



EM snippets



Sébastien Barbé

Head of Emerging Market Research & Strategy

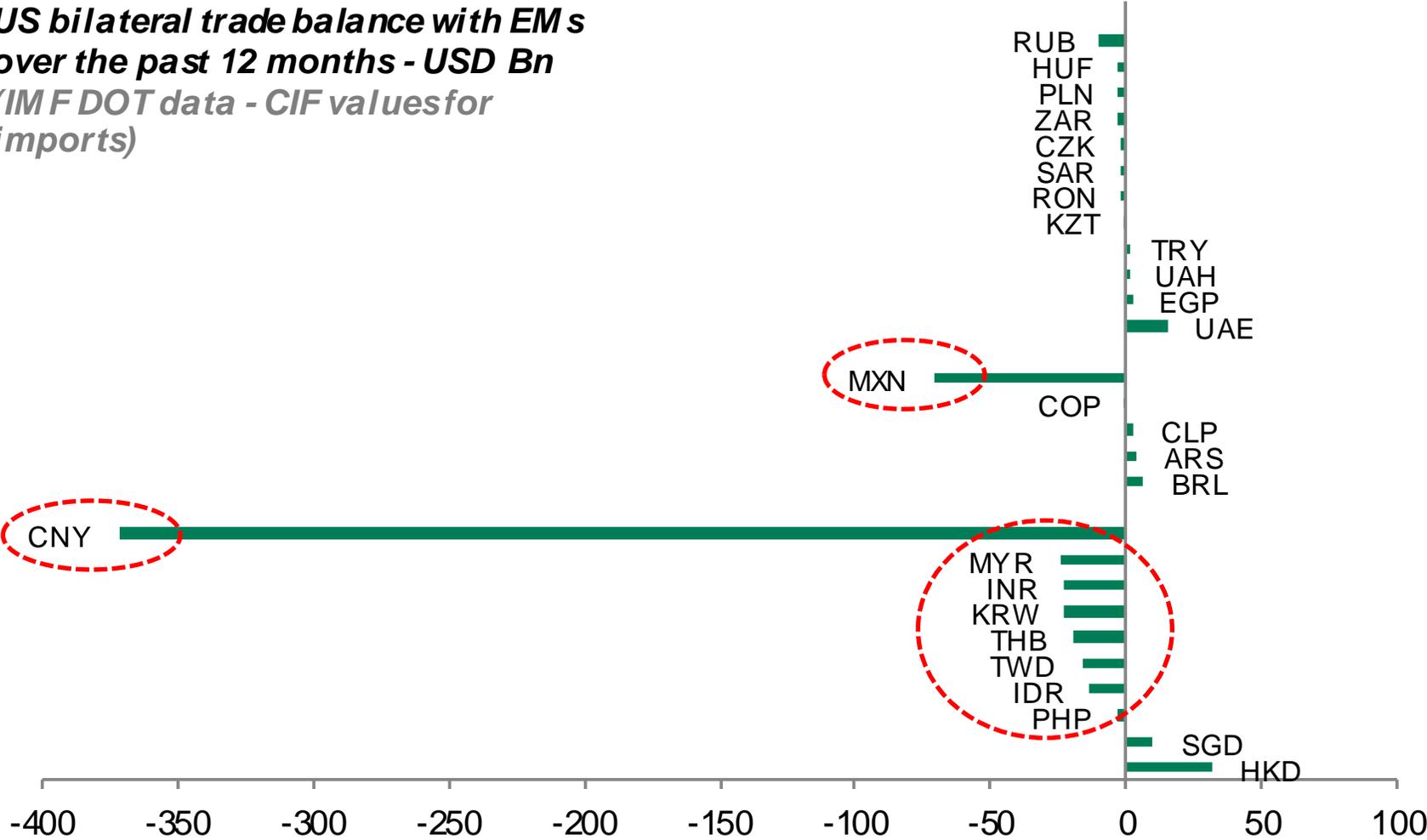
+33 1 41 89 15 97

sebastien.barbe@ca-cib.com

CHINA - US trade deficit: to whom?

