

# Quarterly Report

## EAGLEs

Hong Kong,  
 First Quarter 2012  
**Economic Analysis**

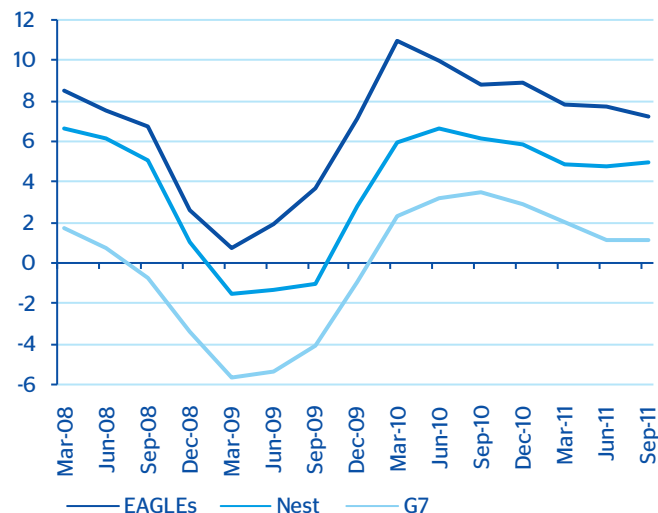
- **Economic activity among the EAGLEs continued to lose momentum** through the last quarter of 2011. **External demand was undermined** by the Euro zone economic slowdown and the rise in global risk aversion. **Domestic demand growth was also partially affected** by the lagged effects of monetary policy tightening implemented earlier in the year by EAGLE central banks to avert overheating risks
- **External balances have continued to be favorable for the EAGLEs**, except in Turkey where financing of the current account deficit relies heavily on short-term capital inflows. **Real exchange rates have appreciated** in most of the EAGLEs over the last three months. At the same time **capital inflows have returned** to these economies in early 2012 as investors' appetite for high yield assets has improved
- **Inflationary pressures have receded in most of the EAGLEs** and slowing growth has become the predominant policy concern in contrast to overheating risks earlier in the year. Commodity price dynamics have also helped reducing inflationary pressures. Since last year, **some central banks among the EAGLEs have been easing monetary policy** to counter downside risks to the growth outlook. Some further monetary easing is possible in the months ahead as long as inflation remains close to target levels. However, there is **less scope for monetary policy loosening to support activity** compared to 2008
- **Global risk aversion has diminished** so far in 2012, supported by developed market liquidity injections (LTRO), measures to restore US dollar funding, and an improving performance of the US economy. High confidence also explains most of the **EAGLEs currency appreciation** given the return of foreign capital flows. In addition stock markets have also recovered so far in 2012

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# Activity: GDP

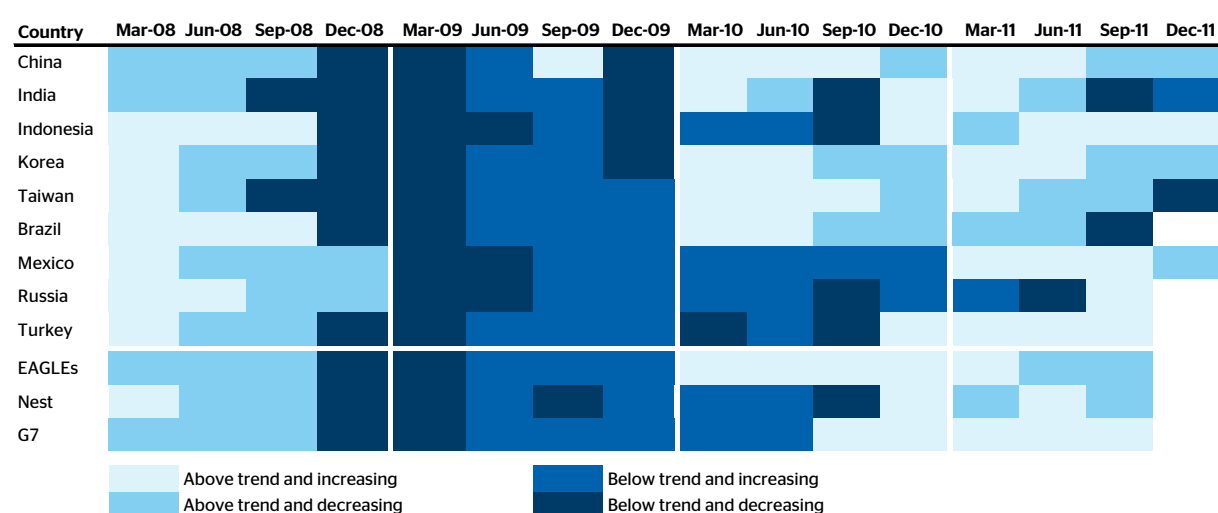
- Economic activity within the EAGLEs is losing momentum due to adverse global shocks and lagged effects of tighter domestic policies
- The Euro Zone economic slowdown and the rise in global risk aversion due to the negative outlook for European sovereign debt, hurt external demand in the last quarter of 2011
- In previous quarters central banks in the EAGLE economies also implemented tighter monetary policies to avert overheating risks, which given the usual lags, has further dragged domestic demand growth

Real GDP NSA YoY percentage point change



Source: BBVA Research and Haver

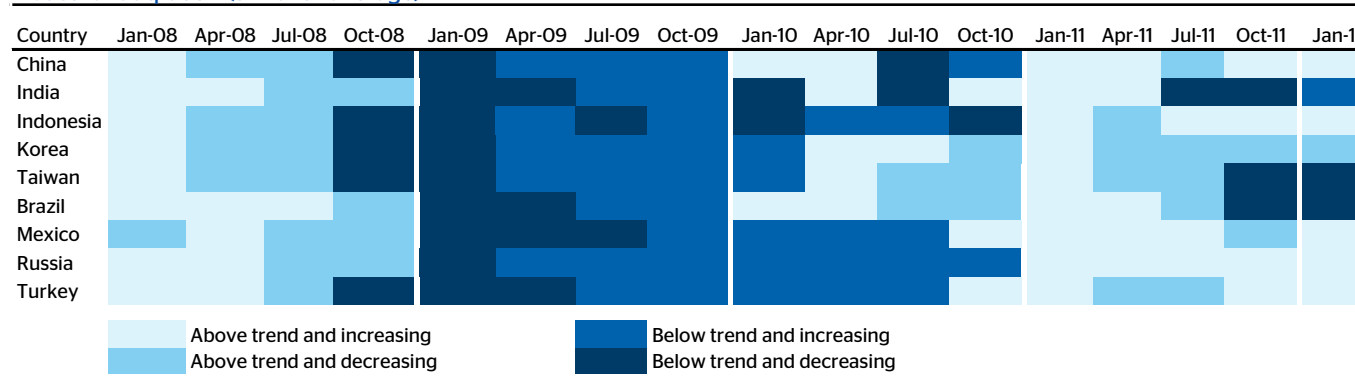
Real GDP SA



Source: BBVA Research and Haver

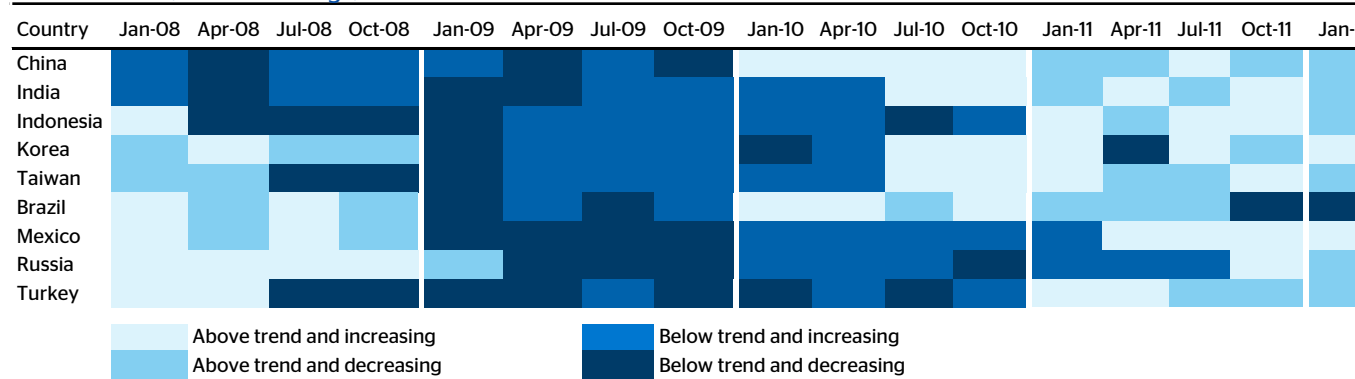
# Activity: Industrial Production & Retail Sales

## Industrial Output SA (3-month average)



Source: BBVA Research and Haver

## Retail Sales SA (3-month average)



Note: India: Motor Vehicle Sales: Total (3-month moving average)

