

GEMs Viewpoint

Dispatch from DC: Dealing with uncertainty

The usual suspects all linger on Trump's endgame

The mood was somewhat better than anticipated, in particular on the EM outlook. Investors were more concerned about the US than the rest of the world. Although there is no agreement on whether the tariff shock will imply a mild recession or stagflation, it is becoming more consensus that the Fed might keep rates on hold given inflation uncertainty. Many think that the damage is already done for capex and supply chains, US fiscal policy remains a source of concern, and everyone expects a weaker dollar.

Past peak tariff uncertainty, but no free lunch

Although investors are concerned about China, they generally expect more stimulus. With bumpy de-escalation being the path of least resistance, clients expect a sequence of deals to be announced in coming weeks, starting with India, Japan and possibly the UK. Deals with China and the EU are perceived as much more difficult to achieve in the short term. Many believe that reallocation away from US assets could continue, including by global central banks. Positioning in EM assets remains light but many expect to add local debt exposure once the outlook for US risk assets is more clear. LatAm and EEMEA can benefit in this environment.

Asia: Unusual macro environment

China's domestic demand is expected to remain weak but experts think that monetary and fiscal policy still has a role to play. India has reclaimed its spot as one of the macro stories that find favor amongst investors. Korea's sentiment remains weak. In Indonesia, monetary conditions are expected to stay tight. Growth in Vietnam and Cambodia is likely the most sensitive to US demand.

EEMEA: A mixed bag

In Türkiye, orthodox policies are expected to continue in the short term. South Africa is experiencing a positive terms of trade shock but attention remains on the fiscal situation. In the CEE region, central banks have turned more dovish while Romania fiscal concerns increase. Growth remains strong in the CIS region but oil price is a risk. SSA countries continue to adjust fiscal balances with the help of IMF programs. In MENA, Iran-US nuclear talks and OPEC supply hikes could weigh on oil prices.

LatAm: T(a)rrific neighborhood

Discussions this week reinforced our conviction that the Brazilian Central Bank may be approaching the end of the tightening cycle. Mexico received a hit from tariffs, central bank has room to cut but there is no fiscal space to support growth. Argentina continues to take positive steps. There are widespread concerns about fiscal in Colombia. Peru to benefit with copper and gold prices. Positive news from Ecuador and Panama.

Trading ideas and investment strategies discussed herein may give rise to significant risk and are not suitable for all investors. Investors should have experience in relevant markets and the financial resources to absorb any losses arising from applying these ideas or strategies.

>> Employed by a non-US affiliate of BofAS and is not registered/qualified as a research analyst under the FINRA rules.

Refer to "Other Important Disclosures" for information on certain BofA Securities entities that take responsibility for the information herein in particular jurisdictions.

BofA Securities does and seeks to do business with issuers covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Refer to important disclosures on page 20 to 22.

12822859

Timestamp: 27 April 2025 09:32AM EDT

27 April 2025

GEM Fixed Income Strategy &
Economics
Global

Table of Contents

Global letter: The usual suspects	2
US: Top-down policy	3
Europe: not terribly pessimistic, for once	4
Asia: Unusual macro environment	4
EEMEA: each country has a story	8
LatAm: T(a)rrific neighborhood	16
Credit: Debt distress and restructurings	18
Research Analysts	23

Claudio Irigoyen

Global Economist
BofAS
+1 646 855 1734
claudio.irigoyen@bofa.com

David Hauner, CFA >>

Global EM FI/FX Strategist
MLI (UK)
+44 20 7996 1241
david.hauner@bofa.com

Carlos Capistran

LatAm and Canada Economist
BofAS
carlos.capistran@bofa.com

Jean-Michel Saliba

EEMEA Econ Head/MENA Economist
MLI (UK)
jean-michel.saliba@bofa.com

Ruben Segura-Cayuela

Europe Economist
BofA Europe (Madrid)
ruben.segura-cayuela@bofa.com

Helen Qiao

China & Asia Economist
Merrill Lynch (Hong Kong)
helen.qiao@bofa.com

Antonio Gabriel

Global Economist
BofAS
antonio.gabriel@bofa.com

Pedro Diaz

Caribbean Economist
BofAS
pdiaz2@bofa.com

See Team Page for List of Analysts

Global letter: The usual suspects

Claudio Irigoyen
BofAS

David Hauner, CFA >>
MLI (UK)

Antonio Gabriel
BofAS

We hosted our flagship Global Emerging Markets Small Talks Symposium in DC on the side of the IMF meetings with record attendance. More than 400 clients, 120 meetings, and north of 20 Finance Ministers and Central Bank Governors combined.

The mood was somewhat better than anticipated, in particular on the EM outlook. All the conversations centered on the impact of tariffs in the US and abroad, as well as the geopolitical implications of Trump's policies. Investors were more concerned about the US than the rest of the world. Although there is no agreement on whether the tariff shock will imply a mild recession or stagflation, it is becoming more consensus that the Fed might keep rates on hold given inflation uncertainty.

There was also consensus that we have probably seen the peak in tariffs uncertainty, with bumpy de-escalation being the path of least resistance. Clients expect a sequence of deals to be announced in the coming weeks, starting with India, Japan and possibly the UK. Deals with China and the EU are perceived as much more difficult to achieve in the short term.

Market participants think that the damage is already done for capex and supply chains. US fiscal policy remains a source of concern, and everyone expects a weaker dollar. Many investors believe that the reallocation away from US assets could be long-lived, including further diversification away from the dollar by global central banks, though the idea that the dollar will lose its reserve currency status remains farfetched.

Fiscal policy is another risk in the horizon. Market participants are concerned about the lack of appetite for proper fiscal consolidation in Washington. The scoring of the budget resolution vs current policy rather than current law is a worrisome example. This would make current policy automatically permanent through the budget reconciliation process, severely undermining the notion that "permanent" tax cuts cannot be passed without permanent revenues via reconciliation. Bottom line: the US fiscal outlook keeps going downhill.

Although investors are concerned about China, the baseline scenario is that more stimulus is coming, both fiscal and monetary. Expectations for Europe are not terribly pessimistic either, though there is still a lot of skepticism on any potential Russia-Ukraine deal although the news over the weekend look more promising.

On EM, the weaker dollar can benefit EEMEA while the low exposure to the trade war and the wins of political changes can benefit LatAm. Markets are optimistic that eventually USMCA will be restructured. EM can be one of the big winners in the race to relocate supply chains.

Positioning in EM assets remains very light despite the now highly consensual bearishness on USD. Many expect to add to EM exposure, particularly in local debt markets and selected high yield credits but want to see more clarity on the outlook for US risk assets. India, Argentina, Brazil, Mexico, Poland, South Africa and Türkiye are all in this camp.

On frontier markets, the meetings raised the issue that IMF programs for certain countries could become tougher on fiscal. This may be positive long term but raises the risk of more restructurings initially. In Africa, some names experienced significant moves this week based on the news flow—in either direction.

US: Top-down policy

Stephen Juneau
BofAS

Antonio Gabriel
BofAS

One common theme throughout our discussions around US policymaking was that policy is now being done in a top-down instead of bottoms-up fashion. This is true with regards to trade, deregulation, and fiscal policy, albeit to a lesser extent. As a result, experts found it hard to have strong conviction around the endgame or direction of the current administration's policies.

Trade policy took centerstage in many of our conversations. Questions focused on the goal of the tariffs, what it would take to see a deal, and the legal challenges around these tariffs. Experts generally argued that the goal of these tariffs, while inconsistent with one another, is all the above: to make new deals, to raise tariff revenue and to reshore manufacturing industries to the US. But you can't have it all.

Because these goals are conflicting, there are some tariffs that are more likely to persist than others. Specifically, national security and sectoral tariffs are more likely to remain in place to help foster a manufacturing base in those industries.

