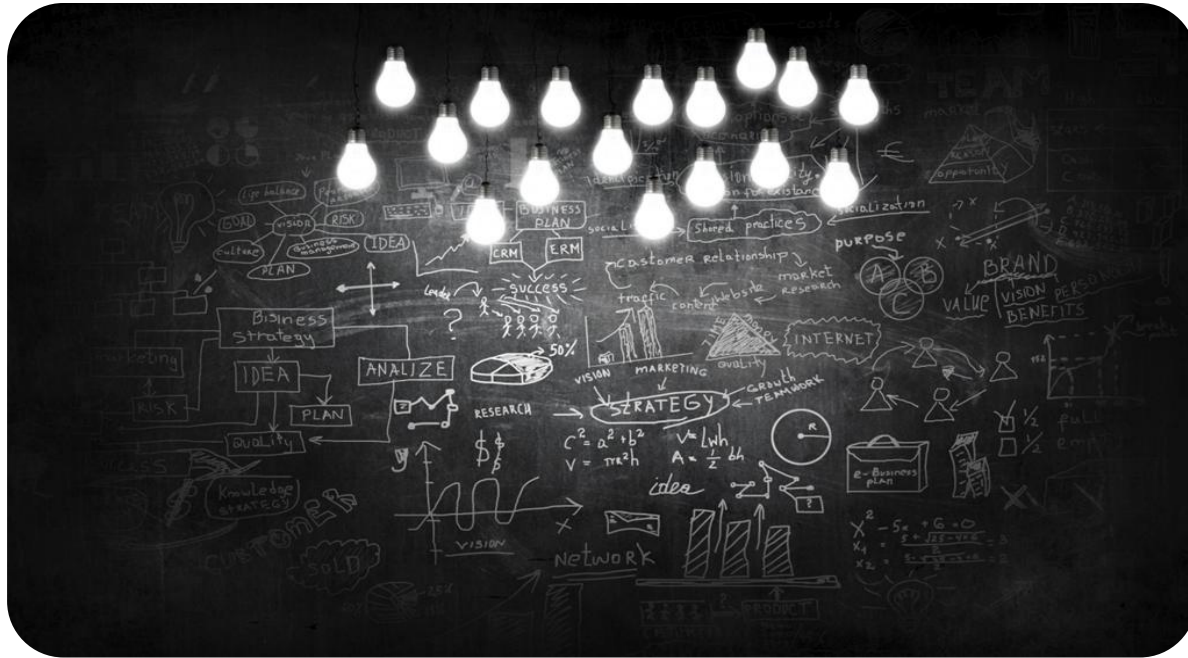


September 2014

GLOBAL ECONOMIC OUTLOOK

LOOKING FOR POTENTIAL



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Source: Thinkstock

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SOCIETE GENERALE
Cross Asset Research

BULLS

vs.

BEARS

“One-off” crisis damage: “One-off” adjustment from the crisis, structural sector downsizing and hysteresis.

Secular stagnation: Structural damage from the crisis, weak demographics ...

Good growth prospects: No technological slowdown, structural reform and advancement of free trade.

Weak growth: Failed reform agendas, low investment, ageing, protectionism, inequality, zero bound of interest rates, ...

Moderate inflation: Still ample slack.

Deflation!

... and slow monetary policy tightening: Low rates for longer as slack is absorbed gradually

Liquidity trap

Ample policy ammunition: Policymakers have tools to deal with new shocks.

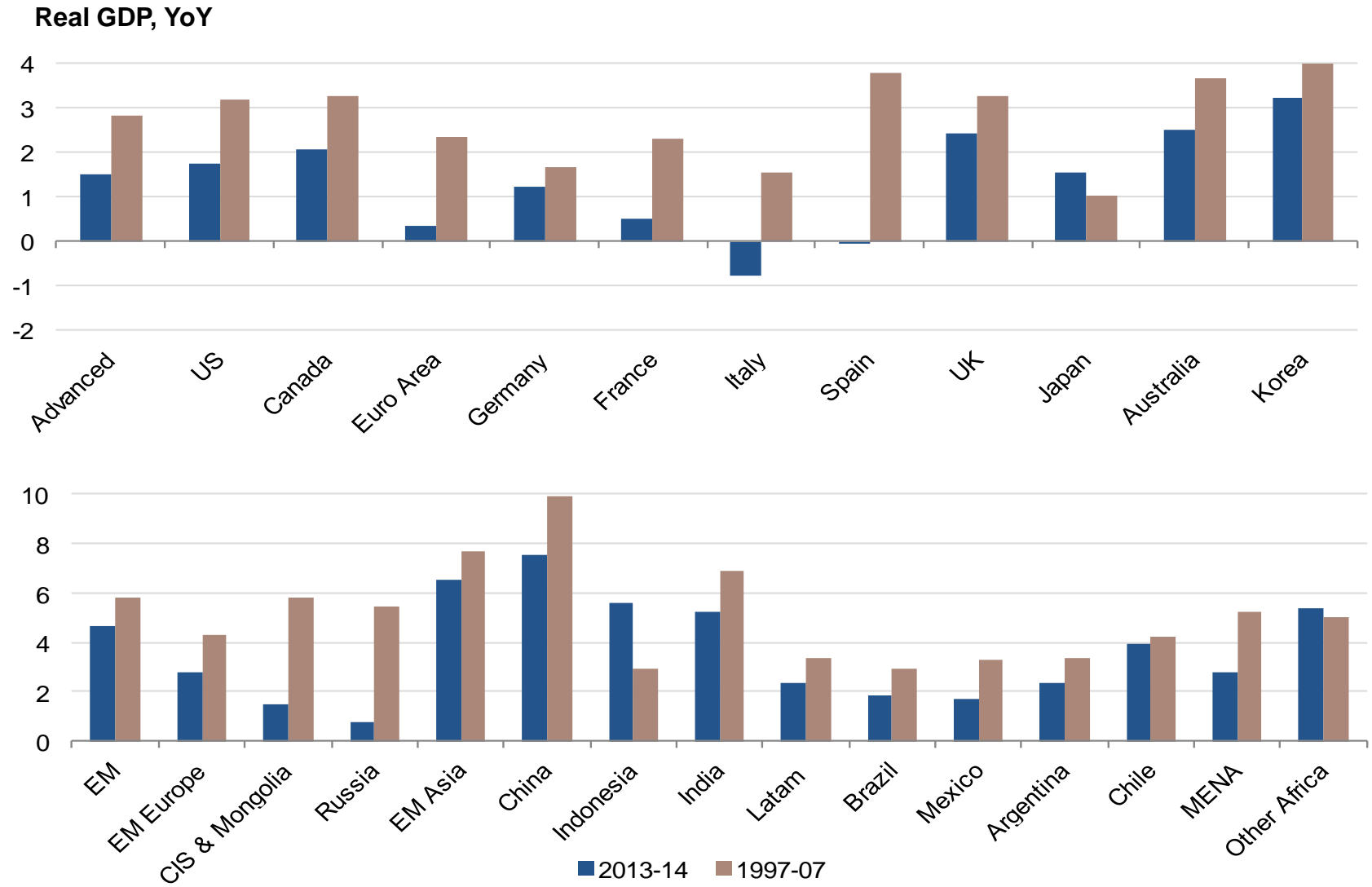
Lack of policy ammunition: Inability to tackle new shocks.

Low risk of destabilising asset price bubbles.

High risk of destabilising asset price bubbles / default.

1. A TIME INCONSISTENT SET OF GLOBAL COORDINATES

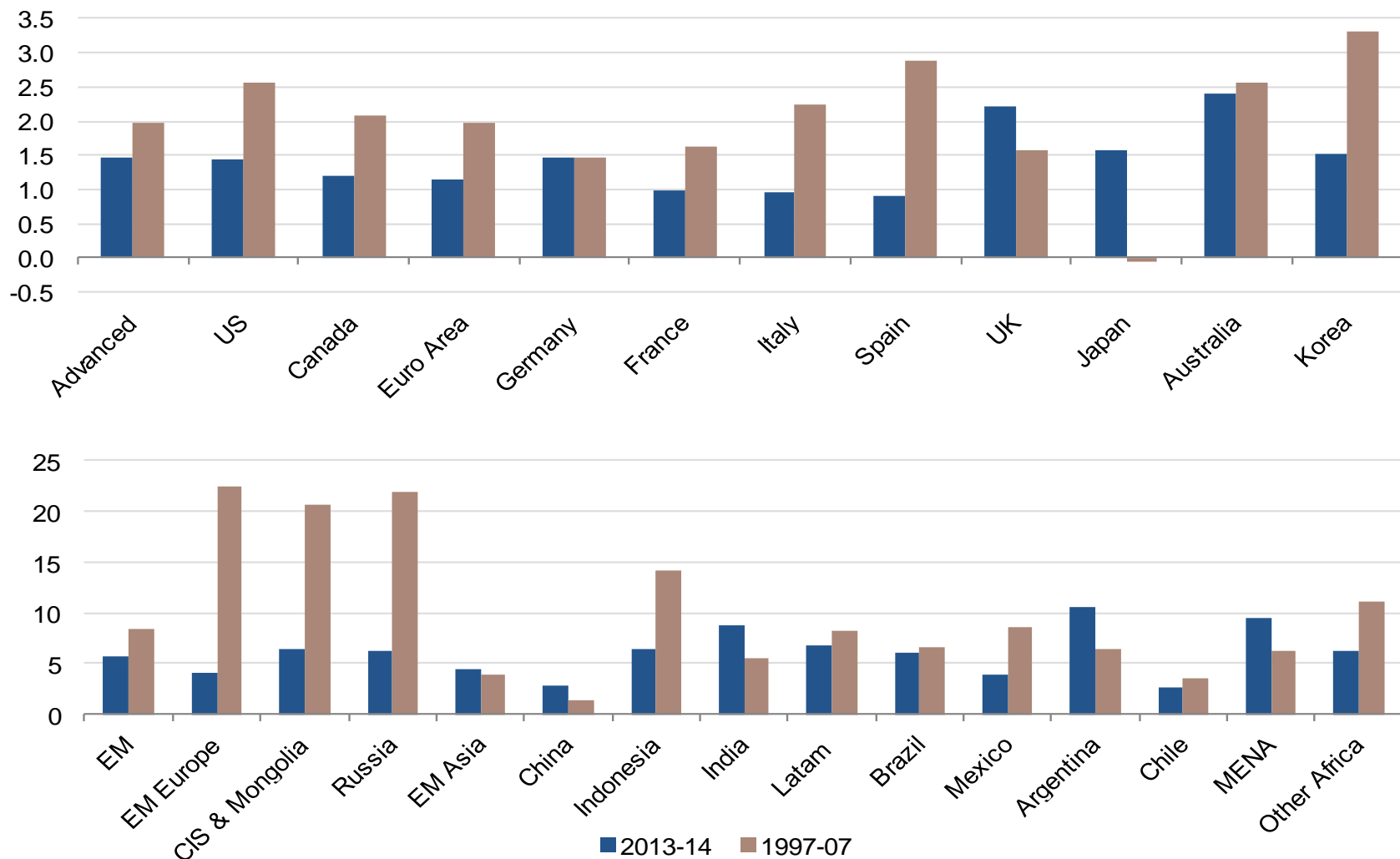
AN UNEVEN RECOVERY ...



