J.P.Morgan

Global Asset Allocation
[redacted] Morgan Chase Bank NA,
[redacted] Morgan Securities Ltd.

Jun 1, 2012

The J.P. Morgan View

Economy now adding insult to euro injury

- **Asset Allocation** — We are net short risk through UWs of the euro and Cyclicals. Retain OW of US and EM Asia stocks. Fund risk assets in euros. Prefer credit over equities and commodities. Retain longs in gold.
- **Economics** — Growth momentum has turned negative. Both EM Asia and US forecasts have been cut after disappointing PMIs and jobs data.
- **Fixed Income** — Path of least resistance is still to wider intra-EMU spreads.
- **Equities** — Stay long US vs euro equities, despite weak US jobs, as we have not yet seen the full impact of the escalating euro crisis on economic data.
- **Credit** — We move to OW EM $ Sovereigns vs. EM Corporates and Neutral European Senior Financials.
- **Foreign exchange** — Stay short EUR/USD, GBP/USD and EUR/CHF.
- **Commodities** — We remain neutral and prefer spread trades. Our highest conviction of these are short corn vs. natural gas and long corn vs. live cattle.

- As if Euro turmoil and indecision were not enough to push down risk assets, now comes renewed doubt about world growth. Our Global Manufacturing PMI today fell back to a just above December, which was the lowest point since the recession. Our economists have **cut their 2012 and 2013 global growth projections to 2.1% and 2.4%** this week, due to downgrades in the US, Brazil, and EM Asia, following cuts in the Euro area last week (charts p. 2 and table p. 6). Both are down 0.2% from 2 weeks ago, and are below potential.

- Much as we would like to see the double-digit fall in stocks from the March YTD peak as the bottom in the correction, the **near-term drivers still appear to be pointing downwards for risk assets.** Value and risk premia have gone from cheap to very cheap, but have not been not good timing signals. Both price and economic momentum are now negative. We do not see evidence of capitulation, with most tactical investors having moved to neutral on equities and credit, but not yet to short. And the policy cavalry does not seem in a hurry to ride to the rescue, in our opinion, assuming they have not run out of ammunition.

- **Is the economic slowdown temporary, or the beginning of a downward slide?** The lack of a single smoking gun for recent weakness argues for temporary, in particular as it has come with a dramatic fall in oil prices that will support consumption. We are thus taking a middle road that sees higher growth rates in coming quarters, from the low in Q2, but that only returns to the 2.5% pace of Q1 by Q3 of next year. This spells another year of below potential growth that should depress inflation and induce renewed monetary easing. We pencil in a QE/Twist extension in the UK and the US.

- Our impression from position data and investor discussions is that tactical investors have been switching from long to neutral on equities and commodities, while retaining some credit longs. Corporate bonds have outperformed (chart p. 1) as the impact of wider spreads has been offset by lower underlying

The certifying analyst is indicated by an AC. See page 7 for analyst certification and important legal and regulatory disclosures.

Jan Loeys[AC]
(1-212) 834-5874
jan.loeys@jpmorgan.com

John Normand
(44-20) 7325-5222
john.normand@jpmorgan.com

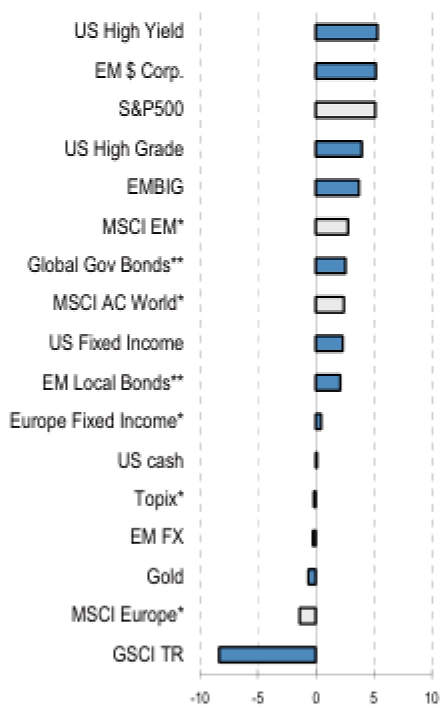
Nikolaos Panigirtzoglou
(44-20) 7777-0386
nikolaos.panigirtzoglou@jpmorgan.com

Seamus Mac Gorain
(44-20) 7777-2906
seamus.macgorain@jpmorgan.com

Matthew Lehmann
(44-20) 7777-1830
matthew.m.lehmann@jpmorgan.com

Leo Evans
(44-20) 7742-2537
leonard.a.evans@jpmorgan.com

YTD returns through May 31
%, equities are in lighter colour.



