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**MUFG Bank, Ltd.**

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## In search of the new EM equilibrium

**Macro focus:** The mild recovery in risk sentiment throughout the summer, which was led by the expectations of a Fed pivot, turned out to be rather short lived. The macro backdrop is turning weaker as risks to global growth rise and markets become less confident as we near the peak in the policy tightening cycle, led by the Fed. A new equilibrium of higher inflation and lower growth in EMs should justify a higher credit risk premium and higher EM yield spreads against US Treasuries. Though until this new equilibrium is established, we believe the EM operating environment will turn more volatile and likely exposed to liquidity gap risks.

**FX views:** Our basket of emerging market currencies has fallen back close to year to date lows against the USD over the past week. The CNY and the KRW have been hit hard by heightened fears over the weakening outlook for China. Meanwhile, the USD is benefitting more broadly as well as from the hawkish repricing of Fed rate hike expectations since Jackson Hole.

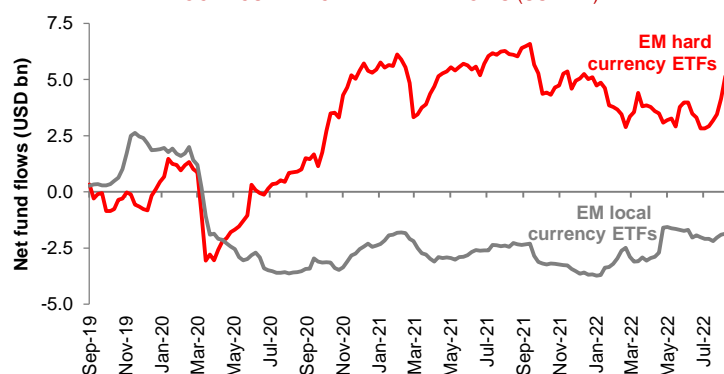
**Week in review:** Saudi Central Bank (SAMA) published statistics for July 2022 which suggests the benign operating environment continues. Meanwhile, Turkey Q2 2022 GDP grew by a robust 7.6% y/y owing to the strong pace of consumption activity. Finally, Hungary's rate hiking path remains resolute with the MNB raising rates by 100bp to 11.75%, with guidance for further tightening.

**Week ahead and calendar:** This week, we will have the rates decision in Poland (MUFG and consensus: +25bp to 6.75%). Inflation data for August will be released in Egypt, Hungary, Ukraine and Russia – all set to rise with the exception of Russia wherein we expect the deflationary trend to gather further pace. Meanwhile, Q2 2022 GDP data will be released in South Africa (MUFG and consensus: 0.8% y/y).

**Forecasts at a glance:** Headwinds facing EMs are getting stronger as persistently high inflation prompts more hawkish monetary policy responses leading to further tightening of financial conditions and more sacrifices from growth.

**Core indicators:** According to IIF data, EMs witnessed their fifth consecutive week of inflows (USD4.5bn – week ending 12 August), but with the Fed in no hurry to pivot, alongside tightening global liquidity, suggests that EM fund flows remain at risk.

### CHART OF THE WEEK: RENEWED FONDNESS FOR EM HARD CURRENCY CREDIT EM HARD AND LOCAL CURRENCY DEBT ETF FLOWS (USD BN)



Passive investors are warning to EM debt, with fund flows into the five largest EM hard currency debt ETFs rebounding sharply since June, yet combined assets under management (USD30.9bn) remains well below pre-COVID levels. On net we interest is likely to dissipate amid the Fed's hawkish resolve.

Source: BlackRock, Bloomberg, Invesco, State Street, Vanguard, MUFG Research

# Macro focus

## In search of the new EM equilibrium

Summer's mild recover has been short-lived

The mild recovery in risk sentiment throughout the summer, which was led by the expectations of a Fed pivot, turned out to be rather short lived, as the Fed Chair Jerome Powell's long awaited speech at the Jackson Hole Economic Policy Symposium failed to offer respite on the future of monetary policy. Powell emphasised the need to keep monetary policy restrictive, noting that FOMC's "overarching" focus was to bring inflation down to its 2% target.

The Fed is likely to keep its policy rate at elevated levels for longer than markets pricing, which, combined with the ongoing balance sheet reduction, should signal tighter financial conditions for EMs

Powell's speech seemed to have led to a repricing of the monetary policy in the US, as investors have adjusted their forecasts for the peak of policy rate, compared to a month ago. Having said that, expectations still point to a pivot of sorts, as market pricing suggests that the Fed would start cutting rates some time in H2 2023. Markets are not convinced of the pivot though, and it will take far more evidence of slowing core inflation to temper Fed tightening. With this, our US rates strategist expects the Fed to keep its policy rate at elevated levels for longer than markets pricing, which, combined with the ongoing balance sheet reduction, should signal tighter financial conditions for EMs.

Given the signs of increasing inertia and persistence, we believe that it might take much longer for inflation to come back to levels in line with targets in many of major EMs unless central banks implement a prudent policy tightening

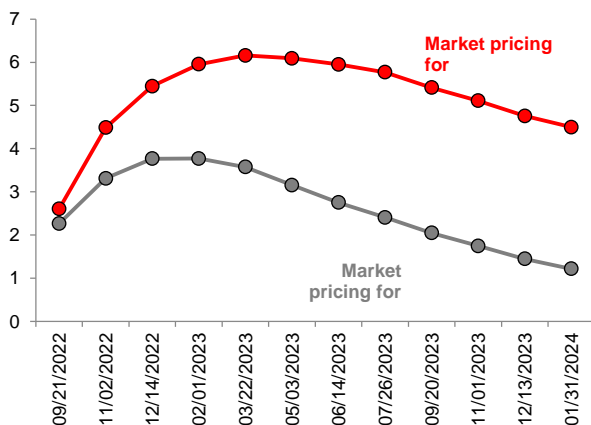
Meanwhile, price pressures are quite evident across the globe, and in EMs, annual inflation has recently surpassed 9% on an aggregate basis, for the first time in at least 20 years. Meanwhile, annual volatility in EM inflation has also surged distinctly pretty much since the beginning of the year (the only exception is LatAm where inflation volatility is declining), which implies a high price level uncertainty. Moreover, to us the debate on inflation is more about how fast it would move towards target rather than whether it has peaked or not. Given the signs of increasing inertia and persistence, we believe that it might take much longer for inflation to come back to levels in line with targets in many of major EMs unless central banks implement a prudent policy tightening (see [here](#)). Succinctly, we are of the view that EM inflation will begin to pivot from "peak" concerns to "duration" concerns.

A new equilibrium of higher inflation and lower growth in EMs should justify a higher credit risk premium and higher EM yield spreads against US Treasuries

What is clear is that the macro backdrop is turning weaker as risks to global growth rise and markets become less confident as we near the peak in the policy tightening cycle, led by the Fed. A new equilibrium of higher inflation and lower growth in EMs should justify a higher credit risk premium and higher EM yield spreads against US Treasuries. Though until this new equilibrium is established, we believe the EM operating environment will turn more volatile and likely exposed to liquidity gap risks.

### THE FED'S RECENT HAWKISH COMMUNICATION HAS RAISED CALLS FOR HIGHER FOR LONGER RATES

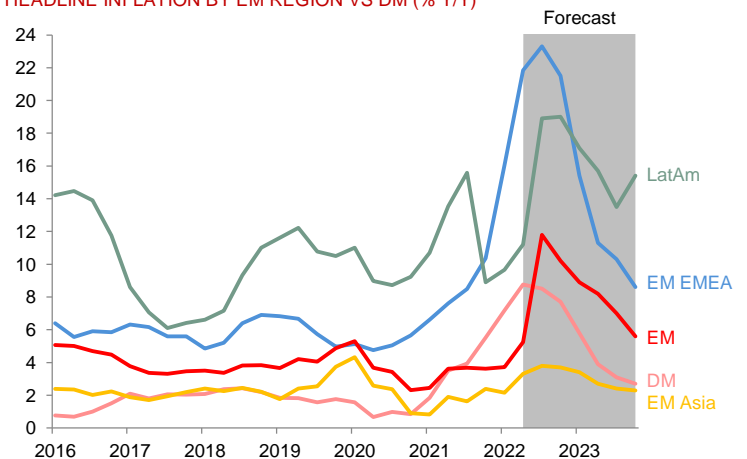
US FED FUNDS RATE (%), MARKET PRICING



Source: Bloomberg, MUFG Research

### DESPITE EM INFLATION LIKELY TO PEAK IN H2 2022, MONETARY TIGHTENING CYCLES WILL TAKE LONGER

HEADLINE INFLATION BY EM REGION VS DM (% Y/Y)



