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MUFG Bank, Ltd.

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Re-evaluating EM inflation and rates expectations stemming from soaring energy prices

Macro focus: The renewed acceleration in energy prices, combined with spillovers into higher food prices, constitutes yet another upside near-term risk to EM inflation. We re-examine our EM inflation models which signal that the (i) more commodity-intensive CPI baskets in EM relative to DM and; and (ii) less willingness of EM central banks to look through non-core inflationary pressures, will likely prompt additional hiking biases across the EM space over the autumn and winter period.

FX views: EM FX continues to weaken amidst broad-based USD strength stemming from the hawkish repricing of Fed rate hike expectations and faster QE tapering plans – MUFG's EM FX index breaking below key support levels provided by the lows from August and last October, falling to the lowest levels since May 2020.

Trading views: Whilst last week against showed the intra-week volatility in EM FX, bigger trends are apparent in rates markets where clearer momentum is on display.

Week in review: Over the previous week, September PMI readings so far have printed lower in EM EMEA (bar Russia), Czech Republic surprised markets to the upside with a 75bp hike, S&P upgraded Oman's sovereign outlook to positive and Turkish inflation continued to edge up in September challenging the outlook.

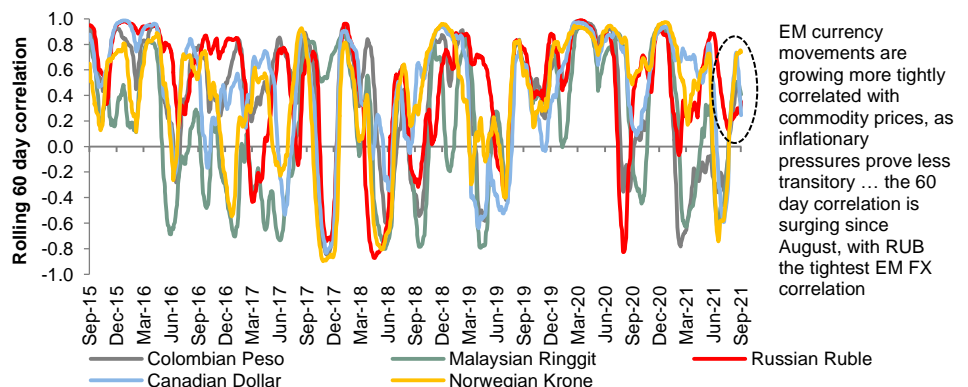
Week ahead and calendar: In the coming week, there will be rates decisions in Israel, Poland and Romania. Meanwhile, inflation data for September will be published in Hungary, Russia and Ukraine.

Forecasts at a glance: The recovery in EM economies continued at a robust pace during H1 2021 – though peak growth has passed, strong DM growth and the easing of pandemic effects, should support EM recoveries over the remainder of the year.

Core indicators: EM capital flows fell for the third consecutive week (USD-1.3bn) – core rates are in the midst of a second selloff in 2021, and in some respects, this tantrum may be more concerning for EM assets which is spooking EM investors.

CHART OF THE WEEK: COMMODITY FX CAN'T IGNORE INFLATION IMPULSE

COMMODITY CURRENCY CORRELATIONS WITH BRENT CRUDE (ROLLING 60 DAY CORRELATIONS)



Source: Bloomberg, MUFG Research

Macro focus

Re-evaluating EM inflation and rates expectations stemming from soaring energy prices

The surge in commodity prices is leading to a re-evaluation of the EM inflation and rates trajectory

The recent parabolic surge and volatility of gas prices has alarmed global markets (see [here](#)). This is now lifting other energy commodities, including oil, petroleum products, coal electricity, EUA carbon and biofuels. Given the more commodity-intensive CPI baskets in emerging markets (EM) relative to developed markets (DM), alongside the spillovers into higher food prices primarily as the costs for farmers is set to increase with fertiliser producers likely reducing output, this development is leading us to re-examine our EM inflation models. This in turn has monetary policy implications with the pace and scope of EM rate increases set to pick-up, given EM central banks are less willing to look through non-core inflationary pressures.

EM inflation had already been on an upward trend and the renewed energy spike signals that headline CPI has further to run

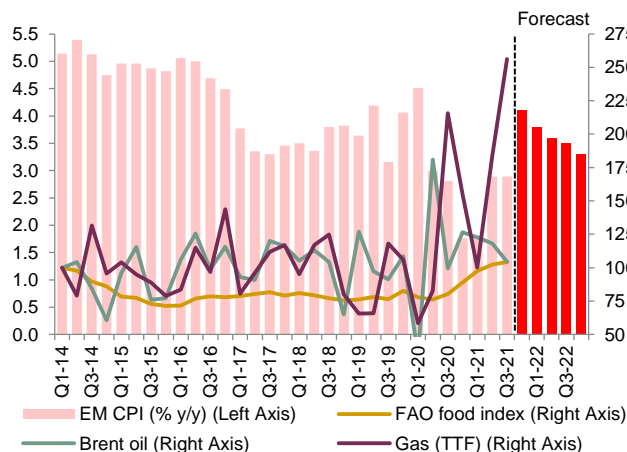
EM inflation has already been driven sharply higher this year by a potent combination of higher commodity prices (both food and energy), base effects, re-opening reverberations (i.e one-off price increases in sectors that have been most affected by lockdowns) and fast-recovering DM demand. Prior to the recent energy price surge, questions had lingered over recent months as to whether the inflation rise across EMs is transitory and will normalise after a few months, or become permanent and we enter a prolonged period of elevated price pressures. Given the accelerating velocity of the energy price increases, the already elevated EM inflationary levels are likely to have more to run.

Importance of examining monetary and fiscal policy in the content of “growth” of GDP

We had catalogued the case that inflation in EMs should peak when and if commodity prices peak (see [here](#)), factoring in re-opening effects. Thus, the renewed leg up in energy prices is evidently not helpful to the hypothesis of peak EM inflation. Of importance is the scale and scope of the spillover into food inflation, given the weight of food is higher in most EMs CPI baskets than the weight of energy. As it stands, EM food inflation remains at controllable levels and well off the highs, however the risk is that higher energy prices will also impact food prices, through the fertiliser link as mentioned above. While the link between energy prices and soft commodities is not as strong as the link between energy and metals, we would note that the correlation overall is still significant at ~85%. As such, food prices taking off again would push out headline inflation peaks further.

SURGE IN GAS, OIL – AND LIKELY FOOD PRICES – WILL LEAD TO A PICK-UP IN EM INFLATION

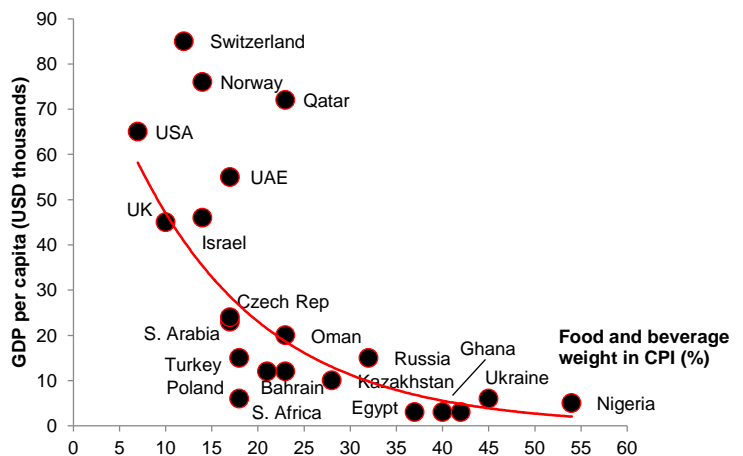
EM INFLATION (% Y/Y) VS. FOOD, OIL AND GAS INDEX (REBASED Q1 2014 = 100)



Source: Bloomberg, EM Central Banks, MUFG Research

EM'S COMPRISE A HIGHER SHARE OF FOOD IN THE CPI BASKET RELATIVE TO DM'S GIVEN LOWER EVOLUTION

GDP PER CAPITA (USD, THOUSANDS) VS. FOOD WEIGHT IN CPI (%)



Source: IMF, National Official Sources, MUFG Research

Our EM inflation models signal a peak in Q4 2021 at 4.1% y/y

Our inflation models – which factor the contribution of changes in (i) oil and gas prices; (ii) food commodity prices; and (iii) exchange rate pass-through to headline CPI – suggest that EM inflation is broadly set to rise over the coming quarters. From an estimate 3.5% y/y in Q3 2021, we forecast that the surge in commodity prices will lead to a peak in EM inflation at 4.1% y/y in Q4 2021, fading moderately at 3.8% y/y in Q1 2022, and averaging 3.6% y/y next year. Risks to our forecasts are materially to the upside given the upside price pressures in energy markets over the autumn and winter period. What’s more, gaps to central bank targets (i.e. current CPI minus central bank inflation targets) are currently reasonably high all across the board in EMs, and a measure of short-term momentum (3m/3m changes in CPI indices) still indicates upside risk. In particular, when focusing on EM high yielding economies, inflation expectations indicate a sequential acceleration in the months ahead, albeit with heterogeneity cross-countries. This leaves ample room for hawkish developments and reinforces the case for cautiousness on the inflation front for the near term, especially given upside risks from global supply-chain disruptions.