Source: [redacted] Morgan, Bloomberg. Returns in USD. *Local currency. **Hedged into USD. Euro Fixed Income is Iboxx Overall Index. US HG, HY, EMBIG and EM $ Corp are JPM indices. EM FX is ELMI+ in $.

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gov't yields. Investors have so far not gone massively underweight — hedge funds probably only have some shallow shorts — as policy risk is seen to be two-sided.

- Our expectation is that **policy** makers will not sit still in the face of economic weakness. The question, though, is how fast they will act, how much they will do, and whether their bullets might not have become duds. Euro policy makers seem to feel they can't give the game away before the June 17 Greek elections. Meaningful decisions on turning the ESM into a bank or the issuer of common bonds will not be decided until the June 26-26 Euro Summit, and more likely can take another year of a worsening crisis. The Fed and BoE seem set for another bout of QE, but with yields at historic lows, it is unclear how much more this can achieve. Chinese policy makers are set to provide more fiscal stimulus, but this will likely far well short of what they did in 2008-10.

- **How does one invest in this environment,** where all risk assets seem to trade as one? In a global portfolio, we are net short risk, but being long the dollar and UW Cyclical sectors. An investor who wants to retain some long risk exposure should do it in credit, and not in commodities or equities. The latter are more sensitive to growth, while credit is more a carry game and provides diversification from the negative correlation between the spread and the underlying gov't yield. We retain an OW US vs Europe as the latter has more downside, in our view. And we keep an equity OW Asia in EM portfolios as Chinese policy makers have a lot of bullets left. Long risk positions should be funded in euros, or combined with a short EUR vs USD. Retain longs in gold may have acted like just another equity over the past few months, but today's 4% spike shows it provides some hedge against extreme market moves and expectations of more QE.

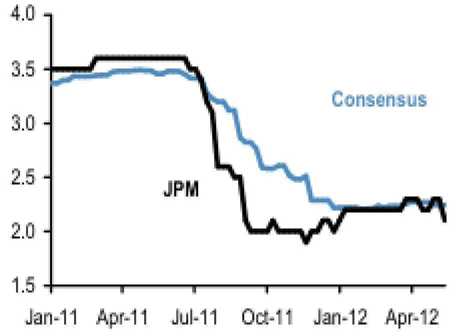
Fixed income

- **A perfect storm of weakening data and escalating EMU crisis brought new yield lows across the board.** In a week of eye-popping numbers, two-year German yields hovering either side of zero hardly stood out. The slowing data lead us to pencil in a further Twist from the Fed, and a QE extension from the BoE as soon as July (previously August), even as the marginal benefit appears limited at these yield levels.

- **Markets surely need decisive policy action in Europe to reverse course**. Yet the ECB, if anything, appears to be becoming more, rather than less, protective of its balance sheet, as evidenced by the temporary closure of regular ECB operations to Greek banks, pending this week's recapitalisation. Meanwhile, EMU governments look far from agreeing further fiscal support from the core to the periphery, and will in any case be reluctant to take action before the Greek election. That means the path of least resistance is biased towards still lower yields, flatter curves, and wider intra-EMU spreads.

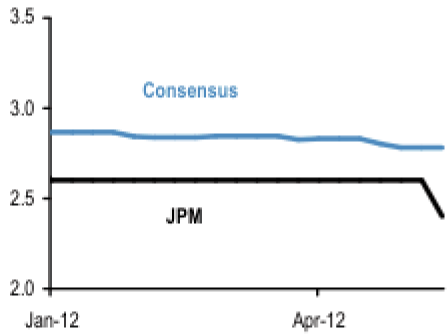
- **EM local yields are only slightly higher on the month, even as EM currencies have lost significant ground**, with expectations of policy easing helping rates in places (e.g. Brazil cut again this week). The experience of past derisking episodes suggests that the modest outflows from EM bond funds seen in recent weeks could escalate. Yet we think several factors reduce the likelihood of heavy outflows this time: for one, EM bond managers are more FX-hedged than during last year's correction, cushioning them from currency losses (see

2012 global GDP growth forecasts: JPMorgan and Consensus



Source: [redacted] Morgan, Consensus Economics. Consensus Economics forecasts are for regions and countries that we averaged using the same 5-year rolling USD GDP weights that we use for our own global growth forecast.

