6 April 2018

Emerging Markets Briefer

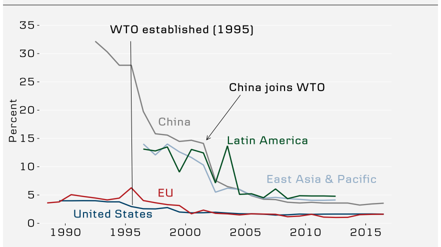
Trade war casts shadows

After the inflation scare in early February, the fear of a global trade war has occupied financial markets. 'Phase two' of the US-China trade conflict is now over and we are starting to enter more uncharted waters. Both 'Phase one', with tariffs on steel and aluminium, and 'Phase two', with the latest round of Donald Trump tariffs in defence of US technology and China's retaliation, have been running according to the script that has been laid out by Trump and China over the past seven to eight months. We see two possible scenarios: (1) negotiations and a 'grand bargain' and (2) Donald Trump strikes back again and we enter a trade war (*Two scenarios for the US-China trade conflict*, 4 April 2018). Scenario 1 is the most likely in our view, which should eventually lead to relief in financial markets.

In the base case of limited escalation from here, we expect that emerging markets (EM) will do fine. However, a more pronounced and widespread trade war will hit global growth and hurt the export-dependent emerging markets, notably in the Asian region, which is exposed to the US both directly and indirectly through the global value chain going through China. Indeed, Asian currencies were the main losers against the USD after the tariff announcement together with LATAM currencies like Uruguay, Brazil and Colombia as well as Turkey, while waning concerns about an immediate NAFTA push supported the MXN. Currently emerging markets are less exposed to the trade war, as internal trade has surged in the past years. **While there are signs of the business cycle softening, solid macro fundamentals provide a good cushion**: PMIs in both emerging markets and advanced economies are softening, but remain firmly above 50.0 in many cases. We continue to expect a slowdown in China's leading indicators and soft monetary tightening across developed economies, which would limit emerging market growth.

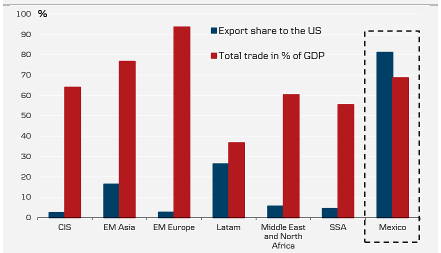
Mixed geopolitical outlook. Russia's increasing stand-off with the West is the main factor weighing on the RUB. On the other hand, the North Korean situation is moving in the right direction, fuelling Asian currencies. We are fundamentally bullish on the EM-enhancing regional stories such as Central and Eastern European countries, the Baltics and Russia. Historically low inflation across many emerging markets is still providing room for monetary easing and supporting economic growth, as we discussed in our note *The remarkable decline in emerging market inflation: facts and investment implications*, 27 February 2018. We remain positive on EM FX in the medium and long term particularly.

Trade liberalisation has opened up China and other emerging markets over the past 30 years, narrowing the gap to advanced economies



Source: Bloomberg data, Macrobond Financial, Danske Bank

Emerging markets have become less dependent on exports to the US, trading more with each other



Source: Bloomberg data, Danske Bank

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Poland: weak inflation and a dovish NBP weigh on PLN

Macro and political outlook

- The Polish economy continues to grow strongly. In Q4, real GDP expanded by 5.1% y/y (or 1.0% q/q sa), which is the fastest growth since 2011. Indicators also point to relatively strong growth in Q1 supported by private consumption (retail sales in real terms expanded by 7.7% in February) amid low unemployment and fast wage growth (gross wage grew 6.8% y/y in February, albeit down from a growth rate of 7.3% in January) and investment (construction output increased by a whopping 31% y/y in February). External demand also remain strong. We maintain our real GDP growth projection for 2018 at 4.0% and 2019 projection 3.6%

Monetary policy outlook

- At the National Bank of Poland (NBP) meeting on 7 March, Governor Adam Glapiński signalled an even more dovish stance, suggesting the NBP rate could stay unchanged until 2020 (previously 2019). At the same time, the central bank alluded to the possibility of inflation overshooting the target. It lowered its forecast for inflation by 0.2pp to 2.7% in 2019 compared with November, mainly due to lower core inflation and energy price inflation, while raising its real GDP growth forecast to 4.2% and 3.8% in 2018-19, respectively. Admittedly actual inflation pressures remain modest, with headline CPI inflation falling to 1.3% y/y in March, down from 2.5% in November. However, this is mainly due to an energy-related base effect and we do expect inflation to pick up from May and onwards. Given the weak inflation print, financial markets have scaled back their rate-hike expectations, expecting the first hike by Q3 19, while we see the hike a bit earlier in Q1 19 (postponing it from December 2018) as we see a slightly faster rise in inflation.

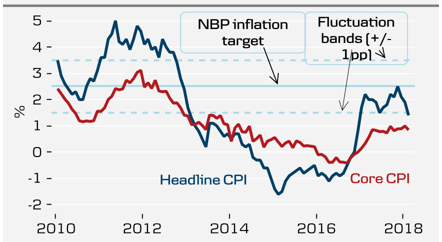
FX outlook

- After a strong start to the year, the Zloty has been hit by the deterioration in global risk sentiment, weaker than expected inflation prints and a more dovish NBP. Given these factors, we see the range for the EUR/PLN moving up to 4.18-4.23 near term. As a result, we have raised our 1M and 3M forecasts for EUR/PLN to 4.20 and 4.18, respectively (previously 4.16 and 4.14). We still expect the strong growth and rise in inflation will give support to the Zloty and therefore target the EUR/PLN at 4.14 in 6M and 4.10 in 12M (previously 4.12 and 4.08).

Risk factors

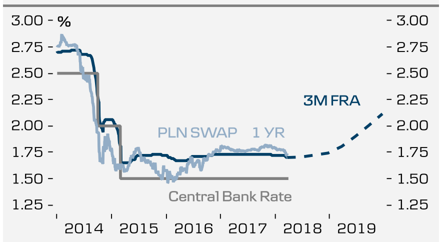
- The risk to our EUR/PLN forecast is slightly skewed to the downside. Downside risks include still strong Polish macroeconomic indicators and global risk sentiment, while heightened fears of global trade war could weigh on the Zloty.

Inflation pressures continue to remain subdued...



Source: Macrobond Financial

...hence, market expectations of the NBP hiking cycle have been scaled back recently



Source: Macrobond Financial

PLN

Credit rating:

S&P: BBB+ (stable)

Currency regime:

Free float (freely convertible)

Inflation target:

2.5% ±1pp

Macro forecasts

	2016	2017	2018	2019	2020
GDP (% y/y)	2.9	4.6	4.0	3.6	3.3
GDP deflator (% y/y)	0.4	2.0	1.9	1.8	1.8
CPI (% y/y)	-0.6	2.0	2.2	2.5	2.5
Private consumption (% y/y)	3.8	4.8	4.2	3.6	3.3
Fixed investments (% y/y)	-7.9	3.3	5.3	3.7	3.3
Unemployment (%)	8.2	7.1	6.5	6.2	6.2
Current account (% of GDP)	0.2	-0.5	-0.9	-1.5	-1.7

Source: Macrobond Financial, Danske Bank

Interest rate forecast

National Bank of Poland (NBP)		
Policy rate	1.50	
Next meeting	11/04/2018	
Next change	+25bp	Q1, 2019
End-2018	1.50	

Source: Danske Bank

FX forecasts

EUR/PLN		
	Danske	Forward
04-Apr	4.20	
+3M	4.18	4.22
+6M	4.14	4.24
+12M	4.10	4.28
USD/PLN		
	Danske	Forward
04-Apr	3.42	
+3M	3.40	3.41
+6M	3.31	3.40
+12M	3.20	3.38

Source: Danske Bank

Hungary – enjoying balanced macro

Macro outlook

- The final figure for economic growth in Q4 17 was 4.4% y/y. That was stronger than in Q3 17. This is confirmation of the strong signals coming out of Hungary throughout 2017 and expanding into 2018. However, we are not overly concerned about a potential overheating of the economy as the output gap is still in the process of closing.
- In February, retail sales grew at 6.5% y/y, and we expect industrial production to follow a similar path, which would continue the trend of late 2017. Accelerating economic growth, in our view, would increase concern about overheating, should the Hungarian central bank maintain its dovish stance going into 2019.
- The major near-term focus will be the parliamentary election on 8 April 2018. The markets will be eyeing how strong support for the current Prime Minister Viktor Orbán and his political party Fidesz will be. While his recent rhetoric has become more pro-EU ahead of the election, supporting market sentiment, a change in rhetoric afterwards would be a market mover depending on the result.