Note: Turkey: Registered Motor Vehicles (Units) (3-month moving average)

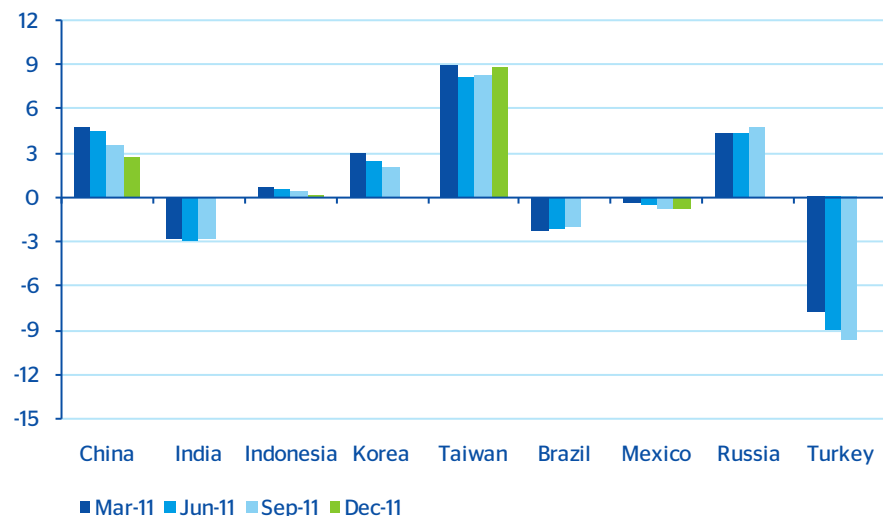
Source: BBVA Research, Haver and CEIC

- Decline in external and domestic demand resulted in a slowing of industrial production in some EAGLEs.
- Positive trends in China's industrial production stands in contrast to concerns about the negative effects of the slowdown in the world economy, as seen in Taiwan
- Brazilian figures confirmed the slowdown, which has led to an adjustment in recent economic policies towards protectionism and fostering domestic demand
- EAGLEs slowing domestic demand has reduced or eliminated risks of overheating

## External Sector: Current Account & Trade Balance

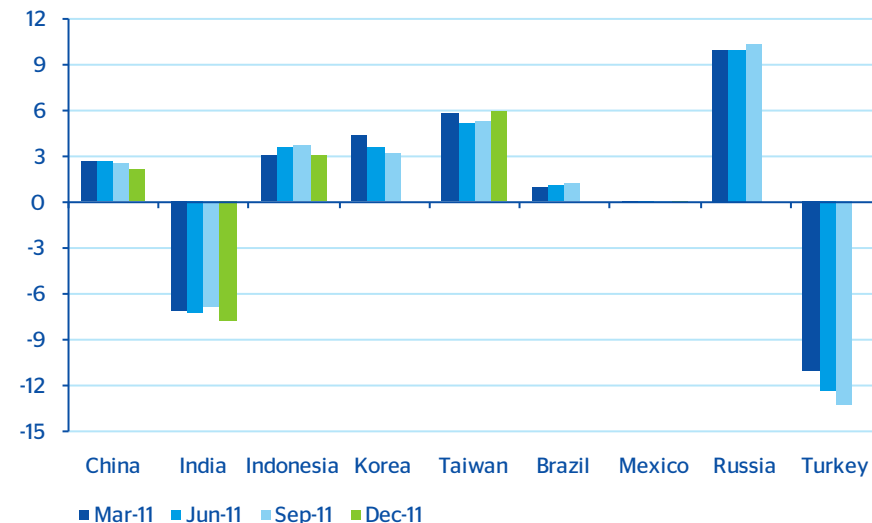
- Except Turkey, external imbalances are not a source of vulnerability for the EAGLEs economies
- Concerns about Turkey's external deficit is related to the short-term nature of its funding
- India's external current account deficit is relatively less worrisome given that it remains within 3% of GDP

Current Account as % of GDP (accumulated for the last 4 quarters)



Note: Lack of data for Brazil, India, Korea, Russia and Turkey in the last period.  
Source: BBVA Research and Haver

Trade Balance as % GDP (accumulated for the last 4 quarters)

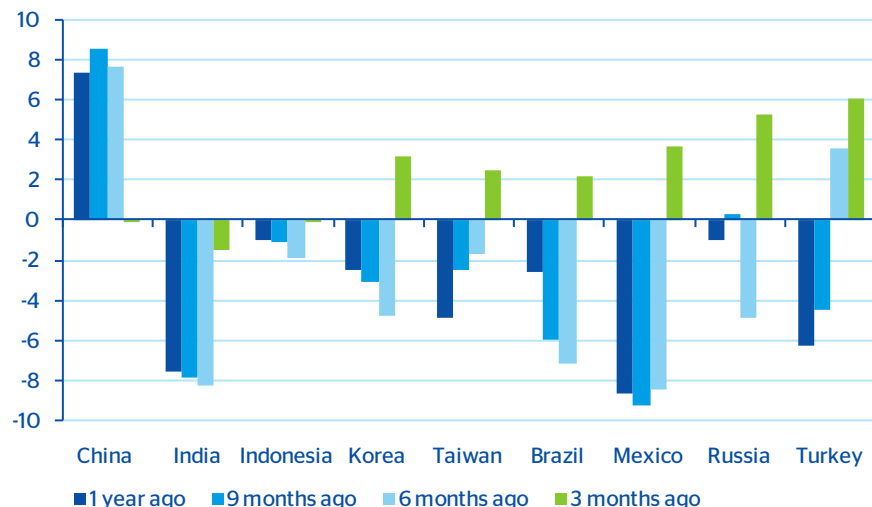


Note: Lack of data for India, Korea, Brazil, Russia and Turkey in the last period.  
Source: BBVA Research and Haver

## External Sector: Effective Exchange Rates

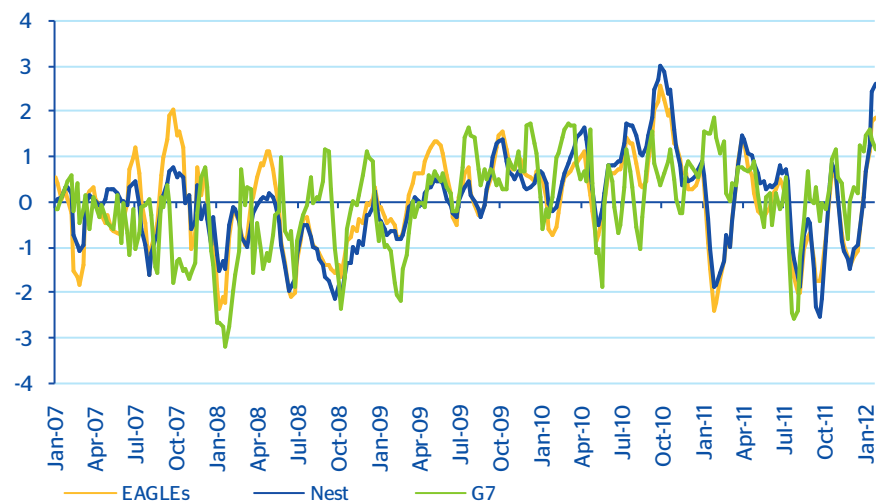
- Real exchange rates have appreciated in most of the EAGLEs over the last quarter. The global outlook has improved somewhat and risk aversion has decreased as European authorities have agreed a second rescue package to thwart a Greek sovereign crisis.
- Capital flows have returned to EAGLEs as investors' appetite for high yield assets reappeared