EM inflation should sequentially fade from Q1 2022

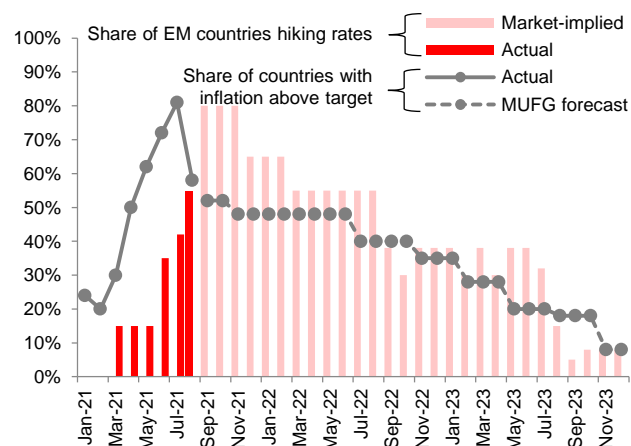
Despite the EM inflation risks skewed to the upside, we remain more dovish on the longer-term inflation outlook stemming from fading contribution effects of food and energy prices from spring next year. From a monetary policy standpoint, pressure on EM central banks will continue to build to initiate (or continue) tightening given the expected sequential price pressures stemming from energy and food prices. However, favourable base effects should mean that the urgency created by the upside inflation risks might gradually decline. In this context, it is possible that the hiking cycles of those central banks that have so far been on the side-lines through 2021 (especially in Asia) will be more moderate relative to the mostly frontloaded tightening delivered by this year’s early hikers.

The pace of EM rate hikes is now skewed to the upside

Our expectations of monetary policy action across EM economies in the year ahead are conditional on the assumptions of how quickly inflation is likely to return to target. The surge in commodity prices dents this likelihood in the near-term. Likely candidates to join the tightening group over this period potentially include Poland, India Malaysia and Romania. For early hikers, including Brazil, Chile, Czech Republic, Hungary, Russia, South Korea and Ukraine – where the speed of tightening has in some places been in line with or in some cases faster than historical hiking cycles – the commodity surge warrants a re-evaluation of whether further hikes are required to stymie the expected higher inflation readings in the months ahead, which could lead on net to a drag on EM growth on the whole.

PEAK EM INFLATION LIKELY TO COINCIDE WITH HIGHER MARKET-IMPLIED RISK OF MONETARY TIGHTENING

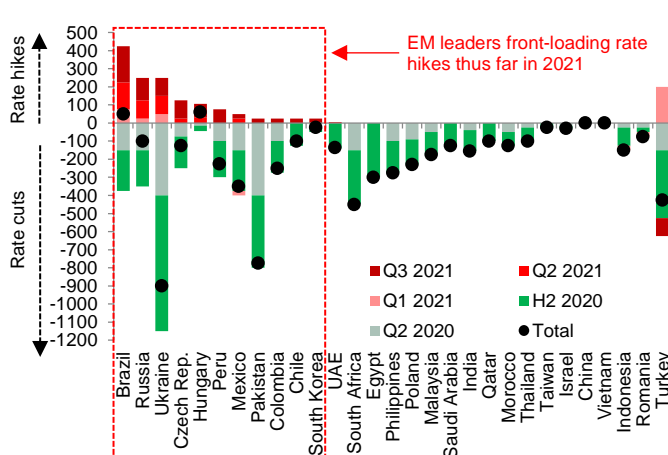
EM CENTRAL BANK HIKE AND INFLATION, % SHARES OF TOTAL



Source: Bloomberg, EM Central Banks, MUFG Research

MONETARY POLICY NORMALISATION INCREASINGLY TAKING HOLD ACROSS EM'S WITH SEVERAL LEADERS

CHANGE IN EM INTEREST RATES BY TIME PERIOD (BASIS POINTS)



Source: Bloomberg, EM Central Banks, MUFG Research

FX views

EM FX: USD breaks higher reinforcing EM FX selling pressure

EM FX breaks key support levels vs USD. MXN, CLP & KRW hit hardest in latest wave of selling.

Emerging market currencies have continued to weaken over the past week amidst broad-based USD strength. Our EM FX index (an equally-weighted basket of 20 EM currencies against the USD) has broken below key support levels provided by the lows from August and last October, and fallen to the lowest levels since May 2020. After peaking in early January, our EM FX index has now fallen by just over 6% against the USD. The worst hit EM currencies over the past week were the MXN (-2.1% vs. USD), CLP (-1.1%) and KRW (-1.0%). While the COP (+1.3%), PHP (+0.6%) and BRL (+0.5%) have held up better.

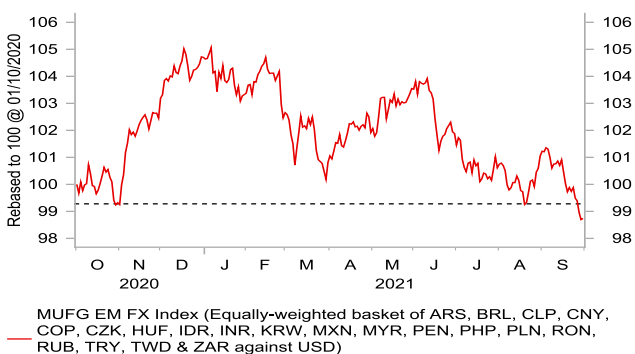
NFP report will test expectations for Fed QE taper announcement in November.

The USD is continuing to benefit more broadly from the hawkish repricing of Fed rate hike expectations and plans for faster QE tapering. The Fed has signalled that it plans to announce QE tapering plans soon, and Chair Powell favours bringing to an end by around the middle of next year. It leaves the door open to rate hikes from 2H 2022. A faster pace of policy normalisation than market participants had been anticipating. We expect the Fed to announce QE taper plans in November. The main risks to that view are posed by: i) a more disorderly US debt ceiling outcome and/or ii) evidence of a sharper US slowdown. The release of the latest NFP report will provide the main test in the week ahead. Employment growth is expected to rebound in September after the setback in August. Employment would have to come in much weaker than in August to prompt the Fed to delay QE tapering plans beyond November, and trigger a temporary reversal lower for the USD.

CEE-3 currencies derive support from hawkish repricing of domestic central bank policy expectations. CNB front loads rate hikes. Will NBP deliver hawkish signal this week?

The CEE-3 currencies have all performed better than expected over the past week when taking into consideration that the EUR weakened more sharply against the USD after falling to fresh year to date lows. It has seen EUR/PLN and EUR/HUF falling back below the 4.6000 and 3.6000 levels respectively indicating that recent weakness has gone too far. The CEE-3 currencies have derived support from the hawkish repricing of regional policy expectations. The CNB delivered an outsized 0.75 point hike as it moved to more front-loaded tightening in response to the higher inflation threat. We expect another 0.25 point hike in November and a further 0.75 point of hikes in 2022 which should continue to encourage a stronger CZK. At the same time, there has been a pick-up in speculation that NBP could start to hike rates soon. Market participants will be watching for a hawkish policy signal at this week's MPC meeting after inflation increased further to 5.8% in September. We believe the risk of the first rate hike being delivered in November has now materially increased.

EM FX BREAKS LOWER VS. USD



Source: Bloomberg, Macrobond & MUFG Research

PLN REBOUNDS FROM UNDERVALUED LEVELS AGAIN



Source: Bloomberg, Macrobond & MUFG Research

Trading views

Trading views: FX is still hard to trade but clearer trends in rates markets

While last week again showed the intra-week volatility in EMFX, bigger trends are apparent in rates markets.

Last week saw us move to being more defensively positioned in EMFX. While that should have provided us with positive alpha, the intra-week volatility especially towards the end of the week showed again how difficult breakouts currently are in EMFX. Where clearer momentum is on display though, is in some of the EM rates market. Alongside Brazil, HUF, RUB and CZK as well as now PLN have been first in line in rate hiking expectations. However, as the chart below shows, the fact the trend for higher rates in CEE has been around for a while now, it did not stop there being further aggressive moves in the last week. In the case of CZK, the higher yields came after the surprise 75bps rate hike. For Poland, the catalyst was the disclosure that a vote on rate hikes had taken place at the last CB meeting in spite of how dovish the governor appeared to sound post meeting. It is clear that most EM places are taking the move up in inflation more seriously than most DM countries. We feel this theme will permeate throughout EM during the next 12 months and would recommend paying most EMFX swap curves – most obvious exceptions to this rule will be Turkey (due to local factors) and China.

