Emerging Markets

Country Risk Analytics

MacroFinance Research

Quarterly - 2023Q3

TAC ECONOMICS
www.taceconomics.com

Document completed on July 4 2023.

Table of Contents

Global Views on Emerging Markets

Key Messages

- Overall economic performances of Emerging Markets (EM) were favorable in the first half of 2023, with GDP growth accelerating and inflation receding. Household consumption has been a primary driver of growth, supported by declining inflation, post-Covid catch-up, and strong credit expansion. Cyclical performances across EM remained, however, highly heterogenous.

- For 2023H2 and 2024, the combination of ambivalent international background, China's differentiated pull-effect, persistent catch-up process, and mild disinflationary / monetary easing creates the conditions for relative steadiness in development trajectory: "average, not too low, not very high" speed for GDP growth, with a snag expected for the next two quarters before a progressive and more synchronized acceleration in 2024H2. Measured for the 10 Key EM, GDP growth would be 4.4% in 2023 (1.1 percentage point higher than 2022) and 4.8% in 2024. Because of the peculiar Chinese cycle, the performance for all EM would be more stable, around 4% for all three years 2022 to 2024.

- Inflation will decline further, especially for larger EM, but monetary policies would ease modestly and with time-lags. Monetary prudence and positive growth-differential with mature economies create buffers for EM exchange rates. Our quantitative models on the 10 Key EM point to exchange rate appreciation during 2023H2 (except for China, Russia and Turkey) before a broad stabilization in most of 2024.

- The "steady scenario" for the aggregate group of Emerging Markets is accompanied by a persistent increase in our global country-risk premium, which reflects the lagged impact on risk materialization of mediocre macro performances, on average, since 2019, coupled with increasing debt burdens and political challenges, and a more risk-averse global environment. The unweighted average (across 100 EM) of our Country-Risk Premium has reached 560 basis points (bp) in 2023Q1, the highest level since 2009Q3. The increase in Economic & Financial Risks is more pronounced for the "intermediate" group of EM, the Next40, with a trend-deterioration for Payment risk and to a lesser extent Exchange Rate risk.

- In parallel, we highlight three key negative risks to the scenario, concentrated on geopolitics, climate-related developments, and potential financial stress in the US, Eurozone or China.

GDP Growth and Inflation in 10 Key EM
y/y, %

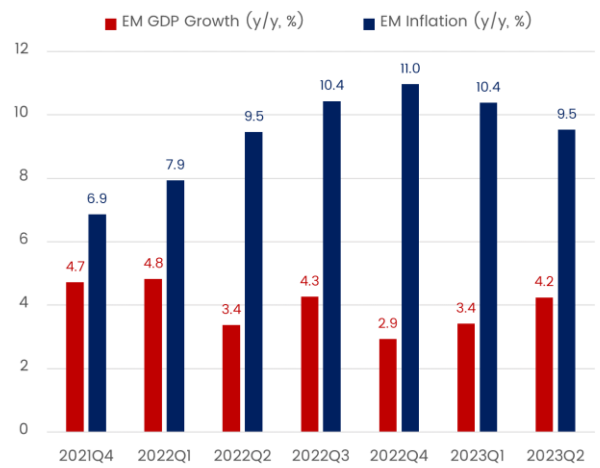
	GDP Growth					Inflation				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Brazil	-3.3	5.0	2.9	**1.8**	**2.1**	3.2	8.3	9.3	**4.9**	**4.7**
China	2.2	8.1	3.0	**5.8**	**6.0**	2.5	0.9	2.0	**1.3**	**2.4**
India (FY)	-5.8	9.1	7.2	**6.7**	**5.7**	6.2	5.5	6.7	**5.4**	**4.9**
Indonesia	-2.1	3.7	5.3	**4.9**	**4.7**	2.0	1.6	4.2	**4.0**	**3.4**
South Korea	-0.7	4.1	2.6	**1.2**	**2.3**	0.5	2.5	5.1	**3.2**	**2.0**
Mexico	-8.0	4.7	3.0	**2.0**	**1.5**	3.4	5.7	7.9	**5.9**	**4.3**
Poland	-2.0	6.8	4.9	**1.1**	**2.5**	3.4	5.1	14.4	**12.5**	**5.9**
Russia	-2.7	5.6	-2.1	**-0.6**	**1.0**	4.9	8.4	11.9	**5.0**	**4.7**
South Africa	-6.2	4.8	1.9	**0.5**	**1.4**	3.3	4.6	6.9	**6.3**	**5.1**
Turkey	1.9	11.4	5.6	**1.9**	**2.0**	12.3	19.6	72.3	**42.4**	**22.5**
10 Key EM (GDP weighted)	-0.7	7.5	3.2	**4.5**	**4.7**	3.3	3.2	6.5	**4.0**	**3.7**

FY: Fiscal Year - Sources: Datastream, TAC ECONOMICS

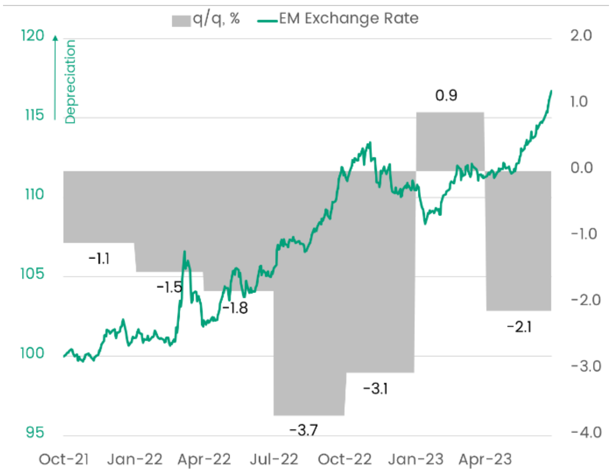
1. Overall EM economic performances remained favorable in 2023H1

Much in line with our previous views, EM taken as a whole have seen a favorable first half of the year: as shown below, aggregate EM GDP growth hit a trough in 2022Q4 (+2.9% y/y) before accelerating to +3.4% in 2023Q1 and an estimated +4.2% in Q2, while simultaneously price pressures started to recede (+11% y/y in 2022Q4for aggregate CPI to +9.5% in 2023Q2). Despite the continuous tightening in monetary policies and bouts of financial tensions in mature economies, capital flows to EM were somewhat resilient, with an average EM exchange rate index depreciating by only 1.2% over 2023H1, compared to the 11% depreciation registered between February and October 2022.

Emerging Markets GDP and Inflation performances 2021Q4 to 2023Q2
% y/y, 2023Q2: estimates



Emerging Markets Exchange Rate against USD
Overall Index and quarter-on-quarter changes in %

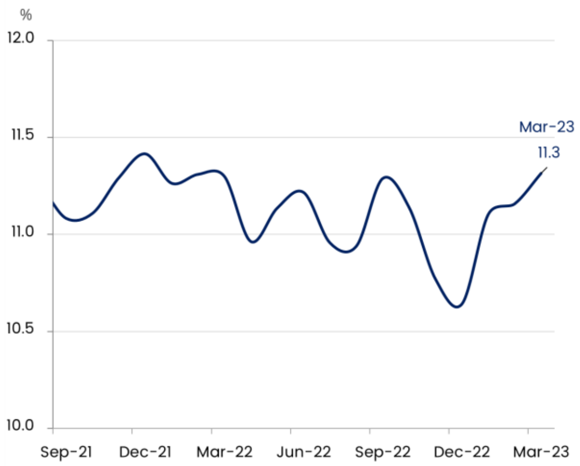


Sources: Datastream, TAC ECONOMICS

During the past few months, EM growth was primarily driven by household consumption, as declining inflation reduced cuts in purchasing power, post-Covid catch-up processes continued, and credit expansion remained strong despite the previous period of overall monetary tightening, as employment and income growth were solid.

Emerging Markets Retail Sales
% y/y, 10 Key EM weighted by GDP

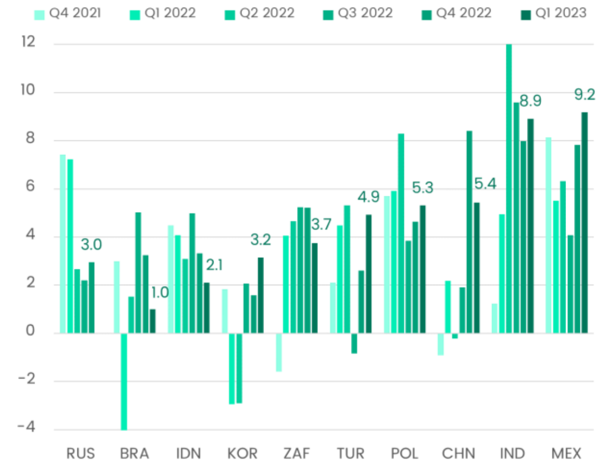
Emerging Markets Credits to private sector
% y/y, 10 Key EM weighted by GDP



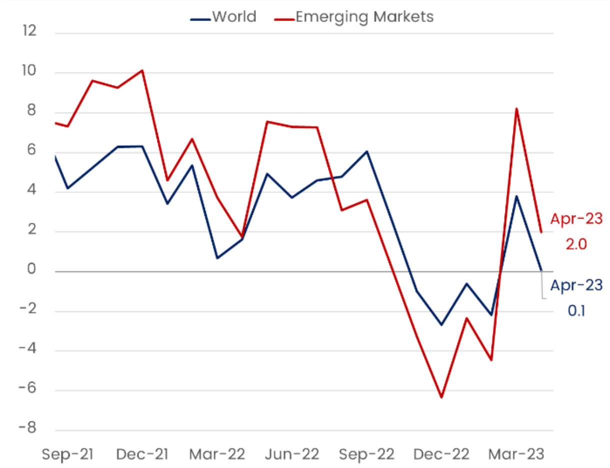
Sources: Datastream, TAC ECONOMICS

Household demand was accompanied by more ambiguous cyclical drivers, as total investment spending remained weak or slowed in 2023Q1, while international trade traction registered very irregular impulses from both China and mature economies.

Investment spending in 10 Key Emerging Markets
% y/y



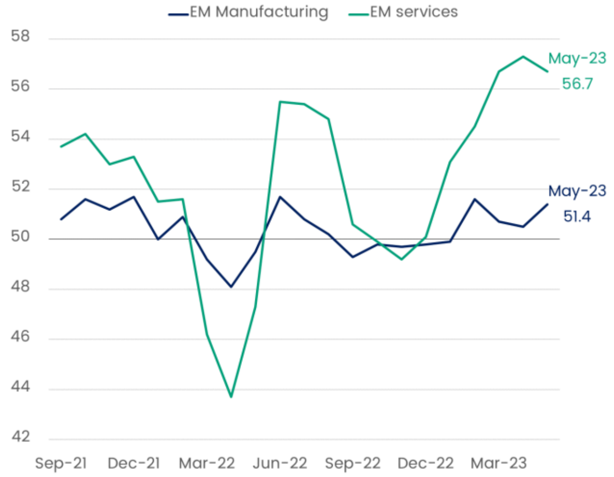
International trade: volume of exports,
% y/y, Emerging Markets and total world



Sources: Datastream, TAC ECONOMICS, CPB

From a supply-side perspective, these developments have induced a gap between service sectors, pulled up by strong Covid-related adjustment, notably in China, and manufacturing activity, for which both catch-up processes are lower and international traction is more important. As a result, improvement in industrial production has been less visible than for overall GDP.

Emerging Markets PMI, services and manufacturing



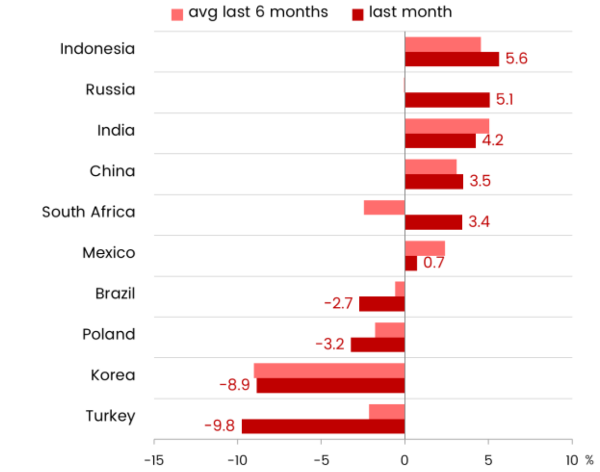
Emerging Markets Industrial production
% y/y

Sources: Datastream, TAC ECONOMICS, CPB

Even more than usually, this broad performance of EM at aggregate level conceals considerable differences across regions and individual countries. Even when focusing only on our core group of 10 Key EM (accounting for 70% of total EM GDP), we include here such idiosyncratic situations like Russia, Turkey, or China… when looking at the dynamic of industrial production to illustrate the differences in cyclical performances: only 3 out of the 10 countries have positive readings for both last month and a 6-month average, with 2 accelerating (Indonesia and China) and one decelerating (India); at the other end of the spectrum, 4 countries show contraction in industrial production for both last month and 6-month averages, among which one only modestly improves (South Korea) and the other 3 deteriorate sharply (Turkey, Poland, Brazil to a lesser extent). A broader view of country differentiation is given by the very large dispersion of (latest available) positions of 100 EM in our Cyclical Balance, where the horizontal axis assesses the inflation dynamics (*monetary pressure* index), and the vertical axis the domestic demand dynamics (*real economic pressure*). A large majority of countries (77 out 100) show a disinflationary *monetary pressure* index, but the spread is almost even when looking at the *real economic pressure* (42 countries with positive momentum, 58 with neutral or negative).

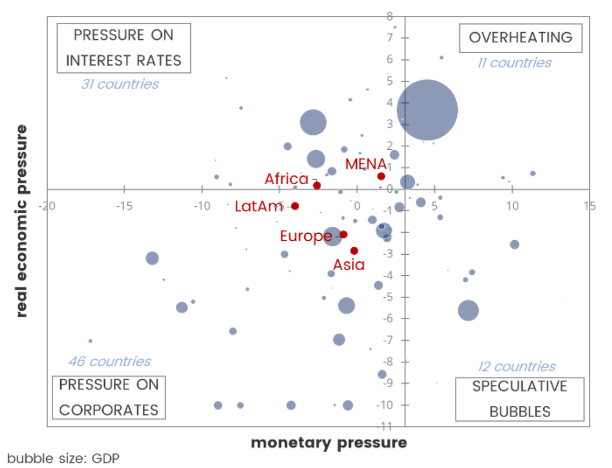
Industrial production for 10 Key EM

% y/y, latest available month and 6-month average



Emerging Markets Cyclical Balance

Latest positions by country and regional average position



Sources: Datastream, TAC ECONOMICS

2. Steady cyclical perspectives amidst persistent global uncertainties

Exogenous factors paint an ambivalent support for EM development

Our global scenario for mature economies calls for economic softness over the next few quarters with modest but persistent time lags between the US (earlier for reducing inflation, later for GDP trough, stronger for recovery in 2024H2) and the Eurozone (stickier inflation, lower-for-longer GDP growth). Combined with so-called reshoring investment and state-sponsored industrial strategies in many countries, this will weigh down on the international trade driver for EM. Simultaneously, however, our projection of above-trend GDP growth in China in both 2023 and 2024 will translate into some pull-factor, particularly for commodities producers and Asian countries closely inserted in regional and global supply chains involving Chinese activity.

In parallel, we expect oil / energy prices to hover around current levels for most of the six quarters ahead (around 75-80$/bl), with likely bouts of volatility (see box below). Our models for the other broad categories of commodities suggest a progressive return to stability for metals after the large decline registered since 2022Q2, and positive average price increases for food commodities: our projections put average (industrial) metal prices around 3% below their May 2023 level at the end of 2024, while food commodity prices would be 15% higher than last May. The difference between metals and agricultural products can be related to (1) the lower industrial / manufacturing component of the current economic cycle, and (2) the growing pressure of climate change on yields and production.

