

Global summary

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Global Economics &
Strategy Team

Developed Markets / Global

US: Better news from the docks. Increased container traffic at US ports points to a brighter outlook for exports.

UK: Dead-cat bounce? Manufacturing output is plummeting, but lead surveys do suggest that the rate of contraction should soon slow. However, the key question is whether this is inventory related and whether an upturn is sustainable.

EMEA

Turkey: Current account deficit lower than expected in March. March's current account deficit was higher MoM due mainly to a higher foreign trade deficit. Portfolio outflows slowed down but the long-term credit rollover of the banking and non-banking sectors is still in decline. Net errors and omissions is still the major balancing factor.

Romania: Painful adjustment in the trade balance. The trade deficit (FOB/CIF) for March fell to €566m vs €803m previously. For 1Q09, the FOB/FOB trade deficit is about €1.3bn, which makes us believe that it could come in even below our optimistic forecast of €6.5bn for 2009.

Closing prices

Developed markets closing prices

Emerging markets closing prices

Key external debt prices

Local markets instruments: FX and forwards

Research Analyst Contacts

today's key snapshots

(all times GMT)

US: Fed's Lockhart speaks (1220)

Today, the Fed's Lockhart is to speak on 'Financial Innovation and Crises' in Atlanta. With general sentiment moving behind the idea that the global recession has passed its worst, we will look to see if the Fed's official will provide us with any further optimism.
ING=n/a cons=n/a prev=n/a

UK: Mar industrial production (MoM%) (0830)

After last month's biggest annual drop in industrial output since record began, we expect today's release to follow on from this negative outlook and register its 13th consecutive monthly decline.
ING=-0.5 cons=-0.8 prev=-1.0

Developed Markets / Global

US

Better news from the docks

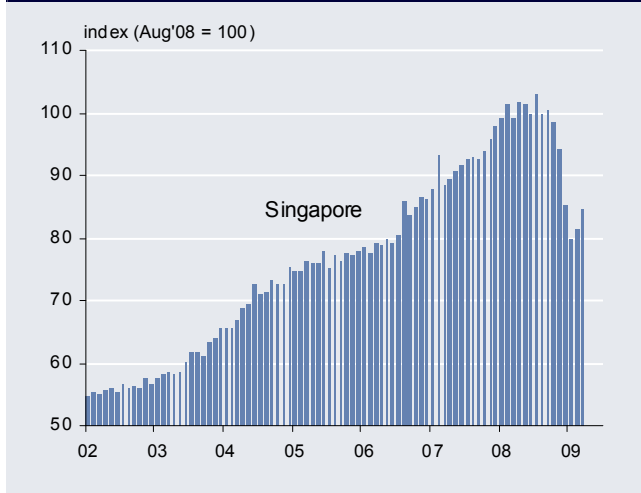
Increased container traffic at US ports points to a brighter outlook for exports.

Activity in the world's largest seaports appears on the rise again. We estimate that in March the number of containers handled by the world's largest port – Singapore – rose a seasonally-adjusted 4% MoM. Building on a 1.8% MoM increase in the previous month, this marks the first back-to-back monthly rise in over a year. US port data look a bit brighter too. Loaded outbound traffic at the ports of Long Beach/Los Angeles has extended its increase, signalling somewhat stronger foreign demand for US goods. Two months do not make a trend though, and it remains to be seen whether this is actually the start of a sustained recovery or just a rebound from an artificially low base. Still, the pick-up in activity blends perfectly in with the better-than-expected global macro data we have seen over the last few weeks. The rise in the ISM export orders index to a seven-month high bodes particularly well. Higher world base metal prices and international shipping tariffs may be another sign that global industrial demand is showing some improvement, though from a very low level.

Inbound US container traffic surged too in March, but we are cautious to attribute this to an actual pick-up in domestic demand as this comes after a large drop in February, partly reflecting the closure of Chinese factories for an extended period of time (beyond the normal time period) for the Chinese New Year. With these exporting firms back open for business, US imports probably experienced a rebound in March. Note too that the positive effect from sharply lower oil prices on imports has also come to an end. Petroleum import prices are back at a 4-month high.

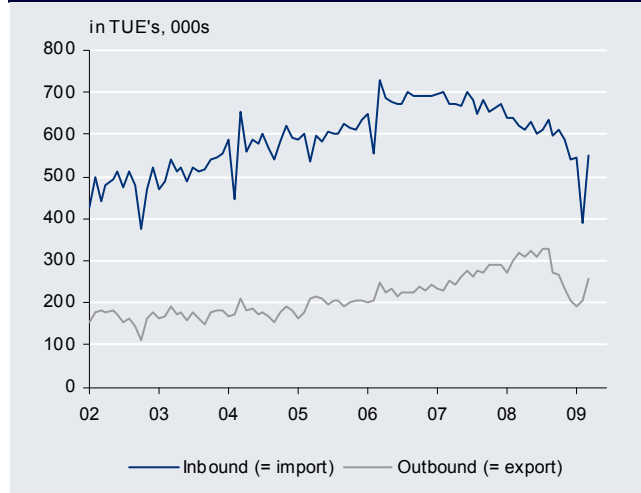
But what does all of this mean for the March US trade deficit? According to the advance 1Q09 GDP estimate, exports fell 12.4% QoQ. When the BEA compiled the estimate, it only had two months (Jan/Feb) of trade data. It seems that for March the BEA has assumed a modest decline in both exports and imports, causing the US trade deficit to remain stable around February's -US\$26bn. We agree with the view of a roughly stable deficit (INGF: -US\$27.0bn), but think it will be the result of imports and exports both having moved higher. The consensus forecast sees room for a somewhat bigger deficit of -US\$29.2bn, which would result in a downward revision of 1Q09 US GDP growth by 0.4 percent point.