**Change in the Effective Exchange Rate:**  
Broad indices 2005=100 + (-) indicates appreciation (depreciation) (%)



Source: BBVA Research and BIS

**Equity and Bond flows:**  
Standardized units for the 2007-2011 period (over 4-week average data)

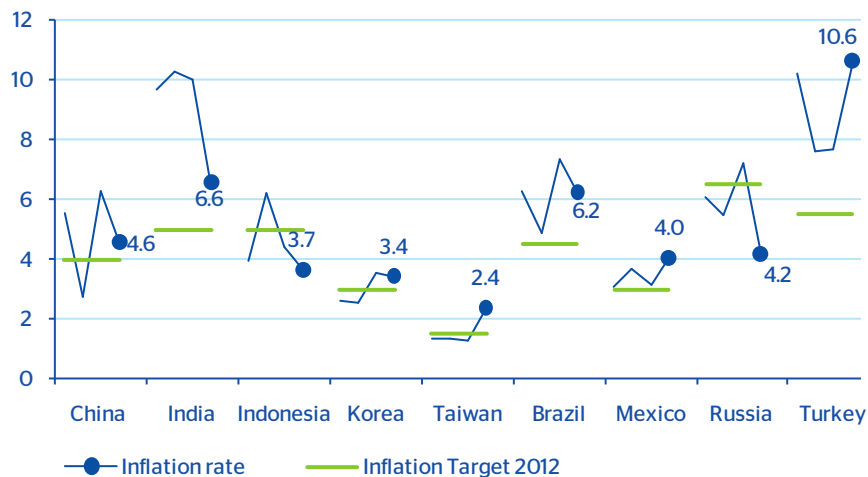


Source: BBVA Research and EPFR

## Consumer Prices: Inflation

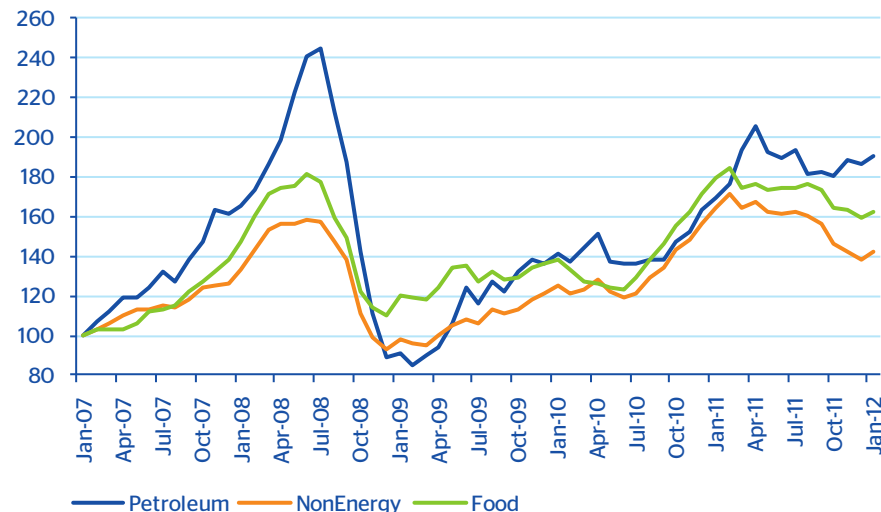
- Inflationary pressures have receded in most of the EAGLEs. Slower economic activity has reduced the risks of overheating
- Turkey maintained double-digit inflationary rates due to high pass-through from exchange rate depreciation and robust domestic demand
- Commodity price dynamics have also helped reduce inflationary pressures. However the recent surge may lead to new inflationary spikes in the future

**Inflation Rates YoY percentage point change: (-9m, -6m, -3m, Current)**



Source: BBVA Research and Haver

**World Commodity Price Indexes: 2007=100**



Source: BBVA Research and World Bank Commodity Prices

## Monetary Policy: Policy Rates & Real Interest Rates

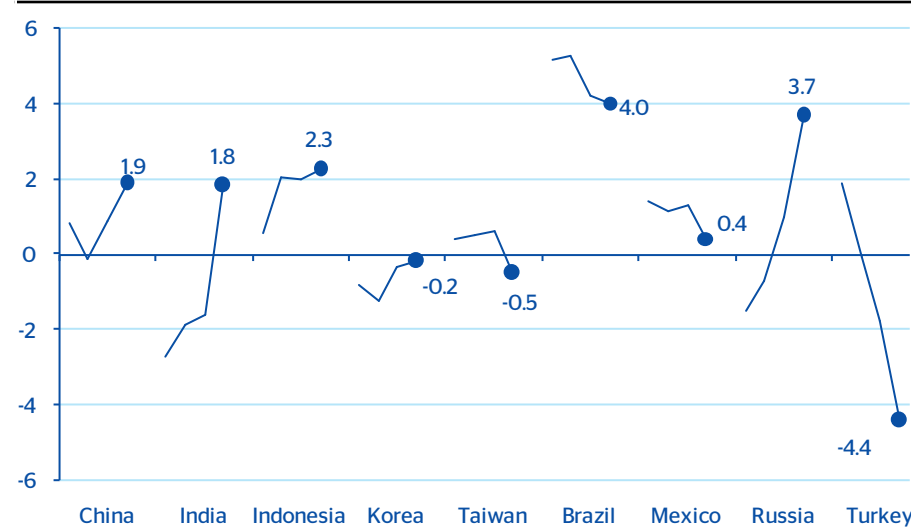
- Some central banks have been implementing rate to offset downside risks in economic activity
- As long as inflation remains within target ranges, there would be scope for loosening monetary policies in most of the EAGLEs, especially if external conditions deteriorate
- There is relatively limited scope for monetary policy stimulus compared to 2008

Central Bank Reference Rates (%): (-9m, -6m, -3m, Current)



Source: BBVA Research and Haver

Real Interest Rates (%): (-9m, -6m, -3m, Current)

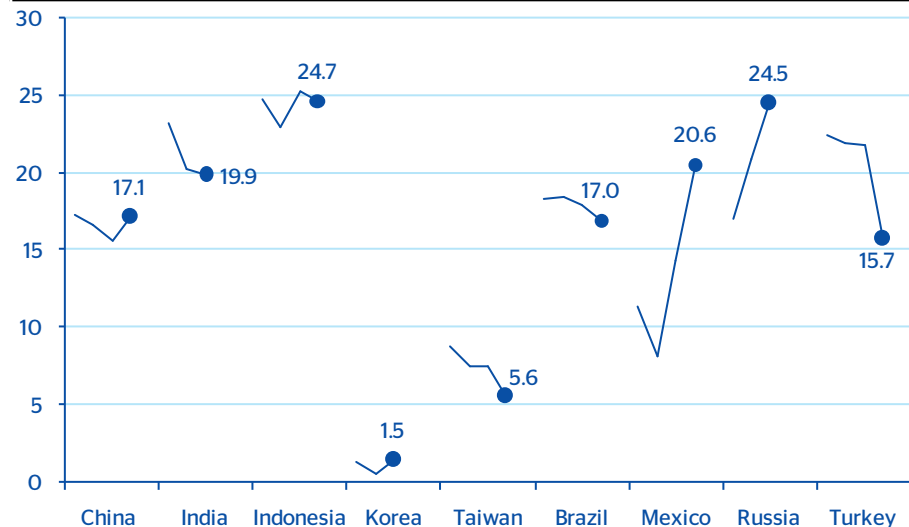


Source: BBVA Research and Haver

# Domestic Credit: Lending

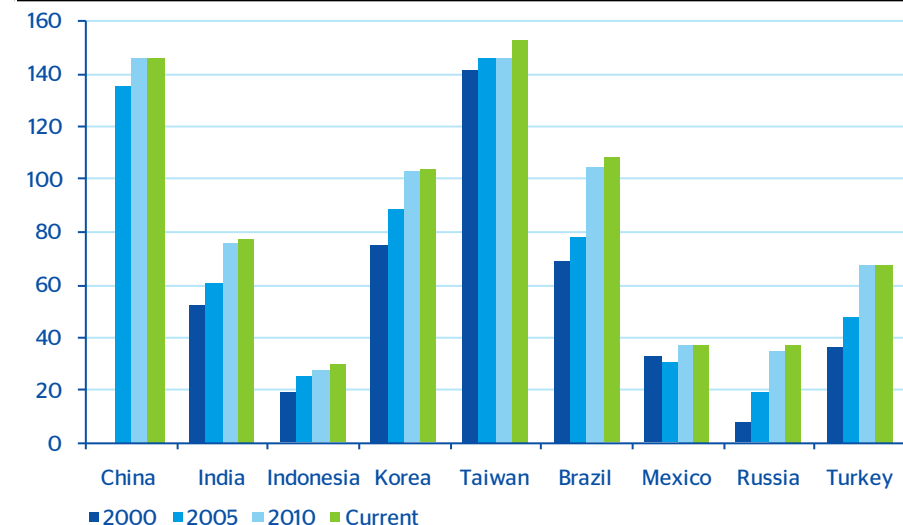
- Lending activity in most of the EAGLEs still supports economic expansion
- Credit growth has maintained momentum
- Credit-to-GDP ratios have continued to rise in most of the EAGLEs

**Domestic Credits YoY percentage point change: (1Q11, 2Q11, 3Q11, 4Q11)**



Note: Lack of data for India, Korea and Russia in 4Q 2011  
Source: BBVA Research and Haver