Source: IMF, Datastream, SG Cross Asset Research/Economics

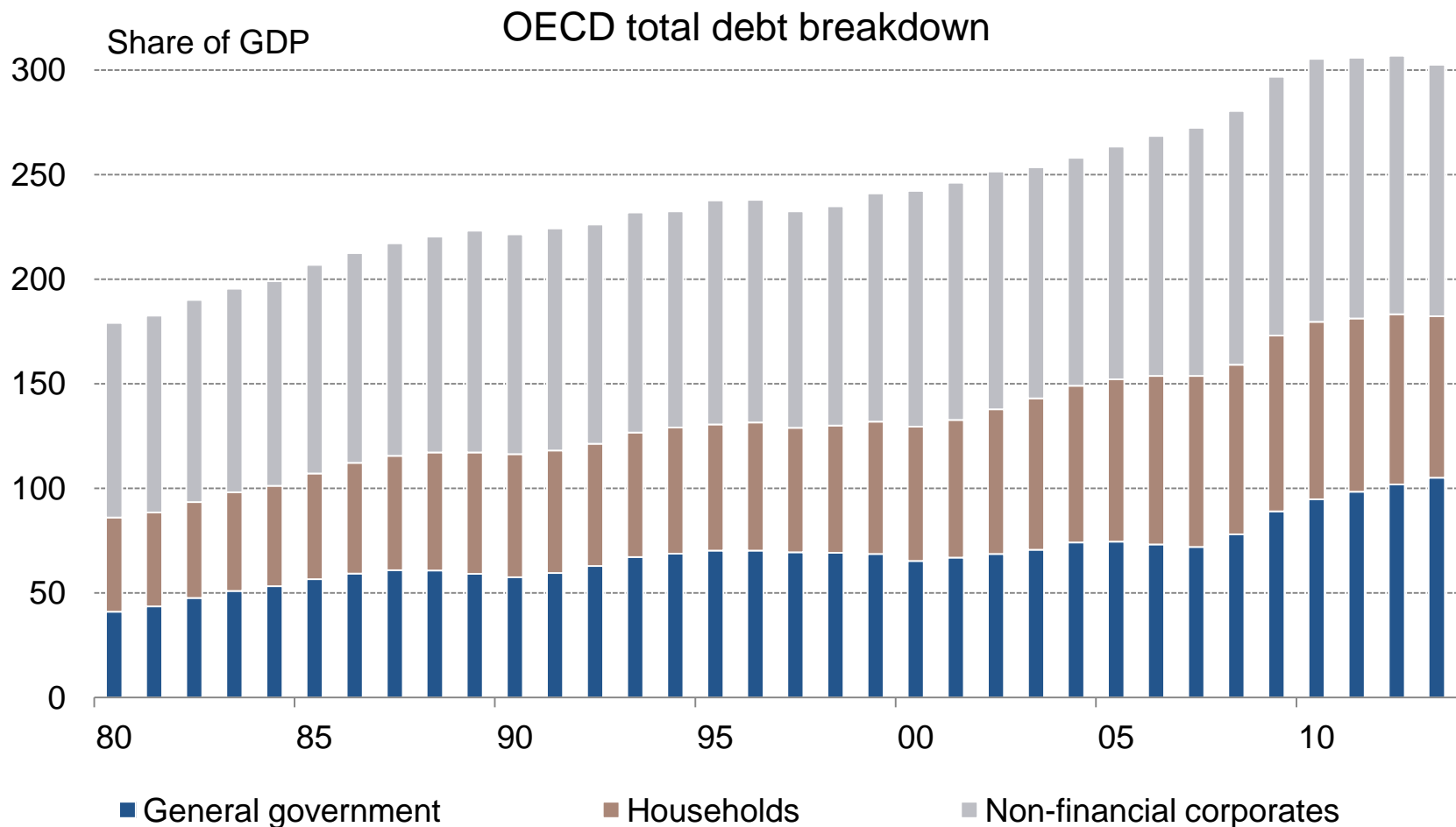
... BROADLY LOWER INFLATION

Consumer price inflation, YoY



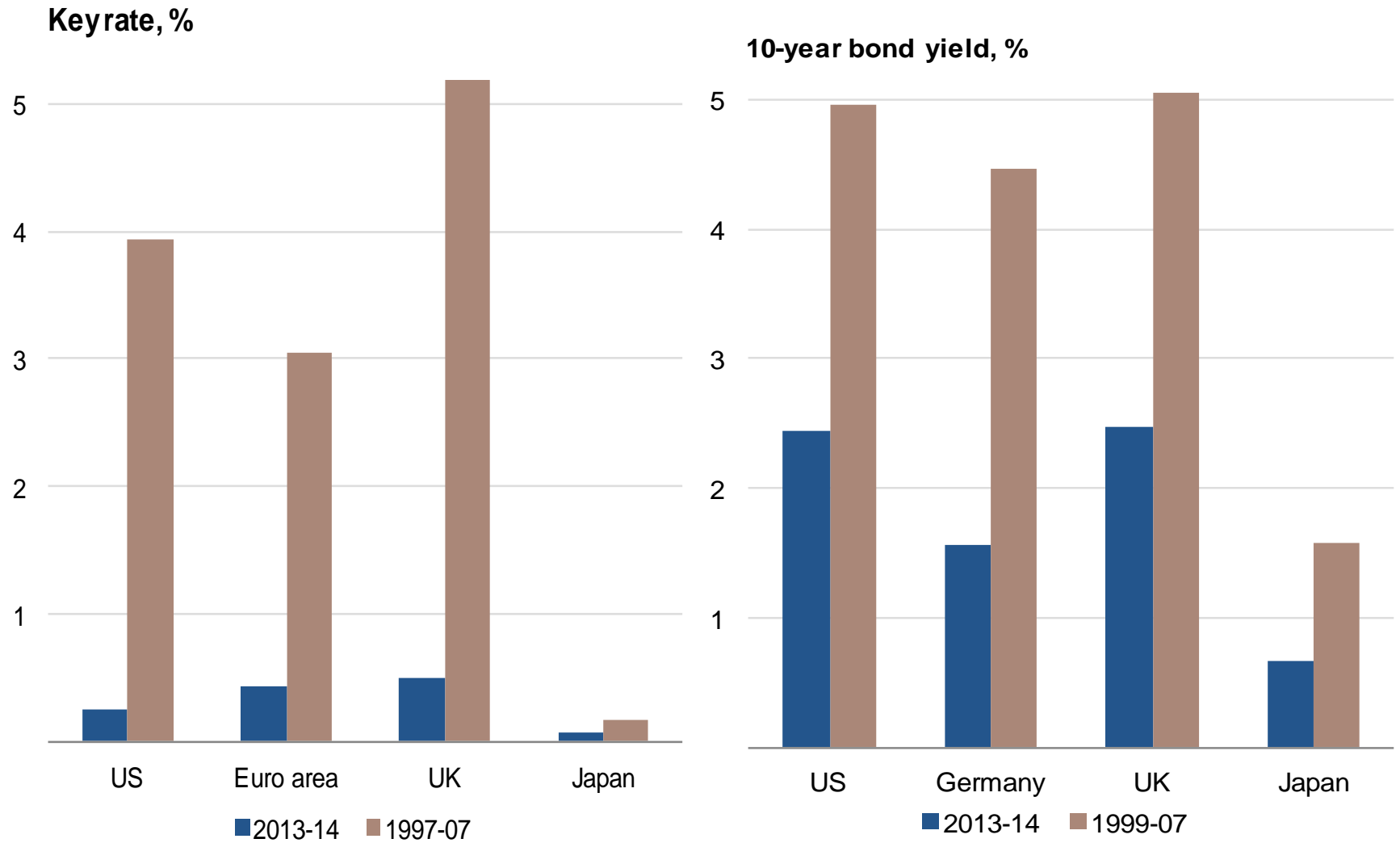
Source: IMF, Datastream, SG Cross Asset Research/Economics

DEBT STABILIZATION, BUT STILL HIGH!



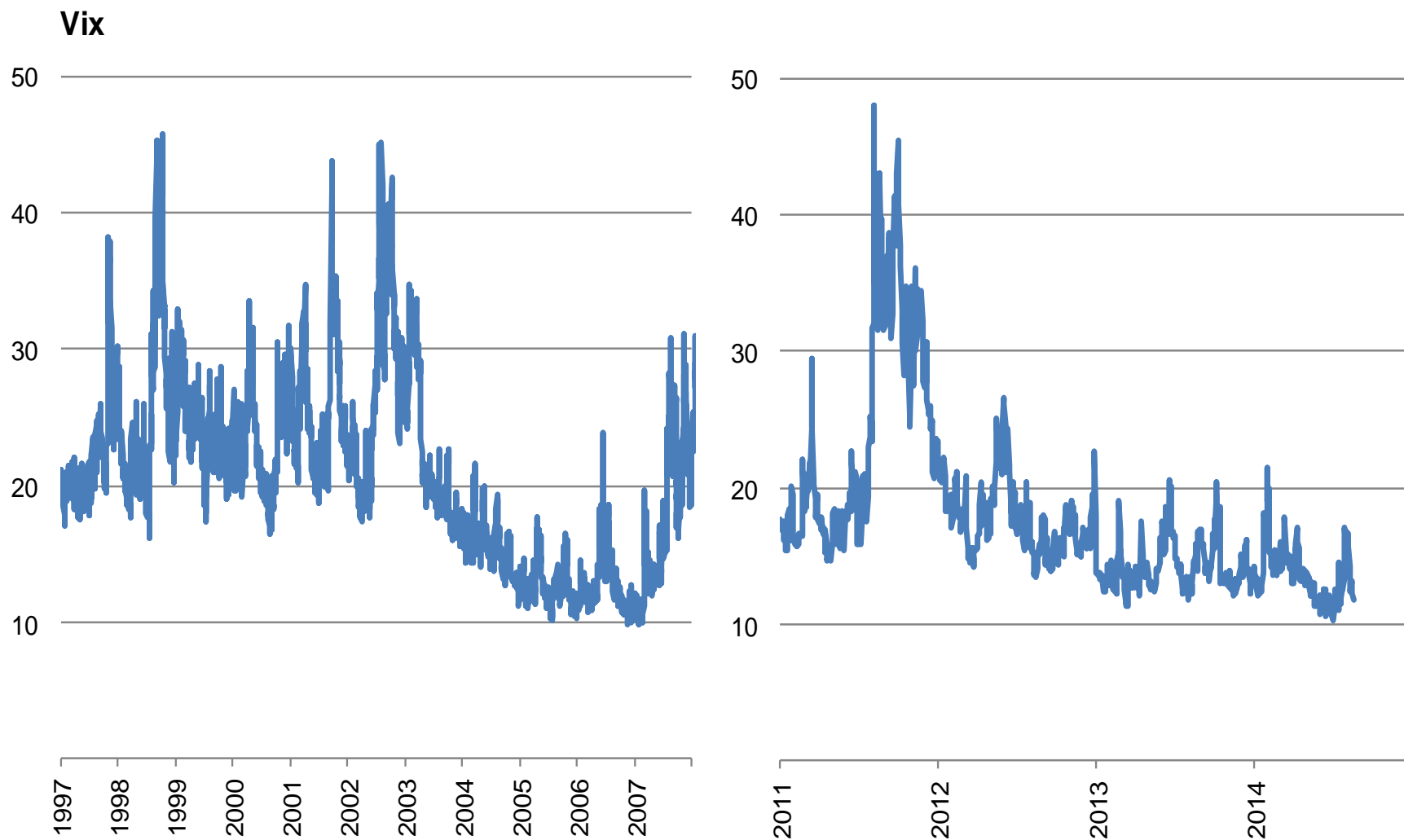
Source: OECD, Eurostat, IMF, Datastream, SG Cross Asset Research/Economics. 1980 data (excl. Austria: 1988, Ireland: 2002, Australia: 1989)

EXCEPTIONALLY LOW G4 RATES ...



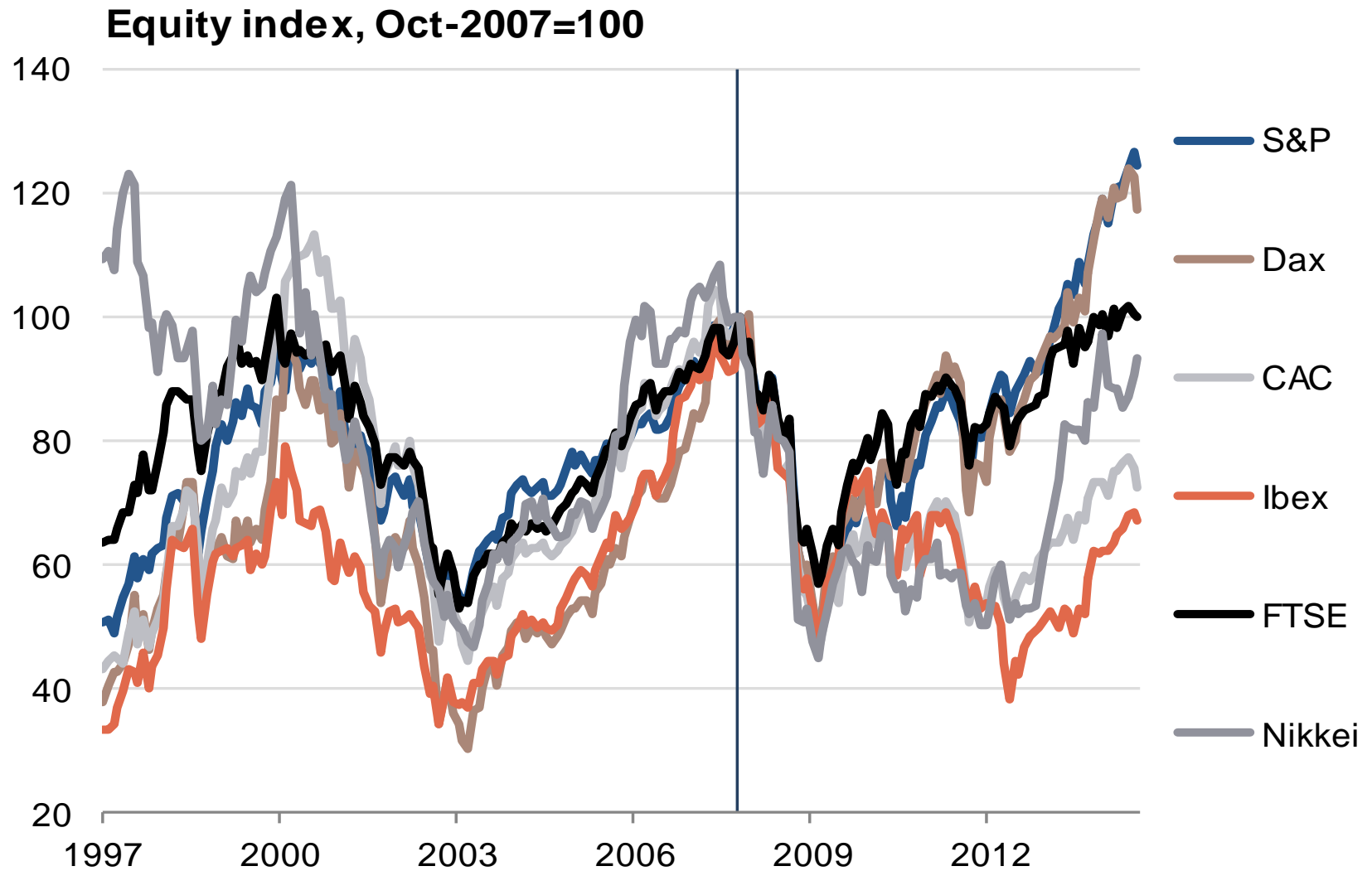
Source: Bloomberg, SG Cross Asset Research/Economics

... AND VOLATILITY



Source: Bloomberg, SG Cross Asset Research/Economics

EQUITIES AT THE CROSSROAD OF LIQUIDITY AND FUNDAMENTALS

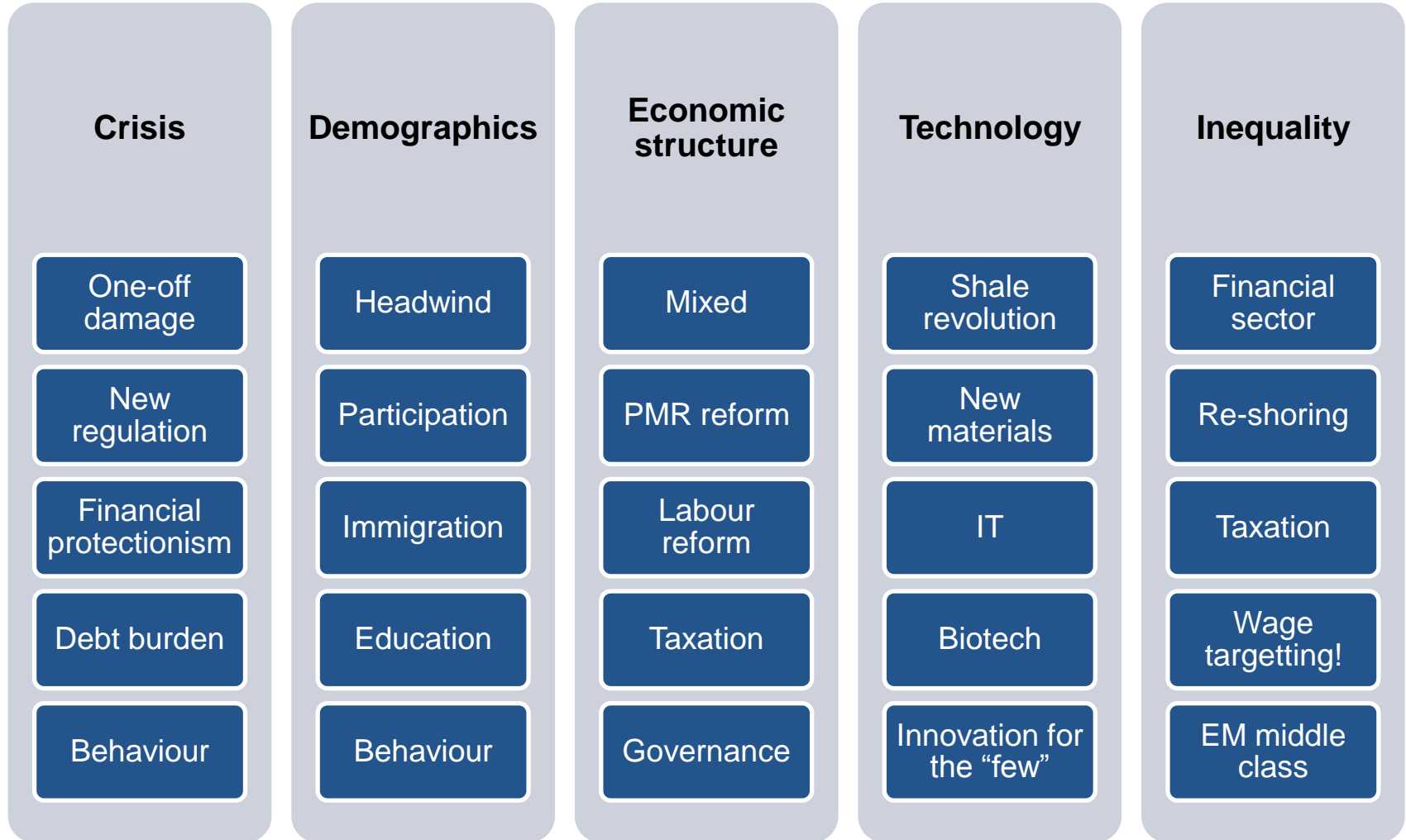


Source: Bloomberg, SG Cross Asset Research/Economics

2. LOOKING FOR POTENTIAL ... POLICY QUALITY IS KEY!



SECULAR STAGNATION DEBATE



FLEXIBLE ECONOMIC STRUCTURES AND GOOD GOVERNANCE HOLD THE KEY TO POTENTIAL GROWTH!

