Schroders
Economic and Strategy Viewpoint

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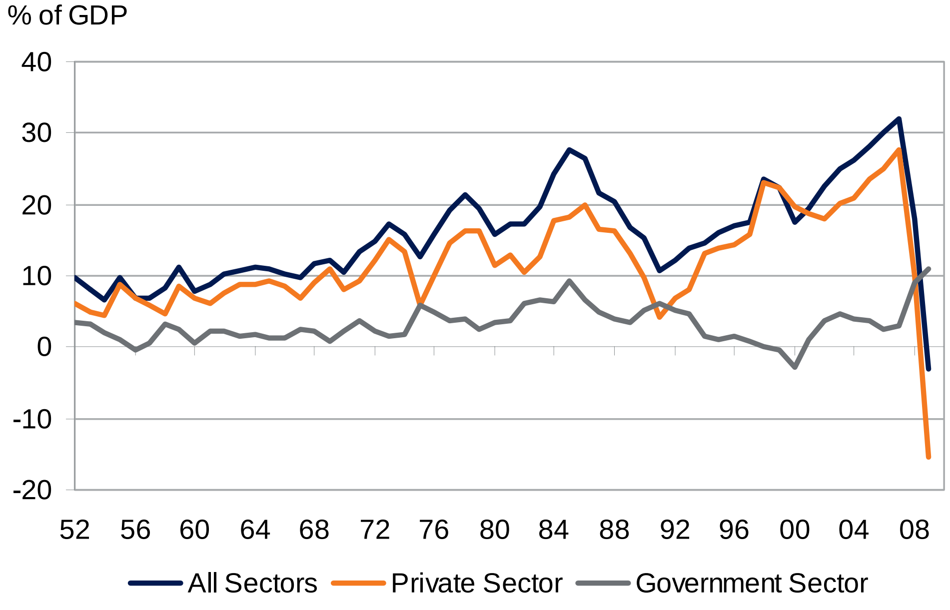
Global: The fiscal cloud on the horizon (page 2)

- **Government borrowing has soared in the wake of the financial crisis with a significant number of advanced economies heading for debt-GDP ratios above 100%. The IMF have described this as a daunting fiscal challenge as those high debt economies account for a high proportion of economic activity.**
- **Despite these projections, government bond yields remain at historically low levels even when inflation is taken into account. We attribute this to the weakness of activity, low inflation and loose monetary policy. The key factor in our view though is the fall in demand for credit from the private sector (see chart) which has allowed the government to fund itself on relatively easy terms.**
- **From this perspective, the greatest threat to bond yields, not withstanding a solvency crisis, is a recovery in the private sector which would bring stronger demand for credit. The government will have to reduce borrowing to accommodate this. In the meantime, the prospect of fiscal tightening reinforces our view that interest rates will remain low for longer.**

UK: Approaching a solution on Greece, will the UK be next? (page 7)

- **The UK is in for a rocky ride in April and May. Official economic data for the first quarter may disappoint on the back of higher inflation while the lack of detail in the Chancellor's Budget has meant that questions remain over the credibility of the UK's plan to cut its enormous public deficit – putting its treasured AAA sovereign risk rating in jeopardy.**
- **Now that a solution has been announced for Greece, bond vigilantes will be taking stock and looking for their next target. As we approach the general election and the probability of a hung parliament rises, vigilantes may find the allure of a vulnerable UK too tempting. We expect increased volatility in Sterling and Gilt markets in the short-term.**

US credit: sharp fall in private demand accommodates government borrowing



Source: Thomson DataStream, 29 March 2010.

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Global

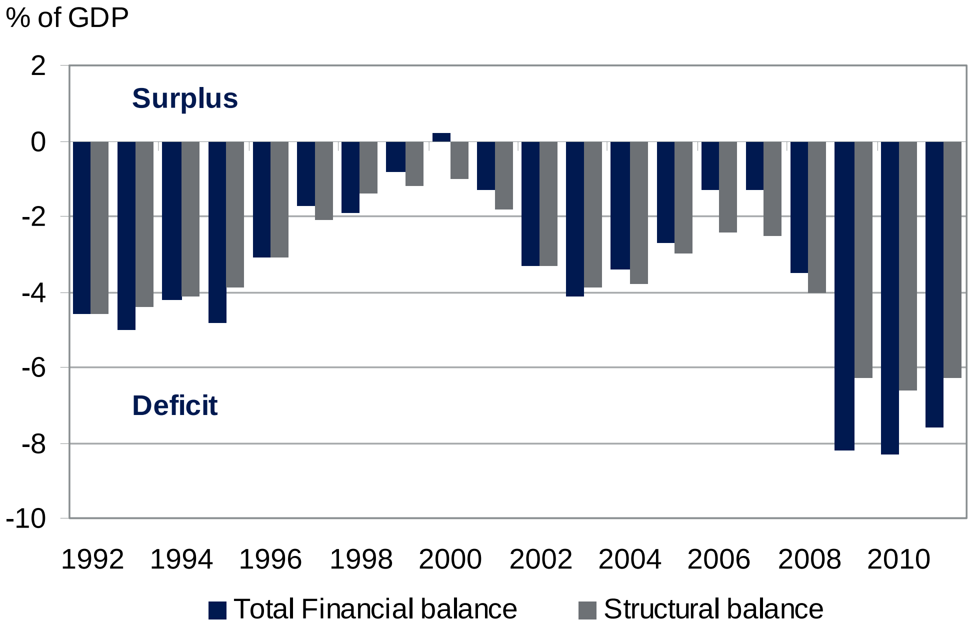
Government borrowing has risen significantly and will not disappear as the economy recovers

The fiscal cloud on the horizon

Swift action by governments has helped reduce the impact of the recession in the world economy, but as budget deficits soar there are fears that a crisis in the private sector will be replaced by one in the public. The IMF predicts that government debt in the advanced economies will rise by about 35% of GDP between 2007 and 2014 to 109%, by which time Canada and Germany will be the only members of the G7 with debt-GDP ratios below 100%. Such an increase in government borrowing has occurred in the past, but only during periods of major conflict.

Analysis shows that the problem will not simply fade away as economic activity gets back to normal. Government borrowing is likely to fall as the economy recovers and stimulus is unwound, but not by much as the bulk of the deficit is seen as structural and not related to the cycle. For example, the OECD estimate that of the 8.3% of GDP deficit expected for the OECD group of advanced economies in 2010, just over four fifths (i.e. 6.7% of GDP) will be structural (see chart 1).

