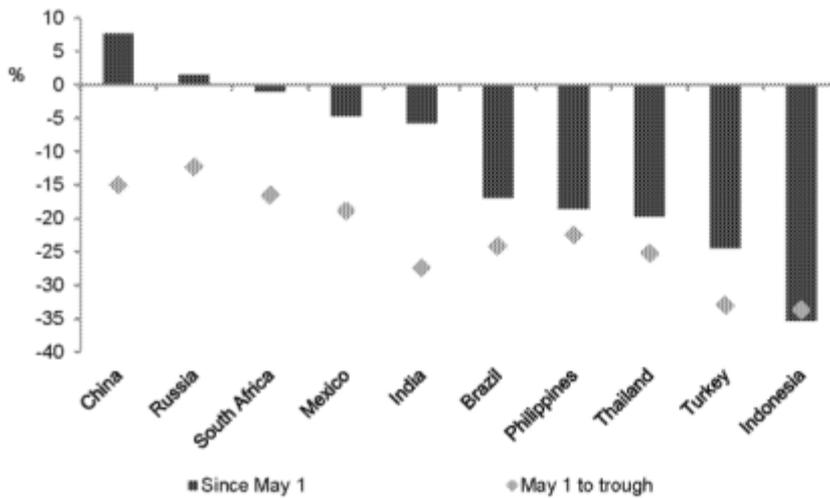




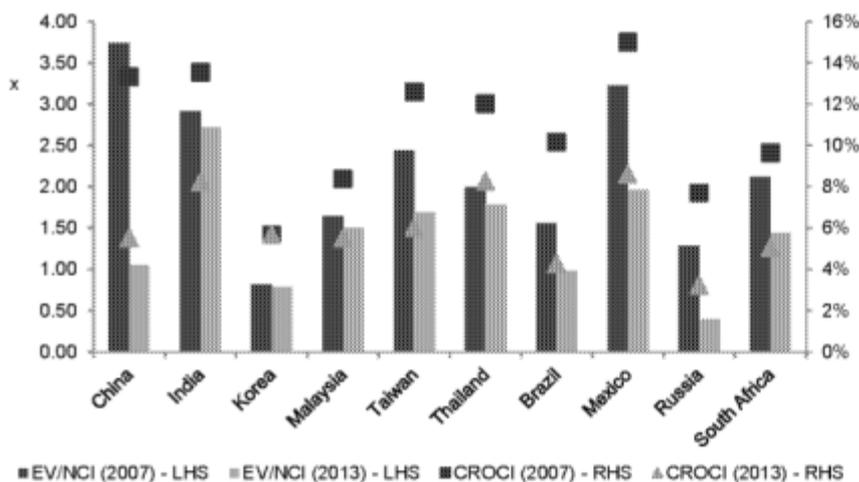
Figure 6: Total return of selected emerging market equity indices since 1 May 2013, USD



(1) Correct as at market close on 9 December 2013.
 Source: Deutsche Bank, Bloomberg Finance LP

3. Potential for lower oil prices; Will 2014 finally be the year when oil prices, ex-WTI, finally break down through their narrow range to reflect the deterioration in the supply/demand fundamentals which has been apparent for some time? The bearish factors seem to be mounting up, namely continuing upwards revisions of US supply, less unfavourable geopolitical factors including the partial rehabilitation of Iran, less disruption to non-OPEC supply and lower EM demand – on the latter point, senior DB Asian energy analyst David Hurd points out the marked decrease in purchasing power brought about by currency depreciation for Brazil, India and Indonesia, who have collectively accounted for around 25% of the increase in oil demand over recent years.

Figure 7: 2013 versus 2007 – EV/NCI (x) and CROCI (%) for main EM markets



Source: Deutsche Bank, Bloomberg Finance LP