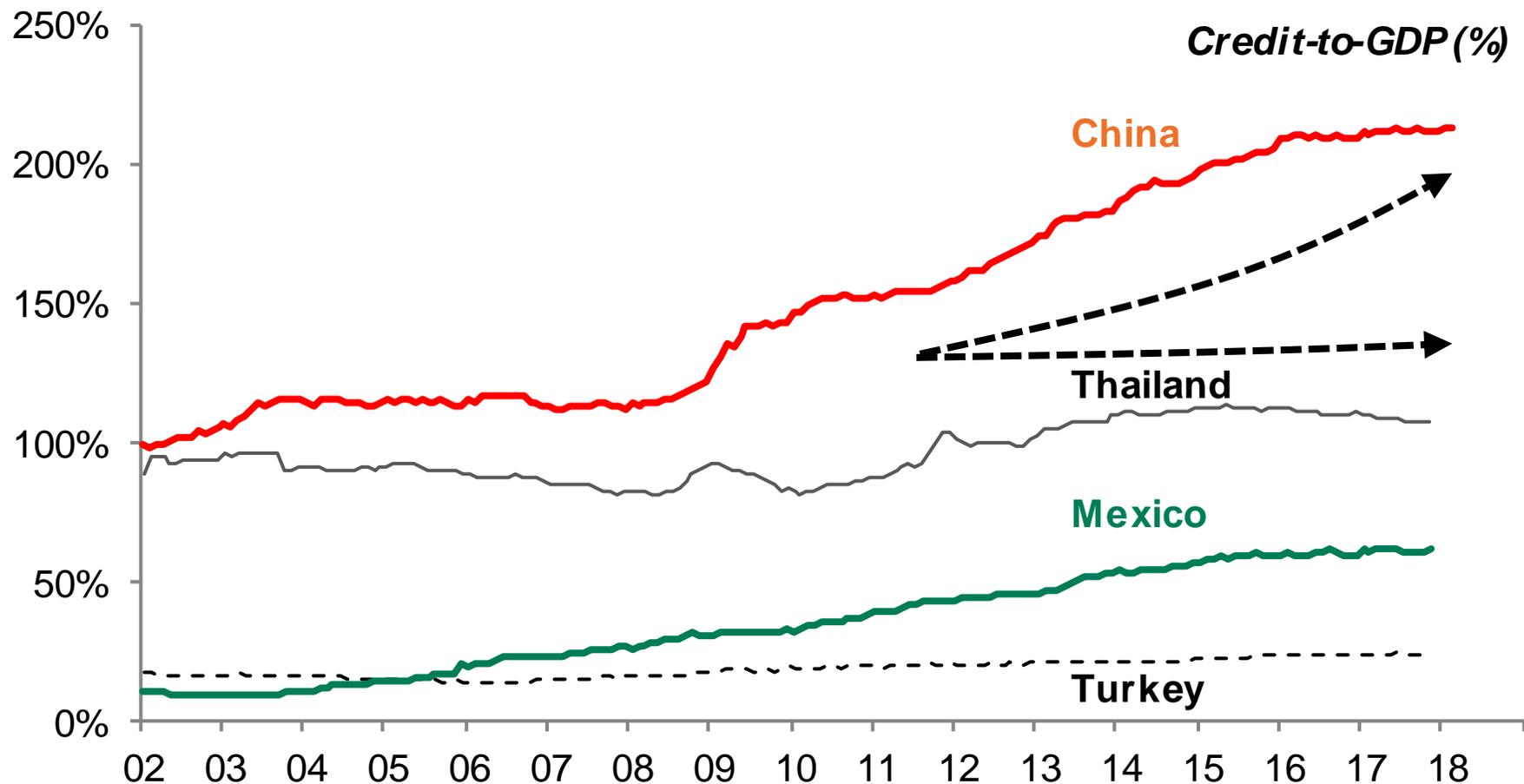


US bilateral trade balance with EMs over the past 12 months - USD Bn
(IMF DOT data - CIF values for imports)



