bp steps. We see a synchronization with the base rate of 13% by the fall, and now expect YE2023 base rate at 11.50%, YE2024 at 6.50%. Our call is highly dependent on the HUF stability, with the central bank likely to behave more cautiously when EUR/HUF trades consistently above 375-380 range.

We continue to think the authorities are committed to reaching an agreement with the EU, due to the large sum of money at stake (up to c.EUR28bn in grants and EUR6.6bn in loans), as well as the strong focus of investors on EU funds as the key credibility anchor for Fidesz. Some positive news on the judiciary reform has finally come, opening the door to accessing cohesion funding. Hungary still has to meet several milestones and targets to get recovery funds disbursement. The HUF should be the main beneficiary of a better external balance backdrop, and lower but still relatively high central bank rates outlook. The monthly current account (CA) deficit has started to narrow, with the 12m balance improving by c.0.5% of GDP as of February. We think the CA deficit could almost halve in 2023, from around -8% of GDP in 2022. Local bonds should also benefit from a turnaround in the current account, cautious NBH rate cuts, and contained HGBs supply for the rest of the year thanks to frontloaded Eurobonds issuance and better-than-expected retail issuance vs plans.

Strategy: HUF to continue to benefit from CA improvement and high carry

The forint should be supported by an improving backdrop for EEMEA FX and high carry. Falling gas prices should also benefit the HUF more than the CZK or PLN, given a higher share of gas in the energy mix in Hungary. At the current levels of HUF, improving fundamentals are not fully reflected in the price, in our view. We are also constructive on local bonds as the NBH embarks on a cautious easing cycle.

Exhibit 101: Hungary – current account
Monthly data suggests a turn around in current account developments



Source: NBH, BofA Global Research

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Exhibit 102: HUF forecasts
Cheaper gas and hawkish NBH are positive for HUF fundamentals

	Q2 23	Q3 23	Q4 23	Q1 24
EUR-HUF	385	378	370	368

Source: BofA Global Research

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Exhibit 103: Major macro forecasts
Improvement in current account and hawkish NBH to support the HUF

Hungary	2022F	2023F	2024F
Real GDP (% yoy)	4.6	0.2	2.8
CPI (% yoy)	14.6	9.0	6.0
Policy rate (%, end of period)	13.00	11.50	6.50
Fiscal bal (%/GDP)	-6.3	-4.0	-3.0
CurAct bal (%/GDP)	-8.1	-4.5	-3.2

Source: BofA Global Research

BofA GLOBAL RESEARCH

Israel: political noise to continue into summer

Zumrut Imamoglu
MLI (UK)

Themes: BOI hikes further, political noise weighs on outlook

The Bank of Israel (BoI) stays on a tightening path amid continued growth and tight labour market, against a global backdrop of high inflation and tighter monetary stance. As expected, BOI hiked another 25bps in April and pushed the policy rate up to 4.5%. We expect one last hike in May of 25bp, and hiking cycle to terminate at 4.75%. GDP growth is subject to some downside given a recessionary prospect in the US and the Euro area, and also higher terminal rates in the US. We see 2023 growth forecast at 2.5% following 6.5% growth in 2022.

Business surveys still show the economy in the expansionary zone although milder, while the labour market shows signs of easing but is still close to full employment. Wages in the business sector are now slightly higher than the pre-pandemic trend, as the number of job vacancies remain high. Budget execution has surprised significantly on the upside last year swinging into a surplus of 0.6%. However, the new budget plan implies an increase in expenditures of 5.3% in 2023. BOI and Ministry of Finance estimate the deficit at the end of the year at 0.9% while we see it at 2% since we expect 5% drop in the tax revenues this year.

Inflation was 5.0% in March beating expectations. Net of food and energy, inflation remained stable at 5.0%, and non-tradables excluding fruit, vegetables and housing decreased from 4.9% to 4.7%. Inflation expectations increased from 2.9% to 3.1% for 12 months ahead but long-term expectations are still anchored within the range. The recent trade data shows weakness in exports, but services exports remain rather resilient. We now see year-end inflation at 3.6% (previously 3.4%). BOI research department revised their forecast for 4Q to 3.9%.

Forecasts

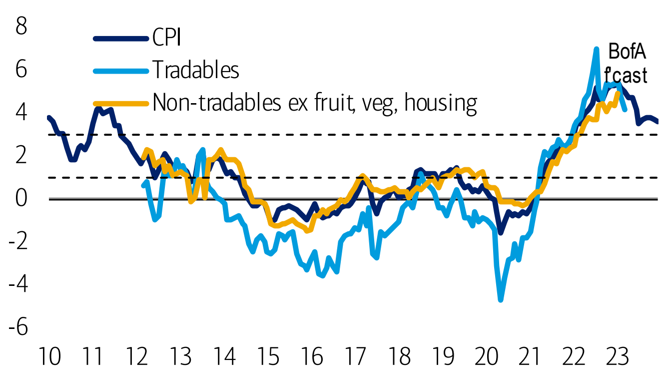
The USD/ILS exchange rate weakened amid political uncertainty and escalation of tension with Palestine. Given our bearish views, we expect ILS to remain weak in 2Q23 and believe that BOI could intervene if ILs weaken further than our expectations.

Risks: geopolitics, pandemic

Risks may arise mostly from exogenous factors, particularly any worsening in European geopolitical situation affecting supply chains and foreign demand.

Exhibit 104: Inflation

Inflation overshooting is not dramatic, but strong growth requires monetary normalization



Source: Haver

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Exhibit 105: ILS forecasts

ILS enjoys LT appreciation bias, but ST weighed by US equities performance

	Q2 23	Q3 23	Q4 23	Q4 23
USD-ILS	3.65	3.6	3.55	3.50

Source: BofA Global Research

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Exhibit 106: Major macro forecasts

Strong recovery and higher inflation motivates BoI rates normalisation

Israel	2022F	2023F	2024F
Real GDP (% yoy)	6.2	2.5	3.5
CPI (% yoy)	4.6	3.6	2.2
Policy rate (%, eop)	3.5	4.75	2.75
Fiscal bal (%/GDP)	0.4	-2.0	-2.5
CurAct bal (%/GDP)	3.4	4.3	4.2

Source: BofA Global Research

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Kazakhstan: KZT vol and fundamentals

Vladimir Osakovskiy >>
Merrill Lynch (DIFC)

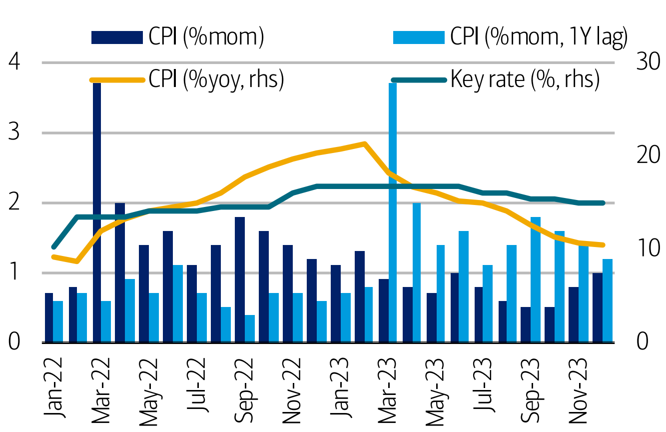
Monetary policy is back on the radars

Kazakhstan inflation has finally started to slow in 1Q23, as massive base effect from inflationary 2022 will likely push it further down towards lower double digits by the end of the year. The National Bank has recently narrowed its commitment that it will keep policy rate unchanged in 1H23, which seems to keep doors open for renewed monetary easing from 3Q23. We continue to think that the Bank may be open to cut its policy rate by 150-175bp in 2H23, which will keep policy rate above current inflation by around 5pp this year. However, deeper rate cuts may be more difficult as inflation will likely remain resilient around 10%, given generous fiscal policy and the likely continued indexations of regulated tariffs. All of these factors will likely delay further rate cuts until into 2024 and keep them conditional on further deceleration of inflation over the period.

KZT volatility may unlock robust fundamentals

The KZT continued to show elevated volatility in April with daily currency moves of around 1% are not unusual anymore. With much higher transparency by the authorities in term of Oil Fund use, we think that this does mark a shift in the National Bank's FX management regime to allow for its greater volatility, even though the KZT remained dominated by the local flow. We also think that such a framework also help to explain rising importance of intra-month spikes of FX demand/supply around tax seasons, which may have been the drivers behind KZT moves during the month. We also note that the KZT should receive an additional support from the government's shift from Urals to KEBCO benchmark in oil sector taxation, which may boost local FX supply from exporters by up to $300-400m per month. As result, we think that the switch should support our positive view on the KZT this year, which we still expect at KZT430/$ in 2023 eop. Apart from fundamentals, we also note that the currency as well as the whole Kazakhstan macro/investment case remains dominated by geopolitical risk due to its political and geographic proximity to Russia, in particular Kazakhstan's critical dependence on oil transit through Russia. However, we note that at least so far the authorities manage this geopolitical risk quite well.

Exhibit 107: Slowing inflation may allow for 150-200 in rate cuts
Deeper cuts will require more affirmative disinflation vs fiscal risks



Source: Bloomberg, BofA Global Research estimates

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Exhibit 108: KZT Forecasts
Big currency moves expected in 2023

	Q2 23	Q3 23	Q4 23	Q1 24
USD-KZT	450	440	430	420

Source: BofA Global Research

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Exhibit 109: Major Macro forecasts
Moderate growth outlook.

	2022	2023F	2024F
Real GDP (%yoy)	3.2	2.5	3.0
CPI (%yoy, avg)	14.9	15.2	9.0
Policy Rate (eop)	16.75	15.00	12.00
Fiscal Bal (%/GDP)	-2.2	-2.7	-3.0
CurAct Bal (%/GDP)	2.9	1.9	0.4

Source: BofA Global Research

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Nigeria: time to deliver on election promises

Tatonga Rusike
MLI (UK)

Time to deliver- fuel subsidies removal + devaluation

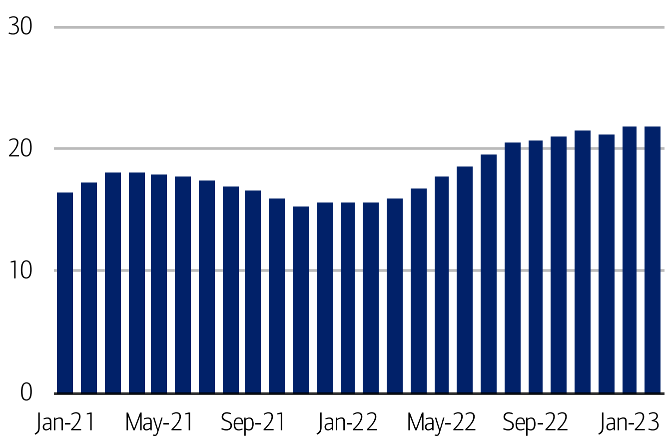
Post IMF Spring meetings, there is consensus that the incoming government campaigned on a platform to remove fuel subsidies and currency adjustments and that it is time to deliver. Fuel subsidies are budgeted until June 30, about $7.5 billion or 1.6% of GDP in petrol subsidies. The President is likely to be sworn in on May 29, while National Assembly will start June 10. Consultations with labor unions are key for successful subsidy removal. A softer landing on removing fuel subsidies is being prepared- world bank funding to support the vulnerable with cash transfers. We expect action on a stepped reduction and ultimate removal of petrol subsidy before June 30, laying out transition plan. Ultimately it will be political will to deliver that will carry the day. Securitization of government debt owed to CBN is still to receive parliamentary approval. Adding this debt, will push overall debt stock to GDP close to 40%.

Stabilising oil production, weaker current account deficit

For this year, oil production has recovered to about 1.4 million barrels per day, from as low as 1.1-1.2 million barrels per day. The recovery helps export receipts. However, oil prices are lower. We assume $88 per barrel in 2023 vs about $100 per barrel in 2022. Imports could also rise with a weaker exchange rate - N550 on average for 2023 (post devaluation in our estimates). Overall, we expect, Nigeria's current account deficit could weaken to about -1.6% of GDP, compared to -0.7% of GDP in 2022, due largely to a loss of about 1% of GDP in oil export revenues. We also assume flat oil production at around 1.44 million barrels per day.

Nigeria's exchange rate policy is a heavily managed system that combines elements of depreciation and devaluation. We now see Nigeria's naira (NGN) fair value at 580 per USD, compared to our forecast of 520 six months ago. We expect most of the currency adjustment moves in late 2Q and likely 2H 2023, when a new government is in place and making some policy adjustments.

Exhibit 110: Headline Inflation Trends
Inflation still sticky above 20%



Source: BofA Global Research

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Exhibit 111: NGN Forecasts
Big currency moves expected in 2023

	Q2 23	Q3 23	Q4 23	Q1 24
USD-NGN	520	540	560	560

Source: BofA Global Research

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Exhibit 112: Major Macro forecasts
Moderate growth outlook.

Nigeria	2021	2022F	2023F
Real GDP (%yoy)	3.4	3.2	3.0
CPI (%yoy, avg)	17.0	19	15.0
Policy Rate (eop)	11.50	20	16.00
Fiscal Bal (%/GDP)	-5.4	-5.5	-5.0
CurAct Bal (%/GDP)	-0.4	-0.1	-1.6

Source: BofA Global Research

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Romania: execution in question

Mai Doan
MLI (UK)

Themes: fiscal underperforms, EU RRP targets achievement delayed

While there continues to be a commitment across the ruling coalition to fiscal consolidation and delivering the milestones and targets in the EU's Recovery and Resilience Plan (RRP), the progress this year has been disappointing. Budget execution has underperformed plan by c.RON20bn (c.1.2% of GDP). The government is planning corrective measures but wants to avoid austerity. Romania has also not fulfilled the targets required for the second tranche of the RRP disbursement, despite submission of payment request from December last year. The next payment requests hinge on the difficult target of pension reforms, which may mean further delays.

FinMin's front-loaded issuance and a high cash buffer provides a cushion for Romanian bonds. Around 45% of gross funding needs was covered at end-March. External debt issuance is mostly done, with FinMin only eyeing some green issuance towards year-end.

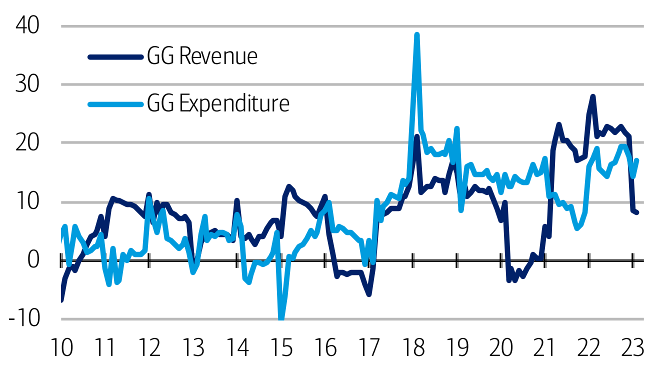
The National Bank of Romania (NBR) is still open to more tightening but we think the central bank is done with rate hikes at 7.0%. Rate cuts are unlikely until mid-2024. Inflation has peaked thanks to food and energy prices, but the disinflation process seems slow and uncertain. Adjusted Core-2 inflation (headline minus administered prices, volatile prices, tobacco and alcohol), has been stuck around 14.5-15% in the lat five months, a sign that underlying inflationary pressures remain elevated. We see headline CPI at around 7% at YE2023 and around 4.5% at YE2024. Amid the elevated inflation profile and potential political/budget risks ahead of 2024 elections, the NBR will likely be cautious about starting an easing cycle.

The current account (CA) still implies high external vulnerability, particularly when EU funds disbursements are delayed. The CA deficit narrowed to -8.3% of GDP in the 12m to February from -8.9% for whole year 2022. But the basic balance (CA+capital account+net FDI) has not improved as much, and still in a deficit of -2.1% of GDP.

Strategy: RON to resume gradual depreciation path

The RON's overvalued levels in the earlier part of 2023 has started to correct. We think the central bank will maintain its practice of managing the RON, allowing gradually appreciation of 2-3% pa to align with the weak fundamentals. The RON is an important anchor for confidence, and FX pass-through is high, so the NBR will refrain from allowing big adjustments. Meanwhile, we neutral on local bonds and the credit following recent rally and slow reform progress.

Exhibit 113: Romania – YTD fiscal execution worse than plan
Revenue growth has dropped sharply in 2023 while expenditure still running in high teens



Source: Haver, BofA Global Research

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Exhibit 114: RON forecasts
RON fundamentals point to depreciation, which is well managed by the NBR

	Q2 23	Q3 23	Q4 23	Q1 23
EUR-RON	4.97	4.98	5.00	5.05

Source: BofA Global Research

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Exhibit 115: Major macro forecasts
Slow correction in macro imbalances

Romania	2022F	2023F	2024F
Real GDP (% yoy)	4.5	2.2	3.5
CPI (% yoy)	13.7	10.7	6.0
Policy rate (%, eop)	6.75	7.00	5.00
Fiscal bal (%/GDP)	-6.2	-5.1	-5.1
CurAct bal (%/GDP)	-9.3	-8.3	-7.7

Source: BofA Global Research

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Saudi Arabia: oil prices support outlook

Vladimir Osakovskiy >>
Merrill Lynch (DIFC)

View: positive

We remain comfortable on the outlook for Saudi Arabia, with the economy likely to register robust real Gross Domestic Product (GDP) growth and twin surpluses. Economic activity could accelerate over the medium-term on public (megaprojects) and private (Shareek program) investment drive. Domestic liquidity is likely to ease only gradually as banks start to tap wholesale funding. Medium-term fiscal prudence stays the course, with policy set to transition from “balance” target to “sustainability” target.

The Saudi 2023 budget statement suggests that fiscal policy remains relatively prudent, despite a return to overspending. No changes to VAT nor fees are planned for 2023. We continue to see low-single digit fiscal surpluses, based on our oil price forecasts (US$88/bbl for 2023).

The fiscal breakeven oil price is likely to remain around cUS$75/bbl. However, a material cut to crude oil production would increase the fiscal breakeven oil price. Every 250mn bpd annual cut to crude oil production would increase the fiscal breakeven oil price by US$2.5/bbl on our estimates.

Medium-term budget spending is projected by authorities to be broadly flattish at the 2022 level and is suggested to remain invariant to oil price fluctuations this coming year. The spending mix for 2023 is planned to see modestly lower current spending, counter-balanced by higher capital spending. The bulk of capital spending is likely to continue to be carried out off-balance sheet by the Public Investment Fund (PIF).

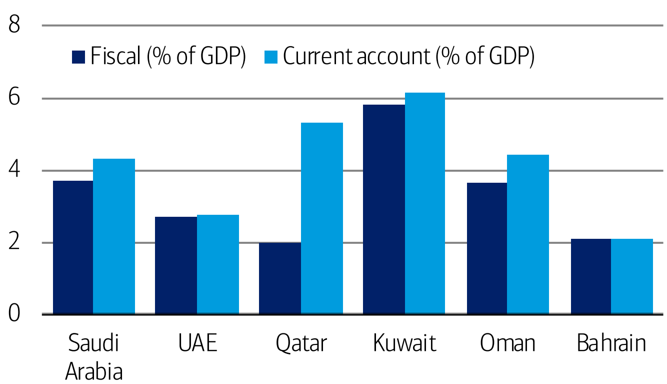
Forecasts: USD peg to hold

The USD peg is likely to hold on the back of still-high savings, but further fiscal adjustment would be needed if oil prices remain low.

Drivers

Saudi Central Bank monthly bulletin, Joint Ministerial Monitoring Committee (JMMC) bi-monthly meeting (4 June 2023), quarterly fiscal data report (April 2023), annual pre-budget statement (September 2023), annual budget statement (December 2023).

Exhibit 116: Sensitivity of fiscal and external accounts to US$10/bbl oil price swing
High sensitivity of macro accounts to oil prices



Source: Haver, Saudi Ministry of Finance, BofA Global Research

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Exhibit 117: SAR forecasts
We expect the USD peg to hold

	Q2 23	Q3 23	Q4 23	Q1 24
USD-SAR	3.75	3.75	3.75	3.75

Source: BofA Global Research

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Exhibit 118: Major macro forecasts
Medium-term fiscal adjustment is ongoing

Saudi Arabia	2022F	2023F	2024F
Real GDP (% yoy)	8.7	0.4	2.7
CPI (% yoy)	2.5	2.0	2.0
Policy Rate (eop)	5.00	5.75	4.00
Fiscal Bal (%/GDP)	3.3	3.4	5.6
CurAct Bal (%/GDP)	13.6	12.2	11.8

Source: BofA Global Research

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Ukraine: easing on the horizon

Vladimir Osakovskiy >>
Merrill Lynch (DIFC)

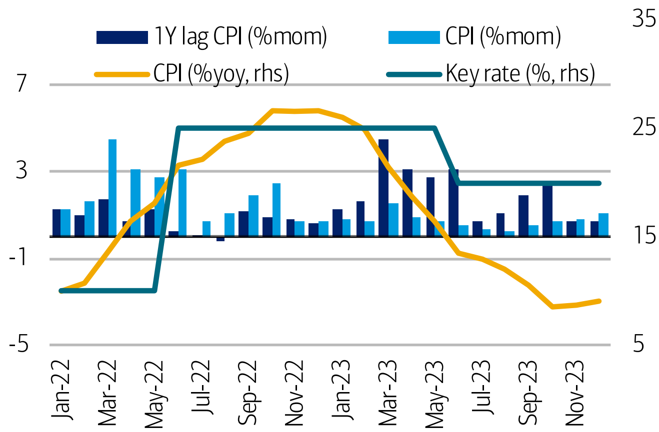
Inflation slows, policy rate stays – so far ...

Inflation has lost most than 5pp since its peak in 4Q22 and should continue to slow due to massive base effect from inflationary 2022. On the back of 25% policy rate, this creates conditions for the start of discussions of a potential renewed monetary easing. We note that in the last policy press-release, the National Bank has removed its reference about commitment to keep rates on hold until at least 1Q24, and has commented that it may adjust monetary conditions, taking into account the balance of risks and any changes in the macroeconomic forecast. The Bank also pointed that inflation slowdown was faster than expected, which seems to suggest that the Bank may proceed to cut its policy by up to 500bp in 2H23.

Outlook tracks fighting

Ukraine outlook remains directly dependent on the evolution of the ongoing conflict, as its eventual end will clearly open doors to a strong economic recovery (see: War and peace). However, as conflict will likely continue for the large part of this year, we still expect Ukrainian economy to grow by just about 4.4% this year, despite massive base effect from some 30% decline in 2022. Moreover, a more prolonged conflict could push out the start of recovery more into the future

Exhibit 119: Falling inflation opens doors for rate cuts from late 2Q23
The NBU has dropped its earlier commitment of unchanged rate til 1Q24



Source: Bloomberg, BofA Global Research estimates

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Exhibit 120: UAH forecasts
We expect UAH at 40

	Q2 23	Q3 23	Q4 23	Q1 24
USD-UAH	40.0	40.0	40.0	40.0

Source: BofA Global Research

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Exhibit 121: Major macro forecasts
GDP to recover slightly in 2023

	2022F	2023F	2024F
Real GDP (% yoy)	-30.4	4.4	11.6
CPI (% yoy)	20.0	15.2	10.0
Policy Rate (eop)	25.00	20.00	15.0
Fiscal Bal (%/GDP)	-20.2	-18.9	-17.6
CurAct Bal (%/GDP)	6.8	14.4	7.9

Source: BofA Global Research

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LatAm

Argentina: FX pressures intensify

Sebastian Rondeau
BofAS

FX challenges amid drought and debt payments. Inflation at highs.

The FX situation is extremely challenging amid a severe drought and with net FX reserves at only $1bn. The drought may shave around $20bn of exports this year. IMF disbursements (net of repayments) are also much lower than in 2022. Currency pressure is exacerbated by an overvalued official currency (and election uncertainty).

Activity and imports are slowing down given USD supply constraints. As a result, we expect a deep 3% GDP recession this year (form +5.5% in 2022). The government is adopting further import restrictions (beyond the higher exchange for tourism, leisure and luxury goods). The 3rd round of temporary preferential dollar for soy exports at ARS 300 had a slow start amid political tensions involving the economic leadership. The government is seeking external funding (speeding up disbursements from IFIs is a possibility) amid heavy external debt payments in coming months.

Inflation increased to 7.7% mom in March (6.6% in February) after a decline to around 5.3% core mom in December) and surpassed 100% yoy. BCRA hiked rates another 300bp, to 81% (119% annualized). We now expect inflation at 120% in 2023, with upside risks, amid FX pressures. BCRA slowed down depreciation close to 5% monthly in January but it was increasing it again above 6% mom, to keep up with inflation.

IMF program could be reformulated

Argentina completed the fourth IMF review and obtained $2.7bn net loan disbursement this month. It achieved the 4Q IMF targets of 2.5% of GDP fiscal deficit and $5bn FX net reserves accumulation, with some margin. But IMF requested additional measures to offset “policy setbacks” and drought shock. Targets look challenging (1.9% of GDP primary deficit and $3bn change in FX reserves) and could be revised for the rest of the year. But still Argentina will likely have to take further restrictive FX and fiscal measures (accelerating energy subsidy cuts and limiting pension amnesty scope). The 2023 fiscal adjustment relies on energy subsidies cuts (0.6% of GDP) through segmentation. But the drought may reduce government revenue by 1% of GDP this year. Social spending pressure in an election year is a risk. We expect a 3.5 of GDP primary deficit (excluding nominal gains from linkers).

Election year calendar: Policy regime change likely afterwards

Argentina will hold presidential and gubernatorial elections this year and it will renew 1/3 of the Senate and half of the House. A policy regime change towards a stabilization program with some structural reforms is likely in 2024 given the lingering imbalances and price distortions. The economy weakness is weighing on the ruling coalition popularity. In June candidates are announced, primaries are on August 13, first round presidential election is on October 22 and run-off on November 19. President Alberto Fernandez and former president Mauricio Macri dropped out of the race. We would expect a new more ambitious IMF program in 2024 with a faster fiscal consolidation and a significant currency correction needed to start lifting import/capital controls. But adjustment policies will likely not be easy given the magnitude of distortions and the high level of poverty. Infrastructure projects and high productivity in non-conventional fields could increase net exports of energy in coming years, supporting the stabilization plan.

Exhibit 122: ARS forecasts
ARS to remain under pressure

	Q2 23	Q3 23	Q4 23	Q1 24
USD-CLP	256	314	485	570

Source: BofA Global Research

Brazil: Waiting for interest rate cuts

David Beker >>
Merrill Lynch (Brazil)

Natacha Perez
Merrill Lynch (Brazil)

Copom remains hawkish in latest minutes

The Brazilian Central Bank (BCB) released the minutes of the March Copom meeting, in which the board maintained the selic rate at 13.75%, with a similar message to the statement. With a very didactic communication, the committee was thorough in the description of the transmission channels of monetary policy – notably inflation expectations, fiscal policy, inflation targets and the separation principle between price and financial stability. On the dovish side, the minutes highlighted risks around global financial stability, the slowdown of domestic economic activity, risks around the credit market and lower fiscal risks. On the hawkish side, deanchored longer term inflation expectations and a discussion regarding a higher neutral interest rate were highlights. Board members delivered hawkish speeches since. Still, we maintain our view that the selic will reach 11.0% in 2023YE. See: Brazil Watch: Copom minutes: plainspoken 28 March 2023.

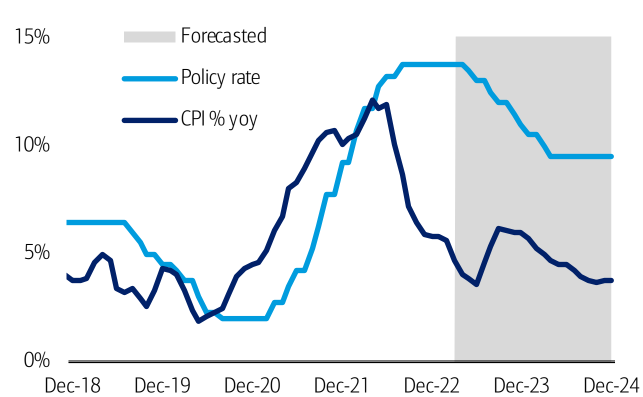
Goods news on the inflation side

Inflation in March came out below expected, at 0.71% mom in March (from 0.84% mom). In 12 months, inflation reached 4.65% yoy (vs 5.60%), back to within the inflation target tolerance band (3.25% ± 1.5%) for the first time since Feb21. The end of seasonal tuition readjustments' effects over headline inflation was partially offset by the reinstatement of federal taxes on fuels. Average core measures decelerated in 12 months (at 7.77% yoy, from 8.43%). Core services slowed to 7.8% yoy (from 8.2%), while core industrials, to 10.8% yoy (from 12.1%). After seasonal adjustment, headline inflation also went down, but continues to run above target-consistent levels (6.1% saar, from 7.4% in February). After mixed signals in February, March's print reinforces the positive dynamics in inflation. We expect IPCA to accumulate 6.0% inflation this year, and 3.7% in 2024. See: Brazil Watch: March IPCA: positive dynamics adding pressure for rate cuts 11 April 2023.

Tight credit and weak activity in early 2023

January's Economic Activity Index (IBC-Br) showed that activity is still in a downward trajectory, declining 0.04% momsa in the month (after an increase of 0.47% momsa in December), according to the BCB. The print reinforces the deceleration outlook for the year, with a carry over for 2023 still at -0.4%. The print was driven by weaker services volume and industrial production, despite the positive result in core retail sales. Consumer confidence, as well as in the industrial and services sectors, signaled worse

Exhibit 123: Copom to cut rates starting on May
Inflation dynamics and activity slowdown supportive of cuts



Source: BCB, IBGE, BofA Global Research estimates

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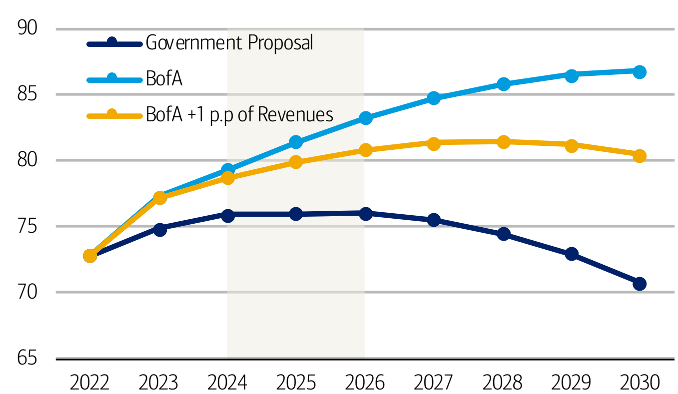
Exhibit 124: Debt-to-GDP to increase in the next decade
Even in an optimistic scenario, we don't see convergence



Source: Finance Ministry, BofA Global Research estimates

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sentiment in February. Stronger exports data should act on the upside, while the deterioration of credit conditions should weigh negatively on results ahead. All in, we continue to expect GDP to grow by 0.9% in 2023. For more, see: Brazil Watch: Economic activity index: year starting slow 17 April 2023.

Meanwhile, February credit data showed a continued tight condition. In annual terms, credit decelerated, indebtedness rose and default rates increased, amid high interest rates. Looking at non-earmarked loans, more sensitive to shocks, the squeeze in credit conditions was clearer, felt mainly among companies. Credit impulse contributed negatively to GDP for the fourth month in a row. For more, see: Brazil Watch: Ongoing credit squeeze: embrace for more 29 March 2023.

Fiscal framework (and details) released

Since the approval of the Transition PEC (Constitutional Amendment), markets were waiting for the new fiscal framework proposal. Announced by the Finance Minister Fernando Haddad on the end of March, the rule is clear and easy to understand, being a combination of primary balance targets and an expenditure growth band. Expenditures will be allowed to increase at a pace of 70% of primary revenues real growth, but will have to grow at (or above) 0.6% and below 2.5%, in real terms, each year. However, on the downside, the government´s forecasts for public debt are too optimistic in our view. Moreover, the rule's model creates incentives for tax hikes, since it indexed spending growth to revenue growth, with the outlined trajectory forcing the government to increase revenues in between R$100-150bn for 2024 already. For more, see: Brazil Watch: Here comes the fiscal rule 30 March 2023.

The government submitted the fiscal framework's bill of law proposal in Congress, on April 18th. Details about parameters and mechanisms were given, in line with expectations, with mixed impact on the fiscal trajectory. We don't expect much resistance to the rule in Congress (with no meaningful changes in the proposal to occur), as the government intends to have it approved in the first half of the year, opening room for other discussions (such as the Tax Reform). For more, see: Brazil Watch: Fiscal Rule: Now it's up to the Congress 18 April 2023.

But uncertainty remains around needed revenue measures

The announcement of the government's fiscal rule proposal led focus to the key revenue boosting measures. Gradually disclosed by the economic team, measures should be mainly focused in reducing tax evasion and correcting distortions in the tax system, with the main ones being: the inclusion of state tax benefits in the calculation basis of the federal profits tax and taxation of online betting. Meanwhile, there's another key discussion that also surrounds the matter of tax collections: the tax reform. The reform will be separated in two phases: the first dedicated to consumption taxes, creating the Brazilian VAT (value-added tax); and the second focused on progressiveness, by updating overall income taxation rules. For more, see: Emerging Insight: Brazil – Digging into potential tax changes 12 April 2023 and LatAm Thematic: New Brazil fiscal rule screams: Money – Tax changes ahead 11 April 2023.