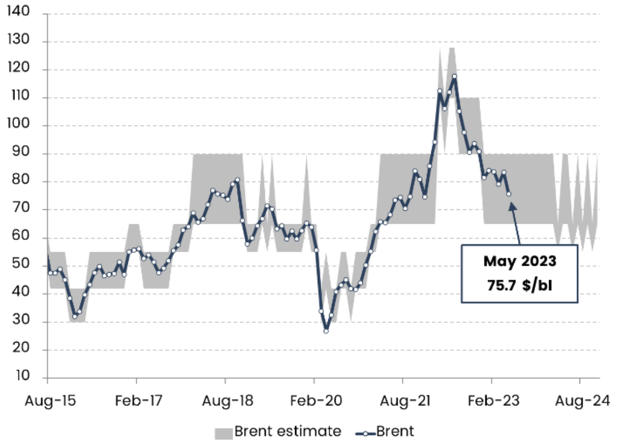
Overall, expected trends in commodity prices would create a fairly balanced equilibrium, providing (EM) exporters with decent external and fiscal revenues while preventing another hike in inflationary pressures. The political implications of more permanently rising food prices would however need to be monitored, especially in politically weak or vulnerable countries.

Finally, monetary policy tightening in mature economies is expected to stop by the end of the year, before a range of plateauing / declining policy rates in 2024, though most often at a progressive pace and with persistent volatility in financial markets.

Box: Projecting oil prices up to December 2024

We start our projection exercise by running our Datamining Model, one that ignores announcements or assumptions related to politically-driven or oligopolistic behaviors, but that identifies complex patterns of indicators over time able to provide likely ranges of values for the next 18 months. The latest outputs suggest that Brent prices would remain in a fairly large range of 65-90$/bl, but with frequent short-lived drops in the lower range (55-65$/bl), up to the end of 2024.

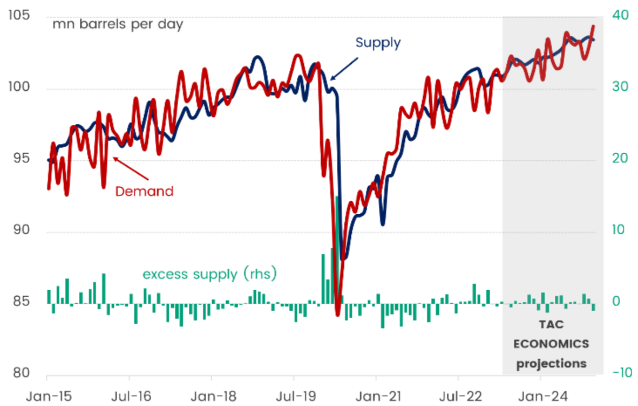
Outputs of TAC ECONOMICS Datamining Model on Brent Prices



Source: TAC ECONOMICS

In parallel, we use an econometric equation where prices are related to global supply/demand balance and inventory dynamics. We have injected here the June 2023 decision by OPEC+ / Saudi Arabia to reduce production by around 1mbd, which we conservatively expect to last up to December 2024 with continuous discipline (i.e. OPEC production in Dec.24 would still be 1mbd below the level of April 2023).

TAC ECONOMICS scenarios for global oil demand and supply

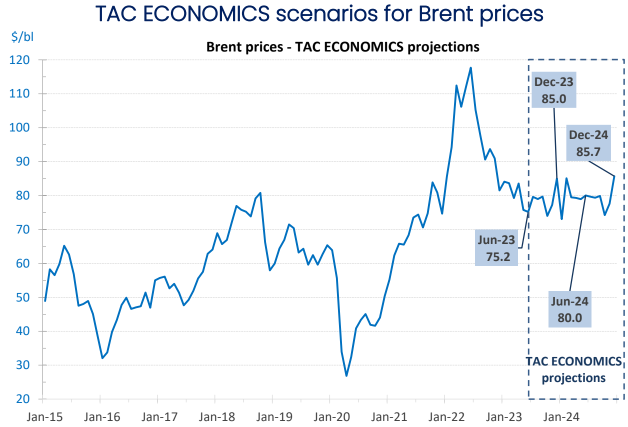


Sources: TAC ECONOMICS, EIA

We have adjusted demand to incorporate cyclical softness for the next 12 months in mature economies and our scenario for solid Chinese growth, also incorporating the (visible) impact of the switch to electric mobility. Finally, we kept unchanged the latest EIA projections for US production (expected to be 1mbd higher than today by the end of 2024) as well as non-US / non-OPEC supply, and non-OECD / non-China demand. As seen below, the market would remain broadly balanced for the next 18 months, with occasional discrepancies likely to induce short-lived movements in prices.

Overall, we have kept most of the results from the econometric model, which recognizes that reduction in supply is merely compensating for the extra softness in demand, probably well into 2024, but that the balance can be temporarily tipped off. Brent prices would hover around 75$/bl (71.6$/bl on June 28, 2023) with occasional spikes close to 85-90$/bl and drops to 70$/bl. Looking at annual average prices, 2024 will be equivalent to 2023 around 79$/bl, 20$ below the average price in 2022.

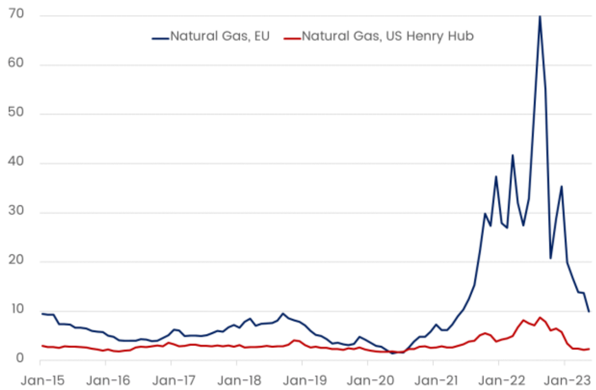
TAC ECONOMICS scenarios for Brent prices



Sources: TAC ECONOMICS

In parallel, our view on gas prices is that the very sharp downward reversal observed since the end of 2022 is unlikely to be reverted before a more synchronized economic recovery worldwide takes hold, in the second half of 2024. The impact of the war in Ukraine has finally been a very large reshuffle of supply structure worldwide with new producers strongly pulled by the "emergency" demand from Europe. Production capacities as well as inventories are large., and demand growth would be contained by low industrial traction in the short-term

Natural Gas Prices, US and EU, USD/MMBTU



Sources: TAC ECONOMICS, Datastream

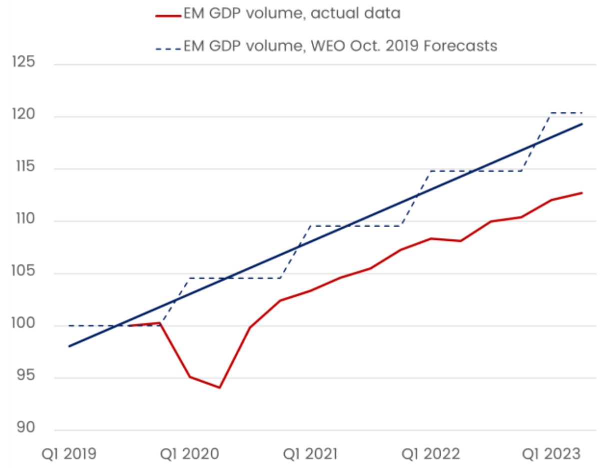
Post-Covid effects: China's recovery, persistent gap with pre-Covid trajectories

Most EM did not register the sharp post-Covid recovery that characterized the very unusual cyclical profile in mature economies. Either "supportive policies" were not as large (Latin America, Africa) or health policies took longer to remove constraints on movements of persons (China and parts of Asia), but the bottom line is that aggregate GDP level in EM has not caught-up on the expected trajectory prior to the pandemic. Though it is now likely that the gap will not be closed any time soon, it still reflects a persistent supportive or catch-up factor behind aggregate demand, around +5% for aggregate pent-up GDP growth for overall EM.

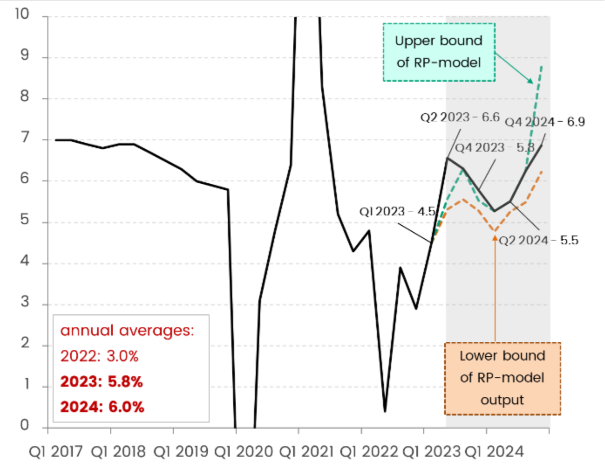
This is particularly true for China, as the strict zero-Covid policy implemented until early 2023 created successive shocks for demand and production during 2022. Though it is clear that China faces a number of substantial headwinds, both structural (demographics, excess leverage, access to technology…) and cyclical dynamics (low household confidence, aggregate public debt, weaker monetary transmission), recent data (retail sales, PMI indexes, overall financing, exports…),our quantitative modeling of China's GDP growth and the qualitative assessment of post-constraints rebounds in China continue to support our view of a visible recovery under way, though unfolding with an irregular path. Overall, we still see GDP growth at +5.8% in 2023 and +6.0% in 2024, although we recognize that we have kept the upper range of the models 'outputs to which was added a specific post-zero-Covid recovery.

As China accounts for almost half of total EM GDP and has substantial pull factors in terms of trade (with a time lag as the recovery is so far primarily driven by services), this scenario is clearly a favorable factor for the overall EM picture this year and next one.

Post-Covid catch-up: actual GDP vs 2019 IMF outlook
Base 100 in 2019 for WEO data and 2019Q3 for actual data



China GDP: TAC ECONOMICS projections up to 2024Q4
% y/y



Sources: Datastream, IMF/WEO, TAC ECONOMICS

EM central cyclical scenario: short-term sag in activity before modest uptick in 2024 with slowly declining inflation

In a background of large uncertainties and qualitative discussions regarding the outlook for EM, we have improved our quantitative analysis by using so-called Heatmaps on aggregate EM cyclical dynamics. The key outputs of such quantitative reading can be summarized as…

- The closest pattern to current one is found a couple of quarters after the global financial crisis end-2008, with a reversal in price pressures and initial signs of better economic activity, despite unclear dynamics in international trade;
- The main differences between the two periods (now versus mid-2009) are seen in financial market indicators (earlier improvement in 2009, still hesitant as of April 2023) and interest rates (much tighter monetary policies now than in 2009). We interpret the difference in monetary policies as a direct reflection of higher inflation and a relative brake on the speed of economic activity;
- A likely scenario should therefore be constructed around short-term hesitancy for economic growth associated with stronger underlying recovery forces, in line with our

expectations of declining inflation and modest monetary easing over next 6 quarters, and the likely increase in international trade traction next year.

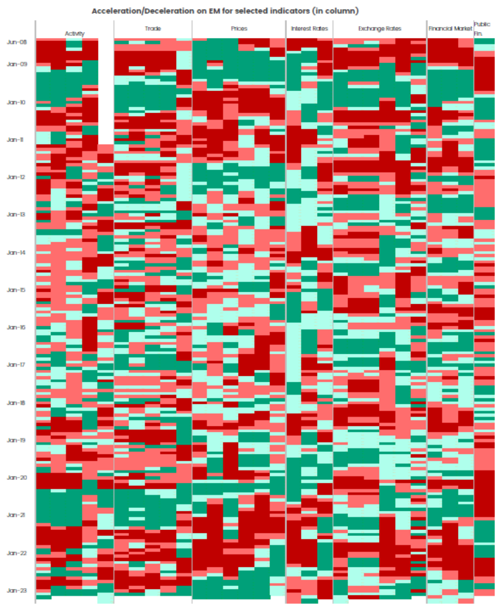
Box: EM Cyclical Heatmap

The EM Cyclical Heatmap is constructed as a color matrix where columns are cyclical indicators (grouped by cyclical themes, from left to right: activity, trade, prices, interest rates, exchange rates, financial markets, and public finance) and rows are time-points on a monthly basis. Colors are defined by second-order derivative (i.e. acceleration or deceleration) for each indicator, from dark green (strong improvement from a cyclical perspective) to dark red (strong deterioration).

The visual representation of cyclical dynamics with such Heatmaps allows searching for similarities over time, and from there, inferring a scenario for the following time-sequence while highlighting the potential differences between two analogous periods.

The image below is the aggregate Heatmap from June 2008 to April 2023.

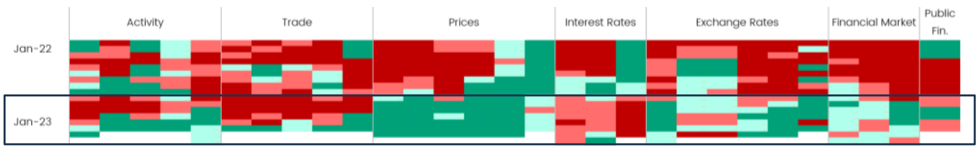
Heat Map – Overall trends on EM



The two images below are for the GFC / post-GFC period 2008-2010 and for the current period up to April 2023:

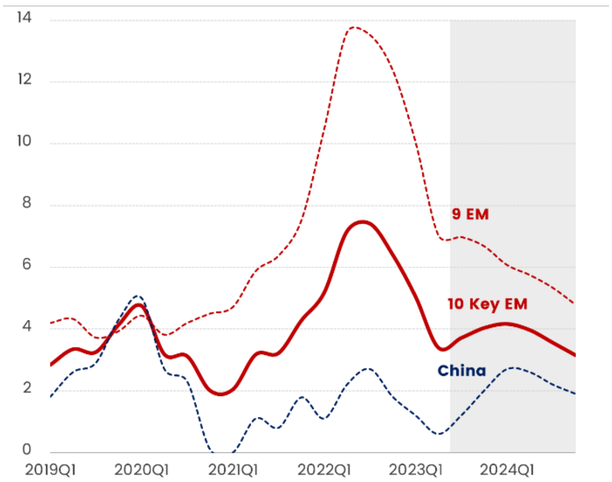
GFC and post-GFC:

Jan.2022 to Apr.2023:

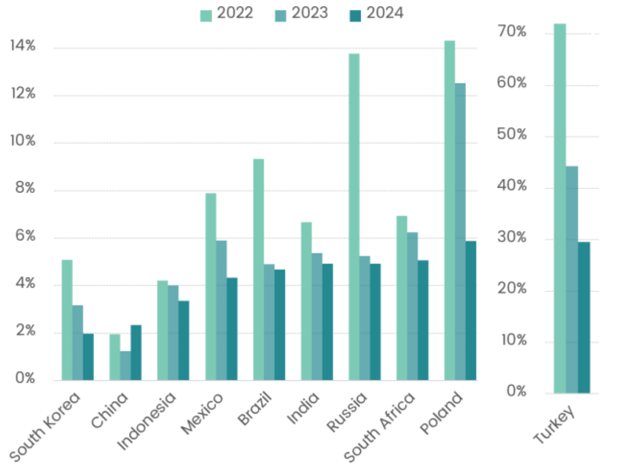


Our assumption for declining inflation is critical in the scenario. It is based on the combination of recent price dynamics (visible reversal in both consumer and producer price indexes, CPI and PPI), of our projections for stable oil prices and lower global energy costs, of the time-logic suggested by the heatmap, and of the lagged effect of past monetary tightening.