**Domestic Credits as % of GDP**



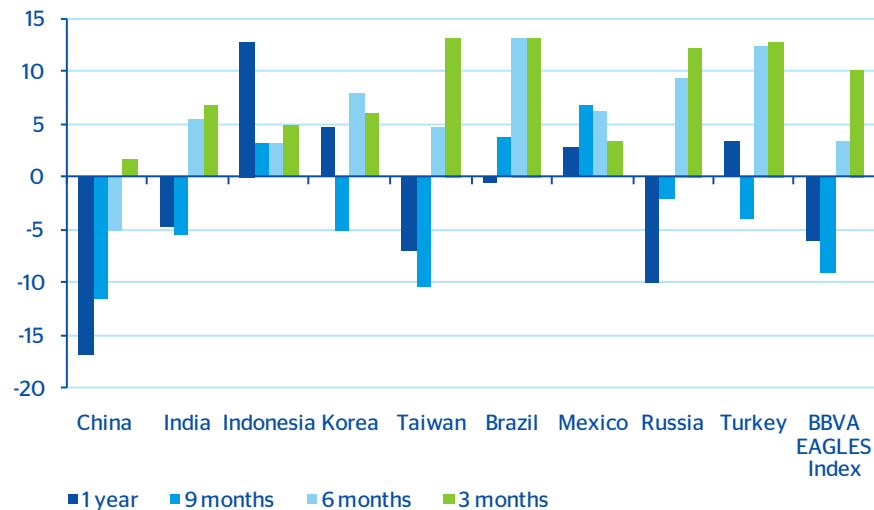
Note: Lack of data for China and Egypt in the year 2000  
Source: BBVA Research and Haver



# Financial Markets: Stock Markets & Nominal Exchange Rates

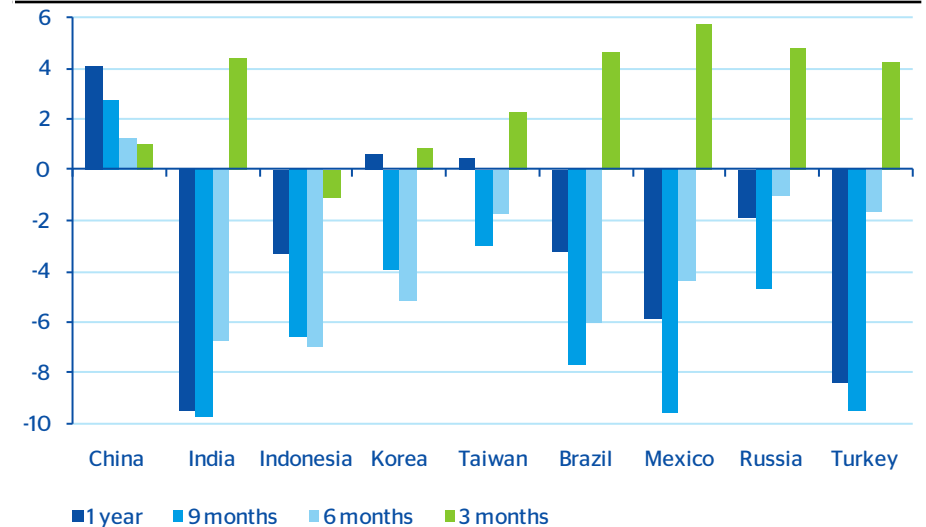
- Confidence returned to stock markets in recent months
- The return of foreign capital flows has led to currency appreciation in the EAGLEs

Stock Market Returns (%)



Source: BBVA Research and Bloomberg

FX Returns (%)

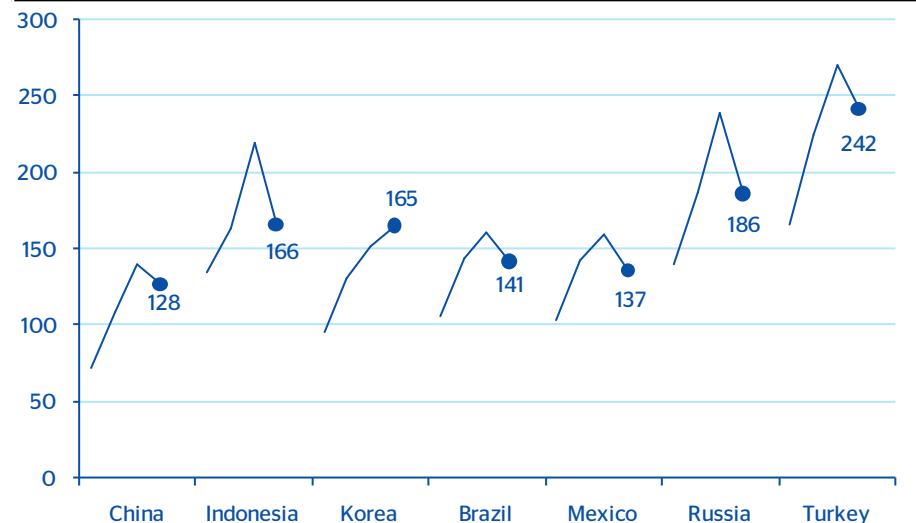


Source: BBVA Research and Bloomberg

# Financial Markets: Risk Premiums & Sovereign Credit Ratings

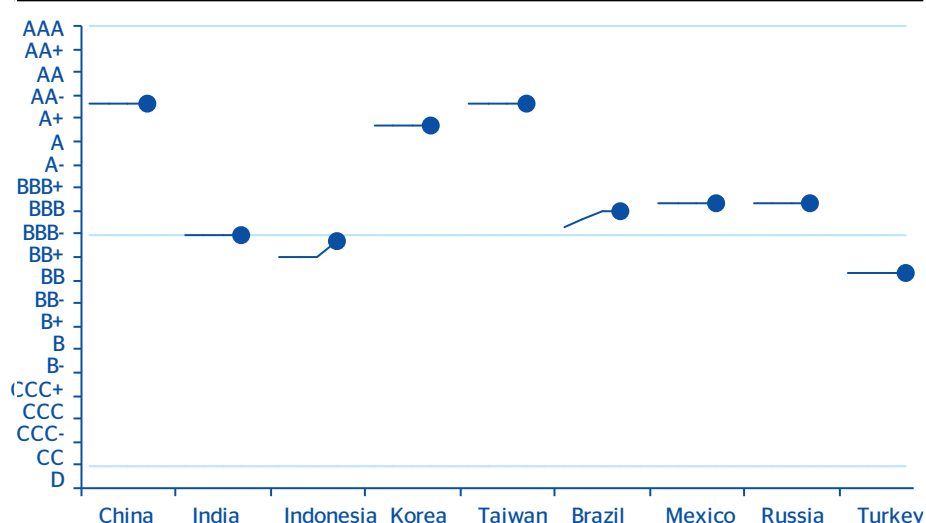
- Central bank liquidity injections (LTRO) and the restoring of US dollar funding triggered a reduction in global risk aversion
- Indonesia’s sovereign rating was upgraded to investment level by two of the three major credit rating agencies
- External imbalances remain the main obstacle for Turkey to obtain investment grade status

5 Year CDS (bp): (-9m, -6m, -3m, Current)



Note: Lack of data for India and Taiwan.  
Source: BBVA Research and Bloomberg

Sovereign Credit Ratings: (-9m, -6m, -3m, Current)



Note: For each country a simple average is calculated from ratings done by Moody's, S&P and Fitch after converting them into a numerical scale from 0 ('D') to 20 ('AAA').  
Source: BBVA Research and Bloomberg

# Statistical Annex

## Activity

Table 1  
Retail Sales (YoY, % Real Growth)

Country	2010							2011												2012
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
China	20.7	19.6	20.4	19.9	16.9	16.7	16.3	14.2	6.3	13.7	12.5	11.7	10.8	10.2	10.0	10.3	9.7	11.2	11.2	
India	33.5	32.8	25.5	20.4	42.6	14.2	27.5	19.5	22.1	19.4	23.9	15.6	14.6	12.4	15.0	21.9	0.8	24.2	9.4	13.5
Indonesia	24.9	24.6	32.0	20.2	18.5	18.8	21.8	20.0	18.0	16.4	16.0	16.0	19.9	23.8	33.4	19.0	30.7	26.8	22.2	
Korea	6.1	7.0	4.3	5.8	3.4	5.4	6.5	10.3	-1.5	2.8	4.7	5.3	4.7	3.7	4.7	1.3	3.5	2.8	2.6	3.0
Taiwan	6.1	7.4	7.6	8.0	7.3	4.1	1.8	21.6	-2.2	7.2	5.4	2.2	4.2	4.3	2.0	5.3	3.3	3.1	4.2	-4.6
Brazil	11.4	11.1	10.5	12.0	8.7	9.9	10.2	8.2	8.5	4.0	10.2	6.3	7.1	7.1	6.3	5.2	4.2	6.7	6.7	
Mexico	1.4	1.9	4.4	4.0	4.3	2.3	2.7	3.0	2.7	1.0	4.9	0.9	4.8	3.1	2.7	4.7	3.0	7.5	3.5	
Russia	8.0	8.9	9.1	7.5	7.5	8.1	7.0	4.3	6.4	5.4	6.3	6.3	6.3	6.2	8.3	9.6	9.1	8.7	9.6	6.9
Turkey	-22.8	47.5	69.7	12.7	40.0	148.7	91.0	90.9	54.3	77.2	31.2	60.9	39.9	67.9	-11.3	11.4	2.3	-4.4	-21.3	