Source: Bloomberg, EM Official Statistics, MUFG Research

The rate tightening cycle has not been uniform across EMs

EM countries are in different stages of monetary policy tightening cycle. LatAm is in a much more mature phase with signs of stabilising inflation. In EM EMEA, Central and Eastern European (CEE) countries have also front-loaded tightening but there's much more elevated fiscal and risks. In contrast, EM Asia remains in the early stage of the hiking cycle (with the exception of South Korea). However, it is difficult to call the peak of the tightening cycle in countries which are in an advanced stage of tightening cycle given the sensitivity of the EM policy cycle to the Fed. South Korea is one example where the market continues to push ahead its expectations of the peak policy rate with the Bank of Korea (BoK) stating that it is unlikely to end its tightening before the Fed. Similar comments were made by the Banxico (Banco de Mexico) deputy governor who said it's premature for Mexico to end the hiking cycle while the Fed is still hiking. Such a backdrop provides better opportunities for cross-market strategies by receiving rates in markets where interest rates are already in restrictive territory against those which remain more exposed to inflation risks.

The EM outlook remains mired in challenges

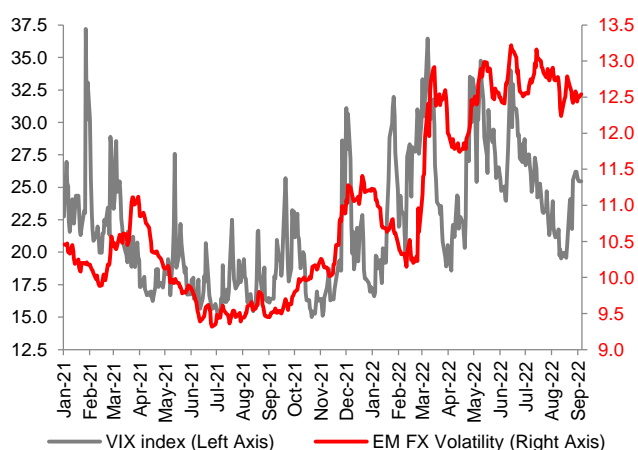
Looking ahead, the EM backdrop remains mired in challenges (see [here](#)). Global central banks keep stepping up the pressure with more aggressive monetary tightening, which naturally raises the question of how much will need to be sacrificed from growth, i.e. the trade-off between growth and inflation. Given a multitude of negative supply shocks, de-globalisation trends and falling productivity, our estimations suggest the "inflation persistence" has increased over the recent episode, which leads to a "higher sacrifice" ratio. The key questions is how much will need to be sacrificed from growth to navigate inflation.

EM opportunities are seldom in scope and tactical in nature

Whilst EMs are never one unified market, what is clear is that the fundamental headwinds facing the complex are strong, making it a difficult investment case until we see Fed pivoting, global supply-disruptions improving and the Chinese economy rebounding more rapidly. In the meantime, EM opportunities will likely be seldom in scope and in the form of tactical bounces supported by a favourable technical picture, i.e. very depressed sentiment, low positioning and high cash levels of institutional investors. We favour EMs with flexible policy manoeuvre, attractive risk premiums and commodity links – the GCC region, South Africa, Brazil as well as Mexico stand-out. For EM FX, with US recession risks rising, the core arguments for a USD bull run are still intact, and thus the external backdrop for EM currencies remains fraught with danger. From a fundamentals perspective, we only favour SGD in EM Asia, HUF in EM EMEA and BRL as well as MXN in LatAm. Finally for EM fixed income, recession fears are playing out in local debt, but the secondary impact is yet to be seen. We expect swaps to remain more sensitive to correlation dynamics with their US equivalents, whilst local bonds, especially EM HY, to be more exposed to a repricing of the credit risk premium.

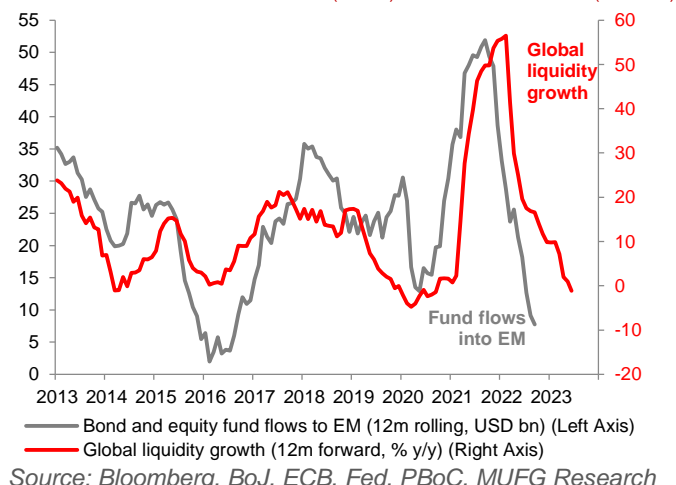
VOLATILITY REMAINS ELEVATED FROM RECESSION ANGST TO HIGHER INFLATIONARY PRESSURES

EM FX VOLATILITY AND VIX INDEX



GLOBAL LIQUIDITY GROWTH HAS TURNED NEGATIVE, ACCELERATING EM FUND OUTFLOWS

G4 CB BALANCE SHEETS GROWTH (% Y/Y) VS EM FUND FLOWS (USD BN)



## FX views

### China growth fears and European energy shock continue to drive EM FX

EM FX falls back towards year to date lows vs. USD. China growth concerns continue to weigh on CNY & Asia FX

Our basket of emerging market currencies has fallen back close to year to date lows against the USD over the past week. The worst performing EM currencies have been the ZAR (-2.8% vs. USD), BRL (-2.7%), COP (-2.5%), KRW (-1.6%), TWD (-1.0%), CZK (-0.8%) and PLN (-0.8%). In contrast, the CLP (+0.9%), HUF (+0.4%), MXN (+0.2%), RON (+0.2%) and INR (+0.2%) have proven more resilient. Our FX momentum indicators are currently signalling that the KRW, ZAR and CNY have had the most relative downward momentum over the last three weeks. The CNY and the KRW have been hit hard in recent weeks by heightened fears over the weakening outlook for China. In order to dampen downward pressure on the CNY, the PBoC has been setting much stronger than expected daily fixes, and has just lowered the reserve ratio for foreign exchange reserves by 2ppts to 6.0% from 15<sup>th</sup> September. Our Asia FX analysts still expect USD/CNY to hit the 7.0000-level ([click here](#)).

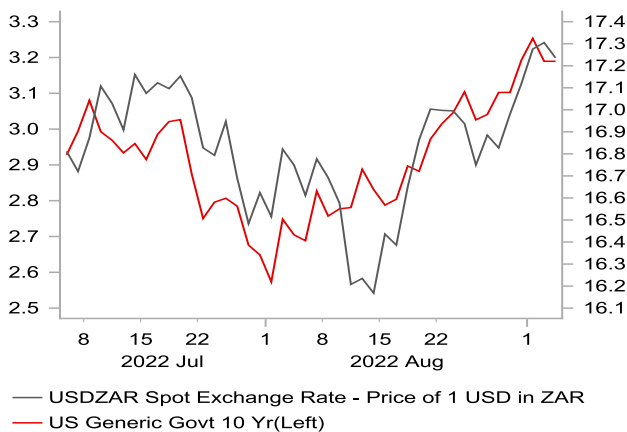
USD has derived support as well from market expectations for higher Fed terminal rate. Higher US rates have lifted USD/ZAR to fresh year to date highs above 17.400

The USD is benefitting more broadly as well from the hawkish repricing of Fed rate hike expectations since Jackson Hole. The US rate market has moved to price in a higher terminal rate for the Fed's hiking cycle at closer to 4.00% after Fed Chair Powell and other Fed speaks sent a strong signal that there is still work to do to get on top of upside inflation risks. The Fed wants to see more evidence that inflation pressures will ease on a sustained basis going forward. It keeps alive expectations for another large 75bps hike this month in spite of the softer US CPI report for July and NFP report for August. The US rate market is currently pricing in around 65bps of hikes. At the same time, more acute fears over recession risk in the US have eased on the back of the resilience in the labour market and stronger activity data so far Q3. USD/MXN and USD/ZAR have had the strongest correlations to moves in US rates over the past month but the ZAR is being hit much harder by rising US rates.