Monetary policy outlook

The Hungarian central bank (the MNB) kept rates unchanged at its March meeting and seems to be on hold for now. In February, CPI inflation fell to 1.9% y/y. With headline inflation still remaining below the central bank's 3.0% target, we do not see any imminent changes in its dovish stance but believe the strong economic growth will eventually drive up inflation, leading to a change in policy by the central bank at some point in late 2018. However, if inflation continues to struggle to reach 3.0%, this change in policy could well be a long way off. A strong HUF could also see the central bank remaining dovish for a prolonged period. We expect the first key rate increase in mid-2019, but additional liquidity tools could be still used to tighten monetary conditions if needed.

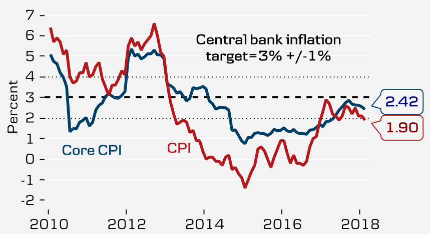
FX outlook

- Given the continued brisk economic growth, we think that a tightening of monetary policy will be factored in eventually, lending support to the HUF at some point during 2018, as we do not see the ECB raising rates before 2019.

Risk factors

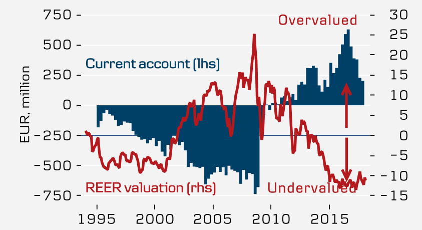
- A clear upside risk to our EUR/HUF forecast is a deterioration in global risk sentiment as well as a more hawkish ECB and any abandonment of the pro-EU stance by political forces in the next parliament.

Inflation stays far away from 3% target



Source: Macrobond Financial, Danske Bank

Sustainable CA surplus is set to support the HUF in the long term



Source: Macrobond Financial, Danske Bank

HUF

Credit rating:

S&P: BBB- (positive)

Currency regime:

Free float (freely convertible)

Inflation target:

3% (medium term)

Macro forecasts

	2016	2017E	2018E	2019E
Real GDP (% y/y)	2.2	4.0	3.9	3.3
CPI (% Dec/Dec)	0.4	2.3	2.5	2.8
Unemployment (%)	4.3	3.8	3.8	3.7
Current account (% of GDP)	6.0	2.9	3.0	2.9

Source: Macrobond Financial, Danske Bank

Interest rate forecast

Hungarian Central Bank (MNB)	
Policy rate	0.90
Next meeting	24/04/2018
Next change	+25bp 2019
End-2018	0.90

Source: Danske Bank

FX forecasts

EUR/HUF	Danske	Forward
04-Apr	311.4	
+3M	308.0	311.2
+6M	305.0	311.3
+12M	300.0	311.7

USD/HUF	Danske	Forward
04-Apr	253.19	
+3M	250.41	251.65
+6M	244.00	249.82
+12M	234.38	246.15

Source: Danske Bank

Czech Republic – CNB hiking cycle on pause for now

Macro and political outlook

- GDP growth accelerated to 4.6% in 2017 with all demand components contributing positively. The strength of the economy continues to show in the labour market, with unemployment falling further to 3.4% in February, and wage growth accelerating to 8% in Q4 17. We expect the Czech economy to continue to run on all engines throughout 2018 – driven by strong private consumption, increasing investment spending by non-financial corporations and robust export growth – but at a somewhat lower pace of 3.3% due to increasing capacity constraints and signs of peaking in business sentiment indicators.

Monetary policy outlook

- Recent inflation figures came in below the Czech National Bank (CNB) staff projections, which will reinforce the central bank's current wait-and-see mode, in our view. The CNB projects another policy rate hike only towards end-2018, but at the same time expects continued steep EUR/CZK depreciation to 24.60 by the end of 2018 and 24.50 in 2019. In line with signs of abating inflation pressures, we expect the CNB to be on hold in H1 18, but as we expect CZK to strengthen more moderately than the CNB forecast, we see potential for another 25bp hike in H2 18. Inflation dynamics over the coming months will be key for the timing of the hike.

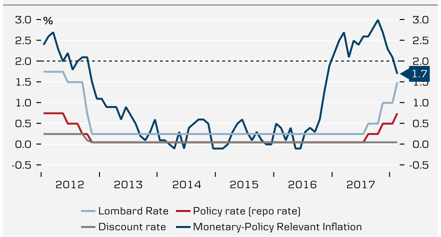
FX outlook

- Since the last edition of the EM Briefer, EUR/CZK has broken below the important level of 25.50 and we expect it to trade around current levels in the near term, as the CNB enters wait-and-see mode. We expect CZK to continue with its gradual appreciation path over the medium term based on robust Czech economic fundamentals and relative monetary policy divergence. But with the CNB on hold and the ECB moving towards normalisation by year end, there will be less support from the latter factor going forward, which is also why we expect a more gradual EUR/CZK depreciation pace compared to the CNB forecasts. However, given the possibility of another CNB hike in H2 18, we stress that the risk to our long-term forecasts lie on the downside. Overall, we keep our forecasts for EUR/CZK unchanged at 25.40 in 1M, 25.40 in 3M, 25.10 in 6M and 25.00 in 12M.

Risk factors

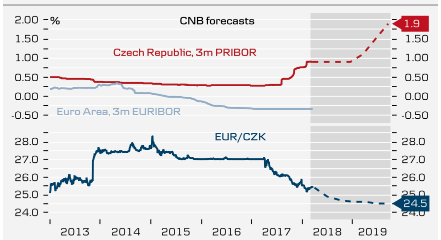
- Given the sizable amount of long CZK positions accumulated in the market prior to the floor exit, EUR/CZK is still vulnerable to sudden moves. In our view, a risk for the Czech economy is whether the CNB gets the timing of the hiking cycle right in order to avoid on the one hand an overheating of the economy and on the other too sudden a slowdown.

Inflation pressures have abated, reinforcing CNB's wait-and-see mode



Source: Macrobond Financial, Danske Bank

CNB projects another hike only in Q4 18, but steep CZK appreciation



Source: Macrobond Financial, Danske Bank

CZK

Credit rating:

S&P: AA- (stable)

Currency regime:

Managed float

Inflation target:

2% ±1pp

Macro forecasts

	2016	2017	2018	2019
GDP (% y/y)	2.5	4.6	3.3	3.1
GDP deflator (% y/y)	1.2	1.3	2.0	2.0
CPI (% y/y)	0.7	2.5	2.0	1.9
Private consumption (% y/y)	3.6	4.0	3.1	3.1
Fixed investments (% y/y)	-2.5	5.8	3.5	3.1
Unemployment (%)	5.4	4.1	3.7	3.6
Current account (% of GDP)	1.1	0.8	0.7	0.7

Source: Macrobond Financial, Danske Bank

Interest rate forecast

Czech National Bank (CNB)		
Policy rate	0.75	
Next meeting	03/05/2018	
Next change	+25bp	Q4, 2018
End-2018	1.00	

Source: Danske Bank

FX forecasts

EUR/CZK		
	Danske	Forward
04-Apr	25.32	
+3M	25.40	25.35
+6M	25.10	25.38
+12M	25.00	25.41
USD/CZK		
	Danske	Forward
04-Apr	20.59	
+3M	20.65	20.50
+6M	20.08	20.37
+12M	19.53	20.07

Source: Danske Bank

The Baltics – solid economic growth in 2017

- Estonia demonstrated the strongest GDP growth of 4.8% among Baltic countries last year, followed by Latvia and Lithuania, which saw expansion of 4.5% and 3.8% respectively. All three countries continued to experience falling unemployment, high wage growth, as well as robust domestic demand and expansion in exports.
- Solid economic performance was achieved despite the acceleration in inflation. Price growth of 2.9% in Latvia and 3.7% in Lithuania was the highest in six years, while 3.6% inflation in Estonia was the highest since 2011. However, since the end of 2017 inflation has been on a downward path and is expected to be lower throughout 2018.