Note: India. Motor Vehicle Sales: Total, Turkey Registered Motor Vehicles: Units

Source: BBVA Research, Haver and CEIC

Table 2  
Industrial Production (YoY, % Growth)

Country	2010							2011												2012
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
China	13.7	13.4	13.9	13.3	13.1	13.3	13.5	14.1	14.1	14.8	13.4	13.3	15.1	14.0	13.5	13.8	13.2	12.4	12.8	
India	7.9	10.8	4.6	6.9	12.3	6.5	8.7	8.1	7.5	11.0	5.7	6.3	11.1	3.1	3.9	3.1	-5.7	6.6	1.8	
Indonesia	5.0	5.5	4.6	0.8	4.9	4.7	7.1	7.5	2.1	7.5	4.2	5.4	5.0	5.5	1.7	10.1	6.0	6.2	5.8	
Korea	17.1	15.3	16.1	2.7	13.5	11.4	11.1	13.6	8.9	9.3	7.0	8.5	6.3	3.6	4.9	7.4	6.7	6.3	2.9	-1.9
Taiwan	26.8	22.6	24.8	13.0	15.2	20.2	19.7	18.0	15.1	15.2	8.7	8.6	4.3	3.6	4.4	2.1	0.9	-5.3	-8.6	-16.9
Brazil	11.2	8.7	8.5	6.3	1.6	5.1	2.1	2.4	7.7	-1.1	-1.9	2.4	0.8	-0.6	2.1	-1.7	-2.4	-3.0	-1.4	
Mexico	14.9	8.5	11.8	9.0	5.5	7.2	5.9	7.9	7.0	7.0	2.3	6.6	4.6	4.6	4.7	5.2	4.0	4.0	3.7	
Russia	13.9	8.0	10.8	9.3	9.6	9.9	9.5	13.5	10.1	8.6	5.2	4.9	7.0	5.4	7.1	4.5	5.8	5.0	3.5	4.8
Turkey	10.5	9.2	10.9	10.9	11.4	10.1	18.5	20.7	14.7	10.7	9.3	8.9	7.8	7.2	5.1	12.8	7.3	7.8	2.7	

Source: BBVA Research and Haver

Table 3

**Consumer Confidence Index**

Country	2010							2011										2012			
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
China	108.5	107.8	107.3	104.1	103.8	102.9	100.4	99.9	99.6	107.6	106.6	105.8	108.1	105.6	105.0	103.4	100.5	97.0	100.5		
India	57.3	57.6	57.2	55.1	57.2	58.4	56.7	56.8	57.9	57.9	58.0	57.5	55.3	53.6	52.6	50.4	52.0	51.0	54.2	57.5	
Indonesia	104.8	99.0	98.1	101.8	106.2	102.2	103.0	105.6	106.4	107.1	106.9	105.3	109.0	111.8	110.6	115.0	116.2	114.3	116.6	119.2	
Korea	112.0	112.0	110.0	109.0	108.0	110.0	109.0	108.0	105.0	98.0	100.0	104.0	102.0	102.0	99.0	99.0	100.0	103.0	99.0	98.0	100.0
Taiwan	77.8	78.6	79.7	80.1	80.2	81.7	83.2	86.8	85.9	83.7	85.8	85.4	85.3	86.8	86.9	85.6	84.0	79.9	77.6	78.6	
Brazil	117.0	117.4	120.4	122.5	123.1	126.2	124.2	125.4	123.1	120.8	115.4	113.9	115.7	121.0	117.3	114.3	117.6	121.0	122.1	120.1	120.4
Mexico	87.5	87.4	88.7	91.6	89.2	88.5	91.2	92.3	92.3	91.7	89.7	89.3	93.0	95.5	93.4	92.4	90.6	89.5	90.8	95.4	
Russia	82.0	82.0	82.0	80.0	84.0	84.0	87.0	77.0	74.0	79.0	78.0	81.0	84.0	80.0	81.0	84.0	84.0	82.0	81.0	84.0	
Turkey	88.0	87.5	87.4	90.4	89.0	91.3	91.0	91.3	93.6	93.4	93.5	92.9	96.4	94.8	91.7	93.7	89.7	91.0	92.0	92.2	

Source: BBVA Research, Haver, Bloomberg and HSBC

Table 4

**GDP (YoY, % Growth)**

Country	2009					2010					2011				
	Mar	Jun	Sep	Dec	2009	Mar	Jun	Sep	Dec	2010	Mar	Jun	Sep	Dec	2011
China	6.6	8.3	9.5	11.5	9.0	12.0	10.5	9.8	9.7	10.5	9.7	9.5	9.0	8.8	9.3
India	6.4	7.5	9.8	7.4	7.8	9.4	8.5	7.6	8.3	8.5	7.8	7.7	6.9	6.1	7.1
Indonesia	4.5	4.1	4.3	5.6	4.6	5.9	6.3	5.8	6.8	6.2	6.4	6.5	6.5	6.5	6.5
Korea	-4.2	-2.1	1.0	6.3	0.3	8.5	7.5	4.4	4.7	6.2	4.2	3.4	3.5	3.4	3.6
Taiwan	-8.1	-6.6	-1.4	8.8	-1.8	12.9	13.0	11.2	6.5	10.9	6.6	4.5	3.4	1.9	4.1
Brazil	-2.7	-2.4	-1.5	5.3	-0.3	9.3	8.8	6.9	5.3	7.6	4.2	3.3	2.1		
Mexico	-7.5	-9.7	-5.6	-2.2	-6.2	4.5	7.8	5.4	4.4	5.5	4.4	3.2	4.5	3.7	3.9
Russia	-9.2	-11.2	-8.6	-2.6	-7.9	3.5	5.0	3.1	4.5	4.0	4.1	3.4	4.8		4.1
Turkey	-14.7	-7.8	-2.8	5.9	-4.9	12.2	10.2	5.3	9.2	9.2	12.0	8.8	8.2		

Source: BBVA Research and Haver

## External Sector

Table 5  
Exports (YoY, % Growth)

Country	2010							2011												2012
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
China	43.9	38.0	34.3	25.0	22.8	34.9	17.8	37.6	2.4	35.8	29.8	19.4	17.9	20.5	24.5	17.1	15.9	13.7	13.4	-0.5
India	46.6	13.2	22.5	24.5	21.1	43.9	42.1	57.6	62.9	50.7	44.4	78.0	35.3	79.4	46.1	36.4	10.8	3.9	6.7	3.6
Indonesia	31.4	28.9	30.2	23.8	17.6	45.1	26.1	26.0	29.1	28.1	37.5	44.5	49.1	39.5	35.9	44.0	17.8	8.3	2.2	
Korea	30.5	26.7	26.0	16.2	27.6	21.4	22.6	44.7	16.4	28.8	23.5	21.7	11.1	21.1	25.5	18.0	7.6	11.5	8.2	-7.0
Taiwan	34.1	38.5	26.6	17.5	21.9	21.8	19.0	16.6	27.2	16.6	24.6	9.4	10.8	17.7	7.2	9.9	11.7	1.3	0.6	-16.8
Brazil	18.2	25.0	39.0	35.9	30.5	39.8	44.6	34.6	37.2	22.6	33.1	31.1	38.6	25.9	36.0	23.6	20.5	23.1	5.8	6.1
Mexico	28.9	29.5	37.6	21.0	20.0	26.0	17.0	28.6	21.0	20.1	12.6	25.4	21.6	19.4	17.0	13.7	13.4	10.1	8.2	10.5
Russia	32.2	19.1	16.5	19.5	14.0	15.1	24.6	9.6	28.4	28.3	37.0	37.2	36.5	33.6	39.9	27.6	33.3	33.4	19.5	
Turkey	14.6	5.6	8.7	5.0	8.6	5.4	17.6	22.0	21.7	19.5	26.4	11.7	19.0	24.0	32.0	20.7	8.7	18.2	5.8	8.6

Source: BBVA Research and Haver

Table 6  
Imports (% YoY Growth)