Russia's decision to further gas supplies to Europe reinforces downside risks for European currencies including CEE-3 FX.

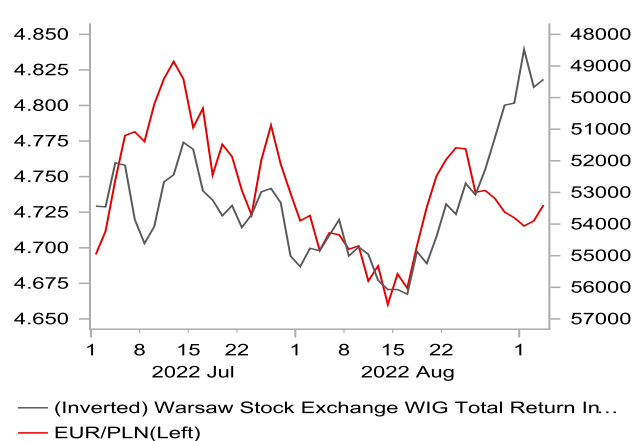
The other key driver of EM FX performance is the European energy supply crisis. Energy prices have been volatile recently initially falling sharply on faster inventory building by European countries and on speculation over potential intervention in energy markets. Last week's relief for European currencies has proven short-lived though after Gazprom announced it will stop the flow of gas through Nord Stream 1 for the foreseeable future. It has reinforced downside risks for the EUR and Central European currencies. The NBP is expected to deliver a smaller 25bps hike in the week ahead but it is unlikely to be sufficient to support a stronger PLN.

### RISING US RATES LIFT USD/ZAR TO YTD HIGHS



Source: Bloomberg, Macrobond & MUFG Research

### RECENT PLN REBOUND BUILT ON SHAKY FOUNDATIONS



Source: Bloomberg, Macrobond & MUFG GMR

## Week in review

### EM capital flows: fifth consecutive week of inflows into EM funds

Expectations still point to a Fed pivot of sorts, as market pricing suggests the FOMC would start cutting rates some time in H2 2023, largely reflecting increasing worries of a global recession

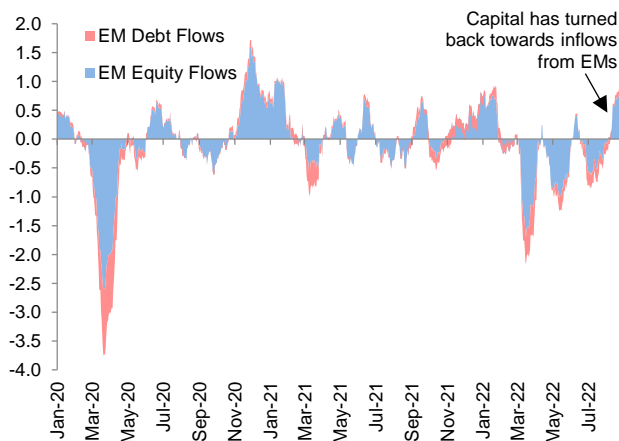
The recent Jackson Hole conference was a rude awakening for markets, as Fed Chair Jerome Powell poured cold water on expectations of a quick pivot in monetary policy (see main *macro focus* section above). Powell emphasised the need to keep monetary policy restrictive, noting that FOMC's overarching focus was to bring inflation down to its 2% target. Powell's speech seems to have led to a repricing of monetary policy, as investors have adjusted their forecasts for the peak of rates significantly compared to a month ago. Main message that came out of his speech for us was that he clearly articulated the mood that the Fed is in no hurry to pivot and reinforced the commitment to tightening policy further, even in the face of an economic slowdown or weaker labour market. Having said that, expectations still point to a pivot of sorts, as market pricing suggests the Fed would start cutting rates some time in H2 2023, largely reflecting increasing worries of a global recession. Such rhetoric reinforces the bleak EM backdrop that remains mired in challenges. Downside risks to global growth, deterioration in global liquidity, the tightening of financial conditions as well as ongoing geopolitical risks are top of mind (see [here](#)).

Fifth consecutive week of EM capital inflows but with the Fed in no hurry to pivot alongside tightening global liquidity signals that EM fund flows remain at risk

According to IIF data, EMs witnessed their fifth consecutive week of inflows (USD4.5bn – week ending 19 August), led by EM equities (USD4.2bn) whilst EM debt (USD0.3bn) also gained. However, given the hawkish Jackson Hole rhetoric with no hurry to pivot, investor concerns continue to linger. Given the strong lagged correlation between the pace of growth in global liquidity and fund flows into EM (9-12 months lag), the ongoing drain on global liquidity, alongside higher recession risks, signals EM fund flows remain at risk. Looking ahead, key factors influencing flows will be the timing of inflation peaking and the Chinese outlook, whilst other core factors will be the market appetite for new issuance of external debt. Net issuance has also gone negative in recent months and – looking at regions – remains positive only for large oil exporters in the Middle East. Such retrenchment in flows – both on the secondary market and in primary issuance – stems from the Fed's hawkish shift in June, which now sets the stage for relief across EMs as the Fed approaches neutral, reducing somewhat the urgency to hike. Having said that, there are pockets of weakness in EMs – where real interest rates are deeply negative – and risks are mounting.

### CAPITAL HAS RETURNED BACK TO INFLOWS INTO EM'S ON A 28 DAY ROLLING BASIS GIVEN THE RISK-ON MOOD

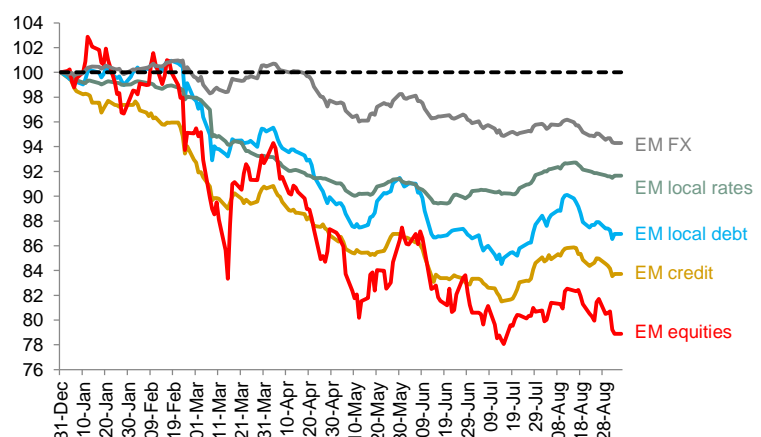
EM EQUITY AND DEBT FLOWS (USD BN), 28 DAY ROLLING AVERAGE



Source: IIF, MUFG Research

### SELL-OFF ACROSS MAJOR EM ASSET CLASSES CONTINUES ON RISING GLOBAL RECESSION RISKS

EM EQUITIES, FX, RATES, CREDIT AND DEBT (1 JANUARY 2022 = 100)



Source: Bloomberg, MUFG Research



## CEE PMI: mixed August with Hungary strong, the rest of CEE weak

PMI's for August signal expansion in Hungary but contraction Czech Republic and Poland

The Central and Eastern European (CEE) PMIs showed a more mixed pattern in August. Hungary's PMI edged lower but from a robust level (58.0 to 57.8), the Czech PMI was stable at 46.8, while the Poland PMI weakened further (from 42.1 to 40.9). The CEE manufacturing sector is bearing the brunt of the negative effects of the war in Ukraine, while broader indicators of activity are broadly strong. GDP growth remained resilient in Q2 in the Czech Republic and Hungary, but recorded a decline in Poland. Looking ahead, we anticipate tighter global financial conditions and a slowdown in external demand to weigh on activity for the remainder of 2022. Ebbing support from post-COVID normalisation should also act as a moderating factor for CEE growth in the months ahead.