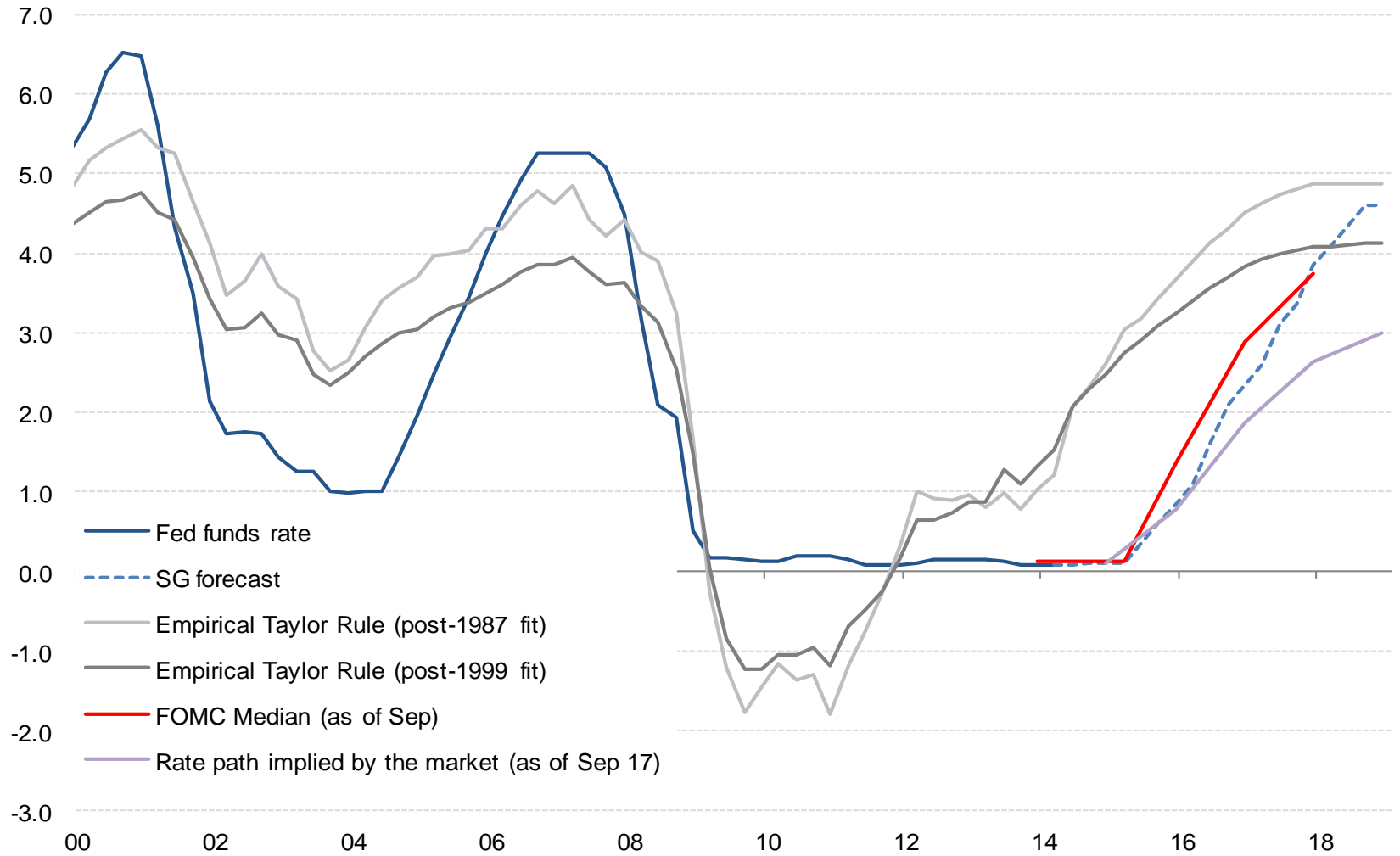
	Trend Real GDP Growth			Trend GDP Deflator			Trend Key Rates			Trend Bond Yield Outlook (10Y)		
	1997-2007	2008-2013	2014-2024	1997-2007	2008-2013	2014-2024	1997-2007	2008-2013	2014-2024	1997-2007	2008-2013	2014-2024
United States	2.9%	1.4%	2.2%	2.2%	1.5%	2.0%	4.3%	3.1%	3.8%	4.9%	4.3%	4.5%
Europe												
Euro Area	2.1%	0.7%	1.0%	1.6%	1.3%	1.5%	4.0%	2.0%	3.0%	4.5%	2.6%	3.5%
Germany	1.6%	0.7%	1.2%	1.5%	1.3%	1.5%	-	-	-	4.5%	2.6%	3.5%
France	1.9%	1.0%	1.1%	1.6%	1.4%	1.6%	-	-	-	5.2%	3.3%	4.2%
Italy	1.2%	-0.1%	0.7%	2.6%	1.5%	1.6%	-	-	-	6.0%	5.0%	5.0%
Spain	3.2%	0.5%	0.9%	3.4%	0.5%	1.0%	-	-	-	6.0%	5.5%	5.0%
United Kingdom	2.6%	-0.6%	2.0%	2.0%	2.0%	2.4%	4.5%	4.5%	4.0%	5.0%	5.0%	4.5%
Asia Pacific												
China	9.9%	8.0%	6.0%	2.6%	3.0%	2.0%	4.5%	3.5%	3.5%	5.0%	4.0%	4.0%
Japan	0.9%	0.4%	1.4%	-1.0%	-1.1%	1.0%	0.5%	0.5%	2.5%	1.8%	1.5%	3.5%
Australia	2.9%	1.7%	2.9%	3.3%	3.0%	2.2%	6.0%	5.0%	4.5%	6.8%	5.5%	5.0%
South Korea	4.1%	3.3%	3.0%	2.1%	2.0%	1.8%	4.5%	3.5%	3.5%	5.5%	4.5%	4.5%
Taiwan	4.4%	2.8%	3.0%	0.0%	0.0%	0.2%	3.8%	2.5%	2.5%	3.1%	2.5%	2.5%
India	6.4%	5.9%	6.5%	4.8%	7.6%	5.7%	6.4%	6.9%	6.6%	8.9%	7.9%	6.8%
Indonesia	3.1%	5.0%	5.6%	17.2%	8.5%	5.8%	10.3%	6.9%	6.5%	11.3%	8.7%	7.4%
Latin America												
Brazil	2.8%	3.3%	2.7%	9.7%	6.8%	5.2%	20.9%	9.7%	9.8%	-	11.1%	12.3%
Mexico	2.3%	2.4%	3.4%	8.5%	4.2%	2.9%	-	5.4%	4.6%	-	7.2%	6.6%
Chile	4.0%	3.7%	3.1%	5.5%	4.1%	3.0%	4.9%	5.9%	3.8%	-	7.4%	5.6%
Russia and CEE												
Russia	3.0%	2.7%	1.9%	21.3%	13.5%	9.0%	14.2%	8.4%	6.1%	16.0%	10.0%	6.5%
Poland	3.9%	3.4%	3.2%	5.6%	3.2%	2.0%	10.0%	4.1%	3.0%	7.3%	5.5%	4.5%
Czech Republic	3.0%	1.3%	1.5%	3.4%	0.9%	2.1%	5.6%	1.2%	2.9%	4.6%	3.7%	4.1%

Source: IMF, EU Commission, Consensus Economics, SG Cross Asset Research/Economics, Consensus = August 2014, IMF = April 2014, EUC= May 2014, P= previous

3. CUT THE FED LESS SLACK

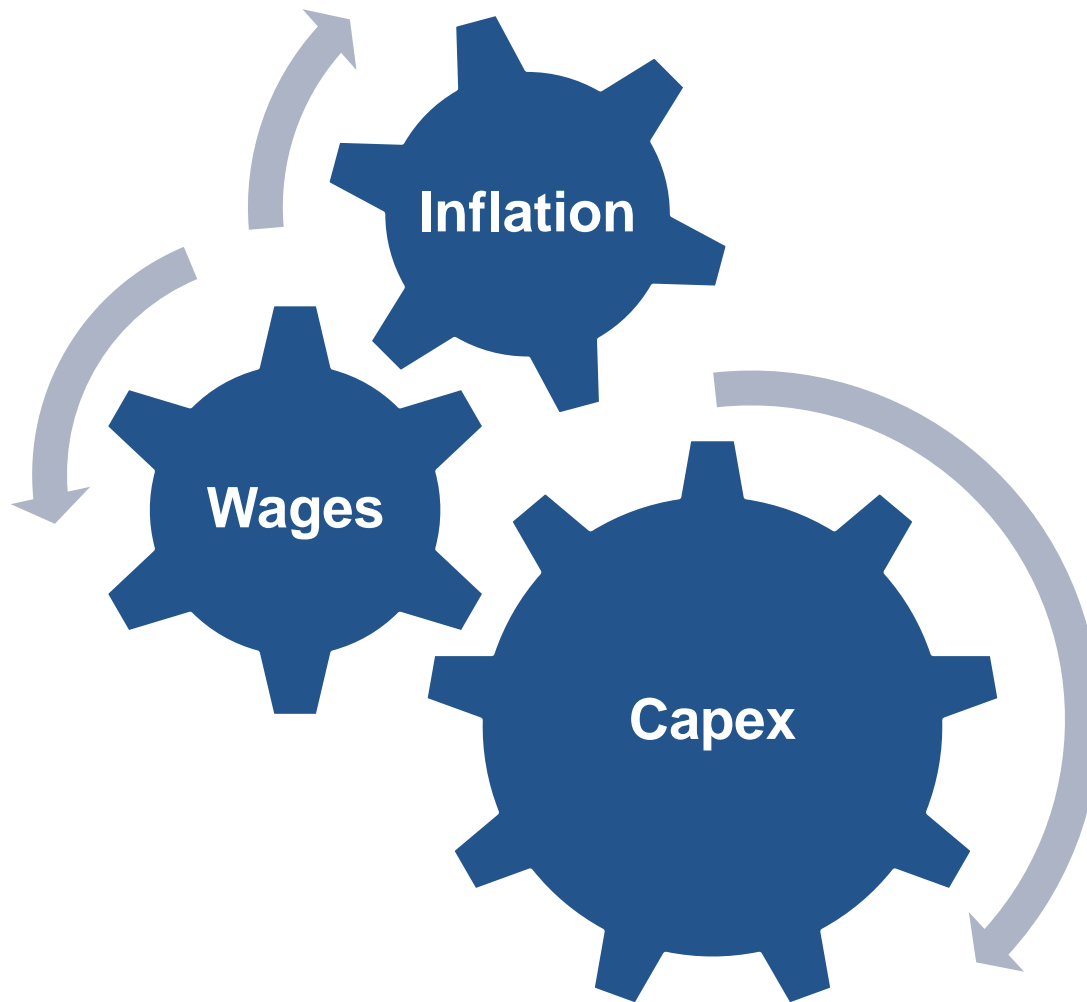
WHY DON'T THE MARKETS BELIEVE THE FED?

Fed funds rate and SG projections



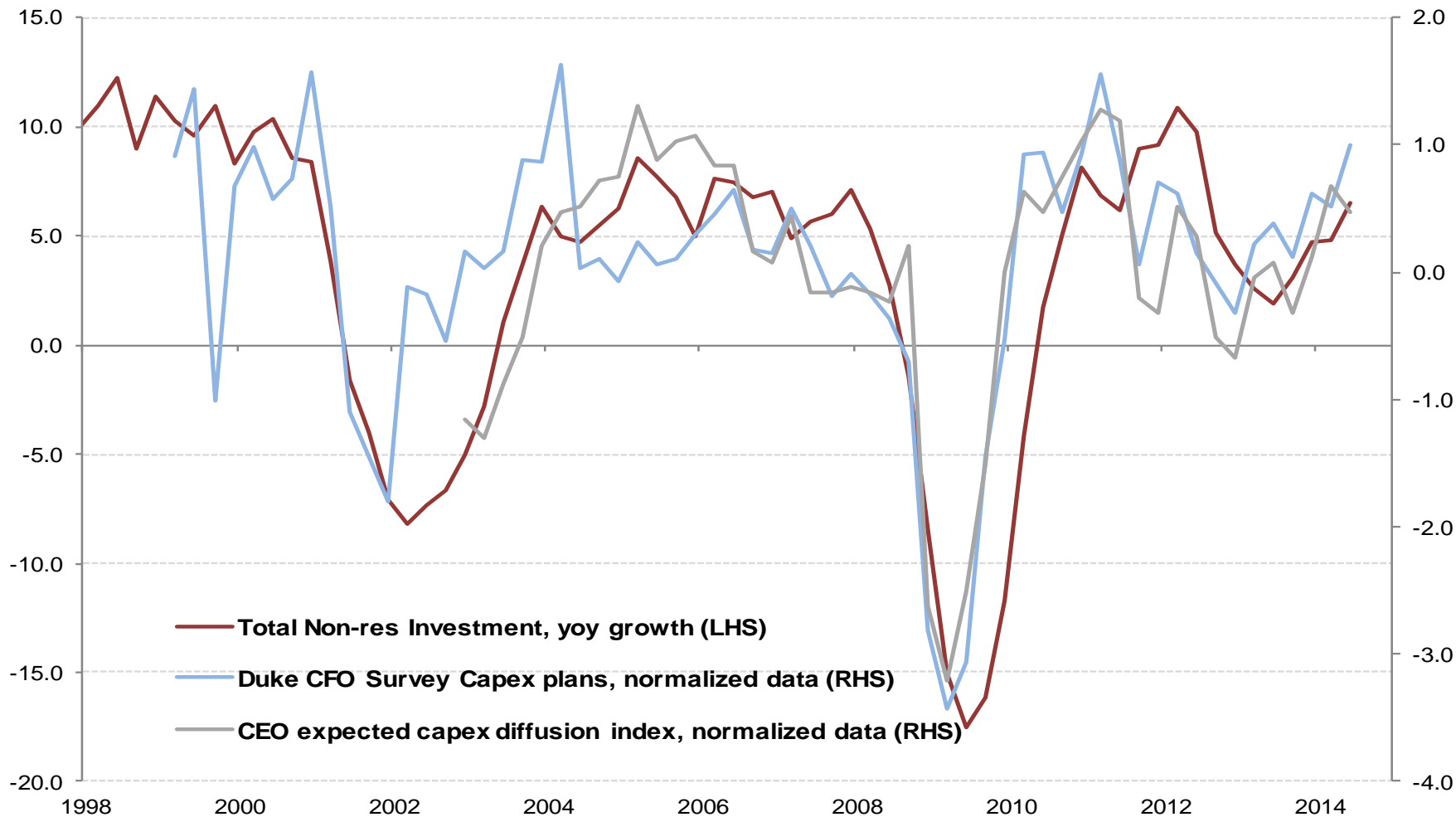
Source: Federal Reserve, SG Cross Asset Research/Economics

THREE CATALYSTS FOR REPRICING OF FED EXPECTATIONS



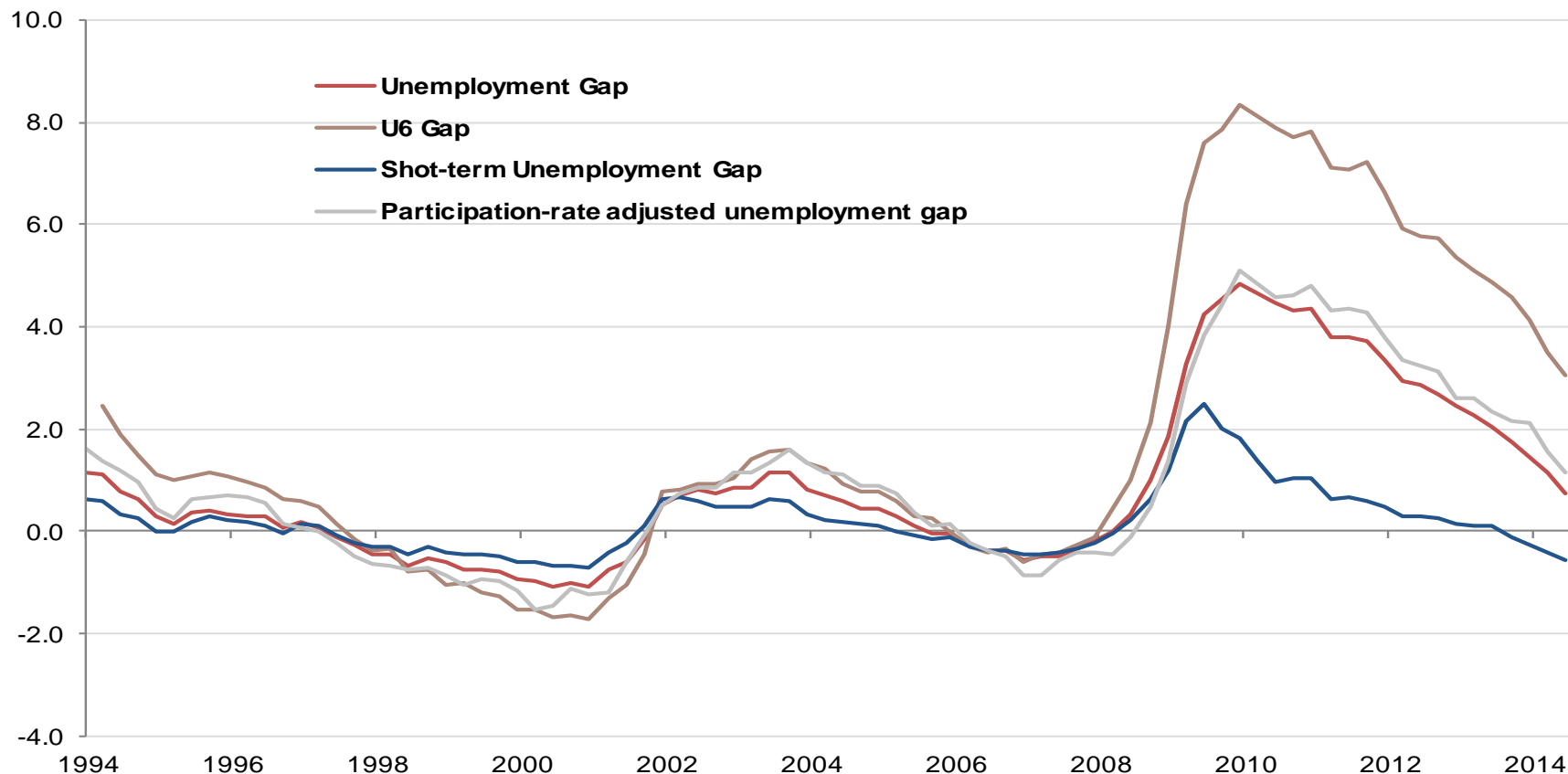
US CAPEX: LEADING SURVEYS POINT TO A REVIVAL

After a two-year lull, capex poised to shift into higher gear



Source: Haver Analytics, SG Cross Asset Research/Economics

US: WILL THE REAL UNEMPLOYMENT RATE PLEASE STAND UP?