Higher tariffs on China relative to the rest of world are also likely to remain. The current levels are seen as unsustainable, and some experts believe we could soon see a de-escalation to the 50-60% range touted during the presidential campaign. Reciprocal tariffs, which are on pause until early June, are more likely to be used as leverage for negotiations. However, the 10% baseline may be harder to be negotiated away and may end up remaining in place for many trading partners.

It is unclear what type of deal the administration is seeking to prevent reciprocal tariffs being implemented, but a written "letter of intent" would likely suffice to at least extend the pause. Japan, the UK, India, and Korea are generally expected to reach deals in short order, but a deal with the EU is seen as more distant. It will also be important to consider who is the one negotiating and the individual country, as this could shape different deals. But the Phase 1 China deal could be a good template.

The 10%, reciprocal and fentanyl tariffs are all likely to be challenged in court, which is another source of uncertainty. It is not clear how courts will rule on these. These tariffs were implemented with the International Emergency Economic Powers Act, which may not specifically grant the president the Authority to impose tariffs for an emergency. That said, the courts have generally granted latitude to the executive branch.

Outside of trade policy, deregulation and fiscal policy are seen by Congress and the administration as potential offsets to the drag on growth from tariffs. Deregulation is more likely to be focused on energy production and then finance. But what can be done through executive orders is somewhat limited. Rewriting rules takes time, and a new layer has been added to the process in the form of a required Office of Management and Budget (OMB) review.

Federal job cuts could also hinder gains from deregulation as there are less people to process permits and review projects. Regulations around finance seem centered on Supplemental Leverage Ratio (SLR) and perhaps some tailoring of regulations for different sized institutions. Over time, deregulation could make it easier to do business in the US, but there are speed bumps along the way, and it will take time before we realize gains.

Fiscal policy meanwhile is likely to be a more significant positive for growth in the near-term. Experts expect the bill to be passed in early August given that it includes an increase in the debt limit and there is a Congressional recess in August. The proposal also allows for \$1.5tn in new tax cuts, which gives room for many of the campaign promises and restoring business tax cuts from the 2017 TCJA.



Congress is likely to front-load at least some of these provisions. This led to questions around the long-run debt dynamics of the US economy. Since Congress has a habit of extending temporary tax cuts, the reconciliation bill is likely to put the US on a worse debt trajectory.

Europe: not terribly pessimistic, for once

Ruben Segura-Cayuela

BofA Europe (Madrid)

IMF meetings over the last few years have been full of pessimism when it comes to Europe. This was not the case for once, this year. It doesn't mean the mood music was optimistic but, at least, there was hope that positive developments could unfold in the medium term.

First, in our conversations with different officials, external experts, and clients, mostly nobody expects the economy to collapse this year despite tariffs and the very sizeable uncertainty shock (in line with our view).

There is also quite a bit of optimism on the behavior of inflation, and many see increasing chances of a persistent undershoot to target. And in our conversations with clients, many believe the ECB will need to take policy rates below neutral.

Beyond cyclical developments, there is some hope that political capital will be there, eventually, to properly deliver on some common debt, perhaps in the context of the defense push. The next few months and the aftermath of the NATO summit and the EU council in June could set the stage for the beginning of that conversation.

There is also hope that the new Franco-German relationship can lead the region into a brighter medium-term outlook, with some speakers flagging the possibility of joint initiatives in the near term. And, part of all of this, there is a conversation pending in the next few months on how to redesign, again, fiscal rules so that they are better equipped to deal with the new world order.

There was less optimism in the near-term defense and fiscal push. The overall view, in line with what we argued, is that the short-term impact of the German fiscal push will be negligible, it will take time for the package to deliver meaningful growth.

And while there is a political intention to step-up on defense elsewhere in the region, there was skepticism a lot would be delivered anytime soon, and certainly not before any discussion on joint funding is settled, if at all.

There were also clear doubts a deal between Russia and Ukraine would happen soon, and on the ability (not the will) of Europe to support Ukraine as much as needed. Similarly, the general message was that near term the European defense push would still need to rely heavily on purchases from abroad, as the defense industry would take years to be built.

Finally, there was pessimism on the way out of the current trade war since it was far from clear Europe proposals were being heard or what Europe could offer to go back to the previous status quo.

Asia: Unusual macro environment

Helen Qiao

Merrill Lynch (Hong Kong)

Rahul Bajoria

BofAS India

China and north Asia: Unusual macro environment

This marks another episode of unusual macro environment. In the WEO, China growth forecasts were just downgraded to 4.0% for both 2025 and 2026, with information updated until early April. It has taken into account the drags from the tariff shock as well



as the policy response, after the National People's Congress (NPC) confirmed the Central Economic Work Conference (CEWC) stimulus suggestions.

Meanwhile, the government still sees 5% as their reference point, and potentially could introduce more incremental easing measures if the shock turns out to be too big. It is also expected that domestic demand will remain weak and domestic property market will stabilize.

Korea GDP growth forecast has been downgraded to 1.4% for 2025. Sentiment has been weak since 4Q24, when martial law impacts consumer expectations. Political uncertainty continued to contribute to weak growth in 1Q25. Exports also start to show early signs on what is to come, especially in car export disruptions.

EM Asia growth forecast is downgraded from 4.5% to just below 4%. Vietnam and Cambodia saw downgrades by 2 ppts, due to their high exposure to US demand.

Questions were focused on China's potential pivoting towards domestic demand, especially by expanding social safety nets (e.g. rural pension system) to boost consumption, despite China's concerns on welfarism.

The experts still think monetary policy has a role to play to stimulate domestic demand and curb deflation. Cutting rates could help boost household balance sheet. The delay in that may be more of a reflection of FX stability concerns over a widening yield differential with the dollar than those on bank profitability.

A few key factors for credit ratings in Asia

The key word of the year is uncertainty. Asia is going into this environment from a resilient starting point, with relatively strong external accounts. Main risks are related to the trade war and potential slowdown in US and China, amid potential policy support.

Key to watch:

- China: trade war impact, ability to redirect resources to more efficient usage, supply chain changes
- Sri Lanka: expect upside after improvement from IMF program
- Thailand – slow debt increase after COVID
- Indonesia – new administration policy to watch, for its implication on debt affordability
- India - resilient growth from its insulated position from tariffs
- HK and Singapore: resilient in the near term

India: Better placed

Relative to the sentiment in previous autumn meetings, India has reclaimed its spot as one of the macro stories that find favor amongst investors, partly due to growing expectations that India is much closer to a trade agreement with the US, falling energy prices, and domestic policy orientation which has become much more growth supportive than 2-3 quarters back. GDP growth is likely to be around the lower end of the 6.3-6.8% projection range the government has given, which is same as BofA's GDP forecast of 6.3% for FY26.

Investors believe that the RBI remains on track for further policy easing, with wide spread expectations of low inflation persisting for some time, opening up room for more rate cuts and liquidity easing. At least 50bp of rate cuts to 5.50% are expected, but some expect rates to go down further given low inflation projections.

There is confidence amongst investors that the government is on track for meeting its fiscal deficit projections of 4.4% of GDP in FY26, but does retain the flexibility to use the growing fiscal space to support activity in case it is needed because of a deeper growth shock.

On the external situation, the fall in energy prices and other commodity prices is seen as a major positive, and the current account deficit is expected to remain in a manageable range. The slow pace of net FDI inflows is a matter of ongoing concern for investors, but the sentiment around the INR remain constructive, given that India's ability to keep attracting capital may remain largely intact, especially with reserve accretion turning more positive.

Philippines: Some more distance to go

Philippines is identified as amongst the economies in the region which will be less impacted by trade disruptions, as it potentially has the lowest rate of reciprocal tariffs within ASEAN after Singapore, and a relatively smaller exposure to trade than most of the other major ASEAN economies. Still, growth is likely to be around 6%, with a bias to the downside.

On Inflation, with energy prices declining sharply, rice prices falling, and the PHP gaining some strength, the outlook for inflation has been improving, albeit on a low base. Inflation is expected to remain below 4% over the next two years, with risks skewed to the downside.