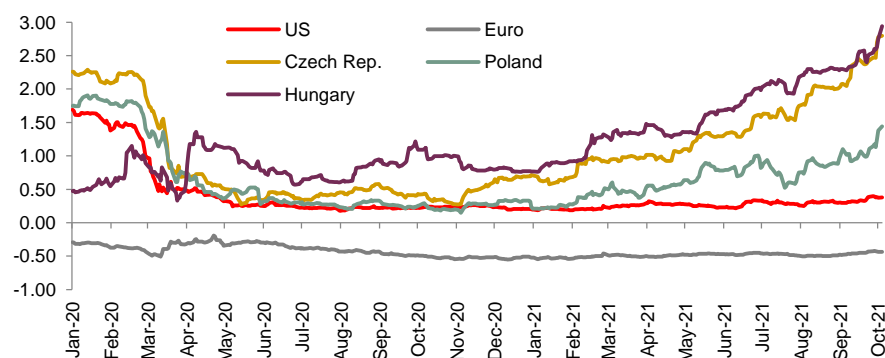
EMFX is struggling to live with the rising real yield picture emerging in the US curve.

The reason for the weakness in EMFX over recent weeks is not just due to a higher USD and yields. It is the fact most of the move in yields is coming from higher real yields. This has two negatives for EM. Firstly by inflation expectations staying constant the USD is more naturally supported. Secondly it increases the risk premium in investing in EM. Remember this is a risk premium which emerging markets are struggling to compensate for with another dismal performance this year across the board. We are not sure why real yields are moving so much more than nominals. Maybe the US government debt issue is bigger than we feel or there are other forces at work. Whatever the reason we would like to see these stabilise, even go down before we start to get bullish EMFX again.

After a period of post Trump tranquillity, China risks seem to be coming back onto the radar.

While China is celebrating golden week, it seems the risk factors are increasing. They are not simply related to economic slowdown, regulatory crackdown or anything Evergrande linked. It also seems that geopolitical risks are picking up perhaps. Going by the current run rate it will be very hard for China to keep to its phase one deal commitments yet the Biden administration do not seem to be accepting this easily. Furthermore it would appear cross-strait relations are hitting new lows with various incursions of air space. For a while post Trump the market had not focussed so much over “China” geopolitical risk. We feel this may come back soon and is another reason why we expect RMB underperformance at some point in the future.

SPREAD BETWEEN CEE-3 RATES VS. US/EURO HAS MATERIALLY WIDENED 2 YEAR INTEREST RATE SWAPS (%) – US, EURO, CZECH REP., POLAND AND HUNGARY



Source: Bloomberg, MUFG Research

Week in review

EM capital flows: outflows with reflation tantrum 2.0 in focus

Q3 2021 was broadly weaker across most EMs

The third quarter of the year was not smooth sailing for EM risk assets. The ongoing COVID-19 headwinds, rising downside risks in global economic activity, the lingering supply-side cost pressures along with a less supportive global liquidity backdrop (on the back of a change in the monetary policy outlook of core central banks) have all led to a rollercoaster ride in risk sentiment (see [here](#)). As a result, all EM assets ended the quarter in negative territory. Particularly worth highlighting is the weak performance of EM equities, which declined 7.6% qtd (-1.1% ytd) on the back of a deteriorating macro outlook.

Aggregate flows left EMs for the third consecutive week

From a capital flows perspective, investors decreased their overall EM exposure for the third consecutive week ending 1 October. According to IIF data, fund flows out of EMs totalled USD-1.3bn driven exclusively by equity outflows (USD-1.4bn) offset by a mild improvement in debt inflows (USD0.1bn). Having said that, from a 28 day rolling average perspective, inflows into EM equity and bond funds continued to rise into further positive territory.

PMIs: lower readings in September in most of EM EMEA so far bar Russia

PMIs decreased in most place across EM EMEA in September bar Russia

A host of EM EMEA PMI's announced their September readings last week with all signalling weaker trends bar Russia (from 46.5 to 49.8). The increase in the Russia PMI was spurred forward by an improvement in both external demand, as evidenced by rising new export orders and domestic manufacturing. Elsewhere, Hungary (from 55.6 to 52.1), the Czech Republic (from 61.0 to 58.0), Poland (from 56.0 to 53.4) and South Africa (from 57.9 to 56.8).

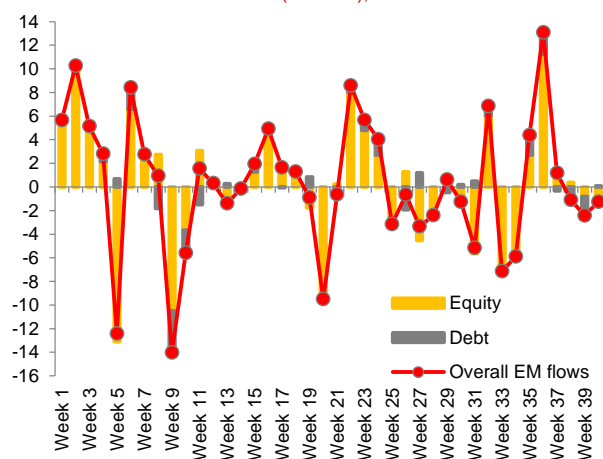
Czech Republic: CNB surprises to the upside with a 75bp hike

Czech Republic raises rates by 75bp (against our and expectations of 50bp) taking the policy rate to 1.50%

The Czech National Bank (CNB) continued its hiking cycle, albeit at a faster pace and raised its policy rate by 75bp to 1.50%, surprising our (and consensus) expectations to the upside (MUFG/consensus: 50bp). Five Monetary Policy Committee (MPC) members voted for the hike while two voted to stay put. The move followed a significant upside surprise to inflation in August at 4.1% y/y (from 3.4% y/y in July) and incoming data pointing to various upside risks, raising concerns

EM CAPITAL FLOWED OUT OF EM'S LAST WEEK DRIVEN BY CONCERNS ON EVERGRANDE AND THE FED'S TAPER

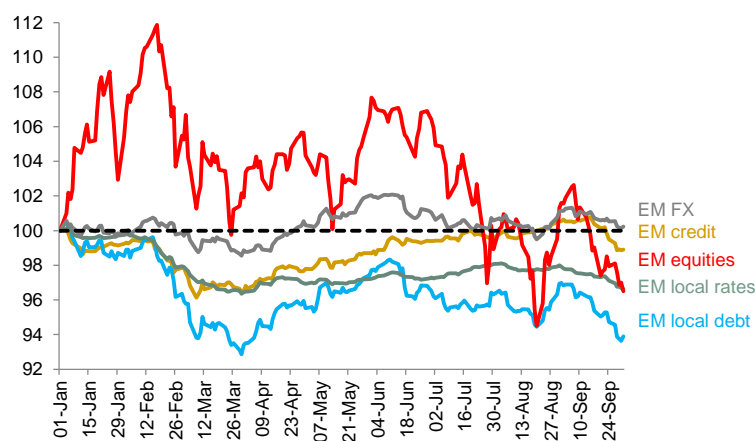
EM EQUITY AND DEBT FLOWS (USD BN), WEEKLY AVG YEAR-TO-DATE



Source: IIF, MUFG Research

EM ASSET CLASS PERFORMANCE REMAINS MIXED – FX REMAINS ONLY OUTPERFORMER

EM EQUITIES, FX, RATES, CREDIT AND DEBT (1 JANUARY 2021 = 100)



Source: Bloomberg, MUFG Research

regarding a potential de-anchoring of inflation expectations. The MPC flagged that it expects inflation to remain high in the short term before returning towards the 2% target next year but also noted that there are some unexpectedly strong inflation pressures from the domestic and foreign economy. In the face of these pressures, the MPC has sent a clear signal with the front-loaded 75bp hike in order to prevent high inflation in the short term from becoming entrenched in inflation expectations.

Czech Republic raises rates by 75bp (against our and expectations of 50bp) taking the policy rate to 1.50%

Going forward, the MPC stated that its autumn forecast will contain a considerable increase in the inflation outlook for the near term given its assessment of current and future risks to inflation. Specifically, the MPC stated that “the pace of further tightening of monetary policy will be conditional on future developments and on the message of the autumn forecast”. Governor Rusnok underlined that the worsening in inflation outlook required policy normalisation, and said that the larger-than-expected hike should be seen in the context of how low the starting point for rates was. He added that the MPC would continue to discuss the appropriate pace and the magnitude of rate hikes and the new forecast due in November will provide it with important guidance. Our own expectations is for inflation to moderately increase over the remainder of 2022 and peak in Q1 2022, before declining materially in H2 2022. From a monetary policy perspective, we expect the CNB to continue its hiking cycle and tighten by 25bp in November and a further cumulative 75bp in hike next year.