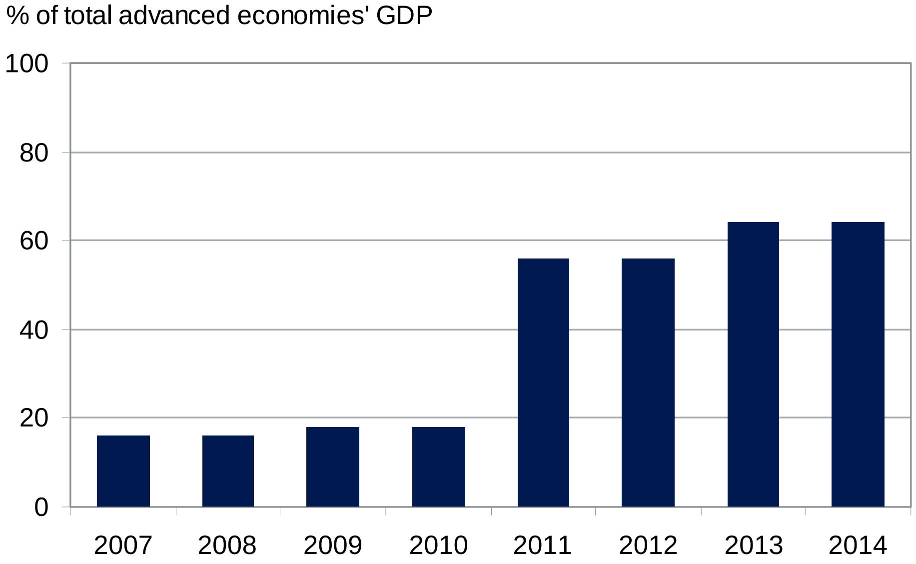
Chart 1: Total OECD general government balances



Source: OECD Economic Outlook , November 2009

The widespread nature of the rise in government borrowing poses a particular challenge: In the past individual countries have been able to tighten fiscal policy and grow by relying on external demand. On current predictions, eight of the advanced economies will have debt-GDP above 100% by 2014, accounting for more than 60% of the output of this group (see chart 2). This would seem to rule out the prospect of an export led recovery generated from within the advanced economies.

Chart 2: Economic Weight of Higher-Debt Advanced Economies



Source: IMF, World Economic Outlook, January 2010, and Fund staff estimates.

A "daunting" challenge

Deficits pose a challenge for governments and markets

The implication is that governments will not be able to grow their way out of debt and in the absence of a large slice of luck, a sustained period of austerity is in prospect. Not surprisingly the IMF have described the increase in government borrowing as posing a "daunting fiscal challenge, especially for the advanced economies". The emerging economies, with one or two exceptions, come out better benefitting from a smaller public sector and better growth prospects.

The prospect of high and rising levels of government debt combined with anaemic growth casts a shadow over both equity and bond markets. There are fears that bond yields will be forced higher as governments sell increasing amounts of paper, whilst the corporate sector struggles in an environment of weak demand.

Such concerns underpin much of the bearish sentiment found in markets today. Whilst there has been a steady improvement in the macro numbers, many investors are focussed on the large fiscal cloud on the horizon. The problems in Greece are seen by some as a taster of what we might expect for government bond markets more widely, with Spain and Portugal next in the firing line to be followed by the UK and US.

Government bond markets appear unmoved

Rather than discuss debt dynamics we focus on the issue of funding and bond yields. [1] The question is why have government bond yields not already reacted? The level of outstanding debt has been rising for the past three years with little apparent effect on yields. For example, G7 yields continue to trade at the lower end of their historical range (see chart 3). Financial markets are meant to be forward looking, but there does not seem to be any great concern about the impending rise in debt. Governments around the world have had little difficulty in auctioning their paper. Even in the UK, where the debt situation has similarities with Greece and the Bank of England has stopped buying gilts, bond yields remain steady.

[1] See 'Sustainability of European public finances' by Azad Zangana, January 2010 for an in depth discussion of debt sustainability.

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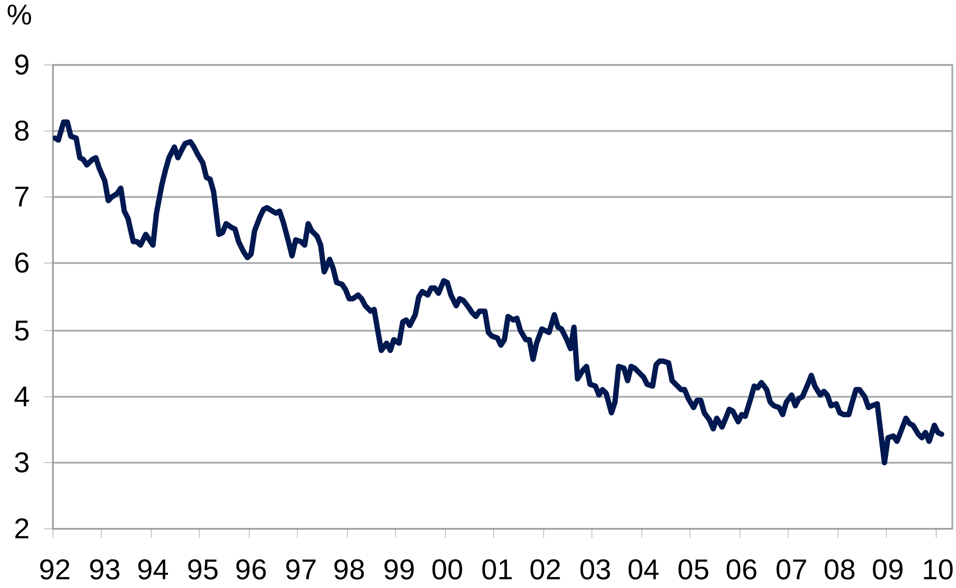
Chart 3: G7 Government Bond yield



Source: Thomson DataStream, Bank of America- ML G7 Index.

Bond markets have become more discriminating, but the level of yields remains low

Arguably, it is just a matter of time before reality sinks in and for some riskier borrowers spreads have already widened and the cost of insuring against default has risen. However, whilst government bond markets have become more discriminating, the overall level of yields has not moved significantly. Does this mean that the market is ignoring the fiscal outlook?

Factors driving yields

The resilience of government bond markets to rising budget deficits is not unusual during an economic downturn. Monetary policy is eased and inflation is typically well behaved, investor risk aversion is often high and the demand for capital from the private sector is low. These factors combine to bring down short rates and underpin the longer end of the yield curve.

In recent years there has been added downward pressure on yields from the Asian savings glut, or more specifically China's policy of holding down the Yuan and building its foreign exchange reserves by buying US Treasury bonds.

With the exception of risk aversion, which has fallen over the past year, all these elements are present in the current environment. There has been much discussion as to whether China is about to alter its policy of buying Treasuries. However, as long as China runs a current account surplus, it will have to buy US dollars, unless it allows the Yuan to float.