Legend:

UR – headline unemployment rate; in order to be considered unemployment, one must be actively looking for a job

U6 – a much broader version which includes marginally attached workers (discouraged plus other who would like a job but are not looking) and part-time workers who would like a full time job

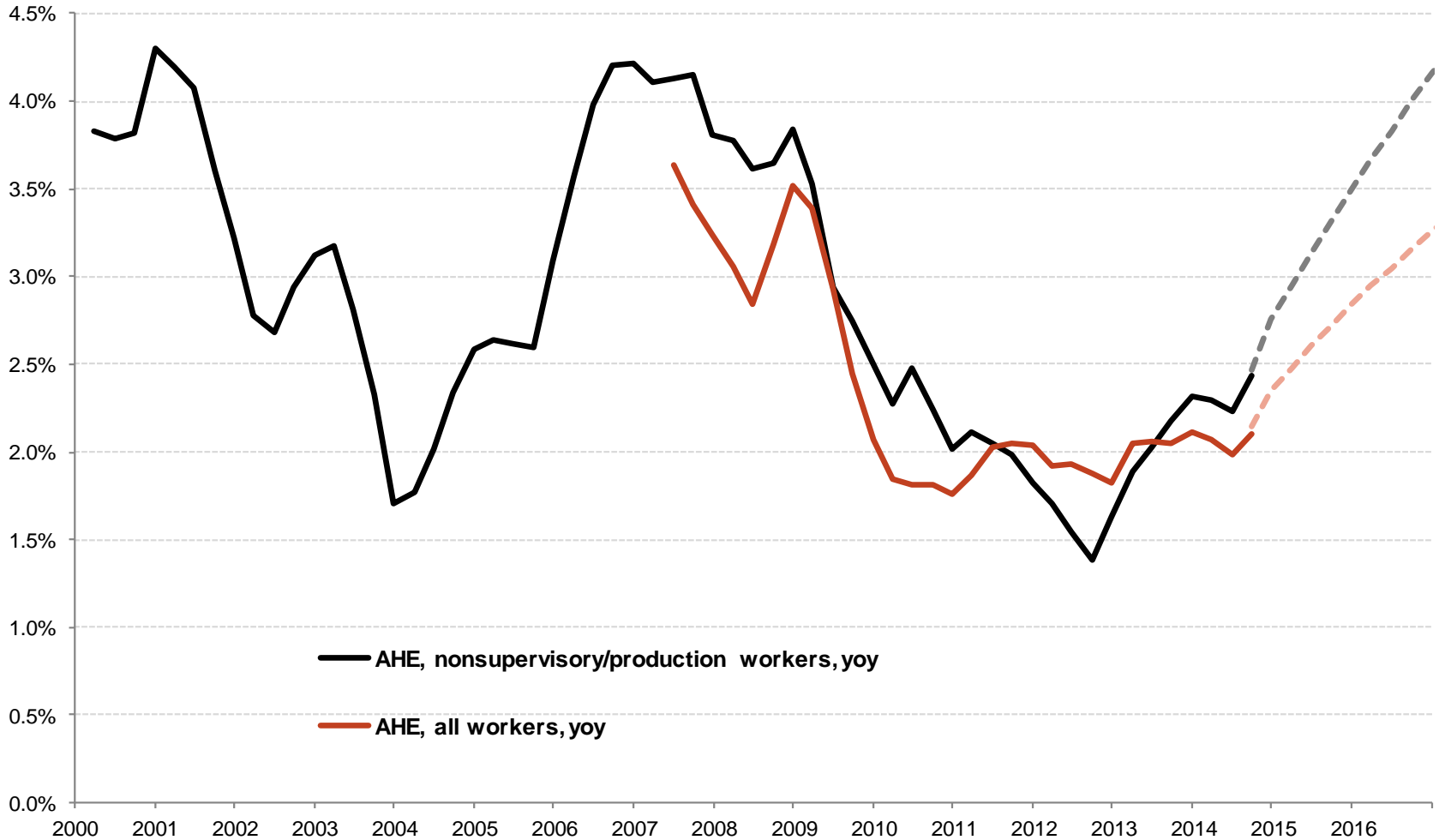
U_short-term – the ratio of those unemployed for 27 weeks or less divided by the labor force

U-PR adjusted – this is our own calculation which adds the cyclical portion of the participation rate to the headline unemployment rate

Source: Haver Analytics, SG Cross Asset Research/Economics

US WAGES: GROWTH SET TO ACCELERATE

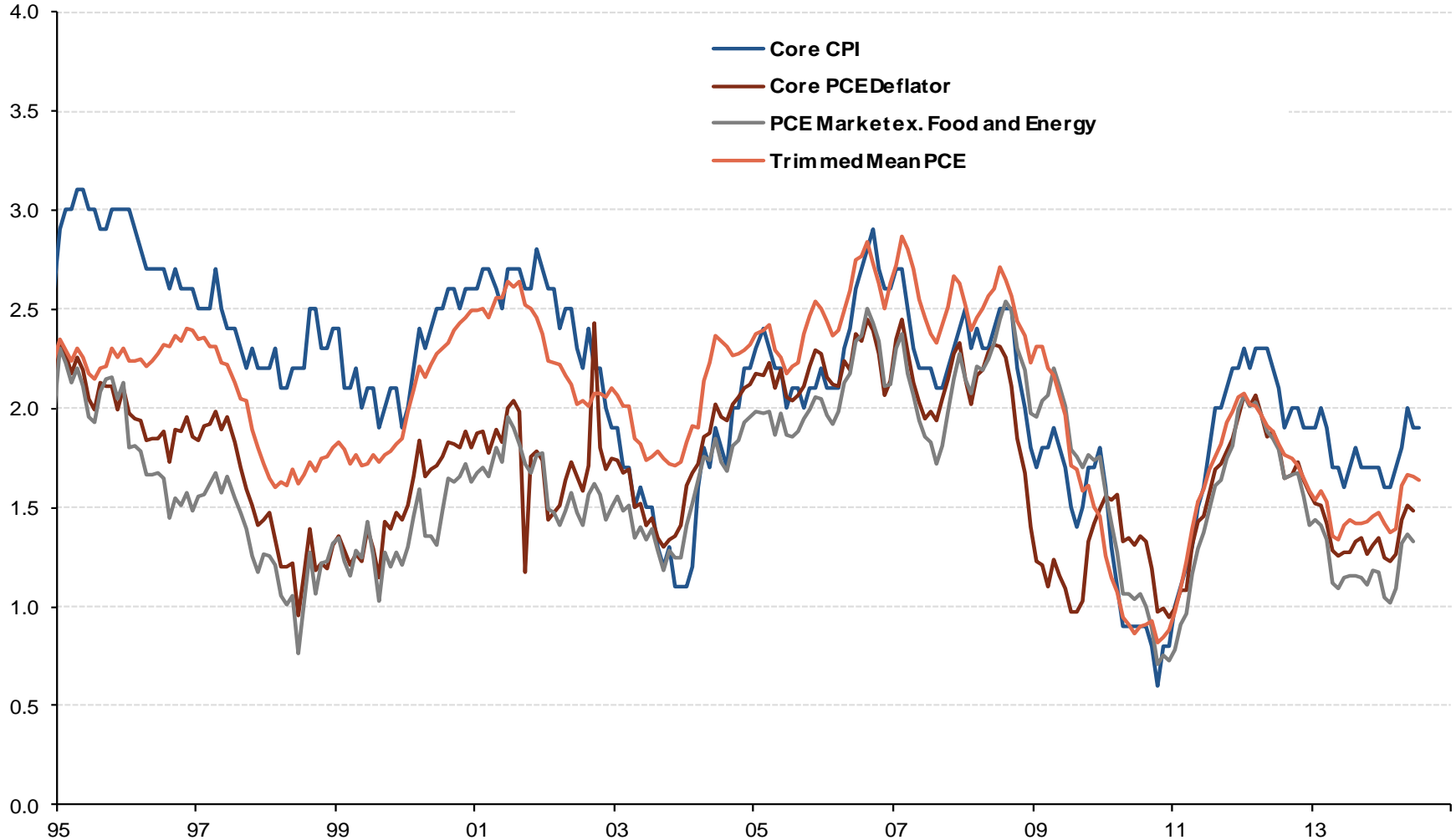
SG forecasts wage growth of 2.4% at Dec 2014 and 2.8% by Dec 2015



Source: Faver Analytics, SG Cross Asset Research/ECONOMICS

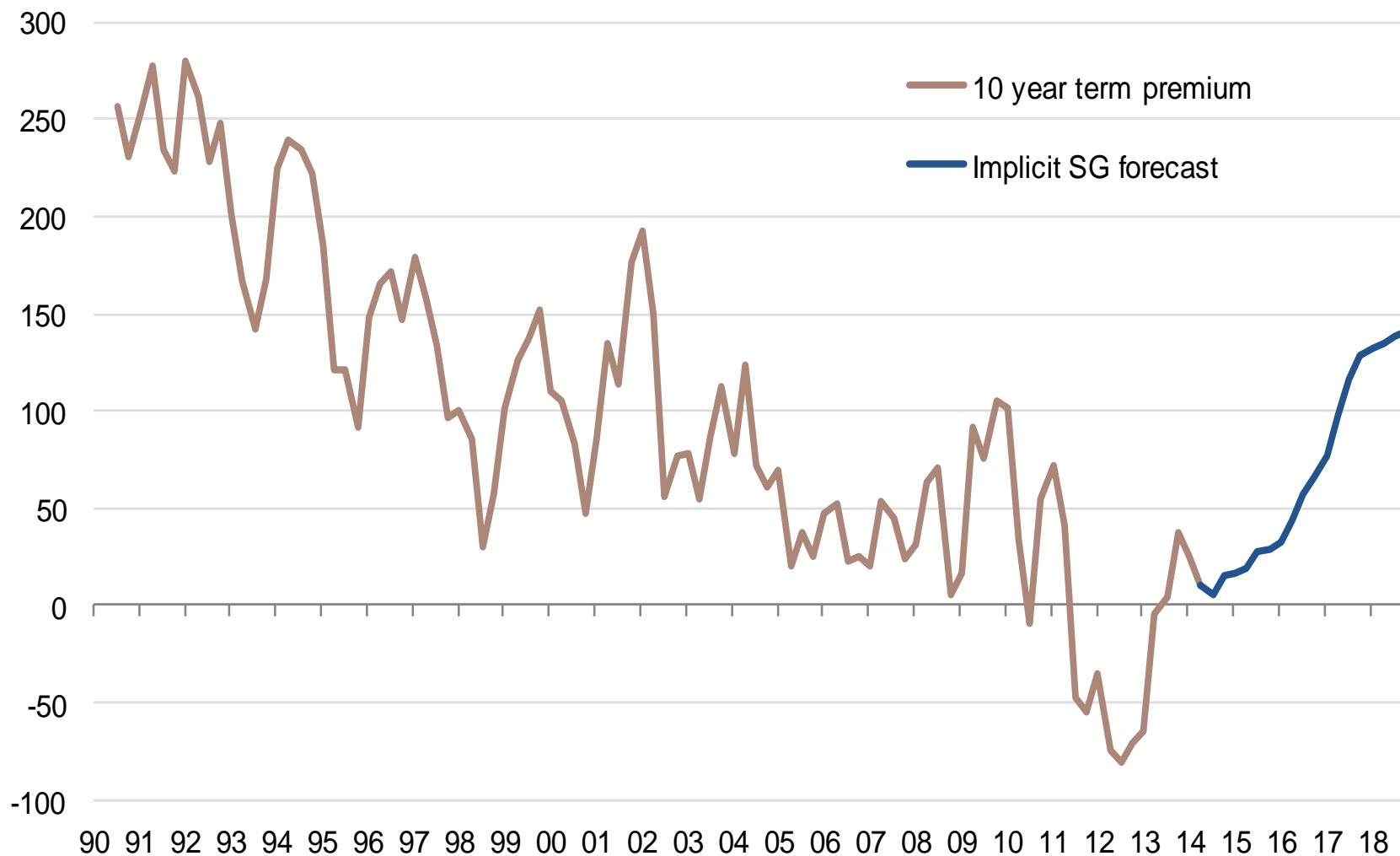
US INFLATION: DISINFLATION IS OVER

After a two-year disinflationary episode, core inflation is bottoming



Source: Haver Analytics, SG Cross Asset Research/Economics

A GRADUAL NORMALISATION ONLY OF THE US TERM PREMIA



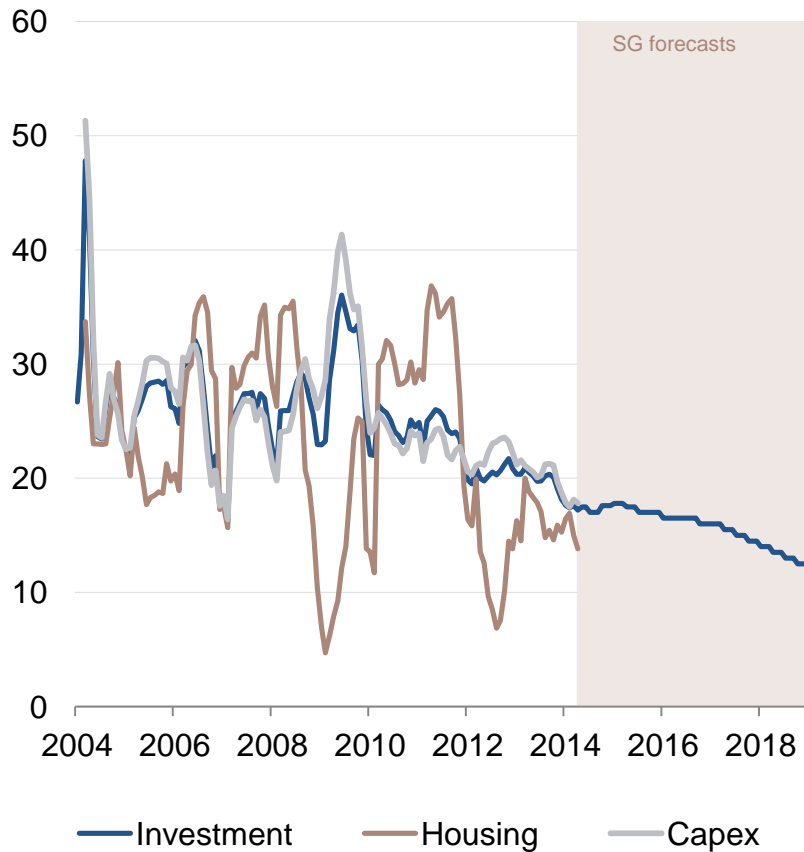
Source: Bloomberg, SG Cross Asset Research/Economics