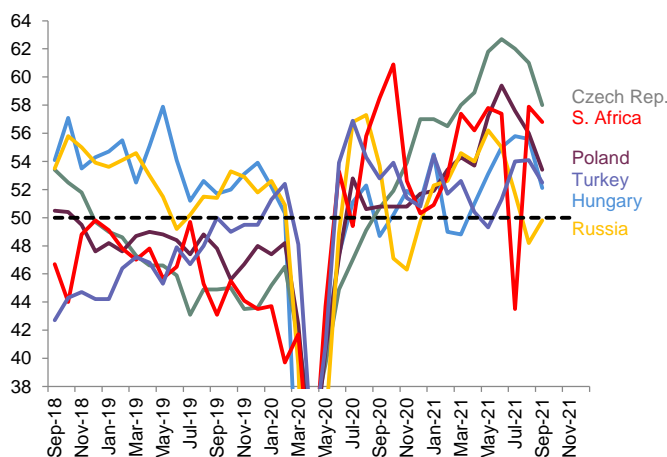
Oman: S&P upgrades the sovereign outlook to positive from stable

Oman’s sovereign outlook upgraded to positive from stable on an improving fiscal position

Following years of iterative credit rating downgrades, Oman’s S&P sovereign outlook was upgraded from stable to positive (ratings affirmed at B+). S&P cited that “the positive outlook indicates that we consider that Oman’s reform programme, and the higher oil prices relative to 2020, will narrow fiscal deficits and slow the increase in net government debt over the next three years”. Encouragingly, S&P stated that they could raise Oman’s ratings over the next 12 months if planned fiscal reforms and stronger economic growth sustainably reduce fiscal imbalances and debt levels. Preliminary fiscal data showed the budget deficit narrowed by more than 20% y/y over the first seven months as revenues gained and spending dropped in line with the commitments of Tawazun (Rebalancing) programme. We expect further gains as energy revenues catch up with the gain in energy prices and the successful introduction of VAT in April boosts recurrent non-oil receipts. Expenditures will also fall as much of the oil and gas spending is moved off budget. Looking ahead, the 2022 budget is expected to commit to further fiscal consolidation, with the focus on the scope of public wage cuts as well as the privatisation programme and income tax.

EM EMEA PMI PRINTS SO FAR EDGE LOWER FOR SEPTEMBER, BAR RUSSIA

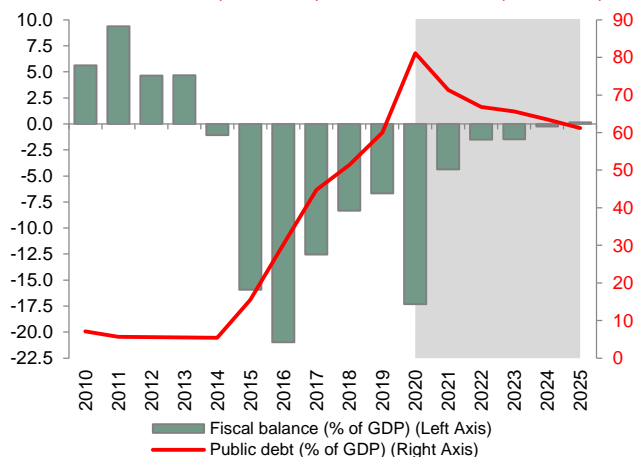
PURCHASING MANAGERS INDEX (0-100; 100 HIGHEST)



Source: Bloomberg, Markit, MUFG Research

OMAN’S FISCAL AND PUBLIC DEBT TRAJECTORY IS SET TO SIGNIFICANTLY IMPROVE IN THE MEDIUM-TERM

OMAN FISCAL BALANCE (% OF GDP) AND PUBLIC DEBT (% OF GDP)



Source: Bloomberg, IMF, MUFG Research

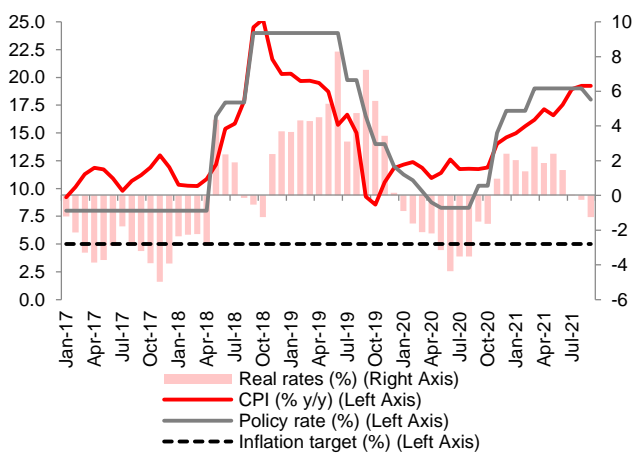
Turkey: inflation rises in September, further challenging the outlook

Turkey inflation rises again to 19.6% y/y in September

Headline inflation in Turkey rose from 19.3% y/y in August to 19.6% y/y in September, below our expectation of 19.8% y/y (consensus 19.7% y/y). The breakdown signalled that the pickup was driven by the housing segment, notably by increases in water and fuel prices. Moreover, education and transport services inflation accelerated sharply. Meanwhile, core inflation increased from 16.8% y/y in August to 17.0% y/y in September, due to higher services prices which more than offset a decrease in core goods prices – likely due to the special consumption tax cut for vehicles in August that fed through to September. From a monetary policy perspective, the Central Bank of Turkey (CBRT) surprised markets with a 100bp cut last month, taking the policy rate to 18.00%. Going forward, elevated inflation expectations and risk premium, in conjunction with continued dollarisation and subdued prospects for capital inflows, make a strong case against further easing. With that in mind, we have pencilled in further rate cuts for the upcoming rate meetings (100bp for the next meeting on 21 October), given the authorities' preferences for lower rates. Having said that, given the inflation trajectory and tightening financial conditions globally on the back of the rising rates environment, we acknowledge that there are risks of rate hikes or indeed a prolonged period of no change in the policy rate. What is clear in our view is that the near-term rate outlook will be conditional by the performance of the Turkish Lira and whether CBRT activity in the FX market becomes increasingly more prevalent.

CBRT HAS COMMENCED ITS EASING CYCLE WITH REAL RATES NOW DEEPER INTO NEGATIVE TERRITORY

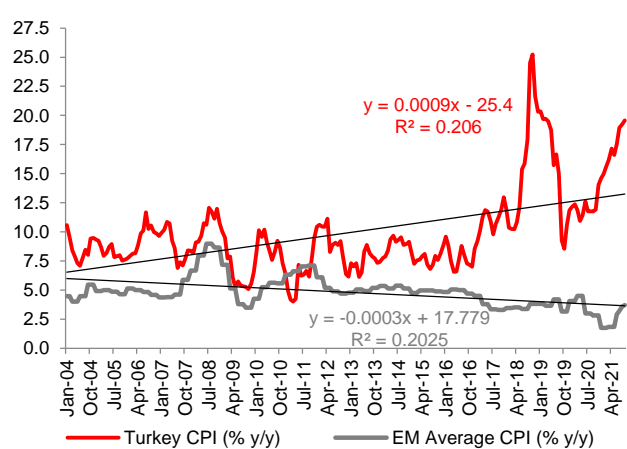
TURKEY NOMINAL AND REAL RATES (%) VS. INFLATION (% Y/Y)



Source: Bloomberg, CBRT, MUFG Research

DEVIATION BETWEEN TURKISH AND EM INFLATION RATES CONTINUES TO BE STRIKING

TURKEY AND EM HEADLINE INFLATION (% Y/Y)



Source: Bloomberg, CBRT, MUFG Research

Week ahead

Poland: NBP to keep rates on hold at 0.10% but hikes risks are rising

Poland to maintain rates at 0.10% with expected hawkish rhetoric

The National Bank of Poland (NBP) is expected to keep rates on hold at 0.10%. Over the months, the communication from the Monetary Policy Committee (MPC) has witnessed little in the way of changes in tone, with the rhetoric that inflation is primarily being driven by external and supply-side factors and that pandemic-related uncertainties warrant a neutral policy stance. Given the higher than expected September inflation reading of 5.8% y/y (MUFG/consensus: 5.5% y/y), we view that the probability for a rate hike in the November meeting has now materially increased with potential hawkish rhetoric likely this week.