Fig 1 Singapore port container throughput



Source: Bloomberg, ING

Fig 2 US port traffic increases too



Source: EcoWin, ING

Investment implications: With US imports falling faster than exports, in the course of this year, foreign trade is expected to turn from a drag on growth to a factor adding to US GDP.

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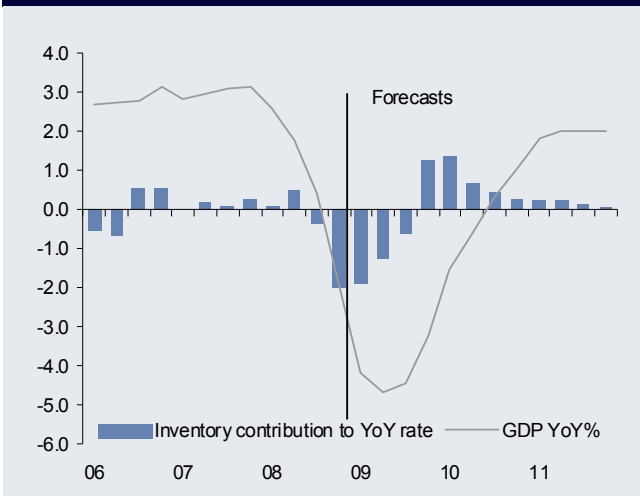
UK

Dead-cat bounce?

Manufacturing output is plummeting, but lead surveys do suggest that the rate of contraction should soon slow. However, the key question is whether this is inventory related and whether an upturn is sustainable.

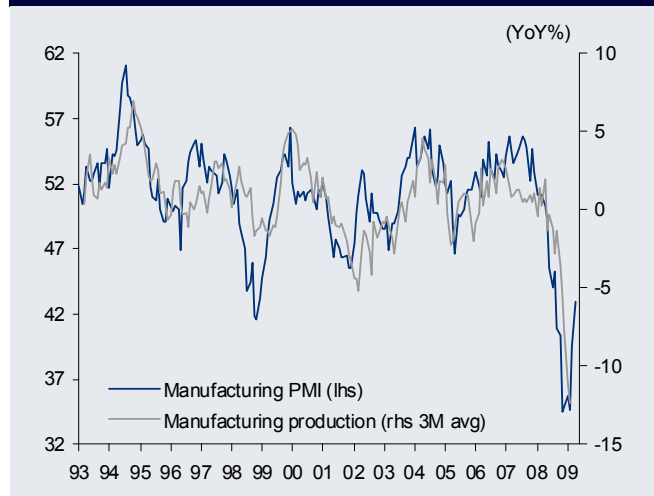
Manufacturing output has collapsed over the past twelve months to leave it down 18% YoY in real terms and worse could be seen today. The really big falls in output have been seen through 4Q08 and 1Q09 as confidence evaporated in the wake of Lehman Brothers' collapse and the peak of the credit crunch choked off financing. New orders dried up and as a result firms ran down their inventories. This can be seen in the left-hand figure below with 4Q08's inventory plunge knocking 2 percentage points off the annual GDP growth rate and we suspect something similar was probable in 1Q09. However, it seems as though the situation is turning around. Important surveys such as the purchasing managers' index and the CBI (Confederation of British Industry) Industrial Trends release suggest that the rate of decline is soon going to start to slow.

Fig 3 Inventory contribution to GDP production



Source: EcoWin

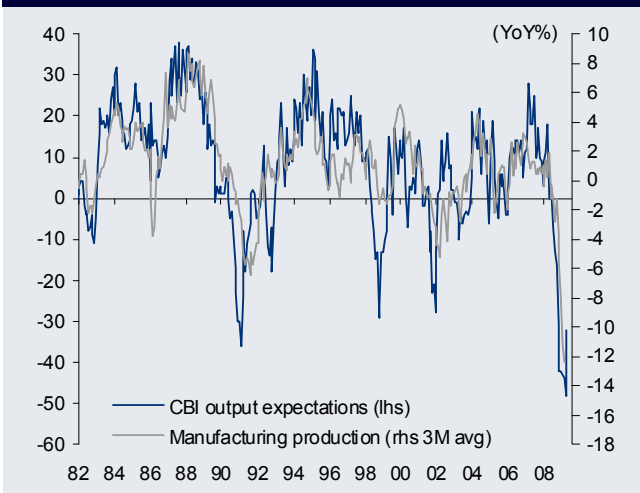
Fig 4 PMI and manufacturing output



Source: EcoWin

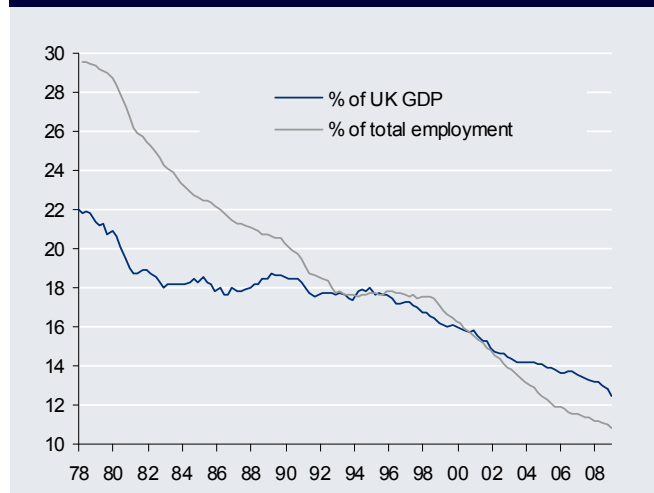
However, even if this is the case and it reflects some partial rebuild in orders given inventories are at such low levels we have concerns about how sustainable it is in an environment of ongoing sharp falls in corporate profits and rising unemployment. Indeed, the big question is whether there is enough demand to sustain a rebound and so prevent a second inventory correction later in the year.