2013 global GDP growth forecasts: JPMorgan and Consensus



Source: [redacted] Morgan, Consensus Economics. Consensus Economics forecasts are for regions and countries that we averaged using the same 5-year rolling USD GDP weights that we use for our own global growth forecast.

More details in ...

Global Data Watch, Bruce Kasman and David Hensley

Global Markets Outlook and Strategy, Jan Loeys, Bruce Kasman, et al.

US Fixed Income Markets, Terry Belton and Srini Ramaswamy

Global Fixed Income Markets, Pavan Wadhwa and Fabio Bassi

Emerging Markets Outlook and Strategy, Joyce Chang

Key trades and risk: Emerging Market Equity Strategy, Adrian Mowat et al.

Flows and Liquidity, Nikos Panigirtzoglou et al.

Mike Trounce, *EMEA EM Local Markets View*, 31 May).

Equities

- It is true that today's US payroll report shifts the focus of economic weakness to the US, which up until recently appeared to be immune to the weakness in Europe and China. While we recognize that US economic data are weakening, we still detect more downside in Europe, especially as we have not yet seen the full impact of the still escalating euro debt crisis on euro area economic data. Stay **long S&P500 vs MSCI EMU$.**

- Last week we opened an **underweight in Cyclical vs Defensive equity sectors** in response to weak flash PMIs. This week's final PMIs confirmed this broad based decline in global economic activity. This means that there is more downside for Cylical sectors over the coming weeks, in our view.

- **Across regions we still like OW EM Asia** equities. This trade is predicated on an expectation that Chinese policy makers will announce more stimulus via a FAI program in the summer, ahead of autumn's leadership change. Recent disappointing data in China have raised the probability of that happening.

Credit

- With Treasury yields moving ever lower, spreads continue to widen and today's jobs number will likely fan the recent dynamic. EM sovereigns (EMBIG) widened 21bp this week while EM $ corporates (CEMBI) are only 12bp wider. This is likely as the former is more liquid than the latter. CEMBI is by now only some 10bp above EMBIG, while it was a few 100bp higher during the financial crisis. We thus advise a long EMBIG vs CEMBI as a hedge against further financial turmoil that is relatively cheap to hold (see Jonny Goulden, *Tracking Signs of Stress in EM Sovereigns*). Similar concerns led our European credit team to move to **Neutral from Overweight Senior Unsecured financials** this week also (Roberto Henriques, *How is One Left?*).

- In yield terms, credit, particularly $ denominated, has been pretty resilient, following months of strong inflows, which might suggest vulnerability if positioning deteriorates. **Yet our May surveys suggests recent adjustments in line with broader market moves**: Our US team reports roughly neutral positions and above average cash holdings. Our European team suggests a similar theme. Our EM team report investors moved further underweight sovereigns, but that corporates are the only EM asset class where investors are OW. They see a sharp slowdown and potential reversal of inflows as a significant risk for this sector, which adds support for the above trade recommendation.

Foreign Exchange

- **The dollar enters June with its fifth-best monthly performance in a decade,** compliments of crisis or mediocrity in every major region. China and Brazil are delivering their weakest growth since Lehman; India's expansion is the poorest in a decade; the US is underwhelming on almost every indicator but housing; and Europe is delivering its third annual summer sovereign crisis through Spain's banking sector and Greece's possible EMU exit. It is unsurprising that the dollar would rally in such an environment; the anomalies are that the yen isn't up year-to-date; that five currencies have outperformed the dollar; and that FX volatility is barely above its long-term average (12% on VXY Global versus an average of 10.5%).

More details in ...

EM Corporate Outlook and Strategy, Warren Mar et al.

US Credit Markets Outlook and Strategy, Eric Beinstein et al.

High Yield Credit Markets Weekly, Peter Acciavatti et al.

European Credit Outlook & Strategy, Steven Dulake et al.