## Saudi Arabia: monthly SAMA statistics indicate strong profitability for Saudi banks

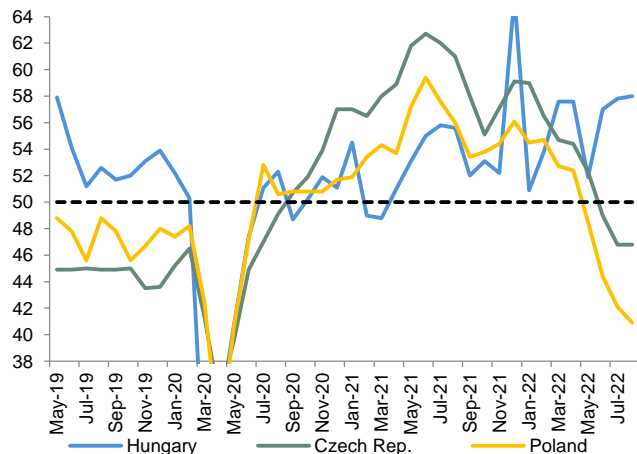
Saudi Arabia statistics for July suggests a benign operating environment

The Saudi Central Bank (SAMA) published its statistics for July 2022 last week with the following key takeaways:

- Loan growth.** Overall credit growth eased from 2.2% m/m in June to 0.6% m/m in July. While the data release does not provide a breakdown between corporate/retail loan growth, based on bank credit classified by maturity, we note that short-term loan (proxy for corporate loans) growth was broadly flat, a deceleration from 2% growth in June while long-term loan (proxy for retail loans) growth decelerated to ~1% month-on-month in July from ~2% in June.  
**Deposit growth.** Overall deposit growth contracted by -0.2% m/m in July from 2.5% m/m from June. The demand deposits ratio increased by ~15bp m/m to ~62%. We note a 6% m/m (SAR16.5bn) net decrease in government time deposits in July, which follows the SAR16bn net increase we observed in June which reflected SAMA's SAR50bn liquidity injection.
- Profitability.** Saudi banking profitability (before zakat and tax) for July printed at SAR5.8bn, up 3% m/m. Second quarter profitability was up ~3% q/q, mainly owing to NIM expansion on higher rates.
- Reserve assets.** Total FX reserve assets were down ~1% m/m to USD464bn – ample levels to maintain the USD peg and safeguard financial stability.

## ISRAEL DELIVERS A LARGER THAN EXPECTED 75BP HIKE WITH INFLATION CONSIDERABLY ABOVE TARGET

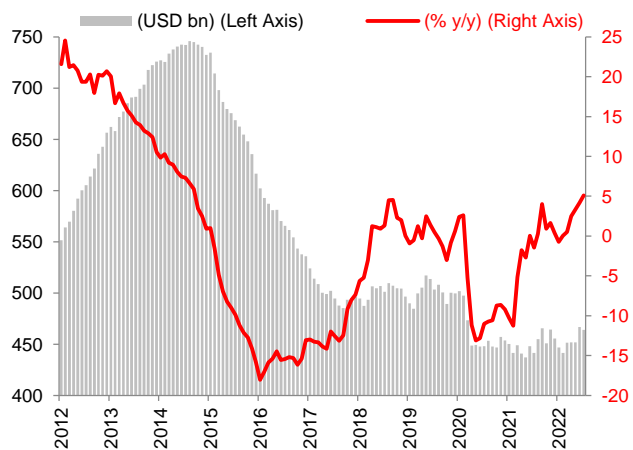
CEE PMI (<50 = CONTRACTION; >50 = EXPANSION)



Source: Bloomberg, Markit, MUFG Research

## SOUTH AFRICA'S INFLATION RATE RISES TO 7.8% Y/Y WITH Q4 2022 EXPECTED TO MARK THE PEAK

SAUDI ARABIA FX RESERVES (USD BN; % Y/Y)



Source: Bloomberg, SAMA, MUFG Research

**Turkey: Q2 2022 GDP data points to robust expansion but outlook remains uncertain**

Robust growth in Turkey owing mainly to consumption

In annual terms, Turkish GDP grew by 7.6% y/y in Q2 2022, up from 7.5% y/y in Q1 2022, surprising our and consensus expectations of 7.5% y/y. The core driver behind the pick-up in growth was the strong pace of consumption buttressed by the recovery in loan growth. On an annualised basis, the Turkish Lira (TRY) loan stock grew by 106% q/q in the second quarter compared with 67% in Q1 2022, likely explaining the 3.9% q/q growth in household consumption in Q2 2022, up from 1.6% q/q in Q1 2022. Growth was further supported by a strong export innings, driven by the tourism sector. Whilst activity in H1 2022 has held up better than anticipated the outlook however is uncertain. On the external front, a worsening global backdrop will exacerbate the implications on exports. Also on the domestic front, higher FX volatility, coupled with the recent macroprudential measures to contain credit growth, is expected to impair private consumption and investment. The decline in the PMI readings well as the deterioration in other sentiment indicators, including the sharp downward trend in consumer sentiment, points that the slowdown in activity is likely to be more visible in the remainder of 2022. Against this backdrop, we look for a deceleration in GDP growth to about 4.2% this year from 11.4% in 2021.

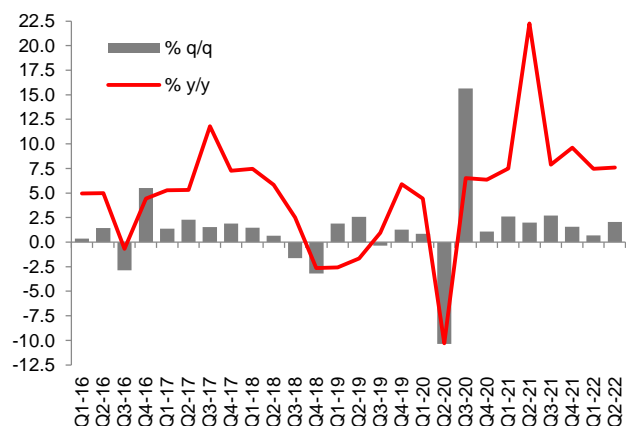
**Hungary: MNB hikes by 100bp to 11.75% with guidance for further tightening**

Hungary remains resolute on its rate tightening strategy

The National Bank of Hungary (MNB) raised its base rate by 100bp to 11.75%, in line with our (and consensus) expectations. The communication also guided towards further rate hikes, as inflationary risks remain high amid elevated inflation expectations that could lead to strong second-round effects. In addition to the rate hike, the MNB also announced that it will raise the required reserve ratio for banks and introduce a long-term deposit facility to absorb liquidity at longer maturities. While inflation dynamics remain challenging in Hungary, the immediate pressures on the MNB stem from the persistent weakness of the Hungarian Forint (HUF) and Hungary's relatively fragile external position. The aggressive tightening in recent months is yet to offset these pressures convincingly and induce durable currency appreciation.

**REAL GDP IN TURKEY HELD UP WELL IN Q2 2022 BUT THE OUTLOOK REMAINS UNCERTAIN**

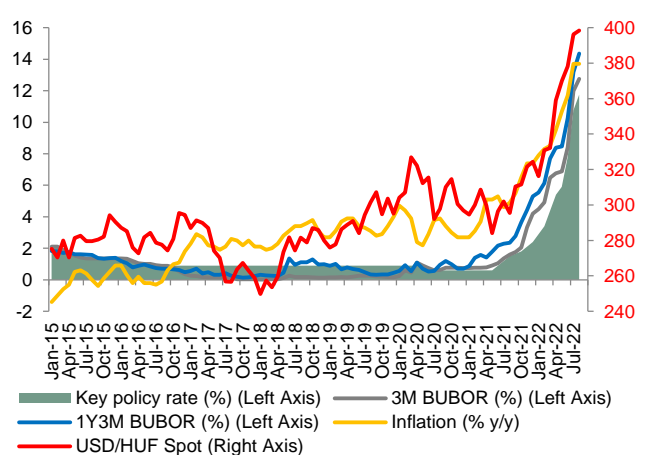
TURKEY REAL GDP (% Q/Q AND % Y/Y)



Source: Bloomberg, TurkStat, MUFG Research

**HUNGARY'S RATE TIGHTENING PATH CONTINUES WITH THE MNB RAISING RATES BY 100BP TO 11.75%**

HUNGARY INFLATION, TARGET BAND, POLICY RATE AND USD/HUF



Source: Bloomberg, MNB, MUFG Research

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## Week ahead

### **Poland:** NBP to hike by 25bp to 6.75% with inflation set to continue rising

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#### Further rate hikes in Poland

The National Bank of Poland (NBP) will decide policy rates on 7 September, wherein we (and consensus) expect the Monetary Policy Committee (MPC) to hike by 25bp to 6.75%. While the NBP suggested that it could stop raising rates if inflation peaks over the summer months in the last MPC meeting, the preliminary August inflation print showed a further inflation increase from 15.6% y/y in July to 16.1% y/y in August, with further upward pressure likely with our thinking that the base rate will rise to 8.00% by year-end. Against this backdrop, growth has slowed in Poland, and the NBP could use the Q2 2022 GDP decline as a motivation to turn more dovish – or least more cautious – with policy tightening.