Source: Bloomberg, Datastream, Crédit Agricole CIB

CHINA - Credit and debt: China still ahead of the pack

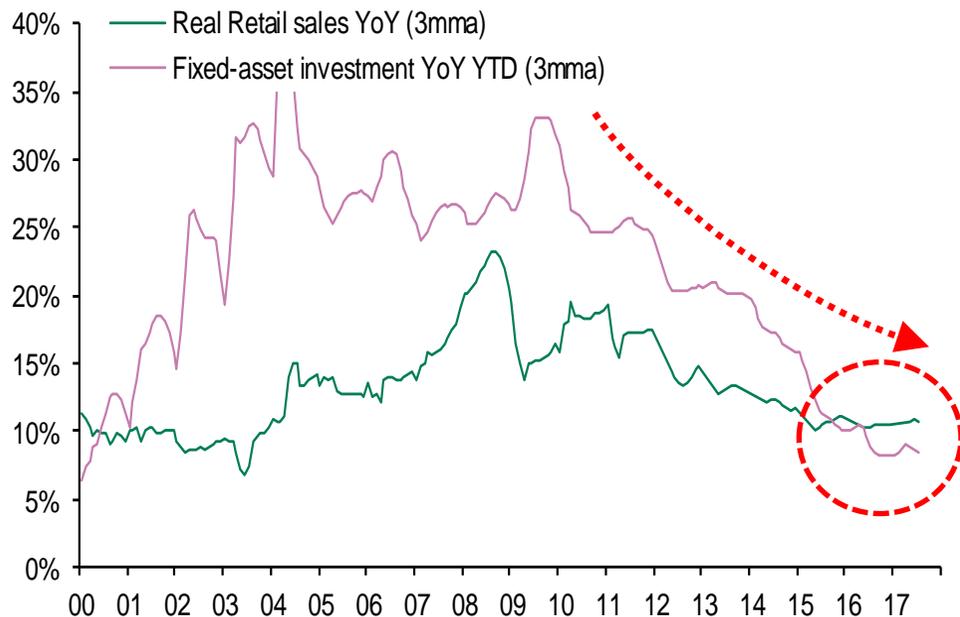


Source all charts: Datastream, Crédit Agricole CIB

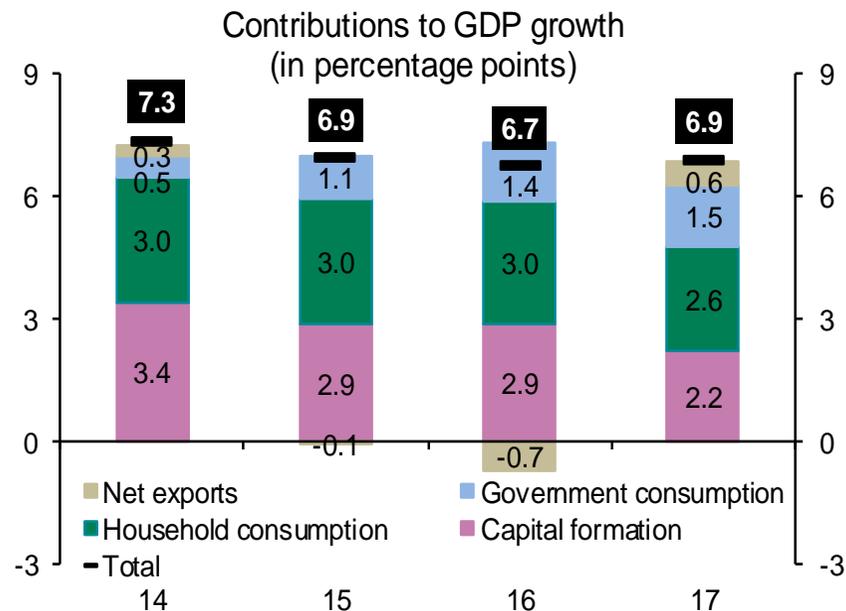
CHINA - signs of rebalancing, but exports still key

