Global Macro Outlook

SECOND QUARTER 2024

The Macro Picture

The global economic picture did not change significantly in the first quarter of 2024. We continue to believe that a soft landing is the most likely outcome, with major economies still on course to avoid significant contractions. Policymakers stand ready to aggressively ease should the growth outlook falter, but so far it hasn't been necessary.

We nonetheless forecast major central banks to begin cutting rates in the second quarter (2Q) and early third quarter (3Q), not because we expect growth to slow sharply but because we believe that inflation will continue to lose momentum. Of course, this is a key variable to monitor, considering so much rides on further disinflationary progress. Should inflation remain more persistent than we expect, it could prove quite disruptive to financial markets, which have been expecting rate cuts over the course of 2024.

If we're right about disinflation continuing, however, we believe it would justify lower policy rates as central bankers try to get economies to reach—or remain in—equilibrium. While the eventual destination is several quarters away, monetary policy works on the economy with a significant lag. Therefore, we believe policymakers will begin rate cuts before it becomes obvious that they're necessary. That said, the pace of monetary easing is likely to be gradual—if we're right that a soft landing is the base case, central banks will not need to rush.

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While we believe that most major central banks will move in the same direction this year, they may not start at the same time. The US economy continues to outperform, with 2023 growth well above potential and significant momentum carrying it through the first quarter of 2024. The labor market especially has exceeded our expectations, with the rate of job gains far above most estimates of long-run equilibrium.

With growth so strong, the path back to the Fed's 2.0% inflation target has been bumpy: progress was faster in the fourth quarter (4Q) of 2023 and slower in the first quarter (1Q) of this year. We expect the back-and-forth to continue; while the destination remains 2.0%, the path will remain nonlinear. That makes the case for slower rate cuts in the US than elsewhere—the likely scenario. Our skepticism about the early start to rate cuts this year was validated by 1Q data, but that doesn't mean rate cuts won't come eventually—only that investors will need to be patient. To be clear, we think most investors don't care much exactly when the first rate cut comes. But financial markets are likely to remain unusually volatile while trying to guess which month will see the first ease.

In contrast to the US, the case for a rate cut strengthened in Europe in the first quarter. Not only did the data provide additional evidence that disinflation is proceeding smartly, but the growth outlook has also been somewhat more challenged. In response, the European Central Bank (ECB) has been unusually transparent that it expects to cut rates in June, and we believe it would take a dramatic change in the data flow to dissuade them. The Bank of England (BoE) is also likely to ease this year, though the rather larger distance between current inflation and the BOE's target means that it's likely to start last among the G3 (US, Eurozone and Japan).

Economic developments look very different outside the Western Hemisphere, and very disparate even from one another. While Western central banks approach the end of a long fight to push inflation down, the Bank of Japan (BOJ) is wrapping up an extended effort to force it up. The BOJ's confidence in the medium-term path toward sustainably higher inflation rose in the wake of accelerating wage settlements. Consequently, the bank ended its policy of negative interest rates in 1Q and began dismantling its yield curve control framework. If progress is sustained, more rate hikes are a possibility in Japan—even as other central banks are easing.

In China, low inflation is a more proximate threat, given that economic growth remains subpar. Declining demographic trends and insufficient social safety nets result in some of the world's highest personal savings rates. This is challenging the transition from an investment- and export-led economy to one supported by increasing domestic demand. While we do not expect an economic or financial crisis in the coming quarters, neither do we anticipate a meaningful pickup in growth or sentiment.

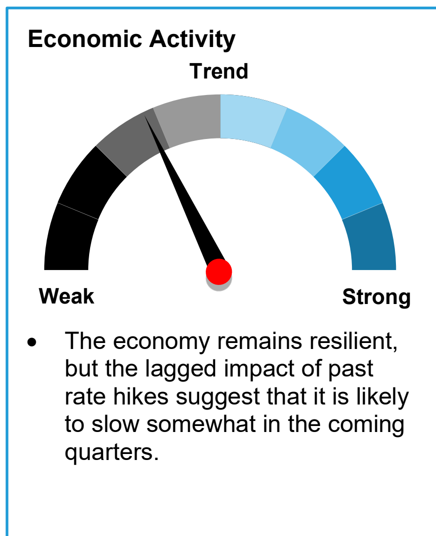
Beyond China, there's room for optimism in emerging markets (EM). India, for example, has exceeded our expectations, resulting in better overall growth for EM economies. Policy easing is already underway in several major EM economies, and we expect it to boost both growth and sentiment in EM over the coming quarters.