The US economy de-levered in 2009, even with the increase in government borrowing

The critical factor, in our view, as to why yields remain relatively low is that the private sector is de-leveraging and reducing its demand for capital. Figures for the US show that households, businesses and the financial sector all cut their borrowing in 2009 with the overall private domestic total falling by $2.2 trillion (15% of GDP), an unprecedented outcome. The greatest cut came from the financial sector which reduced its borrowing by $1.8trn. However, we also saw the household and business sectors each reduce their outstanding debt by about $200bn. The net result was that the US economy paid down debt last year, even with the sharp rise in government borrowing to more than 10% of GDP (see chart front page).

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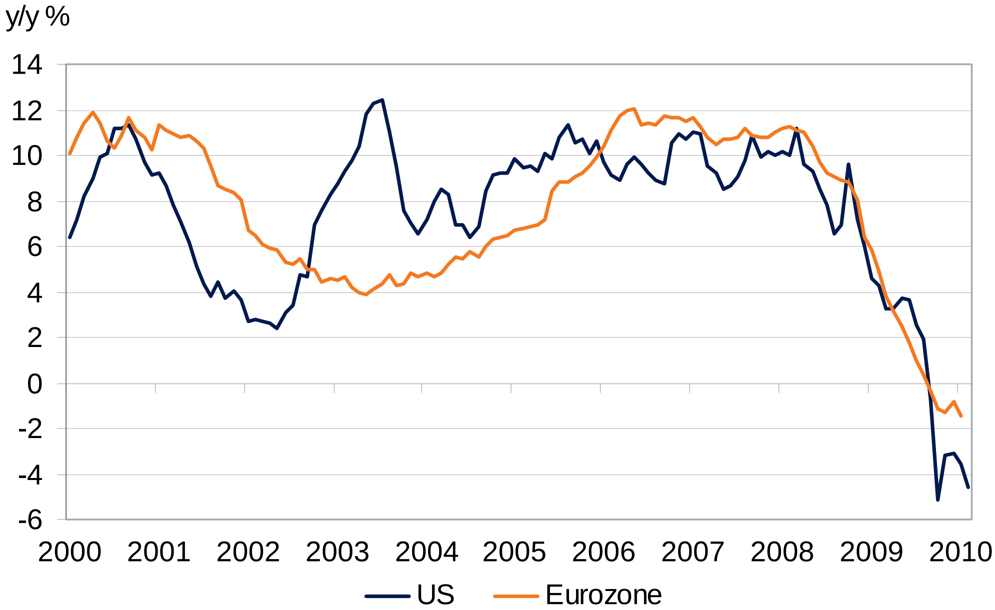
We would see this as the main reason why bond yields have remained low. In effect, weak demand for credit from the private sector has meant that banks have been using their deposits to buy government bonds rather than lend to the real economy.

Higher yields depend on higher demand for credit

From this perspective, it would be the return of private sector borrowing which will push bond yields higher as the demand for capital rises. If government borrowing remains high then there is the potential for real yields to rise significantly, with a risk that private activity is crowded out. There are signs that the supply of credit is being loosened as surveys find banks becoming more willing to lend. There are also signs that the business capital spending cycle is beginning to turn with capital goods orders rising. However, at present, the overall demand for debt is weak and consequently credit growth is subdued, not just in the US, but also in the Eurozone (chart 5).

Chart 4: Commercial bank lending to households and firms



Source: Thomson DataStream, 26 March 2010.

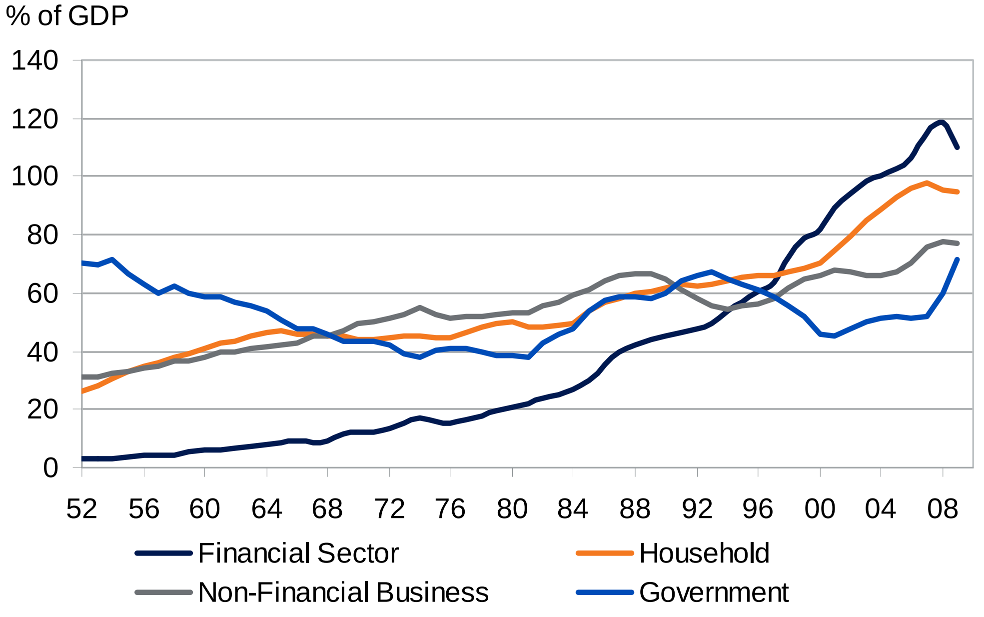
De-leveraging has further to go

Looking at the level of debt outstanding in each sector it is quite plausible to argue that the de-leveraging process has further to run in the private sector. The level of debt-GDP remains high by past standards and, whilst the sustainable level will depend on interest rates and asset prices, it would seem likely that we have further to go (see chart 5).

This would be particularly true of the household and financial sectors which experienced the biggest run up in debt during the credit bubble and have the most impaired balance sheets following the fall in house prices. The corporate sector is in better shape and will probably be the first to start borrowing again. This highlights the on going pressure on activity from the de-leveraging headwind. It also emphasises the need for governments to reduce their borrowing so as to allow an increase in private sector activity in coming years.

The danger would be that private demand for credit remains weak and the government continues to borrow to support activity, a situation which has persisted in Japan for nearly two decades.

Chart 5: US Gross Debt by sector



Source: Thompson DataStream, 29 March 2010.

Not withstanding a solvency crisis in a major economy, the greatest threat to the current level of bond yields is a recovery in global activity, which will push up the demand for capital and real yields. From this perspective, higher yields would not be bad for markets if caused by higher growth. However, the high level of public debt will then mean that yields would be higher than otherwise as the government continues to add its weight to the demand for capital.