Exhibit 125: Major macro forecasts

We expect a growth slowdown amid high rates and a credit drought

Brazil	2022	2023F	2024F
Real GDP (% yoy)	2.9	0.9	2.4
CPI (% yoy)*	5.8	6.0	3.7
Policy Rate (eop)*	13.75	11.00	9.50
Fiscal Bal (%/GDP)	-4.6	-7.9	-7.8
CurAct Bal (%/GDP)	-2.9	-2.3	-2.5

Source: BofA Global Research estimates

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Exhibit 126: BRL forecasts

USD-BRL to drift higher

	Q2 23	Q3 23	Q4 23	Q1 24
USD-BRL	5.00	5.05	5.10	5.13

Source: BofA Global Research

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Mexico: A strong start of the year

Carlos Capistran
BofAS

Christian Gonzalez Rojas
BofAS

Mexico: the market's darling

Investors attending our Small Talks meetings in Washington DC in April continue to see Mexico as a country with relatively sound fiscal and monetary policies and with balanced external accounts. On top of that, Mexico is perceived as a country that will continue to benefit from nearshoring. Even growth, Mexico's traditional Achilles' heel, has surprised to the upside lately. But Mexico has to deal in the short-run with a US Fed that is still hiking, in the next months with a potential US recession and in 2H 2024 with federal elections in the US and in Mexico (see our full report Mexico: the market's darling).

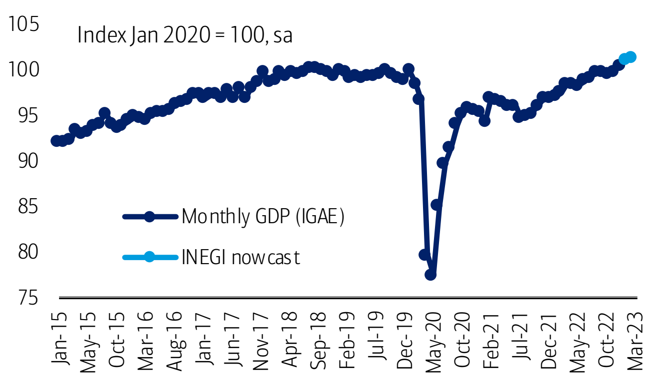
The economy started the year with strong growth

GDP growth in the first quarter of the year is likely to be around 4% yoy, according to preliminary data. The economy grew 4.4% yoy in January and the timely monthly GDP estimate produced by the National Statistics Agency (INEGI) points to 4.2% yoy and 3.8% yoy growth rates in February and March, respectively (Exhibit 127). From the supply side, industrial production grew 3.5% yoy in February. From the demand side, consumption increased 7.1% yoy in January (vs 3.3% in December) while investment increased 7.9% yoy (vs 9.4%). We continue to believe that consumption is supported by a strong labor market and high remittances, despite signs of deceleration from retail sales data in February (3.4% yoy vs 5.3% in January). All in all, the economy has taken longer to decelerate than what we expected. We recently raised our GDP growth forecast for Mexico to 1.5% in 2023, but we still expect the economy to decelerate in the following quarters and maintain our expectation of null growth next year.

The labor market is quite tight

The labor market remains strong. In February, the unemployment rate reached a new record low at 2.79% sa. In March, formal jobs increased 135.8k, more than four times the 33k historic average job gain. The average wage growth rate in formal employment reached 11.2% yoy in March and is way above its historic 5.4% average. The correlation between unemployment and wages is clear and shows that the labor market is quite tight (Exhibit 128). We believe Mexico has a domestic inflation problem and the high wage growth rate is a concern. It is good for growth, but it does not seem to be sustainable.

Exhibit 127: Economic activity still shows momentum
INEGI expects monthly GDP at 4.2% yoy in February and 3.8% yoy in March



Source: BofA Global Research, INEGI

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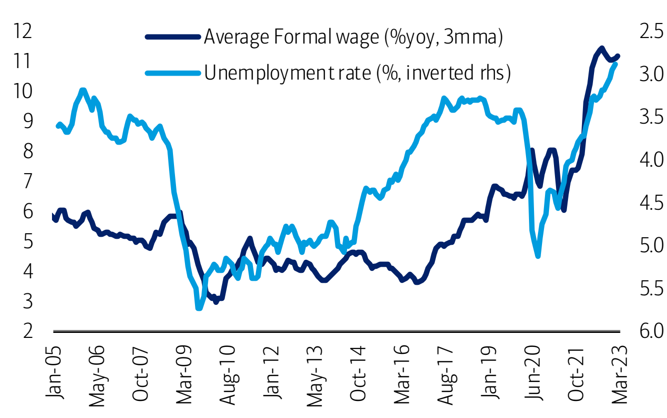
Exhibit 128: Labor market in Mexico is quite tight
Wages growth has increased significantly while unemployment rate is at the lowest level on record



Source: BofA Global Research, INEGI, IMSS

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Inflation is falling, but core remains sticky

Inflation continues to trend down and is now at 6.9% yoy, down from a peak of 8.7% in September 2022. It is still high, but it is moving in the right direction. However, most of the fall is due to a large fall in the non-core component, which includes energy and agricultural products. Core inflation is falling less rapidly. Core is at 8.1% yoy, down from a peak of 8.5% in January. Inside core, merchandise inflation seems to finally be receding, but services inflation continues to trend up. Services inflation accelerated to 5.7% yoy from 5.3% six months ago. Services is under pressure from high wage growth, as labor is the most important input in the production of services. Overall, we expect headline inflation to continue falling and to reach 5.0% yoy by end-2023 and 4.3% yoy by end-2024. But we see upside risks to our forecasts from a tight labor market, from inflation expectations above the 3% target and from the pressure that nearshoring is putting on prices of land, industrial parks, and labor in the north.

Banxico close to the end of the hiking cycle

Falling headline inflation supports our view that Banxico is close to the end of the hiking cycle. Banxico dropped the hiking bias at its most recent policy decision and said that future movements would depend on the inflation outlook, which is now improving. We have Banxico hiking 25bp one last time in May to put the rate at 11.50%, given that core inflation remains high, services inflation has not peaked yet and the Fed is likely to hike in May. But Banxico may consider that the policy rate is already high enough and end the cycle at 11.25%. The policy rate will likely remain high for several months given upside pressures on core inflation. What is less clear is when will Banxico start its cutting cycle. Because the business cycles in the US and in Mexico are highly correlated, we believe there is a good chance that Banxico will likely wait and cut the policy rate when the US Fed cuts. We currently expect cuts in both countries in 2024.

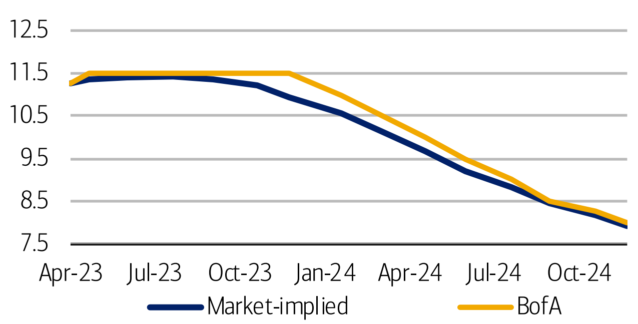
Strategy: Focusing on the easing cycle

With Banxico close to the end of the hiking cycle, focus has now turned on timing the start of the easing cycle in Mexico. We have been arguing that persistent inflation will push the central bank to remain on hold this year, ruling out cuts before the Fed. This continues to be our baseline. However, the market is pricing cuts beginning in 4Q23..

Higher-for-longer rates means that carry will keep supporting short-term MXN resilience. Hence, we updated our FX forecast to reflect a stronger peso in the short-term. We now see USD/MXN at 19.50 by 2023-end (from 20.0). Still, we remain concerned about the potential impact of a US recession. Positioning in MXN has lightened, but remains heavy.

Exhibit 129: Market-implied policy rate in Mexico vs. BofA forecast (%)

Banxico is close to the end of the hiking cycle, but cuts are priced too early



Source: BofA Global Research, Bloomberg

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Exhibit 130: MXN forecasts

End of period

	Q2 23	Q3 23	Q4 23	Q1 24
USD-MXN	18.50	19.00	19.50	19.90

Source: BofA Global Research

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Exhibit 131: Major macro forecasts

Growth to weaken in 2023

	2022	2023F	2024F
Real GDP (% yoy sa)	3.1	1.5	0.0
CPI (% yoy)	7.8	5.0	4.3
Policy Rate (eop)	10.50	11.50	8.00
Fiscal Bal (%/GDP)	-3.4	-4.1	-4.6
CurAct Bal (%/GDP)	-1.0	-1.0	-1.5

Source: BofA Global Research

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Venezuela: Marginal stabilization

Sebastian Rondeau
BofAS

Inflation takes a break

Inflation slowed to 4% in March after peaking at 39% in January (20% in February), (vs 8% mom average in 2022). The progress coincided with a rebound in oil prices and drop in real wages. The previous acceleration had followed a faster depreciation of the Bolivar (162% in 90 days) after the drop in oil prices in H2 and FX reserves. Inflation is at 500% yoy in January, above 300% in 2022.

Oil production continued recovering to 720kbpd in March, above 2022 average of 675k, after a drop to 550kbpd in August (amid mechanical failures and power outages) and is off the 500k all-time low. Exports had surged after oil shipments to Europe resumed. Last May, the US administration allowed European firms to ship Venezuela oil back to Europe. The government replaced PDVSA authorities amid a multi-billion-dollar corruption investigation case this month.

The government has showed some signs of pragmatism. It allowed a de-facto dollarization and it opened to some business with the private sector (and sold some equity in state owned enterprises).

Slow negotiations. Statute of limitations

The statute of limitations is a law that requires parties with a contract claim to assert that claim within six years of the date of the breach of that contract. Under New York law, for claims on Venezuela or PDVSA bonds, it must be asserted within six years of the applicable payment default if investors wish to preserve their ability to seek a recovery for that missed payment. In the case of Venezuela sovereign bonds, there was a bond whose first missed payment was on a coupon due in October of 2017. But that coupon claim will be lost unless an investor brings a lawsuit before the 6-year date in October of 2023, six years after the coupon was due and missed, and if the statute has not been waived or tolled. This increases risks of litigations against Venezuela.

Lack of recognition of Maduro presidency by the US and the end of the interim government is an issue to find a counterpart in the negotiations. Recall Venezuelan Juan Guaido's interim government ended in January (had started in January 2019) after the opposition stopped supporting him (divisions between Voluntad Popular party and the rest of the opposition Unitary Platform). The 2015 elected National Assembly continues operating (Dinorah Filguera is the new Assembly leader) and a commission would manage assets abroad (though it faces some hurdles).

A government negotiator has said that progress is being done with the opposition, which could open the door to unfreeze Venezuelan assets abroad for about $3.2bn, following negotiations in Mexico. The conflict in Russia/Ukraine has opened opportunities for the oil sector in Venezuela. The US has requested free elections and reforms in the oil sector, according to Reuters. License for Chevron to continue operations and export oil to US has been granted.

Chile: Hawkish central bank

Sebastian Rondeau
BofAS

Hawkish central bank: upside inflation and activity surprises

Ex-volatiles inflation remains high at 10.8% yoy, little progress from the 11.1% peak. We expect inflation at 5.8% in 2023 (6.8% core) and 4% in 2024. Activity has been stronger than we and BCCH had anticipated. Given slow disinflation, we now expect BCCH will start cutting in July, with risks clearly tilted to a delay to September as it doesn't see evidence of convergence to inflation target (Very hawkish monetary policy report). We see the policy rate down to 9% in 2023 (vs 8.5% before) from 11.25% now (and to 6.5% in 2024).

We now forecast 0% GDP growth this year (from -0.5% before), after a +2.4% expansion in 2022. We see a GDP rebound to 2% growth in 2024. Fiscal policy turning expansionary and lower uncertainty support activity (moderate constitution outlook, strong fiscal adjustment in 2022 and copper price rebound). Still uncertainty will remain elevated by structural reforms discussion and spending pressures. We forecast the current account deficit down to 4.7% of GDP in 2023, (from 8.7% of GDP in 2022), following the copper price rebound, lithium strength, demand adjustment and services normalization.

Tax reform moderation following Congress setback

The tax reform (targeting 3.6% of GDP revenue) unexpectedly failed to pass the first hurdle in the Lower House and cannot be presented for a year in the same chamber. We expect the government to negotiate and do piece-meal tax changes starting with the mining royalty (tax burden could be capped at 47%) and green taxes. Then it should present a watered-down reform based on income taxes (scrapping the wealth tax.)

Pension reform is also unlikely to pass in its original form keeps the individual capitalization system (option to invest in private pension funds or a new public fund), it creates a new mixed fund with 6% additional employer contributions (financing future and current pensions) and seeks to increase universal pension benefits. We see the government willing to negotiate changes on it to gain support.

Constitutional risks limited

The constitution agreement favors a moderate constitution (following the landslide rejection of a radical constitution in September). A new constitutional draft is being written first by a committee of experts recently appointed by Congress and then will be reviewed by a Constitutional Council, reducing risks substantially. The new Council will be elected on May 7 (election rules will make it more moderate than the previous one as lists independent not allowed). The constitutional proposal will be voted for yes or no in December.

We expect a constitution text substantially more moderate than the rejected proposal, including a more friendly investment framework: more precise language for mining concessions, expropriation compensation and water rights regime, more explicit protection of property rights and scrapping indigenous veto for economic activities. One proposal could lead to reduce the numbers of parties and enhance party discipline, potentially positive.

Exhibit 132: CLP forecasts
CLP at 810 by 2023-end

	Q2 23	Q3 23	Q4 23	Q1 24
USD-CLP	800	805	810	815

Source: BofA Global Research

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Colombia: Ending the tightening cycle

Alexander Müller
BofAS

Pedro Diaz
BofAS

No signs of recession: Activity has surprised the market on the positive side

The monthly GDP proxy expanded 3.1% yoy in February, above median market expectations (2.8%, Bloomberg). Growth was 4.5% yoy in the January-February period. At the margin, the seasonally adjusted level of ISE (published by the government) declined in February. But extending the measure to three months (and annualizing the growth rate) the economy is expanding at a pace of 4.8% qoq/saar. That is much stronger than the dominant narrative that Colombia would enter a recession in early 2023.

We have an above-consensus growth forecast

We have an above-consensus GDP growth forecast for 2023 (2.1%), vis-à-vis median market expectations (1.1%, Bloomberg) and the Central Bank (0.8%). We think analysts may be overlooking some factors that will cushion GDP in 2023. Such as the local government electoral cycle (expenditures); worker remittances (+23% yoy in January-February) supporting low-income households; Venezuelan migrants being absorbed into labor force; and momentum that is proving hard to reverse.

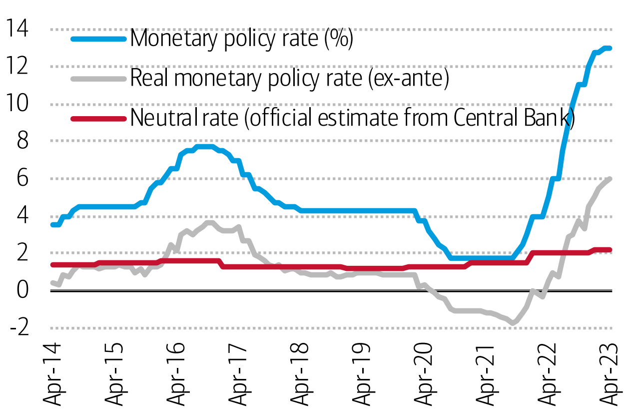
Revising up inflation forecasts for 2023 and 2024

Against this backdrop, we are revising up the headline inflation forecast for 2023 (to 9%, from 7.7%) and 2024 (to 5.7%, from 5.4%). Indexation (affecting many items such as housing rent, education tuition, medical services, among others) and the 16% minimum wage are making core inflation very sticky. Moreover, the government is increasing gasoline prices by 400 pesos per gallon every month (+3.7% mom in April) to narrow the gap with respect to the international price (and thus phase-out fuel subsidies). We assume gasoline prices will continue to increase (400 pesos per month) until July 2024.

Despite higher-than-expected GDP and inflation, we foresee BanRep staying put

Despite higher-than-expected growth and inflation – compared to BanRep's scenario – our view is that the board will not hike rates at the upcoming meeting (April 28th). The latest print of inflation expectations (April) and exchange rate appreciation give policymakers some breathing room. We expect them to maintain the policy rate at 13%. The decision would be split, with the forward guidance leaving the door open for hikes should inflationary conditions deteriorate. In our scenario, inflation will start trending down in April. We foresee the first rate cut happening in January 2024.

Exhibit 133: Real monetary policy rate in contractionary terrain
BanRep argues the real rate is well above the neutral level



Source: BofA Global Research, Central Bank (BCRP)

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Exhibit 134: COP forecasts
COP pressured by uncertainty over course of economic policies

	Q2 23	Q3 23	Q4 23	Q1 24
USD-COP	4,550	4,650	4,750	4,800

Source: BofA Global Research

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Exhibit 135: Major macro forecasts
Growth expected at 2.1% in 2023

	2022	2023F	2024F
Real GDP (% yoy)	7.5	2.1	2.8
CPI (% yoy)	13.1	9.0	5.7
Policy Rate (eop)	12.00	13.00	9.00
Fiscal Bal (%/GDP)	-5.5	-3.9	-3.4
CurAct Bal (%/GDP)	-6.2	-4.0	-3.3

Source: BofA Global Research

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Peru: El Niño knocking on the door

Alexander Müller
BofAS

Pedro Diaz
BofAS

Disappointing economic growth: protests, weather, and tight monetary policy

We believe 2023 will be a year of disappointing economic growth for Peru. Our forecast, 1.5%, is below median market expectations (2%, Bloomberg survey) and the Central Bank's scenario (2.6%). The monthly GDP proxy contracted 0.9% yoy in the first two months of 2023, dragged by the social protests. Protests have been followed by weather shocks. First, a cyclone in March. And now, El Niño climate phenomenon which should peak between April and May. Tighter monetary policy is also weighing down on activity. Not only through high real interest rates but also by unwinding balance sheet policies (*Reactiva Peru* repo loans). The repayment of the *Reactiva Peru* loans helps explain why the value added of the financial sector fell 6.9% in the period January-February.

Evidence of El Niño is becoming more difficult to overlook

The temperature in the capital city, Lima, has been 5 degrees above normal levels in recent weeks. The sixth largest city, Piura, is flooded. Agriculture along the northern coast, which provides a significant amount of food to Lima, has been significantly affected. One distinctive characteristic of Peru is that, in contrast with Latam, it is the only country where the inflation target of the Central Bank refers to the capital city's CPI, not the national CPI. Our point is El Niño will bring more inflation than we expected.

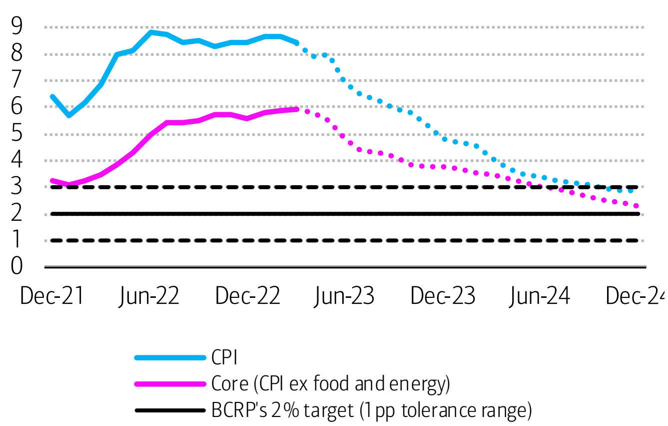
Revising up inflation forecast for 2023

We are revising up the inflation forecast for 2023 (to 4.8%, from 4.3%) assuming El Niño will impact food prices in April and May. On top of the effects of the Yaku cyclones which provoked a spike of food prices in March. For April and May we expect CPI inflation prints of 0.52% mom and 0.44% mom, respectively. In our scenario, inflation will convergence to the tolerance range (below 3%) around the 2% target in late 2024. One year later than in the projected path of the BCRP (below 3% by the end of 2023).

No rate cuts in 2023: BofA forecast is 175bp above survey-based expectations

The latest BCRP survey (April) shows that the median expectation of analysts is there will be 175bp of cuts by December 2023. We disagree. In our scenario, cuts will not happen until January 2024. In mid-April, Governor Velarde told the press, *"The worst that can happen to a central banker is to cut rates only to hike it again two or three months later [...] we must be sure that inflation has been defeated"*.

Exhibit 136: Headline and core inflation forecasts (%, yoy)
We believe inflation will remain elevated in Q2 because of El Niño



Source: BofA Global Research, Statistics Institute (INEI)

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Exhibit 137: PEN forecasts
PEN is anchored by absence of meaningful macro imbalances

	Q2 23	Q3 23	Q4 23	Q1 24
USD-PEN	3.78	3.80	3.82	3.84

Source: BofA Global Research

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Exhibit 138: Major macro forecasts
GDP growth to decelerate to 1.5% in 2023

	2022	2023F	2024F
Real GDP (% yoy)	2.7	1.5	3.1
CPI (% yoy)	8.5	4.8	2.9
Policy Rate (eop)	7.50	7.75	4.25
Fiscal Bal (%/GDP)	-1.6	-2.2	-1.5
CurAct Bal (%/GDP)	-4.3	-2.8	-1.7

Source: BofA Global Research

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Uruguay: Cutting Cycle Started

Sebastian Rondeau
BofAS

BCU cut rates as Inflation is cooling

The Central Bank of Uruguay (BCU) has cut rates 25bp to 11.25% given disinflation trends. Inflation slowed to 7.3% yoy in March despite drought pressure on fruits and vegetables (vs 8.3% in December). While core inflation declined to 6.3% yoy, close to the top of the target. The activity slowdown would lead to lower inflation, to around 7% by year end. We believe BCU will cut rates further to 10% by 2023 end.

Drought activity slowdown

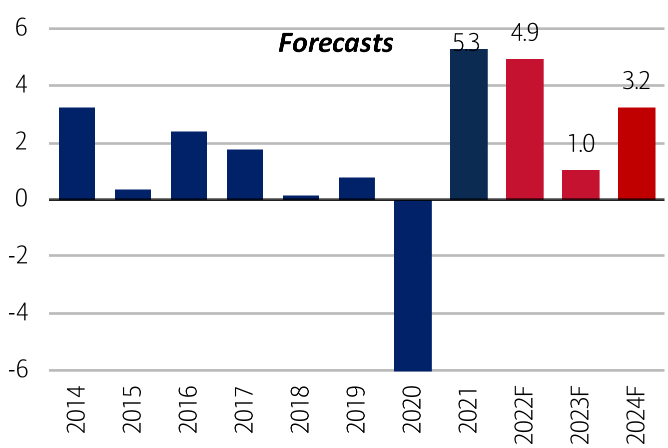
Economic activity in Uruguay is weaking amid the large drought that would shave more than 2% of GDP this year. In fact, Uruguay's GDP fell 0.1% y/y in 4Q versus +3.4% in 3Q, according to Uruguay Central Bank. Moreover, GDP declined 1.3% in 4Q22 vs 3Q22 (-0.7% in 22Q3) so the economy has entered a technical recession with two consecutive quarters dropping seasonally adjusted.

Considering weaker economic data, we revise down our 2023 end GDP growth number to 1% (from 1.6% previously) amid an adverse global economic environment weighing on demand. A prolonged drought and Argentina recession are downside risks to this view.

Social security reform: likely watered-down

While the Senate passed the social security reform in December, negotiations are harder in the Chamber of Deputies. The right-wing Open Forum is demanding two major changes to the bill in exchange for its votes. Consequently, the lower house moved the deadline for a key committee vote on the pension reform bill to April 30. We think that the pension reform will pass but that parameters will be watered-down (likely consider 20 years of contributions to calculate pension benefits, instead of 25 originally).

Exhibit 139: Real GDP growth (%)
We expect 2023 GDP growth to stand at 1.0%



Source: BofA Global Research

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Table 2: UYU Forecast
UYU depreciation to slow going forward

	Q2 23	Q3 23	Q4 23	Q1 24
USD-UYU	40.1	40.6	41.0	41.5

Source: BofA Global Research

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Table 3: Major macro forecasts
Fiscal deficit will stand at 2.8% of GDP in 2023 and 2.4% in 2024

Uruguay	2022	2023F	2024F
Real GDP (% yoy)	4.9	1.0	3.2
CPI (% yoy)	8.3	7.1	6.4
Fiscal Bal (%/GDP)	-3.0	-2.8	-2.4
CurAct Bal (%/GDP)	-0.9	-3.5	-0.1

Source: BofA Global Research

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Commodities

Oil: OPEC+'s whatever it takes moment

Francisco Blanch
BofA Europe (Madrid)

Don't fight the Fed and don't fight OPEC+ either

Brent crude oil prices have rolled over from a high point of $139/bbl in 1H22 to a low point of $70/bbl in 1H23, prompting the "central bank" of oil, OPEC+, to withdraw 1.66mn b/d from the market in a surprise move. With this novel approach, OPEC+ expects to (1) offset oil demand risks from the banking crisis and (2) to discourage macro speculation against oil markets. Put differently, the group is determined to preserve the value of crude even in a recession, particularly against a backdrop of high inflation. And it does not want to wait for oil prices to drop below $50/bbl to make a supply cut decision, as it may have in the past. Bond traders have painfully learned to not fight the Fed. Now, OPEC+ is attempting to train oil traders not to fight its decisions.

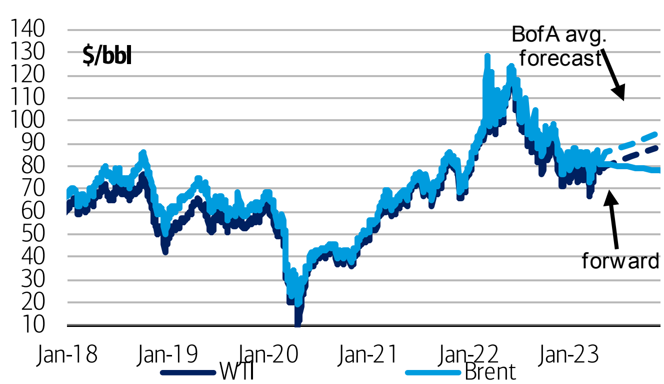
In a supply-scarce world, OPEC strategy may work

Will it work? We think so. For starters, macro indicators do not suggest an imminent slowdown and price sensitive services-driven demand (jet fuel and gasoline) should be supported by China's re-opening and strong Western labor markets, while industrial-linked demand (naphtha, gasoil, fuel oil), which is already weak, seems less exposed to higher oil prices. So, OPEC+ already has a strong tailwind to work with. Importantly, in a world of scarce physical supplies and ample consumer demand, the price elasticity of US shale production has dropped sharply, placing OPEC+ again at the center of oil price formation. While the US may not be refilling the Strategic Petroleum Reserve (SPR), OPEC+ will now move to push down commercial oil stocks. Meanwhile, geopolitics are aligning incentives for OPEC+ members to work together. But it may now prove harder to enforce an EU/US cap on Russian oil, as Japan's energy policies are already showing.

Expect higher prices, tighter spreads, lower volatility

We see three key pricing implications from the OPEC+ cuts. First, Brent prices will likely average $10-$15/bbl above prior forwards of $81/bbl over the next 12 months. Second, the term structure of oil will likely stay in sticky backwardation. Third, crude spreads will likely narrow, hurting global refining margins and transferring value back to producers. Previously, we expected a small 200k b/d oil market surplus in 2023, but now see a 400k b/d deficit post cuts and banking crunch. With inventories now poised to drop, Brent volatility should decline, helping anchor oil price expectations. Yet physical OPEC+ crude oil cuts will clash with monetary central bank hikes designed to rein in demand, posing macro risks. Net, we stay constructive and still see $88/bbl average Brent in 2023.

Exhibit 140: Crude oil price forecast versus forwards
We expect oil prices to go higher in 2023



Source: Bloomberg, BofA Global Research estimates

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Exhibit 141: Crude oil forecasts ($/bbl)
We forecast Brent to average $88/bbl and WTI to average $82/bbl in 2023

	Q2 23	Q3 23	Q4 23	2023
WTI	80	84	88	82
Brent	86	90	94	88

Source: BofA Global Research

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US gas: LNG is now a buyer's market

Francisco Blanch
BofA Europe (Madrid)

High global gas inventories are weighing on LNG prices...

Global gas prices have collapsed in dramatic fashion since mid-2022 due to price-driven demand destruction and unseasonably warm winter weather, with TTF gas prices recently trading near €41/MWh or 88% below the August 2022 peak. Furthermore, China, Japan, and Korea's near absence from the spot LNG market recently has kept prices tracking close to our €40/MWh bear case for 2023. The supply/demand imbalance is apparent in European, Asian, and floating storage levels, which are at or above five-year high seasonal highs, putting the market in a precarious spot ahead of summer build season. In Europe, storage is tracking near 2020 levels, leading to some concern that prices could follow 2020's path, with spreads between global and US prices narrowing to close export arbs and shut LNG exports to prevent a global storage containment issue.

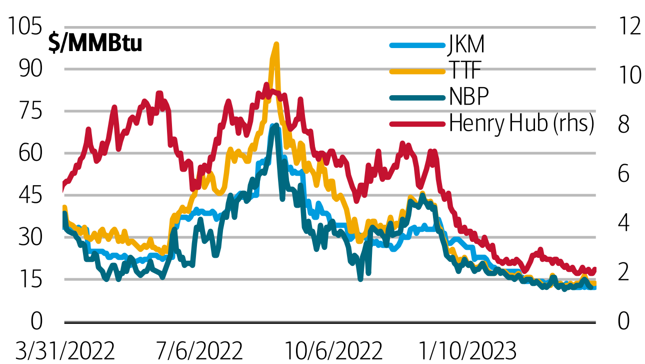
...which could entice Asian buyers, boost fuel switching

The good news for the global gas market is that LNG supply growth is slowing and is set to rise 13mn mt YoY in 2023 and 4mn mt in 2024, down from a five-year average rate of 22mn mt. With a sluggish supply outlook, demand will likely play a large role in dictating the path of prices this year. Europe upended the LNG market in 2022, boosting imports by 50% YoY and driving up LNG prices in the process. LNG became so expensive that gas-to-coal and gas-to-oil switching occurred in Europe, Asia, and elsewhere. Since then, gas prices have collapsed versus other fuels, making gas switching more economic for the power and industrial sectors. Even so, coal is unlikely to give up without a fight, which could drive both commodities lower in a competition for demand.

A few things must go right to avoid a summer 2020 redux

In 2022, Europe increased its LNG imports 44mn mt and Asia and the Americas cut LNG imports by 22mn mt and 7MMT respectively. This year, we see Asian demand rebounding 7mn mt YoY led by more Chinese buying, while Japan's nuclear restarts drive LNG imports lower. Meanwhile, Europe's LNG demand is set to rise 4mn mt. With inventories hurtling toward a 2020 repeat, several factors could improve the outlook. First, prices have only been trading at current levels for about two months, and demand can take time to respond to lower prices. Second, the shift to El Nino could bring a hotter summer to parts of Europe, boosting power demand. Third, nuclear and hydro may continue to underperform. Nonetheless, we stay cautious on prices due to macro risks.

Exhibit 142: Global natural gas prices
Global gas prices crumble on warm weather, elevated inventories



Source: Bloomberg

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Exhibit 143: US natural gas forecasts
Henry Hub gas prices should remain depressed in 1H23

	Q2 23	Q3 23	Q4 23	2023
US nat gas	2.25	2.75	3.25	2.73

Source: BofA Global Research estimates

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Gold: banking on volatility

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Themes: Gold prices have rallied over banking crisis

Gold rallied above $2,000/oz over the volatility in the banking sectors of Switzerland and the US. Yet these banking issues had been in the making for almost two decades, while the problems with regional US banks were heavily influenced by a lack of oversight. As such, while we acknowledge the recent issues, they are not indicative of a wider banking crisis, in our view. Indeed, while bank CDS' have risen, bank credit spreads remained much more subdued. Against this backdrop, it is also worth noting that the relationship between the health of the financial sector and gold has been tenuous. As such, the rally in gold prices has tailed off.

Forecasts: we see gold at $2,000/oz

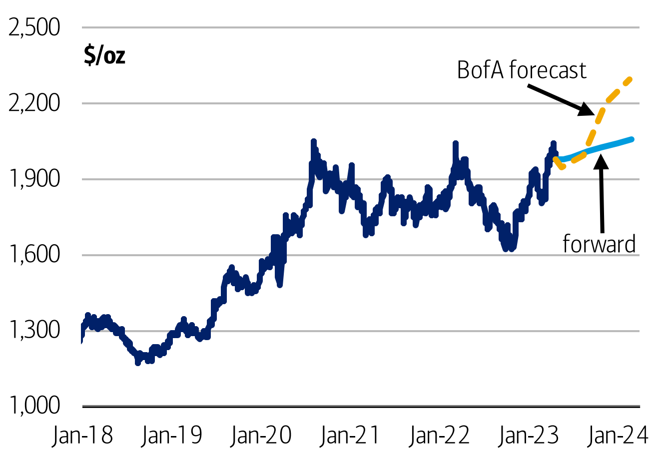
As such, while we are bullish gold and see the yellow metal extending the rally into year-end, our view is not driven by issues in banking. Granted, there are second-round effects on monetary policy. The Fed highlighted for instance that banks may tighten credit conditions going forward. In essence, this means that private institutions should do some of the tightening, in turn potentially reducing the need for another round of aggressive policy rate hikes.

This matters for the yellow metal. Indeed, the constructive call in the Year Ahead was driven by a view that central banks have no silver bullet in bringing inflation under control (e.g. energy prices or supply chain disruptions cannot be directly influenced by monetary authorities). This remains our core view and we see scope for gold to move higher once the end of the hiking cycle is reached. Linked to that, we lift our 4Q gold price forecast to $2,200/oz from $2,000/oz previously

Risks: continued rates increases, as inflation declines

Continued focus on tighter monetary policy, at the same time as inflation declines are the biggest risks to our constructive gold view.

