# World at a Glance

# Summer Jitters

21 May 2026

FX, Rates and Commodities
Global

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Next edition

Wed 24 June 2026

## Key forecasts in FX, rates and commodities

Markets are incorporating longer-term impacts from the Iran war, such as further inflation. Since last month, our econ team revised their Fed call and now expect the Fed to stay on hold this year. Still, our core FX and Rates forecasts remain unchanged.

## G10 FX: revisions in Asia, but EUR-USD profile unchanged

We leave our baseline EUR-USD forecast profile unchanged, with our end-year 2026 forecast at 1.20. However, we do revise lower our USD-JPY forecast profile, with an end-year USD-JPY forecast of 152. We also raised our NZD-USD profile.

## Interest rates: US10yr profile unchanged

Our US Economics team now expects the Fed to be on hold this year and expect rate cuts in late 2027. We do leave our US10yr yield profile unchanged. We have revisions in Japan and Australia 10yr yields.

## EM Asia: maintaining CNY forecast, revising INR

We maintain our year-end USD/CNY forecast for 6.7 amid continued geopolitical uncertainty. This is premised on a resolution of the Iran conflict and China's preference for FX stability in times of global stress. Since last month, we revised INR.

## EEMEA: rising US rates are a risk to EEMEA FX outlook

Structurally high EM carry and a broadly weaker USD bias leave us constructive on EEMEA FX medium term. In the short term rising oil prices and risks of higher US rates point to a less supportive backdrop. Bullish all major EEMEA FX crosses medium term

## LatAm: elections in the Andeans

Elections continue in the region, this time in the Andeans. We do not have any forecast changes in BRL or MXN forecasts. In particular, we believe BRL should continue to be supported by the commodity outlook and monetary policy.

## Commodities: since last month, metals revisions

Our oil forecasts stay the same, but "quick resolution" scenario seems now highly unlikely, while a strait that is neither fully open nor totally closed in 2Q/3Q may push Brent to average $120/bbl this year. We do have revisions in forecasts for core metals.

**The World at a Glance (WAAG) is our flagship monthly publication, highlighting our key forecasts in FX, rates and commodities. This edition covers each of the G10 currencies, six major developed-market interest rates, the major EM currencies, and five key commodities**.

# Contents

World At A Glance



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# US rates: NACHO rates

**Marck Cabana, CFA**
BofAS

**Themes: hike risk underpriced**

US rates have moved higher and the curve has bear flattened as resilient growth and sticky inflation keep the market focused on upside inflation risks. Higher commodity prices add to that concern, while recent data has pointed to only limited signs of a meaningful slowdown in growth or employment.

Fed pricing continues to assign very limited probability to near-term hikes despite solid US labor market data. Many investors still see a high bar for additional tightening, citing expectations of dovish Fed leadership, a belief that policy is already restrictive, and confidence that growth will slow enough to keep hikes off the table. But we think hike risk should be higher than what is currently priced.

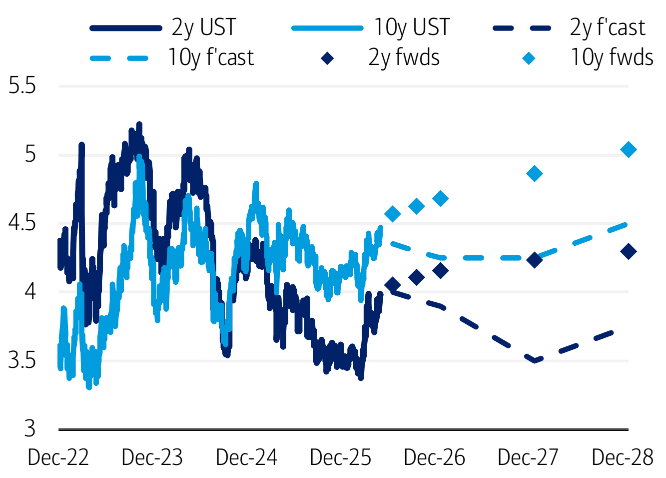
**Forecasts: cuts pushed to 2H 2027**

After our US economics team shifted two cuts from 2026 to late 2027, we revised our forecasts higher for 2Y and 5Y yields through 1H27, while leaving end-2027 forecasts and the terminal rate unchanged. Our forecasts remain below forwards, especially further out the curve. That profile reflects flattening pressure from tighter financial conditions under a more hawkish Fed.