Summary & some implications

Fiscal tightening implies low interest rates and weaker currencies

More generally, the fiscal situation will play a large part in shaping the environment of the next few years. Three key consequences are:

- First, monetary policy will have to remain loose to allow governments to implement the tax increases and spending cuts needed to reduce borrowing. That means low interest rates for a sustained period.
- Second, given the lack of effectiveness of monetary policy in a world where the private sector is de-leveraging, it means governments will welcome any depreciation of their currency. In a world of weak demand, winning market share will be critical.
- Third, expect an increase in tension between the developed and emerging economies as the former seek to gain a greater share of the latter's demand. Where exchange rates are managed by the authorities or countries are unwilling to open up to international competition, this could spill over into out right protectionism. We will return to this topic at a later date.

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UK

Approaching a solution on Greece, will the UK be next?

As widely expected, Chancellor Alistair Darling did not reveal any new details of how the government will cut the UK's enormous public deficit. Under pressure from his political party to provide a pre-election giveaway, he was surprisingly restrained as he spent just £1.4bn from a surprise £13bn windfall, choosing instead to cut borrowing in 2010.

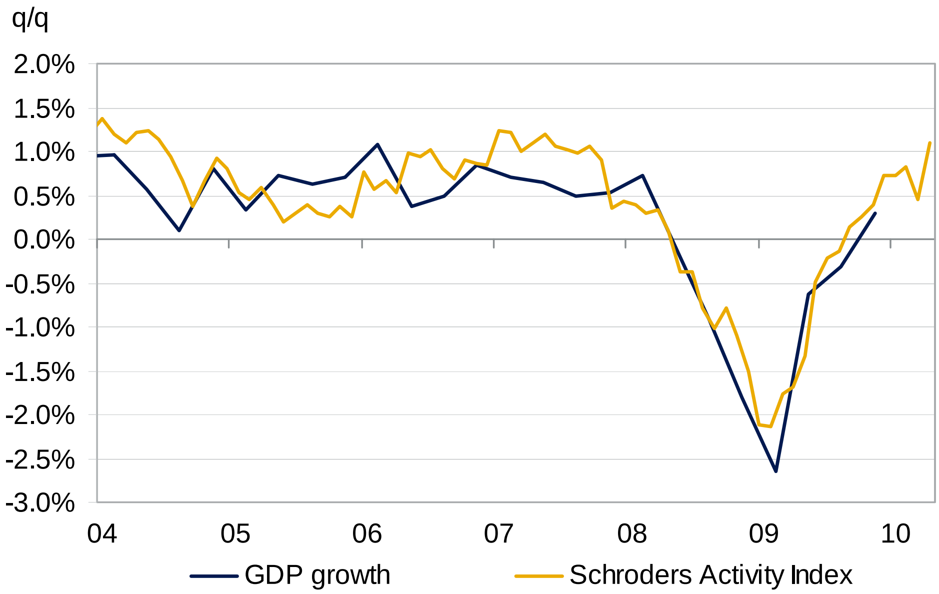
It appears the market will have to wait until after the general election expected in May before the real budget is produced – assuming of course an outright victor emerges or a coalition government can be formed from the more likely outcome of a hung-parliament.

Bad start to 2010, but better news ahead

Leading business surveys signal stronger growth in 2010…

Since we last wrote about the UK in January, official statistics have been revised up to show a slightly more positive start to the recovery. GDP growth for the fourth quarter of 2009 was revised from 0.1% to 0.3%. However, poor weather in January hit manufacturing output and retail sales at the start of the year. Data for February has been more encouraging with the Schroders Activity index indicating further strength to come as we go through 2010 (chart 6).

Chart 6: Latest GDP growth



Source: Markit, CBI, Schroders, 29 March 2010.

While leading indicators are racing ahead, we remain more cautious on growth prospects for 2010, but in particular the first half of the year. Private business surveys have been wrong in the past. For example, surveys pointed to much stronger growth in 2007 as well as a smaller contraction in real growth in 2009. While we believe there are short-comings in early official estimates of GDP, we believe they remain more reliable for three reasons:

1. Official data has a far larger sample population, particularly of small and medium sized companies. SMEs have suffered more during the credit crunch due to their inability to raise finance from banks and capital markets.

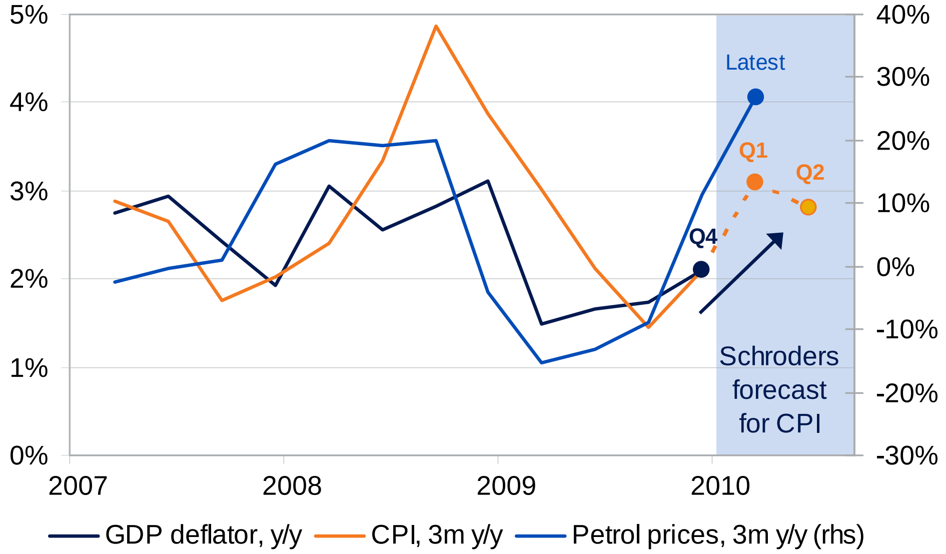
2. As a company goes into liquidation, its output falls to 0, or by 100% in the next period. This is picked up by official data while business surveys would treat the missing information as a non-respondent[2]. Therefore, business surveys would be upwardly biased during a significant slowdown in activity.
3. Respondents to business surveys have been known to report volumes of output by looking at the value of their sales. This can overstate reported volumes of output especially if there are sudden jumps in inflation. This leads to surveys overstating growth in real terms.

The inflation argument in particular is why we do not expect growth to accelerate as sharply as suggested by business surveys. Annual inflation based on the Consumer Price Index (CPI) jumped to 3.5% in January as VAT was re-instated to 17.5% from 15%. In February, inflation fell back but remains significantly higher than at the end of 2009.

…although higher inflation may mean strong nominal growth, but disappointing real growth.