One constraining factor for rate cuts could be the rate differential with the US, although with a weaker USD, the constraints to move rates lower might be easing somewhat. In the past worked with an assumption of real rates at equilibrium could be close to 100–150bp, which signals room for more rate cuts in coming months.

On the domestic demand, producer and consumer sentiment are weakening, but from elevated levels. Remittances continue to show steady growth, while services sector growth remains adequate, but the impact assessment from Agentic AI remains a bit unclear.

The current account deficit remains on the higher side, led by ongoing investment growth, but should benefit from the improvement in terms of trade, especially energy prices. Foreign reserves remain also at a comfortable level, reducing fear of pressure on PHP. The fiscal deficit is projected to drop from 5.7% of GDP in 2024, to 3.7% by 2028, with focus of spending likely to stay on augmenting the supply side of the economy, to boost productivity and ease supply bottlenecks.

Indonesia: Sailing into uncharted waters

For Indonesia, the latent concern for the economy is emanating from both the domestic policy orientation, but it is the external uncertainty which is causing immediate market headaches. Policymakers are worried about slowing growth, low inflation, and elevated real rates, monetary conditions are expected to stay tight primarily due to the underperformance of IDR vis - a - vis its regional peers.

At this juncture, the balance of risk for Indonesia on growth remains tilted to the downside for investors, although the growth impact on Indonesia is likely to be more modest than its regional peers.

GDP growth in 2025 could be below the mid point of BI's 4.7% - 5.5% projection, and inflation may keep undershooting the 3% inflation target for an extended period of time.

This means real rates are likely to stay elevated, but expectations of lower nominal rates persist given how elevated real rates are (~4.5% as of March 2025). The estimate of neutral real rate may have risen due to higher risk premia, but may come down if market volatility normalizes. Tools of liquidity management for both IDR and FX like SRBIs will also continue to counter balance risks from portfolio flows.

IDR itself has underperformed materially on a trade weighted basis in the last few weeks, and if it normalizes, it could provide cues for rate cuts again, but we believe there is an acknowledgement from investors that BI appears to be making a serious attempt to delink its monetary policy from spot USDIDR rate, to a more trade weighted approach, which is more grounded in theory.

The fiscal picture remains somewhat uncertain, but there is a comfort that the shortfalls seen in revenue generation in 1Q25 were due to one-off factors, and revenue collections will bounce back, anchoring the fiscal outlook in H2. Authorities are confident that they will be able to keep fiscal deficit below 2.8% of GDP, and if risks of slippage emerges, then spending reprioritization is likely.

Malaysia: Larger risks, but better starting point

Malaysia's trade openness does open up larger vulnerabilities on the economic front for the economy, but as things stand, GDP growth is still expected to be just above 4% in the baseline scenario. This resilience is largely due to a very robust backdrop in domestic consumption and investment, anchored by ongoing inflow of FDI, especially from Singapore.

Further, after the high level of tariffs that were initially imposed, a lot of exemptions that have been announced will be a material positive for Malaysia, given its exposure to electronics and electrical parts, semiconductors and energy products. For instance, 60% of US imports from Malaysia are either electronic or electrical parts.

The risks to growth are clearly tilted to the downside. Unlike its regional peers, Malaysia does not benefit from the fall in energy prices in a disproportionate manner, with petroleum related revenues and dividend payments also likely to be impacted. But still, if lower energy prices help reduce subsidy, it can keep the fiscal reforms which aims to reduce and remove subsidies on energy products like gasoline more likely, since the price levels do not need to go up.

Inflation remains low and stable, and gives room for monetary policy to be eased, if needed. In terms of the policy mix, there also is preference for using monetary policy before fiscal policy, given that fiscal consolidation still remains a priority for the government.

Still, if the growth slowdown amplifies, the willingness to undertake bigger revenue mobilization measures and expenditure reduction efforts will come down, and use of fiscal actions can be considered.

Sri Lanka: Focused on trade

Sri Lanka achieved resilient growth in 2024, which continued into 1Q25. That leaves the fiscal position in good shape to meet target. Potential risks could come if the 44% reciprocal tariffs from the US is imposed, which will likely bring a significant shock on the economy.

We need to see more clarity on tariffs beyond the 90-day extension. In the near term, current account may also benefit from strengthening remittances, which are usually high in March and December.

Discussions focused on achieving better market access to US imports and bringing down tariffs and barriers, and ended with positive feedback. Sri Lanka is ready to import more from the US, including agricultural goods and energy products, by diverting imports from elsewhere. The objective is to target more opportunities to do business with each other, without numerical goals. China was not mentioned in particular.

Given the expectation on future growth and inflation, there is a good buffer in monetary policy. If US tariffs do not go up substantially, Sri Lanka is expected to balance monetary policy on the back of faster growth.

EEMEA: each country has a story

Jean-Michel Saliba
MLI (UK)

Zumrut Imamoglu
MLI (UK)

Tatonga Rusike
MLI (UK)

Merveille Paja
MLI (UK)

Vladimir Osakovskiy >>
Merrill Lynch (DIFC)

Mai Doan
MLI (UK)

South Africa: GNU-budget risks, and global uncertainties could keep SARB hawkish.

Domestic inflation remains benign below 4.5% central bank target- largely due to fuel disinflation. Monetary policy stance is likely to be cautious given many other risks. SARB could be open for another cut should risks ease.

South Africa is facing headwinds both domestic and externally. Tariff induced slower global growth and GNU turbulence could slow reforms and economic growth performance this year, 1.2%. While GNU is likely to hold, frictions have resulted in higher sovereign risk premium.

A positive terms of trade shock could help ease some risks. Lower oil prices and higher gold prices could lead to smaller current account deficit below 2% of GDP. Nevertheless, budget risks continue to dominate. Prepare for Budget 3.0 in coming weeks as Finance Minister agreed to drop the contentious 0.5% VAT hike.

Türkiye: The phoenix rise or the Sisyphean myth?

Türkiye built \$127bn reserves over the last year but lost \$53bn in last five weeks following the local and global market turmoil. Foreign positioning is cleaner now and discussions in DC were focused on whether it can be rebuilt again. Although many investors are still long TRY, they are questioning whether the return vs risk in carry is there given that there is less room for real appreciation this year.

There isn't any doubt about continuation of the orthodox policies in the short run. The recent hike by the Central Bank of Türkiye (CBRT) was welcome. Lower oil prices and relatively small impact from tariff uncertainty are cited as Türkiye's main advantages.

However, reserve losses continue despite the reduction in political noise. We think that market will turn more positive on Türkiye over the summer when the current account turns positive as tight stance in policy continues.

Risks to inflation are now on the downside as demand cools due to the increase in rates and oil prices drop. Lower growth will likely decrease revenues this year and push the budget deficit higher than the Medium-Term Program (MTP) target of 3.1%. (BofA 3.8%).

CEE: More dovish central banks, more Romania concerns

Czechia: More dovish leaning = near-term cut, but still high caution

The Czech National Bank's (CNB) bias has likely shifted more dovishly as the tariff situation appears more deflationary than the central bank's initial assessment, but a cautious, data-dependent approach remains.

We now think at 25bp rate cut at the 7 May to 3.50% is likely. But the easing path going forward will remain gradual. Board members' lingering concerns about sticky wages and services inflation mean that they will not take pre-emptive easing action.

Our base case for the CNB's terminal rates is 3%, assuming some reversal of the US reciprocal tariffs on Europe. While the CNB's base case for neutral nominal rates is 3.0%,



the Board's views range from 2.75% to 3.50%. For now, the bar still looks high for the CNB to cut below 3%, also in anticipation of Germany's fiscal stimulus from 2026. In a bearish scenario where ECB policy rate go to 1%, Czech rates could end up around 2.50% we think.

Hungary: Stay hawkish for now, door to easing may open later

Despite more downside risks to growth in view of the US tariffs, high uncertainty keeps the authorities committed to cautious policy making. The National Bank of Hungary (NBH) stays focused on the efforts to reduce inflation, while the government keeps to its target of zero primary fiscal balance.