Emerging Markets Cross Product Strategy Weekly, Eric Beinstein et al.

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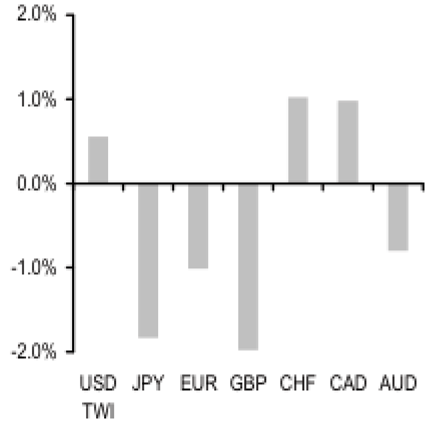
- Each troubled region is troubled in its own way, but Europe should be the focus this summer since it requires more inventiveness than does the US or China. Compared to fixing a dysfunctional currency union in the world's second largest economic area, US and Chinese challenges seem ordinary and familiar. The Fed will need to decide on June 22 and July 31 whether QE3 is worth the political bother when government and corporate bond yields are already at historic lows. China will need to judge what combination of reserve cuts and fixed asset spending will deliver its minimum growth goal of 7.5%, a floor it now looks to be slipping through. Meanwhile Europe is mulling everything from conventional stimulus (rate cuts) to emergency liquidity (LTRO, IMF/EFSF lending) to quantum-leap integration (banking and fiscal unions), the first two of which are highly probable and the last of which seems like a pipe dream. Currencies have moved even closer to pricing a Lehman-like outcome, but since Europe is unlikely to take a quantum leap this year, the current USD rally can extend.

- Keep EMU hedges such as short EUR/USD, GBP/USD and EUR/CHF to hedge another policy mistake by Spain or an election surprise in Greece. Also re-enter anti-cyclical trades which we took profits on prematurely last Friday, thinking currencies had already moved halfway towards pricing in a Lehman event. Our crisis dashboard has yet to issue the one hallmark of oversold markets— a significant overshoot on valuation models. Given how much US and Chinese activity data have worsened this week, commodity currencies and the yen crosses can decline further. Buy USD/CAD and sell CAD/JPY in cash.

FX weekly change vs USD



Source: J.P. Morgan

Commodities

- **Commodities fell sharply this week, down over 4%** with all commodity sectors experiencing losses. The uncertainty around Greece and the Euro area crisis and its ramifications for growth are hurting all risk assets including commodities. **Particularly relevant to commodities is the impact a European recession would have on the Chinese economy**. Our China economist estimates that a 1%-pt decline in Euro area GDP growth would push Chinese exports to the Euro area down by 7% and would trim China's GDP growth by 0.3% (see *China: NBS May manufacturing PMI fell to 50.4;* Zhu et al., Jun 1).

- Recent weakness in the Chinese PMI suggests these effects are already being felt. Chinese physical metals prices are also in a downtrend which is likely to continue over the coming month. We remain neutral commodities overall and prefer spread trades. **Our highest conviction spread trades are short corn vs. US natural gas and long corn vs. Live Cattle** (see *Commodity Momentos*, Colin Fenton, May 31).

- In energy markets, Asian LNG prices have been in an upward trend since the Japanese earthquake disrupted nuclear power supplies and led to higher natural gas demand for power generation. Additionally, **there has been increased demand for Asian LNG elsewhere as a substitute for higher priced oil.** This coupled with the recent fall in oil prices has led Asian LNG for summer delivery to be priced above oil. While natural gas may be run more efficiently than oil in power, clearly the cost advantage has diminished, and given oil is easier to store and is a more liquid market, users may turn back to oil. The impact on oil markets may not be sustained but it would come at a time when the oil market is at its tightest over the summer, thus likely pushing up oil prices (see *Daily Oil Note*, Fenton et al., May 31).

More details in ...

FX Markets Weekly, John Normand *et al.*

Commodity Markets Outlook & Strategy, Colin Fenton et al.

Oil Markets Monthly, Lawrence Eagles et al.