Fig 5 CBI industrial trends and manufacturing



Source: EcoWin

Fig 6 Declining importance of manufacturing



Source: EcoWin, ING

Nonetheless, manufacturing continues to account for less and less of the UK economy – 12.5% of GDP and 11% of employment. This process could accelerate tomorrow with another dismal labour report expected with the ILO unemployment rate pushing to 7%.

Investment implications: SELL EUR/GBP.

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EMEA

Turkey

Current account deficit lower than expected in March

March's current account deficit was higher MoM due mainly to a higher foreign trade deficit. Portfolio outflows slowed down but the long-term credit rollover of the banking and non-banking sectors is still in decline. Net errors and omissions is still the major balancing factor.

We have seen major revisions to January and February data resulting in a deficit of US\$1.2bn in the first quarter of 2009. The positive surprise was due to better-than-expected net income outflows. The higher foreign trade deficit in March (compared to the previous month) was the major reason behind the MoM increase in the current account deficit.

On the financing side, net foreign direct investment continued to decline while the improved global sentiment and higher risk appetite in the second half of March resulted in smaller portfolio outflows. Overall, we still saw a US\$402m net outflow of portfolio investments in March, but this number was much better than the US\$2bn in February. Net trade credits also fared better due possibly to an increase in imports and future import expectations in March. Net borrowing of the banking and non-banking sector, however, continued to decline in March.

The chart below shows the debt rollover ratios in trade credits, long-term banking and non-banking sectors (using principal amounts). The chart compares the debt rollover in the 2001 crisis and the current crisis (the November mini crisis was a prelude to the larger scale crisis in February 2001, thus we took the six-month period from November 2000 to April 2001 while for the current situation we assumed the crisis started in October). The table captures the state of the economy pretty well. The banking sector is performing much better than in 2001 while the non-banking sector is not. There are two distinct factors here. The 2001 crisis was specific to Turkey, global credit conditions back then were much better than today. As a result the decrease in non-banking sector rollover cannot all be attributed to the decline in the activity of the sector (in other words the demand for credit). The other issue is that the 2001 crisis was a banking crisis. Thus the rollover ratios of banks were exceptionally low at the time. Combining the two factors, we can conclude that the banking sector is coping relatively well with the current crisis while the non-banking sector's borrowing is hurt more by both the fall in activity and the availability of credit. Still, at 93.5% we can safely say debt rollover in the non-banking sector is not distressed much, but deleveraging and the contraction of credit is likely to continue in the coming period.

Fig 3 Debt rollover

	Trade credits	Banking sector*	Non-banking sector*
November 2000 - April 2001	89.0%	32.7%	125.8%
October 2008 - March 2009	85.8%	61.2%	93.5%

* Long-term principal only
Source: Turkstat

Net errors and omissions was on the positive side again at US\$2.1bn in March and limited the fall in official reserves in March. Cumulative net errors & omissions reached US\$5.4bn in the first quarter of 2009 and a record level of US\$17.6bn since Sep-08 (ie, Oct08-Mar09 period), both suggesting that with the global deleveraging is continuing and unregistered inflows are unlikely to maintain their recent pace, so reserve depletion might accelerate in the coming months as we have already seen in April.

Investment implications: Debt rollover does not seem to be a problem just yet. An IMF deal would certainly help with real funding and easing country risk. A further decline in the current account deficit is warranted along with the ongoing slowdown in the economy.

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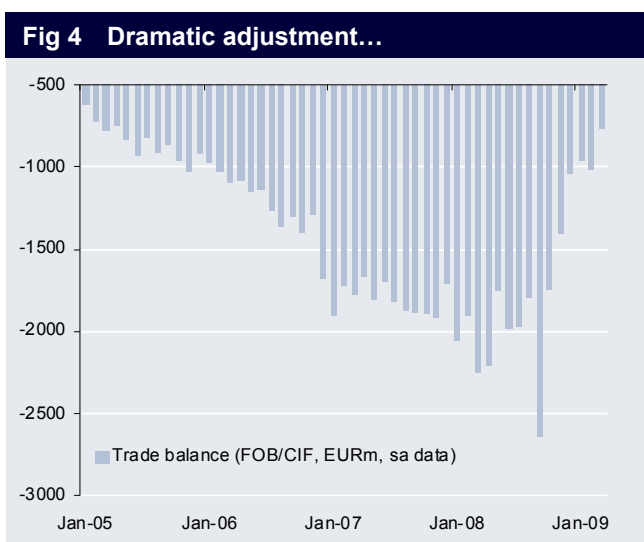
Romania