The central bank now holds a more optimistic view about the impact of the government's profit margin cap on inflation. However, concerns remain on still tight labour market and stronger domestic consumption.

We see steady policy rate at 6.50% in the foreseeable future. If Governor Varga earns market trust and fiscal policy is loosened in a careful manner accepted by the markets, rate cuts may be possible with a stable HUF. But currency vulnerability will likely be high in 4Q'25 and 1Q'26 due to elections in spring 2026. Our current baseline we see the policy rate lowered to 6.0% in 2026. A bearish scenario for European growth may allow NBH rate cuts to 5.0%.

Poland: NBP rate cut imminent, but don't count to back-to-back steps

Our discussions suggest a slightly better chance for a 7-May rate cut by the National Bank of Poland (NBP), probably of 50bp from 5.75%, though it is still a close call. Near-term easing bias is firm, but data in coming week on wages and inflation will be decisive on timing and magnitude. The central bank pays the particular attention to labour market data to assess the scope and speed of rate cuts going forward.

Until there is a clear downtrend in wages towards 6%, or if there is a substantial decline in energy prices, the central bank may be hesitant with back-to-back rate cuts after the first move. However, Governor Glapinski's guidance of policy rate at 3.50% in 2026 reflects well the Monetary Policy Council's consensus. We keep our call for YE2025 rates at 4.50% from 5.75% currently, and expect YE2026 at 3.50%.

Romania: Negative feelings

The need for a credible tax package after the Presidential elections has become even more critical for Romania's investment grade ratings, given the poor fiscal execution and increasing downside risks to growth due to US tariffs. The discussions in D.C. did not give much hope for optimism.

Fiscal concerns continue to build

Without further measures, the budget deficit is likely close to 8% of GDP this year vs the government's target of 7%. A tax package, widely expected after elections and before end-May, may help. But quality of measures will be key, and it may take time to see the effects (at least four months).

FinMin are considering property taxation, higher VAT and personal income tax (PIT), as well as some cuts to discretionary spending. But the political decision has not been made. We are worried that politicians may opt for less ambitious measures if the elections outcome are not favourable for the ruling coalition.

Meanwhile, there are also risks of delays to the EU recovery funds disbursement given still many conditionalities to fulfil and a tight calendar. A shortfall of EU funds vs planned would pressure issuance further. In this regard, FinMin has signalled the intention to look for alternative funding sources (e.g. retail, IFIs, off-market instruments) to reduce the number of taps on the market.

Ratings at risk

All rating agencies are bearish on Romania, suggesting the risk of downgrades this year is higher than we previously envisaged. Rating agencies have little conviction that the coalition can deliver the tax and pension reforms to the extent needed.

Fiscal consolidation could be even harder if a far-right president is elected, as this could undermine the coalition's efforts. Still, they are waiting to see what measures will be taken after the elections. Weakness in growth due to tariffs also put more pressure on the fiscal stress and necessitate more action.

Central bank cautious, deval pressures will be high around elections time

Persistently high underlying inflation pressures and fiscal uncertainty mean no scope for the National Bank of Romania (NBR) to cut rates any time soon, while the RON remains under depreciation pressures.

The central bank commits to maintaining a tight control on the RON for now. The RON is overvalued by c.5%, but devaluation is not a preferred channel by the central bank to help correct the macro imbalances. The NBR notes that 1% depreciation would only compress the current account by c.0.1% of GDP. The problem lies with fiscal and such structural issues as labour market, exports capacity.

Israel: Cautious stance continues

Geopolitical risks and timing of expected cuts from the Bank of Israel (BOI) were main discussion points in DC. US-Iran negotiations and news flow on a new hostage deal were seen as positive. However, tariffs and high correlation between the ILS and US equity performance create uncertainty over inflation expectations. Further depreciation in ILS and a rise in US inflation could further delay the cuts. Otherwise, BOI guidance remains as two cuts this year.

Growth will depend on the extent of global slowdown and how much of the reciprocal tariffs will remain at the end of talks with the US. Our expectation of 3.3% is in-line with the IMF and BoI forecasts of 3.2% and 3.5%, respectively. Fiscal consolidation of 1.5% of GDP this year is impressive and will help stabilise the debt to GDP ratio at or slightly below 70%.

Middle East – North Africa (MENA): oil, trade and geopolitics**Iran-US nuclear talks and OPEC supply hikes could weigh on oil prices**

Press reports suggest momentum towards a United States (US)-Iran nuclear agreement. US-Iran nuclear negotiations likely minimize for now regional security tail risks.

It is unclear for now if talks are focusing on an interim framework agreement or on a comprehensive agreement similar to the Joint Comprehensive Plan of Action (JCPOA). Press reports highlight technical talks have involved the participation of economic, banking, and nuclear experts. An agreement could likely involve the absence of the triggering of the snapback of United Nations (UN) sanctions expiring on 19 October.

If an agreement is reached and allows a return of Iranian oil exports to the market, this could materially impact oil prices, all else being equal. Iranian oil production is about 0.5-0.7mn bpd below its recent peak. Iran oil production is not bound by the Organization of the Petroleum Exporting Countries (OPEC) quotas.

Disputes with Kazakhstan, US administration policies ahead of US President Trump visit to the Gulf in mid-May and OPEC pronouncements suggest OPEC could raise again on 5 May crude oil supply by a larger-than-planned amount. This may also allow OPEC to preserve market share, front-run an increase in Iran crude oil exports and position for a global slowdown.

In the absence of a deal or security events, we think the Iranian economy could hold out for 1-2 years at unchanged economic policies under the maximum pressure campaign.

Iran's non-hydrocarbon real economy typically grows (even if below potential) unless there is a major external shock, while inflation remains high, creating popular discontent domestically. The government debt and deficit have increased but remain broadly manageable. High money growth suggests the fiscal deficit could be monetized. The current account remains in a small surplus.

The bulk of the Fx reserves remain inaccessible to Iran, explaining the drop in reported Fx reserves in 2019. However, with the rebound in oil exports, International Monetary Fund (IMF) data suggests that Fx reserves have increased in line with the current account surplus. We think this suggests that the implicit assumption is that Iran has been able to keep these reserves offshore in accessible jurisdictions.

The maximum pressure campaign resumes could aim to reduce Iran oil exports by 1mn bpd, as per the first Trump administration. On the assumption that Iran oil is being sold at a US\$15/bbl discount to spot (i.e. US\$55/bbl), this is an annual loss of Fx export revenues of US\$20bn (c4.3% of Gross Domestic Product (GDP)).

This means that the current account, all else being equal, would plunge to a deficit of around US\$6bn (c1.5% of GDP). Given that Iran cannot borrow from abroad, the current stock of Fx reserves will need to be used to fill the gap, and Central Bank of Iran (CBI) Fx reserves could be depleted within two years.

The economic policy response from Iran is likely to be similar to the one under the first Trump administration. Authorities could likely allow the parallel rate to weaken markedly, which could significantly constrain import growth. (After some time, the official rate may adjust). This may bring the current account closer to balance and slow down the pace of Fx reserves loss. This will however come at the expense of a large run up in inflation, impacting social cohesion.

Saudi Arabia: higher deficit and borrowing could allow megaprojects to proceed

We expect Saudi Arabia headline real GDP growth to remain broadly unchanged as the higher planned oil production could offset any slowdown in the non-hydrocarbon sector. Furthermore, while we expect re-prioritisation of megaprojects, we still expect the fiscal deficit to widen to 6.5% of GDP in 2025.

For now, we think authorities could manage to cap pressure on market yields (through domestic placements, last totaling US\$30bn during the covid year) and shield the real non-hydrocarbon sector in the near-term. Saudi Arabia financing constraints could become however more acute below US\$60/bbl, assuming unchanged oil production levels. The shift of the current account and banking sector Net Foreign Asset (NFA) position to deficits is likely to keep liquidity tight.

In a global recession risk scenario, we assume that the Organization of the Petroleum Exporting Countries (OPEC) cuts supply, even if with a potential delay due to US administration policies and challenging OPEC cohesion.