### **Egypt:** inflation to rise in August due to higher food and transportation costs

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#### Inflation in Egypt is likely to point to further increases in August

Inflation in Egypt is expected to signal a rise to 15.5% y/y in August from 13.6% y/y in July, with the increase led by stronger food and transport costs. We anticipate inflation to remain transitory given the loose labour market and available spare capacity in the economy, with the likely peak by year-end ~16% y/y. Central Bank of Egypt (CBE) regulations requiring the use of letters of credit for imports have been partially reversed following the arrival of new governor, Hassan Abdalla, a move which is likely to reduce inflationary pressure in the coming months as the backlog of imports is released.

### **Russia:** inflation set to continue declining in August as the initial war shock ebbs

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#### Russian inflation is set to fall further in August as the normalisation process post-war gathers momentum

Inflation in Russia is set to decline to 14.2% y/y in August (consensus 14.3% y/y) from 15.1% y/y in July. As with the trajectory in recent months, prices continue to normalise after the initial shock, and we believe that there is more room for them to fall in the short term. Disinflation continues to be supported by the past strengthening of the Russian Rouble (RUB), offering further FX pass-through protection. We continue to think the current levels of the RUB are unsustainable from a budget perspective and, with rhetoric from the Russian authorities on a renewed fiscal rule, a depreciating RUB may cause a renewed pickup in inflation once FX purchases are restarted.

### **Hungary:** inflation to increase in August due to administrative price amendments








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#### Inflation in Hungary set to rise sharply in August

Inflation in Hungary is set to rise from 13.7% y/y in July to 16.2% y/y in August (consensus 15.9% y/y). We believe that the sharp increase will be on the back of an easing of energy price controls for households. In Hungary, household energy prices have been frozen for years and none of the sharp increase in wholesale energy costs has directly affected consumer prices. However, the Hungarian government recently announced that, for some households, energy costs will be brought closer to market pricing.



## Weekly calendar

|   | Country   | Day        | GMT   | Indicator/Event                | Period | MUFG Forecast | Consensus | Previous | Market Moving |
|---|-----------|------------|-------|--------------------------------|--------|---------------|-----------|----------|---------------|
|  | S. Africa | 06/09/2022 | 10:30 | Real GDP (% y/y)               | Q2-22  | 0.8%          | 0.8%      | 3.0%     | !!            |
|  | Poland    | 07/09/2022 | ---   | Interest rate announcement (%) | Sep    | 6.75%         | 6.75%     | 6.50%    | !!!           |
|  | Egypt     | 08/09/2022 | ---   | CPI (% y/y)                    | Aug    | 15.5%         | ---       | 13.6%    | !!!           |
|  | Hungary   | 08/09/2022 | 08:00 | CPI (% y/y)                    | Aug    | 16.2%         | 15.9%     | 13.7%    | !!!           |
|  | Ukraine   | 08/09/2022 | 12:00 | Interest rate announcement (%) | Sep    | 25.00%        | 25.00%    | 25.00%   | !!            |
|  | Kenya     | 09/09/2022 | ---   | Real GDP (% y/y)               | Q2-22  | ---           | ---       | 6.8%     | !!            |
|  | Russia    | 09/09/2022 | 17:00 | CPI (% y/y)                    | Aug    | 14.2%         | 14.3%     | 15.1%    | !!!           |

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           | 2021   | 2022   | Latest                    | 2021   | 2022  | Latest                     | 2021  | 2022  |
|   | Bahrain      | 19.66            | 6.00   | 3.50   | -10.61                    | -8.00  | -8.02 | -2.06                      | -2.90 | -2.87 |
|   | Czech Rep.   | 3.60             | 2.90   | 3.00   | 0.27                      | -8.03  | -5.47 | 5.02                       | 1.57  | 0.82  |
|   | Egypt        | 0.91             | 3.30   | 5.50   | -7.41                     | -7.33  | -6.33 | -4.17                      | -3.88 | -3.66 |
|   | Greece       | 15.39            | 6.50   | 4.30   | 0.57                      | -10.25 | -4.29 | -2.70                      | -7.41 | -5.14 |
|   | Hungary      | 8.20             | 7.30   | 4.30   | -2.05                     | -6.60  | -5.94 | -4.59                      | 0.60  | 0.88  |
|   | Iraq         | 4.43             | 3.60   | 6.70   | 0.86                      | -1.55  | -2.53 | 1.12                       | 6.16  | 4.00  |
|   | Israel       | 9.60             | 7.00   | 5.00   | -3.91                     | -6.81  | -4.33 | 5.61                       | 4.46  | 3.82  |
|   | Jordan       | 1.96             | 2.00   | 2.20   | -5.98                     | -7.69  | -5.94 | -8.59                      | -8.93 | -4.45 |
|   | Kenya        | 5.37             | 5.50   | 5.60   | -7.73                     | -8.01  | -6.67 | -5.82                      | -5.04 | -5.10 |
|   | Kuwait       | 0.43             | 4.50   | 6.40   | 5.38                      | -1.47  | 0.99  | 3.06                       | 15.51 | 13.27 |
|   | Lebanon      | -6.90            | -5.20  | 2.00   | -10.50                    | ---    | ---   | -27.45                     | ---   | ---   |
|   | Libya        | 9.89             | 123.20 | 5.30   | 2.19                      | 6.77   | 12.46 | -0.30                      | 19.23 | 15.39 |
|   | Morocco      | 0.30             | 5.70   | 3.10   | -4.13                     | -6.49  | -5.91 | -3.95                      | -3.07 | -3.25 |
|   | Nigeria      | 3.11             | 2.50   | 5.60   | -4.76                     | -6.11  | -5.96 | -3.49                      | -3.22 | -2.25 |
|   | Oman         | -0.83            | 2.70   | 0.90   | -7.06                     | -2.57  | 1.11  | -4.38                      | -5.75 | -0.94 |
|   | Poland       | 8.50             | 5.00   | 4.50   | -0.74                     | -4.25  | -1.90 | 1.08                       | 2.26  | 1.56  |
|   | Romania      | 6.43             | 7.60   | 3.00   | -4.56                     | -6.70  | -5.59 | -10.07                     | -5.71 | -5.53 |
|   | Qatar        | 2.50             | 2.90   | 6.00   | 4.93                      | 2.78   | 5.68  | -27.67                     | 8.20  | 11.56 |
|   | Russia       | 3.97             | 4.40   | -7.00  | 1.92                      | -0.56  | 0.02  | 1.11                       | 5.74  | 4.41  |
|   | Saudi Arabia | 11.80            | 4.50   | 11.20  | -4.45                     | -3.05  | 2.79  | -0.39                      | 3.87  | 3.79  |
|   | South Africa | 3.00             | 5.10   | 1.60   | -2.27                     | -8.44  | -6.99 | 1.22                       | 2.88  | -0.86 |
|   | Turkey       | 7.34             | 9.80   | 1.60   | -5.65                     | -4.92  | -5.58 | 0.00                       | -2.42 | -1.61 |
|   | Ukraine      | -15.10           | 4.00   | -28.00 | -2.04                     | -4.50  | -3.50 | 1.35                       | -0.69 | -2.44 |
|   | UAE          | 5.30             | 5.00   | 5.00   | -0.76                     | -0.54  | -0.22 | 2.44                       | 9.67  | 9.37  |