Painful adjustment in the trade balance

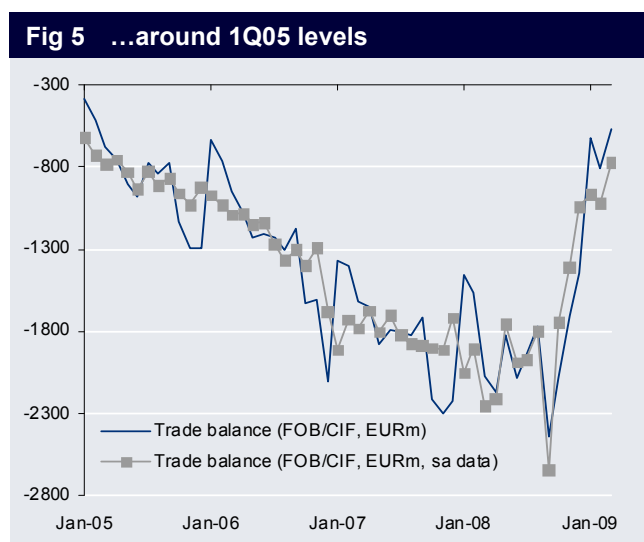
The trade deficit (FOB/CIF) for March fell to €566m vs €803m previously. For 1Q09, the FOB/FOB trade deficit is about €1.3bn, which makes us believe that it could come in even below our optimistic forecast of €6.5bn for 2009.

A hard landing also has positive implications for some macro indicators. We have stressed this point since November 2008 when we first published a trade deficit forecast (FOB/FOB) sharply below consensus that was revised even lower to €6.5bn in February this year (May's Reuters consensus is about €12bn). Yet, for 1Q09, the actual data was below our forecast, which means there are chances the trade deficit could fall below €6.5bn this year given that the demand contraction should see significantly lower imports, while exports should stabilise. When this sharp adjustment becomes obvious, we should see less pressure for RON depreciation.

In our previous commentary on the trade balance we were saying that we need to see three or four months with the trade deficit (FOB/CIF) falling below the €1bn threshold in order to have a FOB/FOB trade deficit around €6.5bn. March is the first month when this happened and we see good chances for this trend to continue.



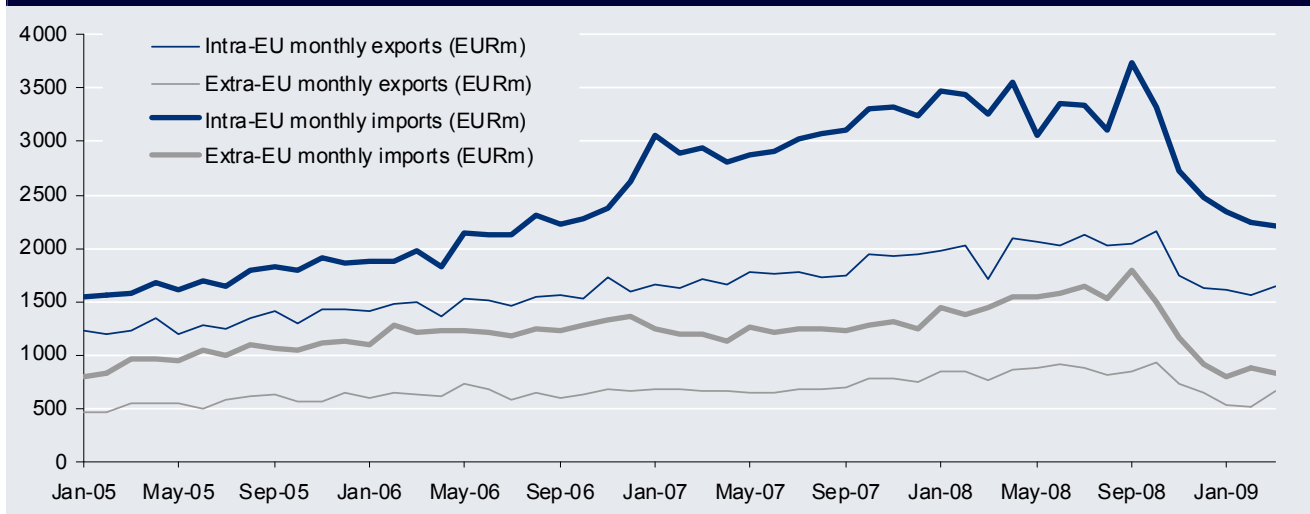
Source: NIS, ING estimates



Source: NIS, ING estimates

An important point to make here is that during 1Q09 we were not that surprised by exports' evolution – as our forecast for exports was €6.3bn vs €6.6bn, but we missed imports (CIF) by slightly less than €1bn. This is likely caused by two things: we underestimated the impact of RON depreciation on imports and most likely we also underestimated the economic contraction in 1Q09.

Our current forecast is for a -2.5% annual GDP rate in 1Q09, but we stress a lower number should not be ruled out. Trade balance data clearly speak for a lower 1Q09 GDP annual rate of change.

Fig 6 Imports and exports, seasonally adjusted data

Source: NIS, ING

Exports dynamics benefited from the weak RON and from the fact that Romanian goods are cheaper compared to competition goods; exports of Dacias (national car) to Germany likely contributed as well given that machinery and transport equipment accounted for more than 40% of total exports. Yet, an important point to stress is that exports both intra- and extra-EU increased in March – not just on gross data, but on seasonally adjusted data also. This would imply that Romania is able to export more not just inside EU, but also outside the EU and, probably, will gain market share.

Exports towards the EU could remain relatively strong in the period ahead, but dynamics of exports outside the EU are more uncertain for the moment and depend on a recovery in these countries, especially Turkey.

At the same time, imports remained pressed because of contracting demand and RON depreciation. Both intra- and extra-EU imports fell in spite of some recovery in energy prices.

In this context, we stress that a weak RON is required to see the adjustment in the trade balance progressing. This does not necessarily mean 4.5RON/EUR or higher, but certainly means that continuous RON strengthening would favour imports and disadvantage exports.