4. FROM CHINA TO THE US AND JAPAN – INVESTMENT REBALANCING

CHINA AND US: A TALE OF TWO CAPEX CYCLES

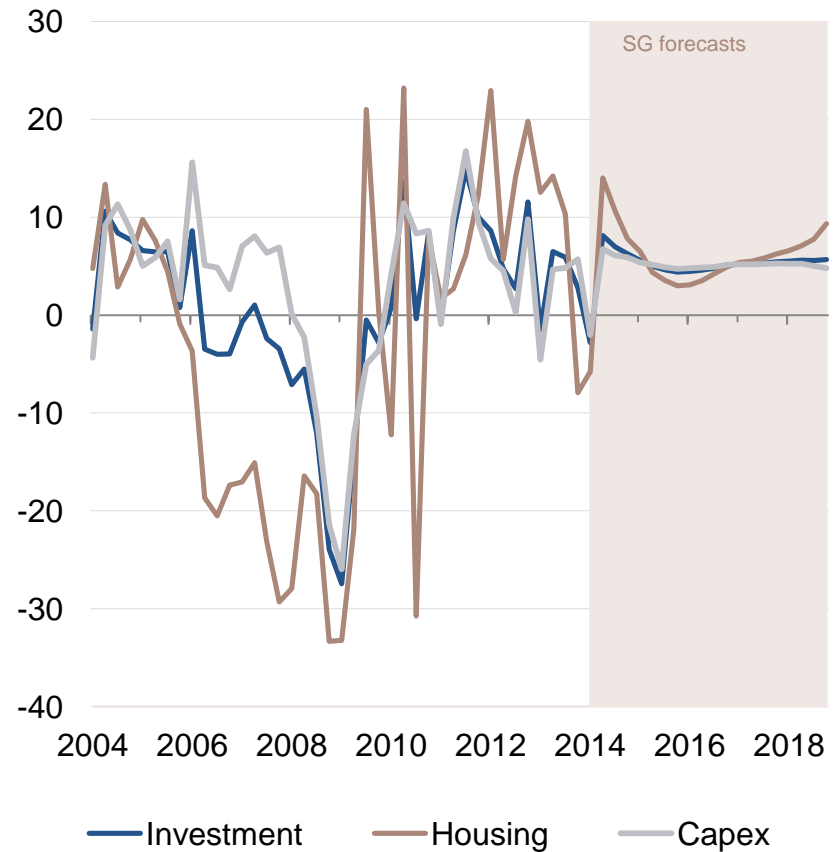
China investment is landing – watch housing!

% yoy 3mma



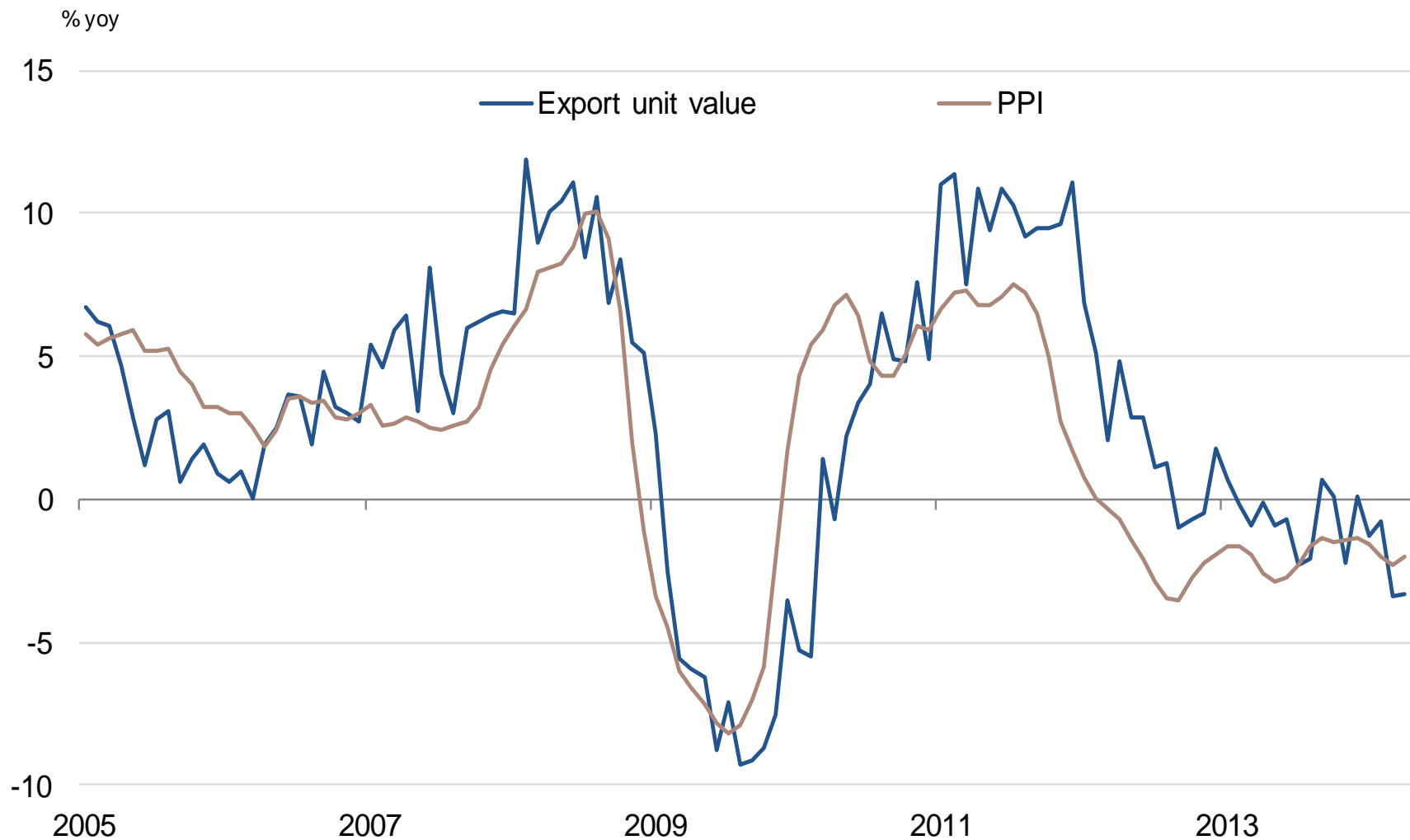
US investment poised for revival

% yoy 3mma



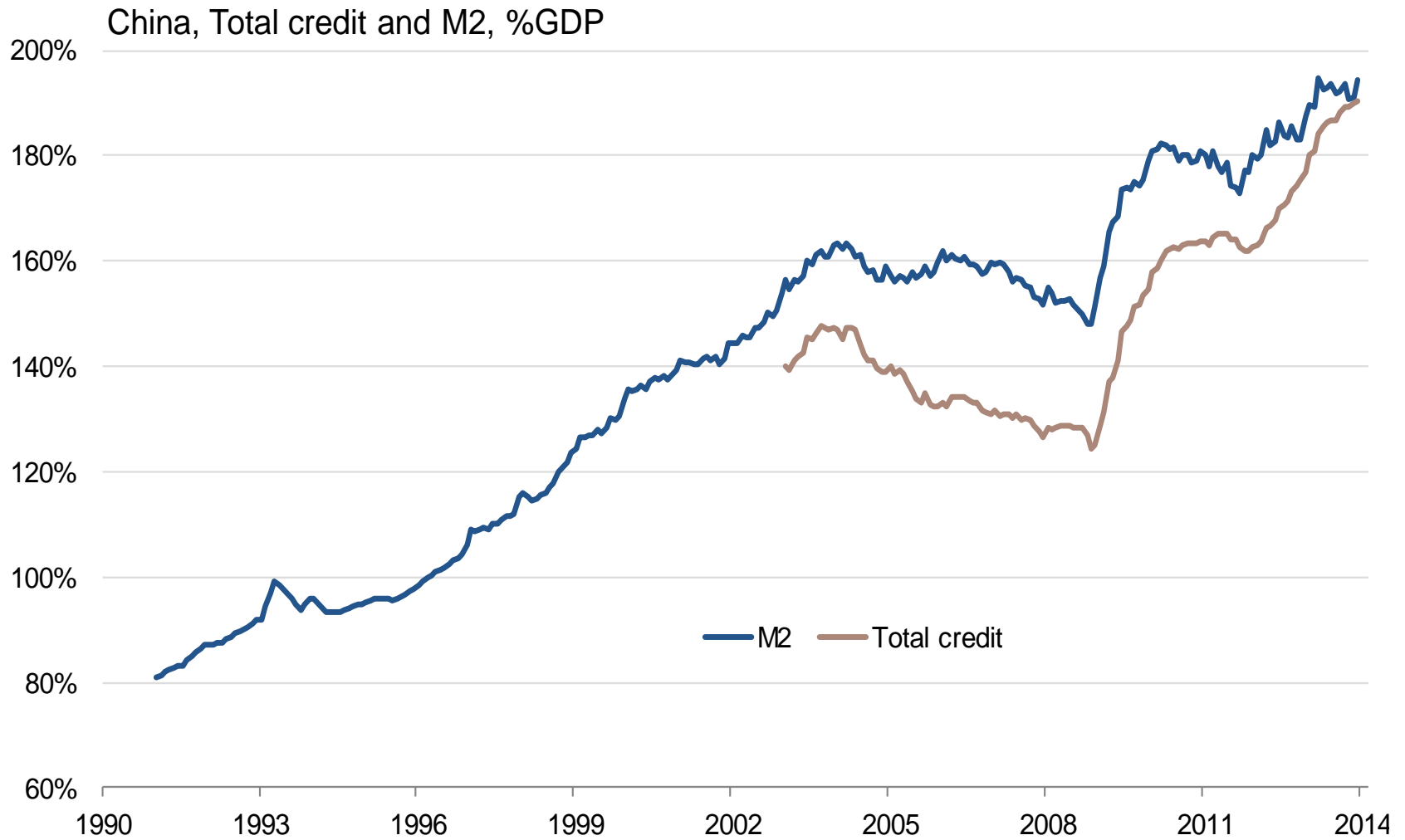
Source: Haver, CEIC, Datastream, SG Cross Asset Research/Economics

THE SLACK EFFECT FROM CHINA



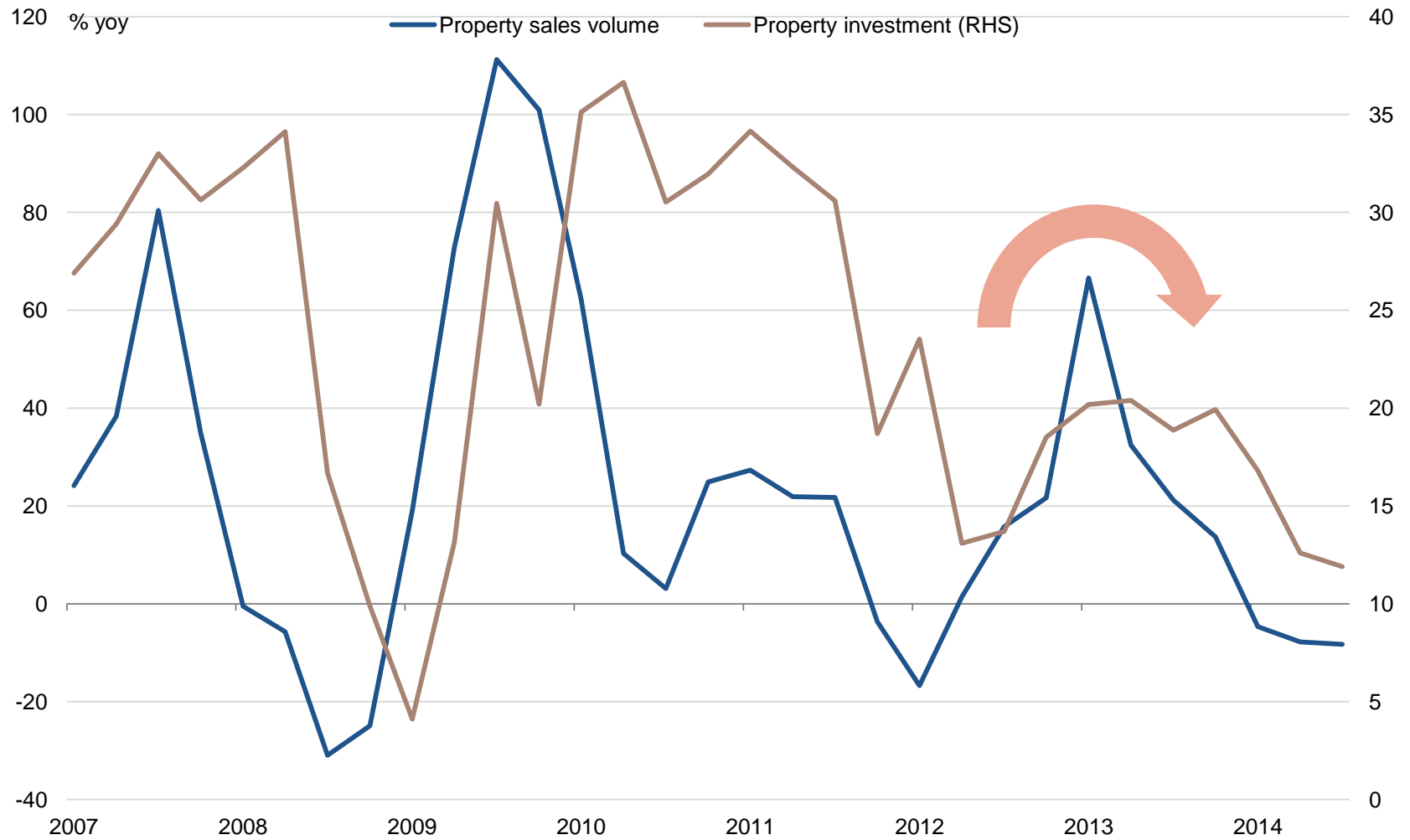
Source: CEIC, SG Cross Asset Research/Economics

CHINA'S EVER-GROWING CREDIT



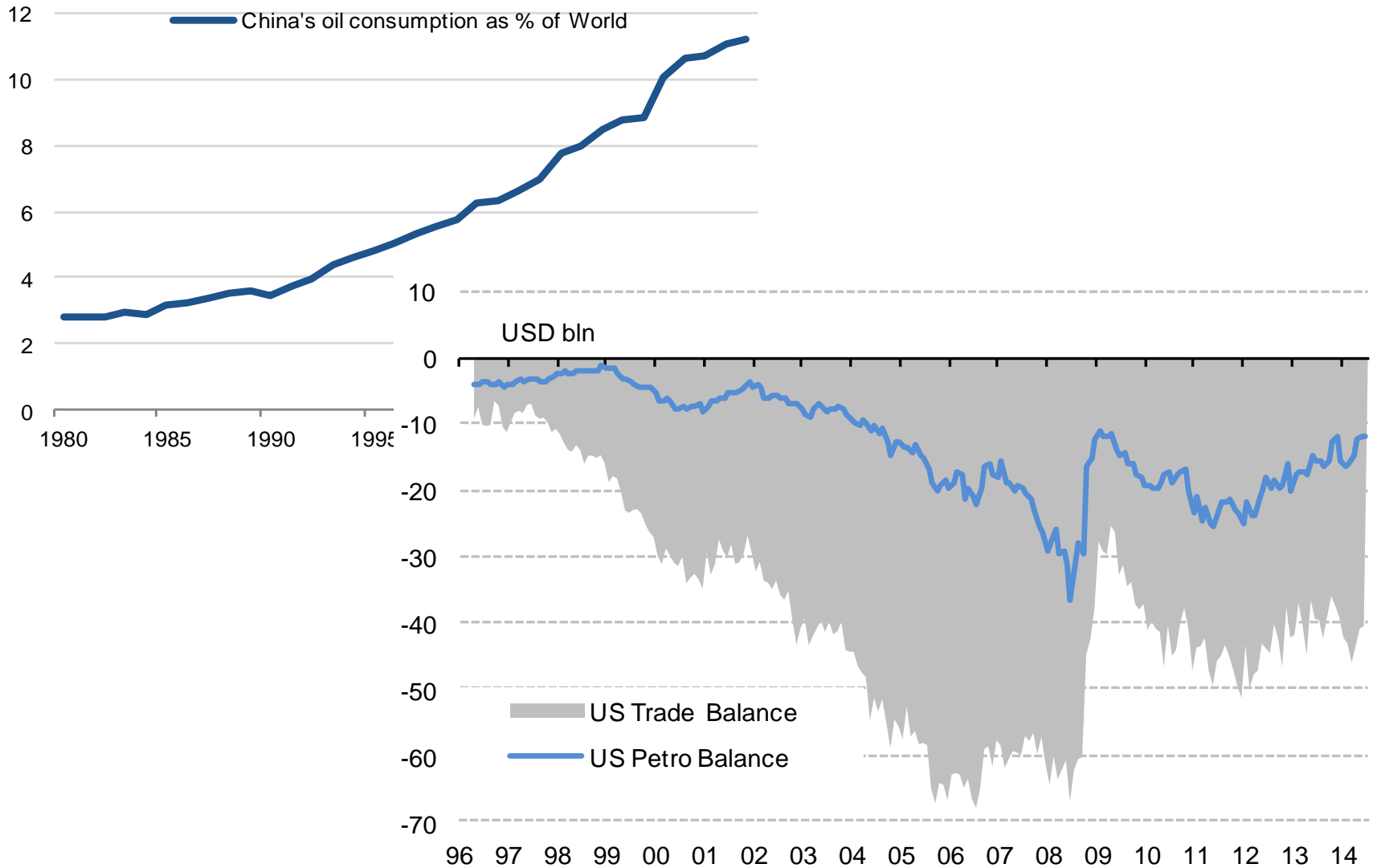
Source: CEIC, SG Cross Asset Research/Economics