Estonia

- Investment activity remained the main contributor to economic growth in Estonia last year, as it expanded by 13.6%. Investment boomed after four consecutive years of contraction, mainly affected by greater EU funding, high capacity utilisation rates and improving business sentiment. Private consumption in real terms expanded by only 2% and was negatively affected by higher inflation.
- Estonian exports expanded by only 3% last year and were negatively affected by the significant contraction of exports of electronic products, which is the key export category and which declined by 15%.

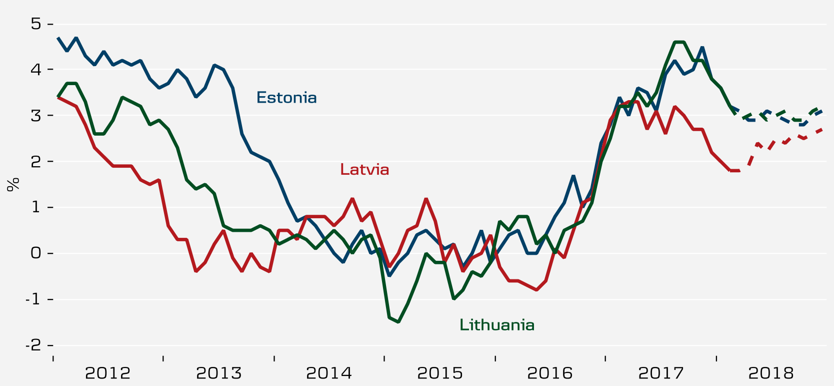
Latvia

- Accelerated wage growth in Latvia was the main reason behind 5% expansion of private consumption, the strongest in four years. Another factor behind economic growth was the surge in investment activity (+16%), which took place after the sharp fall in 2016.
- Having slowed down in the middle of the year, Latvian exports rebounded again in the last quarter leading to total annual growth of 4.4%. The most significant annual increases were recorded to Russia, the US and Germany.

Lithuania

- Lithuania was the export leader in the EU last year – its exports having expanded by 13.1%. The result was driven by a recovery in demand in both European markets and Russia, as well as by active foreign direct investment oriented towards manufacturing and exports.
- Despite the slow-down in Q3, private consumption ended strong in Q4 and brought total annual growth to 4.1% last year. We also saw fixed investment expanding by 7.4% after a small dip in 2016.

Inflation already coming down after the peak reached in 2017



Source: Eurostat, Danske Bank estimates

Estonia

Credit rating: S&P: AA- (stable)

Currency: EUR since 1 January 2011

	2016	2017	2018	2019
GDP (% y/y)	2,1	4,8	3,2	3,3
HICP inflation (% y/y)	0,8	3,6	3,0	3,0
Private consumption (% y/y)	4,1	2,0	2,9	3,2
Fixed investment (% y/y)	-2,8	13,6	6,3	6,9
Exports (% y/y)	4,1	3,0	3,6	3,8
Gross wage growth (% y/y)	7,3	6,9	7,4	7,8
Unemployment (%)	6,8	5,8	5,7	5,6

Source: Macrobond Financial, Danske Bank

Latvia

Credit rating: S&P: A- (positive)

Currency: EUR since 1 January 2014

	2016	2017	2018	2019
GDP (% y/y)	2,1	4,5	3,4	3,3
HICP inflation (% y/y)	0,1	2,9	2,3	2,9
Private consumption (% y/y)	3,4	5,0	4,5	4,2
Fixed investment (% y/y)	-11,7	16,0	6,8	7,2
Exports (% y/y)	4,1	4,4	3,8	3,5
Gross wage growth (% y/y)	5,0	7,9	8,1	8,5
Unemployment (%)	9,6	8,7	8,1	7,6

Source: Macrobond Financial, Danske Bank

Lithuania

Credit rating: S&P: A (stable)

Currency: EUR since 1 January 2015

	2016	2017	2018	2019
GDP (% y/y)	2,3	3,8	3,5	3,4
HICP inflation (% y/y)	0,7	3,7	3,1	3,2
Private consumption (% y/y)	5,6	4,1	3,9	3,8
Fixed investment (% y/y)	-0,5	7,4	7,7	7,4
Exports (% y/y)	3,5	13,1	5,3	4,7
Gross wage growth (% y/y)	7,9	8,2	7,8	8,4
Unemployment (%)	7,9	7,1	6,9	6,6

Source: Macrobond Financial, Danske Bank

Russia: steady macro amid geopolitical tensions

Macro outlook

- Russia's economy continues to grow, although it would seem to be challenging to exceed significantly a 2.0% potential output level in the near-term. In 2017, the economy expanded 1.5% y/y versus a 0.2% y/y contraction a year earlier. Looking at the Q4 17 growth components, construction and retail were leading sectors, while agricultural production and manufacturing shrank. We keep our 2018 GDP growth estimate at 2.0% y/y. We expect the economy to grow 2.1% in 2019 and 2.2% y/y in 2020.
- The presidential election in March 2018 was a non-event for the markets as broadly expected. Markets' major focus in H1 18 will be Russia's new government, which could see new liberal names prioritising domestic issues and concentrating on economic growth and reforms.
- In February 2018 the rating agency Standard and Poor's brought Russia's sovereign rating back to investment grade (BBB-) with a stable outlook. The Fitch Ratings agency has increased its outlook to positive, reaffirming Russia' investment grade. Russia's rigid fiscal discipline is set to continue through the next presidential term 2018-2024.

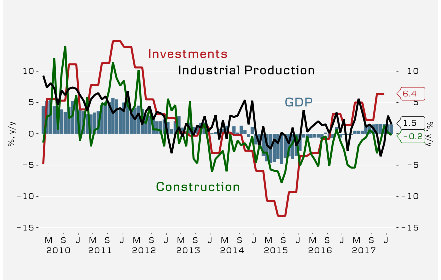
FX and monetary policy outlook

- In March 2018, the CBR cut its key rate by 25bp to 7.25% as we expected together with Bloomberg's and Reuters' consensus. We expect the CBR to continue its moderate cuts, bringing the key rate to 6.25% by end-2018, keeping real rates highly elevated.
- Inflation fell further under CBR's 4% y/y target, posting 2.2% y/y in February 2018, which is a post-Soviet all-time low. We expect inflation to accelerate slightly in 2018 staying below 4% y/y.
- We remain bullish on the RUB in the long term, as high rate differentials prevail and the domestic story supports the currency. Short- and medium-term prospects are murkier, however, as external factors such as the oil price and geopolitics put notable pressure on the RUB.

Risk factors

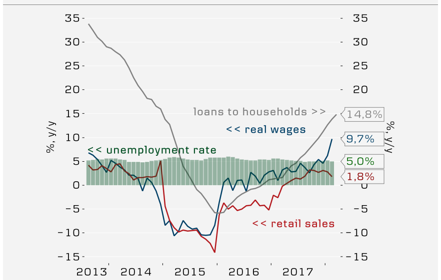
- Further geopolitical escalation is a serious short- to medium-term risk for the RUB, Russian stocks and government debt. Upside risks come from an increasing oil price and improving relations with the West.

Economic growth is set to hover around potential output



Source: Macrobond Financial, Danske Bank

Private consumption recovers on real wage and lending growth



Source: Macrobond Financial, Danske Bank

RUB

Credit rating:

S&P: BBB- (stable)

Currency regime:

Free float

Inflation target:

4%

Macro forecasts

	2015	2016	2017	2018E	2019E
Real GDP (% y/y)	-2.5	-0.2	1.5	2.0	2.1
Private consumption, real (% y/y)	-9.3	-2.9	3.3	4.0	4.9
Fixed investments, real (% y/y)	-13.3	-1.2	7.5	8.4	9.0
Brent oil price (USD, average, futures)	53.6	45.1	55.0	63.3	60.1
Brent oil price (% y/y)	-46.1	-15.9	22.0	15.2	-5.2
Exports in USD (average % y/y)	-31.2	-17.5	25.1	14.0	18.0
Imports in USD (average % y/y)	-37.4	-0.6	23.8	10.0	2.0
MosPrime 3 months rate (% average)	13.3	11.2	9.2	7.25	6.7
CPI (% Dec/Dec)	12.9	5.4	2.5	3.3	3.3
Unemployment (%)	5.6	5.5	5.2	5.1	5.0
Budget balance (% of GDP)	-2.8	-3.9	-1.7	-0.4	-0.2
Current account (% of GDP)	5.1	1.9	2.2	3.2	2.9