Investment implications: Later this year or early 2010 the RON should benefit if the adjustments are as expected. 1Q09 GDP might post a contraction even sharper than -2.5%.

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Closing prices

Developed markets closing prices

Cash Market	Last	Chg DoD bp	Chg WoW bp	Yield curves/ swap spreads	Last	Chg DoD bp	Chg WoW bp	Chg MoM bp	Swap Spd bp	Chg DoD bp		
US	1-mth	0.354	-1.4	-6.1	US	2yr govt	0.915	2.4	-4.8	-3.2	47.3	0.0
	3-mth	0.920	-1.8	-8.7		5yr govt	2.045	2.3	-0.3	15.9	50.8	-0.3
	6-mth	1.439	-2.4	-11.1		10yr govt	3.182	1.7	2.3	25.9	12.1	-0.1
	12-mth	1.758	-2.4	-10.7		10s-2s (bp)	227	226	233	262		
EU12	1-mth	0.864	-1.2	-6.7	EU12	2yr govt	1.361	2.2	-0.2	-2.5	41.0	0.8
	3-mth	1.299	-1.4	-5.5		5yr govt	2.523	2.6	13.5	9.2	21.4	-1.9
	6-mth	1.491	-1.6	-6.2		10yr govt	3.406	1.8	19.5	15.6	13.5	-0.9
	12-mth	1.655	-2.1	-6.3		10s-2s (bp)	205	204	224	242		
UK	1-mth	0.783	-1.2	-5.8	UK	2yr govt	1.182	3.1	8.2	-17.7	102.0	0.0
	3-mth	1.412	-0.9	-3.4		5yr govt	2.510	3.8	8.4	5.2	86.8	-0.3
	6-mth	1.615	-0.7	-3.8		10yr govt	3.684	2.6	12.9	39.6	34.6	0.9
	12-mth	1.889	-0.7	-2.1		10s-2s (bp)	250	250	254	312		
Japan	1-mth	0.538	-0.1	-1.1	Japan	2yr govt	0.395	-1.1	0.3	-7.0	31.2	0.0
	3-mth	0.265	-1.0	-2.3		5yr govt	0.853	0.4	3.0	-2.2	12.2	0.0
	6-mth	0.721	0.0	-0.4		10yr govt	1.453	-1.1	2.1	-0.7	-6.1	0.0
	12-mth	0.893	-0.1	-0.9		10s-2s (bp)	106	106	108	114		
Canada	1-mth	0.400	0.0	-5.0	Canada	2yr govt	1.095	-2.8	8.0	-2.1	-12.0	-0.5
	3-mth	0.800	0.0	-5.0		5yr govt	2.087	-5.6	5.3	22.2	-11.5	0.5
	6-mth	1.242	-0.8	-5.5		10yr govt	3.109	-5.3	1.5	18.2	-12.0	0.5
	12-mth	1.650	-0.2	-15.2		10s-2s (bp)	201	199	192	213		

Spot FX	Last	Abs chg DoD	Abs chg WoW	Abs chg MoM	Market forwards			
					1mth	3mth	6mth	12m
EUR/USD	1.3653	0.0071	0.0324	0.0284	1.3649	1.3645	1.3640	1.3639
USD/JPY	97.64	0.15	-1.17	-2.46	97.61	97.53	97.40	96.98
EUR/JPY	133.32	0.92	1.60	-0.51	133.24	133.09	132.87	132.29
GBP/USD	1.5207	0.0090	0.0117	0.0352	1.5205	1.5204	1.5199	1.5189
EUR/GBP	0.8979	-0.0006	0.0145	-0.0022	0.8978	0.8976	0.8974	0.8982
EUR/SEK	10.6044	-0.0232	0.0076	-0.3103	10.6014	10.5973	10.5913	10.5895
EUR/NOK	8.7720	0.0015	0.0328	-0.0101	8.7787	8.7897	8.8080	8.8441
EUR/CHF	1.5087	0.0020	-0.0006	-0.0064	1.5077	1.5057	1.5028	1.4969
USD/CAD	1.1626	-0.0041	-0.0126	-0.0574	1.1624	1.1617	1.1608	1.1587
AUD/USD	0.7635	0.0048	0.0208	0.0317	0.7617	0.7587	0.7542	0.7461
NZD/USD	0.6050	0.0047	0.0247	0.0125	0.6038	0.6017	0.5987	0.5929

Equity markets	Last	% chg DoD	% chg WoW	% chg MoM	Commodity markets	Last	% chg DoD	% chg WoW	% chg MoM	
US	Dow Jones	8419	-1.8	-0.1	4.1	Brent Crude (bbl)	57.4	1.4	6.0	6.4
	S&P 500	909	-2.2	0.2	6.2	Brent 1mth fwd (bbl)	57.6	0.2	6.5	6.4
	Nasdaq	1731	-0.4	-1.8	4.8	WTI (bbl)	58.5	-0.2	7.4	12.0
EU	Eurotop 300	854	0.0	0.9	9.7	OPEC basket (bbl)	56.1	-0.4	7.7	7.4
	DAX	4874	0.1	0.4	8.5	Base metals*	135.8	-3.6	2.4	5.3
	CAC	3249	0.0	0.7	9.2	Gold (oz)	916.5	0.4	2.2	4.0
	Milan MIB30	20916	0.3	2.7	15.3	Precious metals*	251.9	0.4	0.7	-3.0
UK	FTSE 100	4429	-0.1	2.1	11.2	Food & fibre*	145.7	0.1	4.0	2.7
	FTSE all-share	2260	-0.1	1.5	11.1					
Japan	Nikkei 225	9299	-1.6	5.3	3.7					
	Topix	885	-1.7	5.7	4.7					