Of course, as 2024 progresses it won't be economic variables alone that drive financial markets. Political and policy risk are very elevated and will intensify in the coming months. The headline risk is the US political cycle; public pronouncements about both trade

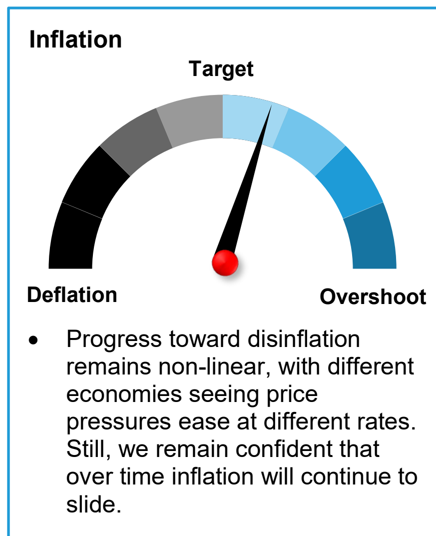
and fiscal policies could rattle the global political economy. But it isn't only the US where elections will matter in 2024. More than half of the world's population will go to the polls this year, and we have already seen meaningful—and impactful—outcomes from elections in some countries.

Financial markets remain relatively sanguine, and we generally share the optimism reflected in asset prices. History suggests that political volatility tends to deliver more headlines than meaningful economic or financial market impact. This time could be different, of course, and we will continue to monitor political developments all year. But for now, the combination of a likely economic soft landing and market confidence that policymakers stand ready to provide support if necessary has pushed equity indices higher. While the pace of gains is likely to slow as the year progresses, it's encouraging to see markets focus more on economics than politics. Bond yields are also up, though we view the move as more reflective of changing expectations around the timing of rate cuts than an increase in long-term optimism about growth. As inflation continues to fall, we expect bond yields will do the same, benefiting fixed-income strategies that have lagged equity returns of late.

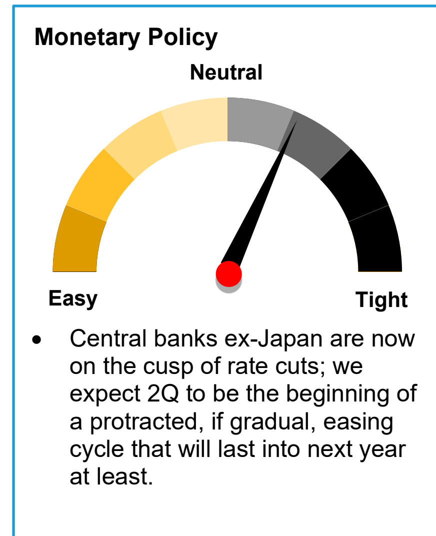
Global Macro Outlook: The Next Six Months



- The economy remains resilient, but the lagged impact of past rate hikes suggest that it is likely to slow somewhat in the coming quarters.



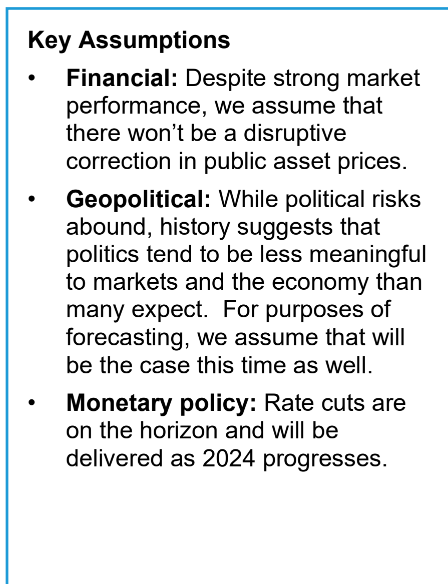
- Progress toward disinflation remains non-linear, with different economies seeing price pressures ease at different rates. Still, we remain confident that over time inflation will continue to slide.



- Central banks ex-Japan are now on the cusp of rate cuts; we expect 2Q to be the beginning of a protracted, if gradual, easing cycle that will last into next year at least.

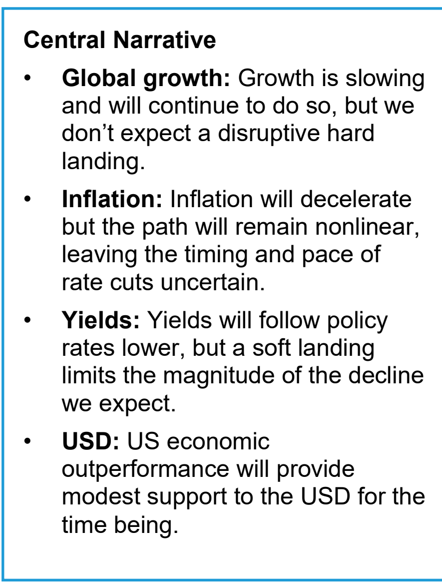
Global Forecast

Forecast Overview



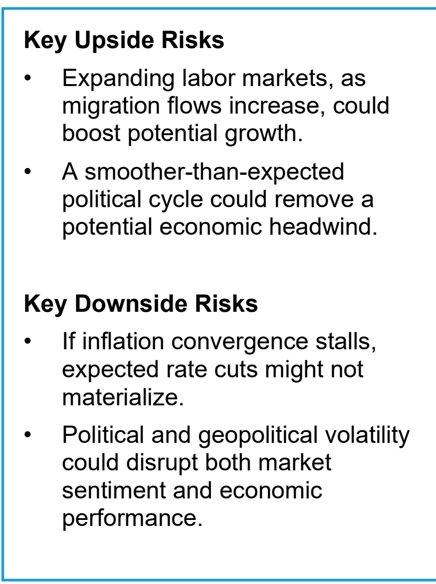
Key Assumptions

- **Financial:** Despite strong market performance, we assume that there won't be a disruptive correction in public asset prices.
- **Geopolitical:** While political risks abound, history suggests that politics tend to be less meaningful to markets and the economy than many expect. For purposes of forecasting, we assume that will be the case this time as well.
- **Monetary policy:** Rate cuts are on the horizon and will be delivered as 2024 progresses.