Source: CBR, Rosstat, Bloomberg, Macrobond Financial, Danske Bank estimates

Interest rate forecast

Bank of Russia (CBR)		
Policy rate	7.25	
Next meeting	27/04/2018	
Next change	-25bp	Q2, 2018
End-2018	6.25	

Source: CBR, Danske Bank

FX forecasts

EUR/RUB		
	Danske	Forward
04-Apr	70.85	
+3M	69.13	71.74
+6M	69.38	72.89
+12M	68.48	75.13

USD/RUB		
	Danske	Forward
04-Apr	57.61	
+3M	56.20	58.01
+6M	55.50	58.49
+12M	53.50	59.33

Source: Danske Bank

Turkey – solid growth amid weakening macro fundamentals

Macro outlook

- Turkey's economic growth continues to deliver solid figures, though slowing down to 7.3% y/y in Q4 18 from hyper-strong 11.3% y/y expansion in Q3 18. The best performers on an annual basis were the construction, agriculture and industrial sectors. Seasonally adjusted quarterly data indicate that quarterly growth came from private consumption and government expenditure.
- We expect 2018 GDP to grow to 3.5% y/y, as a high base effect will keep the expansion figures lower and the central bank is likely to remain more hawkish than we expected previously. We expect 2019 GDP growth to slow down to 3.0% y/y.
- The current account (CA) balance deficit remains a big concern in Turkey's macro fundamentals continuing in negative territory, posting a USD7.1bn deficit in February 2018 and hovering around a four-year low with significant negative impact on the TRY. We expect the current account deficit to stay in negative territory throughout 2018-19 at circa -5.0% of GDP. The current oil price level would widen the deficit and a significant fiscal expansion is a major threat to CA widening.

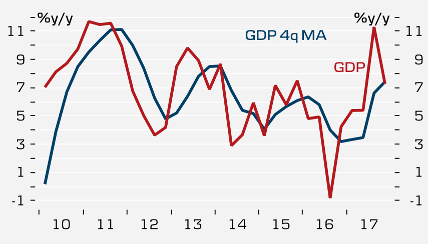
FX and monetary policy outlook

- In March 2018, Turkey's central bank (the TCMB) left its benchmark repo rate unchanged at 8.00% as we and Bloomberg consensus expected. Inflation remains in double-digit territory, not far from a multi-year high, and another significant concern that weakens the TRY. We have seen renewed pressure on the central bank by the President Recep Tayyip Erdoğan, who has recently announced that high rates are a source of 'every evil in an economy'.
- We continue to see weak prospects for the TRY in the long term, as current commodity prices weigh on the current account deficit and a hawkish Fed would put pressure on FX exposure of Turkish corporations. We remain cautious in the short- to medium-term as geopolitical woes are likely to add volatility to the pair.

Risk factors

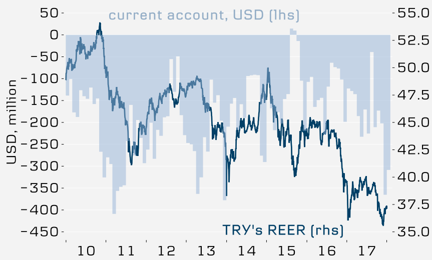
- Downside risks to our TRY forecasts are again geopolitical, if the confrontation with the US escalates. The TCMB's easing on political pressure and improving macro factors also present downside risks to our TRY forecasts. Fed monetary tightening is the general EM downside risk for the TRY.

Turkey's GDP growth continues strong



Source: Macrobond Financial, Danske Bank

Current account deficit to stay weighing on the TRY



Source: Macrobond Financial, Danske Bank

TRY

Credit rating:

S&P: BB (negative)

Currency regime:

Free float

Inflation target:

5.0% year-end 2018-20

Macro forecasts

	2015	2016	2017E	2018E	2019E
Real GDP (% y/y)	6.1	3.2	6.8	3.5	3.0
Private consumption, real (% y/y)	5.6	3.6	6.0	3.1	2.7
Fixed investments, real (% y/y)	9.1	2.4	7.0	4.0	3.2
CPI (% Dec/Dec)	7.7	7.8	11.1	8.2	7.8
Unemployment (%)	10.3	10.9	10.9	10.0	10.4
Current account (% of GDP)	-3.7	-3.8	-5.2	-5.4	-5.1

Source: Bloomberg, Danske Bank

Interest rate forecasts

C.B. of the Republic of Turkey (TCMB)		
Policy rate	8.00	
Next meeting	25/04/2018	
Next change	-25bp	2019
End-2018	8.00	

Source: Danske Bank

FX forecasts

EUR/TRY		
	Danske	Forward
04-Apr	4.92	
+3M	4.86	5.08
+6M	5.00	5.26
+12M	5.18	5.66
USD/TRY		
	Danske	Forward
04-Apr	4.00	
+3M	3.95	4.10
+6M	4.00	4.22
+12M	4.05	4.47

Source: Macrobond Financial, Danske Bank

South Africa – Ramaphosa is off to a good start

Macro outlook

- In Mid-February Cyril Ramaphosa was elected new president of South Africa. The new president has run a pro-business and anti-corruption campaign, trying to distinguish himself from the Zuma administration. In late February, he carried out a cabinet reshuffle, replacing Zuma allies with new ministers, who are more respected by markets. In mid-March the South African decided to prosecute former president Zuma for corruption. Furthermore, the important post as head of the tax agency, who had been run by a close ally of president Zuma, was been replaced. Ramaphosa has embarked on important structural reforms such as seeking to carry out land and mining reform. On 23 March, Moody's kept South Africa's investment grade rating.
- Meanwhile, the South African (SA) economy is still experiencing a modest recovery; Real GDP growth picked up speed in Q4 to 1.5% y/y from in line with consensus. The recovery is getting more broad-based with manufacturing seeing positive growth for the first time since Q3 16 and utilities also witnessing a rebound. However, retail sales have had a weak start to the year amid still high unemployment and muted real wage growth. Leading indicators, however, do paint a somewhat brighter picture.
- The stronger than expected economi recovery and reform-minded start to Ramaphosa's government will strengthen South Africa's growth prospects. As a result, we revise up our real GDP forecasts to 2.3% in 2018-19 (previously 1.9% and 2.2%, respectively), which are above Bloomberg consensus forecasts in both years.

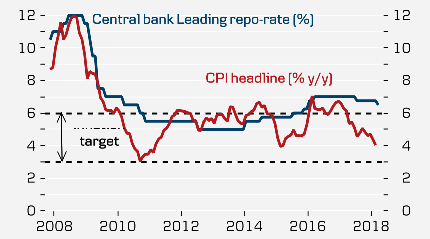
Monetary policy outlook

- The South African Reserve Bank (SARB) kept its benchmark repo rate unchanged at 6.75% at the 23 November meeting, against our expectations. Inflation pressures continue to abate, with core inflation having fallen from 6% at the beginning of last year to 4.1% in February while headline inflation was 4% that month, i.e. safely within the central bank's 3-6% inflation band. As expected, SARB lowered its policy rate by 25bp at the March meeting, and we think it will lower it another two times in 2018.

FX outlook

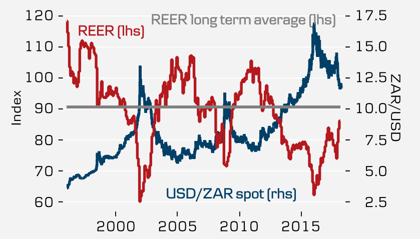
- The USD/ZAR has fallen sharply since the appointment of Cyril Ramaphosa as new ANC leader in mid-December. We think most of the positive news has been priced in. The Rand is now hovering about its long-term value, providing limited upside in the short term. Hence we think the USD/ZAR may trade around current levels over the next three months, but then see a further downside move later in the year. Our new forecast for USD/ZAR is 11.80 in 3M before falling further to 11.50 in 6M and 11.00 in 12M.