- Investment: slowing down
- Retail sales: resilient
- Export growth required

Less investment, resilient consumption

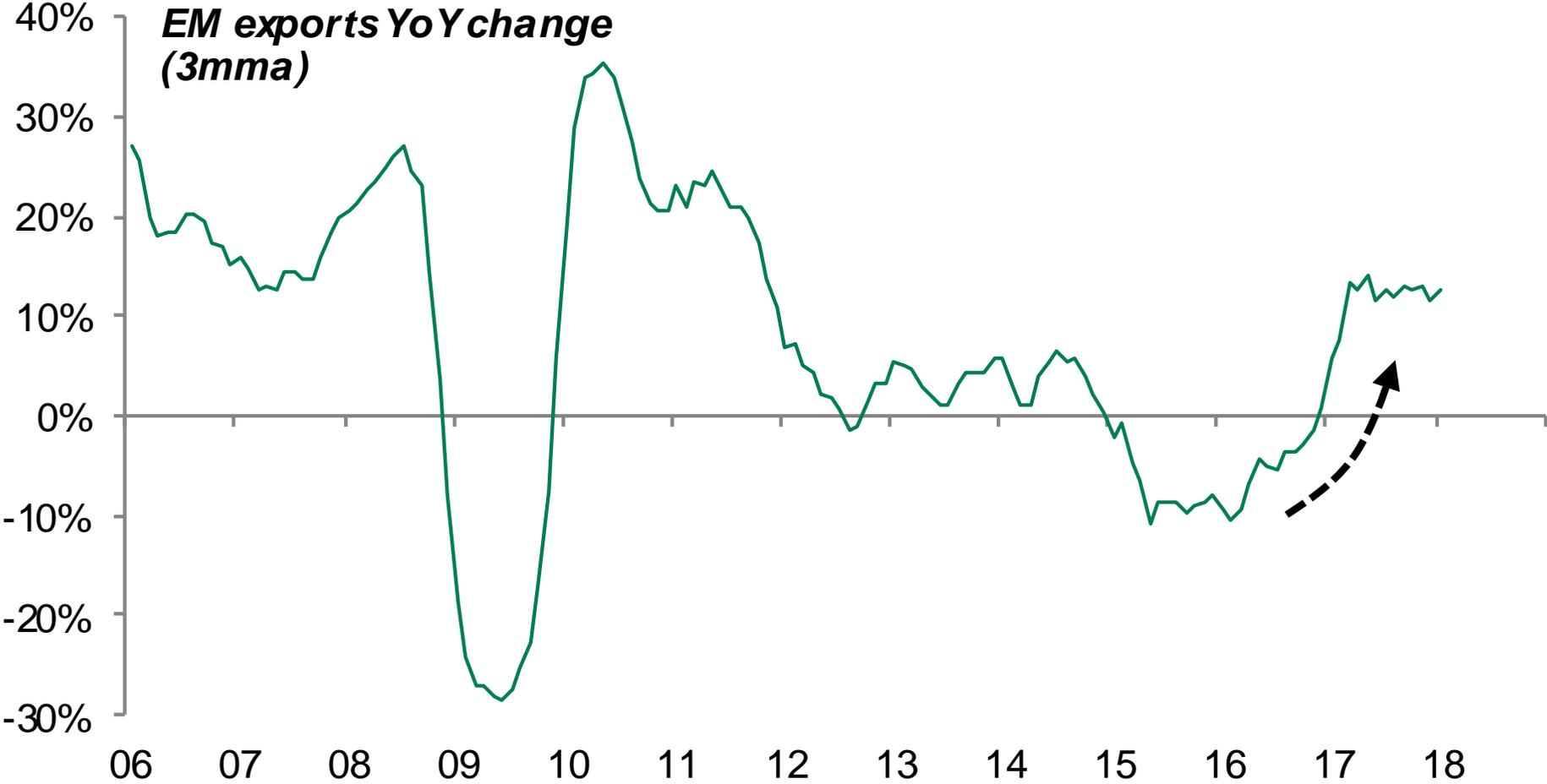