TAC ECONOMICS projection for CPI inflation, 10 Key EM
% y/y, weighted by GDP



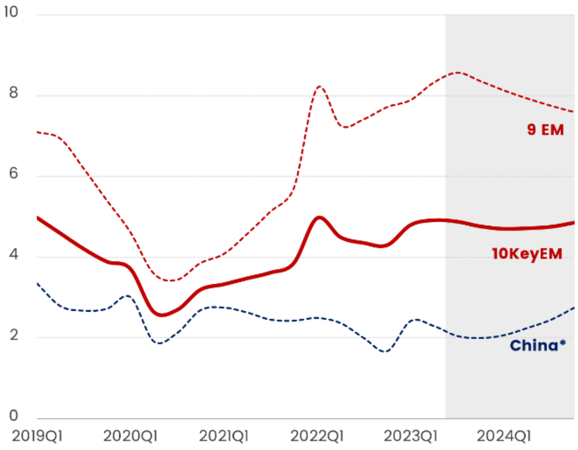
TAC ECONOMICS inflation outlook by country, 10 Key EM
% y/y



Sources: Datastream, TAC ECONOMICS

Inflation will remain nonetheless above pre-crises level (measured as the average 2010-2019) in the majority of EM until 2025. The credibility of central banks will be tested again as inflation stickiness prevents more proactive monetary support to economic activity while political and social demands for acceleration will grow louder. Our tools suggest a very progressive decline in policy rates (in our 10 Key EM), thus precluding a rapid acceleration in activity.

TAC ECONOMICS projection for policy rates, 10 Key EM
%, weighted by GDP



*Shibor 3m

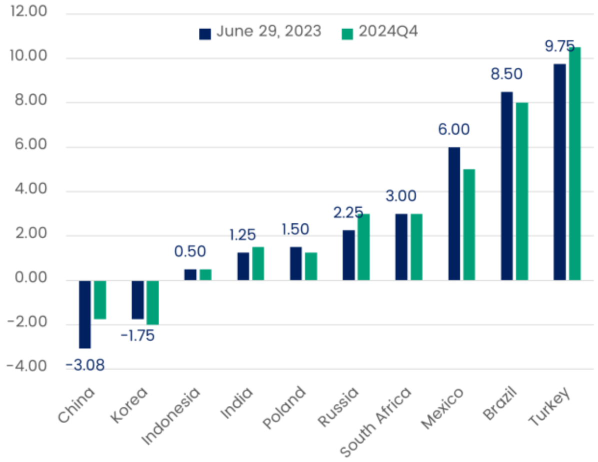
Monetary policy stance in each of the 10 Key EM

	Inflation				Policy Rate	Last Policy Change	Next Policy Meeting	Policy Rate Outlook 2023H2/2024
	2022	2023 (f)	2024 (f)	Target				
Brazil	9.3%	4.9%	4.7%	3.25% ±1.5%	13.75%	Tightening (+0.50, Aug. 2022)	August 2	Easing / Easing
China	2.0%	1.3%	2.4%	3.0%	3.55%	Easing (-0.10, Jun. 2023)		Easing / Tightening
India	6.7%	5.4%	4.9%	4.0% ±2%	6.5%	Tightening (+0.25, Feb. 2023)	August 10	Easing / Stable
Indonesia	4.2%	4.0%	3.4%	3.0% ±1%	5.75%	Tightening (+0.25, Jan. 2023)	July 25	Easing / Easing
South Korea	5.1%	3.2%	2.0%	2.0%	3.50%	Tightening (+0.25, Jan. 2023)	July 13	Easing / Easing
Mexico	7.9%	5.9%	4.3%	3.0%	11.25%	Tightening (+0.25, March 2023)	August 10	Stable / Easing
Poland	14.3%	12.5%	5.9%	2.5% ±1%	6.75%	Tightening (+0.25, Sept. 2022)	July 6	Stable / Easing
Russia	13.8%	5.3%	4.9%	4.0%	7.50%	Easing (-0.50, Sept. 2022)	July 21	Stable / Stable
South Africa	6.9%	6.3%	5.1%	3-6%	8.25%	Tightening (+0.50, May 2023)	July 20	Tightening / Easing
Turkey	72.0%	42.4%	22.5%	5.0%	15%	Tightening (+6.50, June 2023)	July 20	Tightening / Easing

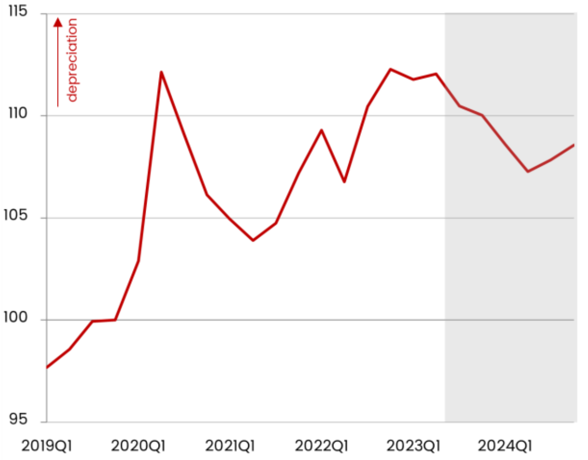
Sources: Datastream, TAC ECONOMICS

From a financial perspective, the outlook reflects a fragile balance: on one side, higher-for-longer interest rates in mature economies, instability of risk aversion / risk appetite for EM assets from international investors, volatility / tensions in banking and financial systems in the US / Eurozone are clear constraints or risk factors; but conversely, the substantial gap in growth dynamics should attract capital into EM, and domestic monetary policies will maintain a large differential in interest rates with the US (so-called carry, see left-hand chart below). In this context, our quantitative models suggest a limited appreciation during 2023H2 (concentrated on currencies excluding China, Russia and Turkey) before a broad stabilization in most of 2024.

Projected Changes in "carry" for the 10Key EM
Differences in policy rates vs Fed Funds, June 2023 and Dec. 2024 (TAC ECONOMICS projections)



TAC ECONOMICS projection for average exchange rate
Index base 100 in 2019Q4, USD against a weighted basket of the 9 key currencies * (10 Key EM excl. Turkey**)



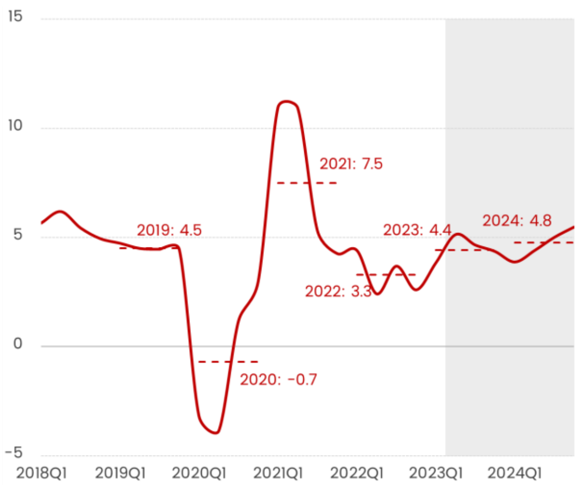
** BRL, CNY, INR, IDR, KRW, MXN, PLN, RUB and ZAR.*
*** TRY is expected to depreciate by 36% against USD between June 2023 and December 2024.*

Sources: Datastream, TAC ECONOMICS

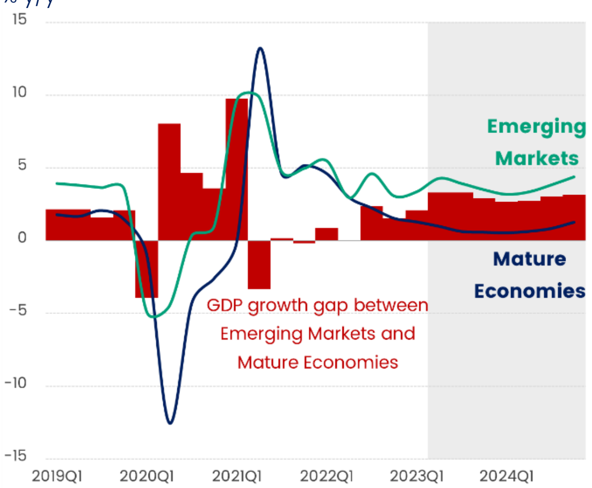
The combination of ambivalent international background, China's differentiated pull-effect, persistent catch-up process and mild disinflationary / monetary easing creates the conditions for relative steadiness in development trajectory, though at an "average / not so strong" speed. A snag is expected for the next two quarters as mature economies slow further before a progressive and more synchronized acceleration in 2024H2.

Measured for the 10 Key EM, GDP growth would be an average 4.4% in 2023 (1.1 percentage point higher than 2022) and 4.8% in 2024, pretty much in line with 2018-2019 performances. Because of the peculiar Chinese cycle, the performance for all EM would be more stable, around 4% for all three years 2022 to 2024.

TAC ECONOMICS projection for GDP growth, 10 Key EM
% y/y, weighted by GDP



TAC ECONOMICS projection for overall EM GDP and gap with mature economies
% y/y



Sources: Datastream, TAC ECONOMICS

Key challenges and uncertainties: geopolitics, climate-related, financial stress and / or acute recession in the US, Eurozone or China

As always, our central scenario is conditioned by an absence of what now call the *Expected But Unpredictable* (EBU) events, i.e. developments that our qualitative / causal analysis indicates as likely or highly likely to occur, but for which we do not have a sufficient statistical material to get a clear view on timing (when such event can occur), on magnitude or severity, and on precise location and therefore unfolding of consequences[1]. Such EBU events are particularly relevant in the field of climate-related changes and geopolitical developments.

Geopolitics

The long-term process of a changing global world order is in full swing now: the persistent but ambiguous strategic tensions between the US and China (with implications on corporate and financial strategies for global companies) is accompanied by the rise of what we call "second-order powers" aiming at seizing regional influence in the midst of super-powers' rivalry. The noisiest second-order power today is undoubtfully Russia, but we see potential risks related to Turkey's ambitions, as well to India and her sphere of influence (South and Western Asia). There are also underlying economic or financial risks with what the geopolitical changes imply in "changing alliances" (e.g. the developing relations of Saudi Arabia with China and the inter-related Iran-Saudi Arabia relationship).

In Russia, the recent events of military mutiny from the Wagner militia that unfolded since end of June are unlikely to be forgotten soon and their impact is yet to be fully assessed. Our analysis and discussions suggest that...

(1) The increasingly autocratic power of President Putin has clearly been defied, and his ability to play different state / military / intelligence Institutions one against the other(s) to keep his grasp on power is now becoming a liability. The mutiny has probably opened the eyes of other components of the military-intelligence nexus on both their capabilities vis-à-vis Putin's powers and the risk of being sidelined overnight. Experts and Russia observers are still debating on whether some elements of the regular army were either supporting Wagner's initiative or at least accepting it (including deputy commander of the joint grouping of forces in Ukraine Army General Sergei Surovikin, who was reportedly arrested on June 28). The medium-term plausibility of forced regime change has mechanically increased, creating another layer of thick uncertainty.

(2) "Beware the wounded bear" slogan becomes more valid today. The weakening of Putin's power cannot lead to endogenous adjustment in politics. As mentioned in a recent article published by Foreign Affairs, "*once leaders grow to rely on repression, they become reluctant to exercise restraint for fear that doing so could suggest weakness and embolden their critics and challengers. If anything, Putin is moving Russia more and more toward totalitarianism as he attempts to mobilize Russian society in support of not just his war on Ukraine but also his antipathy to the West*." Therefore, we should therefore not expect significant domestic changes as long as President Putin is in office, and we should see a renewed war effort in Ukraine to bolster both Putin's popularity and diverting attention to international issues. The conflict in Ukraine would therefore remain entrenched, with Ukrainian counteroffensive probably meeting very strong resistance from Russia, and the likelihood of further destruction of Ukrainian communication and energy infrastructures, the continuation of indiscriminate long-range bombing, and possibly a couple of "dirty warfare" operations aiming at Western nations. We acknowledge nonetheless that scenarios of (violent?) regime change in Russia or immediate Ukrainian counter-offensive benefitting

[1] TAC ECONOMICS is thoroughly engaged in a research program to develop an innovative approach of risks when dealing with such EBU events, relying on a combination of stress scenario construction, ex ante vulnerability and short-term early warning systems.

from disorganization within Russian armed forces to register a "decisive" territorial gain, have gained plausibility.

(3) The impact will to be more substantial for the medium- to long-term horizons (what could happen in a regime change, especially if violent and creating conflicts in-between the different components of military – intelligence institutions) and for Russia's international relations (the country and its leader suddenly looking weaker and less reliable than before). A potential security vacuum could appear with a plausible dissolution of Wagner group, in countries where it has been operating over the past few years (Syria, Central African Republic, Sudan, Mali, Libya).

War in Ukraine: situation on the ground, June 28, 2023

List of Russia's major military & intelligence institutions

Ministry of Defense (MoD) - Responsible for the overall defense policy and the Russian Armed Forces.

General Staff of the Armed Forces - Main military command and control body (Ground forces, Aerospace, Navy, Strategic Rocket Force).

Elite groups within military (Airborne Troops, Special Operations)

National Guard, established in 2016, has both military and law enforcement roles (maintaining public order, combating terrorism, protecting state facilities, supporting law enforcement) and is directly under Putin's authority.

Main Intelligence Directorate (GRU) - Military intelligence agency responsible for gathering and analyzing military information.

Federal Security Service (FSB) - Main domestic security agency, responsible for counterintelligence, anti-terrorism, and border control.

Foreign Intelligence Service (SVR) - External intelligence agency, responsible for collecting intelligence abroad.

Federal Protective Service (FSO) - Protection of top government officials and key installations.

Federal Agency of Government Communications and Information (FAPSI) - Handles communications security and signals intelligence.

Sources: TAC ECONOMICS, media information, Foreign Affairs, Institute for the Study of Wars

Climate-related risks and the occurrence of ENSO (El Nino Southern Oscillation)

The recurrence of climate-related events has become routine, with quite often the breaking of previous "record metrics". Obvious illustration is provided in this early 2023 summer by the extent of wildfires in Canada and their global repercussion.

For the next 18 months, the uncertainties and plausibility of "larger than usual weather disruptions" is reinforced by the likelihood of seeing the occurrence of El Niño, for which now the US Meteorological Agency sees 80% probability for next fall.

El Niño is a climate phenomenon characterized by the warming of sea surface temperatures in the central and eastern tropical Pacific Ocean., that can last between 12 and 24 months. It causes shifts in rainfall distribution, resulting in drier conditions in some areas and increased precipitation in others. It influences marine ecosystems, fisheries, and coral reefs. It increases the likelihood of extreme events (droughts, floods, and storms). The severity and location of these events depend on the strength and duration of the El Niño event.

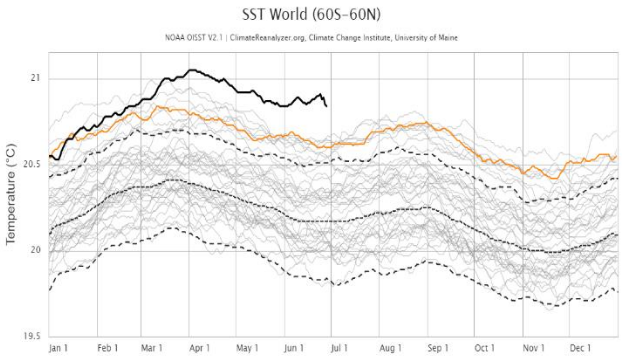
The economic consequences are mostly related to agriculture production and the implications on food prices. Crop losses, reduced yields, and disruptions to supply chains may result in higher food prices and economic instability in affected regions. But here again, a heavy dose of uncertainty remains, as the exact timing and the coincidence with agricultural seasonal pattern can create highly divergent outcomes (e.g. Australia's wheat output is expected to be affected by poor rainfall and dryness, leading to a projected decrease of 30%+ in wheat harvest for 2023-24, but, in contrast, above-average showers in Argentina could boost wheat yields, resulting in an anticipated increase of 55% in harvest for 2023-24). El Niño typically results in climate-related problems for Southeast Asian agriculture output (sugar, palm oil) and Western / Southern Africa (cocoa, corn). production in South Africa could suffer from drier weather during El Niño years.