CHINA HOUSING: THE BEGINNING A PROTRACTED DOWNTURN



Source: NBS, CEIC, SG Cross Asset Research / Economics

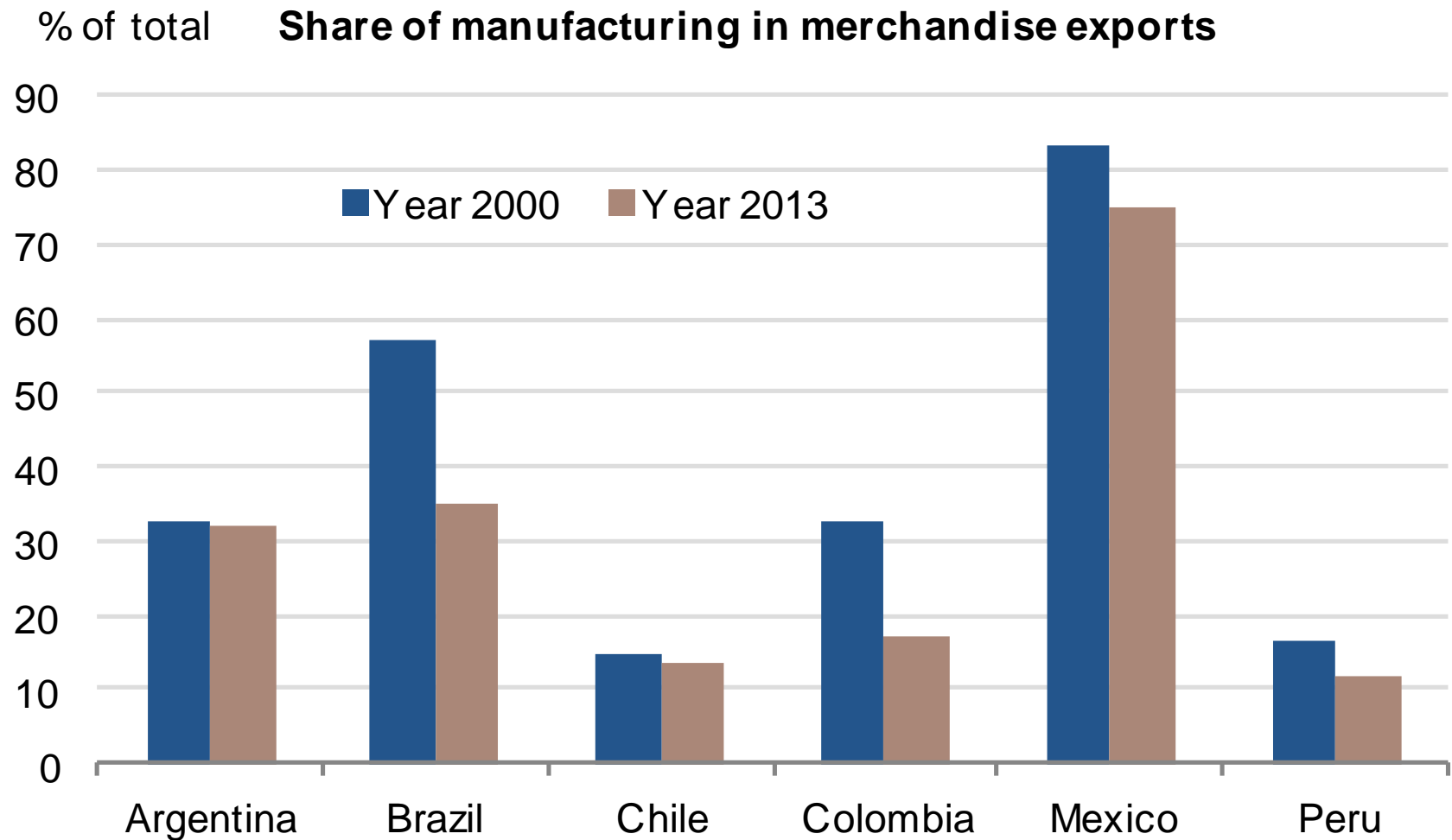
CHINA'S INVESTMENT BOOM DROVE SECULAR COMMODITY BOOMUS SHALE REVOLUTION



Source: Haver, OPEC, SG Cross Asset Research

COMMODITY PRODUCERS UNDER PRESSURE

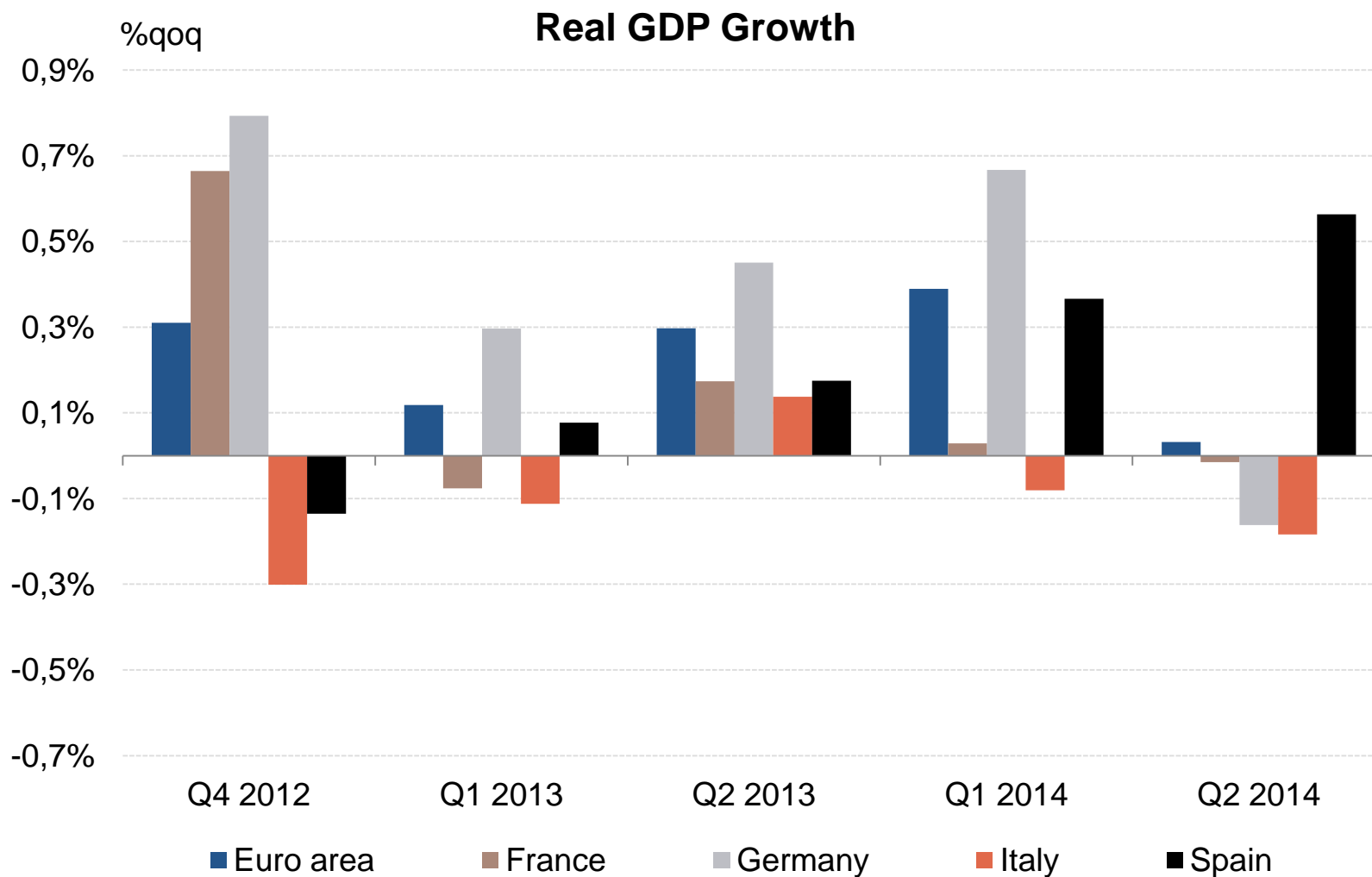
LATAM'S OVERRELIANCE ON COMMODITIES TO HURT



Source: IMF WEO, WTO, National sources, Datastream, SG Cross Asset Research/Economics

5. EURO AREA IN THE SHADOW OF LOWFLATION

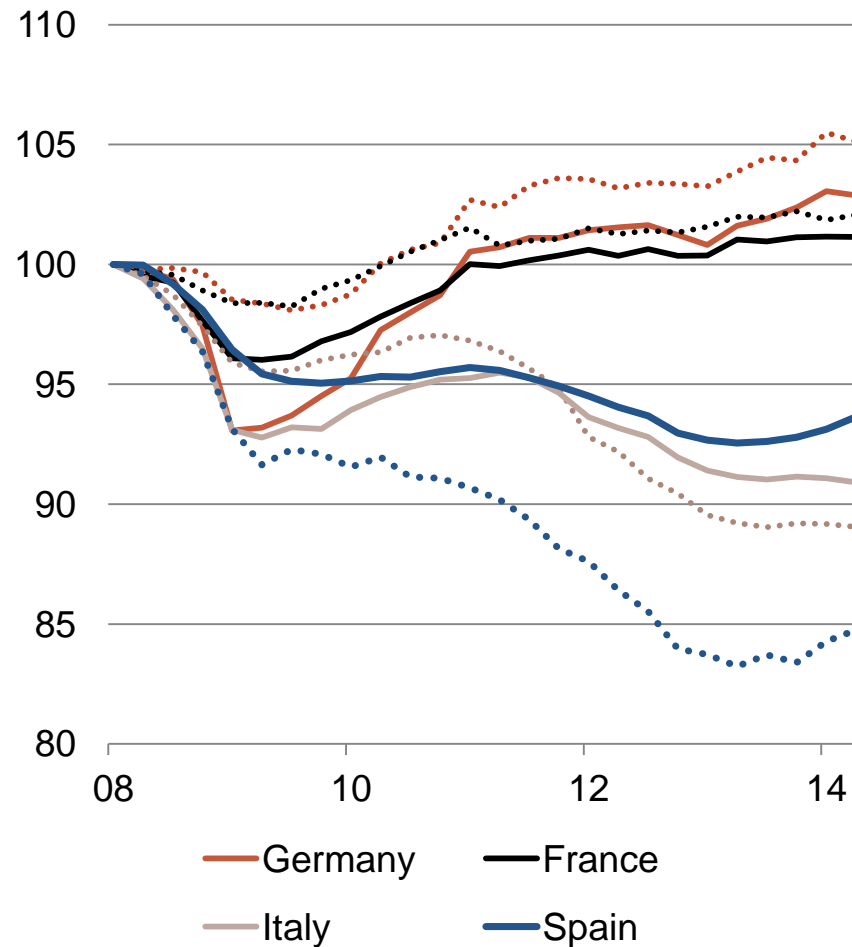
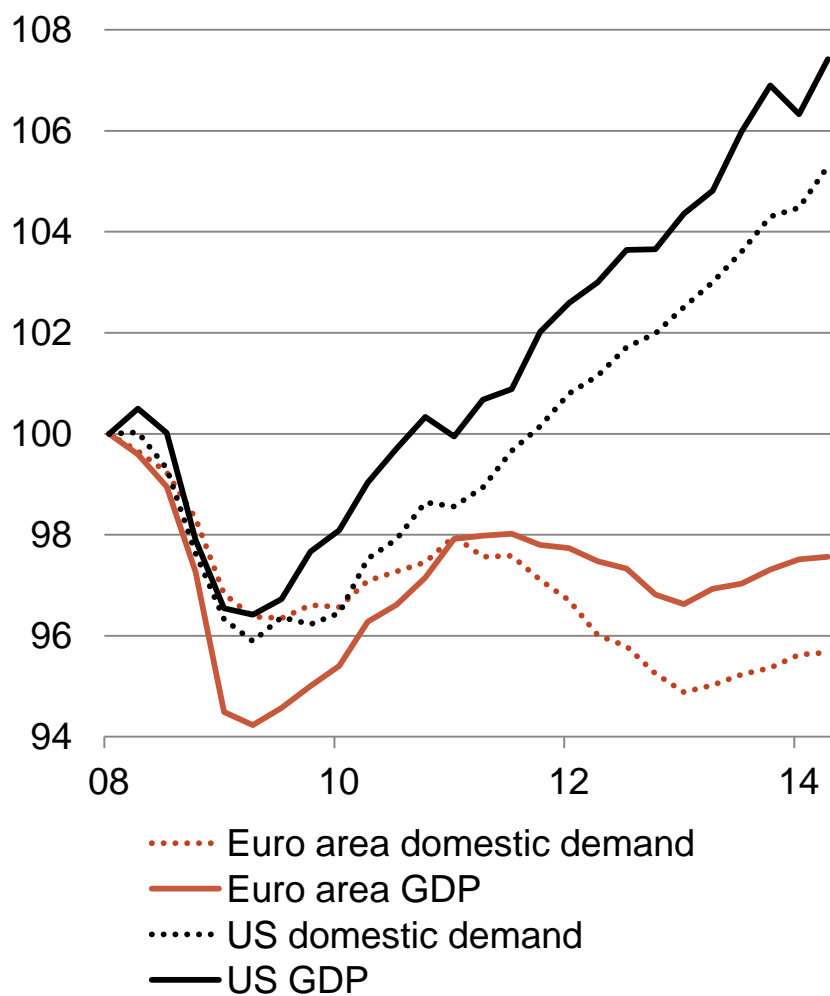
EURO AREA : UNEVEN AND HETEROGENEOUS RECOVERY