Metals Review and Outlook, Michael Jansen

Global Metals Quarterly, Michael Jansen

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Interest rates		Current	Jun-12	Sep-12	Dec-12	Mar-13	YTD Return*
United States	Fed funds rate	0.125	0.125	0.125	0.125	0.125	
	10-year yields	1.45	1.70	2.25	2.50	2.50	2.0%
Euro area	Refi rate	1.00	1.00	0.75	0.75	0.75	
	10-year yields	1.17	1.40	1.25	1.50	1.70	4.7%
United Kingdom	Repo rate	0.50	0.50	0.50	0.50	0.50	
	10-year yields	1.53	1.80	1.80	1.95	2.10	2.9%
Japan	Overnight call rate	0.05	0.05	0.05	0.05	0.05	
	10-year yields	0.81	0.80	0.85	0.95	0.95	1.4%
GBI-EM hedged in $	Yield - Global Diversified	6.45			6.30		2.1%

Credit Markets	Current	Index	YTD Return*
US high grade (bp over UST)	228	JPMorgan JULI Porfolio Spread to Treasury	4.0%
Euro high grade (bp over Euro gov)	295	iBoxx Euro Corporate Index	5.1%
USD high yield (bp vs. UST)	696	JPMorgan Global High Yield Index STW	5.2%
Euro high yield (bp over Euro gov)	967	iBoxx Euro HY Index	9.2%
EMBIG (bp vs. UST)	420	EMBI Global	3.7%
EM Corporates (bp vs. UST)	454	JPM EM Corporates (CEMBI)	5.2%

		Quarterly Averages					
Commodities	Current	12Q2	12Q3	12Q4	13Q1	GSCI Index	YTD Return*
Brent ($/bbl)	104	112	120	125	125	Energy	-8.0%
Gold ($/oz)	1567	1750	1850	1875		Precious Metals	-0.5%
Copper ($/metric ton)	7483	8150	8575	9000		Industrial Metals	-3.1%
Corn ($/Bu)	5.60	6.35	5.85	5.65		Agriculture	-7.7%

Foreign Exchange	Current	Jun-12	Sep-12	Dec-12	Mar-13	3m cash index	YTD Return* in USD
EUR/USD	1.24	1.22	1.22	1.24	1.25	EUR	-4.0%
USD/JPY	78.2	78	80	78	80	JPY	1.8%
GBP/USD	1.54	1.56	1.56	1.57	1.57	GBP	-0.3%
USD/BRL	2.04	2.05	1.98	1.95	1.90	BRL	-4.2%
USD/CNY	6.37	6.32	6.25	6.15	6.10	CNY	-0.1%
USD/KRW	1178	1200	1150	1140	1090	KRW	-1.3%
USD/TRY	1.86	1.88	1.85	1.80	1.70	TRY	4.9%

Equities	Current	YTD Return (local ccy)
S&P	1281	5.2%
Nasdaq	2750	5.3%
Topix	709	-0.2%
FTSE 100	5260	-3.8%
MSCI Eurozone*	124	-2.5%
MSCI Europe*	985	-1.4%
MSCI EM $*	906	0.2%
Brazil Bovespa	53496	-5.7%
Hang Seng	18558	1.9%
Shanghai SE	2373	7.9%

*Levels/returns as of May 31, 2012

Local currency except MSCI EM $

Sector Allocation *	US YTD	Europe YTD	Japan YTD	EM YTD ($)
Energy	-7.6%	-10.1%	-10.0%	-7.0%
Materials	1.6%	-2.1%	-6.1%	-5.0%
Industrials	3.5%	**2.1%**	-0.6%	**3.4%**
Discretionary	**10.8%**	**9.7%**	**5.9%**	0.0%
Staples	4.7%	**3.5%**	**6.3%**	**2.8%**
Healthcare	4.9%	**1.9%**	-1.2%	**7.6%**
Financials	**8.3%**	-4.0%	**6.4%**	**1.5%**
Information Tech.	**10.1%**	**1.6%**	-4.2%	**8.9%**
Telecommunications	**10.4%**	-9.0%	-6.0%	-1.6%
Utilities	0.7%	-6.4%	-4.7%	-1.4%
Overall	**5.2%**	**-1.4%**	**-0.2%**	**0.2%**

Source: Bloomberg, Datastream, IBES, Standard & Poor's Services, J.P. Morgan estimates