Exhibit 144: Forecast vs Forwards
Despite near-term headwinds, we are constructive gold medium-term



Source: BofA Global Research estimates

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Exhibit 145: Gold and silver forecasts ($/oz)
Forecasts caught between inflation and higher nominal rates

	Q2 23	Q3 23	Q4 23	Q1 24
Gold	1,950	2,000	2,200	2,300
Silver	23.24	25.00	27.50	26.00

Source: BofA Global Research estimates

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Copper: stuck in a range

Michael Widmer
MLI (UK)

Themes: range-bound of late

After the rally at the turn of the year, copper has been range-bound of late. Going forward, two dynamics are critical for the next leg higher: 1) the usual seasonal acceleration post Chinese New Year needs to keep playing out; and 2) China's economy should strengthen as the COVID pandemic draws to a close.

Forecasts: Copper demand should strengthen

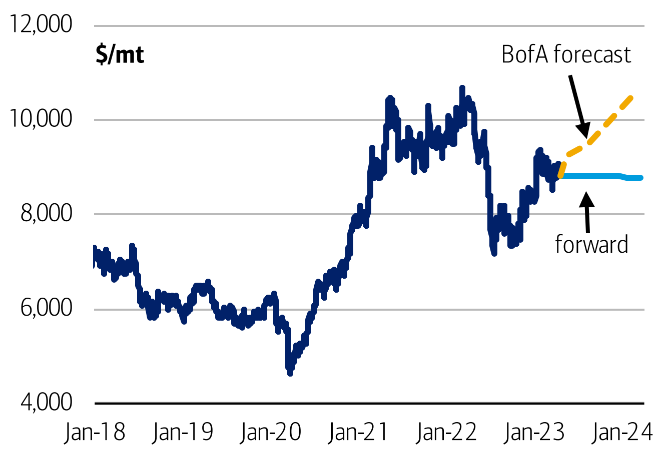
Tackling those two bullets, seasonalities show up in different metrics; for instance, in inventories. Indeed, copper stocks have been building around the Lunar New Year holidays. Yet, raw materials have been flowing out of warehouses of late, suggesting that demand has been picking up. However, seasonalities play out every year, so they are not really the best indicator for the strength of underlying activity, especially given the dislocations the COVID re-opening has caused. Hence, most mined commodities have been somewhat range-bound of late. For the next leg higher in prices, economic activity needs to normalise. Linked to that, dynamics in two sectors are worth highlighting. Looking at housing first, green shoots have started emerging, with housing starts, housing under construction and completions all turning the corner.

So where does that leave us? We anticipate a gradual improvement in housing activity, with "completions" expanding from 2Q23, followed by "new starts" that are set to flat-line by the end of the year. As such, the drag from housing should gradually subside as we move through 2023. Meanwhile, having added 125GW of solar and wind capacity last year, China's National Energy Administration guided for additions of 160GW this year. This on its own should raise domestic and global copper demand by 9ppt and 4.5ppt, respectively. Yet, none of those headline macro dynamics have trickled down into the physical market. Indeed, we see a risk that buying will not make a difference until early in 3Q. As such, prices may remain range-bound for now, but we still expect a push higher later this year.

Risks: China's reopening tails off

A tailing off in China's re-opening and flaring up of the energy crisis in Europe would be bearish.

Exhibit 146: Forecast vs Forwards
Upside in 2H23



Source: Bloomberg, BofA Global Research

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Exhibit 147: Copper forecasts
The bull market has been fading

	Q2 23	Q3 23	Q4 23	Q1 24
US$/t	9,250	9,500	10,000	10,500
USc/lb	420	431	454	476

Source: Bloomberg, BofA Global Research

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Aluminum: watering down the energy transition

Michael Widmer
MLI (UK)

Themes: physical market remains tight

China released the 14th Five-Year Plan (FYP) on Renewable Energy Development (2021-25) in June 2022. Remarkably, that policy aims at increasing renewable energy generation by 50% to 3.3tn kWh in 2025, which should ultimately give renewable electricity consumption a share in the total of 33% by 2025, up from 28.8% in 2020. Meanwhile, non-hydro renewable power generation is set to hit 18% in 2025, from 11.4% in 2020.

China has made some progress, but it still needs to close the gap with its target. Converting these figures into capacity installations, the country needs to install an average 130GW of renewable capacity per year between 2020 and 2025. Hence, the ongoing spend on renewables (see also copper section) is in the right ballpark. However, the push to increase hydro power generation is the biggest issue at the moment, with the contribution of the sector to total electricity generation declining from 16% in 2019 to just 14% at present.

Forecasts: no flood of Chinese aluminum this year

This matters insofar because China's government has pushed the country's smelters to relocate to provinces like Yunnan, which were supposed to have a good endowment with hydro power. Yet, aluminum producers in the region have faced challenges for a while now, as hydro power generation has been lower than originally anticipated. Linked to that, the discussion among officials is evolving. The government is again looking into how much electricity is available for smelters, with operators likely asked to cut production if there are electricity shortages; separately, smelters are also encouraged to use electricity generated with coal. Adjusting for potential output put losses, we ultimately expect the aluminum market to be in deficit.

Risks: smelters reopen

A quicker reopening of smelters in Europe and China is the biggest risk to aluminum.

Exhibit 148: Forecast vs Forwards
Despite period pullbacks, aluminum prices are set to rally going forward

Source: BofA Global Research

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Exhibit 149: Aluminum forecasts
Aluminium fundamentals look bullish

	Q2 23	Q3 23	Q4 23	Q1 24
US$/t	2,450	2,750	3,000	3,250
USc/lb	111	125	136	147

Source: BofA Global Research

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Appendix

Emerging Market Appendix

Exhibit 150: Key Macroecnomic forecasts
GDP and CPI forecasts

	Real GDP growth (% yoy)							CPI Inflation (%)						
		2023F			2024F				2023F			2024F		
	2022F	BofA	Chg.	Consensus Economics	BofA	Chg.	Consensus Economics	2022F	BofA	Chg.	Consensus Economics	BofA	Chg.	Consensus Economics
GEMs	**3.9**	**3.9**	**0.2**	**4.2**	**4.2**	**-**	**3.9**	**8.3**	**6.1**	**(0.2)**	**6.5**	**4.8**	**-**	**5.2**
GEMs (ex. China)	**4.0**	**2.7**	**-**	**3.4**	**3.7**	**-**	**3.4**	**11.7**	**8.7**	**0.1**	**9.0**	**6.1**	**0.1**	**6.9**
GEM-10	**3.5**	**4.4**	**0.4**	**4.7**	**4.4**	**(0.1)**	**4.4**	**8.2**	**5.7**	**(0.3)**	**5.9**	**4.7**	**-**	**4.7**
Global	**3.4**	**2.6**	**-**	**-**	**2.7**	**-**	**-**	**8.5**	**6.4**	**-**	**-**	**4.7**	**-**	**-**
US	2.1	1.2	0.2	2.1†	-0.1	-	1.2†	8.0	4.2	-	8.0†	2.5	-	4.2†
Euro area	3.5	0.6	0.1	3.5†	0.8	-	0.6†	8.4	5.4	-	8.4†	2.3	-	5.6†
Japan	1.1	1.0	-	1.1†	1.2		1.0†	2.5	3.4	0.2	2.5†	2.7	0.3	2.4†
Asia	**4.1**	**5.5**	**-**	**5.0**	**4.9**	**(0.1)**	**5.1**	**3.6**	**2.9**	**(0.4)**	**3.2**	**3.0**	**-**	**3.0**
China	3.0	6.3	0.8	5.5	5.2	(0.1)	5.1	2.0	1.7	(0.6)	2.2	2.6	(0.1)	2.4
Hong Kong	-3.5	4.0	-	3.9	3.5	-	3.6	1.9	2.2	-	2.5	2.0	-	2.3
India	6.8	6.0	-	5.8	5.5	-	6.3	6.7	5.2	-	5.2	4.5	-	4.9
Indonesia	5.3	5.0	-	4.6	5.3	-	4.9	4.2	4.0	-	4.0	3.6	-	3.1
Korea	2.6	1.4	(0.5)	1.1	2.2	-	2.2	4.9	3.4	(0.2)	3.2	1.8	0.9	1.9
Malaysia	8.7	4.3	-	3.6	4.7	-	4.5	3.4	3.0	-	2.9	2.7	-	2.3
Philippines	7.6	4.5	-	5.4	5.3	-	5.7	5.8	6.5	-	6.0	3.0	-	3.4
Singapore	3.6	1.0	(0.9)	1.7	2.5	0.2	2.5	6.1	5.0	-	4.8	3.4	-	3.0
Taiwan	2.4	2.0	-	1.8	2.4	-	2.6	2.9	2.1	-	2.0	1.7	-	1.6
Thailand	2.7	3.3	(0.3)	3.5	3.6	0.2	3.8	6.1	2.7	(0.6)	2.7	1.9	0.2	2.0
EEMEA	**3.4**	**0.8**	**(0.2)**	**1.4**	**3.3**	**-**	**2.8**	**22.8**	**16.4**	**0.2**	**17.6**	**10.9**	**-**	**13.3**
Czech R.	2.5	0.0	-	0.0	2.5	-	2.6	15.1	11.3	0.3	7.1	2.5	-	3.2
Egypt	6.6	4.0	-	4.0†	5.0	-	5.0†	8.5	23.0	4.0	24.1†	15.0	-	12.0†
Saudi Arabia	8.7	0.4	-	3.1†	2.7	0.1	3.2†	2.5	2.0	-	2.6†	2.0	-	2.1†
Hungary	4.6	0.2	-	0.2	2.8	-	2.9	14.6	9.0	(10.0)	18.6	6.0	1.0	5.5
Israel	6.5	2.5	-	3.0†	3.5	-	3.5†	4.4	4.3	(0.1)	3.9†	2.8	0.4	2.6†
Nigeria	3.3	3.0	-	2.7†	2.9	-	3.1†	19.0	17.0	-	18.7†	15.0	-	13.9†
Poland	5.2	0.8	-	0.6	3.0	-	3.1	14.3	12.4	0.4	12.7	6.0	-	6.7
Romania	4.5	2.2	-	2.6	3.5	-	3.6	13.7	11.0	-	10.0	6.0	-	5.4
Russia	-2.5	-2.5	-	-0.9	3.0	-	1.3	13.8	5.2	-	5.7	4.0	-	4.7
South Africa	2.0	0.1	-	0.6†	1.6	-	1.5†	6.9	5.9	-	5.8†	4.7	-	4.8†
Türkiye	5.6	2.8	-	2.1	4.0	-	2.8	72.0	45.9	-	44.3	30.1	-	29.1
Ukraine	-30.4	4.4	-	1.6	11.6	-	5.9	9.3	15.2	(1.3)	17.9	10.0	(2.0)	12.3
LatAm*	**3.8**	**1.0**	**0.2**	**4.2**	**1.4**	**(0.1)**	**1.8**	**7.7**	**5.7**	**-**	**5.5**	**4.0**	**-**	**3.9**
Argentina	5.2	-3.0	(0.9)	-2.6	-2.1	(0.6)	0.2	94.8	119.5	14.2	112.4	90.6	10.6	94.5
Brazil	2.9	0.9	-	1.0	2.4	-	1.7	5.8	6.0	-	5.8	3.7	-	4.1
Chile	2.4	0.0	0.5	-0.4	2.0	-	2.1	12.8	5.8	0.3	5.0	4.0	0.3	3.2
Colombia	7.5	2.1	-	0.9	2.8	-	2.2	13.1	9.0	1.3	8.5	5.7	0.3	4.4
Costa Rica	4.3	3.4	0.5	2.7	3.7	-	3.0	7.9	4.0	-	3.9	3.0	-	3.4
Dominican Rep	4.9	3.0	-	4.1	4.3	-	4.6	7.8	4.8	-	5.5	4.3	-	4.4
Ecuador	3.2	3.1	-	2.2	2.8	-	2.4	3.7	2.7	-	1.9	2.6	-	2.0
El Salvador	2.6	1.9	-	1.5	2.7	-	2.1	7.3	3.0	-	3.6	2.4	-	1.5
Guatemala	4.0	3.5	-	2.8	3.3	-	3.2	9.2	5.1	-	4.5	4.2	-	4.2
Mexico	3.1	1.5	0.7	14.0	0.0	-	1.7	7.8	5.0	(0.5)	5.1	4.3	(0.1)	3.9
Panama	10.8	4.8	-	3.7	4.0	-	4.0	2.1	2.0	-	2.2	1.7	-	2.0
Peru	2.7	1.5	-	1.8	3.1	-	3.0	8.5	4.8	0.5	4.2	2.9	-	2.9
Uruguay	4.9	1.0	(0.6)	1.9	3.2	0.5	2.6	8.3	7.1	0.3	7.9	6.4	0.1	6.6
Venezuela	10.0	0.0	-	4.2	3.0	-	4.2	305.0	558	-	232	448	-	133

Note: LatAm inflation is eop. **Source:** BofA Global Research

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Exhibit 151: Key Macroecnomic forecasts

CA and FX forecasts

	Current Account balance (% of GDP)							FX (vs USD, eop)						
		2023F			2024f				2023F			2024F		
	2022F	BofA	Chg.	Consensus Economics	BofA	Chg.	Consensus Economics	Spot*	BofA	Chg.	Bloomberg Consensus	BofA	Chg.	Bloomberg Consensus
GEMs	**1.3**	***0.5***	**-**	**-**	***0.6***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GEMs (ex. China)	**0.4**	***0.2***	**-**	**-**	***0.9***	**-**	**-**						**-**	
GEM-10	**1.4**	***0.2***	**-**	**-**	***0.2***	**0.1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Global	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
US	-	-	-	-	-	-		-	-	-	-	-	-	-
Euro area	-	-	-	-	-	-		1.10	*1.07*	-	-	*1.10*	-	-
Japan	-	-	-	-	-	-		133.57	*131.12*	-	-	*137.00*	(3.0)	-
Asia	**2.0**	***1.0***	**-**	**-**	***1.1***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
China	2.0	*2.2*	(0.1)	1.5	*0.7*	-	1.1	6.92	*6.90*	-	6.70	*6.70*	-	6.55
Hong Kong	11.3	*8.9*	-	3.3	*6.7*	-	3.9	7.85	*7.80*	-	7.80	*7.85*	-	7.78
India	-0.7	*-0.5*	-	-2.1	*-0.8*	-	-1.9	81.77	*82.74*	-	81.00	*80.00*	-	80.00
Indonesia	0.3	*1.0*	-	0.0	*0.1*	-	-0.7	14836	*15573*	-	14750	*14800*	-	14571
Korea	4.7	*1.7*	-	1.6	*2.5*	0.1	2.3	1337	*1260*	0.3	1230	*1210*	-	1185
Malaysia	3.8	*2.6*	-	2.6	*1.8*	-	2.6	4.46	*4.40*	-	4.29	*4.28*	-	4.15
Philippines	-1.8	*-4.3*	-	-3.6	*-4.1*	-	-3.2	55.64	*55.74*	-	53.95	*55.00*	-	53.00
Singapore	18.0	*20.8*	-	17.7	*20.5*	(0.1)	17.7	1.33	*1.34*	-	1.30	*1.29*	-	1.30
Taiwan	15.1	*13.3*	-	10.4	*11.9*	0.1	10.2	30.71	*30.73*	-	33.00	*29.50*	-	31.60
Thailand	-3.7	*-3.3*	*0.2*	1.6	*0.3*	(1.0)	3.2	34.09	*34.61*	-	29.85	*31.00*	-	29.00
EEMEA	**1.4**	***0.5***	**-**	**-**	***0.7***	**0.1**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Czech R.	-2.8	*-6.1*	-	-2.8	*-3.7*	1.5	-1.5	23.52	*24.16*	-	23.85	*23.50*	-	23.80
Egypt	-4.3	*-3.5*	-	-3.4†	*-2.7*	0.1	-3.1†	30.90	*24.76*	-	34.50	*32.50*	-	-
Saudi Arabia	5.1	*13.6*	-	11.7†	*12.2*	(3.9)	10.3†	3.75	*3.75*	-	3.75	*3.75*	-	-
Hungary	-3.9	*-8.1*	(0.1)	-5.2	*-4.5*	0.3	-4.0	374.20	*400*	(0.4)	389	*370*	-	385
Israel	4.7	*3.4*	-	3.7†	*4.3*	-	3.5†	3.63	*3.52*	-	3.57	*3.55*	-	3.30
Nigeria	-0.4	*-0.7*	(2.4)	1.3†	*-1.6*	(2.3)	1.3†	460.95	*460.8*	0.0	-	*560.00*	-	-
Poland	-1.4	*-3.0*	*0.1*	-2.0	*-1.7*	0.2	-1.3	4.58	*4.69*	-	4.70	*4.55*	-	4.65
Romania	-7.2	*-9.3*	-	-8.3	*-8.3*	-	-3.2	4.94	*4.94*	-	5.00	*5.00*	-	4.92
Russia	6.7	*11.5*	-	5.3	*6.6*	-	28.4	82.12	*74.19*	-	78.20	*75.00*	-	81.00
South Africa	3.7	*-0.5*	-	-1.9†	*-1.3*	-	-2.2†	18.40	*17.04*	-	17.50	*16.50*	-	17.00
Türkiye	-1.8	*-5.5*	-	-4.2	*-4.0*	-	-3.1	19.43	*18.71*	-	22.00	*24.00*	-	24.46
Ukraine	-1.6	*6.8*	-	-0.7	*14.4*	-	-0.4	36.93	*36.92*	-	40.54	*40.00*	-	-
LatAm	**-2.7**	***-2.1***	***0.1***	**-**	***-1.8***	**0.2**	**-**			**-**				
Argentina	1.7	*-0.8*	(0.1)	-1.1	*-2.4*	0.1	-0.5	221.55	*177*	0.1	380	*485*	71.0	600
Brazil	-2.8	*-2.9*	-	-2.5	*-2.3*	0.1	-2.5	5.05	*5.29*	-	5.19	*5.10*	(0.1)	5.00
Chile	-6.4	*-8.6*	-	-4.0	*-4.0*	0.7	-3.6	809	*851*	(0.4)	815	*810*	(20.0)	800
Colombia	-5.7	*-6.2*	-	-4.4	*-4.0*	-	-3.9	4536	*4851*	(0.2)	4750	*4750*	(100.0)	4675
Costa Rica	-2.3	*-3.8*	-	-3.3	*-3.3*	-	-2.9	534	*580*	-	-	*595*	-	-
Dominican Rep	-2.9	*-5.6*	-	-4.3	*-3.5*	-	-3.1	54.6	*57.0*	-	-	*58.4*	-	-
Ecuador	2.8	*2.2*	-	1.4	*2.1*	-	0.9	-	-	-	-	-	-	-
El Salvador	-5.1	*-6.6*	*0.4*	-5.1	*-4.0*	-	-4.1	-	-	-	-	-	-	-
Guatemala	2.5	*1.4*	-	2.1	*1.5*	-	1.9	7.80	*7.85*	-	-	*7.88*	-	-
Mexico	-0.6	*-0.9*	-	-1.2	*-1.0*	0.2	-1.2	18.12	*19.50*	-	19.00	*19.50*	(0.7)	19.60
Panama	-3.2	*-3.8*	*0.2*	-3.9	*-3.0*	-	-4.0	-	-	-	-	-	-	-
Peru	-2.3	*-4.3*	-	-3.3	*-2.8*	-	-2.6	3.74	*3.81*	-	3.75	*3.82*	-	3.80
Uruguay	-2.5	*-0.9*	*0.2*	-1.4	*-3.5*	(2.8)	-1.1	38.73	*39.87*	-	-	*41.00*	-	-
Venezuela	1.3	*0.4*	-	1.0	*1.0*	-	1.6	25	*17*	(0.1)	-	*259*	203.2	-

Source: BofA Global Research

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GEMs Consolidated Macro Indicators

Exhibit 152: GEMs

Consolidated Macro Indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
GEMs										
Nominal GDP (US$ bn)	27.594	27.847	30.487	32.835	33.684	32.664	37.810	39.602	42.158	46.040
Real GDP growth (% yoy)										
Weighted by PPP-GDP	4.2	4.0	4.8	4.5	3.6	-2.1	6.9	3.9	4.0	4.2
Weighted by current exchange rates	3.9	4.0	4.9	4.6	3.8	-1.5	7.1	3.5	3.9	4.1
Median	3.2	2.8	3.1	3.1	2.4	-4.9	5.9	4.1	2.1	3.1
CPI inflation (% yoy, ave)										
Weighted by PPP-GDP	4.4	3.7	3.8	3.7	4.0	3.5	4.1	7.9	5.9	4.6
Weighted by current exchange rates	4.2	3.4	3.3	3.2	3.5	3.1	3.4	6.3	4.9	4.1
Median	2.7	2.2	2.8	2.3	2.8	2.7	3.9	7.1	5.1	3.9
Trade balance (US$ bn)	578.5	563.9	455.2	431.2	513.8	500.4	566.9	672.2	644.8	485.0
Exports (US$ bn)	4.448	3.959	3.740	4.103	4.549	4.343	4.171	5.292	5.740	5.508
Imports (US$ bn)	3.870	3.395	3.284	3.672	4.035	3.843	3.604	4.620	5.095	5.023
Current account balance (US$ bn)	366.5	369.4	450.8	325.7	421.9	657.0	556.8	499.2	194.6	294.5
Current account balance (% of GDP)	1.3	1.3	1.5	1.0	1.3	2.0	1.5	1.3	0.5	0.6
International reserves (US$ bn)	7.731	7.466	7.852	7.862	8.159	8.662	9.076	8.434	8.171	7.959
Gross government debt (% of GDP)	54.2	57.6	58.6	58.9	61.2	68.3	67.4	54.5	54.0	54.0
Gov. budget balance (% of GDP)	-3.3	-3.0	-2.5	-2.0	-2.6	-5.8	-4.2	-3.9	-4.2	-3.8
Asia										
Nominal GDP (US$ bn)	17.500	18.085	19.747	21.910	22.667	22.886	26.748	27.272	29.236	32.399
Real GDP growth (% yoy)										
Weighted by PPP-GDP	6.2	6.1	6.2	5.9	4.9	-1.2	7.5	4.1	5.5	4.9
Weighted by current exchange rates	6.1	6.0	6.2	5.9	5.0	-0.2	7.6	3.6	5.6	4.9
Median	4.0	4.0	4.8	4.5	3.5	-4.7	6.1	3.3	4.2	4.2
CPI inflation (% yoy, ave)										
Weighted by PPP-GDP	2.3	2.5	2.2	2.3	2.9	2.8	2.2	3.1	2.6	2.8
Weighted by current exchange rates	1.9	2.2	1.9	2.2	2.7	2.5	1.7	3.1	2.5	2.7
Median	1.1	1.7	1.8	1.8	1.6	0.4	2.1	4.6	3.3	2.6
Trade balance (US$ bn)	244.0	383.8	293.9	227.6	200.2	230.4	363.7	382.9	423.3	294.7
Exports (US$ bn)	2.600	2.471	2.333	2.527	2.748	2.623	2.648	3.350	3.585	3.332
Imports (US$ bn)	2.356	2.087	2.039	2.300	2.548	2.393	2.284	2.968	3.162	3.037
Current account balance (US$ bn)	518.5	417.4	402.1	220.1	351.9	589.8	626.6	547.7	277.8	348.2
Current account balance (% of GDP)	3.0	2.3	2.0	1.0	1.6	2.6	2.3	2.0	1.0	1.1
International reserves (US$ bn)	5.519	5.279	5.595	5.562	5.719	6.153	6.419	5.857	5.436	4.942
Gross government debt (% of GDP)	64.0	68.2	68.9	68.8	72.1	78.8	78.1	59.2	58.9	57.8
Gov. budget balance (% of GDP)	-2.4	-2.6	-2.5	-2.4	-2.9	-5.5	-4.3	-3.8	-3.6	-3.2
EEMEA										
Nominal GDP (US$ bn)	5.197	5.065	5.500	5.813	6.027	5.738	6.333	6.960	7.133	7.753
Real GDP growth (% yoy)										
Weighted by PPP-GDP	1.8	1.8	3.1	3.3	2.4	-1.5	5.3	3.4	0.8	3.3
Weighted by current exchange rates	1.7	1.9	3.3	3.2	2.3	-2.0	5.2	3.3	-0.1	3.1
Median	3.5	2.7	2.6	3.1	3.1	-2.1	4.3	4.9	1.5	3.0
CPI inflation (% yoy, ave)										
Weighted by PPP-GDP	8.6	6.4	7.9	7.7	7.3	5.7	8.0	22.1	16.0	10.7
Weighted by current exchange rates	8.6	6.2	7.3	7.1	6.4	5.0	7.3	18.0	13.1	9.2
Median	5.1	6.3	5.3	4.6	4.1	3.4	4.6	9.3	12.4	6.0
Trade balance (US$ bn)	287.7	149.1	102.8	130.1	243.3	188.5	95.7	193.8	242.3	227.0
Exports (US$ bn)	1.242	953	885	1.006	1.182	1.113	978	1.277	1.387	1.479
Imports (US$ bn)	955	804	782	876	939	924	882	1.084	1.145	1.252
Current account balance (US$ bn)	23.3	55.2	148.5	240.9	172.4	77.4	25.8	94.5	36.9	54.6
Current account balance (% of GDP)	0.4	1.1	2.7	4.1	2.9	1.3	0.4	1.4	0.5	0.7
International reserves (US$ bn)	1,432	1,393	1,440	1,470	1,597	1,665	1,786	1,751	1,907	2,171
Gross government debt (% of GDP)	32.0	32.7	33.7	32.9	32.4	38.0	38.9	37.4	39.3	41.1
Gov. budget balance (% of GDP)	-3.3	-2.4	-0.7	0.4	-0.9	-5.1	-4.0	-4.6	-4.8	-4.4
LatAm										
Nominal GDP (US$ bn)	4.897.6	4.697.9	5.240.6	5.112.1	4.989.8	4.039.4	4.728.6	5.370.2	5.788.8	5.888.1
Real GDP growth (% yoy)										
Weighted by PPP-GDP	0.7	0.0	2.0	1.8	0.8	-6.5	7.2	3.8	1.0	1.4
Weighted by current exchange rates	-0.1	-0.6	1.7	1.2	0.2	-6.7	7.1	3.7	0.9	1.4
Median	2.8	2.2	2.4	2.5	1.7	-7.5	9.1	4.1	1.7	2.9
CPI inflation (% yoy, ave)										
Weighted by PPP-GDP	6.5	4.7	4.1	3.7	3.4	3.4	7.9	7.7	5.7	4.0
Weighted by current exchange rates	7.0	4.9	4.0	3.6	3.5	3.5	8.0	7.6	5.6	4.0
Median	3.9	3.3	3.5	2.3	3.2	3.1	6.8	8.1	5.1	4.1
Trade balance (US$ bn)	46.8	31.1	58.5	73.6	70.3	81.4	107.6	95.5	71.3	72.9
Exports (US$ bn)	606.3	535.0	521.5	569.7	618.3	607.4	545.3	664.7	781.7	806.1
Imports (US$ bn)	559.5	503.9	462.9	496.1	548.1	526.0	437.8	569.2	710.3	733.2
Current account balance (US$ bn)	-175.3	-103.2	-99.9	-135.3	-102.4	-10.2	-95.6	-142.9	-120.1	-108.4
Current account balance (% of GDP)	-3.6	-2.2	-1.9	-2.6	-2.1	-0.3	-2.0	-2.7	-2.1	-1.8
International reserves (US$ bn)	780.1	793.5	818.0	829.6	842.4	843.9	870.9	826.2	828.3	845.7
Gross government debt (% of GDP)	50.0	54.2	54.4	56.7	59.5	68.9	63.3	60.0	54.0	55.8
Gov. budget balance (% of GDP)	-5.9	-5.7	-4.7	-4.4	-3.6	-8.6	-4.2	-3.6	-5.2	-4.9

Source: BofA Global Research

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GEMs FX Compass and CA Imbalances

BofA FX Compass is our long-term fundamental valuation model for 20 EM countries. As part of our modeling framework, we estimate the gap between the forecast and equilibrium CA balance.

Exhibit 153: FX Compass Long Term Valuations
Trade-weighted valuations vs REER fair values

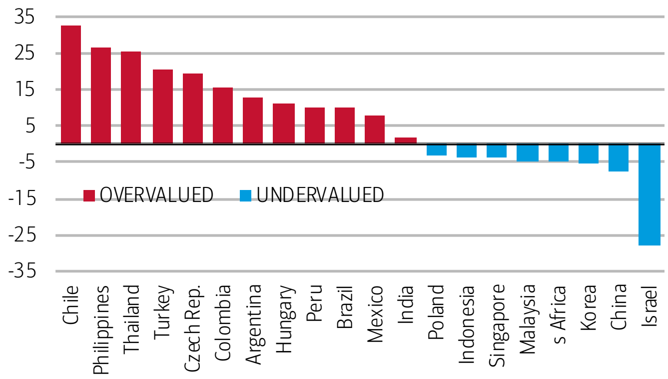

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Exhibit 154: Current Account Imbalances
Gap between forecast and equilibrium CAB (forecasted minus long-term equilibrium)

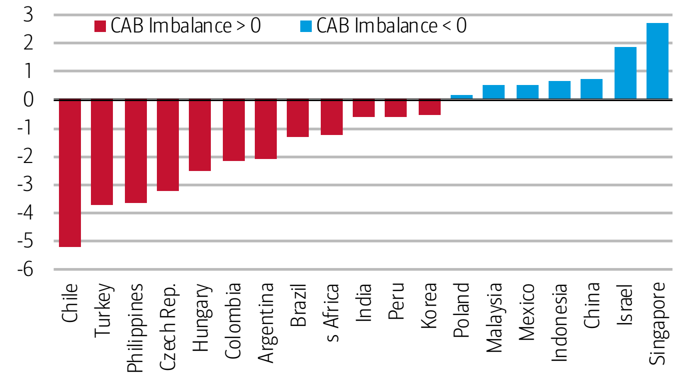

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Exhibit 155: FX Compass
Long term currency valuation

Country	Fair Value vs USD (or EUR) 1/	Spot vs USD (or EUR) 1/	Bilateral Misalignment vs USD (or EUR) 1/	Trade-weighted Misalignment (%) 2/
Asia			**2.2**	**3.6**
China	6.55	6.93	(5.7)	(7.6)
India	82.7	81.8	1.1	1.9
Indonesia	14331	14833	(3.5)	(3.5)
Korea	1259	1336	(6.2)	(5.1)
Malaysia	4.28	4.46	(4.0)	(4.8)
Philippines	70.14	55.64	20.7	26.6
Singapore	1.28	1.33	(4.3)	(4.0)
Thailand	42.43	34.21	19.4	25.2
EEMEA			**(1.3)**	**2.5**
Czech Rep. 1/	28.2	23.5	16.8	19.5
Hungary 1/	420	375	10.6	11.1
Israel	2.57	3.63	(41.1)	(28.1)
Poland 1/	4.41	4.58	(3.9)	(3.0)
South Africa	17.91	18.44	(3.0)	(5.0)
Türkiye	22.30	19.42	12.9	20.7
LatAm			**13.6**	**14.7**
Argentina	261	222	15.3	12.7
Brazil	5.54	5.04	8.9	9.8
Chile	1071	808	24.6	32.5
Colombia	5390	4570	15.2	15.6
Mexico	19.68	18.15	7.8	7.7
Peru	4.16	3.75	10.0	10.0
Average			**4.6**	**6.6**

Note 1/ CZK, HUF and PLN are quoted against the EUR. Fair values are updated using forecasts. Spot is for April 25 ,2021. Note 2/ REER valuation is trade-weighted deviation of current REER (April estimate) from Compass fair values. **Source:** BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 156: Estimated current account imbalance
CA imbalance

Country	Forecasted CA 2022-2024	Long-term CA	CAB Imbalance
Asia	**2.2**	**3.0**	**-0.7**
China	1.1	0.4	0.7
India	-2.5	-1.8	-0.6
Indonesia	0.0	-0.7	0.6
Korea	2.1	2.7	-0.5
Malaysia	2.1	1.6	0.5
Philippines	-4.4	-0.7	-3.7
Singapore	20.9	18.2	2.7
Thailand	-1.5	4.0	-5.5
EEMEA	**-2.3**	**-0.9**	**-1.4**
Czech Rep. 1/	-5.3	-2.1	-3.3
Hungary 1/	-5.5	-3.0	-2.5
Israel	4.0	2.1	1.9
Poland 1/	-2.6	-2.8	0.2
South Africa	-0.3	0.9	-1.2
Türkiye	-4.2	-0.5	-3.7
LatAm	**-3.1**	**-1.3**	**-1.8**
Argentina	-1.0	1.1	-2.1
Brazil	-2.6	-1.3	-1.3
Chile	-6.2	-0.9	-5.2
Colombia	-4.5	-2.3	-2.2
Mexico	-1.2	-1.7	0.5
Peru	-2.9	-2.4	-0.6
Average	**(0.7)**	**0.5**	**(1.3)**

Note: CA denotes current account balance as a % of GDP. A negative misalignment indicates the currency is overvalued. **Source:** BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 157: China