China GDP growth increased in 2017



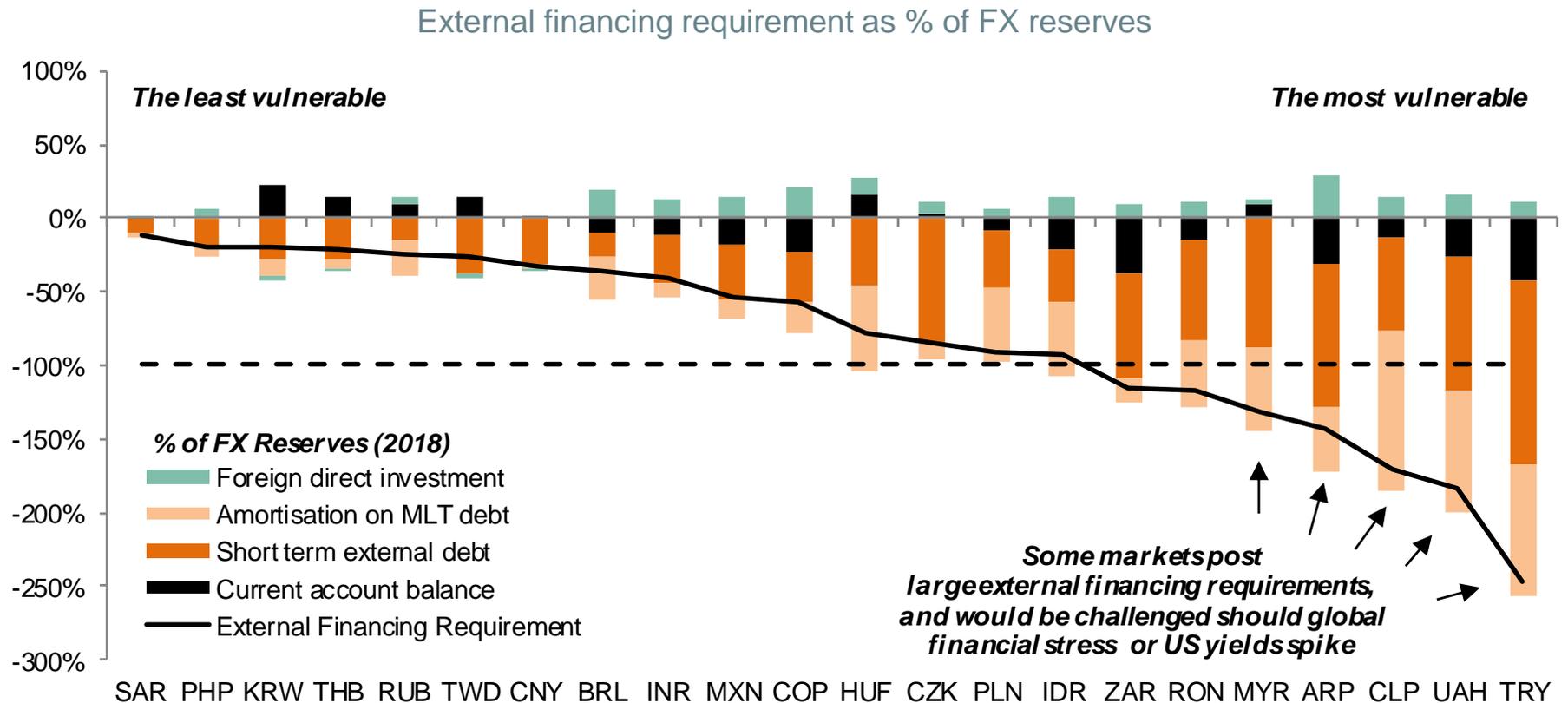
Source all charts: Bloomberg, Datastream, Crédit Agricole CIB