Chart 7 shows the recent pick up in CPI inflation as well as UK retail petrol prices, which based on a three-month year-on-year basis, rose by 25% in March. These two series correlate well with the GDP deflator, or the difference between nominal and real GDP growth. As the chart shows, the GDP deflator is likely to follow the other two series upwards, especially for the first quarter of 2010. This means real GDP growth is likely to disappoint, though nominal GDP should be stronger than expected.

Chart 7: GDP deflator set to rise in 2010 Q1



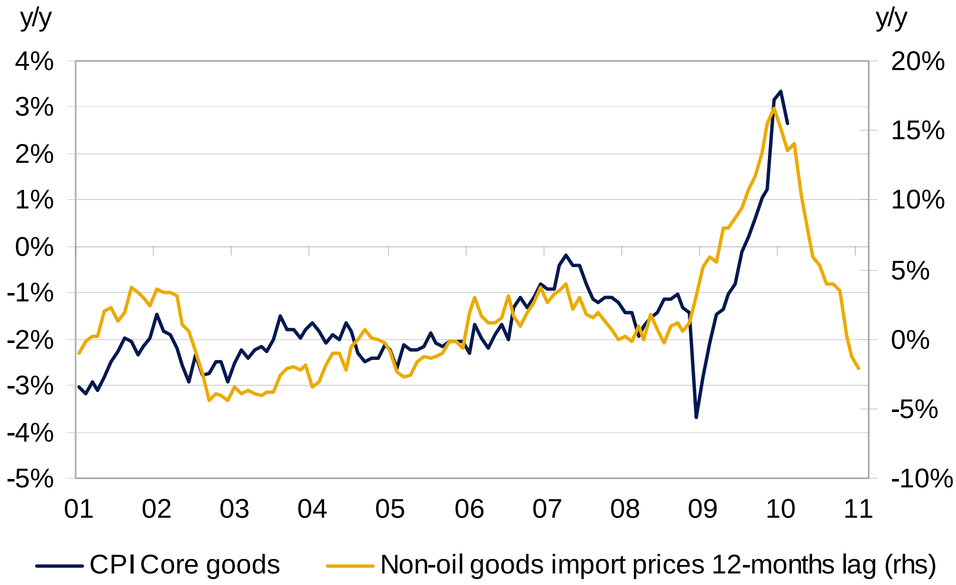
Source: Thomson DataStream, ONS, Department for Energy & Climate Change, 29 March 2010.

Inflation is set to fall for the remainder of 2010.

Although inflation has spiked up recently, much of this has been due to the large depreciation in Sterling, which caused prices of imported goods to rise sharply. However, the depreciation effect is now unwinding which should mean inflation in core goods trends downwards (chart 8). Our view remains that high unemployment and excess slack in the economy is likely to weigh down on core inflation over this year and next.

[2] Markit, the Confederation of British Industry and the British Chamber of Commerce have all reported better than expected response rates.

Chart 8: Impact of imported inflation on core goods inflation



Source: Thomson DataStream, ONS, 29 March 2010.

No answers to public finances mess

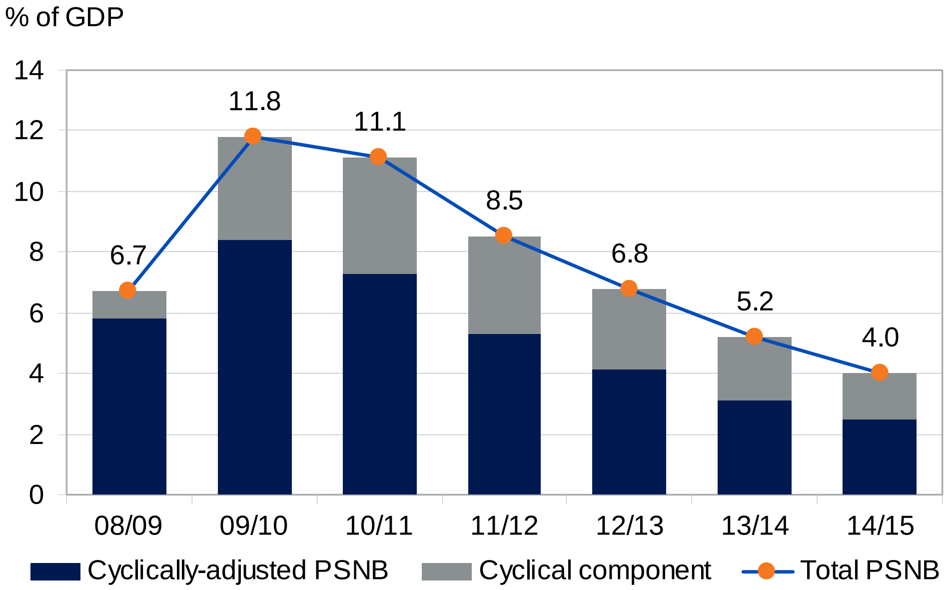
Borrowing for 2009/10 will be better than expected, though Darling continues to ignore calls for faster cuts.

Roughly an hour before Chancellor Alistair Darling began his Budget speech, European Commissioner for Economic and Monetary Affairs, Olli Rehn, delivered a scathing statement on the UK's continued flouting of the Maastricht Treaty's rules on government debt and deficits. He said *"…all member states except the UK seem to be willing to respect the deadlines of the excessive deficit procedure…in fact, the fiscal strategy outlined in the UK's convergence programme does not foresee correction of the excessive deficit by the fiscal year 2014-15 as recommended by the Council..."*

The Chancellor did manage to trim his borrowing forecast thanks to better than expected tax revenues, but did not offer the market any more information on how the deficit would be cut further. The Budget itself delivered a small extra fiscal stimulus of 0.1% of GDP in 2010/11, but over half of this is clawed back in the following two fiscal years.

Chart 9 shows the Chancellor's forecast for government borrowing, and a breakdown between how much of current borrowing is due to the recession (cyclical component), and how much is assumed to be caused by structural changes to the economy (cyclically-adjusted). The concern is that most of the deficit this year and over the forecast horizon is caused by structural factors, and so the recovery in GDP growth will not lead to the deficit falling much.

Chart 9: HMT government deficit forecast



Source: HM Treasury, Schroders, 29 March 2010.