In parallel, the combination of El Niño and the recent rise in climate-change impact induces new uncertainties, both on possible threshold effects for large maritime current (e.g. current questions on the very high sea-surface temperature in North Atlantic) and on the impact of even marginal changes in precipitations on exceptionally dry conditions (as today in large parts of North America and Southern Europe).

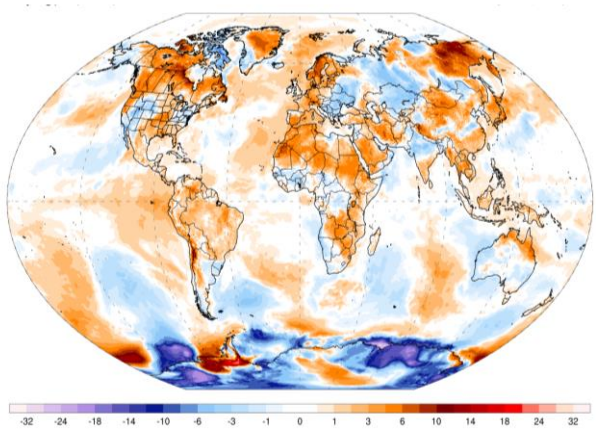
This means upside risks for inflation during our forecasting period; if materializing, another food-related spike in prices would make monetary policy even more complex, potentially increasing risks of major financial disruptions and ultimately leading to a more pronounced recession.

There are also clear downside risks on GDP / agriculture -related activities in exposed EM, and their almost immediate implications on social and political issues, on top of health problems (e.g. El Niño-related increased rainfall can create breeding grounds for disease-carrying mosquitoes).

Average sea-Level temperature
world average
— 2023 — 2022
dotted lines: 1982-2011 mean average and 2 standard deviations



Current Temperature Anomalies, June 28, 2023
Anomalies are based on 1979–2000 average climate data for the specific day of the year



Sources: Climate Change Institute, University of Maine, US

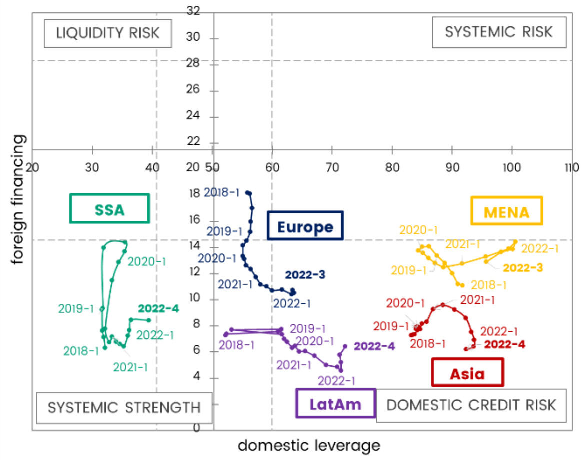
Financial disruption and associated recession in US, Eurozone or China

Although not in the same category of EBU as the previous types of risks, the combination of the above (including the China-US tensions) with the uncharted territories for economic policies in a context of sticky inflation, and with the underlying weaknesses in financial or banking systems, creates conditions for a plausible risk of larger financial disruptions. The inability of central banks and fiscal authorities to adequately respond to such disruptions could be tested. This is an area where short-term early warning may be most needed for the next 18 months, including both the identification / monitoring of weak points or institutions in mature economies, and the ex-ante analysis of potential consequences, in both mature and emerging economies. We are particularly worried by the persistence of high volatility for bond markets (left-hand chart below) associated with lower volatility on equity markets and persistently tight financing conditions. The right-hand chart gives a glimpse into possible self-reinforcing mechanisms between domestic cyclical conditions or exogenous shocks and the health of banking systems in Emerging Markets. Asian and MENA countries would be more affected by a global financial disruption, while conversely, the limited role of banking intermediation in Sub-Saharan Africa makes the region more immune to such international shocks (except for South Africa).

MOVE Bond Volatility Index

Banking System Balance, by regions

The Banking System Balance measures the risks associated with aggregate *domestic credit leverage* and *foreign funding* for domestic banks.



Sources: TAC ECONOMICS Datalab, Datastream

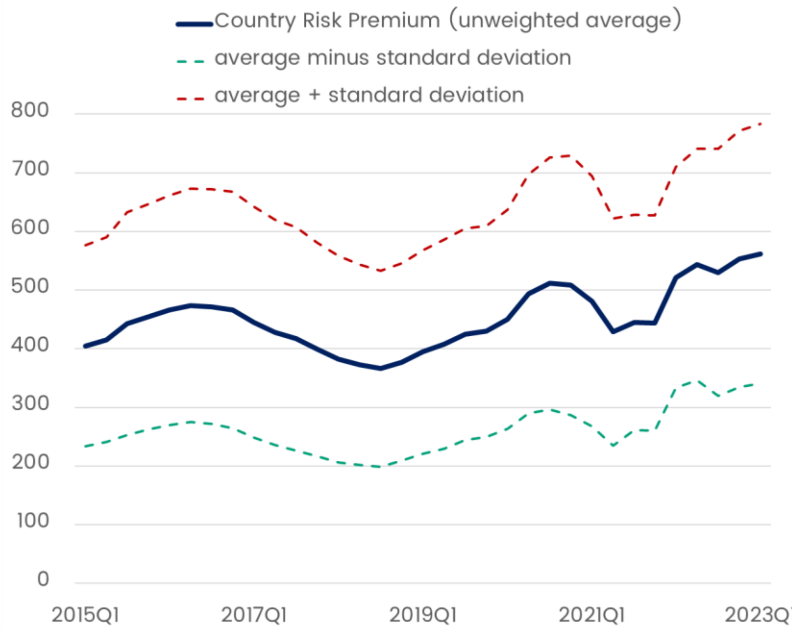
3. Country-risk level remains high, with external payment and political factors playing a key role

The "steady" development outlook for the aggregate group of Emerging Markets is accompanied by a persistent increase in our global country-risk premium. It fundamentally reflects the lagged impact on risk materialization of mediocre macro performances, on average, since 2019 (e.g. EM GDP growth at 3.2% on average for 2020-2023, versus 5.1% for 2010-2019, average inflation at 7.4% in 2020-23 against 5.2% in the preceding decade), coupled with increasing debt burdens and political challenges, and a more risk-averse global environment.

The unweighted average (across 100 EM) of our Risk-Related Extra Cost of Capital (RRECC), or **global Country Risk Premium has reached 560 basis points (bp) in 2023Q1**, almost 200bp higher than in 2015 and **the highest level since 2009Q3.**

We also note the stronger deterioration in Country Risk Premium for countries that were already poorly rated before, while the resilience of better rated countries has led to smaller deterioration: since 2019Q4 (the pre-Covid), the *average-**plus**-one-standard-deviation* across the 100 EM has risen by 173bp; over the same period, the *average-**minus**-one-standard-deviation* increased by 91bp.

Country Risk Premium versus GDP Growth 23-24



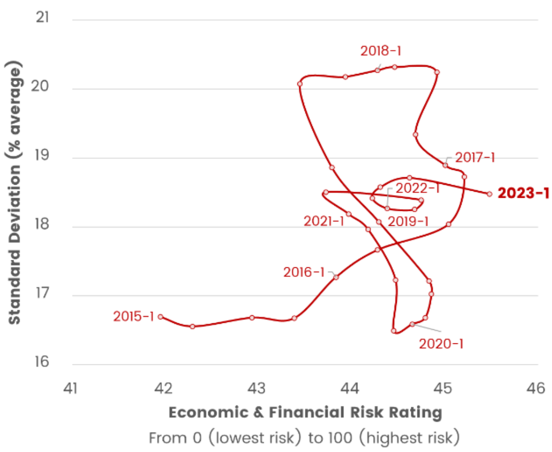
Source: TAC ECONOMICS Datalab

The dual movement of deterioration and larger dispersion of the Global Country Risk Premium is reflected in the two major components of our risk metrics, namely the Economic & Financial Risk ratings, and the Political & Governance Risk ratings.

As shown below, the comparison between our latest readings and those of 2015Q1 indeed confirms the dual movement, though with different patterns.

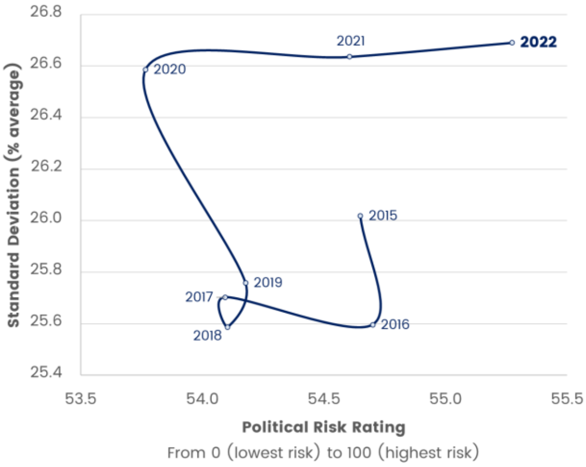
Economic &Financial Risk Rating

100 EM, unweighted average and standard deviation



Political & Governance Risk Rating

100 EM, unweighted average and standard deviation

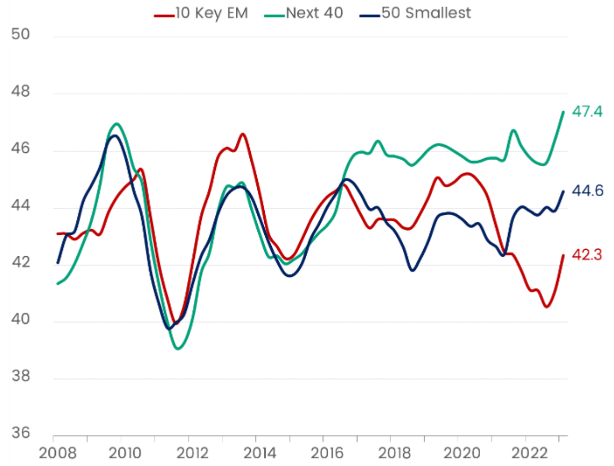


Source: TAC ECONOMICS Datalab

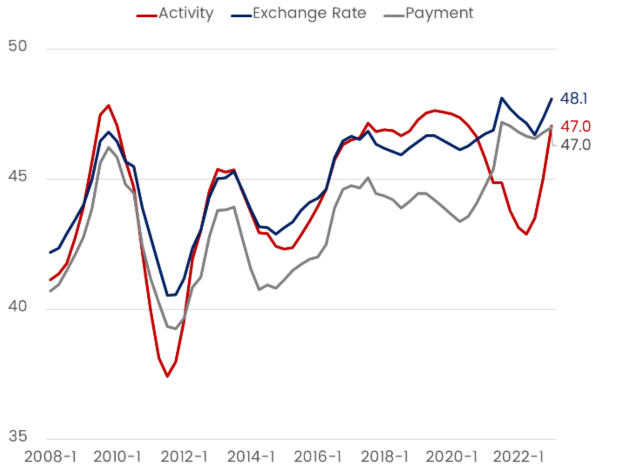
For economic and financial risks, the change since 2015Q1 looks more like a medium-term trend, interrupted between 2017 and 2020 when dispersion first jumped higher before contracting when the worldwide pandemic affected all countries; but both the level of risk remains correct (average unweighted rating at 45.5) and the dispersion limited (18.5% of the average). By comparison, the (yearly) Political & Governance risk rating declined between 2015 and 2019, with a reduction in average and dispersion, thus indicating a broad-based improvement. The 2020 pandemic induced a sharp rise in dispersion, followed in 2021 and 2022 by a very rapid deterioration for the average rating. "Political polarization" among EM has increased, with poorly rated ones drifting even further while the best rated continue to exhibit attractive ratings: we have now 39 out of 100 countries showing a Political & Governance Risk rating above 60, of which 23 are in Sub-Saharan Africa, 6 in Asia, 4 in MENA and Latin America and 2 in Europe., against 17 below 40.

Zooming the analysis on the three different groups of countries that we use (10Key, Next40, 50 Smallest shows a more worrying trend of deteriorating Economic & Financial Risks for the "intermediate" group, the Next40. While the three groups used to move in sync prior to 2015, the large disruptions and volatility in commodity prices during 2016-2023 has had a more visible impact on this group of countries. Their average Economic & Financial Risk rating has not improved since the 2015-2017 deterioration and is now 5 points above the average for 10Key (today the lowest-risk group today, a significant improvement compared to 2019-20 and 2012-14. For the group of Next40 (right-hand chart) we note the more structural deteriorating trend for Payment risk and to a lesser extent Exchange Rate risk.

Eco. & Fin. Risk ratings per groups of countries
2008-2023, from 0=best to 100= worst, below 40 is low risk, above 60 is high risk



Focus on Next40 group of countries per types of risk
2008-2023, from 0=best to 100= worst, below 40 is low risk, above 60 is high risk



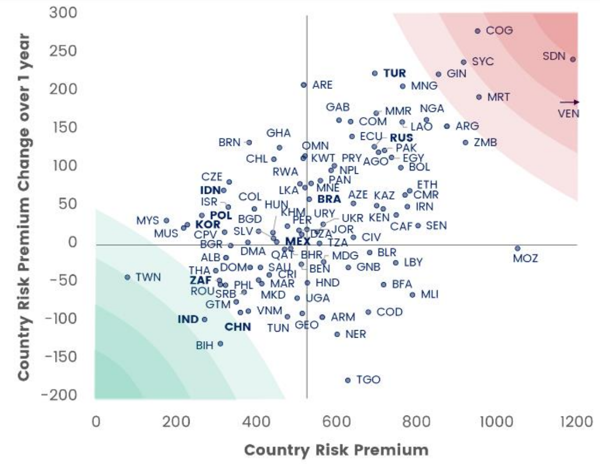
Source: TAC ECONOMICS Datalab

A rapid snapshot at individual country-level can be made by looking at each country's position on two scatter-graphs (country's ISO codes are used in the charts; corresponding names of countries can be found in Appendix).

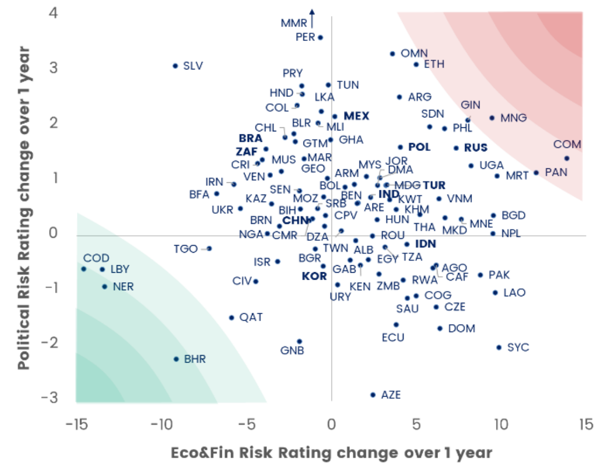
The first combines the computed level of Country-Risk Premium (2023Q1 in most cases) with the change observed over the past year for the same Premium. Countries in the upper-right area are those for which the greatest caution should be exercised (including hedging / insurance mechanisms) as they have above-average deterioration and above-average level of Risk Premium (among our 10 Key EM, Turkey and Russia are there).

The second chart focuses only on the one-year dynamics (end therefore "ignores" the level of risk) for the Economic & Financial Risk rating (horizontal axis) and Political & Governance Risk rating: countries in the upper-right area are those registering a simultaneous deterioration in both ratings, suggesting a need to review either the validity of total exposure and possibly adjust it, or the return / conditions on such exposure compared to previous years or peers (among our 10 Key EM, Russia, but also Poland, India, Turkey and to a lesser extent Mexico and Indonesia are there). Symmetrically, countries in the bottom-left area would warrant a more "open" approach to expanding exposure or accepting lower returns / prices (None of 10 Key EM is there, with only South Korea not far).