As such, in this scenario, we would expect Saudi Arabia real GDP growth to decelerate towards at least 0% as the hydrocarbon sector contracts and the non-hydrocarbon sector slows down. We expect the fiscal deficit would widen even further, but perhaps be capped towards 8% of GDP, through cuts to megaprojects and other revenue-raising measures.

Every US\$10/bbl swing in oil prices represents a 2.5-3ppt swing in the Saudi fiscal balance. A US\$10/bbl drop in oil prices would cut non-oil real GDP growth by 0.5ppt assumes government fully accommodates oil shock (one-to-one impact on expenditures) and an elasticity of real expenditure to real non-oil GDP of 0.13. On the other hand, we estimate every 250kbpd annual increase to Saudi Arabia's crude oil production leads to a

0.8ppt increase in real GDP growth (all else being equal), decreases the budget breakeven oil price by US\$2.5/bbl and decreases the budget deficit by 0.5% of GDP at unchanged oil prices.

Egypt: progress under IMF program remains key

The International Monetary Fund (IMF) Executive Board level approval of the fourth review of the Extended Funded Facility (EFF), approval by the European Union (EU) of the Macro-Financial Assistance (MFA) package as well as Gulf Cooperation Council (GCC) potential investments provide support to Egypt. Progress on privatizations and structural reforms remains slow.

The 10-15% increase in administered domestic energy prices for the next six months now brings them within 10% of the cost recovery levels (to be achieved by end-2025 under the IMF program), according to authorities. Next catalyst will be introducing a tax package worth 1ppt of GDP for FY26, about half of which we understand relies on tax system simplification. The release of the IMF fourth review document is likely to follow the announcement of the tax package, we think.

The Qatari US\$7.5bn investment pledge is positive. Authorities expect disbursements of cUS\$4bn in 2025 and US\$4bn in 2026. Kuwait is in advanced talks to convert its US\$4bn deposits at the Central Bank of Egypt (CBE) to equity investments, of which US\$2bn could occur by end-2025.

Authorities could tap markets again soon. The target would be US\$1-2bn international bond issuance by end-June 2025 and another cUS\$4bn in FY26. All in, in addition to market access, authorities expect additional FY26 external financing sources of US\$2.4bn from the IMF (two EFF tranches), US\$1bn from the World Bank, EUR1.3bn from the European Union (one tranche of the second phase of the EUR4bn MFA), and a US\$1bn multilateral guaranteed loan.

We estimate a US\$10/bbl drop in oil prices reduces the current account deficit by US\$1.0bn (0.3% of GDP) and reduces the fiscal deficit by 0.1% of GDP on net.

Lebanon: macro progress but tight timeline

Authorities face a tight timeline to complete an IMF Executive Board level approval of a program by end-2025. We expect the political campaigning for May 2026 parliamentary elections to start by end-2025. Vice-Governors of the Banque du Liban (BdL) will be appointed by June. Some signs suggest no political consensus yet on challenging reforms.

Authorities and press reports suggest an IMF staff visit to Beirut in May, and a goal to conclude a Staff-Level Approval (SLA) of an IMF program by the summer. An SLA could be followed in short order by a donor conference and an investment conference in September. This would allow 3-6 months to complete prior actions necessary for IMF Executive Board level approval of the program.

The next several weeks will be key to judge whether a consensus for reform support from the political class and other stakeholders can emerge. The Cabinet and the parliament approved the revised banking sector secrecy law in a manner consistent with an IMF program.

The Cabinet approved the banking sector resolution framework (with inclusion of a clause respecting hierarchy of claims), and parliament will examine it next. However, we understand that the framework will require amendments to be consistent with an IMF program (including depositor definition and appeal process). In addition to the above, Cabinet approval of a gap law (repartition of losses) will be required for an SLA. This will likely be contentious, and some signs suggest still no consensus for now.

Authorities announced receiving preliminary approval to raise the value of a World bank 50-year loan from US\$0.25bn to US\$0.4bn which would be used as seed capital for a

US\$1bn reconstruction fund. We understand international donor requirements to appoint management to the Council for Development and Reconstruction (CDR) as well as to sectoral independent regulatory authorities.

We would expect a eurobond restructuring to complete post-IMF Executive Board approval and not prior to that. The IMF Debt Sustainability Analysis (DSA) would be made available to advisors post-SLA and made publicly available post-Board approval. We expect parallel engagement but a sequential process for eurobond holders until DSA implications of the banking sector restructuring become clearer. Upside through contingent instruments could be reserved to depositors and not eurobond holders.

Given the large Real Effective Exchange Rate (REER) appreciation, nominal GDP could stand at US\$30bn in 2024. While this eases the government debt stock, we suspect conservative Fx and real growth assumptions and Gross Financing Needs (GFN) levels could be used in the DSA. Some debate exists in regard to the nature of the Fx regime in an IMF program.

Jordan: IMF support, sustained US aid provide buffers

The Jordanian Extended Fund Facility (EFF) IMF program remains on track despite external trade and geopolitical headwinds, with the third review approved at the staff level in mid-April. Positively, we understand US financial support remains mostly intact for 2025.

We understand that the US\$850mn budget support is likely to be disbursed by the US in December 2025 as planned. Furthermore, US military assistance and US aid are also likely to remain mostly intact in 2025. The latter includes aid in the critical water area, though expectations are for an overall drop by US\$0.3bn (0.5% of GDP).

In the event that all US financial support and aid is cut, we expect authorities will require a mixture of tighter fiscal policy and alternative financing sources. The EU could be such a source. Alternative sources will likely however consist of concessional financing rather than grants, which could impact on debt dynamics.

Bahrain: low oil prices suggest need for further Gulf financial support

The lack of fiscal adjustment in the 2025-26 budgets coupled with low oil prices suggest the need for additional Gulf financial support. A 12-point reform plan proposed by the authorities (that included an increase in Value-Added Tax (VAT) to 15% and subsidy cuts) was not adopted by parliament. The budgets pencil in a central government fiscal deficit (authorities' presentation) of US\$3.5bn (-7.8% of GDP) and -5.5% in 2026.

There is a lack of clarity in regard to a projected jump in non-oil revenues in 2026. We understand that this cannot be solely explained by the domestic minimum top-up Corporate Income Tax (CIT). Authorities are introducing a Citizen Account program without reducing subsidies, which results in a net social spending increase. Authorities have increased the debt ceiling from BD16bn, from BD22.5bn (125% of GDP), suggesting external issuance and/or potential replacement of central bank borrowing if market conditions allow.

Kuwait: Very gradual reform

We continue to sense no reform urgency. The reform momentum remains gradual given the conservative policy-making and large external buffers. We understand that a mortgage law is in the cards for this year.

The FY26 budget targets a deficit of US\$22bn (-12.7% of GDP), based on an oil price assumption of US\$68/bbl and production of 2.5mn bpd. The domestic minimum top-up Corporate Income Tax (CIT) could raise KD200mn/year. A decree to change government fees was passed and would raise non-oil revenues of 0.1% of GDP.

The Debt Law was approved and will remain in force for 50 years. It includes a debt ceiling of KD30bn (US\$97bn; c60% of GDP) and allows external issuance of all types

with up to 50-year maturity. We understand annual external issuance of c5% of GDP (cUS\$7.5bn) could be in the cards for the next five years.

The remainder of the fiscal deficit could be financed by a drawdown from the General Reserve Fund (GRF). We understand that the GRF benefits annually from inflows of c5% of GDP in profits from the Kuwait Petroleum Corporation (KPC) and c1% of GDP in profits from the Central Bank of Kuwait (CBK), allowing authorities not to tap the Future Generations Fund (FGF), in our view.

Armenia: Prudent fiscal vs strong growth

The output gap is nearly closed, as construction is expected to normalise again. The current account has stabilized at around 4%. The inflation target was recently cut to 3% as inflation remains low and close to this target. Prices have accelerated slightly recently, but the impact of tariffs could be deflationary. Fiscal management remains prudent: the public deficit was 3-4% and debt/GDP close to 50%. No exchange rate depreciation is foreseen as the central bank has been accumulating reserves.