Inflation has fallen to the lower part of SARB's target range



Source: Macrobond Financial

Despite its recent strength, the ZAR is slightly undervalued



Source: Macrobond Financial

ZAR

Credit rating:

S&P: BB (stable)

Currency regime:

Free float (freely convertible)

Inflation target:

3-6%

Macro forecasts

	2016	2017	2018	2019	2020
GDP (% y/y)	0.6	1.3	2.3	2.3	2.6
GDP deflator (% y/y)	6.8	5.5	6.7	6.7	6.7
CPI (% y/y)	6.6	5.2	5.0	5.2	5.3
Private consumption (% y/y)	0.7	2.2	2.6	2.2	2.3
Fixed investments (% y/y)	-4.1	-0.1	0.7	2.0	2.3
Unemployment (%)	26.5	26.7	27.1	27.4	27.5
Current account (% of GDP)	-2.8	-2.5	-2.3	-2.4	-2.5

Source: Bloomberg, Danske Bank

Interest rate forecast

South African Reserve Bank (SARB)		
Policy rate	6.50	
Next meeting	24/05/2018	
Next change	-25bp	Q2, 2018
End-2018	5.75	

Source: Danske Bank

FX forecasts

EUR/ZAR		
	Danske	Forward
04-Apr	14.63	
+3M	14.15	14.83
+6M	14.06	15.12
+12M	14.40	15.71
USD/ZAR		
	Danske	Forward
04-Apr	11.89	
+3M	11.50	11.99
+6M	11.25	12.13
+12M	11.25	12.40

Source: Macrobond Financial, Danske Bank

Brazil – growing on monetary easing

Macro outlook

- Brazil's economy continued to expand accelerating to 2.1% y/y in Q4 17, from 1.4% y/y growth in Q3 17. In late 2017, the economy got support from growth in industrial production, especially from capital goods manufacturing. We raise our 2018 GDP growth forecast to 2.2% y/y, up from 2.0% y/y previously, expecting 2019 GDP to expand 2.4% y/y, as monetary easing provides room for investment growth.
- In January 2018, ratings agency Standard & Poor's lowered its long-term rating for Brazil sovereign debt to BB- from BB previously, with a stable outlook, pointing to less timely and effective policymaking. S&P also stated that there was a risk of greater policy uncertainty after the 2018 elections, due to be held in October.
- The major sentiment driver remains political turbulence ahead of the presidential election. There has been a lot of speculation about who might run in the election. All this, together with the struggle to see pension reform passed, has been affecting the BRL and the markets.

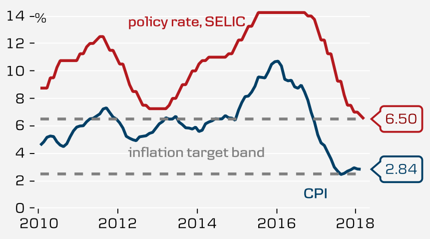
Monetary policy outlook

- Brazil's central bank (the BCB) has surprisingly been much more dovish than broadly expected by economists and market participants. We expect monetary easing to slow down in H1 18, stopping in H2 18. We believe inflation is set to climb marginally from the current low, still providing support for private consumers and justifying upcoming rate cuts.

FX outlook

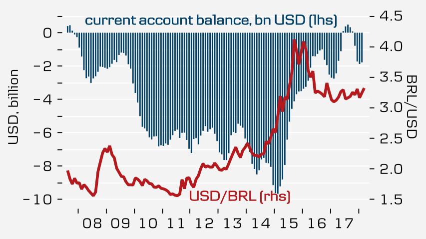
- Political turbulence has been driving the BRL over the past few months. Additional pressure on the currency is coming from the deteriorating current account balance and BCB's excessive hawkishness could reduce carry attractiveness. Long-term prospects for the BRL look brisker on an economic recovery and still attractive carry, while we believe pre-election woes are set to weigh further on the currency in 2018.
- While our BRL forecast has been more bullish than market expectations, we turn BRL negative in the short and medium term. The most important negative risks continue to be domestic and we expect the presidential election to add to BRL volatility. Upside risks include a stronger recovery of the Brazilian economy and rapid approval of reforms by the government, stabilising the political situation ahead of the presidential election.

Waiting for another cut before facing the end of easing cycle



Source: Macrobond Financial, Danske Bank

Surprisingly deteriorating current account weighs on the BRL



Source: Macrobond Financial, Danske Bank

BRL

Credit rating:

S&P: BB- (stable)

Currency regime:

Free float (non-convertible)

Inflation target:

4.5% ±1.5pp in 2018

4.25% ±1.5pp in 2019

4.0% ±1.5pp in 2020

Macro forecasts

	GDP		Inflation (average)	
2016	-3.5		8.8	
2017	1.0		3.5	
	Danske	Consensus	Danske	Consensus
2018	2.2	2.7	3.4	3.5
2019	2.4	2.7	4.0	4.2

Source Danske Bank

Interest rate forecasts

Central Bank of Brazil (BCB)		
Policy rate	6.50	
Next meeting	16/05/2018	
Next change	-25bp	Q2, 2018
End-2018	6.25	

Source: Danske Bank

FX forecasts

EUR/BRL		
	Danske	Forward
04-Apr	4.12	
+3M	4.06	4.16
+6M	4.06	4.22
+12M	4.10	4.35

USD/BRL		
	Danske	Forward
04-Apr	3.35	
+3M	3.30	3.36
+6M	3.25	3.39
+12M	3.20	3.43

Source: Macrobond Financial, Danske Bank

China: moderate slowdown

Macro outlook

- The Chinese economy strengthened in 2016-17, pulled by a strong housing market, robust infrastructure spending and higher export growth. Growth in 2017 ended up stronger than expected at 6.9% (previously expected around 6½%). Indicators for Q1 18 have stayed quite solid, although some signs of slowing can be seen in the PMI data and in softer momentum in global metal prices (China consumes 50% of global metals).
- Looking ahead we continue to project a moderate slowdown. First, China has taken several steps to cool the housing market and home sales have stagnated. Second, we expect a downshift in external demand, pushing export growth a notch lower. We expect GDP to grow 6.5% in 2018 (revised up from 6.3%) and 6.3% in 2019 (revised up from 6.0%).
- A renewed reform push following the Party Congress in October should also entail some short-term pain - but for a longer-term gain. President Xi Jinping has strengthened his focus on supply-side reform and measures to reduce financial risks. The measures are likely to continue and in some areas intensify over the coming year. Moving from quantitative growth targets to a focus on sustainability is set to dampen growth in infrastructure and drive further deleveraging and capacity cuts in the 'old industries'.
- With a change in China's priorities towards more sustainability, growth is likely to head lower in coming years. We look for 6.3% in 2018 falling to around 6% in 2020. The decline will mainly be felt in infrastructure and construction and sub-suppliers to these sectors. We expect consumption growth to stay robust, though. We continue to see strong long-term potential in Chinese growth increasingly driven by services, consumption and tech investments within manufacturing. We expect the Chinese economy to double in size by 2030 and by then become the biggest economy in the world, surpassing the US economy.

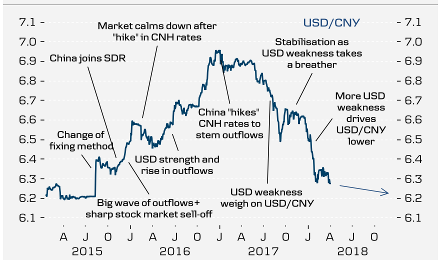
Monetary policy outlook

- People's Bank of China (PBoC) tightened monetary policy in 2017 via higher money market rates and tighter regulation towards shadow banking. We expect monetary policy to be more neutral in 2018 with 1-year money market rates moving within a 4.5-4.7 interval while official benchmark rates are kept unchanged. We look for the credit impulse to recover slightly towards 7.5% by the end of 2018 (see chart).

FX outlook

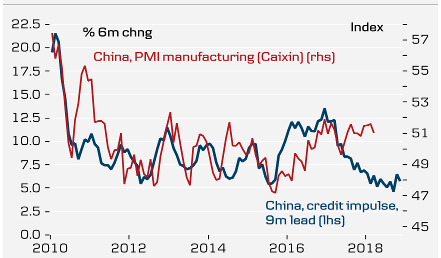
- The USD/CNY has been highly correlated with the overall movement in the trade weighted USD over the past two years. We expect a further moderate weakening of the USD to drive USD/CNY lower to around 6.20 in 12M (see also the monthly *FX Forecast Updates*).