| 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      | 3.10                       | 3.90   | 1.90  | 4.50                      | 4.50     | 3.00     | 0.377            | 0.377    | 0.377    |
|  | Czech Rep.   | 17.50                      | 3.90   | 11.30 | 7.00                      | 3.75     | 5.50     | 24.656           | 24.886   | 21.380   |
|  | Egypt        | 13.60                      | 5.40   | 7.90  | 11.25                     | 7.75     | 11.50    | 19.120           | 15.723   | 15.420   |
|  | Greece       | 11.59                      | -0.10  | 0.40  | 0.50                      | 0.50     | 0.40     | 1.001            | 1.137    | 1.132    |
|  | Hungary      | 13.70                      | 4.90   | 7.80  | 10.75                     | 2.40     | 5.50     | 405.8            | 324.5    | 314.70   |
|  | Iraq         | 5.40                       | 6.40   | 5.00  | 4.00                      | 4.00     | 5.00     | 1460             | 1460     | 1460.000 |
|  | Israel       | 5.20                       | 1.50   | 2.80  | 1.25                      | 1.25     | 0.50     | 3.283            | 3.103    | 3.100    |
|  | Jordan       | 5.34                       | 1.60   | 2.00  | 5.25                      | 5.25     | 2.00     | 0.710            | 0.709    | 0.709    |
|  | Kenya        | 8.30                       | 6.00   | 5.90  | 7.50                      | 7.50     | 9.50     | 119.780          | 113.140  | 113.040  |
|  | Kuwait       | 4.42                       | 2.90   | 3.40  | 2.75                      | 2.75     | 3.00     | 0.307            | 0.303    | 0.303    |
|  | Lebanon      | 210.08                     | 124.10 | 85.00 | 2.75                      | 2.75     | 7.75     | 1511.130         | 1512.330 | 1512.330 |
|  | Libya        | 4.56                       | 21.10  | 8.00  | 3.00                      | 3.00     | 3.00     | 4.905            | 4.597    | 4.597    |
|  | Morocco      | 7.70                       | 1.40   | 1.20  | 1.50                      | 1.50     | 1.50     | 10.455           | 9.252    | 9.250    |
|  | Nigeria      | 19.60                      | 17.30  | 12.00 | 14.00                     | 14.00    | 14.00    | 428.110          | 424.830  | 440.500  |
|  | Oman         | 2.57                       | 1.30   | 2.00  | 1.45                      | 1.45     | 14.00    | 0.385            | 0.385    | 0.385    |
|  | Poland       | 15.60                      | 4.90   | 10.00 | 6.50                      | 1.75     | 5.50     | 4.751            | 4.035    | 3.948    |
|  | Romania      | 14.96                      | 5.30   | 11.90 | 5.50                      | 5.50     | 5.50     | 4.879            | 4.353    | 4.388    |
|  | Qatar        | 4.98                       | 1.60   | 4.00  | 3.25                      | 3.25     | 2.50     | 3.641            | 3.642    | 3.642    |
|  | Russia       | 15.10                      | 6.60   | 16.60 | 8.00                      | 5.75     | 15.00    | 118.690          | 74.679   | 71.130   |
|  | Saudi Arabia | 2.67                       | 3.10   | 2.20  | 2.50                      | 2.50     | 2.50     | 3.756            | 3.755    | 3.755    |
|  | South Africa | 7.40                       | 4.50   | 6.20  | 5.50                      | 3.50     | 4.75     | 17.027           | 15.937   | 15.800   |
|  | Turkey       | 79.60                      | 17.90  | 62.00 | 13.00                     | 14.00    | 20.00    | 18.123           | 13.317   | 14.250   |
|  | Ukraine      | 22.20                      | 9.40   | 15.30 | 25.00                     | 25.00    | 14.00    | 36.931           | 27.285   | 29.800   |
|  | UAE          | 2.50                       | 0.10   | 1.20  | 0.65                      | 0.65     | 2.00     | 3.673            | 3.673    | 3.673    |

## Core indicators

| EM EMEA sovereign bond yields (%) |          |        |        |        |        |        |                                |        |          |
|-----------------------------------|----------|--------|--------|--------|--------|--------|--------------------------------|--------|----------|
|                                   | Maturity | 05-Aug | 12-Aug | 19-Aug | 26-Aug | 02-Sep | Change in yield (basis points) |        |          |
|                                   |          |        |        |        |        |        | Week                           | MTD    | YTD      |
| Bahrain                           | 10 years | 4.85   | 4.99   | 4.78   | 4.75   | 4.87   | 12.57                          | 6.15   | 233.86   |
| Czech Rep.                        | 10 years | 4.27   | 4.16   | 4.46   | 4.97   | 4.94   | -3.02                          | -3.59  | 185.57   |
| Egypt                             | 9 years  | 14.51  | 12.48  | 12.39  | 11.85  | 12.81  | 96.43                          | 34.21  | 565.13   |
| Greece                            | 8 years  | 2.78   | 2.93   | 3.33   | 3.57   | 3.90   | 32.14                          | 20.82  | 278.83   |
| Hungary                           | 8 years  | 8.98   | 8.45   | 9.03   | 9.35   | 9.93   | 57.87                          | 43.83  | 546.67   |
| Israel                            | 8 years  | 2.29   | 2.23   | 2.29   | 2.39   | 2.65   | 25.63                          | 9.95   | 243.40   |
| Jordan                            | 5 years  | 7.20   | 6.78   | 6.94   | 6.96   | 7.13   | 17.23                          | 5.63   | 286.10   |
| Kenya                             | 7 years  | 14.57  | 11.61  | 12.71  | 12.62  | 13.13  | 50.31                          | -0.54  | 742.00   |
| Kuwait                            | 6 years  | 3.21   | 3.22   | 3.33   | 3.38   | 3.49   | 10.92                          | 6.20   | 179.54   |
| Lebanon                           | 9 years  | 90.36  | 87.88  | 89.43  | 71.97  | 76.16  | 419.21                         | 403.49 | 1216.27  |
| Morocco                           | 11 years | 5.02   | 4.99   | 5.02   | 5.11   | 5.42   | 31.97                          | 13.15  | 302.71   |
| Nigeria                           | 9 years  | 12.31  | 10.40  | 12.03  | 12.09  | 12.72  | 62.93                          | 2.81   | 533.42   |
| Oman                              | 9 years  | 5.71   | 5.38   | 5.72   | 5.81   | 6.16   | 34.17                          | 11.58  | 140.44   |
| Poland                            | 8 years  | 2.39   | 2.40   | 2.47   | 2.64   | 2.89   | 25.71                          | 6.30   | 272.30   |
| Romania                           | 7 years  | 5.10   | 4.95   | 5.26   | 5.59   | 5.77   | 18.75                          | 1.90   | 422.19   |
| Qatar                             | 9 years  | 3.58   | 3.56   | 3.66   | 3.69   | 3.93   | 23.87                          | 15.04  | 168.01   |
| Russia                            | 5 years  | 28.71  | 27.88  | 29.26  | 28.83  | 28.71  | -12.63                         | 81.86  | -63.13   |
| Saudi Arabia                      | 8 years  | 3.49   | 3.49   | 3.57   | 3.62   | 3.89   | 27.04                          | 19.26  | 174.10   |
| South Africa                      | 9 years  | 6.17   | 5.98   | 6.62   | 6.45   | 7.02   | 56.65                          | 11.82  | 279.55   |
| Turkey                            | 7 years  | 9.56   | 8.93   | 10.41  | 9.92   | 10.16  | 24.27                          | -12.68 | 294.36   |
| Ukraine                           | 8 years  | 39.25  | 34.07  | 33.31  | 34.65  | 37.57  | 291.38                         | 8.12   | 2,808.78 |
| Abu Dhabi                         | 6 years  | 3.14   | 3.09   | 3.26   | 3.31   | 3.55   | 24.06                          | 17.17  | 180.06   |
| Dubai                             | 8 years  | 3.88   | 3.91   | 3.93   | 3.93   | 4.01   | 8.15                           | 7.32   | 142.86   |