Central Narrative

- **Global growth:** Growth is slowing and will continue to do so, but we don't expect a disruptive hard landing.
- **Inflation:** Inflation will decelerate but the path will remain nonlinear, leaving the timing and pace of rate cuts uncertain.
- **Yields:** Yields will follow policy rates lower, but a soft landing limits the magnitude of the decline we expect.
- **USD:** US economic outperformance will provide modest support to the USD for the time being.



Key Upside Risks

- Expanding labor markets, as migration flows increase, could boost potential growth.
- A smoother-than-expected political cycle could remove a potential economic headwind.

Key Downside Risks

- If inflation convergence stalls, expected rate cuts might not materialize.
- Political and geopolitical volatility could disrupt both market sentiment and economic performance.

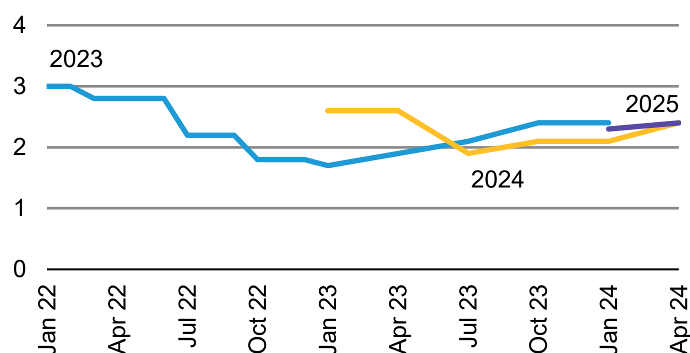
AB Growth and Inflation Forecasts (Percent)

	Real GDP Growth		CPI Inflation	
	2024	2025	2024	2025
US	1.5	1.8	2.6	2.3
Euro Area	0.4	0.8	2.2	1.9
Japan	1.0	1.0	2.0	1.8
China	4.5	4.3	1.5	1.8
Global	2.4	2.4	3.1	3.3
Industrial Countries	1.4	1.3	2.4	2.1
Emerging Countries	3.8	3.9	6.6	4.9
EM ex China/Russia	3.3	4.0	12.2	8.5

*US GDP forecasts presented as 4Q/4Q; others YoY; US CPI reflects core inflation; others are headline.
As of January 2, 2024
Source: AB

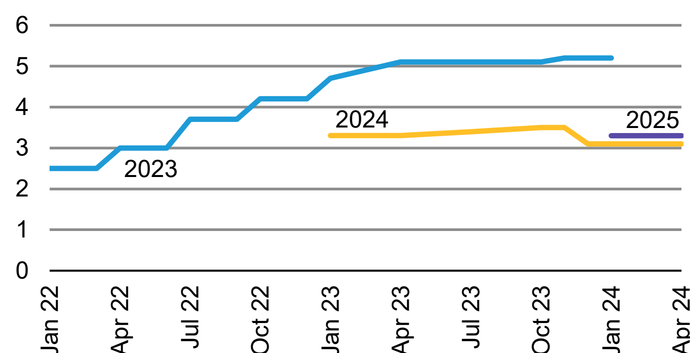
Forecasts Through Time

AB Global Growth Forecasts by Vintage



As of April 2, 2024
Source: AB

AB Global Inflation Forecasts by Vintage



As of April 2, 2024
Source: AB

US

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)	
	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
US	1.5	1.8	2.6	2.3	4.63	3.63	3.75	3.63

- The US economy continued to expand smartly in 1Q, buoyed by a robust labor market that continued to benefit from increased migration flows. More workers equals more productive capacity and more consumption, a virtuous loop that has provided the underpinning of strong economic performance over the past few quarters.
- The supply-side boost from a larger labor force has contributed to disinflation as well, though that process slowed in 1Q. We remain confident that price pressures will continue to ease, but 1Q was a timely reminder that the process will be bumpy.
- The slowing of disinflation prompted the market to lower monetary easing expectations for 2024.This brought market pricing more in line with our own more modest expectations for rate cuts. With growth stable and a soft landing likely, the Fed doesn't have to rush into easing. We do expect rate cuts, just not as many as were priced in when inflation was falling more rapidly late last year.

Risk Factors

- Much hinges on disinflation. We view 1Q's slower progress as a bump in the road but, if it proves more durable, it could delay rate cuts significantly, which would likely be quite disruptive to financial markets.