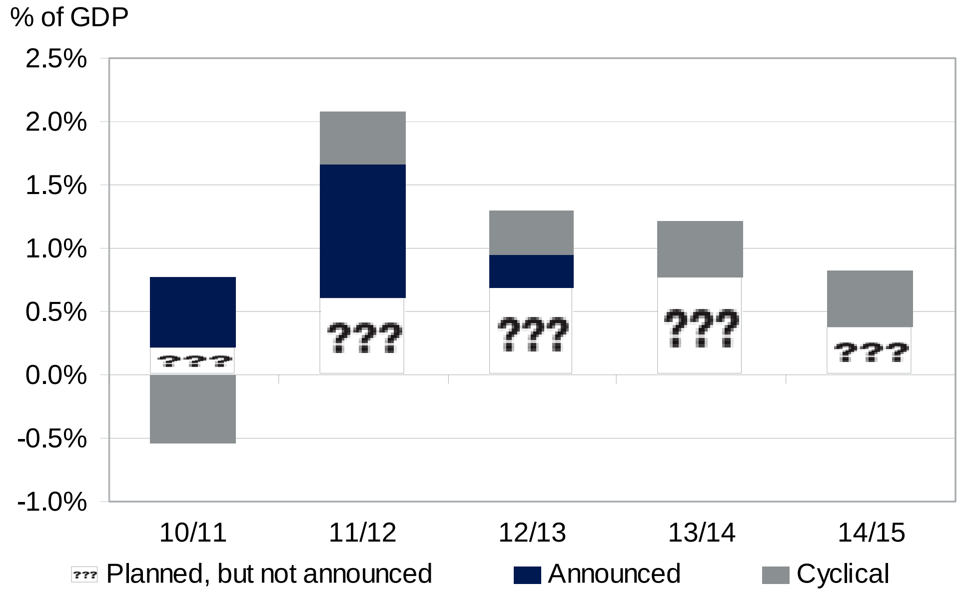
Much of the £13bn windfall has been designated as an improvement in the structural deficit though the pace of fiscal tightening has not been changed. Government net debt is now forecast to be £51bn (or 2.8% of GDP) lower by 2014/15. The Chancellor still plans to reduce the structural deficit by 5.9% of GDP by 2012/13, but not meet the European Commission's demands of lowering the total budget deficit to 3% of GDP by 2014/15.

Structural damage to the UK economy means that even if GDP growth returns to trend, a large structural deficit will remain…

The key challenge for the UK will be reducing the structural deficit, which can only be achieved in the short-term by increasing taxes, cutting public spending, or widening the tax base. Structural improvements to the economy take many years and are very difficult to foster. Arguably, chastising the financial services sector, which is a significant tax contributor to the exchequer, is not the way to improve trend growth.

Given the UK's need to reduce its structural deficit, the lack of detail in the Budget did not go unnoticed. We have calculated the forecasted change in annual government borrowing (fiscal tightening when positive), but once again broken this down into what the Chancellor assumes will be cyclical, and structural. However, we have gone further by calculating the fiscal policy changes announced up until Budget 2010, and then broken down the structural tightening (tax rises and spending cuts) into 'announced' and 'planned, but not announced' measures (chart 10).

Chart 10: Missing deficit reducing policies



Source: HM Treasury, Schroders, 29 March 2010.

…which the government has not fully explained how it intends to tackle.

The above means that we can estimate how much further fiscal tightening needs to go, just to meet the Chancellor's own forecast. If the Chancellor were to meet his forecast, he would need to announce an additional 1.5% of GDP (£25 billion) tightening for the next three fiscal years. This is roughly equivalent permanently raising the basic rate of income tax by two to three pence in the pound permanently, or raising VAT its current rate of 17.5% to 19%. In other words, the Chancellor still refuses to provide details of how his forecast will be met. For more analysis on Budget 2010, visit the Schroders Talking Point website.

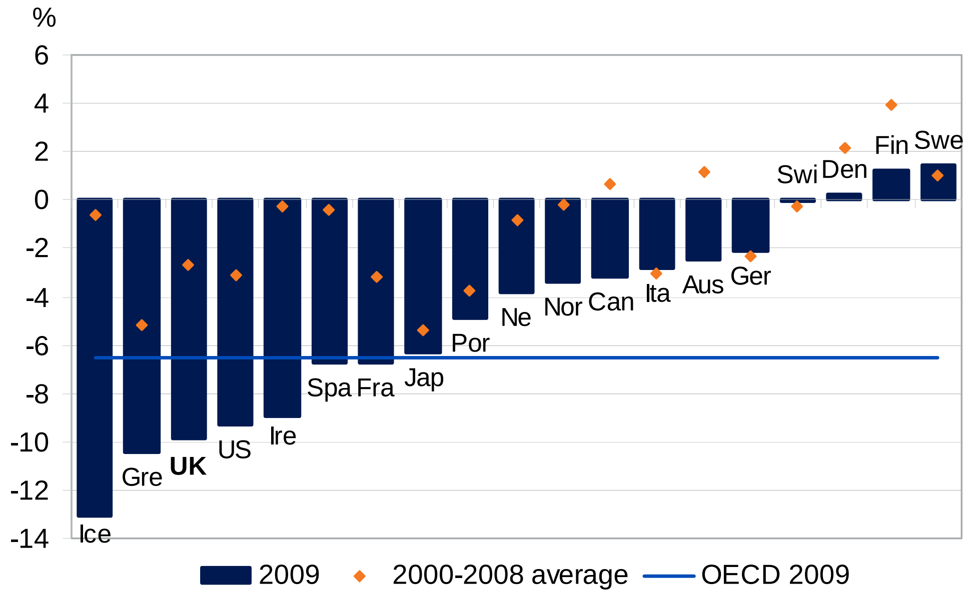
First Iceland, then Greece, UK next?

As we write, details are emerging of a general agreement by European Union leaders to provide emergency bi-lateral loans and IMF assistance to Greece, but also potentially to other countries that experience difficulty raising debt from sovereign bond markets. Details remain thin and a unanimous vote is required in the future to push through the proposed policy, but the announcement of clear intent should ease concerns over Greece, who had been under attack from bond vigilantes since the end of 2009.

Now that the Greece crisis is fading, will bond vigilantes turn their gaze towards the UK?

So where next? Arguably from Chart 11, it should be the UK. The chart shows internationally comparable OECD data for the structural deficit as a percentage of potential (or trend) GDP. From this international comparison, the UK appears vulnerable, particularly over the next two months as political uncertainty reaches a climax.

Chart 11: Structural government deficits, % of potential GDP



Source: OECD, 29 March 2010.

Portugal, Spain and Ireland, perceived as the next three most vulnerable Eurozone members, should receive the same help as Greece from the new back-stop facility should they run into trouble. However, the Eurozone bloc may not be so generous towards the UK.

Should the UK have trouble, Eurozone members are unlikely to offer support without Greek-style additional fiscal tightening being announced.

As a serial offender of the Maastricht Treaty rules, the UK was rumoured as being one of the member states that opposed reforms Angela Merkel had demanded as a condition for providing help to Greece. A perverse situation when we think the future stability of the Eurozone is being held up by a country that has no real intention of joining the bloc. In addition, the UK's fiscal consolidation path does not satisfy the European Commission and the Excessive Deficit Procedure.