Global Economic Outlook Summary

	Real GDP % over a year ago			Real GDP % over previous period, saar							Consumer prices % over a year ago			
	2011	2012	2013	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	4Q11	2Q12	4Q12	2Q13
The Americas														
United States	1.7	2.2 ↓	2.1 ↓	3.0	1.9 ↓	2.5	2.0 ↓	2.0	1.5	2.3	3.3	2.0	1.7 ↓	1.5 ↓
Canada	2.4 ↓	2.2 ↓	2.5	1.9 ↑	1.9 ↓	2.6	2.3	2.4	2.7	2.4	2.7	1.7	1.7	2.0
Latin America	4.2	3.4 ↓	3.9	2.6 ↓	3.8 ↓	3.7 ↓	3.8 ↓	3.7 ↓	4.2 ↓	3.8	7.2	6.4	6.2	6.9
Argentina	8.9	4.0	3.9	3.2	4.8	-2.0	8.0	8.0	3.0	4.0	9.6	10.0	10.0	11.0
Brazil	2.7	2.1 ↓	4.5	0.6 ↓	0.8 ↓	4.1 ↓	4.4 ↓	4.8 ↓	4.5	4.5	6.7	5.0	5.0	5.3
Chile	6.0	5.0	4.5	8.2	5.7	4.9	4.6	4.7	4.5	4.4	4.0	4.2	3.9	3.4
Colombia	5.9	4.0 ↓	4.5 ↓	5.4	2.6 ↓	2.8 ↓	2.8 ↓	3.0	5.0 ↓	6.0	3.9	3.6	3.3	3.0
Ecuador	7.8	4.0	4.0	4.1	2.0	3.5	4.0	4.0	4.0	4.0	5.5	5.3	4.7	4.7
Mexico	3.9	3.8	3.5	2.9	5.3	3.9	2.0	3.2	4.9	2.8	3.5	4.2	4.0	3.8
Peru	6.9	6.0	7.0	2.8	8.7	5.5	5.5	6.0	8.0	8.0	4.5	3.9	3.1	3.0
Venezuela	4.2	5.5	0.0	5.2	10.9	6.0	3.0	-6.0	-1.0	0.0	28.5	23.9	23.4	31.7
Asia/Pacific														
Japan	-0.7	2.5	1.3	0.1	4.1	2.0	1.4	1.2	1.0	1.2	-0.3	0.1	0.1	-0.1
Australia	2.0	2.7 ↑	3.0	1.7	1.3	3.4	3.2	3.2	3.5	2.9	3.1	1.3 ↓	1.8 ↓	2.2 ↓
New Zealand	1.4	2.9	2.7	1.4	5.1	2.1	3.7	3.0	0.9	3.4	1.8	1.2	2.5	2.7
Asia ex Japan	6.9 ↓	5.8 ↓	6.4 ↓	5.2 ↑	7.3 ↓	5.3 ↓	5.8 ↓	6.0 ↓	6.4 ↓	6.6 ↓	4.9	3.8	4.0 ↓	4.7 ↓
China	9.2	7.7 ↓	8.4 ↓	8.8	6.8	6.6 ↓	8.0 ↓	8.2 ↓	8.7 ↓	8.7	4.6	3.1 ↓	3.5 ↓	4.4 ↓
Hong Kong	5.0	1.9 ↓	3.6 ↓	1.6	1.6	3.0	3.5 ↓	3.5 ↓	3.0	3.5 ↑	5.7	4.3 ↓	3.8 ↑	3.7 ↑
India	6.5 ↓	6.0 ↓	6.5 ↓	8.3 ↑	5.8 ↓	6.3 ↑	5.8 ↓	5.6 ↓	6.2 ↓	6.5 ↓	8.4	7.8	8.1 ↓	8.4 ↓
Indonesia	6.5	5.0 ↓	3.7 ↓	8.8	4.8	4.0 ↓	3.0 ↓	3.0 ↓	3.5 ↓	4.5 ↓	4.1	4.4 ↑	4.6 ↓	7.3
Korea	3.6	2.9 ↓	3.5 ↓	1.3	3.7	2.5 ↓	3.5 ↓	3.5 ↓	3.5 ↓	3.5 ↓	4.0	2.6	2.9	3.5
Malaysia	5.1	3.0 ↓	2.5 ↓	5.7	5.1	1.0 ↓	0.0 ↓	1.0 ↓	2.0 ↓	4.0 ↓	3.2	2.6	2.2	1.8