- The upcoming election cycle is an obvious risk. While history says that the impact of elections on the economy and on markets is overblown, the policy differences between the parties seem larger than typical, which could lead to increased economic volatility as well.

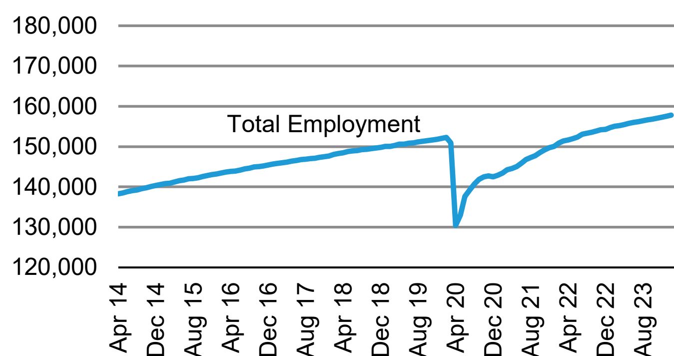
Overview

The first quarter served as a timely reminder that progress toward normalized inflation will be bumpy. After accelerating in late 2023, disinflation slowed in 1Q 2024, clearly demonstrating the back-and-forth pattern likely to prevail in the coming months. The underlying details of the data suggest that price pressures will continue to ease, but it will be important to maintain a longer-term lens in assessing progress; this is simply going to take time. Fortunately, the growth picture is solid enough that the Fed can be patient without worrying about tipping the economy into recession. Recently released data suggest that migration flows have boosted the labor force in a way that has helped keep the expansion humming. We expect it to continue, with a caution: even after upgrading our forecast to keep pace with the data, we still expect a few quarters of growth below the long-run average.

Because growth will likely slow and inflation should fall further, we expect the Fed to start cutting rates in the next few months then proceed gradually toward an equilibrium rate of around 3.0%, which should be reached sometime in the next couple of years. This is an extended and gradual cycle by historical standards, but we also forecast an extended expansion.

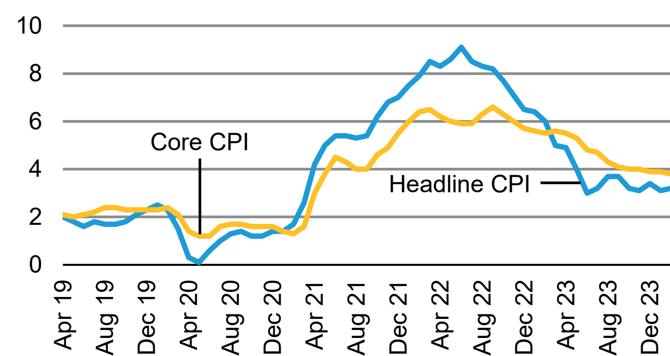
As with any forecast, however, there are risks in many directions. While elections are the dominant topic, we believe the greater economic risk remains the inflation outlook. If inflation doesn't fall further, the rate cuts currently expected both by policymakers and the market may not come to fruition. That would imply a significant rise in yields that could prove disruptive both to the economy and to financial markets.

Total Employment



As of February 29, 2024
Source: AB

US CPI and Core CPI (1Q/1Q)



As of March 31, 2024
Source: AB

China

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)		FX Rates vs. USD	
	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
China	4.5	4.3	1.5	1.8	1.50	1.50	2.00	2.36	7.4	7.5

Outlook

- China's economy remains sluggish, with a combination of structural and cyclical factors weighing on growth. Weakening demographics and insufficient social safety nets have prodded the population to save at an elevated rate, confounding efforts to spur consumption.
- A lack of trust in financial markets has left the property sector as one of the primary repositories of savings, meaning that authorities cannot let the property sector delever meaningfully without harming already-weak local sentiment. Neither, however, can it reflate the sector without further adding to what are already obvious imbalances.
- The net results look a lot like stasis: growth will slow but only gradually, tension in the property sector will remain and authorities will have to remain attentive to risks that could push the economy into a steeper downturn.

Risk Factors

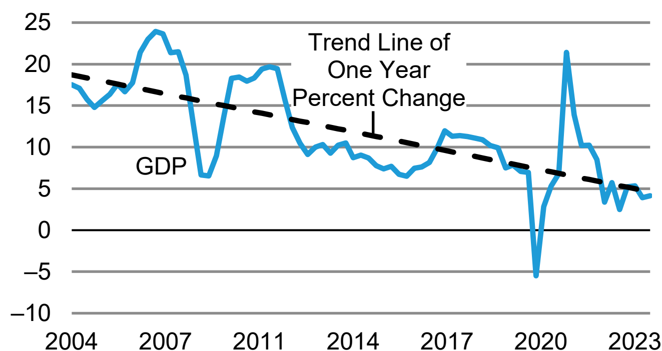
- The state-driven nature of China's economy means that the skill and adaptability of policymakers will be critical in ensuring stability for some time to come. So far so good, but past performance is no guarantee of future results.
- Geopolitical tensions could make it even more difficult for China to manage its economy. Trade is still a significant variable, and trade policy makes the US elections an important risk for China.