The UK would have to announce Greek-style deeper and faster cuts in order to receive any help from Europe. This is virtually impossible now as we are potentially weeks away from a general election, which remains odds-on to deliver a stalemate.

The main argument to defend the UK has been that the level of outstanding government debt was low going into the recession, and is not much worse than its European counterparts now.

Chart 12 shows an international comparison of both gross and net government debt. While Japan always stands out when comparing gross debt, the government's large holding of assets makes its net debt smaller than that of Italy. On a gross debt measure, the UK ranks 11th from the 19 major OECD economies we selected. However, on a net debt basis, it rises to 7^{the} place.

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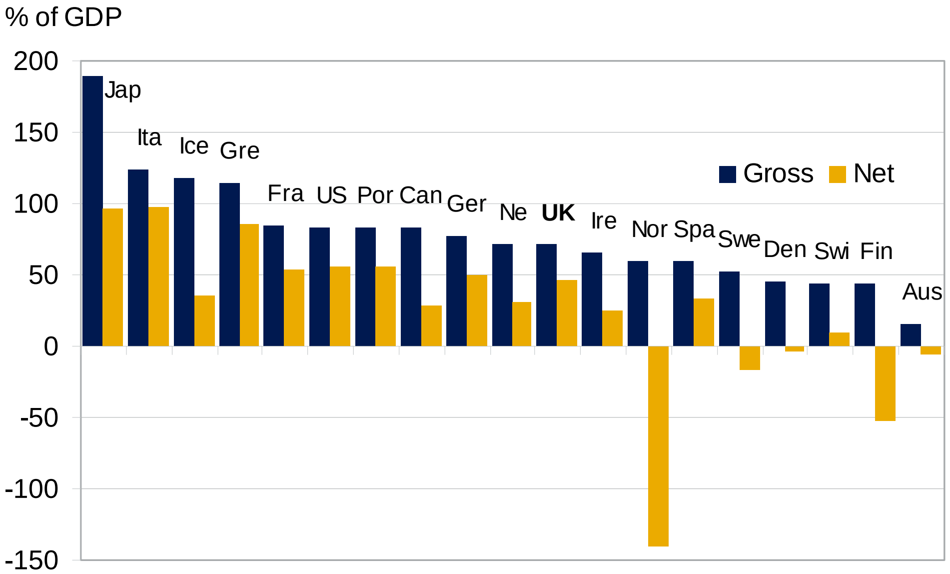
Chart 12: Gross & net government debt



Source: OECD, 29 March 2010.

Conclusions

We expect volatility in Sterling and Gilts as the general election approaches.

The UK is in for a rocky ride in April and May. Official economic data for the first quarter may disappoint on the back of higher inflation while the lack of detail in the Chancellor's Budget has meant that questions remain over the credibility of the UK's plan to cut its enormous public deficit – putting its treasured AAA sovereign risk rating in jeopardy.

Now that a solution has been announced for Greece, bond vigilantes will be taking stock and looking for their next target. As we approach the general election and the probability of a hung parliament rises, vigilantes may find the allure of a vulnerable UK too tempting. We expect increased volatility in Sterling and Gilt markets in the short-term.

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I. Forecast summary

Real GDP

y/y%	Wt (%)	2008	2009	Consensus	2010	Consensus	2011	Consensus
US	27.3	***0.4***	**-2.4**	-2.4	**2.8**	3.1	**2.9**	3.0
UK	5.1	**0.5**	**-5.0**	-5.0	**1.1**	1.4	**2.5**	2.3
Eurozone	25.8	***0.6***	**-4.0**	-4.0	**1.0**	1.1	**1.4**	1.5
Japan	9.3	***-1.2***	**-5.1**	-5.1	**2.0**	1.9	**1.6**	1.6
Australia	1.9	***2.5***	**0.9**	1.3	**2.7**	3.1	**3.0**	3.4
OECD	69.5	***0.3***	**-3.5**	**-3.4**	**1.9**	**2.1**	**2.1**	**2.2**
China	8.2	**9.0**	**8.6**	8.7	**10.0**	9.9	**9.0**	9.1
Emerging*	30.5	***5.4***	**1.1**	0.6	**6.0**	5.7	**5.7**	5.7
World	100.0	***1.9***	**-2.1**	**-2.2**	**3.2**	**3.2**	**3.2**	**3.3**

Inflation CPI

y/y%	Wt (%)	2008	2009	Consensus	2010	Consensus	2011	Consensus
US	27.3	**3.8**	**-0.3**	-0.3	**1.9**	2.2	**1.0**	1.9
UK	5.1	**3.6**	**2.2**	2.2	**2.5**	2.6	**2.2**	1.7
Eurozone	25.8	**3.3**	**0.3**	0.3	**1.7**	1.1	**0.7**	1.4
Japan	9.3	***1.7***	**-1.1**	-1.4	**-1.3**	-1.1	**-0.7**	-0.3
Australia	1.9	***4.5***	**1.8**	1.8	**2.4**	2.5	**2.5**	2.7
OECD	69.5	***3.3***	**0.0**	**0.0**	**1.5**	**1.4**	**0.8**	**1.5**
China	8.2	**5.9**	**-0.7**	-0.7	**4.5**	3.2	**4.0**	3.3
Emerging*	30.5	***8.0***	**4.3**	4.0	**5.8**	5.5	**5.3**	5.0
World	100.0	***4.8***	**1.4**	**1.2**	**2.8**	**2.6**	**2.2**	**2.5**

* **Emerging markets**: Argentina, Brazil, Chile, Colombia, Mexico, Peru, Venezuela, China, India, Indonesia, Malaysia, Philippines, South Korea, Taiwan, Thailand, South Africa, Russia, Czech Rep., Hungary, Poland, Slovakia, Romania, Turkey, Ukraine, Bulgaria, Croatia, Estonia, Latvia, Lithuania

Interest rates

%	Wt (%)	Dec-08	Dec-09	Market	Dec-10	Market	Dec-11	Market
US	27.3	1.00	0.25	-	1.00	0.83	2.50	2.25
UK	5.1	2.00	0.50	-	1.00	1.15	2.00	2.55
Eurozone	25.8	2.50	1.00	-	1.00	1.15	1.75	2.02
Japan	9.3	0.10	0.10	-	0.10	0.37	0.25	0.46
OECD	67.5	**1.52**	**0.53**	-	**0.88**	0.91	**1.87**	1.94