Romania: NBR to maintain rates at 1.25% but tightening is on the table

Romania to keep rates on hold at 1.25%

The National Bank of Romania (NBR) is expected to keep its policy rate at 1.25% this week, although rates could begin to tighten before year-end – likely in November when the NBR next updates its economic growth and inflation forecasts. Having said that, there is a risk that the NBR acts and raises rates this week against the backdrop of elevated inflationary pressures (5.3% y/y in August), although we recognised that the NBR has been vocal of its characterisation of the ongoing inflationary pressures as transitory.

Israel: Bol is expected to keep rates unchanged at 0.10%

Israel to maintain rates at 0.10%

The Bank of Israel (BoI) is expected to keep rates on hold at 0.10% with the focus on supporting economic activity, despite inflationary levels picking up in recent months. Indeed, the Monetary Policy Committee (MPC) stated at the last meeting that “there are no signs of an outbreak of inflation” and at 2.2% y/y, the headline rate remains well within the BoI’s 1-3% target range.

Russia: inflation to rise and peak in September

Russian inflation expected to rise to 7.3% y/y in September

















We expect Russian inflation to rise by 6.7% y/y in August to 7.3% y/y in September, in line with consensus. Our expectations is that the surge to be experienced in inflation will likely prove temporary with headline CPI likely to begin to decline from October onwards. The Central Bank of Russia (CBR) will meet on 22 October and we expect rates to rise by another 25bp to take the policy rate to 7.00%. There is a risk that the likely rise in the September inflation reading to propel the CBR to raise rates by a larger 50bp and will the composition of the drivers of the inflation increase will be key to gauge.

Hungary: higher inflation due to base effects and stronger food prices

Hungary inflation expected to increase to 5.6% y/y in September

























Inflation in Hungary is expected to rise from 4.9% y/ in August to 5.6% y/y in September, in line with consensus. The drivers will mainly be robust base effects in core items as well as higher food prices. Importantly we believe that inflation has yet to peak in Hungary and look for higher readings before year end, with inflation likely reaching 5.9% y/y by November, before moderating in 2022. From a monetary policy perspective, we expect the Central Bank of Hungary (MNB) to continue with its tightening cycle and deliver 15bp rate hikes in each meeting until year-end, taking rates to 2.10%. However, there is the prospect that the MNB may raise rates back to the previous pace of 30bp given both its hawkish rhetoric as well as given higher inflationary risks.

























Weekly calendar

| | Country | Day | GMT | Indicator/Event | Period | MUFG Forecast | Consensus | Previous | Market Moving |
|---|------------|------------|-------|---------------------------------|--------|---------------|-----------|----------|---------------|
|  | Turkey | 04/10/2021 | 08:00 | CPI, % y/y | Sep | 19.8% | 19.7% | 19.3% | !!! |
|  | Nigeria | 04/10/2021 | 09:45 | PMI manufacturing | Sep | --- | --- | 52.2 | !!! |
|  | Romania | 05/10/2021 | --- | Monetary policy meeting, % | Oct | 1.25% | 1.25% | 1.25% | !!! |
|  | Egypt | 05/10/2021 | 05:15 | PMI manufacturing | Sep | --- | --- | 49.8 | !!! |
|  | S. Arabia | 05/10/2021 | 05:15 | PMI manufacturing | Sep | --- | --- | 54.1 | !!! |
|  | Kenya | 05/10/2021 | 08:30 | PMI manufacturing | Sep | --- | --- | 51.1 | !!! |
|  | Ghana | 05/10/2021 | 10:00 | PMI manufacturing | Sep | --- | --- | 48.9 | !!! |
|  | Israel | 05/10/2021 | 11:00 | Manufacturing production % m/m | Jul | --- | --- | 4.0% | !! |
|  | Poland | 06/10/2021 | --- | Monetary policy meeting, % | Sep | 0.10% | 0.10% | 0.10% | !!! |
|  | Hungary | 06/10/2021 | 08:00 | Retail sales, % y/y | Aug | --- | 2.8% | 3.0% | !! |
|  | Russia | 06/10/2021 | 17:00 | CPI, % y/y | Sep | 7.3% | 7.3% | 6.7% | !!! |
|  | Czech Rep. | 07/10/2021 | 08:00 | Industrial production, %y/y | Aug | --- | 5.1% | 1.1% | !! |
|  | Russia | 07/10/2021 | 14:00 | Official reserve assets, USD bn | Sep | --- | --- | USD618bn | !! |
|  | Israel | 07/10/2021 | --- | Monetary policy meeting, % | Sep | 0.10% | 0.10% | 0.10% | !!! |
|  | Hungary | 08/10/2021 | 08:00 | CPI, % y/y | Sep | 5.6% | 5.6% | 4.9% | !!! |
|  | Ukraine | 08/10/2021 | 13:00 | CPI, % y/y | Sep | --- | 11.0% | 10.2% | !! |

Source: Bloomberg, MUFG Research

Forecasts at a glance

| EM EMEA economic growth, fiscal balance and current account balance | | | | | | | | | | |
|--|--|------------------|--------|-------|---------------------------|---------|--------|----------------------------|--------|--------|
| | | Real GDP (% y/y) | | | Fiscal balance (% of GDP) | | | Current account (% of GDP) | | |
| | | Latest | 2020 | 2021 | Latest | 2020 | 2021 | Latest | 2020 | 2021 |
|  Bahrain | | 0.32 | -3.82 | 3.51 | -10.61 | -13.72 | -8.54 | -2.06 | -9.18 | -6.73 |
|  Czech Rep. | | 7.80 | -6.50 | 5.12 | 0.27 | -7.30 | -4.29 | 6.00 | -0.68 | -0.53 |
|  Egypt | | 3.46 | 2.84 | 3.51 | -7.41 | -6.90 | -6.38 | -4.17 | -3.82 | -3.40 |
|  Greece | | -3.36 | -9.50 | 4.12 | 0.57 | -8.99 | -3.01 | -2.73 | -7.74 | -4.47 |
|  Hungary | | -2.10 | -6.10 | 3.90 | -2.05 | -8.28 | -3.86 | -3.49 | -1.57 | -0.85 |
|  Iraq | | 4.43 | -12.06 | 2.53 | 0.86 | -17.53 | -13.06 | 1.12 | -12.65 | -12.06 |
|  Israel | | -1.00 | -5.89 | 4.87 | -3.91 | -12.94 | -7.05 | 5.61 | 3.55 | 3.50 |
|  Jordan | | 1.96 | -5.00 | 3.40 | -5.98 | -9.14 | -7.37 | -8.39 | -6.80 | -5.68 |
|  Kenya | | 5.37 | 1.05 | 4.67 | -7.73 | -8.39 | -8.53 | -5.82 | -4.90 | -5.39 |
|  Kuwait | | 0.43 | -5.92 | 3.74 | 5.38 | -23.20 | -15.83 | 3.06 | -2.81 | -1.31 |
|  Lebanon | | -6.90 | -25.00 | -9.20 | -10.50 | -16.53 | --- | -27.45 | -16.33 | -9.60 |
|  Libya | | 9.89 | -66.65 | 76.02 | 2.19 | -102.94 | -43.22 | -0.30 | -59.76 | -22.44 |
|  Morocco | | 1.00 | -6.97 | 4.92 | -4.13 | -7.79 | -6.02 | -3.96 | -7.28 | -5.22 |
|  Nigeria | | 0.51 | -4.28 | 1.70 | -4.76 | -6.74 | -4.97 | -3.49 | -3.65 | -2.02 |
|  Oman | | -0.83 | -10.00 | -0.55 | -7.06 | -18.71 | -16.82 | -4.94 | -14.57 | -12.90 |
|  Poland | | 10.90 | -3.56 | 4.60 | -0.74 | -10.46 | -4.34 | 1.02 | 3.03 | 1.77 |
|  Romania | | -0.20 | -4.80 | 4.57 | -4.56 | -9.59 | -8.08 | -9.87 | -5.27 | -4.51 |
|  Qatar | | -2.50 | -4.48 | 2.52 | 4.93 | 3.03 | 3.33 | -27.24 | -0.60 | 2.57 |
|  Russia | | -0.62 | -4.12 | 2.82 | 1.92 | -5.29 | -2.57 | 1.11 | 1.17 | 1.83 |
|  Saudi Arabia | | 1.50 | -4.80 | 4.10 | -4.45 | -10.56 | -7.75 | -0.33 | -4.80 | 4.57 |
|  South Africa | | -3.20 | -8.00 | 3.00 | -2.27 | -9.32 | -6.09 | 1.22 | -1.62 | -1.79 |
|  Turkey | | 7.01 | -0.90 | 4.80 | -5.65 | -7.88 | -7.93 | 0.00 | -3.66 | -0.89 |
|  Ukraine | | -2.20 | -7.20 | 3.00 | -2.04 | -7.81 | -5.25 | 1.35 | 4.32 | -3.02 |
|  UAE | | 1.70 | -5.20 | 4.50 | -0.76 | -9.90 | -5.05 | 2.44 | 3.55 | 7.49 |
