| EM EMEA equity market (index) |         |         |         |         |         |         |            |       |        |
|-------------------------------|---------|---------|---------|---------|---------|---------|------------|-------|--------|
|                               | 29-Jul  | 05-Aug  | 12-Aug  | 19-Aug  | 26-Aug  | 02-Sep  | Change (%) |       |        |
|                               |         |         |         |         |         |         | Week       | MTD   | YTD    |
| Bahrain                       | 1,905   | 1,896   | 1,881   | 1,900   | 1,901   | 1,920   | 1.02       | 0.11  | 6.84   |
| Czech Rep.                    | 101,438 | 105,892 | 109,718 | 113,813 | 112,898 | 110,864 | -1.80      | 1.22  | 5.76   |
| Egypt                         | 9,442   | 9,442   | 9,969   | 9,843   | 10,105  | 10,104  | -0.01      | 1.06  | -15.44 |
| Greece                        | 835     | 870     | 875     | 894     | 892     | 832     | -6.80      | -2.89 | -6.91  |
| Hungary                       | 41,771  | 42,931  | 44,131  | 42,981  | 43,098  | 41,399  | -3.94      | -1.14 | -18.38 |
| Israel                        | 1,912   | 1,946   | 2,024   | 2,034   | 2,067   | 1,989   | -3.80      | -1.28 | 0.54   |
| Jordan                        | 2,593   | 2,551   | 2,577   | 2,560   | 2,562   | 2,509   | -2.06      | -1.48 | 18.44  |
| Kenya                         | 137     | 140     | 145     | 147     | 141     | 138     | -1.81      | 0.40  | -17.09 |
| Kuwait                        | 7,671   | 7,727   | 7,671   | 7,671   | 7,786   | 7,598   | -2.42      | -1.44 | 7.87   |
| Lebanon                       | 658     | 658     | 658     | 658     | 658     | 658     | 0.00       | -6.69 | 17.75  |
| Morocco                       | 11,775  | 11,833  | 11,989  | 12,174  | 12,202  | 12,166  | -0.29      | 0.31  | -8.93  |
| Nigeria                       | 50,189  | 50,595  | 50,075  | 49,691  | 49,662  | 50,046  | 0.77       | 0.42  | 17.16  |
| Oman                          | 4,509   | 4,665   | 4,652   | 4,648   | 4,538   | 4,621   | 1.82       | 0.77  | 11.89  |
| Poland                        | 1,652   | 1,688   | 1,694   | 1,683   | 1,621   | 1,487   | -8.22      | -2.67 | -34.38 |
| Romania                       | 12,384  | 12,477  | 12,425  | 12,583  | 12,307  | 11,916  | -3.18      | -1.18 | -8.77  |
| Qatar                         | 13,103  | 13,386  | 13,569  | 13,989  | 13,746  | 13,058  | -5.01      | -2.74 | 12.32  |
| Russia                        | 2,196   | 2,124   | 2,152   | 2,189   | 2,248   | 2,454   | 9.16       | 2.26  | -35.20 |
| Saudi Arabia                  | 12,052  | 12,292  | 12,431  | 12,647  | 12,592  | 12,207  | -3.05      | -0.62 | 8.20   |
| South Africa                  | 61,985  | 62,199  | 63,161  | 64,167  | 63,686  | 60,750  | -4.61      | 0.02  | -9.40  |
| Turkey                        | 2,544   | 2,684   | 2,830   | 2,980   | 3,060   | 3,298   | 7.76       | 3.99  | 77.52  |
| Ukraine                       | 519     | 519     | 519     | 519     | 519     | 519     | 0.00       | 0.00  | -0.68  |
| Abu Dhabi                     | 9,575   | 9,846   | 10,198  | 10,252  | 10,022  | 9,701   | -3.20      | -1.76 | 14.29  |
| Dubai                         | 3,261   | 3,339   | 3,394   | 3,458   | 3,463   | 3,351   | -3.23      | -2.68 | 4.84   |

## EM EMEA FX against USD\*

|  |                | 29-Jul   | 05-Aug   | 12-Aug   | 19-Aug   | 26-Aug   | 02-Sep   | Change (%) |       |        |
|--|----------------|----------|----------|----------|----------|----------|----------|------------|-------|--------|
|  |                |          |          |          |          |          |          | Week       | MTD   | YTD    |
|  | USD Index      | 106.351  | 105.693  | 105.090  | 107.484  | 108.803  | 109.950  | 1.05       | 1.15  | 14.93  |
|  | Bahrain**      | 0.379    | 0.379    | 0.379    | 0.379    | 0.379    | 0.379    | -0.03      | 0.03  | 0.21   |
|  | Czech Rep.     | 24.074   | 24.083   | 23.725   | 24.549   | 24.704   | 24.789   | 0.34       | -1.66 | -11.73 |
|  | Egypt          | 18.939   | 19.120   | 19.157   | 19.157   | 19.194   | 19.231   | 0.19       | 0.00  | 22.31  |
|  | Greece***      | 1.022    | 1.018    | 1.026    | 1.004    | 0.997    | 0.992    | -0.46      | -1.33 | -12.75 |
|  | Hungary        | 396.260  | 386.610  | 382.770  | 402.510  | 412.940  | 407.420  | -1.34      | -2.20 | -20.36 |
|  | Israel         | 3.399    | 3.352    | 3.224    | 3.267    | 3.270    | 3.409    | 4.26       | -2.30 | -8.96  |
|  | Jordan**       | 0.710    | 0.710    | 0.710    | 0.710    | 0.710    | 0.710    | 0.06       | 0.00  | -0.18  |
|  | Kenya          | 119.048  | 119.048  | 0.008    | 0.008    | 0.008    | 0.008    | 0.00       | 0.00  | 6.02   |
|  | Kuwait         | 0.308    | 0.308    | 0.308    | 0.308    | 0.308    | 0.308    | 0.00       | -0.18 | -1.90  |
|  | Lebanon        | 1,512.43 | 1,512.43 | 1,510.25 | 1,513.13 | 1,513.13 | 1,513.13 | 0.00       | -0.05 | -0.05  |
|  | Morocco        | 10.294   | 10.329   | 10.322   | 10.405   | 10.584   | 10.631   | 0.44       | -0.72 | -12.97 |
|  | Nigeria        | 426.830  | 424.040  | 427.920  | 427.860  | 425.000  | 428.980  | 0.94       | -0.01 | -0.97  |
|  | Oman**         | 0.386    | 0.385    | 0.386    | 0.386    | 0.386    | 0.385    | -0.05      | 0.00  | 0.26   |
|  | Poland         | 3.750    | 3.749    | 3.756    | 3.756    | 3.757    | 3.756    | -0.02      | 0.00  | -0.06  |
|  | Romania        | 4.822    | 4.838    | 4.760    | 4.861    | 4.882    | 4.859    | -0.49      | -0.85 | -10.41 |
|  | Qatar**        | 3.661    | 3.655    | 3.656    | 3.662    | 3.666    | 3.671    | 0.14       | -0.06 | 0.09   |
|  | Russia         | 62.239   | 61.014   | 61.469   | 59.397   | 60.564   | 61.755   | 1.97       | -1.24 | 21.72  |
|  | Saudi Arabia** | 3.750    | 3.749    | 3.756    | 3.756    | 3.757    | 3.756    | -0.02      | 0.00  | -0.06  |
|  | South Africa   | 16.624   | 16.777   | 16.168   | 17.003   | 16.885   | 17.306   | -2.43      | -1.08 | -7.91  |
|  | Turkey         | 17.920   | 17.920   | 17.947   | 18.101   | 18.164   | 18.226   | -0.34      | -0.17 | -27.00 |
|  | Ukraine        | 36.592   | 36.930   | 36.592   | 36.623   | 36.752   | 36.917   | 0.45       | -0.27 | -26.09 |
|  | UAE**          | 3.672    | 3.672    | 3.672    | 3.673    | 3.673    | 3.672    | -0.01      | 0.01  | 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)