Inflows from Russia have tapered off, down from 12% five years ago to 5% today, so the country is more insulated from a potential decline in remittances should the geopolitical backdrop change. US tariffs will likely have a limited impact on the economy because of low exports to GDP, but a slowdown at trading partners could bring some downside risk.

Armenia will get a precautionary program of \$150mn from the IMF, sending a great signal to investors. The country also benefits from a strong and profitable local banking sector, high capital adequacy ratios, and a rising share of local currency debt (from 20% to 40% of public debt over the last few years).

Azerbaijan: Watch out for energy prices

GDP growth is being driven by various sectors and inflation is within target. The country currently benefits from a current account surplus, but this could decline due to lower oil prices.

There are risks from oil and gas prices since the economy is heavily dependent on exports, and pro-cyclical policy. Compared to the 2015-2016 oil shocks, the country has more buffers and seems to be more prepared to absorb any shocks from lower oil.

Georgia: Strong growth, low inflation

Georgia's economy has been growing strongly since the end of Covid thanks to investment, consumption, inflows, resumption of tourism and growth of the IT sector. Growth is expected at 6% this year, at least partly due to steady growth in loan portfolios. Headline Inflation and core inflation at 2.4% were both below target, despite strong growth. There is some overshooting in terms of inflation which will remain above target and go back to 3% by 2026.

Monetary policy remains tight, with the policy rate at 7%. The central bank is staying prudent because of the considerable uncertainty. The financial sector is sound and banks are well capitalised but the country needs to keep working on the concentration of the banking system, with two banks accounting for 80% of the total.

Risks to watch are political tensions, since it is an election year, and the global backdrop, since a slowdown at Georgia's trading partners would negatively affect growth.

Kazakhstan: High growth and inflation

Domestic demand and exports will make the main contribution to GDP growth which is forecasted at 5.2% this year. Domestic growth will be supported by continued fiscal stimulus and consumer lending, as exports are boosted by ramp up in oil production from early this year due to projects completions. The current account deficit is down 2.5 times between 2023 and 2024 due to a decline in income payable from FDI and should remain moderate over the medium term due to lower oil prices.

Inflation is expected between 10-12% this year. Inflation expectations have declined, but remain elevated. Pro-inflationary pressure is supported by ongoing fiscal stimulus, utilities tariff reforms, and sustained domestic demand. It leaves no room for easing monetary policy in the short term. Mirroring of domestic gold purchases with FX sales will continue and this number will be adjusted to high gold prices.

Tajikistan: Strong GDP growth & improved macro framework

GDP growth is forecasted at 7% this year and fiscal deficit at 2.5%. Some progress has been made to develop the debt market and improve revenues mobilisation. This led to a reduction of debt/GDP from 31% of GDP in 2023 to 25% of GDP now. There is some engagement with IMF via a PCI program which is in progress.

Furthermore, there is a significant level of fx reserves with import cover ratio at 7 months this year. Given the increasing share of the local currency Vs external debt, there are no plans to issue Eurobonds in 2026. The macro framework has significantly improved over the years give the implementation of revenues collections and strategies to develop the domestic debt market and reduce the size and the involvement of the SOEs.

Angola: Low oil prices without IMF support is a key risk

GDP growth was strong in 2024- about 4.5% compared to expectations of 3% level. Outlook is negative given low international oil prices. No formal request for a program. Low oil prices a key risk to Angola. About 30-40% of oil production goes to fiscal revenues. Lower oil revenues likely mean expenditure cuts. Financing could be available at high cost. External debt service payments remain high.

Cote D'Ivoire: strong macro with election risks in 2H 25

GDP growth remains strong, 6% level over medium term supported by recovery in agriculture and industrial production (still rising oil production). Twin deficits are moderating.

Fiscal consolidation is on track and remains focused on raising tax revenue to GDP ratio to meet a 3% deficit target this year. Financing is stable with resumption of international market access in 2024, while regional market continues to provide stable funding. IMF program performance is strong, while next IMF executive board review is likely by end of June. An IMF Board approval would result in a disbursement of about \$740 million.

Main risks relate to upcoming October 25 elections. Risks of protests as key opposition candidates are currently excluded from contesting the elections- Mr Tidjane Thiam and former President Laurent Gbagbo. Current President Alassane Ouattara is still to accept a party nomination to run for a fourth term.

Kenya: No IMF yet, while external buffers remain high

Government officially requested a new IMF funded program in March but formal discussions still to begin. Previous IMF program faced setbacks on fiscal consolidation based on increasing tax revenue to GDP. So revenue led fiscal consolidation remains key given limited scope to cut spending.

External deficits moderating with lower oil, higher export receipts including revisions to tourism data. There is no urgency to clinch an IMF deal while alternative financing from UAE loan and external commercial borrowing remain available. FX reserves are high, close to \$10 billion, while Shilling is stable.

Ghana: New government and strong GDP growth despite 2024 fiscal misses

IMF program performance assessed to be weak at end of December 2024, largely due to fiscal slippages in run up to December 2024 elections. Primary deficit reached 3.25% of

GDP against 0.5% primary surplus target. 2025 budget is consistent with IMF targets- 1.5% of GDP primary surplus this year.

New government is committed to keeping fiscal targets in IMF program and is receiving benefit of the doubt. Higher than expected economic growth has helped debt to GDP to decline to 62% of GDP in 2024. High gold production helped lift overall 2024 GDP growth to 5.7%, while 2025 estimate remains around 4%. FX reserves currently cover 4.2 months of imports.

Nigeria: Domestic reforms help cushion from oil price shock

Domestic reforms (monetary, FX, fuel and reserves build-up) have helped Nigeria build resilience to absorb low oil price shock. Non-residents investing in Naira denominated securities have been able to enter and exit the local market freely. Lower oil prices in low 60s are likely to reduce exports, and fiscal revenues.

Spending adjustments and tax reforms could help cushion negative impact on budget. External position is good- current account surplus and rising FX Reserves. Dangote refinery is a positive structural reform story that is gradually reducing oil imports pressure and could add to refined oil exports.

Senegal: IMF deal likely in 3Q.

The verification of public debt audit data should be completed imminently, which would pave way for IMF to consider Executive Board meeting for debt misreporting by end of June. IMF Program discussions are likely for 3Q. A 2025 supplementary budget is required before any IMF staff level agreement with clear measures on reducing exemptions, subsidies, capital spending, and increasing revenues.

Senegal's debt classification is likely to be weakened to high risk from current moderate risk rating. Interest cost is relatively low, 4% of GDP, while financing remains adequate both in local and external financing. Economic growth remains supported by hydrocarbons projects.

Zambia: Rising copper volumes

Zambia positive economic recovery at year end 2024, GDP growth surprised on the upside driven by increase in copper volumes. Economic growth in 2025 likely to increase to 6% level as copper production continues to rise while agriculture output increase after a normal rainy season.

Copper production is expected to increase to over 900 thousand metric tonnes in 2025 from below 800 thousand in 2024 due to investments by mining companies. Inflation has peaked (around 16%) and good rains should support disinflation in food prices in 2025. GDP

Growth is expected to remain high in 2025, 6% level. Government is likely to consider a new IMF funded program once existing program expires in October 2025. IMF WEO team to publish Zambia composite indicator score soon- an improvement in the score will be positive for bond holders as part of a path to a likely upgrade to debt carrying capacity category in 2026.

At least 80% of exports are copper and 30% of revenues are linked to mining. International copper prices remain high. Fx reserves increased by \$1 billion in 2024 and reached US \$4.3bn or over 4-months import cover.

