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Stress Testing Growth

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Emerging Markets and the Global Economy in the Month Ahead:

Although EM's upturn is in early stages across many emerging economies and could be sustained for a couple of years in many others, EM's "rally cycle" is already four years long in hard currency debt and its extension hinges crucially on global growth acceleration. This is now being challenged by US policy initiatives and geopolitics. Will this pass without disrupting the still benign underlying global recovery, and do such initiatives still have additional legs?

LATAM Corporates: US-China Trade Dispute's Potential Repercussions

Trade dispute between the US and China has continued to escalate and fears of an eventual trade war has increased market volatility. Steel and aluminum producers were directly affected by tariffs, but their ultimate impact may prove to be muted (for LatAm issuers) by exemptions and LatAm steel producers with significant US assets are in a more favorable position. Latin America could benefit from product diversions resulting from US-China trade disputes, as long as they don't escalate to a full-blown trade war, which could lead to a global economic slowdown. We look at the consequences for exports, foreign exchange and inflation. For instance, what is the impact on Brazilian beef and pork producers from increased Chinese tariffs on US imports?

EM Credit Spreads: Macro Drivers and Shock Responses

In our theme piece "EM Credit Spreads: Macro Drivers and Shock Responses" we consider a number of different variables across several risk environments to answer the question of what drives Emerging Market Bond Index Diversified spreads. Having established a baseline model for the current period we look at how spreads could react to growth, inflation and rate hike shocks.

EM inflation - Paring losses in March

After weakening in February, global EM inflation is expected to stabilize in March, and grind gradually higher the rest of the year. Our composite measures of inflation show...

Singapore's positive transformation

We use concepts from Urban Economics to assess Singapore's weaknesses as a city and the likely impact of policies now coming through.



US business interests in China

US business interests in China are much larger than trade data shows. Trade tensions will persist, but we doubt either side has the intention to escalate it into a full blown trade war.

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