EM - export growth: still relatively strong



Source all charts: Bloomberg, Datastream, Crédit Agricole CIB

EM - External vulnerability: all are not equal

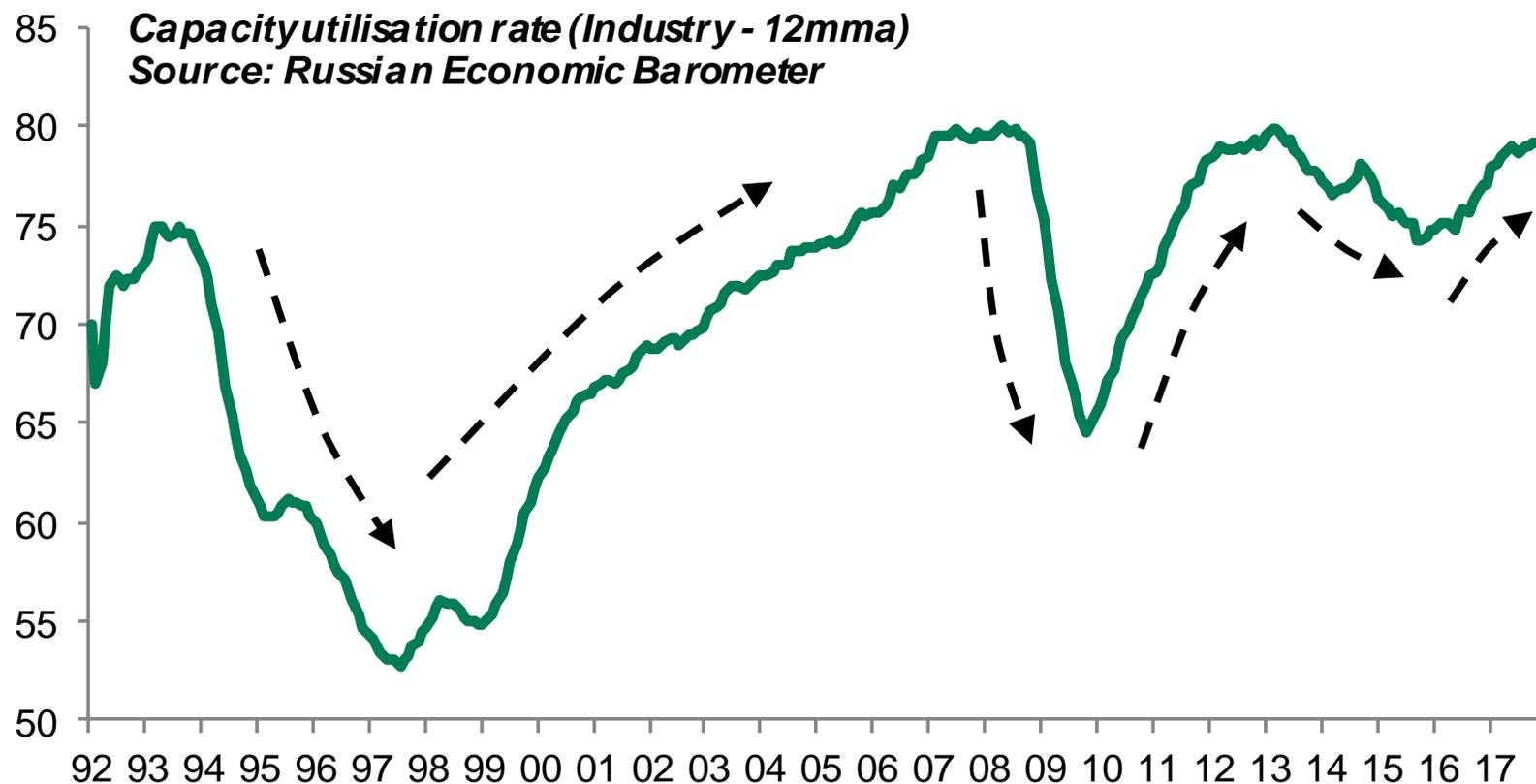


Source all charts: Moody's, Crédit Agricole CIB

RUSSIA - Investment required

- Returning to the growth rate of the past decade = impossible without stronger investment

The capacity utilisation rate has recovered to record-high levels



Source: Russian Economic Barometer

Disclaimer

Certification

The views expressed in this report accurately reflect the personal views of the undersigned analyst(s). In addition, the undersigned analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report.

Sébastien Barbé

Jean-François Paren Head of Global Markets Research +33 1 41 89 33 95

	Asia (Hong Kong & Tokyo)	Europe (London & Paris)	Americas (New York)
Macro Strategy	Kyohei Morita Chief Economist Japan +81 3 4580 5360	Louis Harreau ECB Strategist +33 1 41 89 98 95	Xavier Chapard Global Macro Strategist +33 1 41 89 13 45
Interest Rates	Yoshiro Sato Economist / Strategist - Japan +81 3 4580 5337	Mohit Kumar Global Head of Rates Strategy +44 20 7214 6651 Orlando Green CFA Senior IRD Strategist +44 20 7214 7467	Afsaneh Mastouri Interest Rates Strategist +44 20 7214 6737 Marine Mazet Interest Rates Analyst +44 20 7214 5570 Jean-François Perrin Inflation Strategist +33 1 41 89 94 22
Emerging Markets	Dariusz Kowalczyk Senior Emerging Market Strategist +852 2826 1519 Samsara Wang Emerging Market Strategist +852 2826 1590 Gary Yau Emerging Market Strategist +852 2826 1553	Sébastien Barbé Head of Emerging Market Research & Strategy +33 1 41 89 15 97 Guillaume Tresca Senior Emerging Market Strategist +33 1 41 89 18 47	Jakub Borowski Chief Economist – Crédit Agricole Bank Polska SA +48 22 573 18 40 Alexander Pecherytsyn Chief Economist – Crédit Agricole Bank Ukraine +38 44 493-9014
Foreign Exchange	David Forrester FX Strategist +852 2826 1529	Valentin Marinov Head of G10 FX Research & Strategy +44 20 7214 5289 Jennifer Hau FX Strategist +44 20 7214 7468	Michael P. Carey ** Chief Economist US +1 212 261 7134 Evan Carmean** US Associate +1 212 261 3360 Alex Li ** Head of US Rates Strategy +1 212 261 3950
			Italo Lombardi ** Senior Emerging Market Strategist +1 212 261 7994 Vassili Serebriakov ** FX Strategist +1 212 261 3309

**** employee(s) of Crédit Agricole Securities (USA), Inc.**

Important: Please note that in the United States, this fixed income research report is considered to be fixed income commentary and not fixed income research. Notwithstanding this, the Crédit Agricole CIB Research Disclaimer that can be found at the end of this report applies to this report in the United States as if references to research report were to fixed income commentary. Products and services are provided in the United States through Crédit Agricole Securities (USA), Inc.

