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EM Data Releases and Policy Announcements

Francisco J. Larios
Chief Economist, Emerging Markets
Miami
+1 305 553 2211
flarios@decisioneconomicsinc.com

14	15	16	17	18
Hong Kong			Unemployment Rate Aug 3.2% **Oct (f) 3.3%** Sep 3.2% **Oct (c) 3.2%**	
India Wholesale Prices (Y/Y) Aug 9.8% **Oct (f) 9.7%** Sep 9.7% **Oct (c) 9.6%**				
Malaysia				Real GDP (Y/Y) 11:Q1 4.9% **11:Q3 (f) 4.8%** 11:Q2 4.0% **11 Q3 (c) 4.6%**
Russia	Real GDP (Y/Y) 11:Q1 4.1% **11:Q3 (f) 5.4%** 11:Q2 3.4% **11 Q3 (c) 5.0%**		Industrial Production (Y/Y) Aug 6.2% **Oct (f) 4.0%** Sep 3.9% **Oct (c) 3.5%**	
Turkey	Current Account ($ Bils.) Jul -5.3 **Sep (f) -3.8** Aug -4.0 **Sep (c) -6.7**			
Poland	Consumer Prices (Y/Y) Aug 4.3% **Oct (f) 4.2%** Sep 3.9% **Oct (c) 4.0%**			
Czech Republic	Real GDP (Y/Y) 11:Q1 2.8% **11:Q3 (f) 1.3%** 11:Q2 2.2% **11 Q3 (c) 1.6%**			
Hungary	Real GDP (Y/Y) 11:Q1 2.5% **11:Q3 (f) 1.1%** 11:Q2 1.5% **11 Q3 (c) 0.8%**			

Emerging Markets Data, Policy and Market Outlook

The global growth slowdown has clearly reached emerging market shores and substantially changed the balance of risks that guides policymaking. To be sure, a static snapshot of economic activity across EMS would show these countries as still-in-expansion-phase. Moreover, those which have decelerated most significantly (such as Brazil) continue to post rates of growth that are solid in their own historical context. It should also be noted that the slowdown is not uniform across and within regions as the EM term obviously groups economies of a broad diversity not just on account of growth history and potential but also risk.

The slowdown is perhaps most noticeable in the EM manufacturing sectors. From Brazil to China, and even still-booming Turkey, industrial production has slowed markedly in the past two quarters. This deceleration, along with a strengthening US dollar and market fears of a global recession, have brought commodity prices down from their recent peak, eroding the outlook for commodity-exporting nations in South America and elsewhere.

These adverse trends are unfolding in the midst and against the background of relatively high capacity utilization and, in a number of important cases (Brazil, for example) labor market conditions that approach full employment.

As a result, central banks continue to exhibit *some* reluctance to ease policy in an aggressive manner. The turn towards easier money has begun, but lingering inflation-concerns (and still-high, although diminishing, annual inflation) induce caution among policymakers. Nonetheless, it is hard to see how—given EU and US trends—further easing can be avoided, to prevent the current situation from morphing into recessionary conditions. This latter outcome remains unlikely, unless a new global financial crisis takes place.