Overview

The outlook for China's economy remains tepid. Growth isn't collapsing, and if anything may have gained some momentum in 1Q But the medium- and long-term outlooks both point toward slower growth. An aging population and a declining number of workers relative to retirees will strain the country's infrastructure over time and is already impacting growth. Younger Chinese save at a rate well above their western peers. This is significantly challenging China's needed transition from a heavy industry and export-oriented economy to a more balanced one in which private demand plays a larger role.

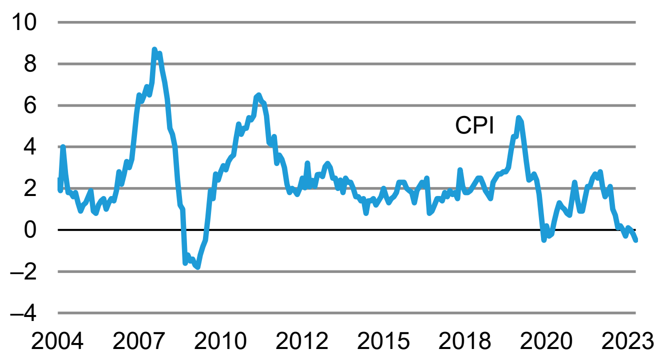
The good news is that policymakers have been up to the task of managing that transition and fixing cracks in the market and economy as they emerge. And, with significant financial resources and outsized influence over economic actors in their control, our base case is that policymakers will continue to be successful at managing the ongoing slowdown. In the next few decades, China may not be the driver of global growth that it was over the last couple. But we expect it to avoid the sort of negative outcome that could prove more broadly disruptive.

China GDP



As of January 2, 2024
Source: LSEG Datastream

China Inflation



As of January 2, 2024
Source: LSEG Datastream

Euro Area

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)		FX Rates vs. USD	
	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
Euro Area	0.4	0.8	2.2	1.9	3.00	2.25	1.90	2.30	1.06	1.1

Outlook

- Euro-area inflation confirmed its solid downward trend in 1Q. The main drivers of disinflation are increasingly located in food and core prices as anticipated, a welcomed evolution.
- Real GDP growth has shown an interesting divergence between the core and the periphery, with the former still exhibiting weaknesses. That said, private consumption, the main growth engine, remains subdued across the region and is likely to keep growth in weak territory in the first half of the year.
- With disinflation proceeding and growth far from its potential, we expect ECB cuts, starting in June— in line with what bankers have communicated—as they gather the last pieces of convincing information.

Risk factors

- Risks are rather tilted to the downside on both growth and inflation. On growth, we continue to expect consumption to rebound and support activity, although not robustly. In that context, core inflation has even more room to ease.
- While we align with consensus market pricing on the extent of cuts this year, the ECB could be pushed to cut by more than what's currently priced in for the next two years, which would also move yields lower.

Overview

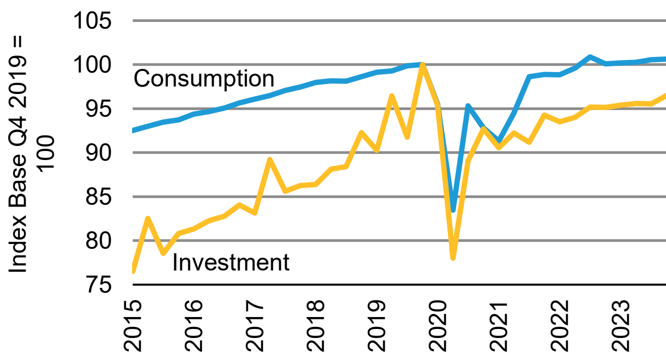
Disinflation continued at a steady pace, confirming the downward trend first triggered last year. While the energy drag is slowly dissipating, food prices continue to normalize and remain a strong disinflationary driver. More importantly, price pressures from core inflation are increasingly driving the process. While core goods prices play a major role, momentum in core and services inflation eased quite significantly, with some of these measures already back to the 2% target. Short-term volatility aside, services inflation will continue to edge down in a context of subdued economic growth.

Confounding most expectations, a recession was again avoided at the end of 2023, but growth was flat in the fourth quarter. That weak momentum carried into the first quarter, throughout which we expect growth to remain subdued. While the periphery has outperformed, core countries are still laggards, especially Germany, and will continue to pull the region down. More optimism is expected for the

second half of the year as inflation continues to run down and the rate cutting cycle starts. That said, we continue to expect a modest recovery in activity, as investment remains knocked out and the scarring effects of high inflation will limit the rebound in private consumption. The latter has recovered to pre-pandemic levels but has moved sideways lately.