Foreign exchange disclosure statement to clients of CACIB
https://www.ca-cib.com/sites/default/files/2017-02/2016-05-04-cacib-fx-disclosure-april-2016_0.pdf

Additional recommendation obligations – available from analyst(s) upon request:

- A list of all the recommendation changes on any financial instrument or issuer disseminated within the last 12 months.
- Where Crédit Agricole CIB is a market-maker or liquidity provider in the financial instruments of the issuer.

Valuation and methodology

Based on their expertise, each analyst defines the information that is relevant to produce their recommendations. This information may change over time. All recommendations focus on FX and fixed income instruments, either spot, cash or derivative markets. Crédit Agricole CIB is currently disclosing investment recommendations either at the issuer level, at the financial instrument level or at the country level. Credit Agricole CIB investment recommendations are based on a risk and reward analysis:

- Risk analysis may be conducted at the financial instruments level. Among the information normally used to define the risks, are (1) publications produced by other research teams within Crédit Agricole CIB (Economics, FX, Credit Research, Interest rate), (2) country analysis, (3) regulatory filings; (4) regular discussions with relevant stakeholders such as experts or regulatory bodies or (5) any other publicly available sources.
- Reward analysis is usually based on valuation models. Valuation may be based on proprietary models or external models provided by sources considered as reliable (eg, Bloomberg). Among other factors, valuation models may be based on relative value models, quantitative models, cross-asset models.
- Investment recommendations may also be based on other technical aspects, including positioning flows and observing the market and underlying movements in particular instruments or issuers. This analysis will take into account key criteria such as market liquidity of the financial instrument at the time of production of the recommendation.

Any change in recommendation is disclosed via specific documents indicating both the new and the previous recommendation and the rationale backing the change.

Crédit Agricole CIB expressly disclaims any responsibility for: (i) the accuracy of the models or estimates used in deriving the recommendations; (ii) any errors or omissions in computing or disseminating the valuations; and (iii) any uses to which the recommendations are put. Any valuation provided may be different from the valuation of the same product that Credit Agricole CIB may use for its own purposes, including those prepared in its own financial records.

Disclaimer



© 2018, CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK All rights reserved.

This research report or summary has been prepared by Crédit Agricole Corporate and Investment Bank or one of its affiliates (collectively "Crédit Agricole CIB") from information believed to be reliable. Such information has not been independently verified and no guarantee, representation or warranty, express or implied, is made as to its accuracy, completeness or correctness.

This report is provided for information purposes only. Nothing in this report should be considered to constitute investment, legal, accounting or taxation advice and you are advised to contact independent advisors in order to evaluate this report. It is not intended, and should not be considered, as an offer, invitation, solicitation or personal recommendation to buy, subscribe for or sell any of the financial instruments described herein, nor is it intended to form the basis for any credit, advice, personal recommendation or other evaluation with respect to such financial instruments and is intended for use only by those professional investors to whom it is made available by Crédit Agricole CIB. Crédit Agricole CIB does not act in a fiduciary capacity to you in respect of this report.

Crédit Agricole CIB may at any time stop producing or updating this report. Not all strategies are appropriate at all times. Past performance is not necessarily a guide to future performance. The price, value of and income from any of the financial instruments mentioned in this report can fall as well as rise and you may make losses if you invest in them. Independent advice should be sought. In any case, investors are invited to make their own independent decision as to whether a financial instrument or whether investment in the financial instruments described herein is proper, suitable or appropriate based on their own judgement and upon the advice of any relevant advisors they have consulted.

Crédit Agricole CIB has not taken any steps to ensure that any financial instruments referred to in this report are suitable for any investor. Crédit Agricole CIB will not treat recipients of this report as its customers by virtue of their receiving this report.