LatAm: T(a)rrific neighborhood

Carlos Capistran
BofAS

David Beker >>
Merrill Lynch (Brazil)

Pedro Diaz

Alexander Muller



BofAS

BofAS

Sebastian Rondeau

BofAS

Brazil: Approaching the end of the tightening cycle

Discussions this week reinforced our conviction that the Brazilian Central Bank will deliver one last hike of 50bp in May and then hold rates stable for some months. Rates are at a contractionary level and should allow the economy to slowdown ahead. That said, there is uncertainty on the impact of the private payroll loans to that could put upward pressures on activity.

On the fiscal front, the key focus ahead is the approval of the income tax exemption for those that earn up to R\$5,000 per month. The key risk is related to the compensatory measures to make the measure revenue neutral. The government remains committed in getting those compensatory measures approved. So far this year, expenditures are below expectations as the Budget was only recently approved. The economic slowdown adds risks for fiscal revenues ahead.

On the political front, as President Lula's popular support declines, there are concerns about the risk for more expenditures ahead. Also, market participants are increasingly discussing the elections, even though the voting will only happen in October next year.

Mexico: Big hit, Banxico has space, but fiscal concerns building

In our meetings with Mexico's officials our main takeaways are:

- (1) Mexico's activity will be hit in an important way from higher tariffs, Mexico is unlikely to escape a recession in the following quarters (we have GDP growth at -0.2% in 2025).
- (2) In relative terms Mexico is still the country with the lowest effective tariff (along with Canada) to send goods to the US market, thanks to the USMCA, which is positive for the medium term (we estimate the tariff is about 7.8% now and will likely be reduced to about 5.0% in the following months).
- (3) Nonetheless, Mexico's potential may have taken a hit.
- (4) Achieving the fiscal target this year is doable, but next year's may be more difficult given low growth, and large expenditure pressures from Pemex.
- (5) No clear plan yet on how to deal with Pemex.
- (6) Everybody, officials and investors, agree that Banxico has substantial space to cut rates given lower global and domestic growth, lower oil prices, a weak US dollar and inflation in Mexico below the historic domestic average.

In terms of investor sentiment, the consensus view is that Banxico has room to cut the rate probably below what is priced by the market (the market is pricing about 175bp of cuts in the next 12 months, with a terminal rate at 7.25%, we have terminal at 7.00%).

Argentina: Positive steps

Overall, investors consider the IMF program as a positive step ahead, not only due to the financial package, but also amid a more flexible FX policy (FX band and easing capital controls). The transition to the FX band has been smoother than expected, with limited inflation pass-through so far, and it is good news that the ARS is actually floating, reducing the risks of FX reserves losses.

At the start of the program, BCRA has not intervened and there are questions about the FX reserves target accumulation. We believe eventually Argentina will resume FX reserves accumulation as the band is credible and amid tight monetary/fiscal policy and room for re-monetization of the economy.



A risk of the program is that tight policy may lead to a slowdown in economic activity. A political analyst sees La Libertad Avanza as well positioned to do well in the election and increase significantly the seats in congress, enhancing the governability and chances of further structural reforms.

Colombia: Concerns of fiscal slippage

Investors seem concerned about fiscal slippage in Colombia. The government argues the optimal policy response should be the central bank cutting rates, while avoiding deep fiscal cuts to prevent a paralysis of economic activity.

In contrast, the central bank believes fiscal imbalances are limiting the room for monetary easing. Despite a favorable inflation print in March, the probability of BanRep staying on hold in April is rising.

Peru: Policymakers don't see China slowdown as a big risk

Policymakers pushed back against the idea that Peru is very vulnerable to a China slowdown. China is Peru's top trading partner and has large FDI across sectors (mining, electricity, ports, oil & gas).

They argued that the terms of trade (mainly driven by copper and gold) will likely remain high for other reasons (such as copper demand associated to energy transition, artificial intelligence, and data centers).

Ecuador: Some reasons to be more optimistic

The outcome of the election, and recent political developments, may be making the market more optimistic on Ecuador. President Noboa is likely to get a working majority in Congress which is key to passing economic reforms.

Local analysts view the appointment of the new Finance Minister, Sariha Moya, as positive. Moreover, the IMF program's second review (coming out soon) likely to be a success for the government.

Uruguay: Prudent policies

The new government is proposing prudent economic policies. The government wants to consolidate fiscal policy, reinforcing the fiscal rule, consistent with debt sustainability. It also has an agenda of micro reforms to enhance competition and productivity to back economic growth, needed to strengthen the social safety net.

The central bank started with a hawkish stance, prioritizing inflation. New authorities have said publicly that once the inflation target is reached systematically (4.5+/-1.15%), they aspire to further reduce the target.

Central America & Caribbean: Better news coming from Panama

Panama's social security reform and guidance on mining dialogue (to reopen the copper mine) are probably improving the sentiment of investors. Guatemala's solid macro indicators put it in a privileged position to withstand a global shock.

DomRep's activity has slowed down significantly, putting pressure on the central bank to act. El Salvador is doing well on its IMF program. Bitcoin purchases are not infringing the agreement. Costa Rican policymakers are pledging fiscal discipline, while the reform agenda seems to have stalled given the proximity of the presidential elections.

Credit: Debt distress and restructurings

Lucas Martin, CFA
BofAS

Jane Brauer
BofAS

Merveille Paja
MLI (UK)

Jean-Michel Saliba
MLI (UK)

Similar to the October 2024 meetings, many officials generally viewed the debt landscape as one where many countries, especially frontier economies, were facing liquidity challenges, but not a systemic crisis of solvency. However, the new trade war scenario adds downside risks since persistently lower growth and persistently higher interest rates would amplify and accelerate these challenges.

Focus among policymakers remains on improving the process for debt restructurings, with the goal of completing the restructuring process within a year. Notable in the latest report from the Global Sovereign Debt Roundtable (GSDR) was a focus on greater transparency, including the suggestion that terms of the debt treatment agreed with official creditors be published. In addition, the GSDR published a “playbook” on the debt restructuring process. Notable in the playbook was the encouragement of parallel (though not necessarily simultaneous) discussions with private and official creditors.

Despite progress, overall sentiment was that further improvements to the debt restructuring process were needed. These are not new issues, but the process is getting bogged down and frustrated by an inability to deal with them in a pragmatic and efficient way. Improvements are needed to: transparency, comparability of treatment, the proliferation of institutions claiming preferred creditor status and SCDIs (state-contingent debt instruments).

In focus were also ways to attract voluntary private sector funding to meet countries’ growing needs for liquidity support. An increasing number of countries are now facing or could suffer from liquidity constraints in the near future given the backdrop.

In April 2020, in response to the repercussions of the Covid-19 pandemic, the G7 and the Paris Club launched the Debt Service Suspension Initiative (DSSI) under which official bilateral creditors agreed to roll over maturing debt service payments owed by countries in dire need at the time.

Although the private sector was encouraged to do the same on a voluntary basis, in the event (and for a number of reasons), not a single country entered into a DSSI-type arrangement with the private sector. To some extent, the 2020 experience may still be influencing how official/bilateral creditors view private creditors.

Special Disclosures

Some of the securities discussed herein should only be considered for inclusion in accounts qualified for high risk investment.



Disclosures

Important Disclosures

BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible. BofA Securities fixed income analysts regularly interact with sales and trading desk personnel in connection with their research, including to ascertain pricing and liquidity in the fixed income markets.

Other Important Disclosures

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.

The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

This report may refer to fixed income securities or other financial instruments that may not be offered or sold in one or more states or jurisdictions, or to certain categories of investors, including retail investors. Readers of this report are advised that any discussion, recommendation or other mention of such instruments is not a solicitation or offer to transact in such instruments. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor for information relating to such instruments.

Rule 144A securities may be offered or sold only to persons in the U.S. who are Qualified Institutional Buyers within the meaning of Rule 144A under the Securities Act of 1933, as amended. SECURITIES OR OTHER FINANCIAL INSTRUMENTS DISCUSSED HEREIN MAY BE RATED BELOW INVESTMENT GRADE AND SHOULD THEREFORE ONLY BE CONSIDERED FOR INCLUSION IN ACCOUNTS QUALIFIED FOR SPECULATIVE INVESTMENT.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.