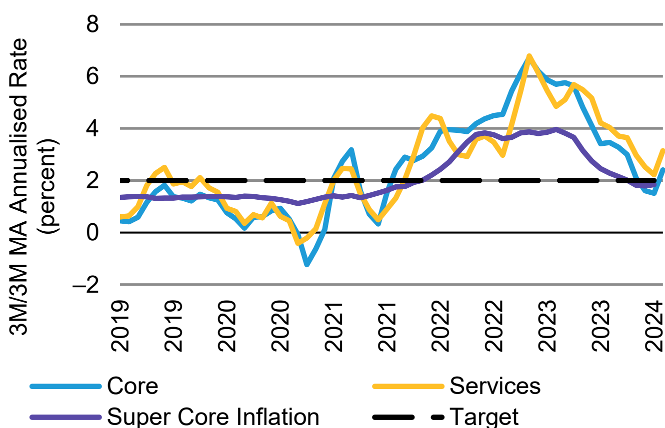
The environment has now become very favorable for the ECB to set off the cutting cycle. Few doubts, if any, remain about persistence in domestic price pressures and growth remains on the weaker side. We expect cuts to start in June and proceed steadily this year. Growth is expected to accelerate further in 2025 while inflation settles at target. So, the pace of cuts will decelerate, with lowered rates settling at a slightly higher level of neutral. However, if growth doesn't level up as much as expected and inflation undershoots the target by a significant margin, the path to neutral could be more aggressive with policy rates reaching levels lower than currently expected by markets.

Eurozone Private Demand



As of April 2, 2024
Source: Haver, Eurostat and AB

Eurozone Core Inflation



As of April 2, 2024
Source: Haver, ECB and AB

UK

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)		FX Rates vs. USD	
	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
UK	0.3	0.7	2.4	1.9	4.25	3.25	3.6	4.00	1.30	1.35

Overview

In the UK, further acceleration in the disinflationary process was the main highlight in 1Q. The energy drag remains powerful while food inflation is rapidly dropping to pre-pandemic levels. Core price pressures also continued to ease, but mainly on the back of lower core goods prices. Services inflation remains high at 6.1% YoY, reflecting more forceful second-round effects in the UK that are naturally taking longer to unwind compared with the eurozone. Nonetheless, disinflation is still in the pipeline and stronger evidence of further easing is starting to emerge. In particular, the labor market, with which the dynamic in services prices is correlated, is increasingly more sluggish with wage growth easing further. We expect this trend to continue and therefore assist services inflation moderation.

Meanwhile, the UK ended last year on a mild recession, driven by weaknesses in domestic private demand affected by tightening monetary policy. Recent indicators suggest that the recession is behind them, and we expect a gradual recovery this year with a further acceleration in 2025. Lower inflation should allow consumption to recover, although this will be subdued as the jobs market is simultaneously cooling off and will be less supportive. Overall, the pickup in growth will be restrained while inflation continues to make its way down. In that context, we think the BoE will be confident enough to start cutting its bank rate this year. Given that the metrics of main interest, services prices and wage growth remain elevated, the BoE will likely continue to favor patience and start cutting in 2Q.

Japan

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)		FX Rates vs. USD	
	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
Japan	1.0	1.0	2.0	1.8	0.25	0.50	0.75	1.00	145	140

Overview

Japan's efforts at reflation have been successful enough that the BOJ moved away from negative interest rates and yield curve control in 1Q. Still, there is some time to go before the central bank will be confident that deflation is truly a thing of the past. As a result, policymakers will proceed only very slowly with any additional rate hikes. We think one is possible by year end, but even that is uncertain. In the meantime, the massive divergence between Japanese interest rates and those in other markets is keeping the yen on the back foot for now. That will help push inflation higher in the here and now, but it is also a subject of domestic political discomfort.

Emerging Markets

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)		FX Rates vs. USD	
	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
EM ex China/Russia	3.3	4.0	12.2	8.5	12.21	8.84	7.04	7.32	—	—
Asia	4.8	4.9	3.4	3.4	4.34	4.08	4.76	4.85	—	—
LATAM	1.1	2.2	22.5	12.0	21.58	12.49	8.76	8.35	—	—
EEMEA	2.1	2.3	15.8	12.0	17.68	13.14	6.77	7.14	—	—

Outlook

- Economic growth remains surprisingly resilient. We upgraded our growth forecast for EM excluding China and Russia during the first quarter from 3.0% to 3.3% for 2024 on the back of strong growth momentum in India specifically (see first display below). We expect the robust growth momentum to also continue in 2025.
- While the improved global growth outlook appears narrow (India and US), there are many green shoots as rate cuts to date (in EM) and the expectation of more through 2024 (in EM and DM) are lifting animal spirits. We think EM regions that effectively drive fiscal stability/consolidation to complement monetary policy easing could outperform in 2024.

Risk Factors

- EM elections in the first quarter have shaped markets, and some of the elections that are scheduled for the second quarter could have similar impact.
- If global inflation remains high, the synchronized easing we expect to support EM assets may not materialize.