| EM EMEA inflation, interest rates and FX | | | | | | | | | | |
|--|--|----------------------------|-------|-------|---------------------------|----------|----------|------------------|----------|----------|
| | | Inflation (% y/y, average) | | | Policy interest rates (%) | | | FX (against USD) | | |
| | | Latest | 2020 | 2021 | Latest | End-2021 | End-2022 | Latest | End-2021 | End-2022 |
|  Bahrain | | 0.30 | 2.80 | 2.30 | 2.25 | 2.25 | 2.25 | 0.377 | 0.377 | 0.377 |
|  Czech Rep. | | 4.10 | 2.70 | 2.20 | 1.50 | 0.50 | 1.00 | 25.315 | 21.110 | 20.100 |
|  Egypt | | 5.70 | 4.40 | 4.90 | 8.25 | 7.25 | 7.25 | 0.064 | 15.590 | 16.520 |
|  Greece | | 1.88 | 0.69 | 0.88 | 0.00 | 0.00 | 0.00 | 1.160 | 1.280 | 1.2600 |
|  Hungary | | 4.90 | 4.00 | 2.50 | 1.65 | 1.00 | 12.50 | 308.110 | 294.300 | 285.70 |
|  Iraq | | 7.40 | 1.00 | 1.50 | 4.00 | 4.00 | 4.00 | 1460.000 | 1460.000 | 1460.000 |
|  Israel | | 2.20 | 0.80 | 0.60 | 0.10 | 0.10 | 0.10 | 3.216 | 3.240 | 3.200 |
|  Jordan | | 2.01 | 1.41 | 6.50 | 3.25 | 3.25 | 3.25 | 0.709 | 0.709 | 0.709 |
|  Kenya | | 6.90 | 6.00 | 5.00 | 7.00 | 7.00 | 7.00 | 110.530 | 116.330 | 115.400 |
|  Kuwait | | 3.12 | 2.30 | 2.50 | 1.50 | 1.50 | 1.50 | 0.302 | 0.302 | 0.302 |
|  Lebanon | | 137.75 | 85.45 | 32.30 | 2.75 | 2.75 | 2.75 | 1510.670 | 1510.670 | 1520.000 |
|  Libya | | 4.56 | 15.12 | 15.12 | 3.00 | 3.00 | 3.00 | 4.556 | 4.556 | 4.434 |
|  Morocco | | 0.80 | 0.80 | 1.20 | 1.50 | 1.50 | 1.50 | 9.058 | 8.700 | 8.800 |
|  Nigeria | | 17.00 | 16.60 | 12.10 | 11.50 | 11.50 | 11.50 | 413.260 | 398.000 | 405.200 |
|  Oman | | 2.19 | 2.30 | 1.20 | 0.42 | 0.42 | 0.42 | 0.385 | 0.385 | 0.385 |
|  Poland | | 5.80 | 3.80 | 2.10 | 0.10 | 0.10 | 0.25 | 3.949 | 3.705 | 3.4900 |
|  Romania | | 5.25 | 3.40 | 2.60 | 1.25 | 1.25 | 1.50 | 4.265 | 4.115 | 4.0700 |
|  Qatar | | 2.95 | 0.60 | 1.50 | 1.00 | 1.00 | 1.00 | 3.642 | 3.642 | 3.642 |
|  Russia | | 6.70 | 5.20 | 3.20 | 6.75 | 5.75 | 4.50 | 72.743 | 73.250 | 68.000 |
|  Saudi Arabia | | 0.27 | 3.20 | 1.60 | 0.50 | 0.50 | 0.50 | 3.751 | 3.751 | 3.752 |
|  South Africa | | 4.90 | 4.00 | 3.60 | 3.50 | 3.75 | 4.75 | 14.884 | 14.750 | 15.800 |
|  Turkey | | 19.25 | 15.10 | 11.60 | 18.00 | 14.00 | 14.00 | 8.860 | 9.250 | 8.200 |
|  Ukraine | | 10.20 | 8.30 | 5.40 | 8.50 | 8.50 | 8.50 | 26.623 | 29.950 | 28.900 |
|  UAE | | -0.02 | -0.50 | 1.20 | 0.65 | 0.65 | 0.65 | 3.673 | 3.673 | 3.673 |

Core indicators

| EM EMEA sovereign bond yields (%) | | | | | | | | | |
|-----------------------------------|----------|--------|--------|--------|--------|--------|--------------------------------|-------|---------|
| | Maturity | 03-Sep | 10-Sep | 17-Sep | 24-Sep | 01-Oct | Change in yield (basis points) | | |
| | | | | | | | Week | MTD | YTD |
| Bahrain | 10 years | 2.37 | 2.35 | 2.36 | 2.50 | 2.68 | 17.55 | -9.80 | -29.45 |
| Czech Rep. | 10 years | 1.77 | 1.88 | 2.00 | 1.98 | 2.10 | 11.86 | 0.77 | 107.42 |
| Egypt | 9 years | 5.51 | 5.49 | 5.53 | 5.99 | 6.40 | 40.56 | 10.62 | 144.55 |
| Greece | 8 years | 0.47 | 0.49 | 0.50 | 0.51 | 0.52 | 1.29 | -2.27 | 0.41 |
| Hungary | 8 years | 2.57 | 2.62 | 2.72 | 2.73 | 2.94 | 20.79 | 7.26 | 126.75 |
| Israel | 8 years | 0.13 | 0.14 | 0.14 | 0.18 | 0.22 | 3.41 | 0.54 | 7.54 |
| Jordan | 5 years | 3.72 | 3.74 | 3.72 | 3.86 | 4.09 | 23.67 | 4.99 | 46.66 |
| Kenya | 7 years | 4.84 | 4.94 | 4.99 | 5.31 | 5.38 | 7.54 | 3.85 | 24.44 |
| Kuwait | 6 years | 1.24 | 1.25 | 1.26 | 1.31 | 1.39 | 8.48 | -4.06 | 25.98 |
| Lebanon | 9 years | 48.51 | 44.65 | 42.30 | 42.10 | 42.33 | 23.35 | 19.10 | -747.36 |
| Morocco | 11 years | 2.08 | 2.08 | 2.08 | 2.20 | 2.36 | 16.41 | 2.75 | 62.57 |
| Nigeria | 9 years | 6.22 | 6.25 | 6.29 | 6.66 | 6.85 | 18.26 | 5.00 | 87.71 |
| Oman | 9 years | 4.83 | 4.79 | 4.81 | 5.10 | 5.13 | 3.84 | -4.71 | -34.10 |
| Poland | 8 years | -0.18 | -0.17 | -0.16 | -0.12 | -0.09 | 2.99 | -0.43 | 4.41 |
| Romania | 7 years | 0.98 | 1.03 | 1.03 | 1.05 | 1.20 | 15.43 | 9.77 | 8.86 |
| Qatar | 9 years | 2.12 | 2.12 | 2.15 | 2.21 | 2.26 | 4.57 | 6.26 | 62.17 |
| Russia | 5 years | 1.72 | 1.74 | 1.74 | 1.82 | 1.90 | 8.12 | 1.95 | -3.06 |
| Saudi Arabia | 8 years | 2.00 | 2.02 | 1.98 | 2.10 | 2.16 | 6.49 | 3.76 | 26.35 |
| South Africa | 9 years | 3.95 | 3.99 | 4.13 | 4.29 | 4.47 | 18.65 | 6.14 | 33.75 |
| Turkey | 7 years | 5.31 | 5.33 | 5.70 | 6.07 | 6.13 | 5.98 | 5.50 | 125.62 |
| Ukraine | 8 years | 5.98 | 6.09 | 6.01 | 6.40 | 6.75 | 35.05 | 13.79 | 79.65 |
| Abu Dhabi | 6 years | 1.35 | 1.36 | 1.39 | 1.61 | 1.63 | 1.65 | 1.15 | 38.75 |
| Dubai | 8 years | 2.51 | 2.51 | 2.50 | 2.55 | 2.54 | -0.84 | -0.67 | -4.98 |






