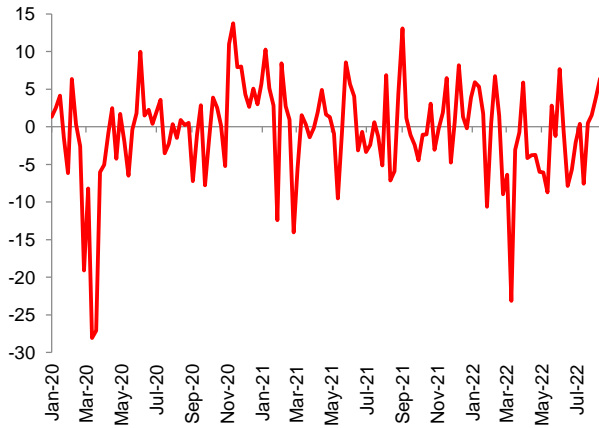
|  |              | 29-Jul   | 05-Aug   | 12-Aug   | 19-Aug    | 26-Aug   | 02-Sep   | Change in yield (basis points) |        |         |
|--|--------------|----------|----------|----------|-----------|----------|----------|--------------------------------|--------|---------|
|  |              |          |          |          |           |          |          | Week                           | MTD    | YTD     |
|  | Bahrain      | 317.20   | 314.82   | 314.82   | 290.73    | 300.17   | 306.71   | 6.53                           | 6.53   | 12.88   |
|  | Czech Rep.   | 39.69    | 38.10    | 38.10    | 46.07     | 44.23    | 44.19    | -0.04                          | -0.04  | 8.57    |
|  | Egypt        | 751.43   | 778.14   | 924.42   | 984.04    | 1,015.29 | 942.20   | -73.09                         | -73.09 | 444.17  |
|  | Greece       | 165.17   | 174.12   | 174.12   | 165.92    | 171.22   | 170.67   | -0.55                          | -0.55  | 58.68   |
|  | Hungary      | 128.20   | 129.97   | 129.97   | 173.39    | 177.44   | 195.57   | 18.13                          | 18.13  | 150.85  |
|  | Israel       | 46.09    | 46.45    | 46.45    | 41.47     | 40.50    | 40.51    | 0.02                           | 0.02   | 0.30    |
|  | Kenya        | 695.06   | 813.38   | 1,013.97 | 1,118.74  | 973.15   | 944.11   | -29.04                         | -29.04 | 537.22  |
|  | Kuwait       | 69.76    | 69.37    | 67.89    | 70.93     | 63.86    | 59.85    | -4.01                          | -4.01  | 15.14   |
|  | Morocco      | 205.95   | 207.84   | 231.57   | 280.56    | 268.51   | 256.04   | -12.48                         | -12.48 | 160.65  |
|  | Nigeria      | 811.44   | 700.65   | 894.66   | 828.70    | 817.48   | 823.45   | 5.97                           | 5.97   | 368.38  |
|  | Oman         | 259.93   | 261.75   | 259.95   | 263.31    | 260.17   | 291.56   | 31.39                          | 31.39  | 35.75   |
|  | Poland       | 100.00   | 104.53   | 107.60   | 122.63    | 137.44   | 149.91   | 12.47                          | 12.47  | 110.33  |
|  | Romania      | 240.93   | 219.95   | 263.30   | 294.47    | 297.69   | 329.88   | 32.19                          | 32.19  | 255.06  |
|  | Qatar        | 60.36    | 62.04    | 62.54    | 49.42     | 50.54    | 48.19    | -2.36                          | -2.36  | 4.43    |
|  | Russia       | ---      | ---      | ---      | ---       | ---      | ---      | --                             | ---    | ---     |
|  | Saudi Arabia | 61.36    | 66.35    | 66.35    | 50.85     | 52.21    | 48.69    | -3.52                          | -3.52  | -0.69   |
|  | South Africa | 233.66   | 242.93   | 242.93   | 233.68    | 288.12   | 266.59   | -21.53                         | -21.53 | 63.57   |
|  | Turkey       | 711.43   | 715.33   | 715.33   | 655.94    | 794.71   | 746.55   | -48.16                         | -48.16 | 183.79  |
|  | Ukraine      | 3,615.89 | 5,108.84 | 7,710.87 | 10,047.64 | 9,588.00 | 9,588.00 | 0.00                           | 0.00   | 8977.11 |
|  | Abu Dhabi    | 59.42    | 60.71    | 61.09    | 48.42     | 49.56    | 120.89   | 71.33                          | 71.33  | 77.99   |
|  | Dubai        | 119.46   | 118.18   | 122.26   | 123.26    | 120.24   | 120.89   | 0.65                           | 0.65   | 26.83   |

Source: Bloomberg, MUFG Research

# EM capital flows

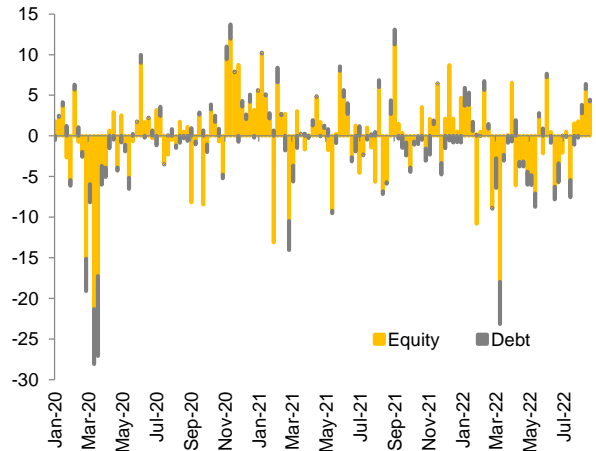
## WEEKLY TOTAL EM INFLOWS OF USDD4.5BN – 19 AUGUST

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



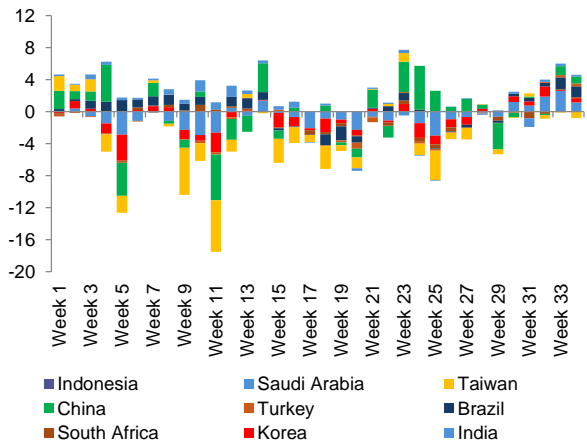
## WEEKLY EM INFLOWS FROM EQUITY (USD4.2BN) AND DEBT INFLOWS (USD0.3BN) – 19 AUGUST

WEEKLY DEBT AND EQUITY FLOWS (USD BN)



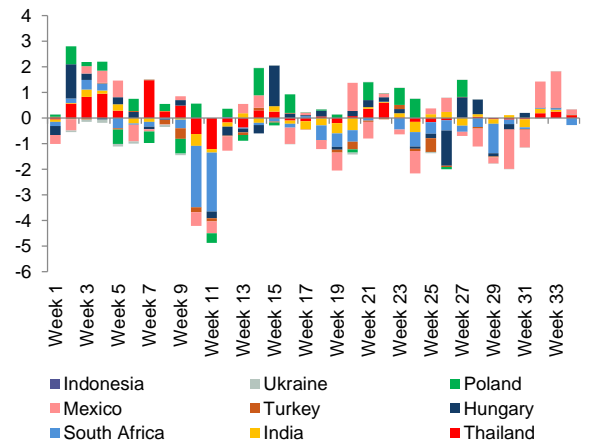
## BRAZIL (USD1.4BN) AND INDIA (USD1.2BN) LED WEEKLY EM EQUITY INFLOWS – 19 AUGUST

WEEKLY PORTFOLIO FLOWS BY COUNTRY, WEEK 1 = JANUARY 2022 (EQUITY) (USD BN)



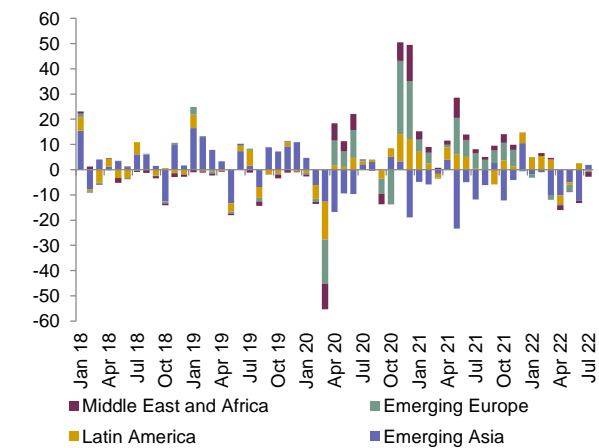
## INDONESIA (USD0.4BN) LED EM DEBT INFLOWS LAST WEEK – 19 AUGUST

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



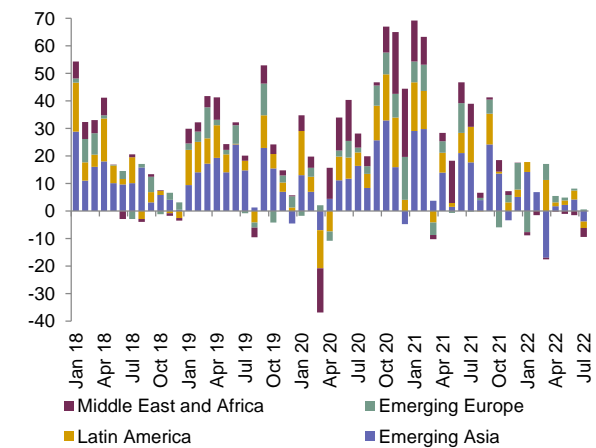
## EM EQUITY OUTFLOWS TOTALLED USD-1.0BN IN JULY, LED BY MIDDLE EAST AND AFRICA (USD-1.9BN)

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



## EM DEBT OUTFLOWS TOTALLED USD-8.8BN IN JULY, LED BY EM ASIA (USD-3.8BN)

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



Source: Bloomberg, IIF, MUFG Research

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