Philippines	3.8 ↑	5.6 ↑	4.7 ↓	6.9 ↑	10.2 ↑	4.9	5.7	4.9	4.5	4.5	4.7	3.9	4.0	4.0
Singapore	4.9	2.8 ↓	3.7 ↓	-2.5	10.0	3.6 ↓	-2.0 ↓	6.1 ↑	4.5 ↑	4.5	5.5	5.2 ↑	3.4 ↓	2.7 ↓
Taiwan	4.0	1.5 ↓	4.2 ↓	-2.1	2.8	2.8 ↓	3.6 ↓	4.0 ↓	4.5	4.6	1.4	1.3	1.8 ↑	1.6 ↑
Thailand	0.1	3.5 ↓	2.3 ↓	-36.7	52.1	4.0 ↓	1.0 ↓	0.0 ↓	2.0 ↓	3.0 ↓	4.0	2.5 ↓	2.3 ↓	3.1 ↓
Africa/Middle East														
Israel	4.8	2.9	4.4	3.2	3.0	3.2	6.1	7.4	4.5	2.8	2.5	2.3	2.5	2.1
South Africa	3.1	2.5	3.6	3.2	2.7 ↑	2.4	3.5	4.5	3.7	3.2	6.1	6.1	6.0	5.8
Europe														
Euro area	1.5	-0.4	0.2	-1.2	0.1	-1.2	-1.0	0.0	0.5	0.5	2.9	2.5	2.3	1.7
Germany	3.1	0.9	1.2	-0.7	2.1	0.3	0.3	1.0	1.5	1.5	2.6	2.2	1.9	1.6
France	1.7	0.0	0.6	0.3	0.2	-1.0	-0.3	0.5	0.8	1.0	2.6	2.4	2.1	1.7
Italy	0.5	-2.2	-1.0	-2.6	-3.2	-2.5	-2.5	-1.3	-0.8	-0.5	3.7	3.6	4.0	3.6
Spain	0.7	-1.4	-0.8	-1.2	-1.2	-2.8	-2.8	-1.5	-0.5	0.5	2.7	2.0	1.8	1.1
United Kingdom	0.7	-0.2	1.8	-1.2	-1.3	-1.3	2.3	1.0	2.0	2.0	4.6	2.9 ↓	2.5 ↓	2.2 ↓
Emerging Europe	4.8	2.6	3.4	4.2	2.6 ↑	-1.0	2.6	3.3	3.6	3.1	6.4	4.9	5.5	6.0
Bulgaria	1.7	1.0	2.5	...	...	...	...	...	...	...	...	...	...	...
Czech Republic	1.7	-1.1	0.9	-0.5	-3.9	-1.0	1.0	2.2	1.1	-1.7	2.4	2.7	2.9	2.5
Hungary	1.7	-1.2	1.0	0.0	-5.1	-0.5	0.0	0.8	1.0	1.5	4.1	5.8	5.9	3.8
Poland	4.3	3.0	3.0	4.1 ↓	3.2 ↑	2.0	2.3	3.0	3.0	3.0	4.6	3.9	3.5	2.8
Romania	2.5	0.8	2.7	-0.8	-0.4	-1.5	0.8	2.4	2.5	3.0	3.4	3.3	4.4	4.0
Russia	4.3	3.7	3.7	5.9	4.6	-2.0	3.5	4.0	4.5	4.0	6.8	3.7	6.0	6.6
Turkey	8.5	2.5	4.5	...	...	...	...	...	...	...	9.2	9.0	6.8	8.8
Global	2.6	2.1 ↓	2.4 ↓	1.8 ↑	2.5 ↓	1.7 ↓	2.0 ↓	2.2 ↓	2.3 ↓	2.5 ↓	3.6	2.7 ↓	2.6 ↓	2.6 ↓
Developed markets	1.3	1.2 ↓	1.4	0.8	1.3 ↓	0.9	1.0 ↓	1.2	1.2	1.5	2.8	1.9 ↓	1.7 ↓	1.5
Emerging markets	5.8	4.5 ↓	5.1 ↓	4.3 ↑	5.5 ↓	3.8 ↓	4.7 ↓	5.0 ↓	5.4 ↓	5.3 ↓	5.7	4.7	4.9 ↓	5.5

Source: J.P. Morgan

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