USD/CNY to move a bit lower still



Source: Macrobond Financial

Financial tightening to slow activity



Source: Macrobond Financial

CNY

Credit rating:

S&P: A+ (stable)

Currency regime:

Managed exchange rate versus basket of currencies

Inflation target:

3.0% for 2018

Macro forecasts

	GDP		Inflation	
	Danske	Consensus	Danske	Consensus
2017	6.9	6.9	1.6	1.6
2018	6.5	6.5	2.2	2.3
2019	6.3	6.2	2.2	2.3

Source: Bloomberg, Danske Bank

Interest rate forecast

People's Bank of China (PBOC)		
Policy rate	4.35	
Next meeting	No regular meetings	
Next change	-25bp	Q1, 2019
End-2018	4.35	

Source: Danske Bank

FX forecasts

EUR/CNY		
	Danske	Forward
05-Apr	7.75	
+3M	7.75	7.83
+6M	7.88	7.92
+12M	7.94	8.10

USD/CNY		
	Danske	Forward (NDF)
05-Apr	6.29	
+3M	6.30	6.31
+6M	6.30	6.33
+12M	6.20	6.38

Source: Macrobond Financial, Danske Bank

India: robust growth continues

Macro outlook

- **Growth.** India's GDP growth increased to 7.2% in Q4 17 from 6.5% in Q3. The ban on old 500 and 1,000 rupee notes in November 2016 weighed on economic growth in H1, as it resulted in a big drop in the money supply growth. Especially investment growth took a hit. However, since then growth has recovered. India's economy has benefited from the strong global economy, which has underpinned exports. The domestic economy has also grown at a decent rate underpinned by reforms by the Modi government and overall macroeconomic stability. Import growth has generally proven a fairly good indicator of India's business cycle. The development in imported goods suggests that the pace of growth eased a bit in early 2018 in line with other Emerging Markets.
- Growth should still be quite robust, though, and we look for the economy to grow 7.0% in 2018 supported by effects of the recent reforms. Positive effects from the goods and service tax (GST) reform have been praised by the IMF as has some liberalisation in the Foreign Direct Investment framework. However, plans for tariff increases to protect India from Chinese competition seem to be a step in the wrong direction, see *FT: Narendra Modi's rise in import tariffs will hurt India's economy*, 19 February 2018.
- **Macroeconomic stability and balances.** India has achieved a high degree of macroeconomic stability with inflation under control and a robust current account balance with a small deficit around 1% of GDP, down from 5% of GDP five years ago. The fiscal deficit is still too high, though, at around 6% of GDP. Still, Moody's upgraded India's sovereign debt rating in November last year for the first time since 2004 on optimism that Modi's reforms would reduce the risk of a sharp increase in debt. A weak spot in India continues to be the banking sector with a high rate of non-performing loans in state-owned banks and inadequate provisions.

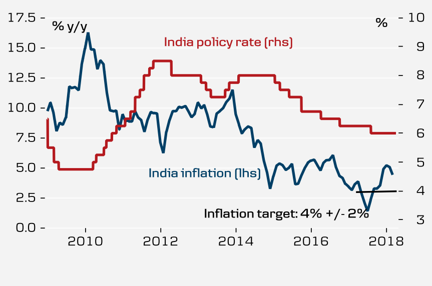
Monetary policy outlook

- The Reserve Bank of India (RBI) has left rates unchanged since August 2017. However, as inflation has moved above the target of 4% +/-2%, rate cuts are off the table and a rate hike over the coming quarters cannot be ruled out. Our baseline scenario, though, is for rates to stay on hold over the next 12 months as inflation moves closer to 4% again in coming quarters.

FX outlook

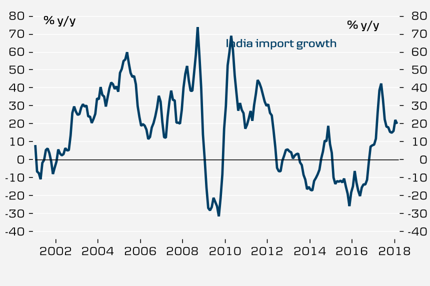
- The INR has moved broadly sideways for a year now in an interval of 63.5-65.5 versus the USD. We keep our forecast of a gradual strengthening to 61 +12M as a robust global economy is favourable for FX carry. With India offering macro stability, decent growth and high relative rates it should support a moderately stronger INR.

Inflation to stay within +4% +/- 2% over the coming year



Source: Macrobond Financial, Danske Bank

Import growth indicates recovery in 2016 but some slowing in H1



Source: Macrobond Financial, Danske Bank

INR

Credit rating:

S&P: BBB- (stable)

Currency regime:

Free float

Inflation target:

4% ±2pp

Macro forecasts

	GDP		Inflation	
	Danske Bank	Consensus	Danske Bank	Consensus
2017	6.3	6.3	3.3	3.3
2018	7.0	7.2	4.4	4.8
2019	7.2	7.6	4.5	4.7

Source: Bloomberg, Danske Bank

Interest rate forecast

Reserve Bank of India (RBI)	
Policy rate	6.00
Next meeting	06/06/2018
Next change	Unchanged next 12m
End-2018	6.00

Source: Danske Bank

FX forecasts

EUR/INR		
	Danske	Forward
04-Apr	79.97	
+3M	78.72	80.72
+6M	78.75	82.17
+12M	78.08	85.07
USD/INR		
	Danske	Forward
04-Apr	65.03	
+3M	64.00	65.27
+6M	63.00	65.94
+12M	61.00	67.18

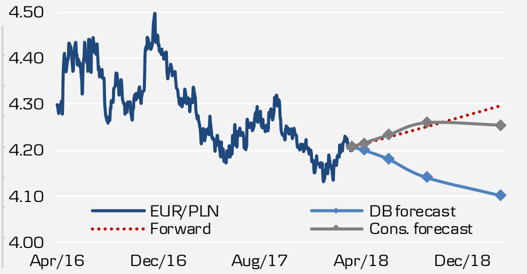
Source: Macrobond Financial, Danske Bank

Danske Bank hedging recommendations: EMEA

PLN

Currency	Instrument: Income	Instrument: Expenses
PLN	We recommend hedging PLN income via knock-in forwards.	We recommend hedging PLN expenses via FX forwards.

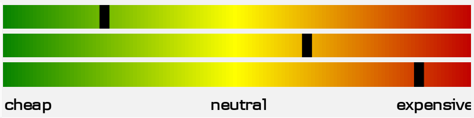
Forecast



	1M	3M	6M	12M
DB forecast	4.20	4.18	4.14	4.10
Forward	4.21	4.23	4.25	4.30
Cons. forecast	4.22	4.23	4.26	4.25

Price indicators

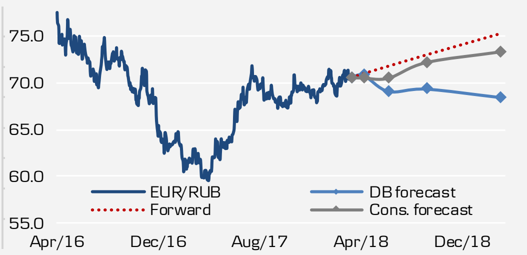
Implied volatility
Risk reversal (PLN seller)
Forward rate (PLN seller)



RUB

Currency	Instrument: Income	Instrument: Expenses
RUB	We recommend hedging RUB-income via knock-in forwards.	We recommend hedging RUB expenses via FX forwards.

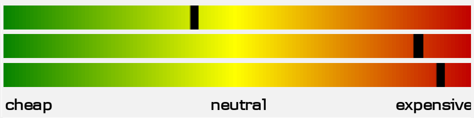
Forecast



	1M	3M	6M	12M
DB forecast	70.85	69.13	69.38	68.48
Forward	71.07	71.86	73.05	75.30
Cons. forecast	70.59	70.57	72.25	73.41

Price indicators

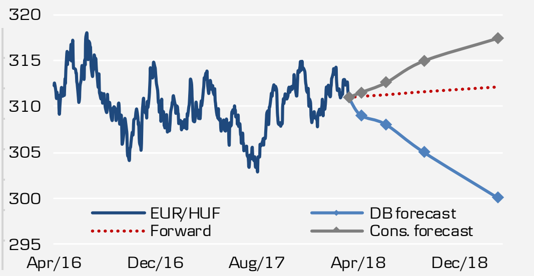
Implied volatility
Risk reversal (RUB seller)
Forward rate (RUB seller)



HUF

Currency	Instrument: Income	Instrument: Expenses
HUF	We recommend hedging HUF income via knock-in forwards.	We recommend hedging HUF expenses via FX forwards.