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	10.959	11.232	12.308	13.896	14.278	14.689	17.820	17.962	19.213	21.453
GDP per capita (US$)	7,922	8,067	8,791	9,887	10,126	10,402	12,615	12,723	13,625	15,202
Unemployment rate (%)[1]	5.0	5.0	4.9	4.7	5.2	5.1	5.1	6.1	5.3	5.1
Population (millions)	1,383	1,392	1,400	1,405	1,410	1,412	1,413	1,412	1,410	1,411
Economic Activity										
Real GDP growth (% yoy)	7.0	6.8	6.9	6.7	6.0	2.2	8.4	3.0	6.3	5.2
Domestic demand growth (% yoy)	6.6	7.9	6.8	7.4	5.3	1.7	6.7	2.2	7.1	5.4
Real investment growth (% yoy)	3.5	7.3	6.4	6.8	3.9	4.2	3.9	3.5	6.0	6.0
Real consumption growth (% yoy)	9.3	8.4	7.1	7.8	6.3	-0.3	9.0	1.8	8.0	5.0
Real private consumption growth (% yoy)	9.4	8.9	7.0	7.4	6.5	-1.7	11.5	1.6	8.8	5.2
Real government consumption growth (% yoy)	9.0	7.3	7.1	8.9	6.0	3.1	3.2	4.5	6.0	4.5
Real export growth (% yoy)	-2.3	1.1	8.1	3.8	0.5	2.4	17.6	4.0	-0.5	3.0
Real import growth (% yoy)	-6.2	5.8	7.3	8.1	-8.3	-6.6	10.4	-0.5	2.0	4.0
Prices										
CPI inflation (% yoy, eop)	1.6	2.1	1.8	1.9	4.5	0.2	1.5	1.8	3.0	1.3
CPI inflation (% yoy, avg)	1.4	2.0	1.6	2.1	2.9	2.5	0.9	2.0	1.7	2.6
Nominal wages (% yoy)	10.1	8.9	10.0	10.9	9.8	7.6	9.7	5.0	8.0	7.6
Nominal exchange rate (vs. USD, eop)	6.49	6.94	6.53	6.86	6.98	6.53	6.36	6.90	6.70	6.40
Nominal exchange rate (vs. USD, avg)	6.29	6.65	6.76	6.62	6.91	6.90	6.45	6.74	6.80	6.56
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	
Monetary Sector2										
Monetary base growth (% yoy)	-6.0	11.8	4.2	2.8	-2.0	1.9	-0.3	9.6	2.0	2.0
Broad money growth (% yoy)	13.3	11.3	8.1	8.1	8.7	10.1	9.0	11.8	11.0	10.0
Credit extension to private sector (% yoy)	14.3	13.5	12.7	13.5	12.3	12.8	11.6	11.1	11.7	10.6
Central bank policy rate (%, eop)[3]	4.30	4.30	4.30	4.31	4.15	3.85	3.80	3.65	3.65	3.65
1-month interbank rate (%, eop)	2.90	3.84	4.80	3.46	3.30	3.31	3.18	-	-	-
Long-term yield (%, eop)	3.50	2.90	3.90	3.20	3.14	3.14	2.78	2.80	3.00	-
External Sector										
Current account balance (% of GDP)	2.7	1.7	1.5	0.2	0.7	1.7	2.0	2.2	0.7	0.3
Current account balance (US$ bn)	293	191	189	24	103	249	353	402	140	71
Trade balance (US$ bn)	358	256	217	88	132	359	461	576	282	80
Exports, f.o.b. (US$ bn)	2,360	2,198	2,429	2,651	2,631	2739	3555	3,716	3,644	3,555
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US$ bn)	2,002	1,942	2,212	2,563	2,499			3,139	3,362	3,475
Service balance (US$ bn)	-218	-233	-259	-292	-261	-153	-101	-92	-200	-225
Income balance (US$ bn)	-52	-55	-16	-61	-39	-118	-124	-194	-159	-27
Foreign direct investment (US$ bn)	136	134	136	138	141	149	181	189	199	207
International reserves (US$ bn)	3,330	3,011	3,140	3,073	3,108	3,217	3,250	3,128	3,158	3,140
Public Sector										
Central gov. primary budget balance (% of GDP)	-	-	-	-	-	-	-			
Central gov. budget balance (% of GDP)	-	-	-	-	-	-	-			
Consolidated gov. primary budget balance (% of GDP)	-1.8	-2.2	-2.1	-1.8	-1.9	-2.7	-2.2	-1.8	-2.0	-2.1
Consolidated public sector balance (% of GDP)[4]	-2.4	-2.9	-2.9	-2.6	-2.8	-3.7	-3.1	-2.8	-3.0	-3.0
Central gov. revenues (% of GDP)[5]	22.1	21.4	20.7	19.9	19.3	18.0	17.6	16.8	16.8	16.5
Debt Indicators										
Gross external debt (% of GDP)	12.6	12.6	14.3	14.3	14.4	16.3	15.4	16.3	16.6	16.5
Public (% of GDP)	1.5	1.8	1.8	2.2	2.5	3.2	2.7	3.0	3.1	3.0
Private (% of GDP)	11.2	10.8	12.5	12.1	11.9	13.1	12.7	13.3	13.5	13.6
Gross government debt (% of GDP)	67.6	75.5	76.5	75.7	78.3	87.8	85.6	91.0	94.7	95.8
Domestic (% of GDP)	67.4	75.1	76.1	75.2	77.7	87.5	85.4	90.7	94.4	95.3
External (% of GDP)	0.2	0.3	0.4	0.5	0.6	0.3	0.3	0.3	0.3	0.5
External debt amortizations (US$ bn)	-	-	-	-	-	-	-	-	-	
External debt interest payments (US$ bn)	-	-	-	-	-	-	-	-	-	
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	
Savings - Investment Balance										
Savings (% of GDP)	46.3	44.9	44.9	44.7	44.2	45.3	45.9	47.6	46.0	46.2
Investment (% of GDP)	43.0	42.7	43.2	44.0	43.1	42.9	43.3	44.3	44.5	45.2

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	3.9	2.9	4.4	8.4	5.7	6.4	5.4	5.2	5.2	5.1
Real GDP growth (% qoq, sa, annualized)	16.5	2.4	9.1	6.0	5.5	5.2	5.0	5.3	5.2	5.1
CPI inflation (% yoy, eop)	2.8	1.8	1.3	0.9	1.7	3.0	3.8	3.1	2.0	1.3
Central bank policy rate (%, eop)	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
Nominal exchange rate (vs. USD, eop)	7.12	6.90	6.87	6.80	6.75	6.70	6.70	6.50	6.50	6.40
Current account balance (US$ bn)	139.6	103.1	123.3	29.3	27.9	-40.1	-84.4	-23.7	68.8	110.4

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 158: India

Selected economic and financial indicators

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020E	FY2021 E	FY2022 E	FY2023E	FY2024E	FY2025E
Summary Data										
Nominal GDP (US$ bn)	2,074.1	2,230.1	2,430.8	2,691.0	2,970.0	2,910.6	3,107.0	3,343.0	3,643.0	3,995.0
GDP per capita (US$)	1.657	1.760	1.896	2.062.0	2.241.0	2.195.0	2.343.1	2.485.5	2.625.0	2.830.0
Unemployment rate (%)	-	-	-							
Population (millions)	1.252	1.267	1.316	1.332.0	1.341.0	1.354.4	1.368.0	1.381.6	1.400.0	1.412.0
Economic Activity										
Real GDP growth (% yoy)	7.6	6.9	6.6	6.0	4.0	-7.3	8.7	6.8	6.0	5.5
Domestic demand growth (% yoy)	-	-	-	-						
Real investment growth (% yoy)	5.6	-	-	-						
Real consumption growth (% yoy)	6.9	-	-	-						
Real private consumption growth (% yoy)	7.6	-	-	-						
Real government consumption growth (% yoy)	3.3	-	-	-						
Real export growth (% yoy)	-15.9	0.6	7.4	9.7	0.0	-5.0	10.0	10.0	5.0	8.0
Real import growth (% yoy)	-14.1	0.7	12.7	11.0	-5.0	-5.0	12.5	20.0	15.0	10.0
Prices										
CPI inflation (% yoy, eop)	4.8	4.6	4.3	2.9	4.6	5.5	7.0	5.8	5.1	4.5
CPI inflation (% yoy, avg)	4.9	4.8	3.6	3.4	4.8	6.2	5.3	6.7	5.2	4.5
WPI inflation (% yoy, eop)	-0.9	7.1	2.5	3.1	2.0	4.0	10.0	7.5	5.0	3.5
WPI inflation (% yoy, avg)	-2.5	3.6	2.7	4.3	3.0	1.0	10.0	10.0	7.5	5.0
Nominal wages (% yoy)	-	-	-	-						
Nominal exchange rate (vs USD, eop)	66.2	68.1	65.2	69.1	72.0	69.8				
Nominal exchange rate (vs USD, avg)	65.5	67.5	69.6	69.9						
Bilateral real exchange rate (% yoy, + dep)	6.0	2.8	2.1	-						
Monetary Sector										
Monetary Base growth (% yoy)	13.1	12.8	12.4	10.0	11.0	11.0	13.0			
Broad Money growth (% yoy)	10.5	13.1	12.4	19.7	13.3	11.8	13.0			
Credit extension to private sector (% yoy)	10.6	9.0	14.1	12.3	13.7	9.5	8.0			
Central bank policy rate (%, eop)	6.75	6.00	6.00	6.25	4.40	4.00	4.00	6.50	6.75	6.50
1-month interbank rate -Call rate (%)	6.75	6.00	6.00	6.5	4.8	4.3				
Long-term yield (%)	7.50	6.85	7.65	7.8	6.3					
External Sector										
Current Account balance (% of GDP)	-1.1	-0.7	-1.9	-2.1	-1.0	1.0	-1.2	-3.0	-3.2	
Current Account balance (US$ bn)	-22.0	-45.0	-57.3	-22.0	25.0	25	-39.0	-105.0	-115.0	
Trade Balance (US$ bn)	-130.1	-131.2	-162.3	-179.0	-150.0	-126.0	-180.0	-255.0		
Exports, f.o.b. (US$ bn)	266.4	268.0	287.7	331.0	298.0	272.0	370.0	415.0		
main export	-	-	-	-						
other	-	-	-	-						
Imports, c.i.f. (US$ bn)	396.4	399.2	450.0	510.0	448.0	398.0	550.0	670.0		
Service balance (US$ bn)	-	-	-	-						
Income balance (US$ bn)	-	-	-	-						
Foreign direct investment (US$ bn)	36.0	35.0	40.0	35.0	35.0	32.0	42.0	40.0		
International reserves (US$ bn)	359.8	376.0	395.5	415.0	470.0	510.0	630.0	500.0	530.0	
Public Sector										
Central Gov. Primary Budget Balance (% of GDP)	-0.9	-0.5	0.0	0.0						
Central Gov. Budget Balance (% of GDP)	-3.9	-3.5	-3.5	-3.4	-4.6	-9.2	-6.7	-6.4	-5.8	-4.3
Consolidated Gov. Primary Budget Balance (% of GDP)	-	-	-							
Consolidated Public Sector Balance (% of GDP)	-	-	-							
Central gov. revenues (% of GDP)	10.8	10.2	10.3	10.5	10.6	10.6	10.7			
Debt Indicators										
Gross External Debt (% of GDP)	23.3	23.0	24.3	24.5	25.0	25.5	25.5			
Public (% of GDP)	5.4	5.9	6.3	6.1	6.3	6.5	7.0			
Private (% of GDP)	17.9	17.1	18.0	18.0	18.5	19.0	18.5			
Gross government debt (% of GDP)	65.7	63.7	61.6	60.0	62.0	60.0	60.0			
Domestic (% of GDP)	62.0	59.5	57.0	56.0	56.3	56.5	56.5			
External (% of GDP)	3.7	4.2	4.6	4.0	4.2	4.4	4.5			
Savings - Investment Balance										
Savings (% of GDP)	31.5	30.5	31.0	31.5	30.0	30.0	32.0			
Investment (% of GDP)	33.0	32.4	32.4	32.4	31.0	31.0	33.0			
Memorandum Items										
Agro GDP (% yoy)	1.2									
Non-agro GDP (% yoy)	8.4									

	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Quarterly Economic Forecasts										
Real GDP growth (% yoy)								9.5		4.4
CPI Inflation (% yoy, eop)	5.1	5.0	6.3	7.3	7.0	6.5	6.1	4.8	5.4	5.2
WPI inflation (% yoy, eop)	11.7	14.3	13.9	16.1	12.4	10.5	7.5	7	6	5
Central bank policy rate (%, eop)	4.00	4.00	4.00	4.90	5.90	6.25	6.50	6.75	6.75	6.75
Nominal exchange rate (vs USD, eop)										
Current account balance (US$ bn)	-24.0	-13.0	-13	-37	-30	-25	-20	-35	-30	-25

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 159: Indonesia

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020F	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	861	932	1.016	1.042	1.119	1.060	1.186	1.319	1.442	1.589
GDP per capita (US$)	3,368	3,607	3,886	3,946	4,193	3,923	4,357	4,798	5,198	5,676
Unemployment rate (%)	6.2	5.6	5.5	5.2	5.2	7.1	6.5	5.9	4.3	4.1
Population (millions)	255.6	258.5	261.4	264.2	266.9	270.2	272.2	274.9	277.4	280.0
Economic Activity										
Real GDP growth (% yoy)	4.9	5.0	5.1	5.2	5.0	-2.1	3.7	5.3	5.0	5.3
Domestic demand growth (% yoy)	4.9	4.4	5.1	5.6	4.8	-3.1	2.8	3.8	5.0	5.4
Real investment growth (% yoy)	5.0	4.5	6.2	6.7	4.5	-5.0	3.8	3.9	5.4	6.0
Real consumption growth (% yoy)	4.9	4.3	4.6	5.1	4.9	-2.1	2.3	3.7	4.7	5.1
Real private consumption growth (% yoy)	4.8	5.0	5.0	5.1	5.2	-2.7	2.0	4.9	5.2	5.5
Real government consumption growth (% yoy)	5.3	-0.1	2.1	4.8	3.3	2.1	4.2	-4.5	1.6	2.0
Real export growth (% yoy)	-2.1	-1.7	8.9	6.5	-0.5	-8.4	18.0	16.3	5.8	5.9
Real import growth (% yoy)	-6.2	-2.4	8.1	12.1	-7.1	-17.6	24.9	14.7	5.3	6.2
Prices										
CPI inflation (% yoy, eop)	3.4	3.0	3.6	3.1	2.6	1.7	1.9	5.5	3.4	3.4
CPI inflation (% yoy, avg)	6.4	3.5	3.8	3.3	2.8	2.0	1.6	4.2	4.0	3.6
Nominal wages (% yoy)	6.5	22.9	6.9	4.3	3.4	-6.9	-0.4	13.5	5.8	5.7
Nominal exchange rate (vs. USD, eop)	13.775	13.248	13.537	14.791	14.068	14.387	14.264	15.564	14.800	14800
Nominal exchange rate (vs. USD, avg)	13,390	13,302	13,381	14,237	14,147	14,570	14,311	14,854	14,949	14,900
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary Sector										
Monetary base growth (% yoy)	12.0	17.3	12.4	4.8	7.4	18.5	23.0	14.3	-	-
Broad money growth (% yoy)	9.0	10.0	8.3	6.3	6.5	12.5	14.0	8.4	-	-
Credit extension to private sector (% yoy)	10.1	7.8	8.2	11.7	5.9	-2.6	4.9	11.0	-	-
Central bank policy rate (%, eop)	6.25	4.75	4.25	6.00	5.00	3.75	3.50	5.50	5.75	4.75
1-month interbank rate (%, eop)	8.55	7.80	5.50	7.54	5.44	3.81	3.55	6.20	6.45	5.45
Long-term yield (%, eop)	9.0	8.0	6.3	8.0	7.1	5.9	6.4	6.9	8.0	-
External Sector										
Current account balance (% of GDP)	-2.0	-1.8	-1.6	-2.9	-2.7	-0.4	0.3	1.0	0.1	-1.1
Current account balance (US$ bn)	-17.5	-17.0	-16.2	-30.6	-30.3	-4.4	3.5	13.2	0.9	-17.5
Trade balance (US$ bn)	14.0	15.3	18.8	-0.2	3.5	28.3	43.8	47.5	54.9	44.5
Exports, f.o.b. (US$ bn)	149.1	144.5	168.9	180.7	168.5	163.4	232.8	250.2	291.4	-
main export - oil and gas	16.0	14.6	20.5	24.0	21.7	16.4	31.5	54.6	-	-
Imports, c.i.f. (US$ bn)	135.1	129.2	150.1	181.0	164.9	135.1	189.0	202.7	236.5	-
Service balance (US$ bn)	-8.7	-7.1	-7.4	-6.5	-7.6	-9.8	-14.6	-15.5	-21.7	-23.8
Income balance (US$ bn)	-22.9	-25.2	-27.6	-23.9	-26.1	-23.0	-25.7	-26.7	-32.4	-38.1
Foreign direct investment (US$ bn)	16.6	3.9	20.6	20.6	23.9	18.6	20.9	22.0	25.0	28.0
International reserves (US$ bn)	105.9	116.4	130.2	120.7	129.2	135.9	144.9	137.2	-	-
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.2	-1.0	-0.9	-0.1	-0.5	-4.1	-2.5	-0.4	-0.7	-0.5
Central gov. budget balance (% of GDP)	-2.6	-2.5	-2.5	-1.8	-2.2	-6.1	-4.6	-2.4	-2.9	-2.6
Consolidated gov. primary budget balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Consolidated public sector balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Central gov. revenues (% of GDP)	13.1	12.5	12.3	13.1	12.4	10.7	11.8	13.4	13.3	-
Debt Indicators										
Gross external debt (% of GDP)	36.1	34.3	34.7	36.0	36.1	39.3	34.9	30.1	-	-
Public (% of GDP)	16.6	17.0	17.8	17.9	18.1	19.7	17.6	14.8	-	-
Private (% of GDP)	19.5	17.3	16.9	18.1	17.9	19.6	17.3	15.3	-	-
Gross government debt (% of GDP)	26.7	28.1	29.0	29.3	30.7	40.6	40.8	37.3	-	-
Domestic (% of GDP)	14.8	16.1	17.1	17.3	19.1	27.0	28.6	26.4	-	-
External (% of GDP)	11.9	11.9	12.0	12.0	11.6	13.6	12.2	10.9	-	-
External debt amortizations (US$ bn)	-	-	-	-	-	-	-	-	-	-
External debt Interest payments (US$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	32.0	32.0	32.1	31.6	31.1	31.9	31.7	30.7	28.4	25.8
Investment (% of GDP)	34.1	33.9	33.7	34.6	33.8	32.3	31.4	29.7	28.3	26.9

	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	3.5	5.0	5.0	5.5	5.7	5.0	4.5	4.7	5.1	5.5
Real GDP growth (% qoq, sa, annualized)	0.8	10.1	7.3	4.0	2.3	6.1	5.7	4.7	2.7	10.5
CPI inflation (% yoy, eop)	1.6	1.8	2.3	3.8	5.2	5.5	5.2	3.8	3.7	3.5
Central bank policy rate (%, eop)	3.50	3.50	3.50	3.50	4.25	5.50	5.75	5.75	5.75	5.75
Nominal exchange rate (vs. USD, eop)	14389	14264	14345	14555	14936	15564	15000	14900	14900	15000
Current account balance (US$ bn)	5.0	1.5	0.5	3.9	4.5	4.3	1.5	0.7	-0.2	-1.2

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 160: Korea

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	1,466.0	1499.7	1623.1	1725.4	1651.4	1644.3	1809.5	1769.8	1893.1	2158.9
GDP per capita (US$)	28,737.5	29280.5	31600.8	33433.2	31936.8	31735.8	34817.7	33984.1	36280.7	41290.9
Unemployment rate (%)1	3.6	3.6	3.6	3.8	3.7	4.1	3.6	2.7	3.1	3.5
Population (millions)	51.0	51.2	51.4	51.6	51.7	51.8	52.0	52.1	52.2	52.3
Economic Activity										
Real GDP growth (% yoy)	2.8	2.9	3.2	2.9	2.2	-0.7	4.1	2.6	1.9	2.2
Domestic demand growth (% yoy)	3.6	4.1	5.6	2.0	1.6	-1.0	3.6	2.6	2.4	1.7
Real investment growth (% yoy)	5.4	6.6	9.8	-2.2	-2.1	3.5	2.8	-1.0	3.3	2.0
Real consumption growth (% yoy)	2.6	3.0	3.1	3.7	3.2	-2.3	4.2	4.3	1.9	1.6
Real private consumption growth (% yoy)	2.2	2.6	2.8	3.2	2.1	-4.8	3.7	4.6	2.2	2.4
Real government consumption growth (% yoy)	3.8	4.4	3.9	5.3	6.4	5.1	5.6	3.4	1.3	-0.6
Real export growth (% yoy)	0.2	2.4	2.5	4.0	0.2	-1.7	10.8	4.7	2.1	4.2
Real import growth (% yoy)	2.1	5.2	8.9	1.7	-1.9	-3.1	10.1	5.4	3.7	3.2
Prices										
CPI inflation (% yoy, eop)	1.1	1.3	1.4	1.3	0.7	0.6	0.4	5.0	2.3	2.3
CPI inflation (% yoy, avg)	0.7	1.0	1.9	1.5	0.4	0.5	2.5	4.9	3.6	0.9
Nominal wages (% yoy)	3.4	3.8	2.7	5.1	3.3	0.7	4.5	6.7	5.4	2.6
Nominal exchange rate (vs. USD, eop)	1,173	1207.7	1070.5	1115.7	1156.4	1086.3	1188.8	1264.5	1210.0	1090.0
Nominal exchange rate (vs. USD, avg)	1,131	1160.8	1131.0	1100.2	1165.4	1180.3	1144.4	1269.0	1251.3	1135.0
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary sector										
Narrow money growth (% yoy)	18.6	15.4	9.2	4.9	4.3	20.8	10.0	11.7	14.1	11.9
Broad money growth (% yoy)	8.6	7.3	5.5	6.3	7.0	9.3	7.5	7.9	8.2	7.9
Credit extension to private sector (% yoy)	7.6	7.3	6.3	7.9	9.0	9.1	8.7	8.9	8.9	8.8
Central bank policy rate (%, eop)	1.50	1.25	1.50	1.75	1.25	0.50	1.00	3.00	3.25	2.50
1-month interbank rate (%, eop)	1.65	1.40	1.56	1.81	1.31	0.56	1.06	3.06	3.31	2.56
Long-term yield (%, eop)	2.1	2.1	2.5	2.4	2.6	2.5	2.5	3.5	4.5	5.5
External sector										
Current account balance (% of GDP)	7.2	6.5	4.6	4.5	3.6	4.6	4.7	1.7	2.4	2.2
Current account balance (US$ bn)	105.1	97.9	75.2	77.5	59.7	75.9	85.2	29.8	45.5	48.5
Trade balance (US$ bn)	120.3	116.5	113.6	110.1	79.8	80.6	75.7	15.1	-6.7	-30.1
Exports, f.o.b. (US$ bn)	543.1	511.9	580.3	626.3	556.7	517.9	649.5	690.5	679.7	652.6
main export										
Imports, c.i.f. (US$ bn)	422.8	395.5	466.7	516.2	476.9	437.3	573.7	675.4	686.3	682.7
Service balance (US$ bn)	-14.6	-17.3	-36.7	-29.4	-26.8	-14.7	-5.3	-5.5	-9.7	-14.0
Income balance (US$ bn)	-0.5	-1.2	-1.6	-3.3	6.7	10.0	14.8	20.3	17.7	17.1
Foreign direct investment (US$ bn)	4.1	12.1	17.9	12.2	9.6	8.8	22.1	18.0	15.6	16.9
International reserves (US$ bn)	358.5	361.7	379.5	393.3	397.9	430.1	438.3	399.0	432.9	461.4
Public sector										
Central gov. primary budget balance (% of GDP)	-0.1	1.0	1.4	1.8	-0.4	-4.5	-1.3	-2.6	-2.6	-2.6
Central gov. budget balance (% of GDP)	0.0	1.0	1.3	1.6	-0.6	-4.8	-1.5	-2.7	-2.6	-2.6
Consolidated gov. primary budget balance (% of GDP)										
Consolidated public sector balance (% of GDP)										
Central gov. revenues (% of GDP)	20.5	21.3	22.0	23.1	23.1	22.6	26.0	25.4	25.2	26.4
Debt indicators										
Gross external debt (% of GDP)	27.0	25.5	25.4	25.6	28.5	30.0	34.9	32.3	33.6	33.6
Public (% of GDP)	4.4	4.5	4.9	4.9	4.9	5.0	6.9	7.9	8.9	9.9
Private (% of GDP)	22.6	21.0	20.5	20.7	23.6	25.0	28.0	24.4	24.7	23.7
Gross government debt (% of GDP)	38.5	38.3	39.6	39.5	39.9	43.5	46.7	50.9	54.6	58.3
Domestic (% of GDP)	38.1	37.9	39.2	39.1	39.5	43.0	46.2	50.4	54.1	57.8
External (% of GDP)	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5
External debt amortizations (US$ bn)	-	-	-	-	-	-	-	-	-	-
External debt interest payments (US$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	36.4	36.9	37.1	35.9	34.8	36.2	35.4	31.2	32.3	32.7
Investment (% of GDP)	29.5	30.1	32.3	31.5	31.5	31.9	30.7	29.5	29.9	30.5

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	3.1	1.3	1.9	2.2	1.4	2.3	2.4	2.8	2.4	1.1
Real GDP growth (% qoq, sa, annualized)	1.1	-1.4	4.6	4.4	-1.8	2.0	5.3	6.0	-3.4	-2.9
CPI inflation (% yoy, eop)	0.3	0.2	4.8	3.7	3.0	2.4	2.2	2.1	2.0	1.9
Central bank policy rate (%, eop)	2.50	3.25	3.50	3.50	3.50	3.25	3.25	3	2.75	2.5
Nominal exchange rate (vs. USD, eop)	1430	1265	1280	1270	1245	1210	1180	1150	1120	1090
Current account balance (US$ bn)	-9	4	-14	-18	0	-6	-10.0	-19.3	0.1	-0.4

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 161: Hong Kong

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	309.4	320.9	341.2	361.8	365.8	346.6	368.4	361.0	378.9	406.6
GDP per capita (US$)	42,322	43,492	46,038	48,322	48,631	46,665	49,883.1	49,272.1	51,809.5	55,717.4
Economic Activity and Prices										
Real GDP growth (% yoy)	2.4	2.2	3.8	2.8	-1.7	-6.5	6.3	-3.5	4.0	3.5
CPI inflation (% yoy, avg)	3.0	2.4	1.5	2.4	2.9	0.3	1.6	1.9	2.2	2.0
Nominal exchange rate (vs. USD, eop)	7.75	7.75	7.81	7.83	7.79	7.75	7.79	7.85	7.83	7.75
Nominal exchange rate (vs. USD, avg)	7.75	7.76	7.79	7.84	7.84	7.76	7.77	7.84	7.85	7.77
Central bank policy rate (%, eop)[1]	0.39	1.02	1.31	2.33	2.43	0.35	0.26	4.99	4.00	3.60
External Sector										
Current account balance (% of GDP)	3.3	4.0	4.6	3.7	5.8	7.0	11.3	8.9	6.7	6.7
Current account balance (US$ bn)	10.3	12.7	15.6	13.5	21.2	24.1	41.7	32.0	25.2	27.3
Trade balance (US$ bn)	-57.1	-54.4	-61.9	-71.7	-54.2	-43.8	-45.2	-48.9	-45.7	-56.5
Exports, f.o.b. (US$ bn)	465.5	462.5	497.8	531.3	509.7	507.1	637.5	599.4	620.4	715.5
Imports, c.i.f. (US$ bn)	522.6	516.9	559.7	603.0	563.8	550.9	682.8	648.3	666.2	771.9
International reserves (US$ bn)	358.8	386.3	431.4	424.6	441.4	491.9	518.5	402.0	440.0	462
Public Sector										
Central gov. primary budget balance (% of GDP) -	-	-	-	-	-	-	-			
Central gov. budget balance (% of GDP)	0.6	4.5	5.6	2.4	-0.4	-8.7	1.0	-4.9	-1.8	0.3
Debt Indicators										
Gross external debt (% of GDP)	420.2	422.5	462.9	468.3	455.3	510.0	510.4	510.2	510.5	512
Public (% of GDP)	0.9	0.9	1.2	1.0	1.0	0.8	0.9	0.9	0.9	0.9
Private (% of GDP)	419.3	421.6	461.7	467.3	454.3	509.2	509.5	509.3	509.6	511.1
Gross government debt (% of GDP)	0.1	0.1	0.1	0.1	0.3	0.3	0.6	0.9	0.9	0.9
Domestic (% of GDP)	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022F**	**2023F**	**2024F**
External (% of GDP)										

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 162: Philippines

Selected economic and financial indicators

	2015	2016	2017	2018	2019F	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	282	290	317	341	384	371	381	373	415	395
GDP per capita (US$)	2,802	2,825	3,043	3,228	3,580	3,406	3,454	3,100	3,144	3,430
Economic Activity and Prices										
Real GDP growth (% yoy)	5.9	6.9	6.7	6.2	6.0	(9.5)	5.9	7.6	4.5	5.3
CPI inflation (% yoy, avg)	0.7	1.3	2.9	5.2	2.4	2.4	3.9	5.8	6.5	3.0
Nominal exchange rate (vs. USD, eop)	47.2	50.0	49.9	52.6	50.8	48.5	51.0	59.0	59.0	56.0
Nominal exchange rate (vs. USD, avg)	45.9	48.6	49.5	51.0	50.9	49.7	49.8	55.0	59.0	57.5
Central bank policy rate (%, eop)	4.00	3.00	3.00	4.75	4.00	2.00	2.00	5.50	6.50	6.00
External Sector										
Current account balance (% of GDP)	2.6	(0.4)	(0.7)	(2.3)	(0.8)	3.1	(1.8)	(4.3)	(4.1)	(4.8)
Current account balance (US$ bn)	7.3	(1.2)	(2.1)	(8.9)	(3.0)	11.6	(6.9)	(16.0)	(17.0)	(19.0)
Trade balance (US$ bn)	(12.2)	(26.7)	(27.4)	(43.5)	(40.7)	(24.6)	(42.3)	(59.7)	(67.3)	(78.9)
Exports, f.o.b. (US$ bn)	58.8	57.4	68.7	69.3	70.93	65.2	74.7	80.6	87.0	94.0
Imports, c.i.f. (US$ bn)	71.1	84.1	96.1	112.8	111.59	89.8	117.0	140.3	154.4	172.9
International reserves (US$ bn)	80.7	80.7	81.6	79.2	87.6	110.1	108.0	95.0	90.0	85.0
Public Sector										
Central gov. primary budget balance (% of GDP)	1.4	(0.3)	(0.3)	(1.2)	(1.6)	(6.0)	(8.0)	(7.0)	(5.5)	(6.0)
Central gov. budget balance (% of GDP)	(0.9)	(2.4)	(2.2)	(3.2)	(3.6)	(7.6)	(10.2)	(9.0)	(7.5)	(7.0)
Debt Indicators										
Gross external debt (% of GDP)										
Public (% of GDP)										
Private (% of GDP)										
Gross government debt (% of GDP)	48.8	45.6	45.1	42.7	40.8	39.0				
Domestic (% of GDP)	30.1	28.7	29.3	27.81	26.6	25.7				
External (% of GDP)	18.7	16.9	15.8	14.89	14.2	13.3				