Overview

The global economy is not out of the woods yet, but some of the most disruptive scenarios—a hard landing or stagflation—are drifting off radar. Our baseline expectation of synchronized monetary easing in DM through the second half of the year should support cyclical recovery and riskier EM assets. The primary risk for EM might be, therefore, that the US economy continues to outperform, that US rates remain relatively high, and that the US dollar strengthens. The fundamental tailwinds from a global cyclical recovery might thus be counterbalanced by headwinds from extended US exceptionalism. This scenario (extended US exceptionalism) would, in our view, weigh disproportionately on the high-yield (HY) segment of the EM credit market.

HY credit outperformed meaningfully in the first quarter. The outperformance was largely due to idiosyncratic developments in a few distressed sovereign-debt markets (Argentina, Ecuador, Egypt and Pakistan). In all of these countries, political/policy shifts expanded financing sources. In Argentina, the new Milei administration implemented policy measures to correct macro imbalances. These included a sharp depreciation of the currency, cuts in subsidies and transfers to provinces, and import restrictions which supported reserve accumulation. Ecuador's new president successfully instigated structural fiscal reforms with an IMF program now likely. Egypt raised policy rates significantly and allowed the currency to adjust to market forces. The country received meaningful inflows (including an investment from the UAE to the tune of $35 billion and an augmentation of the IMF financing arrangement). Pakistan's fractious election resulted in a coalition government which swiftly reached staff-level agreement with the IMF on the final review of the program, resulting in a disbursement of about U$1 billion. The next step is for the coalition government to forge a follow-on program, which would require further fiscal and monetary policy reform and deeper power sector and State Owned Enterprise consolidation.

But following these idiosyncratic reratings, HY credit spreads might need a new catalyst to further close in on investment grade (IG) spreads. EM sovereign credit markets now seem to be broadly in sync with the US dollar cycle (see second display below). If the benign baseline macro-outlook plays out, and the risk of extended US exceptionalism (US dollar strength) fades, then we would expect inflows into EM assets after an extended period of drawdowns. That could lift EM assets and fuel HY/IG credit spread compression.

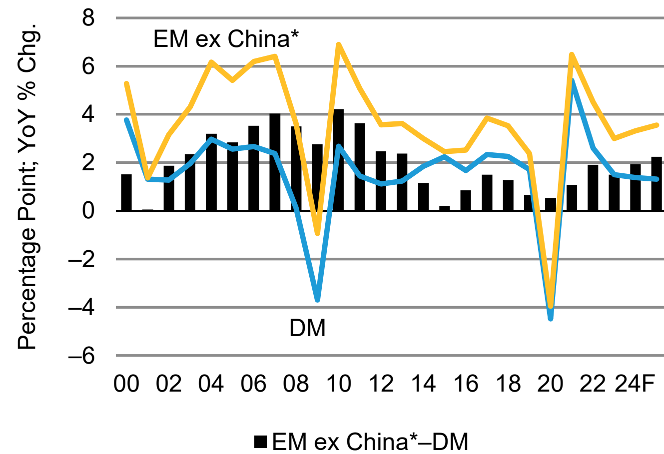
India's election cycle will be drawn-out as the seven-phase general elections will stretch from April 19 to June 1, with results expected June 4. But it seems very likely that Prime Minister Narendra Modi will secure a third term and that the ruling Bharatiya Janata Party (BJP) could gain seats in Parliament and in the process expand its geographical representation. Prime Minister Modi and the BJP believe that this would provide them with a stronger mandate to pursue more ambitious economic and administrative reforms.

South Africa's election will be held on May 29. This is a particularly important election from a market perspective because support for the ruling African National Congress (ANC) is likely to fall to below 50% (from 57.5% in 2019). This would set the stage for potentially fractious coalitions with varying policy implications. If the ANC gets between 45% and 50% of votes, members should be able to form a

coalition with small parties without really relinquishing power or changing the policy trajectory. But if ANC support falls below 45%, it would either have to side with one of the larger parties or forge a government of national unity. The shape and the size of a coalition / national unity government are likely to be important drivers of South African asset prices.

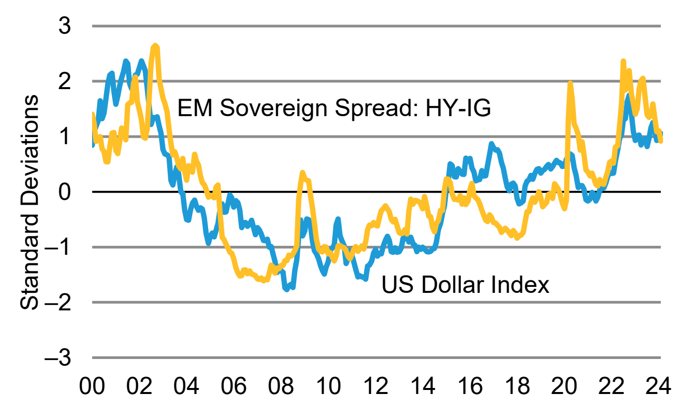
The general elections in Mexico will take place on June 2. Voters will elect a new president for a six-year term, all 500 members of the Chamber of Deputies and all 128 members of the Senate of the Republic, as well as state-level candidates. Claudia Sheinbaum from the incumbent's MORENA party is leading the polls by a wide margin over Xochitl Galves representing a coalition of opposition parties. While no major changes in policymaking are expected under Sheinbaum, the configuration of Congress will dictate whether deeper structural changes could be tackled. Decreasing Pemex reliance on government support, a tax reform, and cuts in social spending, will be investors' focus for the new term.

