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EM Data Releases and Policy Announcements

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Argentina				Consumer Prices (Y/Y) Feb 9.7% **Apr (f) 9.7%** Mar 9.8% **Apr (c) NA**
Brazil		Consumer Prices (Y/Y) Feb 5.9% **Apr (f) 4.9%** Mar 5.2% **Apr (c) 5.0%**		
Mexico		Consumer Prices (Y/Y) Feb 3.9% **Apr (f) 3.8%** Mar 3.7% **Apr (c) 3.4%**		
South Korea		Central Bank Meeting & Rate Decision **(unch.)**		
Taiwan Consumer Prices (Y/Y) Feb 0.2% **Apr (f) 1.4%** Mar 1.2% **Apr (c) 1.4%**				
Hong Kong				Real GDP (Y/Y) 11:Q3 4.3% **12:Q1 (f) 1.8%** 11:Q4 3.0% **12:Q1 (c) 0.7%**
China		Trade Balance ($US Bils.) Feb -31.5 **Apr (f) 8.4** Mar 5.4 **Apr (c) 9.8**	Consumer Prices (Y/Y) Feb 3.2% **Apr (f) 3.8%** Mar 3.6% **Apr (c) -0.5%**	Industrial Production (Y/Y) Dec 12.8% **Apr (f) 10.8%** Mar 11.9% **Apr (c) 12.1%**
India				Industrial Production (Y/Y) Jan 1.1% **Mar (f) 4.1%** Feb 4.1% **Mar (c) NA**
Indonesia Real GDP (Y/Y) 11:Q3 6.5% **12:Q1 (f) 6.4%** 11:Q4 6.5% **12:Q1 (c) 6.3%**			Central Bank Meeting & Rate Decision **(unch.)**	
Malaysia			Industrial Production (Y/Y) Jan 0.3% **Mar (f) 2.2%** Feb 7.5% **Mar (c) 3.2%**	Central Bank Meeting & Rate Decision **(unch.)**
Turkey	Industrial Production (Y/Y) Jan 1.7% **Mar (f) 7.0%** Feb 4.5% **Mar (c) 2.2%**			Current Account ($ Bils.) Jan -5.9 **Mar (f) -6.0** Feb -4.2 **Mar (c) -6.1**
Poland		Central Bank Meeting & Rate Decision **(unch.)**		
Czech Republic			Consumer Prices (Y/Y) Feb 3.7% **Apr (f) 3.7%** Mar 3.8% **Apr (c) 3.6%**	Industrial Production (Y/Y) Jan 3.1% **Mar (f) 3.2%** Feb 4.7% **Mar (c) 1.5%**
Hungary	Industrial Production (Y/Y) Jan -2.7% **Mar (f) 0.5%** Feb -3.4% **Mar (c) -0.3%**			Consumer Prices (Y/Y) Feb 5.9% **Apr (f) 5.2%** Mar 5.5% **Apr (c) 5.4%**

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.