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 163: Malaysia

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	302.3	301.8	319.7	358.9	365.4	338.2	373.0	406.4	446.9	486.2
GDP per capita (US$)	9,667	9,540	9,970	11,087	11,236	10,404	11,453	12,450	13,545	14,584
Unemployment rate (%)	3.2	3.5	3.4	3.3	3.3	4.5	4.7	3.8	3.5	3.5
Population (millions)	31.2	31.6	32.0	32.4	32.5	32.4	32.6	32.7	33.0	33.3
Economic Activity										
Real GDP growth (% yoy)	5.0	4.4	5.8	4.8	4.4	-5.5	3.1	8.7	4.3	4.7
Domestic demand growth (% yoy)	5.1	4.3	6.5	5.6	4.3	-5.5	1.7	9.2	4.8	5.1
Real investment growth (% yoy)	3.7	2.6	6.1	1.4	-2.1	-14.4	-0.9	6.8	4.2	7.8
Real consumption growth (% yoy)	5.6	4.9	6.7	7.1	6.6	-2.6	2.5	9.9	4.9	4.4
Real private consumption growth (% yoy)	5.9	5.9	6.9	8.0	7.7	-4.2	1.9	11.3	5.6	5.0
Real government consumption growth (% yoy)	4.5	1.1	5.7	3.4	1.8	5.0	5.3	3.9	1.8	1.5
Real export growth (% yoy)	0.2	1.3	8.7	1.9	-1.0	-8.6	15.4	12.8	3.8	5.2
Real import growth (% yoy)	0.8	1.4	10.2	1.5	-2.4	-7.9	17.7	14.2	4.4	5.5
Prices										
CPI inflation (% yoy, eop)	2.7	1.7	3.5	0.2	1.0	-1.4	3.2	3.9	2.7	2.7
CPI inflation (% yoy, avg)	2.1	2.1	3.8	1.0	0.7	-1.1	2.5	3.4	3.0	2.7
Nominal wages (% yoy)	4.9	7.2	7.6	3.7	2.6	-2.8	0.9	9.2	4.4	4.4
Nominal exchange rate (vs. USD, eop)	4.29	4.49	4.06	4.14	4.09	4.01	4.18	4.41	4.32	4.15
Nominal exchange rate (vs. USD, avg)	3.89	4.14	4.29	4.03	4.14	4.19	4.14	4.40	4.38	4.24
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary Sector										
Monetary base growth (% yoy)	4.1	5.6	11.0	1.2	5.8	15.7	10.4 4.3	-	-	
Broad money growth (% yoy)[1]	3.0	3.2	4.9	9.1	3.5	4.0	6.4 4.3	-	-	
Credit extension to private sector (% yoy)[2]	7.9	5.3	4.1	7.7	3.9	3.4	4.5 5.7	-	-	
Central bank policy rate (%)	3.25	3.00	3.00	3.25	3.00	1.75	1.75	2.75	3.00	3.00
3-month interbank rate (%)	3.84	3.41	3.44	3.69	3.35	1.94	2.05	3.68	3.52	3.52
Long-term yield (%)[3]	4.19	4.23	3.91	4.08	3.31	2.65	3.58	4.09	4.60 -	
External Sector										
Current account balance (% of GDP)	3.0	2.4	2.8	2.2	3.5	4.2	3.8	2.6	1.8	1.8
Current account balance (US$ bn)	9.0	7.2	8.9	8.0	12.8	14.1	14.2	10.7	8.0	9.0
Trade balance (US$ bn)	28.0	24.6	27.3	28.4	30.1	32.8	41.2	38.5	32.3	35.0
Exports, f.o.b. (US$ bn)	175.0	165.9	186.7	205.8	197.3	186.1	235.8	268.5	293.1	332.8
main export	35.3	34.9	41.5	54.6	53.5	57.0	67.9	102	-	-
Imports, c.i.f. (US$ bn)	146.9	141.3	159.4	177.4	167.2	153.4	194.7	230.0	260.8	297.9
Service balance (US$ bn)	-5.3	-4.6	-5.3	-4.3	-2.6	-11.2	-14.7	-10.3	-6.4	-6.5
Income balance (US$ bn)	-13.7	-12.9	-13.0	-16.1	-14.7	-7.4	-12.3	-17.4	-17.8	-19.4
Foreign direct Investment (US$ bn)	9.7	13.5	9.4	8.3	9.1	4.0	18.7 15.2	15.5	16.9	
International reserves (US$ bn)	95.3	94.5	102.4	101.4	103.6	107.6	116.9 115	-	-	
Price of main export commodity - Crude Palm Oil (RM/ton avg)	2,172	2,639	2,800	2,237	2,122	2,767	4,421 5,131	-	-	
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.1	-1.0	-0.9	-1.6	-1.2	-3.7	-3.9	-3.2	-2.6	-2.1
Central gov. budget balance (% of GDP)	-3.2	-3.1	-2.9	-3.7	-3.4	-6.2	-6.4	-5.6	-5.0	-4.5
Consolidated gov. primary budget balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Consolidated public sector balance (% of GDP)	-7.6	-5.0	-3.6	-2.9	-3.4	-7.0	-4.3	-6.4	-	-
Central gov. revenues (% of GDP)	18.6	17.0	16.1	16.1	17.5	15.9	15.1	16.5	14.4 -	
Debt Indicators										
Gross external debt (% of GDP)	71.1	73.2	64.5	63.8	62.6	67.6	70.0	63.97757	-	-
Public (% of GDP)	25.9	25.8	23.2	20.7	20.7	24.6	26.1	21.19084	-	-
Private (% of GDP)	45.3	47.4	41.3	43.0	42.0	42.9	43.9	42.78673	-	-
Gross government debt (% of GDP)	53.6	51.9	50.0	51.2	52.4	62.0	63.4	60.4	64.0	-
Domestic (% of GDP)	51.7	50.2	48.5	49.7	50.5	60.0	61.5 58.4	62.1	-	
External (% of GDP)	1.8	1.7	1.5	1.5	1.9	2.0	1.9 1.9	1.9	-	
External debt amortizations (US$ bn)	-	-	-	-	-	-	-	-	-	-
External debt interest payments (US$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	28.4	28.4	28.3	26.1	24.5	23.9	26.1	26.5	25.7	26.1
Investment (% of GDP)	25.4	26.0	25.5	23.9	21.0	19.7	22.3	23.9	23.9	24.3

	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	-4.5	3.6	5.0	8.9	14.2	7.0	6.6	2.4	2.6	5.7
Real GDP growth (% qoq, sa, annualized)	-10.4	19.7	16.3	14.7	7.7	-10.0	12.1	4.1	4.1	3.7
CPI inflation (% yoy, eop)	2.1	3.2	2.2	2.8	4.5	3.9	3.7	3.2	2.7	2.7
Central bank policy rate (%, eop)	1.75	1.75	1.75	2.00	2.50	2.75	2.75	3.00	3.00	3.00
Nominal exchange rate (vs. USD, eop)	4.19	4.18	4.204	4.4055	4.641	4.413	4.38	4.43	4.36	4.32
Current account balance (US$ bn)	4.3	3.7	0.7	1.0	3.2	5.6	2.0	2.0	2.0	2.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 164: Singapore
Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	308.0	319.0	343.3	376.9	376.8	348.4	423.8	466.7	506.4	541.9
GDP per capita (US$)	55,647	56,898	61,174	66,824	66,068	61,298	77,680	82,794	87,829	92,551
Unemployment Rate (%)	1.9	2.1	2.2	2.1	2.3	3.0	2.7	2.5	2.4	2.4
Population (millions)	5.5	5.6	5.6	5.6	5.7	5.7	5.5	5.6	5.8	5.9
Economic Activity										
Real GDP growth (% yoy)	3.0	3.6	4.5	3.6	1.3	-3.9	8.9	3.6	1.0	2.5
Domestic demand growth (% yoy)	4.4	2.3	3.9	0.7	2.7	-10.0	9.8	4.8	2.1	2.6
Real investment growth (% yoy)	2.0	0.6	5.1	-5.0	2.3	-14.8	18.0	1.6	1.8	2.9
Real consumption growth (% yoy)	5.9	3.4	3.2	3.9	2.9	-7.5	5.8	6.6	2.2	2.5
Real private consumption growth (% yoy)	5.2	3.3	3.1	4.1	2.8	-13.1	6.6	9.7	3.0	2.6
Real government consumption growth (% yoy)	8.9	3.7	3.4	3.0	3.2	13.0	3.7	-2.3	-0.4	2.0
Real export growth (% yoy)	5.0	0.0	7.5	7.8	0.2	0.4	11.7	-1.3	1.0	2.1
Real import growth (% yoy)	3.4	0.2	8.1	7.4	0.0	-1.1	12.0	-1.9	1.4	2.0
Prices										
CPI inflation (% yoy, eop)	-0.6	0.2	0.4	0.5	0.6	-0.1	0.2	1.0	1.6	3.2
CPI inflation (% yoy, avg)	-0.5	-0.5	0.6	0.4	0.6	-0.2	2.3	6.1	5.0	3.4
Nominal wages (% yoy)	3.5	3.7	3.0	3.5	2.6	1.4	3.6	9.4	3.2	3.6
Nominal exchange rate (vs. USD, eop)	1.41	1.45	1.34	1.36	1.35	1.32	1.35	1.34	1.32	1.28
Nominal exchange rate (vs. USD, avg)	1.37	1.38	1.38	1.35	1.36	1.38	1.34	1.38	1.35	1.33
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary Sector										
Monetary base growth (% yoy)	0.1	7.7	9.1	0.1	3.6	32.8	--	-	-	
Broad money growth (% yoy)[1]	1.7	7.7	3.2	3.9	5.1	12.8	--	-	-	
Credit extension to private sector (% yoy)[2]	1.4	5.2	5.2	4.4	2.4	1.5	--	-	-	
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	-
3-month interbank rate (%, eop)	1.19	0.97	1.50	1.89	1.77	0.41	0.44	4.25	4.19 3.00	
Long-term yield (%, eop)[3]	2.60	2.47	2.00	2.04	1.74	0.84	1.67	3.09	2.60 -	
External Sector										
Current account balance (% of GDP)	18.7	17.8	18.1	15.7	16.2	16.5	18.0	20.8	20.5	21.2
Current account balance (US$ bn)	57.6	56.7	62.3	59.2	60.9	57.3	76.4	96.3	102.8	114.2
Trade balance (US$ bn)	92.6	89.9	100.9	104.4	97.8	106.4	125.7	149.8	163.4	184.9
Exports, f.o.b. (US$ bn)	396.2	373.2	417.1	460.9	441.9	419.9	514.5	599.3	651.1	700.2
Electronic exports (US$ bn)	35.3	33.7	36.4	35.2	27.0	28.0 33.4	32.7	-	-	
Imports, c.i.f. (US$ bn)	303.7	283.3	316.2	356.4	344.1	313.5	388.8	449.5	487.7	515.2
Service balance (US$ bn)	-8.5	-6.3	-9.4	6.8	13.3	2.3	23.7	19.7	13.7	6.5
Income balance (US$ bn)	-26.5	-26.9	-29.2	-52.0	-50.2	-51.4	-73.1	-73.2	-74.2	-77.3
Foreign direct investment (US$ bn)	69.8	65.4	102.2	81.2	105.3	78.4	138.5 139.9	107.7	-	
International reserves (US$ bn)	247.7	246.6	279.9	287.7	279.5	362.3	417.9 289.5	-	-	
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.6	-0.5	0.5	-0.8	-0.2	-6.4	-5.1	-2.6	-1.1	-0.5
Central gov. budget balance (% of GDP)	-0.9	1.4	2.3	0.7	0.2	-13.9	-2.2	-0.3	-0.1	0.5
Consolidated gov. primary budget balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Consolidated public sector balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Central gov. revenues (% of GDP)	15.2	15.3	15.8	14.4	14.5	13.8	15.0	13.9	13.8 -	
Debt Indicators										
Gross external debt (% of GDP)	429.1	439.6	423.8	411.5	422.7	471.6	419.9 -	-	-	
Public (% of GDP)	-	-	-	-	-	-	-	-	-	-
Private (% of GDP)	429.1	439.6	423.8	411.5	422.7	471.6	419.9 -	-	-	
Gross government debt (% of GDP)	421.3	463.2	502.0	546.7	641.1	704.7	778.0 -	-	-	
Domestic (% of GDP)	421.3	463.2	502.0	546.7	641.1	704.7	778.0 -	-	-	
External (% of GDP)	-	-	-	-	-	-	-	-	-	-
External debt amortizations (US$ bn)	-	-	-	-	-	-	-	-	-	-
External debt Interest payments (US$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	44.0	44.2	45.4	40.5	40.8	39.1	41.1	43.5	43.5	44.4
Investment (% of GDP)	25.4	26.4	27.3	24.8	24.6	22.6	23.1	22.6	22.9	23.1
Memorandum Items										
Lending to housing (% yoy)	8.2	3.1	2.3	5.9	1.0	2.4	--	-	-	
Central gov. expenditure (% of GDP)	15.8	15.8	15.3	15.2	14.7	17.7	20.0	16.5	14.9 -	

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	1.6	1.4	0.9	1.4	1.3	-11.9	-4.3	-0.6	3.9	17.3
Real GDP growth (% qoq, sa, annualized)	1.2	2.8	1.8	0.2	-0.6	-40.5	42.0	16.7	17.4	-2.7
CPI inflation (% yoy, eop)	1.2	1.9	1.9	1.7	0.3	0.1	0.5	1.1	1.4	1.2
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	-
Nominal exchange rate (vs. USD, eop)	1.35	1.36	1.38	1.36	1.42	1.39	1.37	1.33	1.34	1.33
Current Account balance (US$ bn)	14.7	14.6	16.4	15.1	12.0	15.8	15.9	13.6	14.9	20.1

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 165: Taiwan

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	537	545	592	610	612	677	778	763	763	811
GDP per capita (US$)					25,908			32,811	32,917	
Economic Activity and Prices										
Real GDP growth (% yoy)	1.5	2.2	3.3	2.8	3.1	3.4	6.5	2.4	2.0	2.4
CPI inflation (% yoy, avg)	-0.3	1.4	0.6	1.4	0.6	-0.2	2.0	2.9	2.1	1.7
Nominal exchange rate (vs. USD, eop)	33.1	32.3	29.8	30.7	30.1	28.5	27.7	30.7	29.5	28.1
Nominal exchange rate (vs. USD, avg)	31.9	32.3	30.4	30.2	30.9	29.6	28.0	30.2	30.0	28.7
Central bank policy rate (%, eop)	1.630	1.375	1.375	1.375	1.375	1.125	1.125	1.750	1.875	1.625
External Sector										
Current account balance (% of GDP)	13.6	13.1	14.0	11.6	10.7	14.3	15.1	13.3	11.0	11.9
Current account balance (US$ bn)	72.8	71.3	83.1	70.9	65.7	96.6	117.2	101.7	85.3	99.1
Trade balance (US$ bn)	48.1	50.0	58.3	49.2	43.5	59.0	64.4	51.4	41.0	50.5
Exports, f.o.b. (US$ bn)	284.4	279.2	315.5	334.0	329.2	345.1	446.4	479.4	435.4	475.8
Imports, c.i.f. (US$ bn)	236.4	229.2	257.2	284.8	285.7	286.1	382.0	428.0	394.4	425.3
International reserves (US$ bn)	426	434	452	462	478	530	548	555	536	532
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.1	-0.3	-0.2	0.0	0.0	-2.8	-2.4	-0.6	-1.6	-1.2
Central gov. budget balance (% of GDP)	-0.5	-0.7	-0.6	-0.4	-0.4	-3.2	-2.8	-1.0	-2.1	-1.6
Debt Indicators										
Gross external debt (% of GDP)	29.7	31.7	30.8	31.4	30.2	28.0	27.4	29.0	28.2	26.6
Public (% of GDP)	0.2	0.2	0.1	0.0	0.1	0.2	0.2	0.2	0.2	0.2
Private (% of GDP)	29.5	31.5	30.7	31.4	30.1	27.8	27.2	28.9	28.0	26.4
Gross government debt (% of GDP)	35.9	35.4	34.5	33.9	32.7	32.1	30.2	30.6	30.7	31.0
Domestic (% of GDP)	-	-	-	-	-	-	-	-	-	-
External (% of GDP)	-	-	-	-	-	-	-	-	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 166: Thailand

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F
Summary Data						0.0				
Nominal GDP (US$ bn)	401	414	457	506	544	501	501	508	534	562
GDP per capita (US$)	6096	6280	6900	7624	8161	7490	7471	7551	7906	8322
Economic Activity and Prices										
Real GDP growth (% yoy)	3.1	3.4	4.2	4.2	2.3	-6.3	1.5	2.7	3.3	3.6
CPI inflation (% yoy, avg)	-0.9	0.0	0.0	-0.9	0.7	-0.9	1.2	6.1	2.7	1.9
Nominal exchange rate (vs. USD, eop)	36.1	35.9	32.5	32.3	29.9	30.5	33.0	31.0	31.0	30.0
Nominal exchange rate (vs. USD, avg)	34.3	35.2	33.9	32.3	31.0	31.3	32.1	35.0	32.1	30.1
Central bank policy rate (%, eop)	1.5	1.5	1.5	1.8	1.3	0.5	0.5	1.00	2.25	2.00
External Sector										
Current account balance (% of GDP)	6.9	10.5	9.6	5.6	6.8	8.1	-3.7	-3.3	0.3	2.8
Current account balance (US$ bn)	3.0	43.4	44.0	28.4	37.0	40.8	-18.5	-16.9	1.6	15.5
Trade balance (US$ bn)	26.1	35.8	32.6	22.4	26.7	40.9	32.4	10.8	0.2	1.2
Exports, f.o.b. (US$ bn)	213.4	213.5	233.7	251.1	242.7	227.0	270.6	285.4	262.6	268.8
Imports, c.i.f. (US$ bn)	187.2	177.7	201.1	228.7	216.0	186.1	238.2	274.6	262.4	267.6
International reserves (US$ bn)	156.5	171.9	202.6	205.6	224.3	258.1	239.5	222.8	220.4	227.7
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.5	-1.7	-2.2	-1.5	-1.9	-6.0	-7.8	-4.5	-2.4	-2.5
Central gov. budget Balance (% of GDP)	-2.3	-2.6	-3.0	-2.4	-2.8	-6.7	-8.8	-5.7	-3.7	-3.6
Debt Indicators										
Gross external debt (% of GDP)	32.7	32.1	34.1	32.2	31.6	na	na	na	na	na
Public (% of GDP)	5.1	5.5	6.9	7.1	7.0	na	na	na	na	na
Private (% of GDP)	27.6	26.6	27.2	25.2	24.6	na	na	na	na	na
Gross government debt (% of GDP)	43.7	40.6	41.1	41.8	41.2	49.5	58.4	60.7	61.8	62.3
Domestic (% of GDP)	41.1	38.3	39.2	40.2	40.1	47.7	56.6	59.0	60.2	60.7
External (% of GDP)	2.5	2.3	1.9	1.6	1.1	1.8	1.8	1.7	1.6	1.6

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 167: Poland

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	546	478	472	527	587	596	599	680	688	793.0
GDP per capita (US$)	12,423	12,288	13,703	15,293	15,527	15,738	17,926	18,225	21,104	25,309.4
Unemployment rate (%)	7.5	6.2	4.9	3.9	3.3	3.2	3.4	2.9	5.0	4.8
Population (millions)	38.4	38.4	38.4	38.4	38.4	38.1	37.9	37.8	37.6	37.4
Economic Activity										
Real GDP growth (% yoy)	3.8	3.1	4.8	5.3	4.3	-2.1	6.8	5.2	0.8	3.0
Domestic demand growth (% yoy)	3.2	2.7	5.0	5.7	3.2	-2.9	8.1	6.4	0.3	2.1
Real investment growth (% yoy)	4.6	-0.4	7.9	11.5	0.5	-7.1	16.2	20.1	-4.2	6.0
Real consumption growth (% yoy)	2.8	3.5	4.2	4.2	4.0	-1.7	6.0	2.5	1.8	0.9
Real private consumption growth (% yoy)	2.9	3.8	4.8	4.3	3.3	-3.6	6.4	3.1	1.0	2.2
Real government consumption growth (% yoy)	2.5	2.6	2.5	3.8	6.1	4.5	4.9	0.4	4.5	-3.0
Real export growth (% yoy)	7.9	8.8	9.8	7.0	5.5	-1.2	12.3	4.6	6.5	6.0
Real import growth (% yoy)	6.4	7.4	9.7	7.7	3.2	-2.5	16.1	5.5	4.5	5.5
Prices										
CPI inflation (% yoy, eop)	-0.5	0.8	2.1	1.1	3.4	2.4	8.6	16.6	8.5	5.0
CPI inflation (% yoy, avg)	-0.9	-0.6	2.0	1.7	2.3	3.4	5.1	14.3	12.4	6.0
Nominal wages (% yoy)	3.5	4.1	5.6	7.1	6.6	4.8	8.6	12.9	-	-
Nominal exchange rate (vs EUR, eop)	4.26	4.42	4.17	4.30	4.26	4.61	4.60	4.69	4.55	4.4
Nominal exchange rate (vs EUR, avg)	4.18	4.36	4.26	4.26	4.30	4.44	4.57	4.69	4.70	4.5
Bilateral real exchange rate (% yoy, + dep)	1.1	5.2	-2.9	0.2	-0.2	0.2	0.3	-2.6	-5.9	-8.4
Monetary Sector										
Monetary base growth (% yoy, eop)1	14.2	17.8	11.2	11.7	14.1	32.6	12.6	-8.1	-	-
Broad money growth (% yoy, eop)	9.1	9.6	4.6	9.2	8.3	16.4	8.9	5.4	-	-
Credit extension to private sector (% yoy, eop)	7.2	5.0	3.6	7.5	5.2	0.3	5.5	1.6	-	-
Central bank policy rate (%, eop)	1.50	1.50	1.50	1.50	1.50	0.10	1.75	6.75	6.75	4.50
1-month interbank rate (%, eop)2	1.65	1.66	1.65	1.64	1.63	0.20	2.23	6.93	-	-
Long-term yield (%, eop)3	3.0	3.5	3.3	2.9	2.0	1.3	3.4	6.6	-	-
External Sector										
Current account balance (% of GDP)	-1.3	-1.0	-1.1	-1.9	-0.2	2.4	-1.4	-3.0	-1.7	-0.5
Current account balance (US$ bn)	-10.4	-1.1	-8.1	-9.8	-3.3	12.1	-9.2	-18.9	-13.8	-4.3
Trade balance (US$ bn)	-2.4	-1.5	-5.5	-13.3	-4.9	8.0	-9.0	-25.4	-21.4	-16.6
Exports, f.o.b. (US$ bn)	182.1	187.3	215.9	242.4	246.7	251.8	311.9	337.5	381.5	445.5
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US$ bn)	184.4	188.8	221.4	255.7	251.5	243.8	321.0	363.0	402.8	462.0
Service balance (US$, bn)	12.3	15.4	20.4	25.3	27.0	26.2	31.7	38.5	44.2	53.6
Income balance (US$, bn)	-17.9	-18.2	-22.3	-24.8	-24.9	-22.8	-32.0	-31.3	-35.1	-40.2
Foreign direct investment (US$ bn)	10.6	3.6	7.9	16.7	12.2	14.3	27.7	27.4	29.0	22.4
International reserves (US$ bn)	95	114	113	117	128	154	166	167	177	204
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.5	-0.9	-2.2	0.7	0.1	-7.0	-0.9	-2.2	-	-
Central gov. budget balance (% of GDP)	-2.1	-2.6	-3.7	-0.6	-1.1	-7.9	-1.9	-3.3	-	-
Consolidated gov. primary budget balance (% of GDP)	-0.8	-0.7	0.1	1.2	0.6	-5.6	-0.7	-2.2	-2.9	-1.5
Consolidated public sector balance (% of GDP)	-2.6	-2.4	-1.5	-0.3	-0.7	-6.9	-1.8	-3.8	-4.5	-3.1
General gov. revenues (% of GDP)	39.1	38.7	39.8	41.3	41.1	41.3	42.4	39.9	37.4	35.3
Debt Indicators										
Gross external debt (% of GDP)	69.5	72.0	72.8	61.8	59.6	63.0	53.8	53.7	-	-
Public (% of GDP)	29.7	31.6	29.9	24.3	21.7	22.3	17.5	17.2	-	-
Private (% of GDP)	39.8	40.5	42.8	37.5	37.9	40.7	36.3	36.5	-	-
Gross government debt (% of GDP)	51.3	54.2	50.6	48.8	45.7	57.2	53.8	49.3	48.9	48.7
Domestic (% of GDP)	22.7	27.2	22.8	26.7	26.4	37.3	38.8	35.1	35.4	36.6
External (% of GDP)	28.6	27.0	27.8	22.1	19.3	19.8	15.0	14.2	13.5	12.2
External debt amortizations (US$ bn)	-	-	-	-	-	-	-	-	-	-
External debt interest payments (US$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	19.2	18.7	18.8	18.8	20.3	21.2	20.1	21.0	-	-
Investment (% of GDP)	20.4	19.7	19.9	20.8	20.5	18.8	21.5	24.0	-	-

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (sa, % yoy)	4.8	0.6	-	-	-	-	-	-	-	-
Real GDP growth (sa, % qoq, annualized)	4.5	-9.3	-	-	-	-	-	-	-	-
CPI inflation (% yoy, eop)	17.2	16.6	16.1	12.1	9.4	8.5	6.4	6.0	5.5	5.0
Central bank policy rate (%, eop)	6.75	6.75	6.75	6.75	6.75	6.75	6.50	5.75	5.25	4.50
Nominal exchange rate (vs EUR, eop)	4.87	4.69	4.68	4.80	4.70	4.55	4.51	4.48	4.44	4.40
Current account balance (US$ bn)	-6.2	-2.8	-	-	-	-	-	-	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 168: Russia

Selected economic and financial indicators

	2015	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	1.361.4	1.284.7	1.579.0	1.676.1	1.689	1.446	1.777	2.111	2.044	2.175
GDP per capita (US$)	9,306	8,769	10,768	11,418	11,519	9,878	12,158	14,460	14,020	14,938
Unemployment rate (%)	5.7	5.5	5.2	4.8	4.9	6.0	5.4	5.0	5.2	5.3
Population (millions)	146.3	146.5	146.6	146.8	146.6	146.4	146.2	146.0	145.8	145.6
Economic Activity										
Real GDP growth (% yoy)	-2.5	0.2	1.8	2.8	2.0	-3.0	4.7	-2.5	-2.5	3.0
Domestic demand growth (% yoy)	-8.1	0.9	5.1	4.3	2.3	-6.3	3.4	-11.2	5.9	3.5
Real investment growth (% yoy)	-11.2	1.3	4.7	0.6	1.5	-4.3	8.1	-22.6	8.6	4.5
Real consumption growth (% yoy)	-7.8	-1.5	3.4	3.5	2.9	-5.2	7.3	-2.4	-1.3	1.9
Real private consumption growth (% yoy)	-9.4	-2.6	3.7	4.3	3.2	-8.6	10.0	-5.2	-0.5	2.2
Real government consumption growth (% yoy)	-3.1	1.4	2.5	1.3	2.4	4.0	0.5	5.7	-3.6	0.9
Real export growth (% yoy)	3.7	3.2	5.0	5.6	0.7	-4.3	1.3	-14.1	4.8	6.0
Real import growth (% yoy)	-25.1	-3.7	17.3	2.7	3.4	-12.0	16.3	-40.2	32.3	12.0
Prices										
CPI inflation (% yoy, eop)	12.9	5.4	2.5	4.3	3.0	4.9	8.4	11.9	4.9	4.0
CPI inflation (% yoy, avg)	15.5	7.1	3.7	2.9	4.5	3.4	6.7	13.8	5.2	4
Nominal wages (% yoy)	5.0	7.9	6.7	11.6	5.5	3.0	10.1	12.0	8.0	6
Nominal exchange rate (vs USD, eop)	72.5	61.5	57.7	69.5	61.9	74.0	75.2	74.2	75.0	80
Nominal exchange rate (vs USD, avg)	61.3	67.0	58.3	62.3	64.7	72.4	73.7	69.8	71.5	75
Bilateral real exchange rate (% yoy, + dep)	-	-	-							
Monetary Sector										
Monetary base growth (% yoy)	-2.0	4.0	6.0	6.0	6.0	3.0	5.0	-3.0	6.0	5.0
Broad money growth (% yoy)	6.0	10.0	9.0	9.0	9.0	5.0	6.0	18.0	12.0	10.0
Credit extension to private sector (% yoy)	0.0	6.0	10.0	10.0	10.0	10.0	10.0	10.0	12.0	10.0
Central bank policy rate (%, eop)	11.00	10.00	7.75	7.75	6.25	4.25	8.5	7.50	6.50	6.50
1-month interbank rate (%, eop)	11.7	10.0	7.9	7.4	6.9	4.0	6.0	8.0	7.5	7.0
Long-term yield (%, eop)	9.6	8.2	7.5	8.3	6.4	5.5	6.5	8.5	8.0	8.0
External Sector										
Current account balance (% of GDP)	4.8	1.9	2.1	6.9	3.8	2.5	6.7	11.5	6.6	3.9
Current account balance (US$ bn)	65.8	24.4	33.3	114.9	64.7	35.8	119.0	243.0	135.0	85
Trade balance (US$ bn)	145.6	90.3	115.4	194.4	165.3	92.7	185.6	290.0	187.0	157
Exports, f.o.b. (US$ bn)	339.6	281.8	353.5	443.4	419.9	329.5	485.7	585.0	515.7	542
main export - energy exports	203.3	154.0	192.9	261.5	245.7	144.7	247.7	365.0	292.6	302
Imports, c.i.f. (US$ bn)	194.0	191.6	238.1	249.0	254.6	240.1	300.1	295.0	328.7	385
Service balance (US$ bn)	-37.1	-23.8	-31.1	-30.2	-36.8	-18.3	-17.9	-7.4	-24.0	-35
Income balance (US$ bn)	-32.0	-32.5	-39.8	-38.9	-50.0	-30.5	-40.0	-31.0	-42.0	-40
Foreign direct investment (US$ bn)	-5.0	10.2	7.5	5.0	5.0	5.0	5.0	-5.0	0.0	0
International reserves (US$ bn)	370.2	378.0	432.7	468.5	549.8	595.8	630.6	530.0	550.0	560
Public Sector										
Central gov. primary budget balance (% of GDP)	-2.1	-3.0	-0.9	3.3	2.5	-3.1	1.9	-0.3	-1.7	-1.9
Central gov. budget balance (% of GDP)	-2.4	-3.4	-1.4	2.6	1.8	-3.9	1.1	-1.1	-2.5	-2.8
Consolidated gov. primary budget balance (% of GDP)	-	-	-	-						
Consolidated public sector balance (% of GDP)	-	-	-	-						
Central gov. revenues (% of GDP)	16.4	15.6	16.4	18.6	18.5	17.9	18.3	18.8	18.5	18.7
Debt Indicators										
Gross external debt (% of GDP)	38.1	39.8	32.8	27.2	29.1	32.3	28.2	20.7	20.4	20.5
Public (% of GDP)	2.2	3.0	3.5	2.6	4.1	4.5	3.8	3.9	3.7	3.8
Private (% of GDP)	35.8	36.8	29.3	24.5	25.0	27.8	24.3	16.8	16.7	18.8
Gross government debt (% of GDP)	12.4	13.3	12.6	11.7	12.6	18.1	16.2	14.9	13.2	15.3
Domestic (% of GDP)	8.8	9.3	9.4	8.8	9.3	14.2	12.9	12.2	10.5	12.8
External (% of GDP)	3.7	4.0	3.2	2.9	3.2	3.9	3.3	2.7	2.7	2.5
External debt amortizations (US$ bn)	110.0	65.0	60.0	55.0	50.0	50.0	50.0	50.0	50.0	40.0
External debt interest payments (US$ bn)	34.0	25.0	20.0	16.0	15.0	15.0	15.0	15.0	15.0	11.0
External debt service (% of XGS)	42.4	31.9	22.6	16.0	15.5	19.7	13.4	11.1	9.8	8.8
Savings - Investment Balance										
Savings (% of GDP)	25.2	23.8	24.4	27.3	25.1	23.4	25.1	30.7	26.9	27.9
Investment (% of GDP)	20.3	21.9	22.3	20.4	21.2	20.9	18.4	19.2	20.3	20.5

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	-5.0	-6.0	-7.0	-4.0	0.0	1.0	4.0	3.0	2.5	3.0
Real GDP growth (% qoq, sa, annualized)										
CPI inflation (% yoy, eop)	13.2	11.9	3.0	3.2	4.7	4.9	4.8	4.0	3.8	4.0
Central bank policy rate (%, eop)	7.5	7.5	7.0	7.0	6.5	6.5	6.5	6.5	6.5	6.5
Nominal exchange rate (vs USD, eop)	60.1	74.2	68.0	70.0	73.0	75.0	74.0	76.0	78.0	80.0
Current account balance (US$ bn)	51.9	45.0	50.0	35.0	15.0	35.0	40.0	15.0	0.0	32.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 169: South Africa