TAC ECONOMICS Country Risk Premium – Level and change over one year



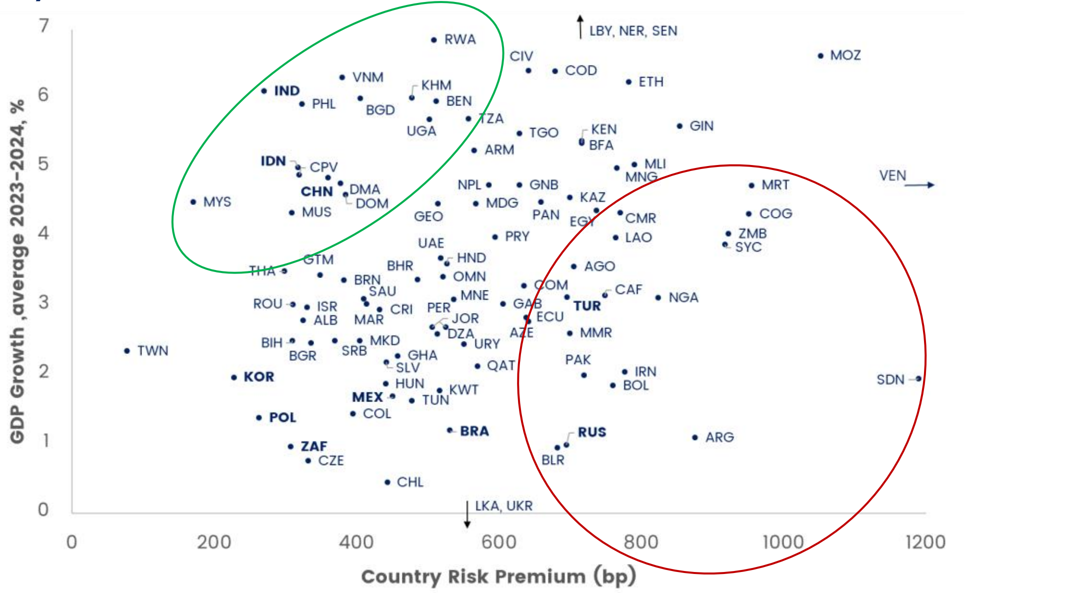
Economic & Financial Risk, Political & Governance Risk: One-year changes in ratings



Source: TAC ECONOMICS Datalab

A final "decision-helping" chart is constructed by combining the Country Risk Premium (horizontal axis) with expected GDP growth in 2023-24 (as a proxy for "attractiveness", to be confronted with aggregate country-risk).

Country Risk Premium versus GDP Growth 23-24



Source: TAC ECONOMICS Datalab

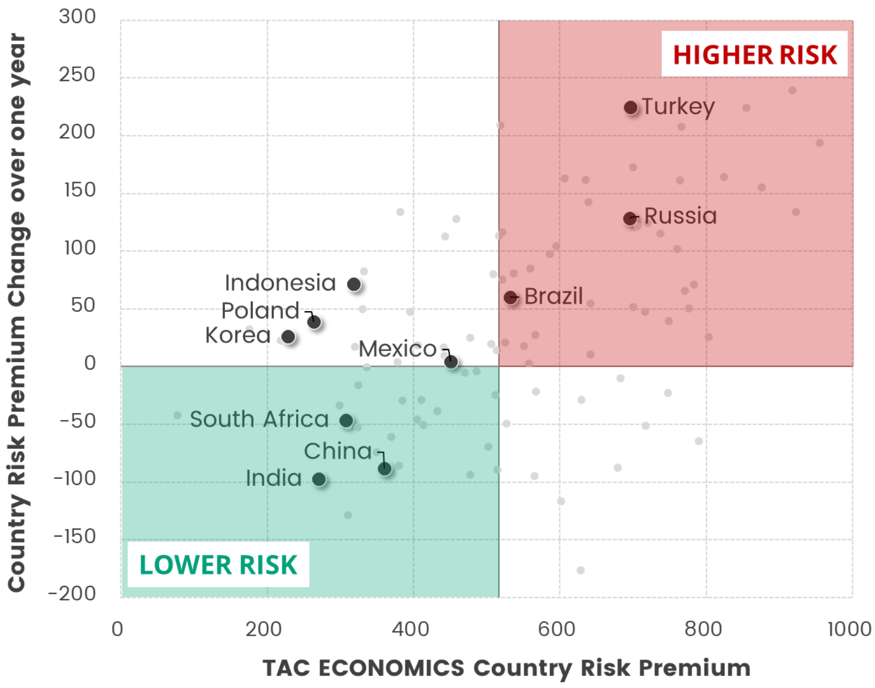
Here the countries warranting "stronger appetite" are those in the upper-left area of the chart, where countries like the Philippines, Vietnam, Malaysia, Indonesia India, Rwanda, Uganda, or Ivory Coast manage to combine low- to medium-country risk with the prospects of rapid growth over 2023-24. China is also present in this favorable position, but this does not fully account for the uncertain consequences at corporate or financing levels of the geopolitical content of risk.

Conversely, countries in lower-right area are those having both a high degree of country-risk with mediocre economic prospects: within the short-to medium-term horizon of our scenario, these are countries where only strategic / long-term / competition issues would warrant any substantial increase in exposure, e.g. Iran, Bolivia, Argentina, Cameroon, Angola, Nigeria, Zambia, Mozambique, Laos or Pakistan.

Detailed risk analysis on 10 Key EM

This quarter, we look at the Country Risk Premium, our most comprehensive measure of country risk that combine economic and financial risk premium, global risk aversion, political and governance risk premium, potential early warning signals, and a synthetic index of the Russia War in Ukraine transmission. Detailed results for 10 Key EM are presented in the country pages. The next Exhibit highlights the level (on the horizontal axis) and the one-year dynamic (on the vertical axis) of our Country Risk Premium.

Country Risk Premium level and change over one year
from 0 (lowest) to 100 (highest)



Source: TAC ECONOMICS

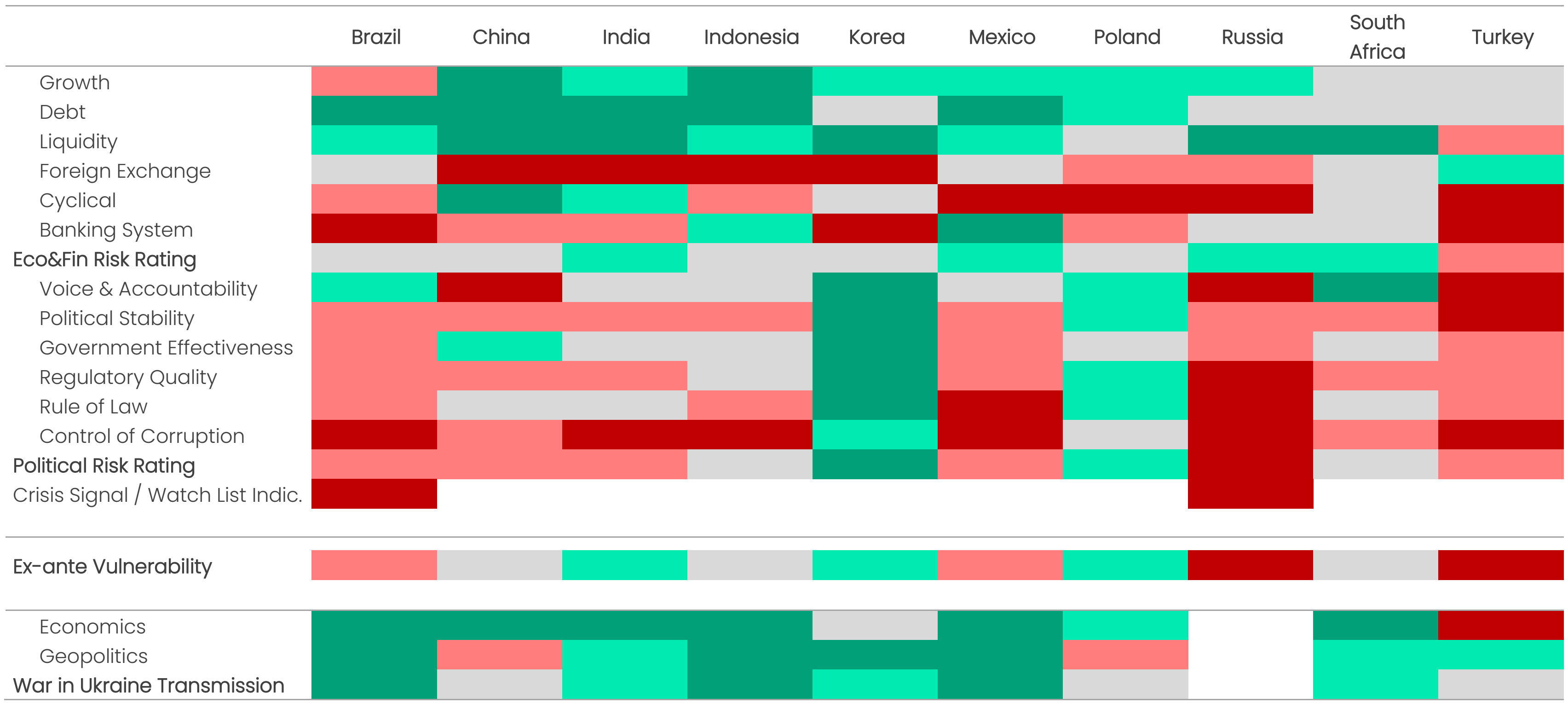
The aggregate measures of Country Risk Premium for the 10 Key EM in June 2023 are relatively favorable: eight countries have significantly lower than median country risk premium (for 100 EM). Brazil's 530bps are at a median level, while only two countries display very high country risk premium. Russia due to the ongoing war in Ukraine with associated sanctions triggering a recession and a related Crisis Signal, as well as very high level of Political & Governance Risk; and Turkey because adverse economic and political conditions for (domestic and foreign) investors.

Considering the increase in the benchmark for global risk aversion from one year ago (almost +100bps), and the upturn in Economic & Financial Risk ratings since two quarters, the Country Risk Premium deteriorated for six of the 10 Key EM. There is a clear dichotomy between low risk countries presenting mixed dynamic over the last year, and high risk countries which registered significant surge in Country Risk Premium.

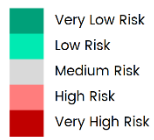
India, China, and South Africa have performed favorably, denoting some economic resilience in the forthcoming quarters. South Korea, Poland, and Indonesia show moderate deterioration since 2022Q1. On the opposite, Country Risk Premiums for Turkey and Russia deteriorated significantly, confirming the massive hedging costs of doing business in these economies.

The following Heatmap summarizes macroeconomic and political vulnerabilities, as well as key channels of Transmission of the Russia War in Ukraine. **Russia** and **Turkey** exhibit the largest number of *very high risk* and *high risk* for economic and political components; in addition, **Brazil** remains on our Watch List Indication for Exchange Rate volatility up to 2023-end. Russia's War in Ukraine has also triggered a Crisis Signal on Activity, with strong likelihood of extended recession. Finally, the transmission from the Russia War in Ukraine remains important for **China**, **Poland**, and especially for **Turkey**.

Risk Summary Heatmap on 10 Key EM



Sources: BIS, IMF, World Bank, UN, TAC ECONOMICS



Brazil

Watch List Indication

Overall Risk

- After a record low level in 2022Q4, the Economic & Financial Risk rating picked up in 2023Q1 (+1.8 to 44.7-C), with larger degradations in Activity Risk rating and, to a lower extent, Exchange Rate Risk rating. Similarly, short-term horizon (less than one year Risk ratings deteriorated) confirming the ongoing downward cyclical adjustment.
- The relative improvement in short-term external debt in 2022 was notable thanks to higher forex receipts (on the Liquidity Balance). The insufficient *forex reserves quality* associated with competitive advantage (on the Foreign Exchange Balance) indicates currency risks associated with potential capital outflows; this is further corroborated by the Watch List Indication in Exchange Rate signaling the vulnerability to a significant shock on the exchange rate until 2023-end. The persistent fall, though at a slower pace, of the *real economic pressure* index (on the Cyclical Balance) and slightly restrictive monetary stance suggests weak momentum of domestic demand for several quarters.

Recent Events & Outlook

- GDP expanded surprisingly fast in 2023Q1 (+4.0% y/y after +1.9% in 2022Q4) since the rapid growth in soybean and corn crops boosted the agriculture sector (+19% y/y). However, significant deceleration in investment and modest contraction in manufacturing highlight some constraints on domestic activity. Despite poor business conditions in the coming months (unfavorable Manufacturing PMI for seven consecutive months at 47.1 in May) auguring a moderation in the cyclical momentum, recovering labor market and fiscal spending will support a resilient consumption and in turn GDP growth outlook (projected at +1.8% y/y in 2023 and above +2% in 2024).
- The inflation continued to come down in May 2023 (from +4.2% y/y in April to +3.9%, lowest level in 30 months). Consumer prices are primarily driven by higher food and housing costs, whereas transportation prices are dropping. Pressures on services prices and an uncertain outlook for gasoline prices reduction shall keep inflation hovering around +5.0% y/y in the coming quarters.
- So far in 2023, rising exports (+4% y/y in Jan.-May) and contracting imports (-5%) pushed the accumulated trade surplus in goods to USD 35bn (against USD 22bn in Jan.-May 2022), although partly offset by a deficit in services. Thus, the current account deficit narrows gradually while FDI inflows are comfortable (USD 24bn in Jan.-Apr.)

Interest Rates & Currency Dynamics

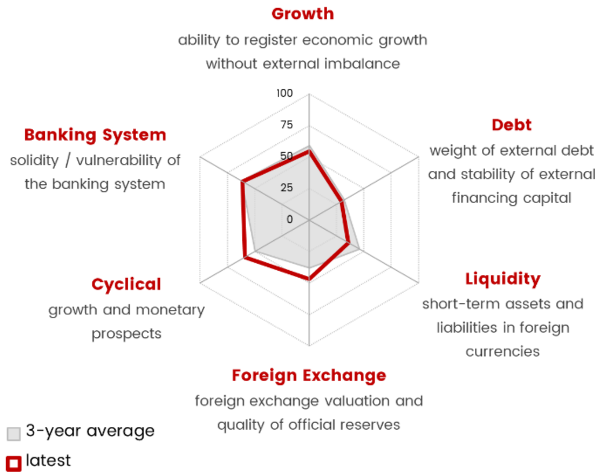
- The Central Bank of Brazil (BCB) cautiously maintained its interest rate stable (Selic rate: 13.75% since August 2022) to preserve financial stability until the US Fed completes its tightening cycle. Given the lower inflation environment, the BCB will start its monetary easing by the end of 2023 (-25bps per quarter until 2024Q3).
- Strong carry-trade pushed the Brazilian Real in June 2023 (-6% against USD, to a year-high USD/BRL 4.86 on June 30). The partial erosion of the competitive undervaluation implies a greater risk of financial volatility in the months ahead, especially as domestic factors like the perceptions of fiscal stimuli, will replace monetary stance as a key driver of the currency.