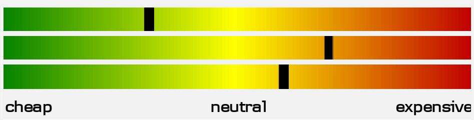
Forecast



	1M	3M	6M	12M
DB forecast	309.00	308.00	305.00	300.00
Forward	311.07	311.25	311.59	312.14
Cons. forecast	311.49	312.56	314.97	317.50

Price indicators

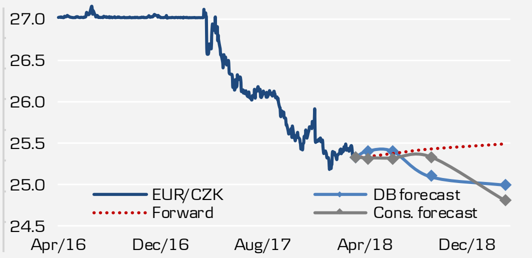
Implied volatility
Risk reversal (HUF seller)
Forward rate (HUF seller)



CZK

Currency	Instrument: Income	Instrument: Expenses
CZK	We recommend hedging CZK income via knock-in forwards.	We recommend hedging CZK expenses via FX forwards.

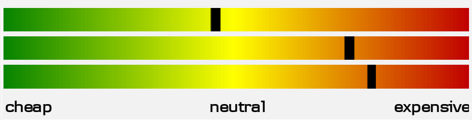
Forecast



	1M	3M	6M	12M
DB forecast	25.40	25.40	25.10	25.00
Forward	25.34	25.37	25.43	25.49
Cons. forecast	25.32	25.31	25.33	24.80

Price indicators

Implied volatility
Risk reversal (CZK seller)
Forward rate (CZK seller)



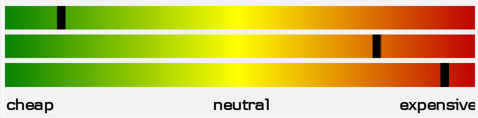
Source: Danske Bank

Danske Bank hedging recommendations: other emerging markets

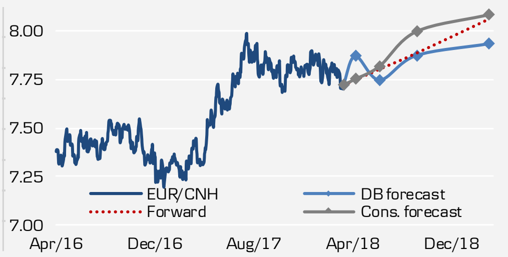
CNH

Currency	Instrument: Income	Instrument: Expenses
CNH	We recommend hedging CNH income via FX forwards.	We recommend hedging CNH payables via a risk-reversal strategy. Longer term, we recommend hedging via FX forwards.

Price indicators



Forecast

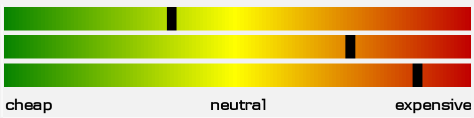


	1M	3M	6M	12M
DB forecast	7.87	7.75	7.88	7.94
Forward	7.75	7.81	7.89	8.07
Cons. forecast	7.75	7.82	8.00	8.09

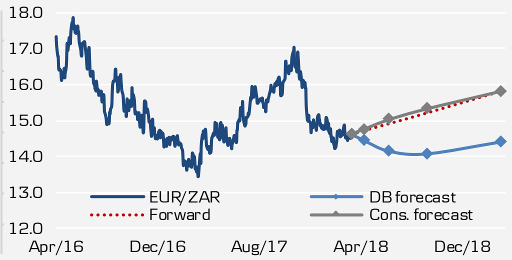
ZAR

Currency	Instrument: Income	Instrument: Expenses
ZAR	Hedge ZAR income with knock-in forwards.	We recommend hedging ZAR expenses via FX forwards.

Price indicators



Forecast

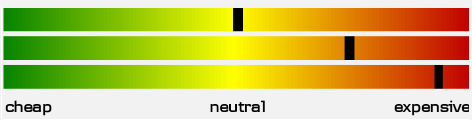


	1M	3M	6M	12M
DB forecast	14.45	14.15	14.06	14.40
Forward	14.72	14.91	15.20	15.79
Cons. forecast	14.76	15.02	15.32	15.81

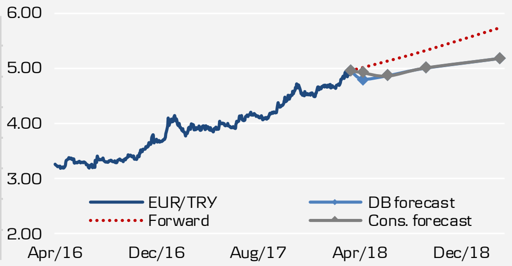
TRY

Currency	Instrument: Income	Instrument: Expenses
TRY	Hedge TRY income with FX forwards.	We recommend hedging TRY expenses with FX forwards. Alternatively, one may consider using a risk-reversal strategy.

Price indicators



Forecast



	1M	3M	6M	12M
DB forecast	4.80	4.86	5.00	5.18
Forward	5.02	5.13	5.32	5.73
Cons. forecast	4.93	4.87	5.00	5.17

Source: Danske Bank

FX forecasts

Core – major

		EUR		USD		DKK		SEK		NOK	
		Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward
EUR	04-Apr			1.23		745.0		1034.1		963.5	
	+3M			1.23	1.24	744.5	744.8	1030.0	1031.8	940.0	964.4
	+6M			1.25	1.25	744.5	744.5	1030.0	1031.8	920.0	968.1
	+12M			1.28	1.27	744.8	743.8	1010.0	1031.8	910.0	976.3
USD	04-Apr	1.23				605.8		840.8		783.5	
	+3M	1.23	1.24			605.3	602.2	837.4	834.3	764.2	779.8
	+6M	1.25	1.25			595.6	597.5	824.0	828.0	736.0	776.9
	+12M	1.28	1.27			581.8	587.3	789.1	814.8	710.9	771.0
JPY	04-Apr	131.0		106.5		5.69		7.89		7.35	
	+3M	131.6	131.1	107.0	106.1	5.66	5.68	7.83	7.87	7.14	7.35
	+6M	137.5	131.2	110.0	105.3	5.41	5.67	7.49	7.86	6.69	7.38
	+12M	143.4	131.3	112.0	103.7	5.19	5.66	7.05	7.86	6.35	7.44

Source: Macrobond Financial, Danske Bank

Wider CEE

		EUR		USD		DKK		SEK		NOK	
		Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward
PLN	04-Apr	4.20		3.42		177.2		246.0		229.2	
	+3M	4.18	4.22	3.40	3.41	178.1	176.5	246.4	244.5	224.9	228.6
	+6M	4.14	4.24	3.31	3.40	179.8	175.5	248.8	243.3	222.2	228.3
	+12M	4.10	4.28	3.20	3.38	181.6	173.8	246.3	241.1	222.0	228.2
HUF	04-Apr	311.4		253.2		2.39		3.32		3.09	
	+3M	308.0	311.2	250.4	251.6	2.42	2.39	3.34	3.32	3.05	3.10
	+6M	305.0	311.3	244.0	249.8	2.44	2.39	3.38	3.31	3.02	3.11
	+12M	300.0	311.7	234.4	246.1	2.48	2.39	3.37	3.31	3.03	3.13
CZK	04-Apr	25.32		20.59		29.42		40.84		38.05	
	+3M	25.40	25.35	20.65	20.50	29.31	29.38	40.55	40.71	37.01	38.05
	+6M	25.10	25.38	20.08	20.37	29.66	29.33	41.04	40.65	36.65	38.14
	+12M	25.00	25.41	19.53	20.07	29.79	29.27	40.40	40.61	36.40	38.42

Source: Macrobond Financial, Danske Bank

CIS

		EUR		USD		DKK		SEK		NOK	
		Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward
RUB	04-Apr	70.85		57.61		10.52		14.60		13.60	
	+3M	69.13	71.74	56.20	58.01	10.77	10.38	14.90	14.38	13.60	13.44
	+6M	69.38	72.89	55.50	58.49	10.73	10.21	14.85	14.16	13.26	13.28
	+12M	68.48	75.13	53.50	59.33	10.88	9.90	14.75	13.73	13.29	13.00