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022E	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	346.7	323.5	381.3	404.0	388.4	337.5	418.9	405.7	403.3	452.2
GDP per capita (US$)	6257	5751	6678	6973	6609	5661	6926	6612	6479	7163
Unemployment rate (%)	25.4	26.7	27.5	27.1	28.7	29.2	34.3	33.5	34.0	34.0
Population (millions)	55.4	56.3	57.1	57.9	58.8	59.6	60.5	61.4	62.2	63.1
Economic Activity										
Real GDP growth (% yoy)	1.3	0.7	1.2	1.5	0.3	-6.3	4.9	2.0	0.1	1.6
Domestic demand growth (% yoy)	1.9	-0.7	1.5	1.8	1.5	-8.0	4.8	3.8	0.2	1.6
Real investment growth (% yoy)	1.3	-1.9	-2.0	-1.3	-2.1	-14.6	0.2	4.7	0.6	1.1
Real consumption growth (% yoy)	1.4	1.0	1.3	2.4	1.4	-4.4	4.4	2.2	0.7	2.2
Real private consumption growth (% yoy)	2.2	0.7	1.7	2.7	1.2	-5.9	5.6	2.6	0.8	2.5
Real government consumption growth (% yoy)	-1.0	2.0	-0.3	1.2	2.1	0.8	0.6	0.9	0.2	1.1
Real export growth (% yoy)	3.1	0.4	-0.3	2.7	-3.4	-11.9	10.0	7.5	2.6	2.7
Real import growth (% yoy)	5.0	-4.1	1.5	3.2	0.4	-17.4	9.5	14.2	3.0	2.7
Prices										
CPI inflation (% yoy, eop)	5.2	6.8	4.7	4.5	4.0	3.1	5.9	7.2	5.3	4.6
CPI inflation (% yoy, avg)	4.6	6.3	5.3	4.6	4.1	3.3	4.6	6.9	6.2	4.9
Nominal wages (% yoy)	8.2	7.6	6.9	4.6	4.5	-2.0	3.0	5.0	5.0	4.6
Nominal exchange rate (vs USD, eop)	15.6	13.7	12.3	14.4	14.0	14.7	15.9	17.5	16.5	17.0
Nominal exchange rate (vs USD, avg)	12.8	14.7	13.3	13.2	14.5	16.5	15.0	16.6	17.5	16.6
Bilateral real exchange rate (% yoy, + dep)	-1.2	3.8	-9.5	-2.4	0.2	9.1	-14.6	3.9	-1.1	-9.9
Monetary Sector										
Monetary base growth (% yoy)	7.8	6.4	6.8	9.1	4.2	3.3	4.6	6.9	6.2	4.9
Broad money growth (% yoy)	10.5	6.1	6.4	5.6	6.1	3.3	4.6	6.9	6.2	4.9
Credit extension to private sector (% yoy)	10.2	5.1	6.7	5.1	6.1	5.0	4.6	6.9	7.2	5.9
Central bank policy rate (%, eop)	6.3	7.0	6.8	6.8	6.5	3.5	3.8	7.00	8.00	7.00
1-month interbank rate (%, eop)	6.4	7.1	6.9	7.0	6.6	3.5	3.7	7.1	8.1	7.1
Long-term yield (%, eop)1	9.7	8.9	9.2	9.4	9.0	9.7	9.9	11.2	10.8	10.5
External Sector										
Current account balance (% of GDP)	-4.3	-2.7	-2.4	-2.9	-2.6	2.0	3.7	-0.5	-1.6	-2.4
Current account balance (US$ bn)	-15.0	-8.7	-9.0	-11.9	-10.0	6.7	15.4	-1.9	-6.6	-10.9
Trade balance (US$ bn)	-4.3	1.7	4.4	2.0	2.7	17.6	30.3	13.5	9.9	3.6
Exports, f.o.b. (US$ bn)	80.5	76.1	87.7	94.3	90.1	84.7	121.5	127.6	114.1	109.0
main export	14.3	14.2	16.9	17.4	15.4	7.8	19.2	21.5	15.0	12.0
Imports, c.i.f. (US$ bn)	84.9	74.4	83.3	92.4	87.4	67.1	91.2	109.5	104.3	105.4
Service balance (US$ bn)	-0.2	-0.3	-0.1	0.0	-0.6	-2.7	-4.5	-5.5	-4.5	-2.5
Income balance (US$ bn)	-7.9	-8.3	-10.6	-11.3	-9.7	-5.6	-8.0	-8.4	-12.0	-12.0
Foreign direct investment (US$ bn)	-4.0	-2.2	-5.4	1.4	2.0	5.0	40.9	41.4	41.4	41.4
International reserves (US$ bn)	41.6	42.6	45.5	46.5	48.9	47.4	50.3	53.2	62.0	62.8
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.0	-0.5	-1.0	-0.9	-2.5	-5.7	-0.9	0.1	-0.5	-0.3
Central gov. budget balance (% of GDP)	-4.1	-3.8	-4.4	-4.3	-6.1	-9.8	-5.2	-4.5	-4.9	-4.6
Consolidated gov. primary budget balance (% of GDP)	-1.0	-0.5	-1.0	-0.9	-2.5	-5.7	-0.9	0.2	-0.5	-0.3
Consolidated public sector balance (% of GDP)	-3.4	-3.2	-3.7	-3.6	-5.0	-9.9	-4.6	-4.4	-4.9	-4.6
Central gov. revenues (% of GDP)	26.1	25.7	25.5	23.5	23.6	22.1	24.8	25.7	24.0	24.0
Debt Indicators										
Gross external debt (% of GDP)	35.8	44.2	45.4	42.7	47.7	50.5	52.5	54.5	56.5	58.5
Public (% of GDP)	16.9	23.3	25.4	22.6	26.6	30.8	31.8	32.8	33.8	34.8
Private (% of GDP)	18.9	20.9	20.0	20.1	21.1	19.7	20.7	21.7	22.7	23.7
Gross government debt (% of GDP)	48.9	50.5	53.0	51.5	59.2	70.2	68.1	69.3	71.8	72.8
Domestic (% of GDP)	44.1	45.7	48.4	46.1	52.4	63.2	60.1	60.3	61.8	61.8
External (% of GDP)	4.8	4.8	4.6	5.4	6.8	7.0	8.0	9.0	10.0	11.0
External debt amortizations (US$ bn)	41.1	35.9	33.8	35.8	37.8	39.8	41.8	43.8	45.8	47.8
External debt interest payments (US$ bn)	4.6	4.6	6.0	6.2	6.5	6.7	7.0	7.2	7.5	7.7
External debt service (% of XGS)	56.7	53.2	45.3	44.5	49.1	54.9	40.1	39.9	46.6	50.9
Savings - Investment Balance										
Savings (% of GDP)	14.3	14.3	14.2	13.2	13.3	14.4	16.5	15.0	13.1	12.9
Investment (% of GDP)	18.6	17.0	16.6	15.9	15.9	12.4	12.8	15.5	14.7	15.3
	3Q22	**4Q22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	4.0	1.3	-0.7	0.5	-0.6	1.3	2.3	2.3	2.1	2.0
Real GDP growth (% qoq, sa, annualized)	7.5	-4.9	-1.9	1.6	3.1	2.4	2.0	1.8	2.0	2.0
CPI inflation (% yoy, eop)	7.5	7.2	7.1	6.3	5.6	5.3	5.1	5.0	4.7	4.6
Central bank policy rate (%, eop)	6.3	7.0	7.8	8.0	8.0	8.0	7.8	7.5	7.0	7.0
Nominal exchange rate (vs USD, eop)	18.2	17.5	18.0	18.0	17.5	16.5	16.3	16.5	16.7	17.0
Current account balance (US$ bn)	-0.4	-0.6	-0.2	0.2	0.4	-0.2	-0.4	-0.6	-0.4	-0.6

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 170: Türkiye
Selected economic and financial indicators

	2015	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	864.3	869.7	859.0	778.4	761.4	721.1	811.7	863.7	985.3	1085.4
GDP per capita (US$)	10977	10896	10630	9492	9157	8552	9492	10128	11473	12549
Unemployment rate (%)	10.3	10.9	10.9	11.0	13.7	13.4	12.4	11.1	11.0	10.0
Population (millions)	78.7	79.8	80.8	82.0	83.2	84.3	85.5	85.3	85.9	86.5
Economic Activity										
Real GDP growth (% yoy)	6.1	3.3	7.5	3.0	0.9	1.8	11.4	5.6	2.8	4.0
Domestic demand growth (% yoy)	6.2	4.1	7.2	-0.7	-1.5	7.6	6.5	5.2	5.0	4.6
Real investment growth (% yoy)	9.3	2.2	8.3	-0.3	-12.4	6.5	7.4	2.8	-1.4	3.0
Real consumption growth (% yoy)	5.1	4.8	5.8	1.6	2.1	3.0	12.8	17.0	1.6	-1.2
Real private consumption growth (% yoy)	5.3	3.8	5.9	0.5	1.6	3.2	15.3	19.6	1.7	-1.6
Real government consumption growth (% yoy)	3.9	9.5	5.0	6.6	4.4	2.3	2.6	5.2	1.0	1.0
Real export growth (% yoy)	3.2	-1.7	12.4	9.0	4.9	-15.4	24.9	9.1	-0.4	2.5
Real import growth (% yoy)	0.7	3.0	10.6	-6.4	-5.3	7.4	2.4	7.9	9.3	5.2
Prices										
CPI inflation (% yoy, eop)	8.8	8.5	11.9	20.3	11.8	14.6	36.1	64.3	40.4	25.0
CPI inflation (% yoy, avg)	7.7	7.8	11.1	16.2	15.5	12.3	19.4	72.0	45.9	30.1
Nominal wages (% yoy)	18.3	20.7	13.4	15.9	18.3	13.3	20.4	77.0	46.9	31.1
Nominal exchange rate (vs USD, eop)	2.9	3.5	3.8	5.3	5.9	7.4	13.0	18.7	24.0	28.0
Nominal exchange rate (vs USD, avg)	2.7	3.0	3.6	5.0	5.8	7.0	8.9	17.4	22.5	26.5
Bilateral real exchange rate (% yoy, + dep)	2.1	0.0	-10.3	-14.3	-2.6	-10.4	-8.8	-31.8	-16.0	-2.7
Monetary Sector										
Monetary base growth (% yoy)	22.3	21.8	7.6	1.8	19.8	24.9	26.6	40.9	64.8	80.2
Broad money growth (% yoy)	16.6	18.2	16.5	18.6	28.4	34.2	51.5	61.6	25.0	25.0
Credit extension to private sector (% yoy)	19.9	15.8	20.1	13.9	12.0	34.3	34.2	53.3	25.0	25.0
Central bank policy rate (%, eop)	7.5	19.7	12.8	24.0	12.0	17.0	14.0	9.0	45.0	25.0
1-month interbank rate (%, eop)	11.7	9.3	14.1	24.1	10.8	17.5	14.3	9.5	45.5	25.5
Long-term yield (%, eop)	10.7	11.1	11.5	15.9	11.5	17.1	13.9	22.0	30.0	21.0
External Sector										
Current account balance (% of GDP)	-3.2	-3.1	-4.7	-2.8	0.9	-5.2	-1.8	-5.5	-4.0	-3.2
Current account balance (US$ bn)	-27.3	-27.0	-40.8	-21.7	6.8	-37.3	-14.9	-48.7	-39.4	-34.5
Trade balance (US$ bn)	-49.0	-39.9	-58.6	-40.7	-16.8	-37.9	-46.1	-109.5	-99.9	-97.3
Exports, f.o.b. (US$ bn)	154.9	152.6	169.2	178.9	182.2	168.4	225.3	254.2	258.5	262.5
main export - road vehicles	20.2	22.8	27.2	29.8	28.7	23.7	26.8	28.0	30.0	32.0
Imports, c.i.f. (US$ bn)	203.9	192.6	227.8	219.6	199.0	206.3	271.4	363.7	358.3	359.8
Service balance (US$ bn)	30.0	20.5	26.3	30.2	35.5	9.1	25.2	49.9	52.0	56.0
Income balance (US$ bn)	-9.7	-9.2	-11.1	-11.9	-12.8	-8.7	-11.8	-8.5	-12.0	-10.0
Foreign direct investment (US$ bn)	14.2	10.7	8.3	9.2	6.3	4.6	7.7	8.1	10.1	12.0
International reserves (US$ bn)	110.5	106.1	107.7	93.0	105.7	93.3	111.2	128.7	120.0	120.0
Public Sector										
Central gov. primary budget balance (% of GDP)	1.3	0.8	0.1	-0.2	-0.8	-1.4	-0.2	1.1	-2.1	-1.1
Central gov. budget balance (% of GDP)	-1.0	-1.1	-1.5	-1.9	-2.9	-3.4	-2.7	-0.9	-4.8	-4.2
Consolidated public sector primary balance (% of GDP)	1.2	0.7	0.2	0.0	-0.6	-0.8	-0.2	1.0	-2.2	-1.2
Consolidated public sector balance (% of GDP)	-1.1	-1.3	-1.6	-1.9	-2.9	-3.5	-2.8	-1.0	-4.9	-4.3
Central gov. revenues (% of GDP)	20.5	21.1	20.1	20.2	20.3	20.4	19.5	18.7	17.3	17.4
Debt Indicators										
Gross external debt (% of GDP)	46.3	47.0	52.9	56.5	57.3	62.8	54.5	70.0	72.0	74.0
Public (% of GDP)	13.7	14.3	16.1	18.6	21.8	27.1	25.4	32.3	33.6	34.2
Private (% of GDP)	32.6	32.7	36.8	38.0	35.5	35.7	29.2	37.7	38.4	39.8
Gross government debt (% of GDP)	29.9	28.0	28.0	30.2	32.6	39.5	41.8	35.1	37.2	40.2
Domestic (% of GDP)	19.5	18.9	18.3	16.9	20.2	24.0	21.4	20.6	22.9	26.3
External (% of GDP)	10.4	11.5	10.9	12.1	13.1	14.8	20.5	14.5	14.3	13.9
External debt amortizations (US$ bn)	39.8	58.1	59.5	59.3	59.4	46.2	53.0	60.8	60.7	60.6
External debt interest payments (US$ bn)	6.8	7.7	8.2	9.7	10.8	10.3	9.5	11.4	10.0	8.3
External debt service (% of XGS)	22.2	33.1	30.6	30.5	29.4	30.9	23.6	21.8	20.8	19.7
Savings - Investment Balance										
Savings (% of GDP)	26.4	26.0	25.1	26.9	26.8	22.0	26.1	22.8	24.5	25.6
Investment (% of GDP)	29.6	29.1	29.9	29.7	25.9	27.2	27.9	28.2	28.5	28.8

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	3.8	3.5	3.4	3.0	2.9	1.9	2.8	3.2	4.2	5.5
Real GDP growth (% qoq, sa, annualized)	-3.7	3.8	2.7	6.0	-0.7	-0.4	6.5	7.5	3.5	4.4
CPI inflation (% yoy, eop)	83.5	64.3	52.1	42.4	41.5	40.4	34.4	30.3	26.2	25.0
Central bank policy rate (%, eop)	12.00	9.00	9.00	8.50	50.00	45.00	35.00	30.00	25.00	25.00
Nominal exchange rate (vs USD, eop)	18.5	18.7	19.1	24.0	23.0	24.0	25.0	26.0	27.0	28.0
Current account balance (US$ bn)	-9.3	-10.8	-10.3	-14.5	-5.4	-9.2	-9.0	-12.7	-4.7	-8.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 171: Czech Republic

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	188	196	219	249	253	246	282	292	344	384
GDP per capita (US$)	17,824	18,561	20,663	23,410	23,620	23,017	26,804	28,215	33,884	38,500
Economic Activity and Prices										
Real GDP growth (% yoy)	5.5	2.5	5.3	3.2	3.0	-5.5	3.5	2.5	0.0	2.5
CPI inflation (% yoy, avg)	0.3	0.7	2.5	2.1	2.8	3.2	3.8	15.1	11.3	2.5
Nominal exchange rate (vs EUR, eop)	27.0	27.0	25.5	25.7	25.4	26.2	24.9	24.1	23.5	23.0
Nominal exchange rate (vs EUR, avg)	27.3	27.0	26.3	25.6	25.7	26.5	25.6	24.6	23.8	23.3
Central bank policy rate (%, eop)	0.05	0.05	0.50	1.75	2.00	0.25	3.75	7.00	6.50	4.00
External Sector										
Current account balance (% of GDP)	0.4	1.8	1.5	0.4	0.3	2.0	-2.8	-6.1	-3.7	-2.6
Current account balance (US$ bn)	0.8	3.5	3.4	1.1	0.8	4.9	-7.8	-17.8	-12.8	-10.1
Trade balance (US$ bn)	7.6	10.6	11.1	9.3	10.5	12.1	3.2	- 4.3	0.0	4.6
Exports, f.o.b. (US$ bn)	128	131	146	161	156	146	176	184	215	245
Imports, c.i.f. (US$ bn)	121	120	135	152	146	134	173	189	215	240
International reserves (US$ bn)	64	86	148	143	150	166	174	140	148	158
Public Sector										
General gov. primary budget balance (% of GDP)	0.4	1.6	2.2	1.6	0.99	-5.0	-4.3	-2.5	-	-
General gov. budget balance (% of GDP)	-0.6	0.7	1.5	0.9	0.3	-5.8	-5.1	-3.6	-4.0	-3.0
Debt Indicators										
Gross external debt (% of GDP)	66.8	69.5	93.6	78.8	76.7	82.0	73.0	67.5	-	-
Public (% of GDP)	16.6	17.7	20.9	15.7	15.0	17.1	15.7	14.9	-	-
Private (% of GDP)	50.2	51.8	72.8	63.1	61.7	64.9	57.3	52.6	-	-
Gross government debt (% of GDP)	39.7	36.6	34.2	32.1	30.0	37.7	42.0	44.1	43.6	44.5
Domestic (% of GDP)	24.6	20.9	17.0	19.5	18.0	23.8	31.0	34.2	35.2	37.0
External (% of GDP)	15.1	15.7	17.2	12.5	12.1	13.9	11.0	9.9	8.4	7.5

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 172: Egypt

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	350.1	350.6	247.8	261.0	317.7	382.4	424.4	475.2	464.3	376.8
GDP per capita (US$)	3,934	3,852	2,603	2,688	3,213	3,801	4,157	4,563	4,371	3,478
Economic Activity and Prices										
Real GDP growth (% yoy)	4.4	4.5	3.0	5.3	5.5	3.5	3.3	6.6	4.0	5.0
CPI inflation (% yoy, avg)	11.0	10.2	23.3	21.6	13.9	5.7	4.5	8.5	23.0	15.0
Nominal exchange rate (vs USD, eop)	7.63	8.78	18.00	17.50	16.69	16.16	15.70	18.79	31.00	34.10
Nominal exchange rate (vs USD, avg)	7.35	8.16	14.75	17.88	17.61	16.09	15.70	16.50	21.88	32.55
Central bank policy rate (%, eop)	8.75	11.75	16.75	16.75	15.75	9.25	8.25	11.25	19.25	19.25
External Sector										
Current account balance (% of GDP)	-3.5	-5.7	-5.8	-2.3	-3.4	-2.9	-4.3	-3.5	-2.7	-2.3
Current account balance (US$ bn)	-12.1	-19.8	-14.4	-6.0	-10.9	-11.2	-18.4	-16.6	-12.7	-8.5
Trade balance (US$ bn)	-39.1	-38.7	-37.3	-37.3	-38.0	-36.5	-42.1	-43.4	-35.4	-36.0
Exports, f.o.b. (US$ bn)	22.2	18.7	21.7	25.8	28.5	26.4	28.7	43.9	53.5	54.8
Imports, c.i.f. (US$ bn)	61.3	57.4	59.0	63.1	66.5	62.8	70.7	87.3	88.9	90.8
International reserves (US$ bn)	20.1	17.5	31.3	44.3	44.5	38.2	40.6	33.4	37.0	47.5
Public Sector										
Central gov. primary budget balance (% of GDP)	-3.4	-3.4	-1.7	0.1	1.8	1.7	1.4	1.3	1.7	2.1
Central gov. budget balance (% of GDP)	-10.9	-11.9	-10.4	-9.3	-7.7	-7.5	-7.1	-6.4	-7.8	-8.4
Debt Indicators										
Gross external debt (% of GDP)	13.7	15.9	31.9	35.5	34.2	32.3	33.4	38.7	47.3	46.6
Public (% of GDP)	12.0	13.3	26.3	28.4	26.8	25.4	26.6	31.9	40.5	39.7
Private (% of GDP)	1.7	2.6	5.6	7.1	7.4	6.9	6.9	6.9	6.9	6.9
Gross government debt (% of GDP)	83.8	91.2	94.8	88.1	80.7	83.6	85.4	85.1	87.6	81.7
Domestic (% of GDP)	76.4	84.2	80.7	69.9	62.7	65.4	66.1	62.9	56.7	51.6
External (% of GDP)	7.3	7.0	14.1	18.3	18.0	18.1	19.3	22.2	30.9	30.1

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 173: Hungary
Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	125	129	143	161	164	157	182	178	202	246
GDP per capita (US$)	12,734	13,126	14,636	16,429	16,784	16,153	18,769	18,410	20,902	25,498
Economic Activity and Prices										
Real GDP growth (% yoy)	3.6	2.1	4.5	5.4	4.9	-4.8	7.1	4.6	0.2	2.8
CPI inflation (% yoy, avg)	-0.1	0.4	2.3	2.8	3.3	3.3	5.1	14.6	9.0	6.0
Nominal exchange rate (vs EUR, eop)	313	311	310	322	331	365	369	400	370	360
Nominal exchange rate (vs EUR, avg)	310	311	309	319	325	351	359	391	388	365
Central bank policy rate* (%, eop)	1.35	0.90	0.90	0.90	0.90	0.60	2.40	13.00	11.50	6.50
External Sector										
Current account balance (% of GDP)	2.3	4.5	2.0	0.2	-0.8	-1.1	-3.9	-8.1	-4.5	-3.2
Current account balance (US$ bn)	2.9	5.8	2.8	0.3	-1.3	-1.7	-7.1	-14.5	-9.1	-7.8
Trade balance (US$ bn)	4.5	4.4	1.9	-2.7	-4.1	-1.5	-5.2	-15.7	-12.2	-13.2
Exports, f.o.b. (US$ bn)	87	87	96	105	104	101	119	131	143	160
Imports, c.i.f. (US$ bn)	83	83	94	107	108	103	125	147	155	173
International reserves (US$ bn)	33.1	25.8	28.0	31.4	31.8	41.4	43.5	41.2	43.2	51.5
Public Sector										
General gov. primary budget balance (% of GDP)	1.4	1.3	0.2	0.3	0.2	-5.2	-4.9	-3.5	-	-
General gov. budget balance (% of GDP)	-2.0	-1.8	-2.5	-2.1	-2.0	-7.5	-7.2	-6.3	-4.0	-3.0
Debt Indicators										
Gross external debt (% of GDP)	128.8	119.3	101.2	99.6	97.3	150.6	153.5	148.6	-	-
Public (% of GDP)	41.5	36.0	32.7	27.8	26.8	36.6	34.2	34.9	-	-
Private (% of GDP)	87.3	83.3	68.6	71.7	70.6	114.0	119.3	113.7	-	-
Gross government debt (% of GDP)	75.8	74.9	72.1	69.1	65.3	79.3	76.8	73.6	69.5	65.9
Domestic (% of GDP)	35.8	40.4	40.8	42.3	39.8	48.9	53.0	50.5	45.0	42.7
External (% of GDP)	39.9	34.4	31.3	26.7	25.5	30.4	23.8	23.1	24.5	23.1

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 174: Israel
Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	300	319	355	373	398	407	482	524	526	583
GDP per capita (US$)	35,822	37,342	40,788	42,028	43,966	44,181	51,502	55,910	56,117	61,620
Economic Activity and Prices										
Real GDP growth (% yoy)	2.3	4.5	4.4	4.0	3.8	-2.2	8.2	6.5	2.5	3.5
CPI inflation (% yoy, avg)	-0.6	-0.5	0.2	0.8	0.8	-0.6	1.5	4.4	4.3	2.8
Nominal exchange rate (vs USD, eop)	3.90	3.85	3.47	3.75	3.46	3.22	3.11	3.52	3.55	3.30
Nominal exchange rate (vs USD, avg)	3.89	3.84	3.60	3.59	3.56	3.44	3.23	3.36	3.58	3.43
Central bank policy rate (%, eop)	0.10	0.10	0.10	0.25	0.25	0.10	0.10	3.25	4.25	2.75
External Sector										
Current account balance (% of GDP)	5.3	3.8	3.6	2.8	3.6	5.5	4.7	3.4	4.3	4.2
Current account balance (US$ bn)	15.8	12.1	12.8	10.6	14.3	22.2	22.5	17.9	22.7	24.6
Trade balance (US$ bn)	-3.7	-8.2	-10.3	-16.9	-15.4	-11.6	-19.5	-27.1	-30.3	-37.4
Exports, f.o.b. (US$ bn)	57.1	55.9	58.2	59.9	60.4	58.9	69.2	77.8	85.6	94.2
Imports, c.i.f. (US$ bn)	60.8	64.2	68.5	76.8	75.8	70.5	88.6	104.9	115.9	131.6
International reserves (US$ bn)	90.6	98.4	113.0	115.3	126.0	173.3	213.3	233.0	243.0	253.0
Public Sector										
General gov. primary budget balance (% of GDP)	-1.8	-0.3	-0.4	-2.8	-1.4	-0.4	-	-	-	-
General gov. budget balance (% of GDP)	-1.6	-2.1	-2.0	-4.3	-4.5	-11.4	-4.2	0.1	-2.0	-2.5
Debt Indicators										
Gross external debt (% of GDP)	28.6	27.3	25.4	25.3	26.4	32.5	28.5	29.9	30.7	28.5
Public (% of GDP)	9.3	8.7	9.0	9.8	9.9	15.3	16.4	15.7	15.7	14.1
Private (% of GDP)	19.4	18.6	16.4	15.5	16.5	17.3	12.1	14.1	15.0	14.4
Gross government debt (% of GDP)	63.8	62.0	60.2	60.4	59.5	71.7	68.7	60.3	59.5	58.5
Domestic (% of GDP)	54.5	53.3	51.2	50.6	49.6	56.4	52.3	44.6	43.9	44.4
External (% of GDP)	9.3	8.7	9.0	9.8	9.9	15.3	16.4	15.7	15.7	14.1

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 175: Kazakkhstan
Selected economic and financial indicators

	2015	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	185	138	166	178	181	171	193	218	256	286
GDP per capita (US$)	10452	7691	9147	9655	9730	9032	11053	11280	13072	14450
Economic Activity and Prices										
Real GDP growth (% yoy)	1.2	1.1	4.1	4.1	4.5	-2.5	4.1	3.2	2.5	3.0
CPI inflation (% yoy, avg)	6.8	14.6	7.5	6.0	5.3	6.8	8.0	14.9	15.2	9.0
Nominal exchange rate (vs USD, eop)	222	342	326	345	383	413	426	465	445	425.0
Nominal exchange rate (vs USD, avg)	339	333	331	375	381	421	432	460	430	420.0
Central bank policy rate (%, eop)	16.00	12.00	10.25	9.25	9.25	9.00	9.75	16.75	15.00	12.00
External Sector										
Current account balance (% of GDP)	-3.7	-6.1	-3.3	-0.5	-4.6	-4.5	-4.1	2.9	1.9	0.4
Current account balance (US$ bn)	-6.7	-8.5	-5.5	-0.9	-8.3	-7.6	-7.9	6.3	4.9	1.2
Trade balance (US$ bn)	5.6	5.0	12.6	20.0	13.6	6.4	16.8	33.0	29.6	23.6
Exports, f.o.b. (US$ bn)	51.0	41.5	53.7	67.1	65.9	52.7	65.9	88.9	82.6	73.5
Imports, c.i.f. (US$ bn)	45.3	36.4	41.1	47.1	52.2	46.3	49.1	55.8	53.1	50.0
International reserves (US$ bn)	27.9	29.7	30.7	30.9	29.0	35.6	34.4	33.0	34.5	35.0
Public Sector										
Central gov. primary budget balance (% of GDP)	-6.3	-4.5	-4.266	2.58	-0.57	-7.037	-4.096	-2.8	-3.2	-3.5
Central gov. budget balance (% of GDP)	-6.6	-4.7	-3.3	3.4	-0.4	-6.4	-3.7	-2.2	-2.7	-3.0
Debt Indicators										
Gross external debt (% of GDP)	82.8	118.7	100.8	90.3	88.0	96.5	85.5	75.6	66.2	60.2
Public (% of GDP)	7	9	8	7	7	9	10	7	7	7.0
Private (% of GDP)	76.2	109.3	93.0	83.3	80.7	87.6	75.9	68.2	59.4	53.2
Gross government debt (% of GDP)	21.9	19.7	19.9	20.3	19.9	26.4	25.9	21.1	20.8	21.2
Domestic (% of GDP)	18.6	13.6	11.1	13.0	13.4	19.5	17.8	13.3	13.6	14.4
External (% of GDP)	3.3	6.1	8.8	7.3	6.5	6.8	8.1	7.8	7.2	6.8

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 176: Nigeria
Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020F	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	492	405	376	422	475	430	440	482	473	536
GDP per capita (US$)	2676	2145	1942	2126	2334	2064	2063	2207	2111	2335
Economic Activity and Prices										
Real GDP growth (% yoy)	2.7	-1.6	0.8	1.9	2.2	-1.8	3.6	3.3	3.0	2.9
CPI inflation (% yoy, avg)	9.0	15.7	16.5	12.1	11.4	13.2	17.0	19.0	17.0	15.0
Nominal exchange rate (vs USD, eop)	199.3	315.3	360.0	362.6	362.6	397.8	420.0	470.0	600.0	600.0
Nominal exchange rate (vs USD, avg)	199.3	315.3	360.0	362.6	362.6	397.8	420.0	431.8	550.0	600.0
Central bank policy rate (%, eop)	11.00	14.00	14.00	14.00	13.50	11.50	11.50	16.50	16.00	15.00
External Sector										
Current account balance (% of GDP)	-3.2	1.5	3.6	1.7	-2.9	-4.0	-0.4	-0.7	-1.6	-1.9
Current account balance (US$ bn)	-15.4	5.1	13.6	7.3	-13.7	-16.0	-1.8	-3.4	-7.5	-10.0
Trade balance (US$ bn)	-6.4	-0.5			3	-16	-3	2564	-384	-2.1
Exports, f.o.b. (US$ bn)	45.9	34.7	45.8	61.2	65.0	35.9	46.9	62.6	52.7	50.0
Imports, f.o.b. (US$ bn)	52.3	35.2	32.7	40.8	62.1	52.3	50.1	60.0	53.1	52.1
International reserves (US$ bn)	28.3	27.0	39.4	42.6	38.6	35.4	40.0	36.0	33.0	30.0
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.4	-1.5	-3.0	-2.5	-2.8	-2.9	-2.8	-2.9	-2.5	-2.5
Central gov. budget balance (% of GDP)	-1.6	-2.6	-3.1	-2.8	-3.3	-4.1	-4.0	-5.5	-5.0	-5.0
Debt Indicators										
Gross external debt (% of GDP)	2.2	2.7	4.3	5.1	5.2	7.4	9.9	13.2	16.2	19.2
Public (% of GDP)	-	-	-	-	-	-				
Private (% of GDP)	-	-	-	-	-	-				
Gross government debt (% of GDP)	20.3	23.4	25.3	27.7	29.2	34.5	35.7	36.9	39.0	41.0
Domestic (% of GDP)	18.2	20.7	21.1	22.6	23.9	27.1	23.2	24.0	25.4	26.7
External (% of GDP)	2.2	2.7	4.3	5.1	5.2	7.4	9.9	13.2	16.2	19.2

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 177: Romania

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020F	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	178	185	210	243	251	251	285	301	343	382
GDP per capita (US$)	8,950	9,377	10,698	12,456	12,922	13,005	14,864	15,660	17,882	19,911
Economic Activity and Prices										
Real GDP growth (% yoy)	3.2	2.9	8.3	5.8	3.8	-3.2	5.9	4.5	2.2	3.5
CPI inflation (% yoy, avg)	-0.6	-1.5	1.3	4.6	3.8	2.6	5.0	13.7	10.7	6.0
Nominal exchange rate (vs EUR, eop)	4.52	4.54	4.66	4.66	4.78	4.87	4.95	4.95	5.00	5.20
Nominal exchange rate (vs EUR, avg)	4.44	4.49	4.57	4.65	4.75	4.84	4.92	4.93	4.97	5.10
Central bank policy rate (%, eop)	1.75	1.75	1.75	2.50	2.50	1.50	1.75	6.75	7.00	5.00
External Sector										
Current account balance (% of GDP)	-0.8	-1.6	-3.1	-4.6	-4.9	-4.9	-7.2	-9.3	-8.3	-7.7
Current account balance (US$ bn)	-1.4	-3.0	-6.6	-11.2	-12.2	-12.4	-20.7	-28.1	-28.7	-29.3
Trade balance (US$ bn)	-9.0	-10.7	-14.5	-18.1	-20.0	-21.6	-27.4	-34.1	-36.2	-39.4
Exports, f.o.b. (US$ bn)	54.5	57.7	64.6	73.0	70.6	65.7	83.1	90.5	99.5	112.0
Imports, c.i.f. (US$ bn)	63.5	68.4	79.0	91.2	90.6	87.3	110.4	124.5	135.7	151.4
International reserves (US$ bn)	38.6	40.0	44.5	42.1	42.1	52.2	51.9	55.8	64.5	73.9
Public Sector										
General gov. primary budget balance (% of GDP)	1.0	-1.1	-1.4	-1.9	-3.3	-8.0	-6.0	-5.0	-	-
General gov. budget balance (% of GDP)	-0.5	-2.5	-2.5	-2.8	-4.3	-9.2	-7.1	-6.2	-5.1	-5.1
Debt Indicators										
Gross external debt (% of GDP)	58.0	53.6	55.6	47.0	49.1	61.9	54.2	51.3	-	-
Public (% of GDP)	20.5	20.1	18.7	17.5	18.2	26.7	25.8	21.4	-	-
Private (% of GDP)	37.4	33.5	36.9	29.4	30.9	35.2	28.4	29.9	-	-
Gross government debt (% of GDP)	37.8	37.9	35.3	34.5	35.1	46.9	48.6	47.3	46.8	47.4
Domestic (% of GDP)	18.2	18.5	17.2	17.5	17.4	20.7	24.3	27.1	27.0	27.9
External (% of GDP)	19.6	19.4	18.1	17.0	17.7	26.2	24.4	20.2	19.8	19.5

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 178: Saudi Arabia

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	669.5	666.0	715.0	846.6	838.6	734.3	868.6	1108.1	1077.9	1131.3
GDP per capita (US$)	21,673	20,952	21,924	25,336	24,506	20,971	25,464	31,850	30,372	31,252
Economic Activity and Prices										
Real GDP growth (% yoy)	4.7	2.4	-0.1	2.8	0.8	-4.3	3.9	8.7	0.4	2.7
CPI inflation (% yoy, avg)	1.2	2.1	-0.8	2.5	-2.1	3.4	3.1	2.5	2.0	2.0
Nominal exchange rate (vs. USD, eop)	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Nominal exchange rate (vs. USD, avg)	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Central bank policy rate (%, eop)	0.50	0.50	1.50	3.00	2.25	1.00	1.00	5.00	5.75	4.00
External Sector										
Current account balance (% of GDP)	-8.5	-3.6	1.5	8.5	4.6	-3.1	5.1	13.6	12.2	11.8
Current account balance (US$ bn)	-56.7	-23.8	10.5	72.0	38.2	-22.8	44.3	150.8	131.8	133.3
Trade balance (US$ bn)	44.3	55.8	98.5	168.7	121.3	47.9	136.5	234.7	217.6	217.8
Exports, f.o.b. (US$ bn)	203.5	183.6	221.9	294.4	261.6	173.9	276.2	410.7	364.8	373.6
Imports, f.o.b. (US$ bn)	159.3	127.8	123.4	125.6	140.3	125.9	139.7	140.9	147.3	155.7
International reserves (US$ bn)	616	535	496	496	499	453	455	459	502	561
Public Sector										
Central gov. primary budget balance (% of GDP)	-16.3	-16.5	-8.6	-5.0	-3.5	-9.5	-1.4	3.3	3.4	5.6
Central gov. budget balance (% of GDP)	-16.4	-16.7	-8.9	-5.5	-4.2	-10.7	-2.3	2.5	2.6	4.7
Debt Indicators										
Gross external debt (% of GDP)	20.3	22.0	17.5	17.8	22.2	32.4	33.1	27.0	28.7	27.3
Public (% of GDP)	-	-	-	-	-	-	-	-	-	-
Private (% of GDP)	-	-	-	-	-	-	-	-	-	-
Gross government debt (% of GDP)	5.7	12.7	16.3	17.5	21.4	30.8	28.8	22.6	23.2	22.1
Domestic (% of GDP)	5.7	8.5	9.5	9.5	11.7	18.1	17.2	13.4	13.8	13.2
External (% of GDP)	0.0	4.1	6.8	8.0	9.7	12.7	11.6	9.1	9.4	8.9