*Bloomberg index

Source: Bloomberg

Emerging markets closing prices

Key external debt prices

Country	Benchmark asset	Moody's/S&P	Price		Price support		Price resistance		Spread (bp)		YTM (%) close	Total return (%)		
			Close	ΔDoD	II	I	I	II	Close	ΔDoD		DoD	WoW	YTD
USD denominated														
Argentina	Discount '33	WR/B-	38.00	-0.63	26.02	29.19	38.71	41.88	1,625	38	20.23	-1.16	19.31	-49.52
Brazil	Rep 11% '40	Ba1/BBB-	130.10	-0.80	124.86	127.29	132.16	134.59	283	24	5.28	-0.40	0.66	6.20
Belize	Rep Step-up '29	B3/B	39.13	0.38	35.09	37.35	41.86	39.60	1,665	-4	20.33	0.97	9.43	-39.74
Bulgaria	Rep 8.25% '15	Baa3/BBB	107.31	0.61	101.07	103.40	108.06	110.38	438	-1	6.68	0.40	1.19	1.53
Chile	Rep 5.5% '13	A1/A+	106.96	0.12	105.96	106.51	107.05	107.59	182	7	3.46	0.10	0.09	8.86
China	Rep 4.75% '13	A1/A+	106.49	1.69	104.09	104.94	106.62	107.47	124	-29	3.18	1.38	0.35	14.73
Colombia	Rep 7.375% '17	Ba1/BBB-	108.78	-0.32	100.71	103.73	109.78	112.81	317	17	5.94	-0.23	1.02	9.31
Costa Rica	Rep 6.548% '14	Ba1/BB+	101.65	0.20	98.76	99.78	101.83	102.86	409	6	6.15	0.17	0.25	3.89
Dom Rep	Rep 9.04% '18	B2/B	97.50	0.00	73.43	79.72	98.57	104.85	706	11	9.56	0.02	8.99	0.40
Ecuador	Rep 9.375% '15	Ca/C	44.46	0.04	29.31	37.66	54.37	46.02	2,597	10	28.50			
Egypt	Rep 8.75% '11	Ba1/BB+	111.70	-0.55	110.99	111.44	112.36	111.90	218	32	3.10	-0.32	-0.29	10.84
El Salv	Rep '23 (put '13)	Baa3/BB+	99.42	0.50	93.78	95.41	100.31	101.94	626	-6	7.91	0.41	2.72	-4.51
Fiji	Rep 6.875% '11	B1/B-	80.31	0.02	75.23	76.64	80.89	82.31	1,649	9	17.51	0.04	3.79	-8.93
Gabon	Rep 8.2% '17	N/R/BB-	87.38	7.38	69.85	74.74	89.40	94.29	753	-141	10.46	8.05	8.21	-4.46
Georgia	Rep 7.5% '13	N/R/B	72.90	0.00	62.98	67.52	76.60	81.14	1,556	11	17.30	0.02	0.10	
Ghana	Rep 12% Apr 17	N/R/B+	64.00	0.00	57.11	60.32	66.73	69.93	1,370	12	16.59	0.03	2.17	-26.76
Guatemala	Rep 9.25% '13	Ba2/BB	109.25	0.00	105.66	107.46	109.26	111.06	484	10	6.69	0.02	0.43	4.84
Hungary	Rep 4.75% '15	Baa1/BBB-	86.78	0.34	78.20	82.55	86.90	91.26	533	3	7.64	0.33	-1.49	-5.82
Hong Kong	SAR 5.125% '14	Aa2/AA+	107.88	0.32	106.43	107.58	108.72	109.87	129	4	3.46	0.25	0.64	10.55
Indonesia	Rep 6.875% '18	Ba3/BB-	96.36	-1.42	79.36	85.33	97.29	103.26	450	35	7.45	-1.09	2.31	
Iraq	Rep 5.8% '28	N/R/N/R	57.86	0.35	49.36	51.84	59.26	61.74	828	4	11.96	0.48	4.65	-1.27
Jamaica	Rep 10.625% '17	B2/B-	89.20	-0.22	85.48	87.67	89.86	92.04	996	17	12.80	-0.15	0.02	-17.23
Kazakhstan	DBKaz 6.5% '20	Baa2/BBB-	64.88	0.04	49.61	58.06	66.51	74.96	914	11	12.43	0.07	8.97	-17.72
Korea	Rep 5.125% '16	A2/A	92.85	0.38	85.05	87.43	94.58	96.96	359	5	6.33	0.37	2.50	0.13
Lebanon	Rep 4% '17	WR/B-	83.88	0.00	82.23	83.41	84.60	85.78	686	11	8.77	0.01	-0.29	8.71
Malaysia	Rep 5.625% '16	A3/A-	100.11	0.00	97.69	98.87	101.22	102.40	302	12	5.60	0.01	0.09	1.45
Mexico	UMS 5.625% '17	Baa1/BBB+	101.80	-0.60	97.33	99.51	103.86	106.04	257	21	5.33	-0.49	1.07	8.37
Pakistan	Rep 6.875% '17	B3/CCC+	40.00	-12.75	32.82	39.07	51.58	45.33	2,124	588	24.08	-19.34	0.25	-47.33
Panama	Rep 7.25% '15	Ba1/BB+	107.88	-0.15	103.15	105.11	109.02	110.98	330	14	5.65	-0.09	0.14	3.34
Peru	Rep 8.375% '16	Ba1/BBB-	115.74	-0.56	110.91	113.17	117.68	119.93	300	21	5.62	-0.19	0.37	10.74