Crédit Agricole CIB, its directors, officers and employees may effect transactions (whether long or short) in the financial instruments described herein for their own accounts or for the account of others, may have positions relating to other financial instruments of the issuer thereof, or any of its affiliates, or may perform or seek to perform securities, investment banking or other services for such issuer or its affiliates. Crédit Agricole CIB may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Crédit Agricole CIB is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report. Crédit Agricole CIB has established a "Policy for Managing Conflicts of Interest in relation to Investment Research" which is available upon request. A summary of this Policy is published on the Crédit Agricole CIB website: <https://www.ca-cib.com/sites/default/files/2017-02/2011-politique-gestion-conflits-interets-ca-cib-va.pdf>. This Policy applies to its investment research activity.

None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without the prior express written permission of Crédit Agricole CIB. To the extent permitted by applicable securities laws and regulations, Crédit Agricole CIB accepts no liability whatsoever for any direct or consequential loss arising from the use of this document or its contents.

France: Crédit Agricole Corporate and Investment Bank is authorised by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR") and supervised by the European Central Bank ("ECB"), the ACPR and the Autorité des Marchés Financiers ("AMF"). Crédit Agricole Corporate and Investment Bank is incorporated in France with limited liability. Registered office: 12, Place des Etats-Unis, CS 70052, 92 547 Montrouge Cedex (France). Companies Register: SIREN 304 187 701 with Registre du Commerce et des Sociétés de Nanterre. **United Kingdom:** Approved and/or distributed by Crédit Agricole Corporate and Investment Bank, London branch. Crédit Agricole Corporate and Investment Bank is authorised by the ACPR and supervised by the European Central Bank ("ECB"), the ACPR and the AMF in France and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority. Details about the extent of our regulation by the Financial Conduct Authority and the Prudential Regulation Authority are available from us on request. Crédit Agricole Corporate and Investment Bank is incorporated in France with limited liability and registered in England and Wales. Registered number: FC008194. UK establishment number: BR001975. Registered office: Broadwalk House, 5 Appold Street, London, EC2A 2DA. **United States of America:** This research report is distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934 and who deal with Crédit Agricole Corporate and Investment Bank. This report does not carry all of the independence and disclosure standards of a retail debt research report. Recipients of this research in the United States wishing to effect a transaction in any security mentioned herein should do so by contacting Crédit Agricole Securities (USA), Inc. (a broker-dealer registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA")). The delivery of this research report to any person in the United States shall not be deemed a recommendation of Crédit Agricole Securities (USA), Inc. to effect any transactions in the securities discussed herein or an endorsement of any opinion expressed herein. This report shall not be re-distributed in the United States without the consent of Crédit Agricole Securities (USA), Inc. **Italy:** This research report can only be distributed to, and circulated among, professional investors (operatori qualificati), as defined by the relevant Italian securities legislation. **Spain:** Distributed by Crédit Agricole Corporate and Investment Bank, Madrid branch and may only be distributed to institutional investors (as defined in article 7.1 of Royal Decree 291/1992 on Issues and Public Offers of Securities) and cannot be distributed to other investors that do not fall within the category of institutional investors. **Hong Kong:** Distributed by Crédit Agricole Corporate and Investment Bank, Hong Kong branch. This research report can only be distributed to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571) and any rule made there under. **Japan:** Distributed by Crédit Agricole Securities Asia B.V. which is registered for financial instruments business in Japan pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948), and is not intended, and should not be considered, as an offer, invitation, solicitation or recommendation to buy or sell any of the financial instruments described herein. This report is not intended, and should not be considered, as advice on investments in securities which is subject to the Financial Instruments and Exchange Act (Act No. 25 of 1948). **Luxembourg:** Distributed by Crédit Agricole Corporate and Investment Bank, Luxembourg branch. It is only intended for circulation and/or distribution to institutional investors and investments mentioned in this report will not be available to the public but only to institutional investors. **Singapore:** Distributed by Crédit Agricole Corporate and Investment Bank, Singapore branch. It is not intended for distribution to any persons other than accredited investors, as defined in the Securities and Futures Act (Chapter 289 of Singapore), and persons whose business involves the acquisition or disposal of, or the holding of capital markets products (as defined in the Securities and Futures Act (Chapter 289 of Singapore)). **Switzerland:** Distributed by Crédit Agricole (Suisse) S.A. This report is not subject to the SBA Directive of January 24, 2003 as they are produced by a non-Swiss entity. **Germany:** Distributed by Crédit Agricole Corporate and Investment Bank, Frankfurt branch and may only be distributed to institutional investors. **Australia:** Distributed to wholesale investors only. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act.

THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. BY ACCEPTING THIS REPORT YOU AGREE TO BE BOUND BY THE FOREGOING.

01/02/18