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 179: Ukraine

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	185	138	112	131	154	157	200	134	124	157
GDP per capita (US$)	10452	7691	2634	3084	3652	3701	4789	NA	NA	NA
Economic Activity and Prices										
Real GDP growth (% yoy)	1.2	1.1	2.1	3.3	3.2	-4.0	3.4	-30.4	4.4	11.6
CPI inflation (% yoy, avg)	6.8	14.6	14.5	11.3	7.9	2.7	9.3	20.0	15.2	10.0
Nominal exchange rate (vs USD, eop)	221.7	342.1	28.1	28.3	23.8	27.5	27.3	36.9	40.0	40.0
Nominal exchange rate (vs USD, avg)	339.5	333.3	26.6	27.2	25.8	27.0	27.3	33.0	40.0	40.0
Central bank policy rate (%, eop)	16.0	12.0	14.5	18.0	14.5	6.0	9.00	25.00	20.00	15.0
External Sector										
Current account balance (% of GDP)	-3.7	-6.1	-2.2	-4.9	-2.7	3.9	-1.6	6.8	14.4	7.9
Current account balance (US$ bn)	-6.7	-8.5	-2.4	-6.4	-4.1	6.0	-3.2	9.1	17.9	12.3
Trade balance (US$ bn)	5.6	5.0	-9.7	-12.7	-14.3	-6.3	-6.6	-8.5	-13.6	-21.5
Exports, f.o.b. (US$ bn)	51.0	41.5	39.7	43.3	46.1	45.2	63.1	47.3	45.0	51.7
Imports, c.i.f. (US$ bn)	45.3	36.4	49.4	56.1	60.4	51.5	69.8	55.8	58.6	73.2
International reserves (US$ bn)	27.9	29.7	18.8	20.8	25.3	26.0	30.9	2.5	31.0	32.0
Public Sector										
Central gov. primary budget balance (% of GDP)				-1.7	1.0	-3.0	-0.9	-17.3	-15.1	-14.3
Central gov. budget balance (% of GDP)	-2.3	-2.9	-1.6	-1.7	-2.1	-5.9	-3.6	-20.2	-18.9	-17.6
Debt Indicators										
Gross external debt (% of GDP)	131.0	120.7	102.9	87.7	78.9	80.3	64.8	106.6	125.8	104.2
Public (% of GDP)	47.1	45.8	41.3	36.8	33.6	35.0	28.5	55.3	72.1	63.6
Private (% of GDP)	83.9	74.9	61.6	51.0	45.3	45.4	36.3	51.3	53.7	40.6
Gross government debt (% of GDP)	74.6	77.9	69.4	60.3	54.4	58.1	48.8	83.2	104.3	93.2
Domestic (% of GDP)	26.7	29.0	25.7	21.7	22.7	23.7	20.2	27.7	31.9	29.5
External (% of GDP)	47.9	48.9	43.7	38.6	31.7	34.3	28.6	55.5	72.4	63.8

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 180: Argentina

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	631.6	513.0	597.8	515.1	447.7	303.4	399.0	497.2	480.8	467.4
GDP per capita (US$)	14,642	12,507	13,573	11,574	9,948	6,673	8,683	10,705	10,241	9,851
Unemployment rate (%)	9.0	7.6	7.2	9.6	11.0	12.0	7.0	7.0	8.0	8.0
Population (millions)	43.1	43.6	44.0	44.5	45.0	45.5	46.0	46.4	46.9	47.4
Economic Activity										
Real GDP growth (% yoy)	2.7	-2.1	2.8	-2.6	-2.0	-9.9	10.4	5.2	-3.0	-2.1
Domestic demand growth (% yoy)	3.1	-0.5	5.5	-3.0	-5.9	-11.4	13.5	8.7	-4.9	-3.2
Real investment growth (% yoy)	3.5	-5.8	13.4	-5.7	-15.9	-12.9	33.4	10.9	-13.8	-7.2
Real consumption growth (% yoy)	4.2	-0.7	3.9	-2.2	-6.3	-12.1	9.5	8.2	-2.7	-2.4
Real private consumption growth (% yoy)	3.7	-0.8	4.2	-2.2	-7.3	-13.8	10.0	9.4	-3.0	-1.3
Real government consumption growth (% yoy)	6.9	-0.5	2.6	-1.9	-1.2	-3.3	7.1	1.8	-1.0	-7.9
Real export growth (% yoy)	-2.8	5.3	2.6	0.6	9.1	-17.3	9.2	5.7	-4.0	-1.2
Real import growth (% yoy)	4.7	5.8	15.6	-4.5	-19.0	-17.9	22.0	17.4	-13.2	-6.2
Prices										
National inflation (% yoy)*	28.2	36.2	24.8	47.6	53.8	36.1	50.9	94.8	119.5	90.6
National inflation (% avg)*	26.1	38.7	25.6	33.7	53.6	42.7	48.4	72.4	111.5	111.9
Nominal wages (% yoy)	31.8	32.9	27.3	29.7	40.9	33.0	49.5	90.4	114.5	89.6
Nominal exchange rate (vs. USD, eop)	12.9	15.9	18.6	37.8	59.9	84.1	102.7	177.1	485.5	923.0
Nominal exchange rate (vs. USD, avg)	9.3	14.8	16.7	29.3	49.3	71.7	95.8	133.6	290.4	700.7
Bilateral real exchange rate (% yoy, + dep)	20.5	0.9			20.4	-4.5	-14.3	-5.3	29.9	2.8
Monetary Sector										
Monetary base growth (% yoy)	34.9	31.7	24.7	27.0	40.7	92.7	65.0	95.0	112.9	86.6
Broad money growth (% yoy)	28.2	30.3	27.1	12.0	29.7	92.7	65.0	95.0	112.9	86.6
Credit extension to private sector (% yoy)	20.0	31.4	50.8	32.6	19.3	52.7	65.0	95.0	112.9	86.6
Central bank policy rate (%, eop)	36.0	24.8	28.8	59.3	63.0	40.0	40.0	75.0	78.0	63.0
1-month interbank rate (%, eop)	36.0	24.8	28.8	44.5	47.3	36.0	32.0	67.0	70.0	55.0
Long-term yield (%, eop)	-	-	-	-	-	-	-	-	-	
External Sector										
Current account balance (% of GDP)	-2.7	-2.8	-5.2	-5.3	-0.8	1.1	1.7	-0.8	-2.4	1.2
Current account balance (US$ bn)	-16.8	-15.0	-30.8	-27.1	-3.7	3.3	6.7	-3.8	-11.7	5.7
Trade balance (US$ bn)	-0.4	4.5	-5.5	-0.7	18.2	14.6	18.7	12.4	3.4	19.8
Exports, f.o.b. (US$ bn)	56.8	57.7	58.4	61.8	65.2	54.9	78.0	88.5	70.4	85.0
main export - Soybeans	na	na	na	na	na	na	na	na	na	na
Imports, f.o.b. (US$ bn)	57.2	53.2	64.0	62.5	46.9	40.3	59.3	76.2	67.0	65.2
Service balance (US$, bn)	-3.9	-7.0	-9.8	-8.9	-4.9	-2.2	-3.6	-6.8	-4.1	-3.2
Income balance (US$, bn)	-12.1	-12.1	-16.4	-18.7	-17.9	-9.1	-8.3	-9.3	-11.0	-11.0
Foreign direct investment (US$ bn)	10.5	4.6	9.4	10.8	3.0	3.0	5.4	12.8	4.8	4.7
International reserves (US$ bn)	25.6	38.8	55.0	65.8	44.8	39.4	41.2	42.0	40.0	44.0
Price of main export commodity - Soybean	377.3	405.7	400.6	na	na	na	na	na		
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.8	-4.6	-3.9	-2.7	-1.0	-6.4	-3.5	-2.0	-3.5	-1.0
Central gov. budget balance (% of GDP)	-3.8	-6.0	-6.2	-5.7	-4.0	-9.4	-5.0	-3.8	-5.7	-3.2
Consolidated gov. primary budget balance (% of GDP)	na	na	na	na	na	na	na	na		
Consolidated public sector balance (% of GDP)	-5.0	-7.4	-7.2	-6.0	-4.3	-9.7	-5.3	-3.8	-5.7	-3.2
Central gov. revenues (% of GDP)	20.4	20.0	18.3	18.0	18.0	18.4	18.1	18.3		
Debt Indicators										
Gross external debt (% of GDP)	25.1	33.2	34.4	45.5	52.3	75.1	62.4	57.4		
Public (% of GDP)	13.5	18.3	17.9	26.4	28.9	37.3	31.0	28.5		
Private (% of GDP)	11.5	15.0	16.5	19.0	23.4	37.8	31.4	28.9		
Gross government debt (% of GDP)	43.1	53.3	49.6	66.0	89.0	89.0	74.0	68.0		
Domestic (% of GDP)	29.5	36.4	33.3	39.4						
External (% of GDP)	13.5	16.9	16.2	24.1						
External debt amortizations (US$ bn)	-	-	-	-	-	-				
External debt interest payments (US$ bn)	-	-	-	-	-	-				
External debt service (% of XGS)	-	-	-	-	-	-				
Savings - Investment Balance										
Savings (% of GDP)	17.1	17.1	17.3	-	-	17.8	18.3	18.3		
Investment (% of GDP)	19.7	19.4	20.0	-	-	16.7	16.2	17.2		
Memoradum Items										
Gran Buenos Aires Inflation - Indec (% yoy)*	-	-	-3.9	-	-	-				
Central gov. primary budget balance (% of GDP)**	-	-	-	-	-	-				

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (%, yoy)	5.9	1.9	-0.4	-2.6	-5.1	-3.8	-3.5	-2.6	-1.4	-0.7
Real GDP growth (%, qoq, sa, annualized)	5.6	-6.2	-4.0	-5.8	-4.8	-0.8	-2.8	-2.1	0.0	2.1
National inflation (% yoy, eop)	83.0	94.8	104.3	116.1	113.2	119.5	127.9	117.9	107.7	90.6
Central bank policy rate (%, eop)	75.00	75.00	78.00	81.00	81.00	81.00	81.00	76.0	71.0	66.0
Nominal exchange rate (vs USD, eop)	147.3	177.1	209.0	256.4	314.1	485.5	570.1	669.4	786.0	923.0
Current account balance (US$ bn)	-3.2	1.7	-4.8	-2.4	-3.8	-0.7	-0.8	0.3	0.0	6.2

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 181: Brazil

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	1796	1800	2063	1916	1873	1448	1649	1912	2069	2172
GDP per capita (US$)	8827	8774	9976	9191	8912	6838	7732	8899	9564	9962
Unemployment Rate (%) (PNAD)*	8.7	11.7	12.9	12.4	12.0	13.9	13.5	9.5	8.9	9.2
Population (millions)	203	205	207	208	210	212	213	215	216	218
Economic Activity										
Real GDP growth (% yoy)	-3.5	-3.3	1.3	1.8	1.2	-3.3	5.0	2.9	0.9	2.4
Domestic demand growth (% yoy)	-4.7	-4.3	0.8	2.5	2.2	-3.9	6.1	3.1	1.3	2.8
Real investment growth (% yoy)	-13.9	-12.1	-2.6	5.2	4.0	-1.7	16.5	0.9	2.0	2.9
Real consumption growth (% yoy)	-2.8	-2.9	1.3	2.0	1.9	-4.3	3.6	3.7	1.2	2.8
Real private consumption growth (% yoy)	-3.2	-3.8	2.0	2.4	2.6	-4.6	3.7	4.3	1.3	3.0
Real government consumption growth (% yoy)	-1.4	0.2	-0.7	0.8	-0.5	-3.7	3.5	1.5	0.7	2.0
Real export growth (% yoy)	6.8	0.9	4.9	4.1	-2.6	-2.3	5.9	5.5	1.7	2.9
Real import growth (% yoy)	-14.2	-10.3	6.7	7.7	1.3	-9.5	12.0	0.8	2.3	3.4
Prices										
CPI inflation (% yoy, eop)	10.7	6.3	2.9	3.7	4.3	4.5	10.1	5.8	6.0	3.7
CPI inflation (% yoy, avg)	9.0	8.7	3.4	3.7	3.7	3.2	8.3	9.3	5.1	4.4
Nominal wages (% yoy)	7.7	6.7	5.4	5.2	4.3	7.5	1.3	6.9	9.4	6.4
Nominal exchange rate (vs USD, eop)	3.90	3.26	3.31	3.87	4.03	5.20	5.58	5.22	5.10	5.20
Nominal exchange rate (vs USD, avg)	3.34	3.48	3.20	3.66	3.94	5.19	5.39	5.15	5.07	5.15
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary Sector										
Monetary base growth (% yoy)	-3.1	5.9	9.8	1.8	4.8	36.3	-5.2	2.6	6.9	6.1
Broad money growth (% yoy)	-4.4	4.6	5.7	6.9	9.1	43.2	-1.6	1.1	6.5	5.7
Credit extension to private sector (% yoy)	7.0	-3.5	-0.4	5.1	6.4	15.6	16.3	14.0	12.0	6.0
Central bank policy rate (%, eop)	14.25	13.75	7.00	6.50	4.50	2.00	9.25	13.75	11.00	9.50
1-month interbank rate (%, eop)	14.14	13.63	6.99	6.40	4.59	2.00	9.15	13.65	10.90	9.40
Long-term yield (%, eop)	-	-	-	-	-	-	-	-	-	
External Sector										
Current account balance (% of GDP)	-3.5	-1.7	-1.2	-2.9	-3.6	-2.0	-2.8	-2.9	-2.3	-2.5
Current account balance (US$ bn)	-63.4	-30.5	-25.3	-54.8	-68.0	-29.4	-46.3	-56.1	-48.0	-55.0
Trade balance (US$ bn)	17.4	44.5	57.3	43.4	26.5	32.4	36.4	44.2	40.0	30.0
Exports, f.o.b. (US$ bn)	189.9	184.3	218.0	239.5	225.8	210.7	284.0	340.3	330.0	330.0
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US$ bn)	172.5	139.7	160.7	196.1	199.3	178.3	247.6	296.2	290.0	300.0
Service balance (US$, bn)	-45.7	-36.7	-41.6	-39.3	-38.5	-24.7	-27.0	-40.0	-35.0	-35.0
Income balance (US$, bn)	-35.2	-38.4	-41.0	-58.8	-56.1	-37.1	-55.8	-56.8	-53.0	-50.0
Foreign direct investment (US$ bn)	64.7	74.3	68.9	78.2	69.2	37.8	46.4	90.6	80.0	85.0
Intercompany Loans (US$, bn)	22.9	25.4	4.9	20.8	5.5	4.1	5.1	21.1	18.6	19.8
International reserves (US$ bn)	368.3	369.3	381.0	379.4	385.7	354.7	355.7	324.7	320.0	320.0
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.9	-2.5	-1.8	-1.7	-1.2	-10.0	-0.4	0.6	-0.7	-0.6
Central gov. budget balance (% of GDP)	-8.6	-7.6	-7.0	-6.1	-5.4	-13.6	-5.0	-4.5	-7.3	-7.2
Consolidated gov. primary budget balance (% of GDP)	-1.9	-2.5	-1.7	-1.6	-0.8	-9.4	0.7	1.3	-0.6	-0.5
Consolidated public sector balance (% of GDP)	-10.2	-9.0	-7.8	-7.0	-5.8	-13.6	-4.3	-4.6	-7.9	-7.8
Central gov. revenues (% of GDP)	20.8	21.0	21.0	21.3	22.1	19.7	21.7	23.3	22.7	22.7
Debt Indicators										
Gross external debt (% of GDP)	30.6	30.2	26.4	29.2	30.6	38.3	34.4	30.1	28.2	27.4
Public (% of GDP)	12.2	10.1	9.4	9.6	9.4	11.0	10.9	9.2	8.7	8.7
Private (% of GDP)	18.3	20.1	17.0	19.6	21.2	27.3	23.5	20.9	19.5	18.7
Gross government debt (% of GDP)	65.5	69.8	73.7	75.3	74.3	88.8	78.3	72.9	77.3	80.3
Domestic (% of GDP)	53.3	59.8	64.3	65.7	65.0	77.6	67.4	63.7	68.6	71.6
External (% of GDP)	12.2	10.1	9.4	9.6	9.4	11.0	10.9	9.2	8.7	8.7
External debt amortizations (US$ bn)	65.0	64.0	54.8	30.1	28.5	37.8	24.9	47.9	35.9	31.8
External debt interest payments (US$ bn)	20.0	20.5	21.1	22.1	28.0	23.4	23.0	19.7	16.7	15.7
External debt service (% of XGS)	44.8	45.8	34.8	21.8	25.1	29.0	16.9	19.9	15.9	14.4
Savings - Investment Balance										
Savings (% of GDP)	14.3	13.8	13.3	12.2	11.8	14.6	16.4	15.9	16.9	16.5
Investment (% of GDP)	17.8	15.5	14.6	15.1	15.5	16.6	19.2	18.8	19.3	19.1

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (%, yoy)	3.6	1.9	2.3	1.6	0.6	-0.7	2.8	2.1	2.2	2.4
Real GDP growth (%, qoq, sa, annualized)	1.1	-0.9	3.3	8.2	-1.2	2.8	2.4	2.0	1.6	3.2
CPI inflation (% yoy, eop)	7.2	5.8	4.7	3.5	6.1	6.0	5.0	4.5	3.8	3.7
Central bank policy rate (%, eop)	13.75	13.75	13.75	13.00	12.00	11.00	10.00	9.50	9.50	9.50
Nominal exchange rate (vs USD, eop)	5.41	5.22	5.08	5.00	5.05	5.10	5.13	5.15	5.18	5.20
Current account balance (US$ bn)	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023F**	**2024F**

Source: BofA Global Research

Exhibit 182: Mexico

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022	2023 F	2024F
Summary Data										
Nominal GDP (US$ bn)	1.141	1.064	1.174	1.231	1.265	1.057	1.266	1.430	1.590	1.544
GDP per capita (US$)	9,400	8,671	9,461	9,820	9,992	8,269	9,815	10,989	12,115	11,670
Unemployment rate (%)	4.3	3.9	3.4	3.3	3.5	4.4	4.1	3.3	3.5	4.0
Population (millions)	121.3	122.7	124.0	125.3	126.6	127.8	129.0	130.1	131.2	132.3
Economic Activity										
Real GDP growth (% yoy)	3.2	2.4	2.3	2.2	-0.2	-8.2	4.9	3.1	1.5	0.0
Domestic demand growth (% yoy)	3.0	2.7	2.2	2.1	-1.1	-11.3	7.9	5.4	1.5	0.4
Real investment growth (% yoy)	4.9	0.9	-1.1	0.8	-4.7	-17.8	10.5	6.0	1.0	-0.5
Real consumption growth (% yoy)	2.6	3.4	3.0	2.6	0.0	-9.0	6.4	5.3	2.6	1.6
Real private consumption growth (% yoy)	2.7	3.5	3.4	2.6	0.4	-10.5	7.8	6.1	2.8	1.6
Real government consumption growth (% yoy)	1.9	2.6	0.7	2.9	-1.8	-0.3	-0.6	1.0	1.4	1.9
Real export growth (% yoy)	8.5	3.6	4.1	5.9	1.5	-7.1	6.9	7.6	-0.2	-3.1
Real import growth (% yoy)	6.0	2.4	6.8	6.4	-0.7	-14.1	16.1	8.8	-0.3	-1.9
Prices										
CPI inflation (% yoy, eop)	2.1	3.4	6.8	4.8	2.8	3.2	7.4	7.8	5.0	4.3
CPI inflation (% yoy, avg)	2.7	2.8	6.0	4.9	3.6	3.4	5.7	7.9	5.8	4.5
Nominal wages (% yoy)	4.2	3.8	4.8	5.7	6.7	7.3	7.2	10.8	9.8	6.1
Nominal exchange rate (vs USD, eop)	17.21	20.73	19.66	19.65	18.93	19.91	20.53	19.50	19.5	21.0
Nominal exchange rate (vs USD, avg)	16.28	18.92	18.69	19.11	19.33	22.17	20.38	19.91	18.76	20.45
Bilateral real exchange rate (% yoy, + dep)	17.9	20.7	-7.1	5.8	-5.0	4.2	5.0	-6.7	1.8	3.2
Monetary Sector										
Monetary base growth (% yoy)	16.8	14.4	8.8	8.3	4.1	21.6	15.2	10.6	2.5	7.1
Broad money growth (% yoy)	4.8	11.0	8.1	6.6	7.0	11.0	9.7	10.0	3.8	5.1
Credit extension to private sector (% yoy)	14.1	15.1	12.0	10.3	5.7	1.1	4.3	12.5	6.8	9.3
Central bank policy rate (%, eop)	3.25	5.75	7.25	8.25	7.25	4.25	5.50	10.50	11.50	8.00
1-month interbank rate (%, eop)	3.56	6.11	7.63	8.59	7.56	4.48	5.72	10.77	11.81	8.31
Long-term yield (%, eop)	6.28	7.44	7.66	8.66	6.91	5.55	7.57	9.04	8.20	8.00
External Sector										
Current account balance (% of GDP)	-2.7	-2.5	-1.9	-2.1	-0.4	2.2	-0.6	-0.9	-1.0	-1.5
Current account balance (US$ bn)	-32.3	-25.8	-22.0	-26.1	-5.6	22.8	-8.2	-13.4	-15.2	-23.0
Trade balance (US$ bn)	-14.6	-13.1	-11.0	-13.8	5.2	34.2	-10.9	-26.6	-27.4	-35.8
Exports, f.o.b. (US$ bn)	381.0	374.3	409.8	451.1	460.9	417.3	495.1	578.7	608.2	616.4
Main export - Autos	94.0	91.2	104.2	118.4	125.1	102.8	116.5	140.3	154.6	166.2
Imports, c.i.f. (US$ bn)	395.6	387.4	420.8	464.8	455.8	383.2	506.0	605.3	635.5	652.2
Service balance (US$ bn)	-11.2	-10.6	-11.7	-12.9	-10.3	-15.5	-15.0	-14.8	-16.1	-16.9
Income balance (US$ bn)	-30.7	-29.2	-29.5	-32.7	-36.6	-36.7	-33.6	-30.0	-33.4	-33.6
Foreign direct investment (US$ bn)	36.2	38.9	33.1	37.9	29.9	31.5	33.5	38.6	37.0	42.0
International reserves (US$ bn)	176.4	176.5	172.8	174.6	180.8	195.7	202.4	199.1	201.0	205.0
Remittances (US$ bn)	24.8	27.0	30.3	33.7	36.4	40.6	51.6	58.5	62.0	63.6
Price of main export commodity - oil (US$ per barrel)	44.2	35.9	46.4	62.1	56.1	35.7	64.7	89.3	84.1	86.1
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.2	-1.2	0.8	-0.1	0.1	-0.1	-1.2	-1.1	-1.3	-1.4
Central gov. budget balance (% of GDP)	-3.0	-3.0	-1.0	-2.1	-2.0	-2.5	-3.2	-3.5	-3.9	-4.2
Consolidated gov. primary budget balance (% of GDP)	-1.2	-0.1	1.4	0.6	1.1	0.1	-0.3	-0.5	-0.9	-1.2
Consolidated public sector balance (% of GDP)	-3.4	-2.5	-1.1	-2.1	-1.6	-2.9	-2.9	-3.4	-4.1	-4.6
Central gov. revenues (% of GDP)	17.1	17.7	17.5	16.5	16.4	17.4	16.7	16.8	16.3	16.8
Debt Indicators										
Gross external debt (% of GDP)	25.2	29.8	27.7	26.1	24.4	28.7	26.7	28.8	27.8	28.3
Public (% of GDP)	15.0	18.6	17.5	16.9	15.8	19.0	17.7	19.5	18.6	19.1
Private (% of GDP)	10.2	11.1	10.2	9.2	8.6	9.6	9.0	9.3	9.2	9.2
Gross government debt (% of GDP)	45.4	49.4	46.9	46.8	46.7	53.1	52.3	49.9	50.7	53.2
Domestic (% of GDP)	30.4	30.7	29.4	29.9	31.0	34.1	34.6	35.1	34.4	37.7
External (% of GDP)	15.0	18.6	17.5	16.9	15.8	19.0	17.7	14.8	16.3	15.5
External debt amortizations (US$ bn)	10.9	4.6	2.8	4.9	5.8	11.3	9.9	8.8	12.6	9.7
External debt interest payments (US$ bn)	6.5	6.0	6.8	7.6	8.1	8.0	8.5	8.2	9.1	9.2
External debt service (% of XGS)	4.6	2.8	2.3	2.8	3.0	4.6	3.7	2.9	3.6	3.1
Savings - Investment Balance										
Savings (% of GDP)	22.4	21.7	21.2	20.9	20.7	21.3	20.2	18.5	17.6	16.2
Investment (% of GDP)	21.6	21.2	20.5	20.2	19.3	17.3	18.2	18.7	18.6	18.5

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	4.4	3.7	3.2	2.2	1.0	-0.4	-1.2	-0.8	0.3	1.6
Real GDP growth (% qoq, sa, annualized)	3.7	1.8	3.1	0.4	-1.3	-3.7	-0.1	2.1	3.0	1.4
CPI inflation (% yoy, eop)	8.7	7.8	6.8	5.4	4.7	5.0	4.7	4.4	4.3	4.3
Central bank policy rate (%, eop)	9.25	10.50	11.25	11.50	11.50	11.50	11.00	10.00	9.00	8.00
Nominal exchange rate (vs USD, eop)	20.14	19.50	18.05	18.50	19.00	19.50	19.90	20.30	20.60	21.00
Current account balance (US$ bn)	-5.2	4.6	-16.8	-0.2	-3.2	5.0	-15.4	-7.3	-5.8	5.5

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 183: Venezuela

Selected economic and financial indicators

	2015F	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn, Exch rate adjusted since 2015)	171.8	149.0	131.1	104.9	73.4	47.7	48.7	53.5	53.5	55.1
GDP per capita (US$)	5,710	4,990	4,459	3,630	2,574	1,678	1,716	1,893	1,898	1,961
Unemployment rate (%)	6.8	7.0	10.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Population (millions)	30.1	29.9	29.4	28.9	28.5	28.4	28.4	28.3	28.2	28.1
Economic Activity										
Real GDP growth (% yoy)	-5.7	-13.3	-12.0	-20.0	-30.0	-35.0	2.0	10.0	0.0	3.0
Domestic demand growth (% yoy)	-10.1	-18.7	-13.2	-22.0	-33.0	-38.5	2.2	11.0	0	3.3
Real investment growth (% yoy)	-17.6	-31.2	-24.0	-40.0	-60.0	-70.0	4.0	20.0	0	6
Real consumption growth (% yoy)	-6.6	-16.0	-12.0	-20.0	-30.0	-35.0	2.0	10.0	0	3
Real private consumption growth (% yoy)	-7.8	-19.3	-12.0	-20.0	-30.0	-35.0	2.0	10.0	0	3
Real government consumption growth (% yoy)	-2.4	-4.6	-12.6	-21.0	-31.5	-36.8	2.1	10.5	0	3.15
Real export growth (% yoy)	-0.7	-6.7	-18.0	-40.0	-51.0	-38.5	3.0	15.0	0	4.5
Real import growth (% yoy)	-18.7	-30.4	-18.0	-40.0	-51.0	-38.5	2.2	11.0	0	3.3
Prices										
CPI inflation (% yoy, eop)	181	590	2600	1698488	12341	3687	660	305	558	448
CPI inflation (% yoy, avg)	122	438	1595	523290	1259565	3639	1374	482	431	503
Nominal wages (% yoy)	125	400	1560	180979	1234	2581	726	320	586	470
Nominal exchange rate (vs USD, eop)	0	0	0	638	39368	1107199	5	17	92	504
Nominal exchange rate (vs USD, avg)	0	0	0	638	39368					
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-		
Monetary Sector										
Monetary base growth (% yoy)	103.5	248.8	1740.0	43950.0	7200.0	1200.0	400.0	152.5	278.9	223.8
Broad money growth (% yoy)	98.5	243.8	1735.0	43945.0	5000.0	1300.0	600.0	152.5	278.9	223.8
Credit extension to private sector (% yoy)	98.3	236.4	1653.1	41754.9	5000.0	1300.0	600.0	152.5	278.9	223.8
Central bank policy rate (%, eop)	6.40	-	- -		-	-				
1-month interbank rate (%, eop)	-	-	-	-	-	-				
Long-term yield (%, eop)	-	-	-	-	-	-				
External Sector										
Current account balance (% of GDP)	-10.6	-3.4	3.0	10.9	7.8	2.2	1.3	0.4	1.0	1.9
Current account balance (US$ bn)	-18.2	-5.1	3.9	11.4	5.7	1.1	0.6	0.2	0.5	1.0
Trade balance (US$ bn)	0.5	7.2	14.8	15.5	9.2	0.1	3.0	1.7	1.5	1.5
Exports, f.o.b. (US$ bn)	37.4	27.3	30.4	25.7	15.2	6.1	10.0	14.5	13.1	13.1
Main export - Oil	35.1	25.5	28.5	23.3	13.8	6.0	7.0	10.5	9.5	9.5
Imports, f.o.b. (US$ bn)	36.9	20.0	15.6	10.2	6.0	6.0	7.0	12.8	11.5	11.5
Service balance (US$ bn)	-12.6	-6.2	-4.8	-4.3	-4.3	-3.0	-4.0	-4.0	-4.0	-4.0
Income balance (US$ bn)	-5.8	-5.6	-5.8	0.2	0.8	1.5	2.0	2.5	3.0	3.5
Foreign direct investment (US$ bn)	1.0	-	- -	-	-					
International reserves (US$ bn)	16.4	10.5	9.0	7.0	7.5	7.0	6.0	10.0	10.0	10.0
Price of main export commodity - oil (US$ per barrel)	45.2	35.5	44.9	64.5	57.5	43.8	-	-	-	-
Public Sector										
Central gov. primary budget balance (% of GDP)	-3.1	1.2	1.3	-	-	-	-	-	-	-
Central gov. budget balance (% of GDP)	-6.1	-1.5	-0.9	-	-	-	-	-	-	-
Consolidated gov. primary budget balance (% of GDP)	-8.2	-6.6	-3.5	-	-	-	-	-	-	-
Consolidated public sector balance (% of GDP)*	-10.4	-8.6	-5.2	-	-	-	-	-	-	-
Central gov. revenues (% of GDP)	29.0	18.0	18.9	-	-	-	-	-	-	-
Debt Indicators										
Gross external debt (% of GDP)	80.8	95.0	110.0	140.1	-	-	-	-	-	-
Public (% of GDP)	70.0	82.4	95.6	121.9	-	-	-	-	-	-
Private (% of GDP)	10.9	12.6	14.4	18.1	-	-	-	-	-	-
Gross government debt (% of GDP)	33.4	34.2	36.7	44.5	-	-	-	-	-	-
Domestic (% of GDP)	8.7	2.4	0.5	0.1	-	-	-	-	-	-
External (% of GDP)	24.8	31.8	36.1	44.4	-	-	-	-	-	-
External debt amortizations (US$ bn)	2.4	2.9	1.9	3.7	-	-	-	-	-	-
External debt interest payments (US$ bn)	3.5	3.5	3.4	3.3	-	-	-	-	-	-
External debt service (% of XGS)	15.8	23.2	17.6	27.1	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	22.7	36.4	-	-	-	-	-	-	-	-
Investment (% of GDP)	33.3	39.9	-	-	-	-	-	-	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 184: Chile