Country	2010							2011												2012
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
China	33.8	22.8	35.4	24.3	25.6	38.3	26.0	51.8	19.5	27.5	21.8	28.3	19.3	23.8	30.1	20.9	28.7	22.0	11.9	-15.3
India	12.5	34.3	32.3	37.1	25.2	15.4	11.5	23.8	23.8	16.6	15.1	69.7	50.4	40.1	29.2	17.2	21.7	24.5	19.8	28.2
Indonesia	48.2	45.4	25.4	13.4	28.5	47.6	27.6	32.3	23.7	32.0	32.5	48.6	28.2	28.4	23.9	57.1	28.2	18.3	24.3	
Korea	37.2	28.0	28.7	17.6	21.7	30.9	21.7	33.1	17.3	28.1	24.4	29.9	27.1	25.1	28.7	29.4	15.4	11.2	13.6	3.3
Taiwan	39.2	42.6	27.9	24.9	27.9	33.8	21.4	21.9	28.7	16.7	25.7	19.4	12.5	13.9	6.3	10.8	11.8	-10.4	-2.7	-11.9
Brazil	50.3	45.4	56.2	41.5	29.7	44.5	26.7	29.0	31.6	17.8	31.9	38.1	29.9	17.1	32.3	13.8	19.5	21.8	17.6	17.7
Mexico	29.5	26.5	36.5	18.5	24.8	25.6	17.0	24.9	21.9	16.3	9.8	24.0	19.6	19.2	16.9	18.5	11.8	10.6	7.4	12.3
Russia	27.4	32.4	53.3	33.7	27.6	27.4	25.2	43.6	40.6	43.1	41.4	45.3	41.3	30.3	26.3	16.2	19.1	22.7	12.8	
Turkey	21.9	25.1	20.5	25.3	35.4	35.8	36.9	44.6	48.7	44.1	40.2	43.3	41.8	31.0	27.5	35.5	15.2	8.8	0.2	2.8

Source: BBVA Research and Haver

Table 7

**Current Account Balance (% of GDP)**

Country	2009					2010					2011				
	Mar	Jun	Sep	Dec	2009	Mar	Jun	Sep	Dec	2010	Mar	Jun	Sep	Dec	2011
China*	n.a.	n.a.	n.a.	n.a.	5.2	3.0	4.8	7.1	5.3	5.0	2.0	3.5	3.0	2.5	2.7
India	-0.2	-1.5	-3.1	-3.6	-2.1	-3.4	-3.4	-4.7	-2.4	-3.5	-1.2	-3.7	-4.0		
Indonesia	2.4	1.8	1.2	2.5	2.0	1.2	0.8	0.6	0.5	0.7	1.1	0.2	0.2	-0.4	0.3
Korea	2.7	5.6	3.9	3.3	3.9	0.0	4.2	4.0	3.1	2.8	1.0	1.9	2.4		
Taiwan	14.9	11.4	8.4	11.0	11.4	10.1	10.5	8.2	8.2	9.3	9.2	7.2	8.5	10.4	8.8
Brazil	-1.6	-0.6	-1.1	-2.4	-1.4	-2.5	-2.3	-2.1	-2.0	-2.2	-2.6	-1.7	-1.7	-2.6	
Mexico	-1.4	-1.2	-1.3	-0.6	-1.1	-0.3	-0.3	0.0	-0.3	-0.2	-0.4	-0.5	-0.7	-0.8	-0.6
Russia	4.0	2.8	4.5	4.3	3.9	10.5	5.3	1.4	3.0	5.0	8.0	4.8	3.8		
Turkey	-1.4	-3.6	-1.0	-2.6	-2.2	-5.8	-6.0	-5.2	-8.2	-6.3	-11.7	-11.3	-7.9		

\*China: Lack of quarterly data before 2010

Source: BBVA Research, Haver and CEIC

Table 8

**Real Effective Exchange Rate (2005=100)**

Country	2010										2011										2012		
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
China	97.9	98.2	101.7	101.0	100.0	100.7	101.5	100.0	100.5	101.7	100.1	102.3	99.6	98.9	100.1	99.3	99.7	102.1	106.2	107.4	100.2	98.6	102.3
India	98.3	102.1	101.7	101.9	100.2	99.5	100.0	101.0	100.7	102.6	102.4	100.8	101.4	102.8	101.1	101.7	103.3	100.9	98.5	96.2	106.6	108.1	107.4
Indonesia	98.5	99.8	99.6	101.9	102.6	102.4	101.2	98.9	99.7	100.2	99.8	100.1	100.4	100.0	100.3	100.7	100.8	100.6	99.9	98.9	98.6	99.0	98.9
Korea	102.4	104.7	101.4	98.1	97.3	98.1	99.1	99.6	98.8	98.2	101.2	100.3	99.6	101.8	100.8	101.4	103.6	101.4	97.9	95.6	93.9	91.7	94.8
Taiwan	99.3	101.2	100.9	101.1	99.8	98.8	98.0	98.7	100.9	102.0	104.1	102.6	100.1	101.5	101.5	101.8	100.7	98.9	97.4	96.6	98.6	99.0	98.9
Brazil	98.1	100.0	99.2	100.9	101.1	100.4	101.9	101.9	101.4	103.6	105.0	104.8	104.8	108.7	106.6	108.6	110.2	107.6	100.4	100.1	97.9	97.6	98.6
Mexico	101.3	103.3	99.7	100.4	98.9	98.6	98.1	99.9	101.7	102.0	104.0	103.8	103.5	104.7	103.8	102.5	103.8	98.6	93.3	91.6	91.2	91.9	95.0
Russia	104.4	98.3	104.4	104.3	101.5	100.5	100.0	95.8	97.2	100.3	102.9	103.8	110.6	101.6	108.6	108.7	107.1	102.1	99.6	96.9	101.4	101.0	101.9
Turkey	97.5	101.0	100.7	100.2	99.4	100.3	101.3	102.8	103.1	98.1	95.1	92.5	91.1	93.3	91.6	88.6	86.1	81.7	82.4	84.1	97.4	98.1	99.0

Source: BBVA Research, BIS and Haver

Table 9

**Nominal Effective Exchange Rate (2005=100)**

Country	2010										2011										2012		
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
China	99.3	99.5	102.0	103.2	101.6	100.2	99.9	98.0	98.8	99.9	99.7	99.3	98.6	97.9	98.1	98.2	98.1	98.7	101.5	102.7	97.4	95.6	98.6
India	100.4	102.7	102.3	101.7	99.1	98.9	99.2	99.9	99.2	99.8	98.4	97.6	97.6	97.6	96.2	96.2	97.0	94.8	92.2	89.9	103.5	104.8	105.2
Indonesia	100.0	101.6	101.4	102.4	101.6	101.2	100.0	98.0	98.3	98.1	97.0	97.9	98.8	99.1	99.7	99.4	99.1	98.6	97.9	97.3	96.5	96.4	95.7
Korea	102.3	104.5	101.6	97.9	96.9	98.0	98.8	99.7	99.4	98.7	100.2	99.8	98.8	101.3	100.7	100.8	102.6	100.4	97.7	95.7	87.6	85.7	88.1
Taiwan	99.7	101.0	101.3	100.6	99.1	98.8	98.5	98.9	100.9	103.1	105.0	103.9	102.4	103.4	103.8	103.1	102.5	101.4	100.2	99.0	96.5	96.4	95.7
Brazil	98.3	100.0	99.2	100.6	101.0	100.7	102.4	102.0	100.8	102.7	103.3	103.2	102.9	106.4	104.4	106.1	107.6	105.3	98.3	97.8	97.6	97.0	97.4
Mexico	100.6	103.2	100.5	101.0	99.3	99.2	98.4	99.9	101.0	101.0	102.6	102.8	103.0	104.7	105.1	103.7	104.6	99.7	94.4	92.1	90.6	90.5	93.0
Russia	101.9	103.7	103.5	102.6	101.5	101.2	98.7	96.2	95.1	97.6	98.8	100.4	101.9	101.1	101.8	101.4	101.9	98.5	95.1	94.1	96.2	95.7	97.0
Turkey	97.3	100.4	100.9	100.8	100.3	101.2	101.6	101.5	101.9	97.8	94.2	91.7	90.7	92.2	88.9	87.1	84.7	80.1	80.7	79.9	99.5	100.0	100.6

Source: BBVA Research, BIS and Haver

Table 10

**Unemployment Rate (%)**

Country	2009					2010					2011				
	Mar	Jun	Sep	Dec	2009	Mar	Jun	Sep	Dec	2010	Mar	Jun	Sep	Dec	2011
China	4.3	4.3	4.3	4.3	4.3	4.2	4.2	4.1	4.1	4.2	4.1	4.1	4.1	4.1	4.1
India*	na.	na.	na.	na.	10.7	na.	na.	na.	na.	10.0	na.	na.	na.	na.	9.8
Indonesia*	8.1	na.	7.9	na.	7.9	7.4	na.	7.1	na.	7.1	6.8	na.	6.6	na.	6.6
Korea	3.5	3.9	3.7	3.5	3.7	4.3	3.5	3.6	3.4	3.7	3.9	3.4	3.2	3.1	3.4
Taiwan	5.6	5.9	6.0	5.9	5.8	5.6	5.3	5.1	4.8	5.2	4.6	4.4	4.3	4.3	4.4
Brazil	8.6	8.6	7.9	7.2	8.1	7.4	7.3	6.6	5.7	6.7	6.3	6.3	6.0	5.2	6.0
Mexico	5.0	5.3	6.3	5.3	5.5	5.4	5.2	5.6	5.3	5.4	5.1	5.2	5.7	4.8	5.2
Russia	9.1	8.5	7.8	8.0	8.4	8.8	7.4	6.8	6.9	7.5	7.5	6.6	6.2	6.3	6.6
Turkey	15.8	13.8	13.2	13.2	14.0	14.2	11.2	11.1	11.2	11.9	11.4	9.5	9.0		