| EM EMEA equity market (index) | | | | | | | | | |
|-------------------------------|---------|---------|---------|---------|---------|---------|------------|-------|-------|
| | 27-Aug | 03-Sep | 10-Sep | 17-Sep | 24-Sep | 01-Oct | Change (%) | | |
| | | | | | | | Week | MTD | YTD |
| Bahrain | 1,648 | 1,645 | 1,665 | 1,673 | 1,693 | 1,705 | 0.74 | -0.03 | 14.45 |
| Czech Rep. | 118,724 | 116,677 | 115,361 | 113,794 | 112,282 | 112,900 | 0.55 | 1.73 | -5.14 |
| Egypt | 10,691 | 11,284 | 11,090 | 11,188 | 10,499 | 10,437 | -0.59 | -0.76 | -3.77 |
| Greece | 916 | 918 | 905 | 904 | 894 | 871 | -2.60 | 0.66 | 7.67 |
| Hungary | 50,641 | 51,947 | 52,515 | 52,318 | 51,298 | 53,590 | 4.47 | 1.39 | 27.45 |
| Israel | 1,761 | 1,768 | 1,773 | 1,794 | 1,793 | 1,805 | 0.71 | 0.17 | 20.43 |
| Jordan | 2,027 | 2,060 | 2,058 | 2,074 | 2,067 | 2,089 | 1.04 | 0.76 | 26.04 |
| Kenya | 187 | 182 | 179 | 180 | 178 | 181 | 1.70 | 1.64 | 19.14 |
| Kuwait | 6,768 | 6,813 | 6,786 | 6,839 | 6,845 | 6,880 | 0.50 | 0.21 | 24.04 |
| Lebanon | 658 | 658 | 658 | 658 | 658 | 658 | 0.00 | -0.15 | 49.03 |
| Morocco | 10,288 | 10,324 | 10,360 | 10,480 | 10,542 | 10,649 | 1.01 | -0.70 | 15.87 |
| Nigeria | 39,450 | 39,184 | 39,205 | 38,968 | 38,874 | 40,221 | 3.47 | 0.00 | -0.12 |
| Oman | 3,959 | 3,974 | 3,970 | 3,962 | 3,921 | 3,943 | 0.55 | 0.00 | 7.75 |
| Poland | 2,325 | 2,371 | 2,365 | 2,355 | 2,334 | 2,328 | -0.27 | 0.76 | 17.33 |
| Romania | 12,275 | 12,302 | 12,347 | 12,288 | 12,301 | 12,633 | 2.70 | -0.09 | 28.84 |
| Qatar | 11,135 | 11,096 | 11,076 | 11,111 | 11,143 | 11,463 | 2.87 | -0.19 | 9.84 |
| Russia | 3,887 | 3,971 | 4,017 | 4,066 | 4,031 | 4,079 | 1.18 | -0.02 | 24.01 |
| Saudi Arabia | 11,157 | 11,311 | 11,456 | 11,411 | 11,328 | 11,464 | 1.20 | -0.28 | 31.93 |
| South Africa | 61,212 | 60,613 | 59,379 | 58,230 | 55,246 | 57,266 | 3.66 | -1.03 | 5.31 |
| Turkey | 1,453 | 1,474 | 1,434 | 1,424 | 1,407 | 1,401 | -0.43 | -0.35 | -5.10 |
| Ukraine | 526 | 526 | 526 | 526 | 526 | 526 | 0.00 | 0.00 | 5.30 |
| Abu Dhabi | 7,665 | 7,649 | 7,771 | 7,824 | 7,746 | 7,719 | -0.35 | 0.26 | 52.99 |
| Dubai | 2,903 | 2,917 | 2,907 | 2,885 | 2,872 | 2,834 | -1.34 | -0.42 | 13.71 |

EM EMEA FX against USD*

| | | 27-Aug | 03-Sep | 10-Sep | 17-Sep | 24-Sep | 01-Oct | Change (%) | | |
|--|----------------|----------|----------|----------|----------|----------|----------|------------|-------|--------|
| | | | | | | | | Week | MTD | YTD |
|  | USD Index | 92.686 | 92.035 | 92.582 | 92.932 | 93.327 | 94.035 | 0.76 | -0.21 | 4.56 |
|  | Bahrain** | 0.379 | 0.379 | 0.380 | 0.380 | 0.380 | 0.380 | -0.03 | -0.03 | -0.26 |
|  | Czech Rep. | 21.638 | 21.355 | 21.448 | 21.637 | 21.686 | 21.834 | 0.68 | 0.24 | -1.64 |
|  | Egypt | 15.699 | 15.699 | 15.699 | 15.723 | 15.699 | 15.723 | 0.16 | 0.00 | -0.16 |
|  | Greece*** | 1.180 | 1.188 | 1.181 | 1.173 | 1.172 | 1.160 | -1.06 | 0.14 | -5.08 |
|  | Hungary | 296.030 | 292.420 | 296.330 | 301.050 | 304.460 | 308.110 | 1.20 | 0.75 | -3.63 |
|  | Israel | 3.229 | 3.204 | 3.201 | 3.208 | 3.199 | 3.216 | 0.52 | 0.26 | -0.08 |
|  | Jordan** | 0.711 | 0.711 | 0.711 | 0.711 | 0.711 | 0.711 | 0.00 | 0.00 | -0.24 |
|  | Kenya | 109.890 | 109.890 | 0.009 | 0.009 | 0.009 | 0.009 | -1.10 | 0.00 | 2.22 |
|  | Kuwait | 0.302 | 0.302 | 0.302 | 0.302 | 0.302 | 0.302 | 0.00 | 0.00 | 0.53 |
|  | Lebanon | 1,512.70 | 1,514.89 | 1,509.20 | 1,513.18 | 1,512.65 | 1,510.67 | -0.13 | 0.08 | 0.29 |
|  | Morocco | 8.892 | 8.856 | 8.931 | 8.984 | 8.992 | 9.058 | 0.74 | 0.02 | -1.64 |
|  | Nigeria | 411.230 | 411.620 | 411.080 | 412.300 | 413.310 | 413.260 | -0.01 | -0.05 | -3.74 |
|  | Oman** | 0.387 | 0.387 | 0.387 | 0.387 | 0.387 | 0.387 | -0.03 | 0.08 | 0.41 |
|  | Poland | 3.757 | 3.757 | 3.758 | 3.758 | 3.759 | 3.759 | -0.01 | 0.01 | -0.13 |
|  | Romania | 4.185 | 4.162 | 4.185 | 4.220 | 4.225 | 4.265 | 0.96 | 0.19 | -6.73 |
|  | Qatar** | 3.709 | 3.698 | 3.696 | 3.695 | 3.684 | 3.681 | -0.08 | -0.01 | 0.43 |
|  | Russia | 73.543 | 72.732 | 73.197 | 72.879 | 72.747 | 72.743 | 0.00 | 0.01 | 2.29 |
|  | Saudi Arabia** | 3.757 | 3.757 | 3.758 | 3.758 | 3.759 | 3.759 | -0.01 | 0.01 | -0.13 |
|  | South Africa | 14.723 | 14.313 | 14.209 | 14.718 | 14.953 | 14.884 | 0.47 | 1.24 | -1.27 |
|  | Turkey | 8.351 | 8.324 | 8.472 | 8.641 | 8.886 | 8.859 | 0.31 | 0.39 | -16.01 |
|  | Ukraine | 3.751 | 3.750 | 3.751 | 3.750 | 3.751 | 3.751 | 0.00 | 0.00 | 0.02 |
|  | UAE** | 3.674 | 3.674 | 3.674 | 3.674 | 3.674 | 3.674 | 0.00 | 0.00 | 0.05 |

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

EM EMEA 5 year CDS spreads (basis points)

