August 19, 2011

EM Data Releases and Policy Announcements

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22	23	24	25	26
Argentina	Trade Balance ($ Bils) May 1.7 **Jul (f) 0.9** Jun 1.0 **Jul (c) 0.9**			
Mexico				Central Bank Meeting & Rate Decision **(unch)**
Brazil	Current Account ($ Bils) May -4.1 **Jul (f) -3.8** Jun -3.3 **Jul (c) -3.6**		Unemployment Rate May 6.4% **Jul (f) 6.2%** Jun 6.2% **Jul (c) 6.1%**	
Taiwan	Industrial Production (Y/Y) May 7.6% **Jul (f) 3.8%** Jun 3.6% **Jul (c) 4.8%**			
Hong Kong Consumer Prices (Y/Y) May 5.2% **Jul (f) 6.2%** Jun 5.6% **Jul (c) 8.2%**				
Singapore	Consumer Prices (Y/Y) May 4.5% **Jul (f) 5.2%** Jun 5.2% **Jul (c) 5.0%**			Industrial Production (Y/Y) May -16.2% **Jul (f) 14.6%** Jun 10.5% **Jul (c) 9.0%**
Thailand		Real GDP (Y/Y) 10Q4 3.8% **11Q2 (f) 3.9%** 11Q1 3.0% **11Q2 (c) 3.6%**		Manuf. Production (Y/Y) May -3.7% **Jul (f) 4.0%** Jun 3.3% **Jul (c) N/A**
Turkey	Central Bank Meeting & Rate Decision **(-25 bps)**			
Hungary	Central Bank Meeting & Rate Decision **(unch)**			

Emerging Markets Data, Policy and Market Outlook

Growth has slowed significantly from the post-crisis peak rates. Inflation is still a policy-shaping threat, but actual inflation rates are generally moderate against historical patterns and earlier expectations in all but a few countries, such as India. Cases of well above-trend and above current global average inflation tend to be unsurprising given their policy history (Venezuela and Argentina, for example).

Nonetheless, price pressures from high levels of capacity utilization and from the impact of commodity prices are still evident, along with the still unfolding consequences of quantitative easing policies applied in the developed world. The latter contribute to the (admittedly) diminishing risk of overheating, as they contribute to an environment of low borrowing costs in economies approaching or at full employment. There is also a continuing risk of asset price bubbles, because many of the economies receiving the additional funds have an insufficient ability to absorb those into productive uses. Still, barring a severe disruption of the global economy and financial markets as a consequence, for example, of the Greek debt troubles, EMs appear close to a soft-landing outcome: growth has slowed but is proceeding at a moderately strong pace, inflationary pressures cannot be overlooked but have eased, and the process of monetary tightening seems not too far from the cyclical finish line, especially in some of the key economies like China and Brazil.

To be sure, there are a few important exceptions to this policy trend. In India, for example, the RBI is engaged in what still looks like an open-ended, yet gradual, process of tightening. From the global perspective the near-term impact, however, is relatively minor, given the still rapid pace of growth of Indian GDP and the insular nature of its economy.