Country Risk Premium Components

	Rating	Premium (in bp)
Economic & Financial	44.7 – C	323
Political & Governance	54 – c	108
Crisis Signal	Watch List	100
Country Risk Premium		531
War in Ukraine Risk		*0*

Country Risk Premium History (bp)

Risk-Scores on Fundamental Balances
from 0 (lowest risk) to 100 (highest risk)



China

Overall Risk

- Our overall risk metrics on China have broadly stabilized since early 2022, with our aggregate risk premium remaining around 300bps before computing the extra cost (60bps) of the ongoing Russia War in Ukraine. This is reflecting a slight improvement in our Economic & Financial risk rating (40.9-C for 2023Q1, against above 42 in early 2022), and a limited deterioration in Political & Governance risk (from 54.5 in 2021 to 55 in 2022).
- In the current uncertainty about short-term economic prospects for China, our models convey two important messages: (1) China's performance on the Cyclical Balance continues to improve, with a neutral *monetary pressure* pointing to both low inflationary pressures and further room-to-maneuver for monetary easing, and an irregular but positive *real economic pressure* index confirming a recovery in domestic demand. (2) Despite stable foreign exchange reserves held by the central bank (PBoC) around USD 3,300bn, the forex *Liquidity Balance* has improved as a result of lower short-term liabilities in foreign currency, mostly in interbank markets.
- The divergence between Economic versus Political risks has widened further, with a visible break in the 2013-2019 improvement in our Political & Governance Risk rating (61 in 2013, 55 in 2019), an acute dichotomy in risk drivers (very poor *Voice & Accountability*, very strong *Government Effectiveness*), and an extra-premium induced by the war in Ukraine only because of the geopolitical dimension of the measure.

Recent Events & Outlook

- Recent data on China's economic performances created a sense of disappointment regarding the strength of the post-zero-Covid rebound, but our view remains that a visible recovery is under way, though unfolding with an irregular path aggravated by acute "base effects" (sharp swings in economic dynamics during 2022). Year-on-year increase in retail sales decelerated from +18.4% in April to +12.7% in May, but month-on-month growth accelerated (from +0.2% to +0.4%). In parallel, the Caixin PMI indexes for May showed a return above 50 for manufacturing (50.9 in May) and a strong level for services (57.1). Our own leading index of *real economic pressure* is almost as high as during the first post-Covid rebound in 2020-21. Time-lags between post-zero-Covid household demand and overall economic activity will continue making the recovery irregular, without breaking the underlying trend. Our tools suggest average GDP growth at +5.8% y/y in 2023 and +6.0% y/y in 2024.
- Inflation has declined further as excess capacities remain large, demand for goods remains soft and commodity prices are down. A stronger move towards deflation (negative month-on-month changes in CPI since February 2023) would create harder policy challenges as elevated debt leverage in both corporates and household would be harder to sustain. Although our tools expect a positive increase in prices on average for 2023 (+1.3% y/y) and 2024 (+2.4%), this is becoming a more critical area to monitor.

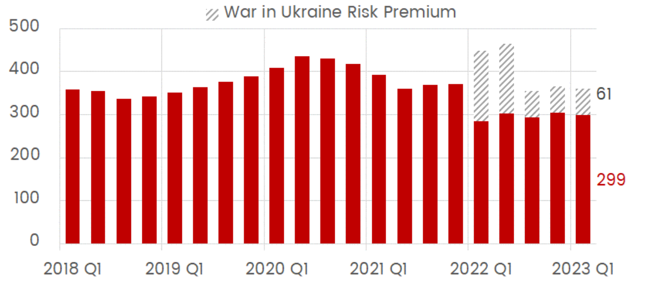
Interest Rates & Currency Dynamics

- Chinese authorities have confirmed policies aiming at supporting the recovery, including the 10bp cut in policy lending rates in early June, and a widening budget deficit accompanying rising infrastructure spending.
- With US monetary policy remaining tighter for longer, the policy divergence continues to weigh on the exchange rate, with a move at the top of our previous target range (USD/CNY at 7.18 on June 23). Further weakness towards 7.30 is plausible over the next few quarters, before a stabilization around 7.0 supported by a favorable inflation differential and large external surpluses.

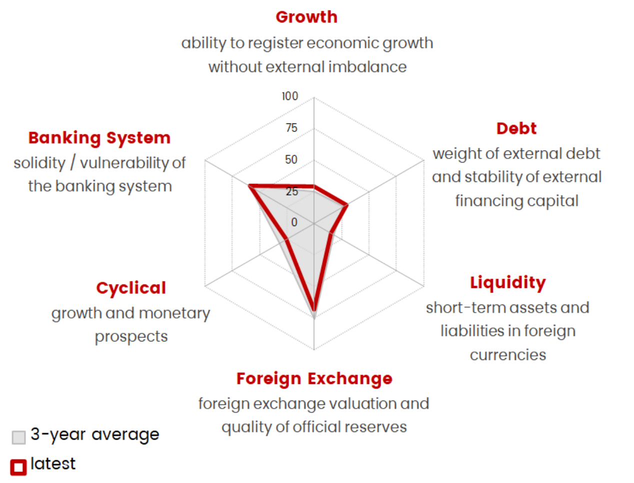
Country Risk Premium Components

	Rating	Premium (in bp)
Economic & Financial	40.9 – C	187
Political & Governance	55 – c	112
Crisis Signal	-	0
Country Risk Premium		299
War in Ukraine Risk		*+61*

Country Risk Premium History (bp)



Risk-Scores on Fundamental Balances
from 0 (lowest risk) to 100 (highest risk)



India

Overall Risks

- The ongoing improvement since two quarters in Eco. & Fin. Risk ratings at a low level (37.4-B in 2023Q1) is related to the significant reduction in Payment Risk rating (-4 points over two quarters).
- Indeed, favorable consolidation of foreign reserves (high *forex liquidity* on the Liquidity Balance) combined with a stronger share of FDI in external deficit's financing (large index of *financing stability* on the Debt Balance) have structurally improved the ability to the cover external liabilities. In addition, since currencies of most competitors have reappreciated in recent quarters, India's currency overvaluation (on the Foreign Exchange Balance) has reduced moderately, facilitating exporters' competitiveness on global markets.
- Lastly, on the Cyclical Balance, the favorable level of *real economic pressure* suggests a positive momentum of domestic demand in the second half of 2023 and early 2024.

Recent Events & Outlook

- Real GDP growth increased to +6.1% y/y in 2023Q1 (after +4.5% in Q4), bringing the whole fiscal year 2022-23 (start on April 1) to +7.2% y/y. However, the broad-based improvement registered in Q1 will likely fade away. Despite overwhelming business confidence (Manufacturing PMI at 57.8 in June 2023), domestic demand (household consumption and private investment) should moderate further with the lagged impact of interest rate hikes. Along with lower global external demand, overall Indian GDP growth will stumble to about +6% y/y in 2023-24. In addition, sensitivity to exogeneous shocks remains important: uncertain monsoon rainfall to support agricultural production, geostrategic environment and its impact on global oil prices.
- Inflation slowed down continuously in 2023 (to +4.3% y/y in May versus +6.5% in January) due notably to favorable base effects on food and fuel prices, while core components (housing, clothing, education) also moderated. Because of vanishing of base support in the coming months as well as extinction of wholesale price pressures (-0.9% y/y in April), inflation should stabilize around +5.0% y/y until 2024H1. Potential weather related disturbances (heatwaves, weak and/or unequal monsoon) are bringing significant upward risks to the inflation outlook.
- Lower contraction in merchandises exports (-5.5% y/y in 2023Q1) and reduction in imports (-5% y/y) led to a narrowing of the trade deficit in goods (USD -55bn); in parallel, net services trade surplus remained firm (USD 41bn), hence reducing financing pressures on the persistent current account deficit.

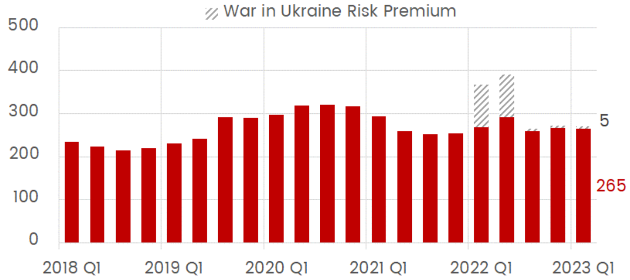
Interest Rates & Currency Dynamics

- With a last interest rate hike in February 2023, the Central Bank (RBI) ended its monetary tightening cycle (repo rate: +25bps to 6.50%). Between inflation expectations now comfortably settled within the official target range (4% ±2%) on one hand, and potential external pressures from uncertain US Fed hawkish policy on the other hand, the RBI will maintain a cautious status quo in the coming months.
- The positive spread for GDP growth outlook in 2023 between India and the rest of world has been leading to the resumption of capital inflows since March 2023. However, as the RBI interventions on the forex market neutralize the appreciation pressures, the exchange rate remains relatively stable around USD/INR 82.

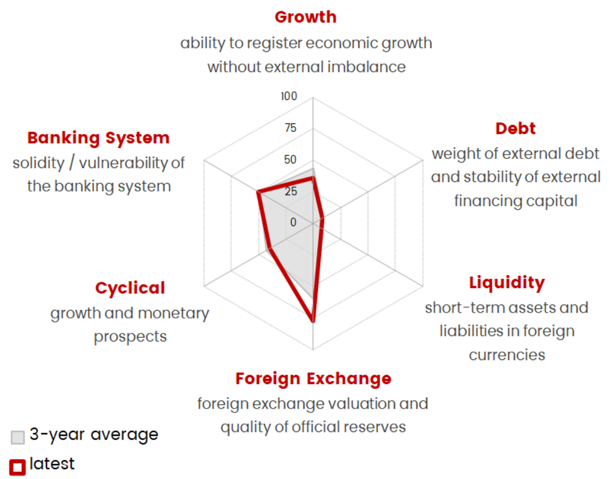
Country Risk Premium Components

	Rating	Premium (in bp)
Economic & Financial	37.4 – B	178
Political & Governance	51 – c	87
Crisis Signal	-	0
Country Risk Premium		265
War in Ukraine Risk		*+5*

Country Risk Premium History (bp)



Risk-Scores on Fundamental Balances
from 0 (lowest risk) to 100 (highest risk)



Indonesia

Overall Risk

- Eco. & Fin. Risk ratings continued to deteriorate in 2023Q1 into the average risk category (41.5-C), with lower Risk rating for shorter time horizon confirming sustained economic opportunities in the coming quarters. Improvements in the Liquidity and Foreign Exchange Balances have been more than offset by the degradation in the Cyclical Balance. On the latter, the fall in the *real economic pressure* index to a poor level combined with the reduction in money supply should create pressures on the corporate sector in the next three-to-six quarters, i.e. mostly in 2024. Meanwhile, the index of *maximum potential service* (ratio of short-term external debt to exports receipts on the Liquidity Balance) has significantly improved to a favorable level in 2022. On the Foreign Exchange Balance, forex reserves have also increased thanks to a retrieved surplus in external accounts while the exchange rate registers a relative neutral valuation. Overall, this indicates that currency pressures have diminished and risk of financial volatility should be contained for the rest of the year.

Recent Events & Outlook

- The economy continued to grow by +5.0% y/y in 2023Q1 (like in 2022Q4). Household consumption was the main support to GDP growth, while investment and net trade's contributions decelerated significantly. Robust retail sales, strengthening consumer confidence, and still positive business conditions (Manufacturing PMI at 52.5 in June 2023) will maintain a robust domestic dynamic, while weakening external conditions will dampen the export sector and reduce forex receipts. Overall, GDP growth shall hang at +5.0% y/y in 2023, with higher downside risks.
- The disinflation process has been very gradual since the last peak (+6.0% in September 2022), with headline consumer prices decreasing to +3.9% y/y in May 2023. Thanks to the fading effects of the festive season, lower energy prices reduced transportation costs, while administrative measures helped to ease food prices. Barring a shock on global oil prices, inflation is expected to move closer to the official target (3% ±1%) in the months ahead.
- Exports growth moderated and imports contracted (to +1% y/y and -3% respectively in 2023Q1), hence supporting a consolidation of goods trade surplus on annual basis (to USD 12bn). Deficit in services and smaller primary income balance narrowed the current account surplus (0.9% of GDP in Q1 against 1.3% in 2022Q4). In parallel, robust FDI inflows and rising portfolio investment flows (in local Indonesia bonds) garnered the balance of payments and forex reserves (USD +6.5bn since Dec. 2022 to USD 139bn in April 2023).

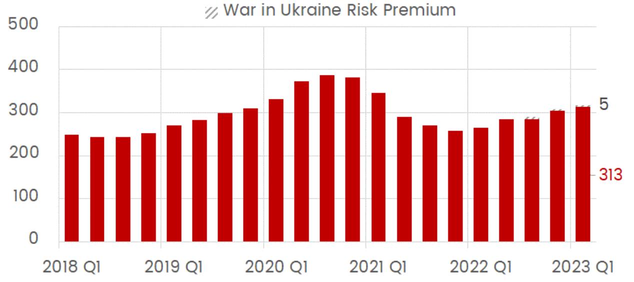
Interest Rates & Currency Dynamics

- The Bank Indonesia (BI) maintained its interest rate unchanged since January 2023 (at 5.75% on June 22), as the policy tightening (+275bps in total between August 2022 and January) was successful in reducing inflation and limiting financial instability. While keeping an eye on next FOMC meetings, the BI will wait to adjust its policy stance (downward) when inflationary and currency pressures will become sufficiently subdued towards the end of 2023.
- The currency appreciated by 4.7% against USD so far in 2023 (to USD/IDR 14,950 on June 22) due to favorable performances of external accounts. Attractive yields on domestic financial assets and a relatively stable economic outlook will boost foreign capital inflows while the BI's forex management operations control the volatility risks.

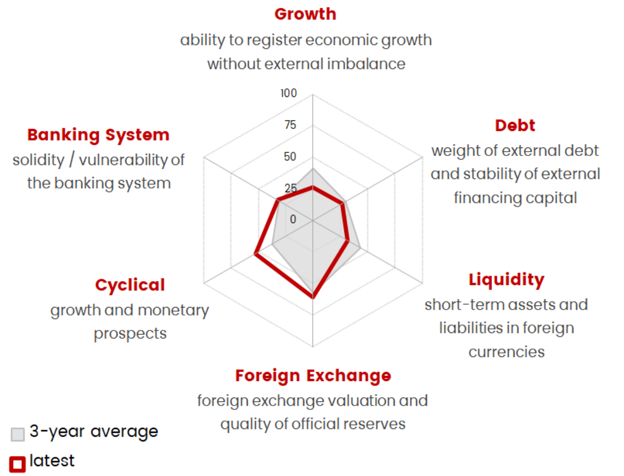
Country Risk Premium Components

	Rating	Premium (in bp)
Economic & Financial	41.5 – C	225
Political & Governance	49 – c	88
Crisis Signal	-	0
Country Risk Premium		313
War in Ukraine Risk		*+5*

Country Risk Premium History (bp)



Risk-Scores on Fundamental Balances
from 0 (lowest risk) to 100 (highest risk)



Mexico

Overall Risks

- After a historical low in 20023Q3, the Eco. & Fin. Risk rating deteriorated rapidly over the last two quarters (+4 points to 34.5-B) with larger increases for Activity Risk and short-term risk ratings. The ongoing poor cyclical performance and persistent elevated inflation will clearly affect the country's macroeconomic resilience. Higher global trade and investment uncertainties, poor business environment, along with rising political polarization ahead of general elections in 2024, as well as growing impact of climate change phenomena (El Nino) will weigh on long-term growth and income outlook.
- On the Liquidity Balance, the insufficient level of *forex liquidity* reflects the mediocre forex reserves covering only 3.9 months of imports in April 2023; in parallel, the steady appreciation since September 2023 has reduced the favorable currency valuation (15%-20% advantage against main competitors, versus about 30% in the previous three years on the Foreign Exchange Balance).
- On the Cyclical Balance, the leading indicator of domestic demand contracted for seven consecutive quarters since 2021Q4 while the monetary stance becomes progressively more restrictive, confirming mounting pressures on private investment and consumption in the coming quarters.