The securities or other financial instruments discussed in this report may be traded over-the-counter. Retail sales and/or distribution of this report may be made only in states where these instruments are exempt from registration or have been qualified for sale.

Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.

This report, and the securities or other financial instruments discussed herein, may not be eligible for distribution or sale in all countries or to certain categories of investors, including retail investors.

Individuals identified as economists do not function as research analysts under U.S. law and reports prepared by them are not research reports under applicable U.S. rules and regulations.

Macroeconomic analysis is considered investment research for purposes of distribution in the U.K. under the rules of the Financial Conduct Authority.

Refer to [BofA Global Research policies relating to conflicts of interest](#).

"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.

Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:

BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by the Financial Sector Conduct Authority; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at www.bofamli.com/BofASEdisclaimer; BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSF); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority. This information: has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the [Electronic Communications Disclaimers](#) for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for



information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.

General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities. This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

Futures and options are not appropriate for all investors. Such financial instruments may expire worthless. Before investing in futures or options, clients must receive the appropriate risk disclosure documents. Investment strategies explained in this report may not be appropriate at all times. Costs of such strategies do not include commission or margin expenses.

BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

This report may contain a trading idea or recommendation which highlights a specific identified near-term catalyst or event impacting a security, issuer, industry sector or the market generally that presents a transaction opportunity, but does not have any impact on the analyst's particular "Overweight" or "Underweight" rating (which is based on a three month trade horizon). Trading ideas and recommendations may differ directionally from the analyst's rating on a security or issuer because they reflect the impact of a near-term catalyst or event.

Certain investment strategies and financial instruments discussed herein may only be appropriate for consideration in accounts qualified for high risk investment.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. Investors in such securities and instruments effectively assume currency risk.

BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.

BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

Copyright and General Information:

Copyright 2025 Bank of America Corporation. All rights reserved. IQdatabase® is a registered service mark of Bank of America Corporation. This information is prepared for the use of BofA Securities clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of BofA Securities. This document and its content is provided solely for informational purposes and cannot be used for training or developing artificial intelligence (AI) models or as an input in any AI application (collectively, an AI tool). Any attempt to utilize this document or any of its content in connection with an AI tool without explicit written permission from BofA Global Research is strictly prohibited. BofA Global Research information is distributed simultaneously to internal and client websites and other portals by BofA Securities and is not publicly-available material. Any unauthorized use or disclosure is prohibited. Receipt and review of this information constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein (including any investment recommendations, estimates or price targets) without first obtaining express permission from an authorized officer of BofA Securities.

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to sustainability in this material is limited as discussed herein and is not intended to provide a comprehensive view on any sustainability claim with respect to any issuer or security.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein.



Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.

Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.



Research Analysts

Global Economics

Claudio Irigoyen
Global Economist
BofAS
+1 646 855 1734
claudio.irigoyen@bofa.com

Antonio Gabriel
Global Economist
BofAS
antonio.gabriel@bofa.com

Global EM FI/FX Strategy

David Hauner, CFA >>
Global EM FI/FX Strategist
MLI (UK)
+44 20 7996 1241
david.hauner@bofa.com

Raghav Adlakha
EM Quant Strategist
MLI (UK)
raghav.adlakha@bofa.com

Asia FI/FX Strategy & Economics

Helen Qiao
China & Asia Economist
Merrill Lynch (Hong Kong)
+852 3508 3961
helen.qiao@bofa.com

Claudio Piron
Emerging Asia FI/FX Strategist
Merrill Lynch (Singapore)
+65 6678 0401
claudio.piron@bofa.com

Kai Wei Ang
ASEAN Economist
Merrill Lynch (Singapore)
kaiwei.ang@bofa.com

Rahul Bajoria
India & ASEAN Economist
BofAS India
+91 22 6632 3095
rahul.bajoria@bofa.com

Jojo Gonzales ^^
Research Analyst
Philippine Equity Partners
jojo.gonzales@pep.com.ph

Abhay Gupta
Emerging Asia FI/FX Strategist
Merrill Lynch (Singapore)
abhay.gupta2@bofa.com

Pipat Luengnaruemitchai
Emerging Asia Economist
Kiatnakin Phatra Securities
pipat.luen@kkpfg.com

Xiaoqing Pi
Greater China Economist
Merrill Lynch (Hong Kong)
xiaoqing.pi@bofa.com

Benson Wu
China & Korea Economist
Merrill Lynch (Hong Kong)
benenson.wu@bofa.com

Ting Him Ho, CFA
Asia Economist
Merrill Lynch (Hong Kong)
tinghim.ho@bofa.com

Janice Xue
Emerging Asia FI/FX Strategist
Merrill Lynch (Hong Kong)
janice.xue@bofa.com

Chun Him Cheung, CFA
Emerging Asia FI/FX Strategist
Merrill Lynch (Hong Kong)
chunhim.cheung@bofa.com

Anna Zhou
China & Asia Economist
Merrill Lynch (Hong Kong)
anna.zhou@bofa.com

EEMEA Cross Asset Strategy, Econ

Jean-Michel Saliba
EEMEA Econ Head/MENA Economist
MLI (UK)
+44 20 7995 8568
jean-michel.saliba@bofa.com

Mai Doan
CEE Economist
MLI (UK)
mai.doan@bofa.com

Zumrut Imamoglu
Turkey & Israel Economist
MLI (UK)
zumrut.imamoglu@bofa.com

Vladimir Osakovskiy >>
EM Sovereign FI/EQ strategist
Merrill Lynch (DIFC)
vladimir.osakovskiy@bofa.com

Merveille Paja
EEMEA Sovereign FI Strategist
MLI (UK)
merveille.paja@bofa.com

Mikhail Liluashvili
EEMEA Local Markets Strategist
MLI (UK)
mikhail.liluashvili@bofa.com

Tatonga Rusike
Sub-Saharan Africa Economist
MLI (UK)
tatonga.rusike@bofa.com

LatAm FI/FX Strategy & Economics

David Beker >>
Bz Econ/FI & LatAm EQ Strategy
Merrill Lynch (Brazil)
+55 11 2188 4371
david.beker@bofa.com

Jane Brauer
Sovereign Debt FI Strategist
BofAS
+1 646 743 3747
jane.brauer@bofa.com

Carlos Capistran
LatAm and Canada Economist
BofAS
+1 646 743 2921
carlos.capistran@bofa.com

Ezequiel Aguirre
LatAm FI/FX Strategist
BofAS
ezequiel.aguirre2@bofa.com

Pedro Diaz
Caribbean Economist
BofAS
pdiaz2@bofa.com

Christian Gonzalez Rojas
LatAm Local Markets Strategist
BofAS
christian.gonzalezrojas@bofa.com

Lucas Martin, CFA
Sovereign Debt FI Strategist
BofAS
lucas.martin@bofa.com

Gustavo Mendes
Brazil Economist
Merrill Lynch (Brazil)
gustavo.mendes@bofa.com

Alexander Muller
Andean(ex-Ven) Carib Economist
BofAS
alexander.muller@bofa.com

Natacha Perez
Brazil Economist
Merrill Lynch (Brazil)
natacha.perez@bofa.com

Sebastian Rondeau
Southern Cone & Venez Economist
BofAS
sebastian.rondeau@bofa.com

BofA Securities participated in the preparation of this report, in part, based on information provided by Philippine Equity Partners, Inc. (Philippine Equity Partners). ^^Philippine Equity Partners employees are not registered/qualified as research analysts under FINRA rules.

Trading ideas and investment strategies discussed herein may give rise to significant risk and are not suitable for all investors. Investors should have experience in relevant markets and the financial resources to absorb any losses arising from applying these ideas or strategies.

>> Employed by a non-US affiliate of BofAS and is not registered/qualified as a research analyst under the FINRA rules.

Refer to "Other Important Disclosures" for information on certain BofA Securities entities that take responsibility for the information herein in particular jurisdictions.