Source: EU Commission, SG Cross Asset Research/Economics

EURO AREA: WEAKNESS STEMS FROM DOMESTIC DEMAND

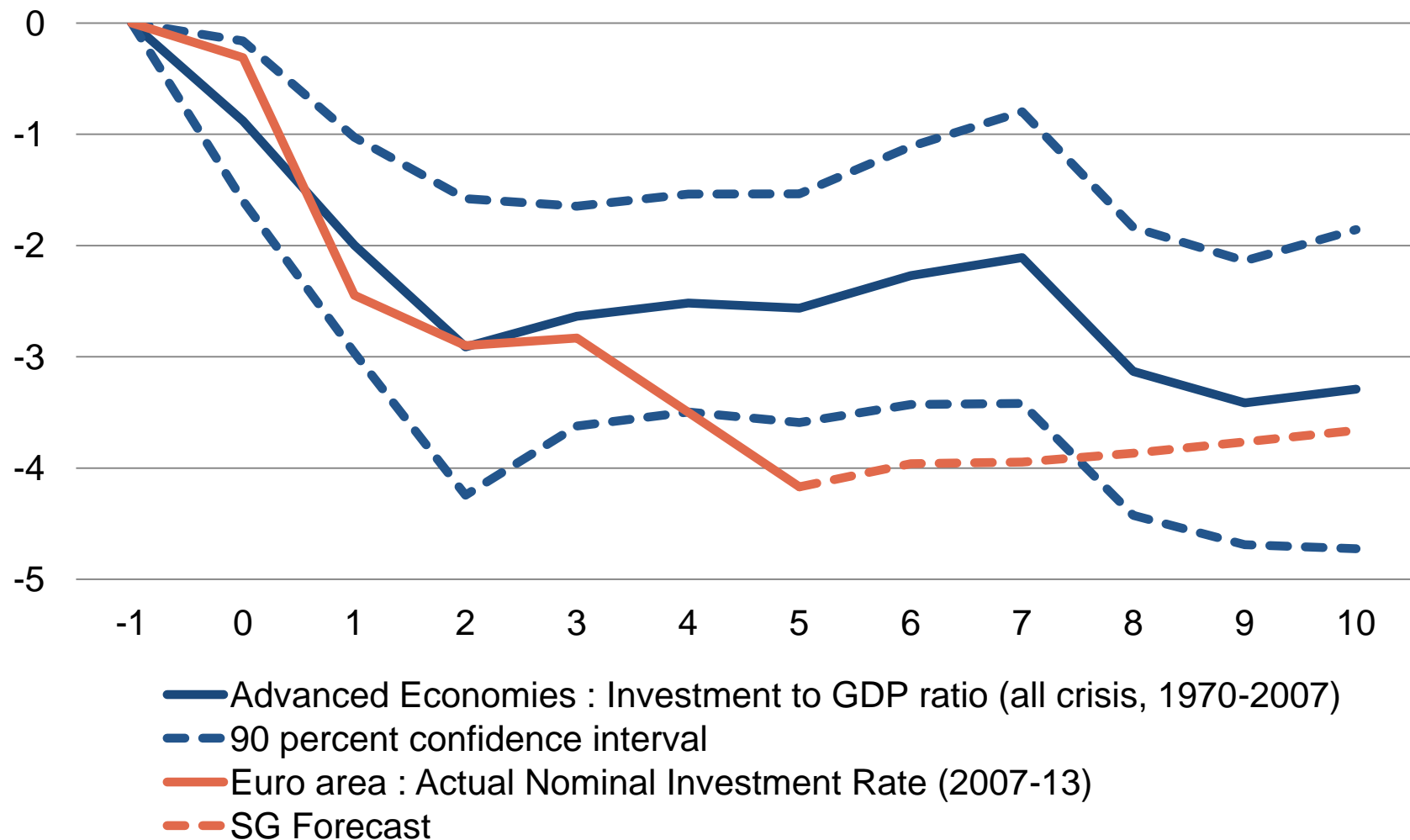
Real domestic demand (dots) & GDP (line)



Source: SG Cross Asset Research Economics, U.S. Bureau of Economic Analysis, Eurostat

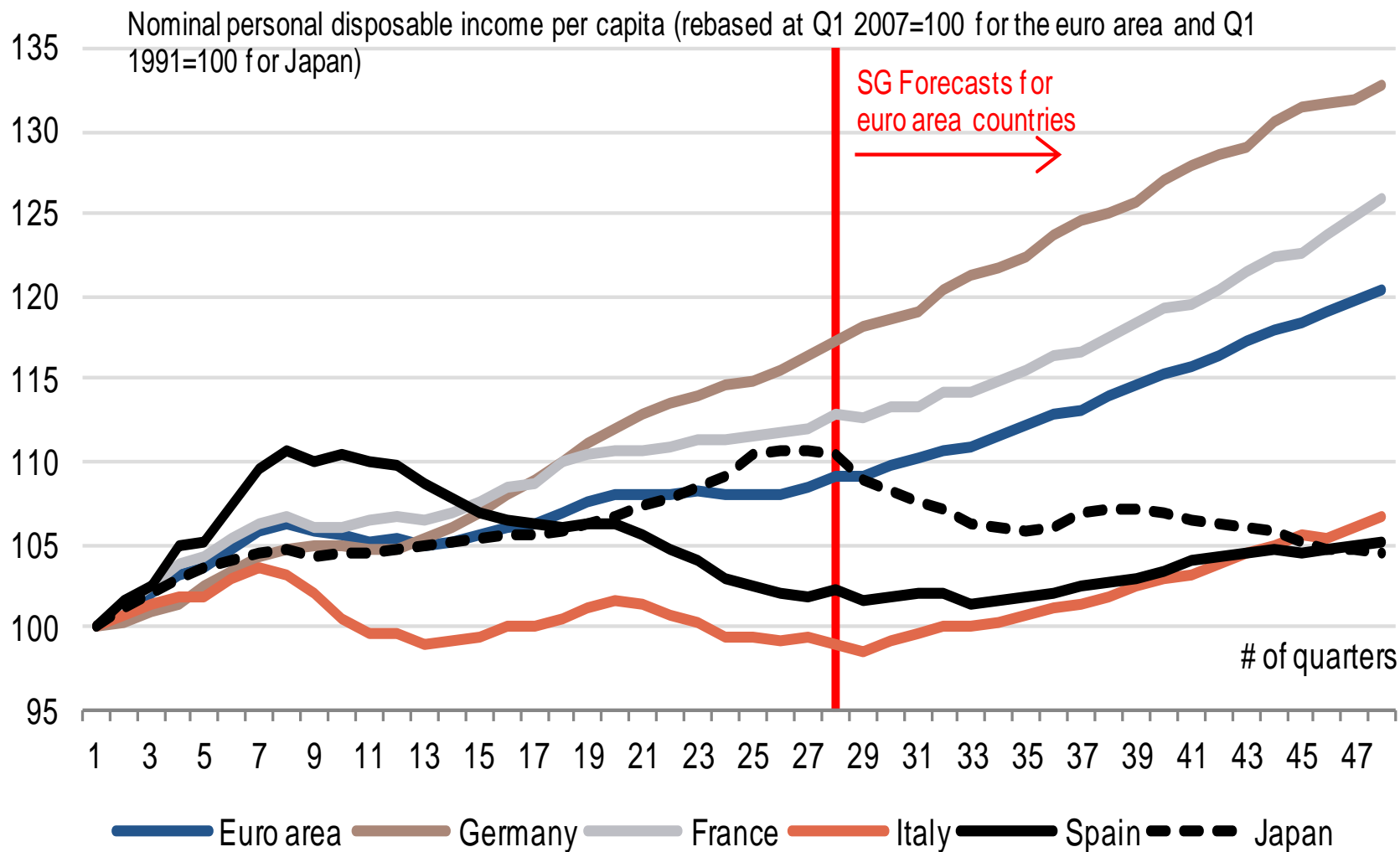
EURO AREA: MISSING INVESTMENT

Impact of financial crises on investment-to-GDP ratio



Source: SG Cross Asset Research Economics, Eurostat, IMF WEO (April 2014), Eurostat. Note: X-axis units are years; t = 0 denotes the year of the financial crisis. The sample of financial crises since 1970 has been identified by Laeven and Valencia (2012). Solid blue line denotes the average estimated effect; dashed blue lines denote 90% confidence bands. The orange line denotes the actual evolution of the investment-to-GDP ratio in the euro area since 2007 with SG forecast from 2014.

EURO AREA: MISSING INCOME

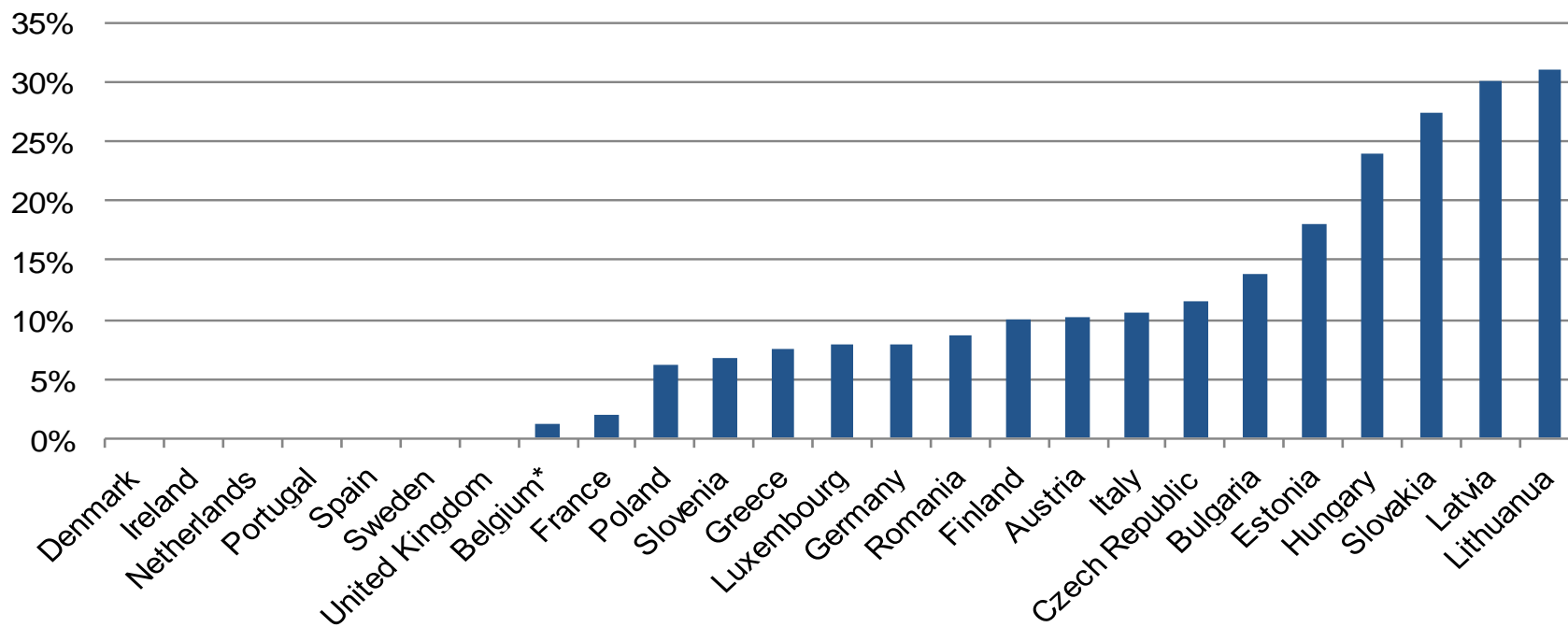


Source: Datastream, SG Cross Asset Research/Economics

UKRAINE/RUSSIA ... ENERGY IS THE ISSUE

- Sanctions taking place in an already frail environment.
- Full-year impact on euro area of -0.3/-0.4 (if sanction remain in place a full year): To date just under 10% of euro area exports to Russia have been impacted; mechanically this yields a full-year impact of around -0.1pp on full-year GDP. Furthermore, given the overall weakness of the Russian economy, there will be a cyclical impact on euro area exports to Russia.

Natural gas imports from Russia, % primary energy (2007)



Source: IMF, SG Cross Asset Research/Economics

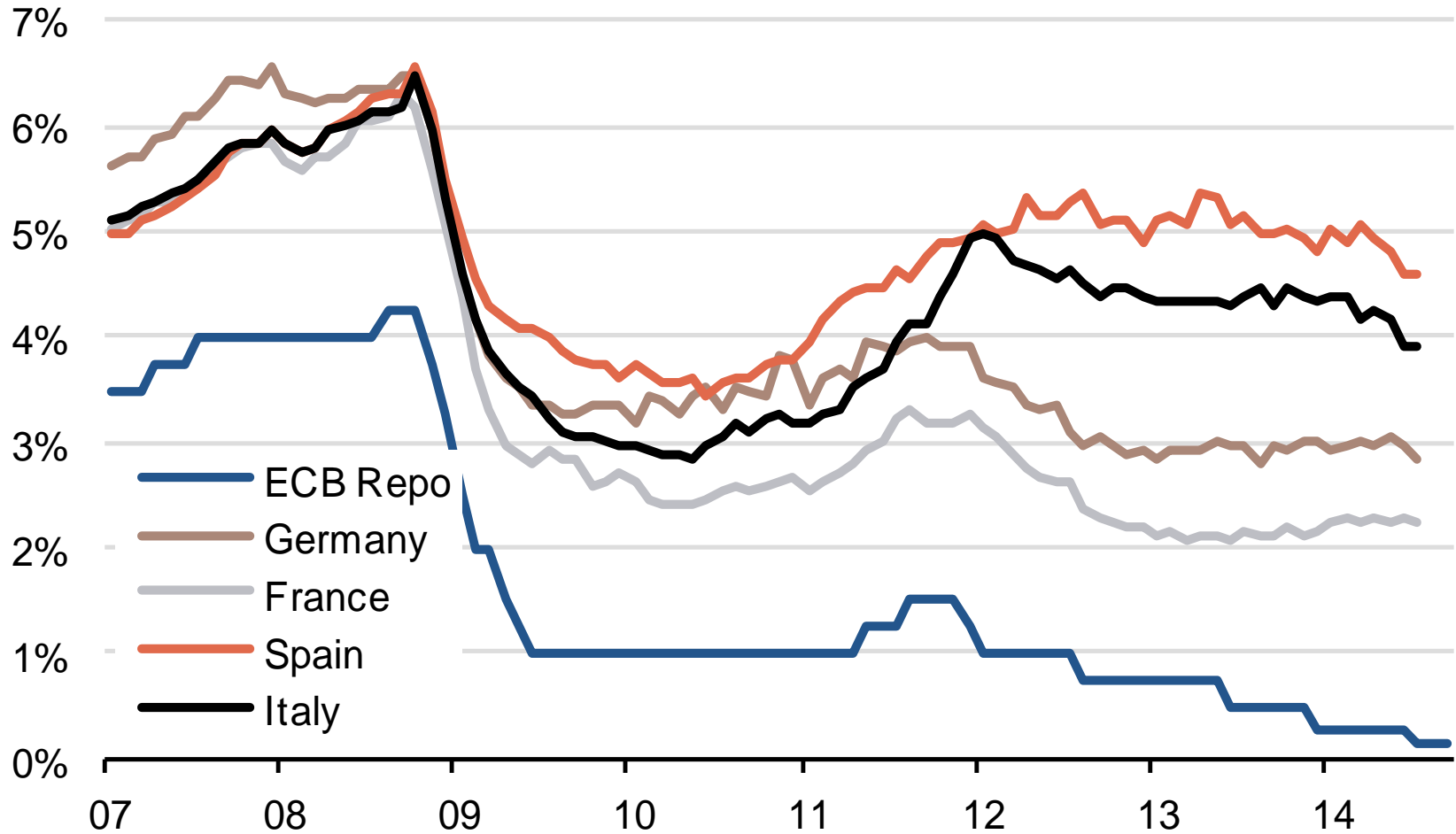
HOW EFFECTIVE WILL ECB ACTION BE? NOT NEARLY ENOUGH!