Source: Macrobond Financial, Danske Bank

MEA

		EUR		USD		DKK		SEK		NOK	
		Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward
TRY	04-Apr	4.92		4.00		151.4		210.2		195.8	
	+3M	4.86	5.08	3.95	4.10	153.2	146.7	212.0	203.3	193.5	190.0
	+6M	5.00	5.26	4.00	4.22	148.9	141.6	206.0	196.2	184.0	184.1
	+12M	5.18	5.66	4.05	4.47	143.7	131.4	194.8	182.3	175.5	172.5
ZAR	04-Apr	14.63		11.89		50.9		70.7		65.9	
	+3M	14.15	14.83	11.50	11.99	52.6	50.2	72.8	69.6	66.5	65.0
	+6M	14.06	15.12	11.25	12.13	52.9	49.2	73.2	68.2	65.4	64.0
	+12M	14.40	15.71	11.25	12.40	51.7	47.4	70.1	65.7	63.2	62.2

Source: Macrobond Financial, Danske Bank

Latin America

		EUR		USD		DKK		SEK		NOK	
		Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward
BRL	04-Apr	4.12		3.35		180.6		250.7		233.6	
	+3M	4.06	4.16	3.30	3.36	183.4	179.2	253.8	248.2	231.6	232.0
	+6M	4.06	4.22	3.25	3.39	183.3	176.3	253.5	244.3	226.5	229.2
	+12M	4.10	4.35	3.20	3.43	181.8	171.0	246.6	237.2	222.2	224.5

Source: Macrobond Financial, Danske Bank

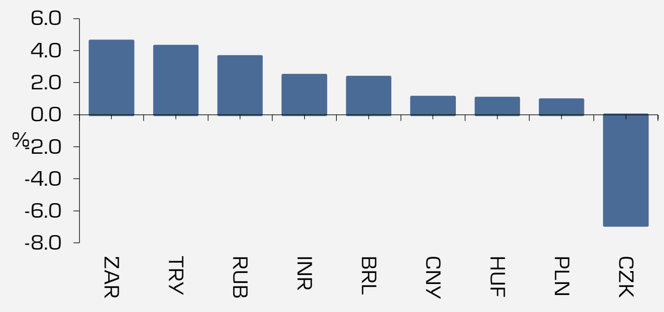
Emerging markets Asia

		EUR		USD		DKK		SEK		NOK	
		Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward
CNY	04-Apr	7.75		6.30		96.1		133.4		124.3	
	+3M	7.75	7.84	6.30	6.34	96.1	95.1	132.9	131.7	121.3	123.1
	+6M	7.88	7.92	6.30	6.36	94.5	94.0	130.8	130.2	116.8	122.2
	+12M	7.94	8.11	6.20	6.40	93.8	91.8	127.3	127.3	114.7	120.5
INR	04-Apr	79.97		65.03		9.32		12.93		12.05	
	+3M	78.72	80.72	64.00	65.27	9.46	9.23	13.08	12.78	11.94	11.95
	+6M	78.75	82.17	63.00	65.94	9.45	9.06	13.08	12.56	11.68	11.78
	+12M	78.08	85.07	61.00	67.18	9.54	8.74	12.94	12.13	11.65	11.48

Source: Macrobond Financial, Danske Bank

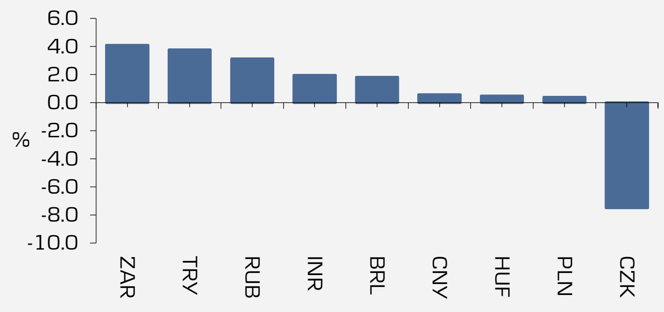
Forecasts vs forwards

3M – base currency EUR



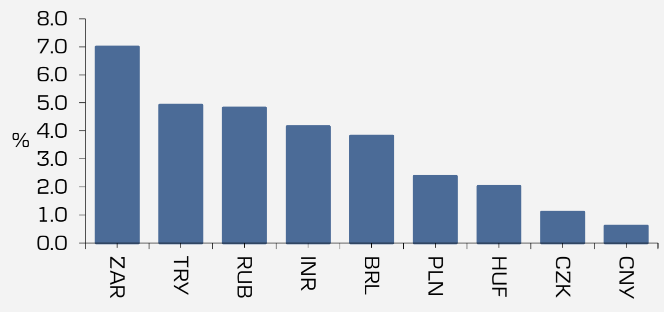
Source: Macrobond Financial, Danske Bank

3M – base currency USD



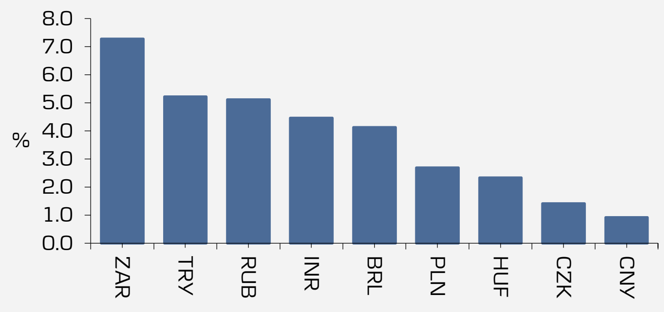
Source: Macrobond Financial, Danske Bank

6M – base currency EUR



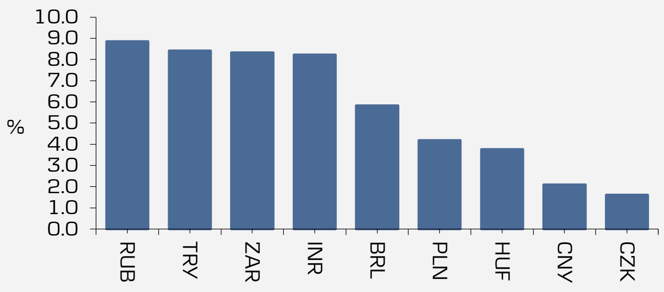
Source: Macrobond Financial, Danske Bank

6M – base currency USD



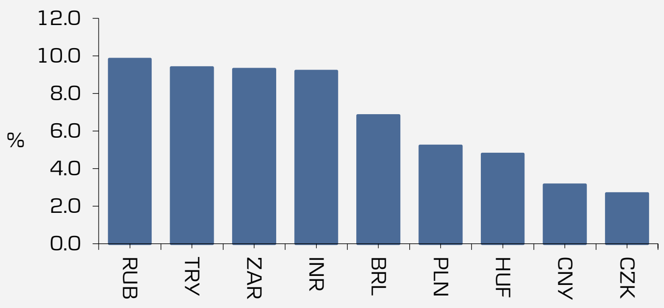
Source: Macrobond Financial, Danske Bank

12M – base currency EUR



Source: Macrobond Financial, Danske Bank

12M – base currency USD



Source: Macrobond Financial, Danske Bank

Monetary policy calendar

Calendar

	Policy Rate (%)	Latest Change		Next Change		Next Meeting	Year-end 2018 (%)
	05 April 2018						
Wider CEE							
PLN	1.50	- 50 bp	Mar, 2015	+25bp	Q1, 2019	11/04/2018	1.50
HUF	0.90	- 15 bp	May, 2016	+25bp	2019	24/04/2018	0.90
CZK	0.75	+25 bp	Feb, 2018	+25bp	Q4, 2018	03/05/2018	1.00
TRY	8.00	+50 bp	Nov, 2016	-25bp	2019	25/04/2018	8.00
CIS							
RUB	7.25	-25 bp	Mar, 2018	-25bp	Q2, 2018	27/04/2018	6.25
MEA							
ZAR	6.50	- 25 bp	Mar, 2018	-25bp	Q2, 2018	24/05/2018	5.75
LATAM							
BRL	6.50	-25 bp	Mar, 2018	-25bp	Q2, 2018	16/05/2018	6.25
EM Asia							
CNY	4.35	- 25 bp	Nov, 2015	-25bp	Q1, 2019	No regular meetings	4.35
INR	6.00	- 25 bp	Aug, 2017	-	Unchanged next 12m	06 June 2018	6.00

Source: Danske Bank

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Expected updates

Monthly.

Date of first publication

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