Philippines	Rep 9.875% '19	B1/BB-	116.37	-0.48	110.94	113.40	118.32	120.78	327	19	5.98	-0.29	1.09	3.76
Poland	Rep 5% '15	A2/A-	99.26	2.08	94.65	96.13	100.57	102.04	264	-28	5.14	1.70	1.16	10.85
Russia	Rep 5.00% '30	Baa1/BBB	100.43	-0.11	93.39	96.03	101.29	103.92	450	14	7.42	-0.03	0.92	119.20
S Africa	Rep 8.5% '17	Baa1/BBB+	109.13	0.08	107.07	108.79	110.51	112.24	416	11	7.00	0.07	-1.79	-3.02
Serbia	Rep 3.75% '24	N/R/BB-	81.10	3.60	69.18	73.20	81.24	85.26	735	-74	10.21	3.83	5.29	-6.16
Seychelles	Rep 11% '12	N/R/D	22.75	-0.25	17.64	20.03	24.80	27.18	9,672	101	97.77	-0.78	1.60	-71.16
Sri Lanka	Rep 9.125% '11	N/R/B	60.00	0.00	52.68	58.47	70.06	64.26	2,517	11	26.71	0.03	0.20	-25.49
Trin&Tob	Rep 9.75% '20	Baa1/A /*-	115.90	0.00	110.64	112.52	116.26	118.13	430	12	7.60	0.02	1.20	-6.73
Tunisia	Rep 7.375% '12	Baa2/BBB	104.09	0.00	100.77	102.36	105.54	107.13	452	9	5.84	0.25	1.09	11.43
Turkey	Rep 7% '16	Ba3/BB-	102.73	-0.16	95.44	98.64	105.03	108.22	382	14	6.53	-0.12	1.56	-0.85
UAE	A Dhabi 14.5% '09	Aa2/AA	105.18	0.14	103.41	104.27	105.98	106.83	232	5	3.77	0.13	0.26	9.24
Ukraine	Rep 6.58% '16	B1 /*-/CCC+	69.84	1.34	41.01	50.50	78.98	88.47	1,025	-24	12.98	1.59	10.78	-18.31
Uruguay	Rep 7.5% '15	Baa3/BB	106.00	0.85	101.53	102.69	106.16	107.31	391	-6	6.25	0.61	1.98	3.29
Venezuela	Rep 9.25% '27	B2/BB-	66.76	-1.00	57.64	61.49	69.20	73.05	1,055	33	14.45	-0.84	0.86	-17.82
Vietnam	Rep 6.875% '16	Ba3/BB	97.67	-0.17	89.55	92.56	98.58	101.59	477	15	7.32	-0.12	1.05	2.03
Euro denominated														
Brazil	Rep 7.375% '15	Ba1/BBB-	110.85	0.95	105.48	107.22	112.46	114.20	251	-10	5.07	2.70	7.83	98.87
Bulgaria	Rep 7.5% '13	Baa3/BBB	108.02	0.21	101.45	103.59	110.01	112.15	303	0	4.98	0.21	2.34	-2.08
China	Rep 4.25% '14	A1/A+	101.00	0.00	99.33	100.07	101.55	102.29	148	6	4.00	0.01	0.57	18.35
Colombia	Rep 1.5% '11	Ba1/BBB-	113.85	0.00	112.15	112.76	114.00	114.61	300	-1	4.24	0.03	0.82	14.40
Croatia	Rep 5% '14	Baa3/BBB	95.75	-0.10	90.11	91.79	96.82	98.50	361	13	5.93	0.31	3.78	24.71
Czech Rep	Rep 4.625% '14	A1/A	101.99	0.06	99.81	101.09	102.37	103.64	172	5	4.14	0.07	0.41	7.87
Hungary	Rep 4.5% '14	Baa1/BBB-	93.64	0.28	86.65	88.51	94.10	95.96	374	4	6.00	1.69	8.35	61.57
Lebanon	Rep 7.25% '09	N/R/B-	100.00	0.00	99.74	99.93	100.29	100.11	610	14	6.66	0.02	0.13	17.16
Mexico	UMS 4.25% '15	Baa1/BBB+	95.00	0.15	92.21	93.41	95.81	97.01	252	6	5.16	0.16	0.75	7.76
Peru	Rep 7.5% '14	Ba1/BBB-	106.38	0.03	99.66	101.91	106.41	108.66	353	11	5.98	0.04	1.86	32.46
Poland	Rep 4.5% '13	A2/A-	100.30	0.78	97.33	98.23	100.94	101.84	238	-18	4.36	2.00	5.05	54.31
Philippines	Rep 9.125% '10	B1/BB-	102.00	-1.50	101.49	101.95	102.41	102.87	563	195	6.20	0.51	5.96	70.61
Romania	Rep 8.5% '12	Baa3/BB+	107.75	0.25	101.76	104.20	109.07	111.51	387	-3	5.53	0.36	1.38	17.95
Slovakia	Rep 4.5% '14	A1/A+	101.88	0.80	100.47	101.14	102.50	103.17	164	-12	4.04	0.77	0.93	13.25
Slovenia	Rep 5.38% '11	Aa2/AA	105.59	0.46	104.44	104.71	105.51	105.78	114	-26	2.33	0.90	2.31	36.79
S Africa	Rep 5.25% '13	Baa1/BBB+	98.54	0.16	95.17	96.41	98.90	100.14	354	4	5.59	0.17	1.12	13.47
Turkey	Rep 6.5% '14	Ba3/BB-	105.25	0.00	100.13	102.40	106.93	109.19	285	7	5.15	1.57	6.35	73.68
Venezuela	Rep 7% '15	B2/BB-	67.38	-0.35	49.61	56.28	69.61	76.27	1,334	75	15.39	1.15	13.52	108.06