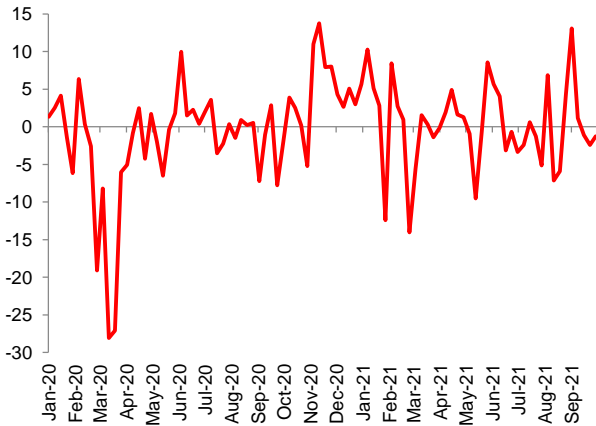
| | | 27-Aug | 03-Sep | 10-Sep | 17-Sep | 24-Sep | 01-Oct | Change in yield (basis points) | | |
|---|--------------|--------|--------|--------|--------|--------|--------|--------------------------------|--------|--------|
| | | | | | | | | Week | MTD | YTD |
|  | Bahrain | 259.91 | 252.35 | 257.72 | 251.18 | 278.55 | 288.97 | 10.43 | 38.68 | 48.15 |
|  | Czech Rep. | 30.35 | 30.16 | 30.23 | 30.00 | 32.97 | 29.67 | -3.30 | -0.70 | -6.07 |
|  | Egypt | 356.65 | 352.20 | 354.33 | 368.91 | 424.97 | 466.39 | 41.42 | 111.55 | 127.36 |
|  | Greece*** | 73.80 | 73.79 | 73.07 | 71.67 | 75.58 | 74.51 | -1.07 | -0.11 | -26.91 |
|  | Hungary | 50.48 | 51.09 | 51.11 | 49.56 | 53.43 | 53.77 | 0.34 | 3.27 | -6.45 |
|  | Israel | 42.53 | 42.00 | 40.71 | 40.05 | 42.92 | 43.30 | 0.38 | 1.10 | -2.92 |
|  | Kenya | 322.32 | 318.09 | 312.19 | 314.12 | 320.71 | 354.12 | 33.41 | 35.08 | 12.84 |
|  | Kuwait | 50.00 | 50.03 | 49.30 | 47.80 | 51.03 | 49.96 | -1.07 | -0.05 | 5.73 |
|  | Morocco | 104.21 | 101.32 | 100.04 | 100.40 | 103.92 | 106.45 | 2.53 | 6.19 | -5.88 |
|  | Nigeria | 364.92 | 364.91 | 364.86 | 364.79 | 383.35 | 438.73 | 55.38 | 73.74 | 102.59 |
|  | Oman | 252.84 | 245.01 | 243.63 | 236.55 | 265.35 | 265.53 | 0.18 | 20.28 | -96.07 |
|  | Poland | 49.23 | 48.50 | 49.09 | 46.37 | 50.03 | 48.72 | -1.31 | -0.35 | -9.17 |
|  | Romania | 87.94 | 88.92 | 88.92 | 82.88 | 88.90 | 95.97 | 7.07 | 8.04 | 11.08 |
|  | Qatar | 42.03 | 40.73 | 39.59 | 39.08 | 43.64 | 44.59 | 0.95 | 3.12 | 6.17 |
|  | Russia | 80.66 | 77.92 | 75.94 | 76.46 | 86.52 | 88.87 | 2.35 | 9.61 | 2.94 |
|  | Saudi Arabia | 52.47 | 49.99 | 48.38 | 47.23 | 54.06 | 53.36 | -0.71 | 2.15 | -12.05 |
|  | South Africa | 191.60 | 183.71 | 180.92 | 186.24 | 204.48 | 212.41 | 7.94 | 25.73 | 8.23 |
|  | Turkey | 369.78 | 366.80 | 364.84 | 386.57 | 422.76 | 435.12 | 12.37 | 68.40 | 130.74 |
|  | Ukraine | 400.75 | 388.32 | 389.71 | 380.20 | 414.89 | 451.88 | 36.99 | 55.86 | 63.25 |
|  | Abu Dhabi | 42.11 | 40.91 | 39.56 | 38.86 | 43.63 | 43.94 | 0.31 | 2.65 | 5.56 |
|  | Dubai | 90.84 | 90.00 | 87.92 | 86.65 | 93.06 | 94.91 | 1.85 | 4.04 | -17.15 |

Source: Bloomberg, MUFG Research

EM capital flows

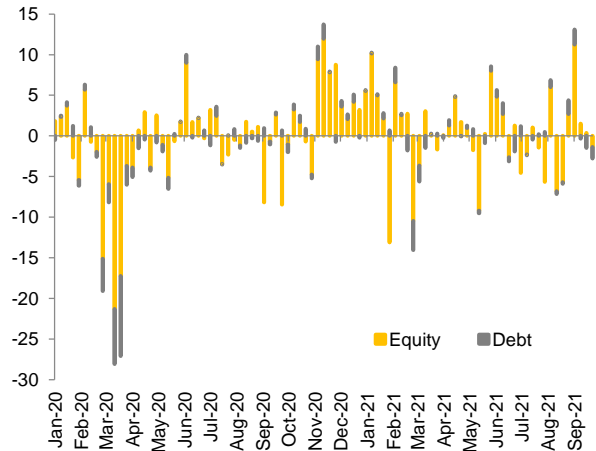
WEEKLY TOTAL EM OUTFLOWS OF USD-1.3BN – 01 OCTOBER

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



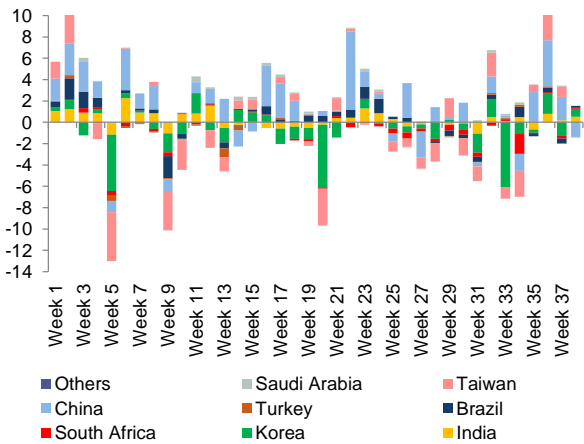
WEEKLY EM OUTFLOWS FROM EQUITY (USD-1.4BN) WHILST DEBT INFLOWS (USD0.1BN) – 01 OCTOBER

WEEKLY DEBT AND EQUITY FLOWS (USD BN)



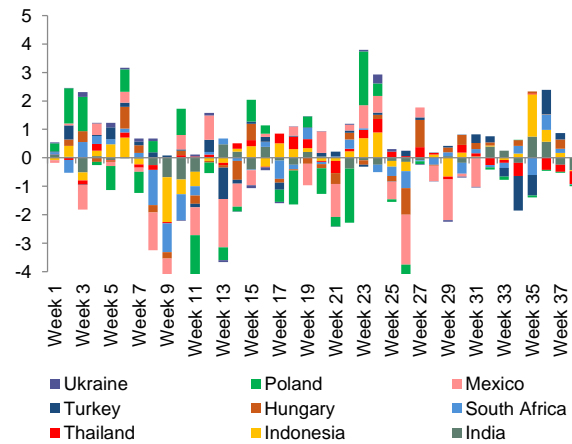
TAIWAN (USD-1.7BN) LED WEEKLY EM EQUITY OUTFLOWS – 01 OCTOBER

WEEKLY PORTFOLIO FLOWS BY COUNTRY, WEEK 1 = JANUARY 2021 (EQUITY) (USD BN)



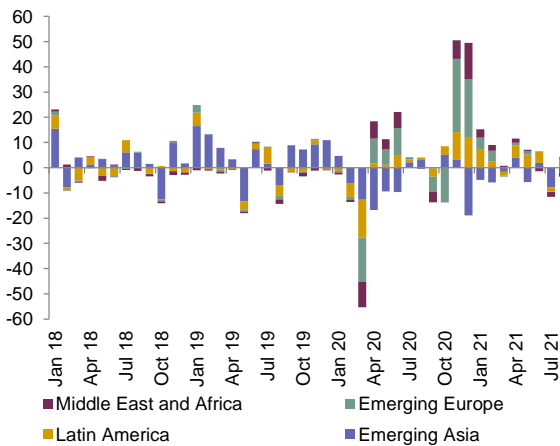
INDONESIA (USD0.6BN) LED EM DEBT INFLOWS LAST WEEK – 01 OCTOBER

WEEKLY PORTFOLIO FLOWS BY COUNTRY, WEEK 1 = JANUARY 2021 (DEBT) (USD BN)



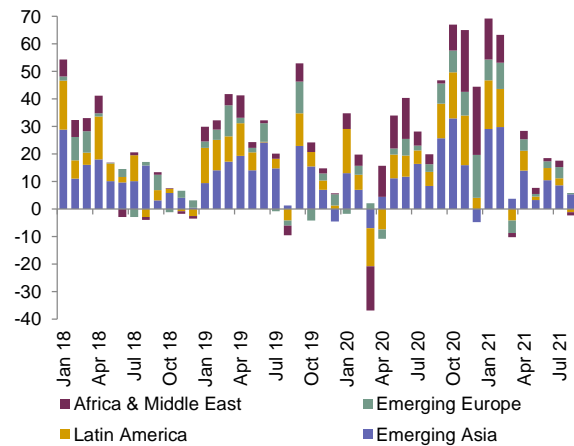
EM EQUITY FLOWS TOTALLED USD0.8BN IN AUGUST, LED BY LATAM (USD3.0BN) AND EM EMEA (USD1.4BN)

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



EM DEBT FLOWS TOTALLED USD3.5BN IN AUGUST, LED BY EM ASIA (USD5.4BN) AND EM EMEA (USD0.5BN)

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



Source: Bloomberg, IIF, MUFG Research

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