Real GDP Growth



*Also excludes Russia from 2022
As of January 4, 2024
Source: Bloomberg, Haver Analytics and AB

EM High-Yield Sovereign Spreads vs. US Dollar



As of March 22, 2024
Source: Bloomberg, Haver Analytics and AB

Forecast Table

	Real Growth (%)		Inflation (%)		Official Rates (%)		Long Rates (%)		FX Rates vs. USD	
	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
Global	2.4	2.4	3.1	3.3	5.05	3.88	3.42	3.59	—	—
Global ex Russia	2.4	2.4	4.1	3.3	4.89	3.77	3.50	3.68	—	—
Industrial Countries	1.4	1.3	2.4	2.1	3.72	2.94	2.93	3.04	—	—
Emerging Countries	3.8	3.9	6.6	4.9	6.94	5.20	4.14	4.38	—	—
EM ex China	3.2	3.5	11.6	7.9	12.19	8.57	6.26	6.33	—	—
EM ex China/Russia	3.3	4.0	12.2	8.5	12.21	8.84	7.04	7.32	—	—
US	1.5	1.8	2.6	2.3	4.63	3.63	3.75	3.63	—	—
Percent of Year-over-Year Methodology	2.2	1.7								
Canada	0.7	1.3	2.4	2.2	4.00	3.25	3.25	3.25	1.38	1.38
Europe	0.4	0.8	2.2	1.9	3.22	2.47	2.20	2.65	1.10	1.16
Euro Area	0.4	0.8	2.2	1.9	3.00	2.25	1.90	2.30	1.06	1.10
UK	0.3	0.7	2.4	1.9	4.25	3.25	3.60	4.00	1.30	1.35
Japan	1.0	1.0	2.0	1.8	0.25	0.50	0.75	1.00	145	140
Australia	1.8	2.0	2.8	2.2	4.10	3.35	3.60	3.35	0.68	0.70
New Zealand	1.4	1.6	2.5	2.3	5.25	4.25	4.25	4.25	0.63	0.65
China	4.5	4.3	1.5	1.8	1.50	1.50	2.00	2.36	7.40	7.50
Asia Ex Japan & China	4.8	4.9	3.4	3.4	4.34	4.08	4.76	4.85	—	—
Hong Kong	3.5	2.7	2.2	2.2	5.75	5.75	3.80	3.85	7.85	7.85
India	7.0	6.8	5.0	4.8	6.00	5.50	6.50	6.50	82.0	82.0
Indonesia	4.9	5.0	3.1	3.0	5.25	4.75	6.50	6.50	15,600	15,200
Korea	2.2	2.2	2.4	2.0	3.00	2.40	2.90	2.50	1,265	1,220
Thailand	2.8	3.4	1.1	1.8	2.10	1.85	3.00	2.40	34.4	33.5
Latin America	1.1	2.2	22.5	12.0	21.58	12.49	8.76	8.35	—	—
Argentina	–4.0	2.0	160.0	80.0	120.00	60.00	—	—	1,500.0	2,000.0
Brazil	1.6	2.0	3.8	3.4	9.00	7.50	9.75	8.75	4.80	4.85
Chile	2.0	2.5	3.3	3.7	4.00	4.00	5.35	5.50	975	1,000
Colombia	1.5	2.5	6.4	3.9	9.00	6.00	9.25	8.50	4,250	4,500
Mexico	2.1	2.0	4.3	3.7	9.00	6.00	8.50	8.00	18.0	18.5
EEMEA	2.1	2.3	15.8	12.0	17.68	13.14	6.77	7.14	—	—
Hungary	2.1	3.3	4.1	4.0	5.50	4.50	5.70	5.50	410	380
Poland	2.5	3.5	4.5	4.3	5.25	4.75	4.60	4.40	4.45	4.30
Russia	1.9	1.0	6.0	5.0	12.00	10.00	—	—	95.0	95.0
South Africa	1.0	1.7	5.0	4.8	7.75	7.25	10.90	10.75	18.4	18.0
Turkey	3.0	3.4	55.7	34.0	50.00	30.00	22.00	20.00	38.00	42.00

Growth and inflation forecasts are calendar year averages except US GDP, which is forecast as 4Q/4Q. Interest-rate and FX rates are year-end forecasts.
Long rates are 10-year yields unless otherwise indicated.
The long rates aggregate excludes Argentina and Russia; Argentina is not forecast due to distortions in the local financial market; Russia is not forecast because the local market is inaccessible to foreign investors.
Real growth aggregates represent 29 country forecasts, not all of which are shown.

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