 \*Lack of quarterly data for India and Indonesia.  
 Source: BBVA Research, Bloomberg and Haver

## Inflation

Table 11

**Consumer Price Index (YoY, % Growth)**

Country	2010								2011												2012	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
China	2.7	3.1	3.2	3.4	4.3	5.1	4.6	5.0	5.0	5.5	5.4	5.6	6.6	6.7	6.4	6.3	5.6	4.3	4.1	4.6		
India	10.3	10.0	8.9	9.0	9.1	8.2	9.4	9.5	9.5	9.7	9.7	9.6	9.5	9.4	9.8	10.0	9.9	9.5	7.5	6.6		
Indonesia	5.0	6.2	6.4	5.8	5.7	6.3	7.0	7.0	6.8	6.7	6.2	6.0	5.5	4.6	4.8	4.6	4.4	4.2	3.8	3.7	3.6	
Korea	2.7	2.6	2.7	3.4	3.7	3.0	3.1	3.4	3.9	4.1	3.8	3.9	4.2	4.5	4.7	3.8	3.6	4.2	4.2	3.4		
Taiwan	1.2	1.3	-0.5	0.3	0.6	1.5	1.2	1.1	1.3	1.4	1.3	1.7	1.9	1.3	1.3	1.4	1.3	1.0	2.0	2.4		
Brazil	4.8	4.6	4.5	4.7	5.2	5.6	5.9	6.0	6.0	6.3	6.5	6.6	6.7	6.9	7.2	7.3	7.0	6.6	6.5	6.2		
Mexico	3.7	3.6	3.7	3.7	4.0	4.3	4.4	3.8	3.6	3.0	3.4	3.2	3.3	3.5	3.4	3.1	3.2	3.5	3.8	4.0		
Russia	5.7	5.5	6.0	7.0	7.5	8.1	8.8	9.6	9.5	9.5	9.6	9.6	9.4	9.0	8.2	7.2	7.2	6.8	6.1	4.2		
Turkey	8.4	7.6	8.3	9.2	8.6	7.3	6.4	4.9	4.2	4.0	4.3	7.2	6.2	6.3	6.7	6.2	7.7	9.5	10.4	10.6		

Source: BBVA Research and Haver

Table 12

**Producer Price Index (% YoY Growth)**

Country	2010								2011												2012	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
China	6.4	4.8	4.3	4.3	5.0	6.1	5.9	6.6	7.2	7.3	6.8	6.8	7.1	7.5	7.3	6.5	5.0	2.7	1.7	0.7		
India	10.3	10.0	8.9	9.0	9.1	8.2	9.4	9.5	9.5	9.7	9.7	9.6	9.5	9.4	9.8	10.0	9.9	9.5	7.5	6.6		
Indonesia	4.3	4.3	3.6	4.9	5.5	5.5	6.0	6.6	7.8	7.7	7.7	7.1	7.1	8.2	7.6	8.1	7.5	7.5	6.3	5.1	4.4	
Korea	4.6	3.4	3.1	4.0	5.0	4.9	5.3	6.2	6.6	7.3	6.8	6.2	6.2	6.5	6.6	5.7	5.6	5.1	4.3	3.4		
Taiwan	7.0	5.3	3.3	3.8	3.7	2.4	2.3	2.0	3.9	5.8	4.7	3.4	3.9	4.0	4.1	5.1	5.8	4.9	4.3	4.3		
Brazil	4.9	6.5	8.2	9.5	11.0	13.3	13.8	13.8	13.7	13.8	13.3	10.3	9.6	9.1	8.0	7.5	6.6	4.9				
Mexico	3.2	3.7	3.5	2.9	3.3	3.4	4.7	4.6	4.8	5.4	6.1	5.5	6.0	6.4	6.7	7.6	8.3	9.2	8.8	8.8		
Russia	9.2	8.0	9.9	7.3	10.6	16.1	16.7	20.5	22.1	21.5	20.1	18.3	19.2	17.2	18.7	19.3	18.7	15.5	12.0	9.4		
Turkey	7.6	8.2	9.0	8.9	9.9	8.2	8.9	10.8	10.9	10.1	8.2	9.6	10.2	10.3	11.0	12.1	12.6	13.7	13.3	11.1		

Source: BBVA Research, Haver and CEIC



## Money and Finances

Table 13

Policy rates (% Per Annum)

Country	Description	2010							2011							2012							
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
China	Prime Lending Rate	5.31	5.31	5.31	5.31	5.56	5.56	5.81	5.81	6.06	6.06	6.31	6.31	6.31	6.56	6.56	6.56	6.56	6.56	6.56	6.56	6.56	6.56
India	Reserve Bank of India REPO Cutoff Yield	5.25	5.75	5.75	6.00	6.00	6.25	6.25	6.50	6.50	6.75	6.75	7.25	7.50	8.00	8.00	8.25	8.50	8.50	8.50	8.50	8.50	8.50
Indonesia	Bank Indonesia Reference Interest Rate	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.50	6.00	6.00	6.00	6.00	5.75
Korea	South Korea Official Bank Rate	2.00	2.25	2.25	2.25	2.25	2.50	2.50	2.75	2.75	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Taiwan	CB of China Taiwan Discount Rate Daily	1.38	1.38	1.38	1.38	1.50	1.50	1.63	1.63	1.63	1.75	1.75	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88
Brazil	Brazil SELIC-TAR	10.25	10.75	10.75	10.75	10.75	10.75	10.75	11.25	11.25	11.75	12.00	12.00	12.25	12.50	12.00	12.00	11.50	11.00	11.00	10.50	10.50	10.50
Mexico	Bank of Mexico Official Overnight Rate	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Russia	Russia Refinancing Rate	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	8.00	8.00	8.00	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.00	8.00	8.00	8.00
Turkey	1-week repo rate	7.00	7.00	7.00	7.00	7.00	7.00	6.50	6.25	6.25	6.25	6.25	6.25	6.25	6.25	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75

Source: BBVA Research, Bloomberg and Haver

Table 14  
**Deposit Rates (% Per Annum)**

Country	Deposit rates	2010										2011										2012
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
China	3-Month CD Rate	2.25	2.25	2.25	2.25	2.50	2.50	2.75	2.75	3.00	3.00	3.25	3.25	3.25	3.50	3.50	3.50	3.50	3.50	3.50	3.50	
India	Deposit Rate Minimum	6.00	6.00	6.38	6.75	7.00	7.00	7.00	7.00	8.25	7.75	7.75	7.75	8.25	8.40	8.50	8.50	8.50	8.50	8.50	8.50	
Indonesia	3-Month time deposit	6.95	6.95	6.96	6.95	6.99	7.03	7.06	6.88	6.82	6.91	6.96	6.91	6.95	6.88	6.90	7.05	7.11	6.99	6.81		
Korea	91-Day CD Rate	3.70	3.90	3.90	3.80	3.60	3.70	3.90	4.00	4.30	4.20	4.20	4.20	4.20	4.20	4.20	4.10	4.10	4.10			
Taiwan	3-Month NTD Deposit	0.66	0.66	0.66	0.66	0.74	0.74	0.74	0.79	0.79	0.79	0.87	0.87	0.87	0.94	0.94	0.94	0.94	0.94	0.94	0.94	
Brazil	30-Day CD Rate	9.19	9.57	9.17	9.15	8.63	9.32	9.89	9.80	9.05	11.51	11.10	11.82	11.78	12.28	11.95	11.04	10.32	10.62	10.62	10.62	
Mexico	1-Month Financial Promissory Notes (%)	1.30	1.30	1.28	1.14	1.13	0.95	0.96	0.95	0.95	0.95	0.95	0.95	0.96	0.95	0.94	0.96	0.97	0.97	0.97		
Russia	1-Month Time Deposit	5.80	5.60	5.40	5.10	5.00	5.00	4.90	4.50	4.40	4.20	4.10	4.10	4.20	4.00	4.10	4.00	4.50	5.50	5.70		
Turkey	3-Month Time Deposit TL	15.95	15.72	15.78	15.78	13.82	13.83	12.90	12.08	12.15	12.16	12.90	14.75	14.89	15.01	14.99	14.92	15.13	15.28	16.34		