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	243.9	250.4	277.0	297.6	279.2	253.1	316.6	314.6	369.4	370.2
GDP per capita (US$)	13,574	13,786	15,040	15,871	14,615	13,008	16,087	15,867	18,506	18,416
Unemployment rate (%)	6.4	6.8	7.0	7.4	7.2	11.2	7.2	8.0	8.5	8.5
Population (millions)	18.0	18.2	18.4	18.8	19.1	19.5	19.7	19.8	20.0	20.1
Economic Activity										
Real GDP growth (% yoy)	2.3	1.7	1.2	3.7	0.9	-5.8	11.7	2.4	0.0	2.0
Domestic demand growth (% yoy)	2.5	1.8	2.1	4.0	1.6	-7.9	18.5	3.0	-2.9	1.8
Real investment growth (% yoy)	-0.3	-1.3	-3.1	5.1	4.4	-11.5	15.7	2.8	-0.6	1.5
Real consumption growth (% yoy)	2.6	3.5	3.6	3.7	0.8	-6.8	19.3	3.1	-3.6	1.9
Real private consumption growth (% yoy)	2.1	2.7	3.4	3.8	1.0	-7.5	20.8	2.9	-5.3	1.5
Real government consumption growth (% yoy)	4.8	7.2	4.6	3.3	-0.2	-3.9	13.8	4.1	3.6	3.6
Real export growth (% yoy)	-1.7	0.5	-1.5	5.3	-2.6	-3.2	-1.4	1.4	0.8	1.7
Real import growth (% yoy)	-1.1	0.9	4.6	8.1	-2.4	-12.7	31.8	0.9	-9.6	1.3
Prices										
CPI inflation (% yoy, eop)	4.4	2.7	2.3	2.1	3.0	3.0	7.2	12.8	5.8	4.0
CPI inflation (% yoy, avg)	4.3	3.8	2.2	2.3	2.3	3.0	4.5	11.6	8.4	4.8
Nominal wages (% yoy)	6.2	4.0	5.7	4.5	4.6	3.7	7.0	11.8	6.8	4.0
Nominal exchange rate (vs USD, eop)	707	667	615	696	745	711	852	876	810	830
Nominal exchange rate (vs USD, avg)	654	677	649	641	703	792	760	873	807	821
Bilateral real exchange rate (% yoy, + dep)	11.7	-4.4	-	-	-	-				
Monetary Sector										
Monetary base growth (% yoy)	11.8	13.0	7.4	1.7	9.2	145.3	11.4	6.8	5.3	
Broad money growth (% yoy)	12.0	7.0	5.1	11.2	9.4	6.9	11.4	6.8	5.3	
Credit extension to private sector (% yoy)	10.3	5.7	4.7	10.1	9.4	2.5	7.9	-0.5	3.0	
Central bank policy rate (%, eop)	3.50	3.50	2.50	2.75	1.75	0.50	4.00	11.25	9.00	6.50
1-month interbank rate (%, eop)	5.48	5.45	4.42	4.10	4.08	3.16	6.07	13.35	11.29	
Long-term yield (%, eop)	6.00	5.50	5.50	6.00	5.50	5.50	6.00	6.00	6.00	
External Sector										
Current account balance (% of GDP)	-2.4	-2.0	-2.3	-3.9	-3.7	-1.7	-6.4	-8.6	-4.0	-4.9
Current account balance (US$ bn)	-5.7	-5.0	-6.4	-11.6	-10.5	-4.3	-20.3	-27.1	-14.9	-18.0
Trade balance (US$ bn)	3.4	4.9	7.4	4.2	3.0	18.4	10.5	3.8	13.3	8.0
Exports, f.o.b. (US$ bn)	62.0	60.7	68.8	74.7	68.8	73.5	94.8	98.5	98.9	97.5
main export - Copper	30.0	27.9	34.0	35.6	32.5	38.0	52.7	44.7	44.2	44.3
Imports, f.o.b. (US$ bn)	58.6	55.9	61.5	70.5	65.8	55.1	84.3	94.7	85.6	89.5
Service balance (US$, bn)	-3.6	-3.3	-3.8	-4.7	-5.1	-5.0	-12.3	-14.8	-12.2	-11.3
Income balance (US$, bn)	-5.6	-6.5	-10.0	-11.2	-8.3	-10.0	-21.3	-16.1	-15.9	-14.7
Foreign direct investment (US$ bn)	20.5	12.3	6.1	7.8	12.6	8.5	15.9	20.9	20.9	20.9
International reserves (US$ bn)	38.6	40.5	39.0	39.9	40.7	39.2	51.3	39.2	39.2	39.2
Price of main export commodity - copper (¢/lb)	249.7	220.6	279.6	295.9	272.3	272.8	423.8	400.2	404.7	403.9
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.5	-2.0	-1.9	-0.8	-1.9	-6.3	-6.8	2.0	-1.3	-1.3
Central gov. budget balance (% of GDP)	-2.2	-2.7	-2.8	-1.7	-2.9	-7.3	-7.7	1.1	-2.3	-2.2
Consolidated gov. primary budget balance (% of GDP)	-1.9	-2.4	-2.3	-1.1	-2.3	-7.9	-7.4	2.0	-1.3	-1.3
Consolidated public sector balance (% of GDP)	-2.1	-2.7	-2.6	-1.5	-2.7	-8.5	-8.3	1.1	-2.3	-2.2
Central gov. revenues (% of GDP)	21.0	20.9	20.8	21.9	21.5	19.9	23.9	24.8	23.0	23.4
Debt Indicators										
Gross external debt (% of GDP)	66.3	66.7	65.1	62.0	70.9	82.3	83.5	86.5	89.4	
Public (% of GDP)	4.3	5.4	7.9	8.3	10.7	13.7	13.5	14.5	15.4	
Private (% of GDP)	62.1	61.3	57.2	53.7	60.3	68.7	70.0	72.0	74.0	
Gross government debt (% of GDP)	17.4	21.3	23.6	25.6	28.2	32.5	36.3	41.4	39.5	43.4
Domestic (% of GDP)	13.1	15.9	15.7	17.3	17.5	18.8	22.5	26.5	26.1	28.6
External (% of GDP)	4.3	5.4	7.9	8.3	10.7	13.7	13.8	14.9	13.4	14.7
External debt amortizations (US$ bn)	-	-	-	-	-	-	-	-	-	
External debt interest payments (US$ bn)	-	-	-	-	-	-	-	-	-	
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	
Savings - Investment Balance										
Savings (% of GDP)	21.5	20.5	18.9	18.2	19.2	22.2	-	-	-	
Investment (% of GDP)	23.9	23.0	21.0	21.5	22.9	20.9	-	-	-	

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (%, yoy)	0.2	-2.3	-0.8	-0.5	0.6	0.9	0.7	1.9	2.5	2.6
Real GDP growth (%, qoq, sa, annualized)	-4.5	0.2	3.8	-1.5	0.0	1.3	3.1	3.1	2.4	1.9
CPI inflation (% yoy, eop)	13.7	12.8	11.1	8.7	6.3	5.8	5.2	4.9	4.4	4.0
Central bank policy rate (%, eop)	10.75	11.25	11.25	11.25	10.00	9.00	8.00	7.50	7.00	6.50
Nominal exchange rate (vs USD, eop)	969	851	800	810	820	825	830	835	840	845
Current account balance (US$ bn)	-30.5	-27.1	-21.5	-16.7	-14.5	-14.9	-18.7	-19.2	-19.0	-18.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 185: Colombia

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	295	283	312	334	323	271	314	345	342	353
GDP per capita (US$)	6362	6053	6575	6922	6535	5386	6148	6679	6551	6708
Unemployment rate (%)	8.9	9.2	9.4	9.7	10.5	16.1	13.8	11.1	10.9	11.0
Population (millions)	46.3	46.8	47.4	48.3	49.4	50.4	51.0	51.6	52.2	52.7
Economic Activity										
Real GDP growth (% yoy)	3.0	2.1	1.4	2.6	3.2	-7.3	11.0	7.5	2.1	2.8
Domestic demand growth (% yoy)	2.4	1.2	1.1	3.5	4.0	-7.6	13.4	10.0	2.2	2.7
Real investment growth (% yoy)	-1.2	-0.2	-3.2	1.5	3.0	-21.1	12.6	19.5	1.2	1.1
Real consumption growth (% yoy)	3.4	1.6	2.3	4.0	4.3	-4.1	13.6	8.0	2.4	3.1
Real private consumption growth (% yoy)	3.1	1.6	2.1	3.2	4.1	-4.9	14.5	9.5	2.1	3.0
Real government consumption growth (% yoy)	4.9	1.8	3.6	7.4	5.3	-0.8	9.8	1.4	3.8	3.6
Real export growth (% yoy)	1.7	-0.2	2.6	0.6	3.1	-22.7	15.9	14.9	4.5	8.0
Real import growth (% yoy)	-1.1	-3.5	1.0	5.8	7.3	-19.9	26.7	23.9	4.5	5.4
Prices										
CPI inflation (% yoy, eop)	6.8	5.7	4.1	3.2	3.8	1.6	5.6	13.1	9.0	5.7
CPI inflation (% yoy, avg)	5.0	7.5	4.3	3.2	3.5	2.5	3.5	10.2	11.7	6.8
Nominal wages (% yoy)	5.0	6.5	6.1	5.3	4.7	-2.4	10.0	13.5	9.4	6.1
Nominal exchange rate (vs. USD, eop)	3,149	3,001	2,984	3,250	3,277	3,433	4,080	4,808	4,750	4,950
Nominal exchange rate (vs. USD, avg)	2,742	3,055	2,951	2,956	3,281	3,693	3,807	4,256	4,677	4,875
Bilateral real exchange rate (% yoy, + dep)	24.2	-8.0	-2.5	7.6	-0.6	4.5	13.4	12.8	-5.8	1.0
Monetary Sector										
Monetary base growth (% yoy)	17.1	2.5	5.0	10.4	12.3	20.5	9.6	12.0	9.4	6.7
Broad money growth (% yoy)	11.7	7.1	7.3	5.6	7.8	13.9	12.0	14.0	7.2	4.5
Credit extension to private sector (% yoy)	13.8	12.4	7.3	6.5	7.7	7.8	5.0	13.0	11.1	10.1
Central bank policy rate (%, eop)	5.75	7.50	4.75	4.25	4.25	1.75	3.00	12.00	13.00	9.00
1-month interbank rate (%, eop)	5.78	7.51	4.74	4.25	4.25	1.75	3.05	12.05	13.05	9.05
Long-term yield (%, eop)	8.7	7.1	6.5	6.8	6.1	5.4	8.2	14.5	15.5	11.5
External Sector										
Current account balance (% of GDP)	-6.3	-4.4	-3.2	-4.2	-4.6	-3.4	-5.7	-6.2	-4.0	-3.3
Current account balance (US$ bn)	-18.7	-12.6	-9.9	-14.0	-14.8	-9.3	-18.0	-21.4	-13.7	-11.7
Trade balance (US$ bn)	-13.5	-9.2	-4.3	-6.4	-9.9	-8.9	-14.0	-13.3	-11.0	-8.1
Exports, f.o.b. (US$ bn)	38.6	34.1	39.8	43.0	40.7	32.3	42.7	67.0	68.7	72.5
Main export - Oil (US$ bn)	14.6	10.8	13.3	16.8	16.0	8.8	13.5	22.5	22.0	19.0
Imports, f.o.b. (US$ bn)	52.1	43.2	44.1	49.4	50.5	41.2	56.7	80.3	79.7	80.5
Service balance (US$ bn)	-5.5	-4.3	-4.5	-4.2	-4.3	-4.2	-6.1	-5.7	-4.0	-4.7
Income balance (US$ bn)	0.3	0.9	-1.2	-3.5	-0.7	3.7	2.1	-1.7	1.8	1.2
Foreign direct investment (US$ bn)	11.6	13.9	13.7	11.3	14.0	7.5	9.7	19.5	10.3	10.0
International reserves (US$ bn)	46.7	46.7	47.6	48.4	53.2	59.0	58.6	56.0	57.6	59.3
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.5	-1.1	-0.8	-0.3	0.4	-4.9	-3.7	-1.1	0.6	0.6
Central gov. budget balance (% of GDP)	-3.0	-4.0	-3.7	-3.1	-2.5	-7.8	-7.1	-5.5	-3.9	-3.4
Consolidated gov. primary budget balance (% of GDP)	-0.9	0.4	0.1	0.1	0.4	-4.9	-3.6	-0.6	0.6	1.1
Consolidated public sector balance (% of GDP)	-3.4	-2.3	-2.7	-2.6	-2.4	-7.8	-7.2	-5.1	-3.9	-2.9
Central gov. revenues (% of GDP)	16.1	14.9	15.7	15.1	16.2	15.3	16.3	17.1	19.5	19.0
Debt Indicators										
Gross external debt (% of GDP)	38.0	17.4	40.1	39.5	43.0	57.0	54.5	29.4	54.7	55.9
Public (% of GDP)	22.5	1	23.1	21.8	22.9	33.2	32.6	7.8	32.1	32.3
Private (% of GDP)	15.5	17.4	17.0	17.7	20.1	23.8	21.9	21.6	22.6	23.6
Gross government debt (% of GDP)	44.6	45.6	46.4	49.3	50.3	65.0	63.8	62.6	61.9	62.4
Domestic (% of GDP)	28.5	30.1	30.9	32.7	34.3	42.0	39.0	62.6	37.6	37.9
External (% of GDP)	16.1	15.5	15.5	16.6	16.0	23.0	24.8	0.0	24.3	24.5
External debt amortizations (US$ bn)	9.6	7.6	16.2	15.7	13.2	14.6	15.1	29.7	32.7	39.0
External debt interest payments (US$ bn)	4.6	4.7	5.3	5.8	6.2	5.7	5.9	6.1	7.1	8.3
External debt service (% of XGS)	30.1	28.8	43.6	40.0	37.9	53.0	41.5	45.1	48.0	53.9
Savings - Investment Balance										
Savings (% of GDP)	17.4	18.7	18.4	17.0	16.8	15.8	14.2	14.1	16.2	17.0
Investment (% of GDP)	23.8	23.2	21.6	21.2	21.4	19.2	19.8	20.3	20.2	20.3

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	7.8	2.9	2.7	1.9	1.9	1.9	2.2	2.6	3.0	3.1
Real GDP growth (% qoq, sa, annualized)	1.9	2.7	1.6	1.6	1.6	2.8	2.8	3.2	3.2	3.2
CPI inflation (% yoy, eop)	11.4	13.1	13.3	12.4	10.6	9.0	7.5	6.8	6.3	5.7
Central bank policy rate (%, eop)	10.00	12.00	13.00	13.00	13.00	13.00	12.00	11.00	10.00	9.00
Nominal exchange rate (vs. USD, eop)	4609	4808	4627	4550	4650	4750	4800	4850	4900	4950
Current account balance (US$ bn)	-6.1	-5.0	-3.6	-3.1	-4.2	-3.1	-3.1	-2.6	-3.8	-2.7

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 186: Peru
Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	191	196	216	227	232	206	226	245	265	276
GDP per capita (US$)	6142	6216	6783	7054	7009	6137	6677	7181	7669	7927
Unemployment rate (%)	6.5	6.7	6.9	6.7	6.6	13.9	10.9	7.4	7.2	6.6
Population (millions)	31.2	31.5	31.8	32.2	33.2	33.5	33.8	34.2	34.5	34.9
Economic Activity										
Real GDP growth (% yoy)	3.3	4.0	2.5	4.0	2.2	-11.0	13.6	2.7	1.5	3.1
Domestic demand growth (% yoy)	2.8	1.3	1.7	4.1	2.2	-9.9	14.7	2.5	1.4	2.7
Real investment growth (% yoy)	-3.2	-4.1	-0.4	6.6	-0.6	-18.9	27.1	-2.3	0.3	2.8
Real consumption growth (% yoy)	4.9	3.0	2.3	3.3	3.1	-7.2	11.5	3.9	1.7	2.6
Real private consumption growth (% yoy)	4.0	3.7	2.6	3.8	3.2	-9.8	11.7	4.5	1.6	2.7
Real government consumption growth (% yoy)	9.8	-0.6	0.7	0.4	2.2	7.8	10.6	1.1	2.2	2.3
Real export growth (% yoy)	3.4	9.0	7.6	2.2	1.1	-19.6	13.7	5.3	3.5	6.0
Real import growth (% yoy)	1.6	-1.6	4.5	2.4	1.0	-15.8	18.6	4.7	3.2	4.3
Prices										
CPI inflation (% yoy, eop)	4.4	3.2	1.4	2.2	1.9	2.0	6.4	8.5	4.8	2.9
CPI inflation (% yoy, avg)	3.5	3.6	2.8	1.3	2.1	1.8	4.0	7.9	6.9	3.5
Nominal wages (% yoy)	3.3	7.0	-0.4	-0.3	4.7	-12.4	3.5	8.4	6.0	3.5
Nominal exchange rate (vs USD, eop)	3.41	3.36	3.24	3.38	3.32	3.62	3.98	3.81	3.82	3.90
Nominal exchange rate (vs USD, avg)	3.19	3.38	3.26	3.29	3.34	3.50	3.88	3.84	3.81	3.87
Bilateral real exchange rate (% yoy, + dep)	10.7	-2.8	-2.7	3.9	-1.4	8.7	10.5	-6.2	-2.5	1.3
Monetary Sector										
Monetary base growth (% yoy)	-4.8	4.1	7.2	7.3	5.2	33.2	13.1	-1.6	3.0	6.6
Broad money growth (% yoy)	13.1	1.7	7.9	5.3	9.1	32.0	0.3	-1.8	2.9	6.2
Credit extension to private sector (% yoy)	15.0	4.6	5.5	9.0	7.0	12.8	5.7	4.6	3.0	5.6
Central bank policy rate (%, eop)	3.75	4.25	3.25	2.75	2.25	0.25	2.50	7.50	7.75	4.25
1-month interbank rate (%, eop)	3.77	4.37	3.26	2.75	2.25	0.23	2.25	7.22	7.70	4.20
Long-term yield (%, eop)	7.31	6.38	5.17	5.64	4.21	3.51	5.90	7.57	7.00	6.50
External Sector										
Current account balance (% of GDP)	-4.7	-2.3	-0.9	-1.3	-0.7	1.2	-2.3	-4.3	-2.8	-1.7
Current account balance (US$ bn)	-8.9	-4.4	-2.0	-2.9	-1.7	2.4	-5.3	-10.6	-7.4	-4.7
Trade balance (US$ bn)	-2.9	2.0	6.7	7.2	6.9	8.2	14.8	10.6	11.8	15.0
Exports, f.o.b. (US$ bn)	34.4	37.1	45.4	49.1	48.0	42.9	63.2	67.8	68.7	71.0
Main export - Copper	8.2	10.2	13.8	14.9	14.0	13.0	20.7	26.9	26.8	30.5
Imports, f.o.b. (US$ bn)	37.3	35.1	38.7	41.9	41.1	34.7	48.3	57.2	56.9	56.0
Service balance (US$ bn)	-2.6	-2.6	-2.7	-3.4	-4.0	-4.7	-7.3	-8.8	-9.0	-8.2
Income balance (US$ bn)	-3.5	-3.8	-6.0	-6.7	-4.6	-1.1	-12.8	-11.9	-10.0	-11.4
Foreign direct investment (US$ bn)	7.3	6.8	7.4	5.9	4.8	0.7	7.5	8.0	6.0	7.0
International reserves (US$ bn)	61.5	61.7	63.6	60.1	68.3	74.7	78.5	73.8	74.8	76.7
Price of main export commodity - Copper (US$/ton)	250	221	280	296	273	280	422	398	391	448
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.7	-1.2	-2.0	-0.8	-0.9	-7.9	-2.0	-0.7	0.0	0.3
Central gov. budget balance (% of GDP)	-2.7	-2.2	-3.1	-2.0	-2.1	-9.3	-3.4	-2.2	-1.7	-1.3
Consolidated gov. primary budget balance (% of GDP)	-0.9	-1.3	-1.8	-1.0	-0.2	-7.3	-1.0	-0.1	-0.5	0.1
Consolidated public sector balance (% of GDP)	-1.9	-2.4	-3.0	-2.3	-1.6	-8.9	-2.5	-1.6	-2.2	-1.5
Central gov. revenues (% of GDP)	16.8	15.4	15.1	16.2	16.6	14.9	18.0	19.1	18.9	19.4
Debt Indicators										
Gross external debt (% of GDP)	38.2	38.5	35.9	34.9	35.0	44.4	45.4	42.4	41.4	41.1
Public (% of GDP)	14.0	15.4	15.5	15.6	17.1	24.4	27.0	24.9	24.9	24.6
Private (% of GDP)	24.1	23.2	20.3	19.3	17.9	20.0	18.4	17.5	16.5	16.5
Gross government debt (% of GDP)	23.3	23.7	24.7	25.6	26.6	34.6	35.9	34.0	34.5	34.7
Domestic (% of GDP)	12.1	13.4	16.0	16.8	18.1	19.8	16.5	15.4	15.9	16.4
External (% of GDP)	11.1	10.3	8.7	8.8	8.5	14.9	19.4	18.6	18.6	18.4
External debt amortizations (US$ bn)	5.8	6.8	12.5	7.0	8.1	5.8	3.8	4.3	4.8	4.3
External debt interest payments (US$ bn)	9.2	10.0	10.8	11.8	12.5	10.5	12.2	13.6	13.2	13.3
External debt service (% of XGS)	37.3	39.1	45.2	33.9	37.8	35.6	24.3	24.6	24.2	22.8
Savings - Investment Balance										
Savings (% of GDP)	19.6	20.4	20.5	21.1	21.1	20.9	19.7	16.5	17.4	18.6
Investment (% of GDP)	24.2	22.6	21.4	22.4	21.8	19.7	22.0	20.8	20.2	20.3

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	2.0	1.7	0.1	1.5	1.7	2.4	4.3	3.0	2.7	2.6
Real GDP growth (% qoq, sa, annualized)	3.4	0.5	-4.7	7.4	4.1	3.2	2.4	2.4	2.8	2.8
CPI inflation (% yoy, eop)	8.5	8.5	8.4	7.0	5.9	4.8	4.1	3.4	3.1	2.9
Central bank policy rate (%, eop)	6.75	7.50	7.75	7.75	7.75	7.75	7.00	6.25	5.50	4.25
Nominal exchange rate (vs USD, eop)	3.98	3.81	3.76	3.78	3.80	3.82	3.84	3.86	3.88	3.90
Current account balance (US$ bn)	-3.7	-0.5	-3.9	-1.6	-2.5	0.8	-3.3	-1.0	-1.8	1.5

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 187: Uruguay

Selected economic and financial indicators

	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F
Summary Data										
Nominal GDP (US$ bn)	59.0	57.5	64.3	64.6	61.3	53.6	61.4	71.4	74.2	78.4
GDP per capita (thous US$)	17.0	16.5	18.4	18.4	17.4	15.2	17.3	20.1	20.8	21.9
Economic Activity and Prices										
Real GDP growth (% yoy)	0.4	0.8	1.6	0.5	0.4	-6.1	5.3	4.9	1.0	3.2
CPI inflation (% yoy, eop)	9.4	8.1	6.6	8.0	8.8	9.4	8.0	8.3	7.1	6.4
Nominal exchange rate (vs USD, eop)	29.9	29.3	28.7	32.4	37.4	42.4	44.7	41.7	43.4	44.5
Nominal exchange rate (vs USD, avg)	27.3	30.1	28.6	30.7	35.3	42.0	43.6	41.3	42.7	44.1
Central Bank policy rate (%, eop)	-	-	-	-	-	4.5	5.8	11.5	10.0	8.0
External Sector										
Current account balance (% of GDP)	-0.2	0.8	0.0	-0.4	1.6	-0.8	-2.5	-0.9	-3.5	-0.1
Current account balance (US$ bn)	-0.1	0.5	0.0	-0.3	1.0	-0.4	-1.5	-0.7	-2.6	-0.1
Trade balance (US$ bn)	2.2	3.1	3.5	3.3	3.8	2.4	4.5	2.8	0.9	3.4
Exports, f.o.b. (US$ bn)	16.6	15.5	16.8	17.1	17.1	13.6	19.4	21.7	19.1	21.4
Imports, f.o.b. (US$ bn)	14.4	12.4	13.4	13.8	13.3	11.2	14.9	18.9	18.2	18.0
International reserves (US$ bn)	17.4	13.9	13.8	16.5	15.1	15.8	16.0	16.5	17.0	17.5
Public Sector										
Non financial public sector. primary budget balance (% of GDP)	0.2	-0.2	-0.1	-0.6	-1.6	-2.9	-1.1	-1.0	-0.8	-0.4
Non financial public sector overall budget balance (% of GDP)	-1.8	-2.7	-2.5	-3.1	-3.8	-5.4	-3.2	-3.0	-2.8	-2.4
Debt Indicators										
Gross external debt (% of GDP)	53.3	49.7	-	-	-	-	-	-	-	-
Public (% of GDP)	43.7	42.7	-	-	-	-	-	-	-	-
Private (% of GDP)	9.7	7.0	-	-	-	-	-	-	-	-
Gross government debt (% of GDP)	52.8	58.2	56.2	55.6	57.2	67.6	61.1	56.6	55.4	55.2
Domestic (% of GDP)	26.3	29.6	31.9	29.0	27.5	32.2	29.1	29.8	31.9	34.6
External (% of GDP)	26.4	28.6	24.3	26.6	29.7	35.4	32.0	26.8	23.5	20.7

Source: BofA Global Research

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Yield forecasts

Exhibit 188: Government bond yield and swap rate forecasts
Developed markets

		Jun-23	Sep-23	Dec-23	Mar-24	Dec-24
Bond yields						
US	O/N SOFR	5.06	5.06	5.07	4.82	3.32
	2y	4.00	3.75	3.50	3.25	2.75
	5y	3.60	3.45	3.40	3.25	3.00
	10y	3.50	3.35	3.25	3.25	3.25
	30y	3.70	3.55	3.40	3.40	3.50
Germany	3m Euribor	3.90	4.10	4.10	4.10	3.40
	2y	2.75	2.85	2.80	2.65	2.00
	5y	2.40	2.30	2.10	2.05	2.00
	10y	2.45	2.30	2.20	2.20	2.25
	30y	2.55	2.45	2.45	2.45	2.50
Japan	3m TORF	-0.03	-0.03	-0.03	-0.03	0.02
	2yr	0.20	0.20	0.20	0.15	0.30
	5yr	0.50	0.50	0.50	0.40	0.50
	10yr	0.80	0.80	0.80	0.70	0.75
	30yr	1.55	1.55	1.55	1.40	1.35
UK	Bank Rate	4.50	4.50	4.25	4.00	4.00
	2yr	3.75	3.90	4.05	4.00	4.00
	5yr	3.75	4.00	4.00	4.00	4.00
	10yr	4.00	4.00	4.00	4.00	4.00
	30yr	4.00	4.00	4.00	4.00	4.00
Canada	2yr	3.10	2.90	2.70	2.60	2.40
	5yr	2.60	2.50	2.40	2.40	2.40
	10yr	2.70	2.70	2.70	2.70	2.70
Australia	3m BBSW	3.70	3.70	3.70	3.70	3.70
	2y	3.00	2.75	2.50	2.50	2.25
	5y	3.10	2.85	2.60	2.60	2.50
	10y	3.25	3.00	3.00	3.00	2.75
Swap rates		**Jun-23**	**Sep-23**	**Dec-23**	**Mar-24**	**Dec-24**
US	2y	4.05	3.80	3.45	3.20	2.75
	5y	3.45	3.35	3.30	3.15	2.90
	10y	3.25	3.15	3.05	3.05	3.05
Germany	2y	3.45	3.55	3.50	3.30	2.50
	5y	3.10	2.95	2.75	2.65	2.40
	10y	3.10	2.90	2.75	2.70	2.65
Japan	2y	0.30	0.30	0.30	0.20	0.35
	5y	0.60	0.60	0.60	0.50	0.65
	10y	1.00	1.00	1.00	0.90	1.00
UK	2y	4.25	4.15	4.05	4.00	4.00
	5y	4.00	4.00	4.00	4.00	4.00
	10y	3.75	3.75	3.75	3.75	3.75
Canada	2y	3.60	3.40	3.20	3.10	2.90
	5y	2.90	2.80	2.70	2.70	2.70
	10y	3.10	3.10	3.10	3.10	3.10
Australia	3y	3.35	3.05	2.80	2.80	2.50
	10y	3.65	3.40	3.35	3.35	3.05

Source: BofA Global Research

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Global FX Forecasts

Exhibit 189: G10 FX Forecasts

Our end-year EUR-USD forecast is 1.10

	Spot	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
G3								
EUR-USD	1.10	1.05	1.07	1.10	1.10	1.10	1.15	1.15
USD-JPY	134	135	138	137	135	132	125	125
EUR-JPY	147	142	148	151	149	145	144	144
Dollar Bloc								
USD-CAD	1.36	1.34	1.30	1.28	1.25	1.25	1.25	1.25
AUD-USD	0.66	0.68	0.72	0.74	0.76	0.76	0.76	0.76
NZD-USD	0.61	0.62	0.64	0.66	0.67	0.67	0.67	0.67
Europe								
EUR-GBP	0.89	0.89	0.90	0.91	0.91	0.91	0.91	0.91
GBP-USD	1.24	1.18	1.19	1.21	1.21	1.21	1.26	1.26
EUR-CHF	0.98	0.98	0.98	0.98	0.99	0.99	1.00	1.00
USD-CHF	0.89	0.93	0.92	0.89	0.90	0.90	0.87	0.87
EUR-SEK	11.31	11.40	11.50	11.00	10.70	10.60	10.50	10.30
USD-SEK	10.30	10.86	10.75	10.00	9.73	9.64	9.13	8.96
EUR-NOK	11.70	11.20	10.90	10.60	10.40	10.40	10.20	10.00
USD-NOK	10.66	10.67	10.19	9.64	9.45	9.45	8.87	8.70

Forecast as of Apr-25-2023. Spot exchange rate as of Apr-25-2023. The left of the currency pair is the denominator of the exchange rate. **Source:** BofA Global Research

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Exhibit 190: EM FX Forecasts

Our end-year USD-CNY forecast is 6.70

	Spot	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Latin America								
USD-BRL	5.07	5.00	5.05	5.10	5.13	5.15	5.18	5.20
USD-MXN	18.08	18.50	19.00	19.50	19.90	20.30	20.60	21.00
USD-CLP	816	800	805	810	815	820	825	830
USD-COP	4,495	4,550	4,650	4,750	4,800	4,850	4,900	4,950
USD-ARS	221	256	314	485	570	669	786	923
USD-PEN	3.76	3.78	3.80	3.82	3.84	3.86	3.88	3.90
Emerging Europe								
EUR-PLN	4.60	4.70	4.63	4.55	4.51	4.48	4.44	4.40
EUR-HUF	377	385	378	370	368	365	363	360
EUR-CZK	23.50	24.00	23.80	23.50	23.40	23.30	23.20	23.00
USD-RUB	81.67	70.00	73.00	75.00	76.00	77.00	78.00	80.00
USD-ZAR	18.39	18.20	17.50	16.50	16.30	16.50	16.70	17.00
USD-TRY	19.42	24.00	23.00	24.00	25.00	26.00	27.00	28.00
EUR-RON	4.94	4.97	4.98	5.00	5.05	5.10	5.15	5.20
USD-EGP	30.90	31.00	31.50	32.50	33.00	34.10	34.10	34.10
USD-ILS	3.64	3.65	3.60	3.55	3.50	3.45	3.40	3.30
USD-AED	3.67	3.68	3.68	3.67	3.67	3.67	3.67	3.67
USD-KWD	0.31	0.28	0.28	0.28	0.28	0.28	0.28	0.28
USD-SAR	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
USD-QAR	3.65	3.64	3.64	3.64	3.64	3.64	3.64	3.64
Asian Bloc								
USD-KRW	1,332	1,270	1,245	1,210	1,180	1,150	1,120	1,090
USD-TWD	30.73	30.25	29.95	29.50	29.20	28.80	28.50	28.10
USD-SGD	1.34	1.31	1.30	1.29	1.29	1.28	1.28	1.27
USD-THB	34.43	33.00	32.00	31.00	31.00	30.50	30.50	30.00
USD-HKD	7.85	7.85	7.85	7.85	7.83	7.80	7.75	7.75
USD-CNY	6.93	6.80	6.75	6.70	6.60	6.50	6.50	6.40
USD-IDR	14939	15,000	14,900	14,800	14,800	14,700	14,700	14,600
USD-PHP	55.54	55.00	56.00	55.00	55.00	54.50	54.50	54.00
USD-MYR	4.45	4.36	4.32	4.28	4.26	4.24	4.22	4.20
USD-INR	81.92	81.50	81.00	80.00	79.50	79.50	79.00	79.00

Forecast as of Apr-25-2023. Spot exchange rate as of Apr-25-2023. The left of the currency pair is the denominator of the exchange rate. **Source:** BofA Global Research

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Commodities forecasts

Exhibit 191: BofA Commodity Price Forecasts
(period averages)

	units	1Q23F	2Q23F	3Q23F	4Q23F	2023F	2024F
WTI Crude Oil	($/bbl)	76.00	80.00	84.00	88.00	82.00	84.00
Brent Crude Oil	($/bbl)	82.00	86.00	90.00	94.00	88.00	90.00
US NY Harbor ULSD (HO) Cracks to Brent Crude Oil	($/bbl)	40.62	24.00	20.00	18.00	25.66	18.00
US RBOB Cracks to Brent Crude Oil	($/bbl)	23.13	28.00	20.00	10.00	20.28	12.00
NWE Low Sulphur Gasoil Cracks to Brent Crude Oil	($/bbl)	31.30	16.00	12.00	10.00	17.34	10.00
NWE Eurobob Cracks to Brent Crude Oil	($/bbl)	15.00	18.00	12.00	2.00	11.75	2.25
NWE 1% Residual Cracks to Brent Crude Oil	($/bbl)	-13.40	-10.00	-7.00	-6.00	-9.10	-5.00
NWE 0.5% Residual Cracks to Brent Crude Oil	($/bbl)	2.50	0.00	2.00	2.00	1.62	2.00
NWE 3.5% Residual Cracks to Brent Crude Oil	($/bbl)	-23.20	-13.00	-12.00	-11.00	-14.79	-10.00
US Natural Gas	($/MMBtu)	2.65	2.25	2.75	3.25	2.73	4.00
Thermal coal, Newcastle FOB	($/t)	256	177	179	184	199	160
Aluminium	$/t	2,445	2,450	2,750	3,000	2,661	3,500
Copper	$/t	8,956	9,250	9,500	10,000	9,427	9,875
Lead	$/t	2,131	2,200	2,050	2,050	2,108	2,000
Nickel	$/t	26,389	24,000	22,500	20,000	23,222	21,250
Zinc	$/t	3,122	3,000	2,750	2,750	2,905	2,500
Gold	$/oz	1885	1950	2000	2200	2009	2061
Silver	$/oz	22	23	25	28	25	26
Platinum	$/oz	996	1,000	1,250	1,500	1,186	1,632
Palladium	$/oz	1,578	1,500	1,500	1,500	1,520	1,632

Source: BofA Global Research estimates

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