Recent Events & Outlook

- In the first quarter of 2023, GDP continued to expand by +3.7% y/y (after +3.6% in 2022Q4). The services sector strongly supported domestic activity in the last quarter, while softer external demand impacted manufacturing output. A very strong labor market (unemployment at a low 2.8%) and record-high remittances contributed to private consumption, while investments in equipment and non-residential construction accelerated. However, transmission of tighter monetary conditions – both domestic and in US – will gradually dampen the investment dynamic that supports the growth momentum. Overall, GDP growth will slow down to about +2% y/y in 2023 and +1.5% in 2024.
- Inflation fell to a two-year low in May 2023 (+5.8% y/y against +6.3% in April); indeed, energy prices declined due to seasonal adjustments in regulated electricity rates. Yet, since food prices remain elevated (+11% for processed food and beverages), inflation is expected to stay substantially above the official target +3% until after mid-2024.

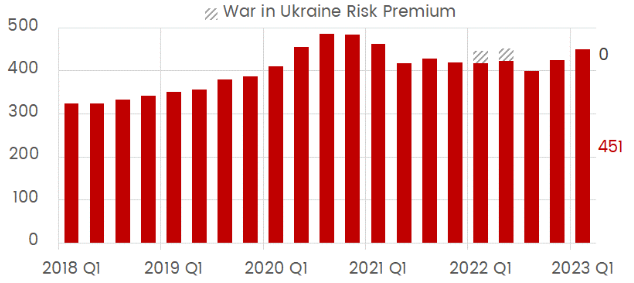
Interest Rates & Currency Dynamics

- In 2023, the Central Bank of Mexico left its policy rate unchanged (at 11.25% in May and June) after two consecutive hikes in February and March (+50bps and +25bps respectively) since the restrictive policy turn (+725bps in the past two years) had started to ease inflationary pressures. Looking forward, the path towards reducing interest rates will not materialize in the short-term as inflation expectations remain stubbornly high (below 4% after 2024).
- The Mexican Peso continued its strengthening against USD in 2023 (-12%YTD against USD to USD/MXN 17.1 on June 30). The combination of the hawkish monetary policy (high carry) and stable and limited current account deficit (-1.3% of GDP on a four-quarter rolling basis) is supporting this currency dynamic, which will also modestly contribute to the curbing in domestic inflation.

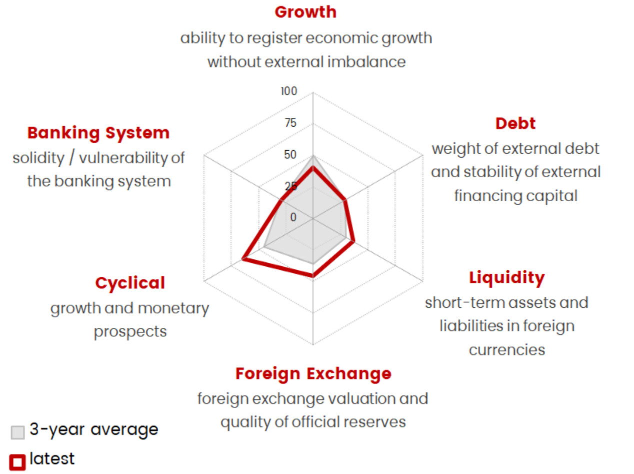
Country Risk Premium Components

	Rating	Premium (in bp)
Economic & Financial	34.5 – B	275
Political & Governance	60 – c	176
Crisis Signal	-	0
Country Risk Premium		451
War in Ukraine Risk		*0*

Country Risk Premium History (bp)



Risk-Scores on Fundamental Balances
from 0 (lowest risk) to 100 (highest risk)



Poland

Overall Risks

- Eco. & Fin. Risk rating surged in 2023Q1 (+3 points to 46.1-C) as recent positions on the Foreign Exchange, Cyclical, and Banking System Balances have degraded simultaneously. Moreover, the combination of largest rating for Activity Risk (49), strong deterioration in short-term Risk ratings (less than 1 year and 1-to-3 years), and plunging index of *real economic pressure* (on the Cyclical Balance) augurs further gloomy economic performances in 2023 and 2024.
- On the Foreign Exchange Balance, the currency valuation moved to a neutral level in 2023Q1, indicating that the past moderate competitive advantage for Polish exporters has vanished. Meanwhile, insufficient *forex reserves quality* – as recent forex reserves accumulation has been mostly fueled by speculative capital –portends high risk of currency volatility in the quarters ahead.
- On the Banking System Balance, external refinancing in local banks' total liabilities has increased steadily since 2021 (+17% to USD 57bn in 2022-end), this denotes higher dependance on parent banking groups' funding (mostly based in the Euro Area), at a time when risk of financial instability in the Euro Area are raising. In parallel, the *domestic leverage* remains at a stable intermediate level, hence consequences of poor cyclical performances on local banks should be limited thanks to the banking system's overall health.

Recent Events & Outlook

- GDP remained flat on annual basis in 2023Q1 (+0.1% y/y) since lower domestic demand (large contraction in final consumption and deceleration in investment) has been compensated by higher contribution of external demand. Latest cyclical data on retail sales (-6.8% y/y in May), industrial production (-3.2% y/y), construction output (-0.7% y/y), and business conditions (Manufacturing PMI at 45.1 in June) confirm a quarterly contraction of the economy in 2023Q2; however, still unfavorable but improving (consumer and business) confidence indicators suggest a likely gradual recovery in the following quarters. Overall GDP growth shall reach about +1.0% y/y in 2023 (+2.5% in 2024).
- After a peak in Feb. 2023 (+19% y/y), inflation went down more than expected (to +13% in May) on account of lower core, food and especially fuel prices. A significant drought risk may keep elevated pressures on food prices in the coming months, while the upcoming parliamentary elections (before November 23, 2023) may prove inflationary due to politicians' promises (raise in social benefits, public wages, etc.). Overall, annual CPI is expected to decline further, probably below +10% from 2023Q4 onwards.
- Increase in exports (mobility goods) and stable imports so far in 2023 led to a surplus in trade balance for goods and services and in the current account (USD 6bn year-to-date in 2023, against USD -10bn in Jan.-Apr. 2022).

Interest Rates & Currency Dynamics

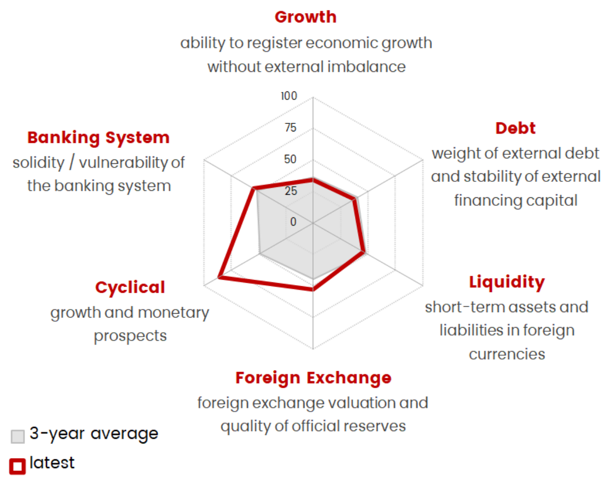
- Considering the ongoing disinflationary process and the weaker external perspectives, the Central Bank (NBP) maintained its reference rate unchanged in June 2023 (at 6.75% since Sept. 2022).
- The Polish Zloty appreciated steadily over the last three months (-5.5% against EUR to EUR/PLN 4.4 on June 30, its stronger level since Dec. 2020) thanks to more favorable external accounts. Persistent inflation, elections uncertainties, and gradual recovery pushing imports will renew depreciation pressures on the currency.

Country Risk Premium Components

	Rating	Premium (in bp)
Economic & Financial	46.1 – C	150
Political & Governance	36 – b	51
Crisis Signal	-	0
Country Risk Premium		201
War in Ukraine Risk		*+62*

Country Risk Premium History (bp)

Risk-Scores on Fundamental Balances
from 0 (lowest risk) to 100 (highest risk)



Russia — Crisis Signal

Overall Risks

- Eco. & Fin. Risk rating surged to a four-year high (38.4-B in 2023Q1) with all types and horizons of Risk ratings degrading. The War in Ukraine and the ongoing transmission of international sanctions are substantially impacting macro-fundamentals, thus substantiating the Crisis Signal on the economic activity. In parallel, Credit Default Swaps at almost 14,000 in the last one year confirms the technical default on its external debt.
- With tight controls on capital flows, the neutral *exchange rate competitiveness* on the Foreign Exchange Balance is deceptive. However, the persistently negative value of the *real economic pressure* indicator since 2022Q2 confirms the extremely unfavorable outlook for domestic demand in the coming quarters.
- Strategically, the shortly aborted mutiny of the paramilitary group Wagner reflects systemic tensions in the security-political leadership nexus in Moscow. The Russian institutions and particularly President V. Putin appear seriously weakened. Short- and long-term for Russian political outlook are extremely uncertain, with opaque power plays between key social and security groups. Meanwhile, on the Ukrainian War frontlines, moral and physical strength of the Russian army will be affected by dysfunctional organizational capabilities, but President Putin will certainly push from stronger resistance to the Ukrainian counter-offensive, thus maintaining our central scenario of Entrenched War for some more time, with destruction of communication and energy infrastructures.
- In parallel, global geopolitical risks arising from Russia's internal instability are resurging: new shocks on energy markets would trigger heightened volatility in global commodity prices and accrued inflationary pressures.

Recent Events & Outlook

- Salvage of the civilian economy and erratic transition towards a war economy was heavily supported by high global oil prices in 2022. The GDP contracted by only -2% y/y despite unprecedented level of international financial sanctions. Recall that our/consensual initial projections in March 2022 was a contraction of -10%/-15%!
- As sanctions' bit is tightening and federal budget revenues are dwindling, Russian GDP will continue to perform poorly in the coming quarters, with a likely extension of the recession throughout 2023. Production in mining and quarrying, which includes oil and gas, remained stagnant for about one year; retail sales improved in early 2023, but remain largely below pre-War levels. Lastly, extra-high out migration and partial mobilization in the army have dried out the labor force, which consequences on domestic activity will progressively be revealed.
- Due to large base effect, inflation moved back to a single digit in March 2023 (+2.5% y/y in May 2023). Pressures on wages, expansionary fiscal policies, consumption revival on the back of savings' exhaustion, and pass-through of ongoing currency depreciation will push prices higher, with upward risk related to potential central bank financing of budget deficits.
- After spiking to historical highs in 2022, current account surplus shrank in early 2023, because of the declining value of exports (Russian crude oil capped at 60$/bl, cease of pipeline gas exports to EU) and rising imports.

Interest Rates & Currency Dynamics

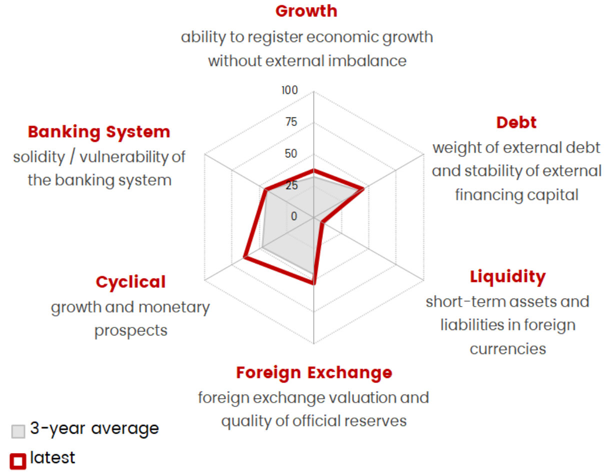
- The Central Bank of Russia (CBR) maintains its key policy rate (at 7.50% since Sept. 2022) despite significant inflationary risks in the short- to medium term.
- Since early Dec. 2022, the Russian Ruble depreciates by almost 50% against USD (to USD/RUB 89.6 on June 30) to mirror downward adjustment in global oil prices.

Country Risk Premium Components

	Rating	Premium (in bp)
Economic & Financial	38.4 – B	316
Political & Governance	65 – d	178
Crisis Signal	-	0
Country Risk Premium		495
War in Ukraine Risk	Crisis Signal	*+200*

Country Risk Premium History (bp)

Risk-Scores on Fundamental Balances
from 0 (lowest risk) to 100 (highest risk)



South Africa

Overall Risks

- Gradual improvement in Eco. & Fin. Risk ratings since 2020-end paused at a favorable level (39.1-B in 2023Q1), that reflects overtone economic resilience. The ongoing stagflationary and poor governance environment will have negative repercussions on medium-term perspectives.
- Scores on Fundamental Balances are relatively stable. The latest position on the Liquidity Balance shows a very satisfying level of foreign exchange reserves accumulated by the Central Bank, coupled with moderating short-term forex liabilities. In parallel, the trajectory on the Foreign Exchange Balance in 2022H2 indicates a mild undervaluation (about -10% against main competitors) that is now offset by an insufficient *forex reserves quality* index, denoting significant role of capital inflows in forex reserves accumulation in 2022-end, and suggesting the corollary of higher currency risks associated with potential capital outflows.
- On the Cyclical Balance, the contraction of the *monetary pressure* indicator confirms the restrictive stance of the Central Bank (SARB) since 2022. Higher interest rates and a neutral leading index of momentum of domestic demand clearly portend a subdued cyclical outlook.

Recent Events & Outlook

- Real GDP barely grew in 2023Q1 (+0.2% y/y, after a downward revision in 2022Q4 to +0.8%); this deceleration was mainly due to the sharp contraction in agriculture sector (drop in field crops and animal farming). In addition, severe power outages lowered electricity production, with negative spillover on manufacturing and domestic trade. Recent load-shedding and other logistical constraints have eroded business conditions (Manufacturing PMI at 49.2 in May 2023). With higher interest rates and heightening political tensions ahead of 2023 general election, GDP growth shall slow down to +0.5% y/y in 2023, before recovering tentatively above +1% in 2024.
- Inflation remained elevated in 2023 (+6.8% y/y in April 2023) with higher food prices compensating slightly lower fuel and electricity prices. Loadshedding pushing operational costs and pass-through of recent currency depreciation will limit the tapering of inflationary pressures this year, likely to move back within the official target range (4% ±2%) only by Q4.
- Since exports accelerated at a faster pace than imports in 2023Q1, trade surplus widened significantly; in turn, current account deficit narrowed surprisingly (to 1% of GDP in Q3).

Interest rate & Currency Dynamics

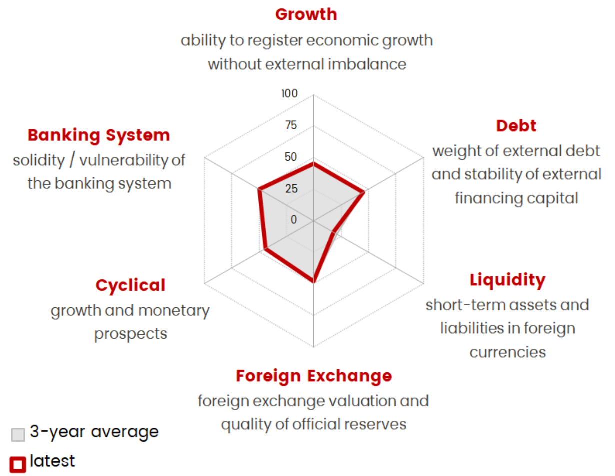
- Taking into consideration persistently elevated inflation, the SARB tightened further its monetary policy on May 25 (repo rate: +50bps to 8.25%). Slow reduction in inflation and upward risks (notably to the currency) will force the Central Bank to remain cautious, with a longer-than-expected restrictive stance.
- After losing about +10% against USD in Feb.-March 2023, the South African Rand depreciated again by +8% in May (to USD/ZAR 19.8 on May 31) because of accruing global risk aversion. Although tight monetary policy shall limit further downward pressures, the currency will remain highly volatile in the coming quarters as witnessed in June 2023 (USD/ZAR 18.9 on June 30).