All data as of 5PM London; 1st resistance/support level = +/- 1-standard deviation from 42-day average

1) EMBI Global/Euro daily changes represent estimates based on ING equivalent indices

Source: ING

Local markets instruments: FX and forwards

	FX rate/US\$			NDF outright (offer)				NDF Implied yield (offer %)			
	Bid	Offer	Mid	1M	3M	6M	12M	1M	3M	6M	12M
US\$ RATES											
Latin America											
Argentina	3.719	3.722	3.721	3.785	3.966	4.285	4.963	18.58	27.04	31.45	35.79
Brazil	2.057	2.058	2.058	2.076	2.104	2.142	2.220	10.13	9.78	9.57	9.65
Chile	569.0	570.5	569.8	570.9	575.5	572.1	573.7	1.07	4.40	2.00	2.32
Colombia	2,217	2,222	2,220	2,234	2,253	2,282	2,332	6.84	6.51	6.85	6.73
Mexico*	13.12	13.13	13.12	13.20	13.30	13.47	13.81	6.94	6.33	6.70	7.00
Peru	2.983	2.986	2.984	2.996	3.003	3.020	3.031	4.41	3.24	3.76	3.29
Venezuela	2.145	2.150	2.147	2.150	2.150	2.150	2.150	0.35	0.92	1.44	1.76
EMEA											
Bulgaria	1.438	1.438	1.438	1.444	1.455	1.473	1.530	4.73	5.51	6.27	8.13
Croatia	5.406	5.410	5.408	5.453	5.522	5.634	5.791	9.85	9.16	9.66	8.82
Czech Rep*	19.65	19.75	19.70	19.78	19.79	19.83	19.95	1.56	1.32	1.64	1.86
Hungary*	205.9	206.7	206.3	208.3	210.9	214.2	220.7	9.82	9.03	8.63	8.54
Poland*	3.219	3.230	3.225	3.239	3.252	3.270	3.296	3.91	3.68	3.94	3.80
Romania	3.055	3.063	3.059	3.093	3.154	3.224	N/A	11.99	12.69	11.93	N/A
Russia	32.28	32.30	32.29	32.51	33.18	33.77	35.83	8.27	11.76	10.53	12.74
Slovakia*	21.55	21.60	21.57	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South Africa	8.414	8.434	8.424	8.497	8.586	8.716	8.962	9.32	8.06	8.10	8.04
Turkey*	1.561	1.563	1.562	1.575	1.596	1.629	1.703	9.72	9.32	9.88	10.74
Ukraine	7.750	7.850	7.800	8.180	8.670	9.350	13.040	50.81	42.34	39.51	68.13
Asia											
China	6.823	6.823	6.823	6.815	6.795	6.769	6.733	-1.01	-0.71	-0.15	0.42
Hong Kong*	7.750	7.750	7.750	7.749	7.746	7.744	7.741	0.11	0.69	1.27	1.64
Indonesia*	10,320	10,340	10,330	10,422	10,575	10,790	11,240	9.57	9.93	10.16	10.45
Korea*	1,233	1,235	1,234	1,240	1,242	1,244	1,239	-6.31	-2.96	-1.65	-0.56
Malaysia*	3.514	3.519	3.517	3.524	3.530	3.534	3.540	2.13	2.16	2.26	2.36
Philippines	47.07	47.17	47.12	47.40	47.50	47.63	48.38	5.94	3.68	3.40	4.32
Singapore*	1.464	1.465	1.464	1.465	1.466	1.465	1.467	0.61	1.19	1.49	1.89
Taiwan	32.87	32.90	32.89	32.90	32.90	32.90	32.90	0.25	0.08	0.35	0.51
Thailand*	34.56	34.60	34.58	34.64	34.76	35.03	35.35	1.70	2.70	3.93	3.92
EURO CROSS RATES											
	FX rate/€			NDF outright (offer)				NDF Implied yield (offer %)			
	Bid	Offer	Mid	1M	3M	6M	12M	1M	3M	6M	12M
EMEA											
Bulgaria	1.956	1.956	1.956	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Croatia	7.352	7.357	7.355	7.41	7.50	7.65	0.00	9.51	8.84	9.49	N/A
Czech Rep*	26.78	26.81	26.79	26.83	26.88	26.97	27.03	1.95	2.28	2.67	2.48
Hungary*	280.8	281.1	281.0	283.6	287.3	290.9	303.4	11.49	10.08	8.45	9.61
Poland*	4.383	4.387	4.385	4.399	4.415	4.439	4.454	4.17	3.83	3.86	3.19
Romania	4.146	4.154	4.150	4.194	4.276	4.381	4.592	12.42	12.75	12.18	12.23
Russia	43.89	43.93	43.91	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Serbia	0.00	0.00	0.00	61.20	63.00	0.00	0.00	21.05	19.85	0.00	0.00
Slovakia*	30.11	30.15	30.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Turkey*	2.123	2.126	2.124	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Israel	5.549	5.561	5.555	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South Africa	11.436	11.471	11.453	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

All data as of 5PM London

* Forwards are deliverable

Source: ING

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