Source: SG Cross Asset Research/Economics

EURO AREA: FIXING CREDIT SUPPLY IS HELPFUL BUT IS THE PROBLEM DEMAND

MFI lending rates, NFC loans <€1mln



Source: ECB, SG Cross Asset Research/Economics

ANCHOR THEME SUMMARY

Anchor theme		Growth	Economic balances	Monetary policy	Market issues
Global Looking for potential ... policy quality is key	A common demographics headwind. Economies with flexible economic structures will fare the best.	Secular stagnation is not a given, but good governance and reform are key. In the euro area, the pace of structural reform remains too slow.	Absent reform, new potentially destabilising imbalances will build.	Uncertainty on trend potential raising the risk of policy errors. Central banks will err on the side of growth at the risk of inflation.	Bulls point to recovery with slack; bears to secular stagnation.
Global A time inconsistent set of global coordinates	Present coordinates of the global economy and markets suffer from time inconsistency.	The risk of liquidity driving destabilising asset prices remains a concern. Growth is key to risky assets as liquidity pulls back.	Current low bond yields, low inflation expectations and upbeat risk premium are not consistent in a steady state.	The risk of liquidity destabilising asset prices remains a concern. This debate is gaining momentum.	As the liquidity tide ebbs, fundamentals will take the lead.
Global From China to US and Japan – Investment rebalancing	Structural slowdown of Chinese rebalancing while US and Japan are set to pick up.	The global investment cycle is turning. Overall, we see investment recovery, but Germany, France and Italy continue to lag.	China's investment slowdown is part of the rebalancing process. Hard landing risk remains high in the transition.	Policy will aim to ease the adjustment pain, but there is no appetite to see a new credit boom.	China hard landing remains one of the key risks.
US Cut the Fed less slack	US labour market slack is being absorbed, pointing to higher wages/inflation ahead and a steeper Fed tightening cycle than markets expect.	The US is enjoying sustainable recovery, now evident across all sectors.	Shale energy is a structural boost.	The issue is slack ... we see the first rate hike in 2Q15 with a peak of 4.75% attained in mid-2018.	The market remains more dovish than the Fed. Wages are centre-stage!
Japan A "visible hand" on Japanese wages	We still give Abenomics the benefit of the doubt. Household purchasing power will pick up with wage gains.	PM Abe has advanced on reform. Near-term the next hurdle is to start nuclear power plants.	Rebalancing to pro-business. Watch business investment ... and wages!	Kuroda suggested a "visible hand" to shift wage setting practices at Jackson Hole. We look for further BoJ easing.	Focus now is on government's ability to deliver. Our view remains the reform will come only slowly.
Europe In the shadow of lowflation	Euro area will not escape lowflation in the absence of a more determined effort by policymakers.	Monetary stimulus alone is not enough. Of the 2% reform growth boost potential, only 25% is happening.	Cleaning up banks and banking union is a key positive. The lesson from Japan is that this action alone is not enough.	Just how much the ECB balance sheet will expand depends on governments. We look for €300bn over the next year.	Government need to deliver guarantees for the ECB to buy mezzanine. The key test will come in October.

SG MACROECONOMIC OUTLOOK

Real GDP

CPI

P* = previous forecast

	2012	2013	2014f	P*	2015f	P*	2016f	P*	2017f	P*	2018f	P*	2012	2013	2014f	P*	2015f	P*	2016f	P*	2017f	P*	2018f	P*	
World (Mkt FX weights)	2.7	2.6	2.9	3.1	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.3	3.3	3.0	2.9	2.8	3.0	2.9	3.6	3.4	3.2	3.0	3.1	2.9	
World (PPP weights)	3.1	3.1	3.3	3.5	3.8	3.8	3.8	3.8	3.9	3.8	3.8	3.7	4.0	3.7	3.5	3.4	3.6	3.5	4.0	4.0	3.7	3.5	3.5	3.4	
Developed countries (PPP)	1.2	1.4	1.9	2.2	2.5	2.4	2.5	2.4	2.5	2.4	2.5	2.3	2.0	1.4	1.6	1.5	1.9	1.7	2.2	1.9	2.2	1.9	2.2	1.9	
Emerging countries (PPP)	5.0	4.7	4.6	4.7	5.0	5.1	5.1	5.1	5.1	5.1	5.0	5.0	6.2	6.0	5.3	5.3	5.1	5.2	5.8	5.9	5.0	4.9	4.6	4.6	
G5																									
Euro area	-0.6	-0.4	0.8	1.0	1.0	1.3	1.3	1.4	1.5	1.5	1.5	1.6	2.5	1.4	0.6	0.8	1.1	1.2	1.3	1.3	1.4	1.3	1.5	1.4	
Germany	0.4	0.1	1.4	2.0	1.2	1.5	1.4	1.4	1.3	1.4	1.3	1.4	2.1	1.6	1.0	1.2	1.3	1.6	1.5	1.5	1.5	1.6	1.5	1.7	
France	0.4	0.4	0.4	0.7	0.9	1.3	1.3	1.4	1.6	1.6	1.6	1.8	2.2	1.0	0.7	1.0	1.2	1.4	1.1	1.4	1.2	1.4	1.3	1.4	
Italy	-2.4	-1.8	-0.2	0.5	0.8	1.0	1.0	1.0	1.1	1.1	1.0	1.0	3.3	1.3	0.4	0.7	0.9	1.1	1.4	1.4	1.4	1.2	1.4	1.2	
Spain	-1.6	-1.2	1.1	0.7	1.0	1.0	1.2	0.9	1.5	1.4	1.7	2.2	2.4	1.5	-0.1	-0.1	0.2	0.3	0.9	0.9	1.0	1.0	1.3	1.2	
US	2.3	2.2	2.2	2.5	3.4	3.3	3.3	3.0	3.2	3.0	3.2	3.0	2.1	1.5	1.9	2.0	2.3	2.6	2.4	2.6	2.7	2.6	2.7	2.5	
China	7.7	7.7	7.3	7.1	6.8	6.8	6.4	6.4	6.0	6.0	5.5	5.5	2.7	2.6	2.2	2.3	2.5	2.8	2.9	3.3	3.1	3.0	2.6	2.6	
Japan	1.5	1.5	1.1	1.3	1.8	1.7	1.0	1.2	1.5	1.6	1.4	1.4	0.0	0.4	2.6	2.6	2.0	2.0	2.6	2.6	2.1	2.1	2.1	2.1	
UK	0.3	1.7	3.0	3.0	2.5	2.5	2.2	2.2	2.1	2.1	2.0	2.0	2.8	2.6	1.7	2.0	2.3	2.8	2.7	3.2	2.6	2.8	2.5	2.5	
Other advanced																									
Switzerland	1.0	1.9	1.2	1.7	1.5	1.8	1.7	1.8	1.8	1.7	1.8	1.7	-0.7	-0.2	0.1	0.0	0.3	0.5	0.7	1.1	1.0	1.5	1.2	1.7	
Australia	3.6	2.3	3.1	3.1	3.0	2.9	3.1	3.1	3.2	3.1	3.1	3.2	1.8	2.4	2.5	2.9	2.3	2.5	2.7	2.5	2.8	2.7	2.8	2.8	
South Korea	2.3	3.0	3.6	3.8	4.0	3.8	3.6	3.6	3.6	3.6	3.4	3.4	2.2	1.3	1.5	1.7	2.3	2.3	2.5	2.5	2.5	2.5	2.5	2.5	
Taiwan	1.5	2.1	3.4	3.0	3.5	3.4	3.4	3.6	3.1	3.3	3.0	3.2	1.9	0.8	1.4	1.4	1.7	1.6	2.1	2.0	1.8	1.8	1.6	1.6	
Emerging economies																									
Brazil	1.0	2.5	0.4	1.7	1.4	2.2	2.4	2.7	2.8	2.7	2.7	2.7	5.4	6.2	6.3	6.2	6.2	5.7	5.6	5.4	5.3	5.0	5.2	4.8	
Russia	3.4	1.3	0.4	0.3	1.1	1.3	2.3	2.3	2.5	2.8	2.6	2.9	5.3	6.6	7.7	6.9	6.8	5.4	5.4	5.0	5.1	4.7	4.7	4.4	
Poland	2.0	1.5	3.2	3.5	3.4	3.8	3.5	4.0	3.6	4.0	4.0	4.0	3.7	0.9	0.3	0.6	1.5	2.0	2.0	2.5	2.5	2.5	2.5	2.5	
Czech Republic	-0.9	-0.9	2.9	1.9	3.3	2.6	2.9	2.7	2.4	2.0	2.2	1.7	3.3	1.4	0.4	0.8	1.0	1.8	1.7	1.4	1.4	1.7	1.9	2.3	
Slovakia	1.8	0.9	2.4	2.4	2.7	2.7	2.9	2.9	2.7	2.7	2.3	2.3	3.7	1.5	0.5	0.5	2.2	2.2	2.1	2.1	2.1	2.1	2.3	2.3	
Mexico	3.7	1.3	2.2	2.4	3.3	3.8	3.4	3.6	3.7	3.6	3.9	3.6	4.1	3.8	4.0	3.6	3.5	3.5	3.5	3.5	3.4	3.4	3.2	3.1	
Chile	5.4	4.1	2.1	3.0	2.7	3.5	3.4	3.9	3.2	3.7	3.5	4.1	3.0	2.1	4.0	3.7	3.0	2.8	3.0	3.0	3.2	3.2	3.4	3.4	
India	4.5	4.7	5.4	5.2	6.0	6.0	6.4	6.3	6.8	6.8	7.2	7.0	10.2	9.5	8.3	8.3	7.8	7.8	7.3	7.3	6.8	6.8	6.4	6.4	
Indonesia	6.2	5.8	5.2	5.3	5.6	5.6	5.7	5.8	5.8	5.9	5.9	5.9	4.3	7.1	6.6	6.5	5.8	5.7	5.9	5.8	6.0	6.0	6.5	6.4	

Source: SG Cross Asset Research/Economics

MONETARY POLICY, RATES, FX – SHORT-TERM

	Key rates					10Y					FX					
	Sep 9	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Sep 9	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Sep 9	Dec 2014	Mar 2015	Jun 2015	Sep 2015	
G5											G5					
Euro area	0.05	0.05	0.05	0.05	0.05	0.99	0.90	1.00	1.15	1.35	EURGBP	0.80	0.79	0.77	0.77	0.76
US	0.13	0.13	0.13	0.38	0.63	2.49	2.75	3.00	3.25	3.45	EURUSD	1.29	1.30	1.27	1.25	1.21
China	3.00	3.00	3.00	3.00	3.00	4.27	4.20	4.10	4.10	4.10	USDCNY	6.14	6.18	6.24	6.20	6.15
Japan	0.07	0.07	0.07	0.07	0.07	0.53	0.82	0.82	0.95	1.02	USDJPY	106	103	106	109	114
UK	0.50	0.50	0.75	1.00	1.25	2.51	2.65	2.90	3.00	3.05	GBPUSD	1.61	1.65	1.65	1.62	1.59
Other advanced											Other advanced					
Switzerland	0.00	0.00	0.00	0.00	0.00	0.52	0.43	0.50	0.60	0.65	EURCHF	1.21	1.21	1.22	1.22	1.22
Australia	2.50	2.50	2.50	2.50	2.50	3.56	3.70	3.90	4.10	4.25	AUDUSD	0.93	0.92	0.89	0.87	0.85
South Korea	2.25	2.25	2.25	2.25	2.50	3.07	3.30	3.40	3.50	3.70	USDKRW	1032	1010	1005	1030	1050
Taiwan	1.88	2.00	2.00	2.00	2.13	1.71	1.70	1.80	1.80	2.00	USDTWD	30.0	29.8	29.7	30.2	30.5
Emerging economies											Emerging economies					
Brazil	11.00	11.00	11.00	11.00	11.00	11.33	12.00	12.20	12.20	12.20	USDBRL	2.3	2.4	2.4	2.5	2.6
Russia	8.00	8.00	8.00	8.00	7.50	9.53	9.20	9.10	9.00	8.50	USDRUB	37	38	37	36	36
Poland	2.50	2.00	2.00	2.00	2.00	2.92	3.40	3.55	3.70	3.80	EURPLN	4.2	4.2	4.2	4.3	4.2
Czech Republic	0.05	0.05	0.05	0.05	0.05	1.19	1.30	1.35	1.45	1.60	EURCZK	28	27	27	27	27
Mexico	3.00	3.00	3.00	3.00	3.00	5.79	6.00	6.20	6.30	6.40	USDMXN	13.2	12.9	12.8	12.8	12.9
Chile	3.50	2.75	2.75	2.75	2.75	4.61	4.60	4.40	4.50	4.60	USDCLP	587	565	571	576	582
India	8.00	8.00	8.00	8.00	7.75	8.52	8.55	8.50	8.55	8.40	USDINR	61	60	59	62	63
Indonesia	7.50	7.50	7.25	7.25	7.50	8.04	8.25	8.00	8.25	8.50	USDIDR	11771	12300	12600	12900	13100

Source: SG Cross Asset Research/Economics

MONETARY POLICY, RATES, FX – LONG-TERM

	Key rates							10Y							FX							
	Sep 9	2014	2015	2016	2017	2018	Neutral rate	Sep 9	2014	2015	2016	2017	2018	Neutral rate	Sep 9	2014	2015	2016	2017	2018	Neutral rate	
G5															G5							
Euro area	0.05	0.13	0.05	0.05	0.45	1.94	2.50	0.99	1.16	1.23	1.77	2.66	3.20	3.25	EURGBP	0.80	0.80	0.77	0.78	0.79	0.80	0.75
US	0.13	0.13	0.50	1.81	3.25	4.44	3.75	2.49	2.66	3.33	3.92	4.43	4.60	4.50	EURUSD	1.29	1.34	1.24	1.29	1.32	1.33	1.35
China	3.00	3.00	3.00	3.13	3.31	3.06	3.50	4.27	4.28	4.08	4.15	4.35	4.15	4.00	USDCNY	6.14	6.20	6.18	6.15	6.10	6.07	6.00
Japan	0.07	0.07	0.07	0.07	0.07	0.24	1.50	0.53	0.66	0.97	1.18	1.41	2.05	2.50	USDJPY	106	103	112	118	120	120	105
UK	0.50	0.50	1.13	2.13	3.13	3.50	4.00	2.51	2.61	2.99	3.17	3.86	4.30	5.00	GBPUSD	1.61	1.67	1.62	1.65	1.66	1.66	1.60
Other advanced															Other advanced							
Switzerland	0.00	0.01	0.00	0.21	0.75	1.50	2.50	0.52	0.65	0.61	1.00	1.80	2.20	2.50	EURCHF	1.21	1.22	1.22	1.26	1.27	1.30	1.40
Australia	2.50	2.50	2.56	3.38	4.25	4.50	4.50	3.56	3.77	4.15	4.55	4.98	5.14	5.00	AUDUSD	0.93	0.92	0.86	0.82	0.81	0.82	0.82
South Korea	2.25	2.38	2.44	3.31	3.50	3.50	3.50	3.07	3.37	3.63	4.35	4.50	4.50	4.50	USDKRW	1032	1030	1039	1045	1020	1000	1000
Taiwan	1.88	1.91	2.06	2.53	2.75	2.72	2.50	1.71	1.62	1.95	2.50	2.85	2.83	2.75	USDUSD	30	30	30	30	29	29	29
Emerging economies															Emerging economies							
Brazil	11.00	10.94	11.00	10.94	9.75	9.50	9.50	11.33	12.51	12.20	12.05	11.50	11.50	11.70	USDBRL	2.3	2.3	2.6	2.7	2.6	2.5	2.5
Russia	8.00	7.63	7.63	5.88	5.50	5.00	4.00	9.53	8.99	8.65	6.68	6.10	5.50	4.50	USD RUB	37.1	35.5	36.5	36.9	37.5	38.1	50.0
Poland	2.50	2.38	2.13	3.00	3.50	4.00	3.75	2.92	3.70	3.74	4.00	4.00	4.00	4.80	EURPLN	4.2	4.2	4.2	4.1	3.9	3.8	4.0
Czech Republic	0.05	0.05	0.05	0.88	2.19	3.81	3.50	1.19	1.56	1.55	2.08	2.83	3.63	5.00	EURCZK	27.6	27.4	26.9	25.9	25.0	24.7	25.0
Mexico	3.00	3.13	3.06	4.44	5.00	5.00	5.00	5.79	6.10	6.38	6.80	6.73	6.35	6.50	USDMXN	13.2	13.0	12.9	12.7	12.2	11.5	12.2
Chile	3.50	3.50	2.75	2.94	3.94	4.00	4.50	4.61	4.86	4.53	4.88	5.68	5.80	5.50	USDCLP	586.8	548.3	579.3	587.9	573.4	550.8	550.0
India	8.00	8.00	7.88	7.25	6.69	6.50	6.50	8.52	8.65	8.46	8.00	7.38	7.25	7.25	USDINR	60.6	60.2	61.3	60.5	60.4	61.0	60.3
Indonesia	7.50	7.50	7.44	7.88	7.56	7.50	6.50	8.04	8.26	8.31	8.38	8.06	8.00	7.00	USDIDR	11771	11935	12875	12375	11625	11000	10500

Source: SG Cross Asset Research/Economics

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