Source: BBVA Research and Haver

 Table 15  
**M2 (YoY, % Growth)**

Country	2010							2011										2012		
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
China	18.5	17.6	19.2	19.0	23.3	23.2	23.7	21.7	15.7	16.6	15.4	15.1	15.9	14.7	13.6	13.1	12.9	12.7	13.6	12.4
India	19.1	19.4	17.2	15.7	19.8	21.1	19.9	14.0	13.8	9.4	10.9	9.1	7.0	4.5	5.0	3.9	1.4	1.8		
Indonesia	12.8	13.1	12.1	12.7	14.2	13.8	15.4	17.5	17.1	16.1	15.0	15.5	13.1	15.6	17.2	16.2	16.0	16.3	16.4	16.0
Korea	9.0	9.1	7.9	7.2	7.7	7.3	6.0	5.0	4.8	4.1	4.3	3.2	2.9	4.2	4.0	4.5	4.1	4.3	5.5	
Taiwan	3.8	4.1	4.7	4.7	5.0	5.2	5.4	6.5	5.9	6.0	6.3	5.8	5.9	6.3	5.8	5.7	5.3	5.2	4.8	5.1
Brazil	8.8	9.4	11.0	12.0	13.5	14.9	16.7	17.6	18.9	19.9	21.0	21.7	22.1	22.7	22.4	21.9	21.2	20.8	18.7	18.4
Mexico*	8.0			9.5			8.0			7.9			7.9			9.1			12.0	
Russia	33.6	35.2	36.3	35.0	33.4	33.2	31.1	29.5	28.2	26.7	24.5	22.6	22.7	22.2	20.9	21.5	19.8	20.2	22.6	22.6
Turkey	24.7	25.1	24.4	23.9	22.7	24.2	24.4	25.3	24.9	24.0	24.4	23.6	21.5	20.8	21.9	19.4	19.5	15.0	10.9	7.5

\*Note: Quarterly data

Source: BBVA Research and Haver

Table 16

**Loans (YoY, % Growth)**

Country	2010							2011											2012	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
China	18.2	17.5	18.4	18.1	18.6	18.1	18.8	18.0	16.9	17.3	15.9	16.1	16.6	15.6	15.5	15.7	15.3	16.2	17.1	
India	14.2	13.3	14.0	15.0	15.8	15.5	18.6	17.0	17.8	17.5	18.0	17.9	19.2	18.7	18.3	18.4	17.3	17.2	16.2	
Indonesia	20.6	20.5	21.2	22.5	22.5	22.8	23.3	24.1	24.3	24.7	23.9	23.5	23.0	23.5	23.9	25.2	25.8	25.8	24.7	
Korea	3.0	3.0	2.3	2.6	3.5	3.4	3.5	4.0	4.5	4.7	5.4	5.5	5.5	5.9	6.5	7.0	7.3	7.5	7.7	
Taiwan	5.5	6.1	6.4	6.3	7.2	6.8	6.8	8.4	8.5	9.0	8.6	8.1	7.7	7.5	7.7	7.9	7.4	7.1	5.8	
Brazil	20.7	22.0	21.6	20.3	20.0	20.8	20.3	20.1	21.4	18.3	19.0	18.4	18.4	17.3	17.4	17.9	17.6	18.3	17.0	18.9
Mexico*	4.8			6.1			6.7			11.4			8.2			14.3			20.6	
Russia	4.3	6.8	7.1	9.9	11.4	13.8	17.1	16.7	20.0	21.0	23.5	24.1	24.5	26.6	28.6	29.6	30.5	31.9		
Turkey	27.6	27.0	25.7	25.2	24.9	25.0	26.6	26.2	24.5	22.5	22.6	24.1	21.9	21.7	22.8	21.9	21.9	19.6	15.7	

\*Note: Quarterly data

Source: BBVA Research, Haver and CEIC

Table 17

**Swap Spreads**

Country	Description	3y-1y			10y-5y		
		01-Mar-12	1 month ago	3 months ago	01-Mar-12	1 month ago	3 months ago
China	Onshore quarterly vs. 7-day repo	-1.25	-20	-10	13.75	9	9
India	MIBOR Onshore Swap Rates	-69.43	-76	-63	4	5	0.5
Indonesia	Onshore Quarterly vs. 3mo SBI	67.5	70	80	n.a.	n.a.	n.a.
Taiwan	Onshore TWD/TWD swap rate	8.01	7	6.75	25	26	24
Brazil	Swap rates pre * DI	105.48	95.24	63.61	n.a.	n.a.	n.a.
Mexico*	MXN SWAP (TIIE)	31	18.35	32.9	94.9	89.95	100.7
Russia	RUB SWAP VS MOSPRIME	42	23	16	42	33	30
Turkey	TRY SWAP (vs 3M)	n.a.	n.a.	n.a.	-17	-19	-5

\*Mexico (38m-13m; 130m-65m)

Source: BBVA Research and Bloomberg

Table 18

**Stock Index Returns (%)**

Country	Description	Index	1 Month	YTD	1 Year
China	Shanghai SE Composite Index	2,426	6.17%	10.42%	-14.85%
India	BSE Sensex 30 Index	17,512	3.85%	15.05%	1.03%
Indonesia	Jakarta Composite index	3,962	1.20%	4.27%	17.27%
Korea	KOSPI Index	2,030	4.62%	11.20%	4.70%
Taiwan	Taiwan Taiex Index	8,118	9.60%	14.84%	-1.70%
Brazil	Bovespa Index	65,812	4.85%	15.96%	-2.33%
Mexico	Mexico IPC Index	37,817	1.54%	2.12%	3.72%
Russia	RTSSTD Index	1,588	6.10%	14.21%	-7.88%
Turkey	ISE National 100 Index	60,418	4.51%	18.44%	1.43%

Source: BBVA Research and Bloomberg

Table 19

**FX Returns (%)**

Country	Description	Rate	1 Month	YTD	1 Year
China	Renminbi	6.30	0.52%	-0.08%	4.28%
India	Indian Rupees	49.18	1.27%	7.91%	-8.58%
Indonesia	Rupiah	9101.00	-1.22%	-0.35%	-3.22%
Korea	Won	1116.53	0.96%	3.22%	0.64%
Taiwan	New Taiwan Dollar	29.45	0.99%	2.82%	0.49%
Brazil	Brazilian Real	1.72	1.83%	8.71%	-3.12%
Mexico	Peso	12.84	1.04%	8.50%	-5.63%
Russia	Rouble	29.29	3.85%	9.74%	-1.92%
Turkey	Turkish Lira	1.75	1.94%	7.91%	-7.79%

Source: BBVA Research and Bloomberg

Table 20

**Government: Credit Profile**

Country	Moody's	S&P	Fitch
China	Aa3	AA-	A+
India	Baa3	BBB-	BBB-
Indonesia	Baa3	BB+	BBB-
Korea	A1	A	A+
Taiwan	Aa3	AA-	A+
Brazil	Baa2	BBB	BBB
Mexico	Baa1	BBB	BBB
Russia	Baa1	BBB	BBB
Turkey	Ba2	BB	BB+

 Outlook: Negative Stable Positive

Source: BBVA Research and Bloomberg

Table 21

**Fiscal Balance as % of GDP**

Country	Description	2009					2010					2011				
		Mar	Jun	Sep	Dec	2009	Mar	Jun	Sep	Dec	2010	Mar	Jun	Sep	Dec	2011
China	Govt Finance: Budget	2.6	4.1	1.5	-12.5	-2.2	6.4	4.6	-1.0	-11.6	-1.6	n.a.	4.0	-0.2		
India	Central Govt: Gross Fiscal	-8.5	-9.1	-5.2	-7.0	-7.0	-6.3	-2.5	-5.6	-2.0	-3.7	-9.8	-8.5	-6.2	-4.7	-7.3
Indonesia	Govt Finance: Budget	0.2	-0.6	-1.9	-3.7	-1.6	1.2	1.9	-0.4	-4.8	-0.5	0.3	2.7	-0.4	-7.0	-1.1
Korea	Govt Finance: Budget	-4.7	-5.5	1.2	1.7	-1.7	-2.6	-1.5	6.2	n.a.	1.4	-1.5	0.7	6.1		
Taiwan	Central Government	8.3	3.8	-1.1	-3.2	2.1	12.2	0.1	1.4	-2.2	2.5	10.7	2.1	-3.0	-1.5	2.1
Brazil	Natl Treasury Performance Summary	-5.0	-1.1	-4.7	2.7	-1.9	-5.1	-1.4	-1.6	1.8	-1.4	-4.4	-0.5	-1.1		
Mexico	Public Sector Budgetary	-1.7	-2.0	-0.9	-4.4	-2.3	0.1	-3.5	-2.2	-5.6	-2.9	-0.2	-3.6	-1.6	-4.5	-2.5
Russia	Federal Budget	-0.4	-7.5	-5.8	-9.0	-5.9	-2.6	-1.4	-2.6	-8.6	-4.0	1.6	4.1	2.8		
Turkey	Central Government	-9.2	-1.8	-6.7	-4.5	-5.5	-4.7	-1.5	-2.0	-6.2	-3.7	-1.4	2.2	-0.8		

Source: BBVA Research and Haver

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