Market data as at 18/03/2010

Key variables

FX	*Current*	Dec-08	Dec-09	y/y%	Dec-10	y/y%	Dec-11	y/y%
USD/ GBP	*1.52*	1.49	1.62	9.1	1.50	-7.5	1.55	3.3
USD/ EUR	*1.36*	1.35	1.46	7.7	1.30	-10.8	1.35	3.8
JPY/ USD	*90.4*	91.1	90.0	-1.2	95.0	5.5	97.5	2.6
GBP/ EUR	*0.89*	0.91	0.90	-1.3	0.87	-3.6	0.87	0.5
Brent crude	*80.5*	40.5	74.9	84.8	79.1	5.6	80.3	1.6
US output gap %GDP	*-8.0*	-4.2	-8.0		-6.3		-3.9	
Unemploy. %	*10.0*	6.9	10.0		9.3		8.1	

Source: Schroders, Datastream, IMF, Consensus Economics (Mar. 10)

- The world economy is expected to grow by 3.1% this year. For 2011 we expect global growth of 3.2%, unchanged from last December.
- After the recession of 2008 and 2009H1, the recovery has been driven by the industrial sector and stronger government spending. The main impact was in 2009Q4 and should last until 2010Q1. In mid-2010 we would look for growth to slow as the inventory cycle fades while final sales are constrained by ongoing de-leveraging in the household sector, tax increases and higher commodity prices. Thereafter, growth is expected to pick-up again as the corporate sector begins to recruit and employment rises following the improvement in profitability.
- After falling sharply in 2009, headline inflation is forecast to rise in 2010 following the recovery in commodity prices. However, outside commodities, deflationary pressures persist and the US is expected to experience a decline in core inflation (CPI ex.food and energy) through 2010 and 2011. In the absence of further gains in commodity prices, the slack created by the downturn keeps downward pressure on inflation such that the headline rate falls back in 2011. The pattern in the EM economies is different as there is less spare capacity and in economies like China, excess money growth is likely to push inflation higher in 2010 and 2011.
- Interest rates in the US are not expected to rise until September 2010 as the central banks pursue a cautious exit strategy from the ultra-loose period of monetary policy. By historical standards, rates stay very low through out the forecast period. Rates are forecast to rise in the UK in November and January next year in the Eurozone.

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II. Updated forecast charts - Consensus Economics

For the EM, EM Asia and Pacific ex Japan, growth and inflation forecasts are GDP weighted and calculated using Consensus Economics forecasts of individual countries.

Chart A: GDP consensus forecasts

2010	2011

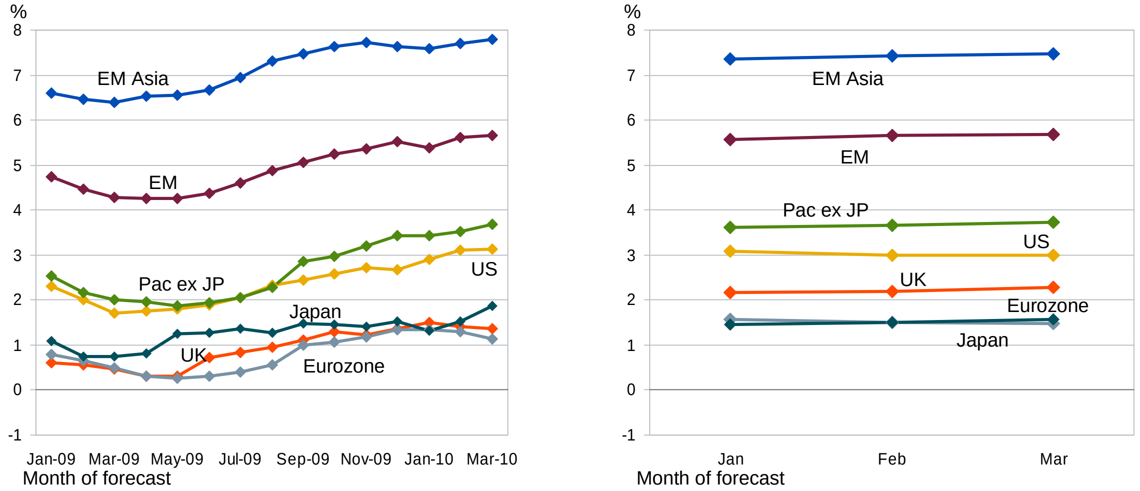
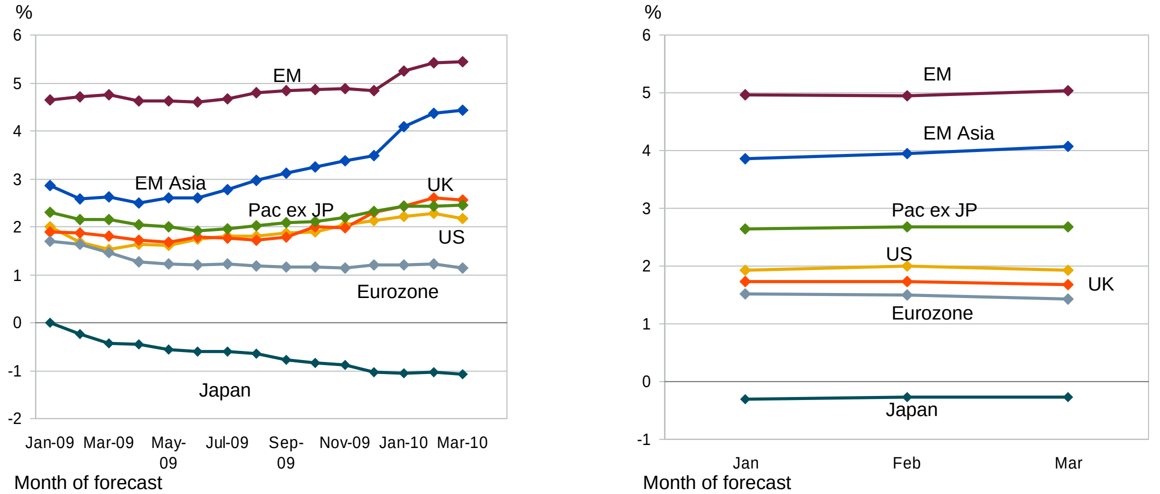


Chart B: Inflation consensus forecasts

2010	2011



Source: Consensus Economics (March 2010), Schroders
Pacific ex. Japan: Australia, Hong Kong, New Zealand, Singapore
Emerging Asia: China, India, Indonesia, Malaysia, Philippines, South Korea, Taiwan, Thailand
Emerging markets: China, India, Indonesia, Malaysia, Philippines, South Korea, Taiwan, Thailand, Argentina, Brazil, Colombia, Chile, Mexico, Peru, Venezuela, South Africa, Czech Republic, Hungary, Poland, Romania, Russia, Slovakia, Turkey, Ukraine, Bulgaria, Croatia, Estonia, Latvia, Lithuania

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