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EM Data Releases and Policy Announcements

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30	1	2	3	4
Brazil		Trade Balance ($US Bils.) Feb 1.7 **Apr (f) 1.5** Mar 2.0 **Apr (c) 0.4**	Industrial Production (Y/Y) Jan -2.9% **Mar (f) 0.4%** Feb -3.9% **Mar (c) 0.6%**	
Korea Consumer Prices (Y/Y) Feb 3.1% **Apr (f) 2.7%** Mar 2.6% **Apr (c) 2.8%**				
Taiwan Real GDP (Y/Y) 11:Q3 3.5% **12:Q1 (f) 0.5%** 11:Q4 1.9% **12:Q1 (c)0.9%**				
Indonesia	Consumer Prices (Y/Y) Feb 3.6% **Apr (f) 4.1%** Mar 4.0% **Apr (c) 4.5%**			
Philippines			Consumer Prices (Y/Y) Feb 2.7% **Apr (f) 2.7%** Mar 2.6% **Apr (c) 2.6%**	
Thailand	Consumer Prices (Y/Y) Feb 3.4% **Apr (f) 3.1%** Mar 3.5% **Apr (c) 2.9%**	Central Bank Meeting & Rate Decision **(unch.)**		
Russia				Consumer Prices (Y/Y) Feb 3.7% **Apr (f) 4.2%** Mar 3.7% **Apr (c) 3.7%**
Turkey			Consumer Prices (Y/Y) Feb 10.6% **Apr (f) 10.4%** Mar 10.4% **Apr (c) 11.0%**	
Czech Republic			Central Bank Meeting & Rate Decision **(unch.)**	

Emerging Markets Data, Policy and Market Outlook

A soft-landing scenario is gradually—but not yet fully—materializing across emerging markets. Economic activity has *cooled*, particularly on the manufacturing side, but conditions cannot be called recessionary even stretching the meaning of the term. With few exceptions, consumer and investment spending remains well-supported, unemployment rates low; borrowing costs have diminished modestly as a disinflationary trend takes hold.

Whether trends in the developed world will support the EM's soft-landing is still an unanswered question. On the positive side, there is a consolidation of healthy consumer-driven dynamics in the United States. But the European recession, and the lingering possibility of a full-fledge debt crisis there, is a clear negative on EM growth and risk.

From current perspective, it is reasonable to expect that if a full-fledged financial crisis is avoided in Europe, emerging markets as a whole would likely experience a *moderate* rebound later this year and into 2013, on the basis of easier money, stronger US demand, plus a bottoming and modest re-acceleration of growth in China.

China is central to the EM soft-landing scenario. Emerging markets will probably replicate, more or less closely depending of size, economic structure and location, China's near-term growth pattern: further deceleration through the middle months of 2012, followed, later in the year and into next, by a moderate up-turn.

China is also a key piece of the puzzle as regards risks to the EM soft-landing. Should the Asian giant slip into recession (or a recession-like stage, say 5%-to-6% growth), the pace of economic activity would be hurt significantly not just in manufacturing-oriented Asia but in commodity driven EMS there and elsewhere, as commodity markets would be heavily impacted. There is a reasonable expectation that such Chinese-recession scenario will be avoided, but Chinese policymakers' failure to shift towards easing creates some concern.