Country Risk Premium Components

	Rating	Premium (in bp)
Economic & Financial	39.1 – B	158
Political & Governance	47 – c	128
Crisis Signal	-	0
Country Risk Premium		286
War in Ukraine Risk		*+21*

Country Risk Premium History (bp)

Risk-Scores on Fundamental Balances
from 0 (lowest risk) to 100 (highest risk)



South Korea Watch List Indication

Overall Risk

- Country Risk Premium is holding to a historically high level (228bps in Q1 2023) because of the structural rise in Economic & Financial Risk rating in 2021 and 2022 and the surge in global risk aversion but is starting to improve.
- The Eco. & Fin. Risk rating continued to improve, moving back into the average range at 46-C in June (51-C in January) thanks to a slight improvement in the Foreign Exchange balance (reduced exposure to speculative capital flows). The growth balance reflects moderate activity supported by demand, consistent with the maintenance of a restrictive monetary policy.
- The Watch List Indication on Economic Activity's warning signal materialized in 2022Q4-2023Q1, indicating a reduction in the risk premium in the coming months, confirmed by the improving cyclical component.

Recent Events & Outlook

- South Korea's economy returned to growth in Q1 2023 with +0.3% q/q, avoiding the technical recession announced in Q4 2022. Private consumption was the biggest growth driver, expanding by 0.6% q/q, confirming the continuation of the post-covid momentum with consumption oriented towards leisure services and tourism. However, private spending is likely to lose momentum over the next quarter, according to the latest survey data (-2.3% m/m in retail sales in April). The acceleration of the Chinese reopening should partially offset the effect by the end of 2023, accompanied by a pick-up in US activity in 2024. Our activity outlook has therefore been lowered slightly for 2023, with growth expected to reach 1.2% before accelerating to 2.3% in 2024.
- Consumer inflation slowed to 3.3% y/y in May, but core inflation remained elevated at 3.9%, staying above the headline figure for the second consecutive month due to sticky service prices. In the short term, the robustness of the labor market could maintain pressures on core inflation longer than expected but consumer inflation is still expected to ease towards its 2% target level by the end of 2023, mostly due to high base effects and weaker consumer spendings.
- For the first time in 21 years, South Korea has recorded a current account deficit with China in 2022 due to fall in chip exports, and a record surplus with the US, which could suppose more moderate structural support from China. The decline in demand for semiconductors is likely to continue to weigh on Korean exports over 2023 amid global slowdown, as is automobile production due to the U.S. IRA Act from 2023H2. China's construction cycle, which is expected to improve from 2023H2 could, however, improve the outlook.

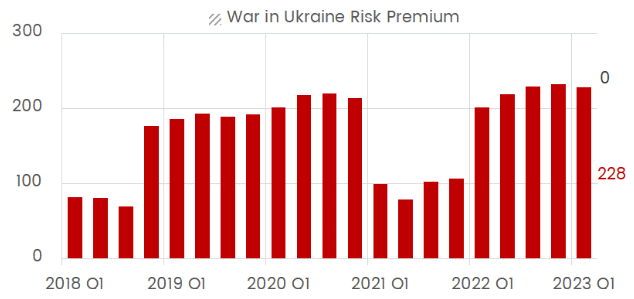
Interest Rates & Currency Dynamics

- The easing of price pressures prompted the Central Bank (BoK) to interrupt its tightening cycle from January 2023, keeping its key rate at 3.5% since then. While the BoK remains open to a final 25bps hike, the downward revision of its business outlook is fueling expectations for stability at the next July meeting and a possible first rate cut as early as 2023-end.
- Combined with the prospect of another Fed rate hike in July, the Korean Won has been depreciating against the USD since mid-June, approaching the USD/KRW 1,300 threshold.

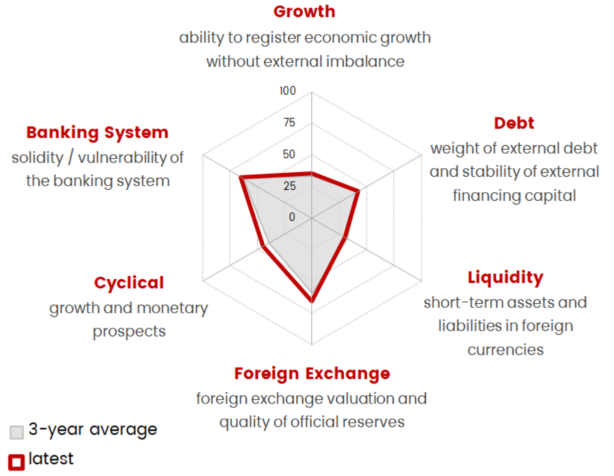
Country Risk Premium Components

	Rating	Premium (in bp)
Economic & Financial	46.2 – C	143
Political & Governance	25 – a	-15
Crisis Signal	Watch List	100
Country Risk Premium		228
War in Ukraine Risk		*0*

Country Risk Premium History (bp)



Risk-Scores on Fundamental Balances
from 0 (lowest risk) to 100 (highest risk)



Turkey

Overall Risks

- The Eco. & Fin. Risk ratings surged over the last two quarters (+6.4 points to 54.6 in 2023Q1); the recent dynamic and actual level of risk ratings are homogenous by types and horizons, highlighting the adverse deterioration in economic and social conditions for (domestic and foreign) investors' operations.
- In parallel, the Country Risk Premium increased further to almost 700bps in June 2023; its degradation since 2022 is leading to a historically large gap with the average Country Risk Premium for 100 EM (560bps) that reinforces the rise in global risk aversion.
- The dual deterioration (lower *economic growth* and excessive *external* im*balance* in 2022) on the Growth Balance is associated with severe simultaneous contractions in the indicators of *real economic pressure* and *monetary pressure* on the Cyclical Balance. Indeed, massive inflation and negative outlook for momentum of domestic demand entail the most difficult combination for households' and companies' financial situations.
- Incumbent President RT Erdogan was reelected for a third term in May 2023 with a small majority in the run-off against Kemal Kılıçdaroğlu, leader of the "big tent" 6-party opposition alliance (52% versus 48%). Appointments of former economy chief Mehmet Simsek as Treasury and Finance Minister and former Wall Street banker Mrs. Hafize Gaye Erkan as governor of the Central Bank will mark a spin from years of unorthodox economic policies.

Recent Events & Outlook

- The Turkish economy grew by +4% y/y in 2023Q1 (after +3.5% in 2022Q4) as additional demand driven by earthquake reconstruction and the elections period led to a massive contribution from private consumption, while net exports and negative change in inventories weighted on GDP growth. Looking forward, lower external demand and tightening pivot in monetary policy will affect cyclical performances, as already reflected by negative industrial production (-9.8% y/y in April 2023) and Business Confidence Indicator (-5.3 in June). Overall GDP growth should reach almost +2% y/y in 2023 and 2024, although with higher downside risks.
- Inflation continued to taper significantly in the last months (-46pp since Oct. 2022 to +39.6% y/y in May 2023) due to high base effect and the decline in energy prices (free household natural gas use for one month). Despite further public subsidies on gas consumption, rigidity of services prices and 34% hike in minimum wages on July 1st will maintain inflation elevated in the coming quarters (above +30% by the year-end, and +42% y/y for 2023).

Interest Rates & Currency Dynamics

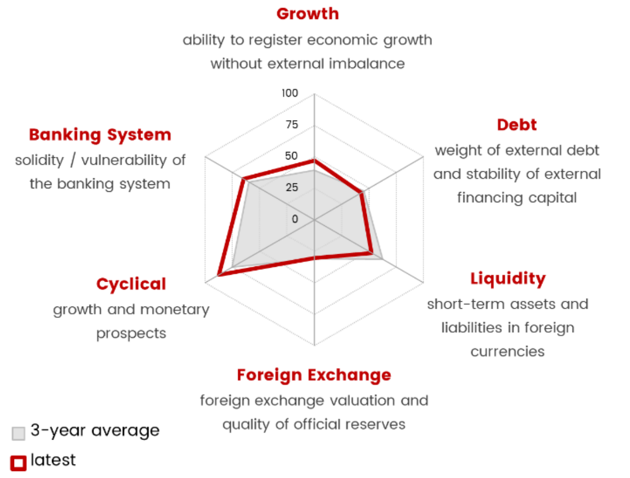
- On June 22, the Central Bank of Turkey (CBRT) decided to increase its key policy rate (one-week repo auction rate from 8.5% to 15%). This first hike (+650bps) since March 2021 reflects the beginning of a tightening cycle to fasten the disinflation prospects. In addition, the CBRT announced the increase in the maximum interest rates applied to credit cards and the reduction on TRY deposit weight requirement on banks' balance sheets for securities maintenance (from 60% to 57%).
- Because of past accumulated pressures (large capital outflow and negative net forex reserves) as well as policy uncertainties (rate hike decision below market expectations), the Turkish Lira collapsed over the last few weeks (+30% against USD since May-end to USD/TRY 26.1 on June 30). With still excessive external deficit, unfavorable cyclical outlook, and ongoing tightening of global USD liquidity conditions, further boots of depreciation can be expected in the short-term.

Country Risk Premium Components

	Rating	Premium (in bp)
Economic & Financial	54.6 – C	309
Political & Governance	60 – c	265
Crisis Signal	-	0
Country Risk Premium		574
War in Ukraine Risk		*+122*

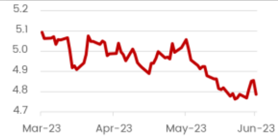
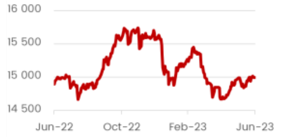
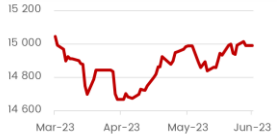
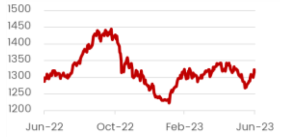
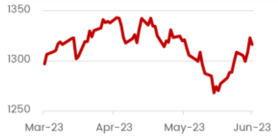
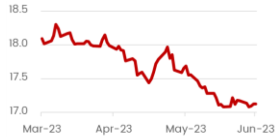
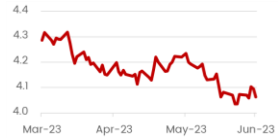
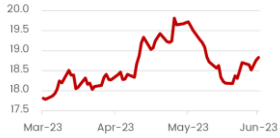
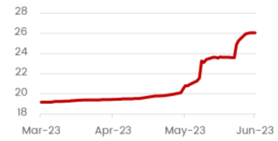
Country Risk Premium History (bp)

Risk-Scores on Fundamental Balances
from 0 (lowest risk) to 100 (highest risk)

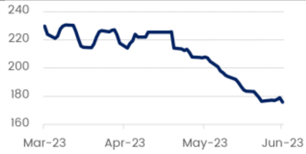
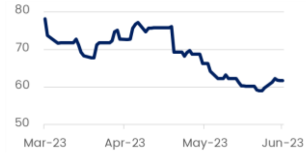
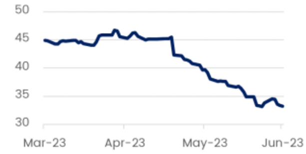
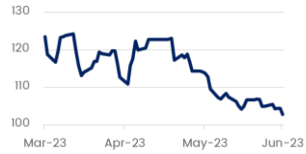
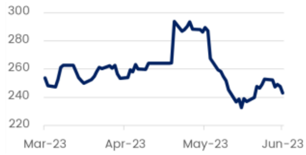


Reference Financial Data Chart Pack

Nominal Exchange Rate against USD

	Jun. 30, 2023	1-year History		3-month History	
Brazil	4.79		+9.8%		+5.8%
China	7.25		-7.6%		-5.2%
India	82.1		-3.8%		+0.1%
Indonesia	14 993		-0.6%		-0.2%
Korea	1 316		-2.1%		-0.5%
Mexico	17.1		+17.4%		+5.5%
Poland	4.06		+10.3%		+5.5%
Russia	88.0		-37.5%		-10.6%
South Africa	18.8		-13.6%		-5.1%
Turkey	26.05		-35.9%		-26.3%

5-year Credit Default Swap

	Jun. 30, 2023	1-year History		3-month History	
Brazil	176		-115		-45
China	62		-23		-10
India	66		-56		-29
Indonesia	79		-45		-5
Korea	33		-19		-11
Mexico	103		-72		-14
Poland	73		-39		-27
South Africa	243		-43		-5
Turkey	482		-356		-34

Equity Index

	Jun. 30, 2023	1-year History		3-month History	
Brazil BOVESPA	118 087		+19.8%		+16.3%
China SSE	3 202		-5.8%		-2.9%
India SENSEX	64 719		+22.1%		+9.5%
Indonesia JSE	542		-5.6%		-4.9%
Korea KOSPI	2 564		+9.9%		+3.7%
Mexico BOLSA	53 526		+12.6%		-0.7%
Poland WIG	67 283		+25.6%		+14.0%
Russia RTS	983		-26.9%		-0.6%
South Africa JSE AS	76 028		+14.8%		-0.8%
Turkey BIST 100	5 759		+139.4%		+19.0%

Appendix: list of countries with ISO codes

(by regions)

Asia

AZE	Azerbaijan
BGD	Bangladesh
BRN	Brunei
CHN	China
GEO	Georgia
IDN	Indonesia
IND	India
KAZ	Kazakhstan
KHM	Cambodia
KOR	Korea
LAO	Laos
LKA	Sri Lanka
MMR	Myanmar
MNG	Mongolia
MYS	Malaysia
NPL	Nepal
PAK	Pakistan
PHL	Philippines
THA	Thailand
TWN	Taiwan
VNM	Vietnam

Europe

ALB	Albania
ARM	Armenia
BGR	Bulgaria
BIH	Bosnia Herzegovina
BLR	Belarus
CZE	Czech Rep.
HUN	Hungary
MKD	Macedonia
MNE	Montenegro
POL	Poland
ROU	Romania
RUS	Russia
SRB	Serbia
TUR	Turkey
UKR	Ukraine

MENA

ARE	U.A.E.
BHR	Bahrain
DZA	Algeria
EGY	Egypt
IRN	Iran
ISR	Israel
JOR	Jordan
KWT	Kuwait
LBY	Libya
MAR	Morocco
OMN	Oman
QAT	Qatar
SAU	Saudi Arabia
TUN	Tunisia

Latin America

ARG	Argentina
BOL	Bolivia
BRA	Brazil
CHL	Chile
COL	Colombia
CRI	Costa Rica
DMA	Dominica
DOM	Dominican Rep.
ECU	Ecuador
GTM	Guatemala
HND	Honduras
MEX	Mexico
PAN	Panama
PER	Peru
PRY	Paraguay
SLV	El Salvador
URY	Uruguay
VEN	Venezuela

Sub-Saharan Africa

AGO	Angola
BEN	Benin
BFA	Burkina Faso
CAF	Central African Rep.
CIV	Ivory Coast
CMR	Cameroon
COD	Congo Dem. Rep.
COG	Congo
COM	Comoros
CPV	Cabo Verde
ETH	Ethiopia
GAB	Gabon
GHA	Ghana
GIN	Guinea
GNB	Guinea Bissau
KEN	Kenya
MDG	Madagascar
MLI	Mali
MOZ	Mozambique
MRT	Mauritania
MUS	Mauritius
NER	Niger
NGA	Nigeria
RWA	Rwanda
SDN	Sudan
SEN	Senegal
SYC	Seychelles
TGO	Togo
TZA	Tanzania
UGA	Uganda
ZAF	South Africa
ZMB	Zambia

Your contacts at TAC ECONOMICS

Technical questions / hotline

TAC ECONOMICS team is available for any economic, financial, technical questions and requests at the following e-mail address: hotline@taceconomics.com

Customer relation

For any question relative to your subscription, please contact us by e-mail at taceconomics@taceconomics.com

Tel +33 (0)299 39 31 40
Web: http://www.taceconomics.com

Disclaimer

These assessments are, as always, subject to the disclaimer provided below.