**Risks: skewed higher**

We assess the risks to our new forecasts as skewed higher. We see greater likelihood of rates moving above our forecasts if inflation remains firm, labor market data stay resilient, and markets begin to price a higher probability of Fed hikes or of a prolonged hold. Tighter financial conditions + flatter curves would likely accompany that repricing.

**Exhibit 1: UST 2y & 10y forecasts vs forwards (%)**
Our rates forecasts are still below forwards




**Source:** BofA Global Research, Bloomberg

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**Exhibit 2: Government bond yield forecasts (%)**
Our forecast for year-end '26 of 10yT is 4.25%

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| O/N SOFR | 3.66 | 3.66 | 3.66 | 3.66 |
| 2y Govt | 4.00 | 3.95 | 3.90 | 3.80 |
| 5y Govt | 4.10 | 4.05 | 4.00 | 3.95 |
| 10y Govt | 4.35 | 4.30 | 4.25 | 4.25 |
| 30y Govt | 4.85 | 4.80 | 4.75 | 4.75 |

**Source:** BofA Global Research estimates

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**Exhibit 3: Swap rate forecasts (%)**
Our forecast for year-end '26 of 10y swaps is 3.68%

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| 2y | 3.85 | 3.80 | 3.75 | 3.67 |
| 5y | 3.80 | 3.75 | 3.67 | 3.60 |
| 10y | 3.95 | 3.85 | 3.68 | 3.70 |
| 30y | 4.05 | 4.00 | 3.92 | 3.90 |

**Source:** BofA Global Research estimates

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# USD: underpriced upside risks

**Alex Cohen**
BofAS

### Themes: the limits of policy divergence

We maintain a near-term bullish dollar bias, as the DXY remains within its historically narrow 12-month range. Since the start of the Iran war, the USD has done a full round trip: first appreciating along with the initial spike higher in oil, then subsequently depreciating following the April ceasefire announcement. As the market awaits more clarity on this front, the broader consolidation in front-month oil futures amid hope for some resolution has kept FX volatility and the USD mostly suppressed. Upside risks appear underpriced.

Beyond the war, the USD has received only modest support thus far from the string of upside US data, including labor, retail sales and inflation. From a monetary policy standpoint, this has resulted in only a modest pricing of Fed hikes throughout the curve, as the market remains reluctant to materially price the upper end of the fed funds distribution. In comparison, a much more significant number of hikes have been priced into several other G10 central bank curves. Given relative economic outlooks, central bank pricing seems more likely to converge than diverge from here.

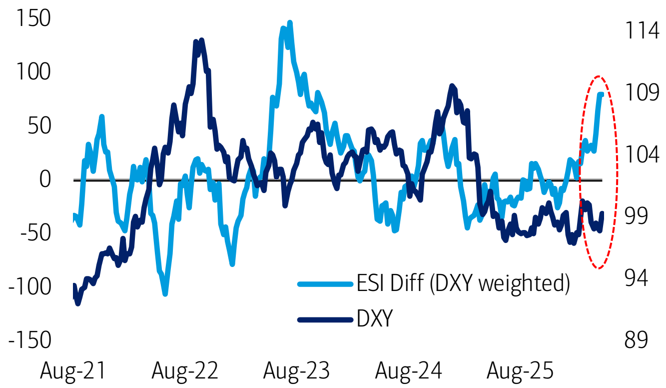
### Forecasts: more USD upside into Q2, before deprecation resumes

We keep our G10 FX forecasts unchanged. We continue to further USD upside through H2, before modestly depreciating by year's end. For example, we see EURUSD at 1.14 by Q2, before gradually rising to 1.20 by year end.

### Risks: Iran and Inflation

While market sensitivity to Iran headlines has waned, we see multi-directional risks should things materially escalate or de-escalate from here. The USD should benefit if energy supply conditions deteriorate further, whereas anything resulting in greater passage through the Strait of Hormuz would likely prompt a further relief rally in non-USD currencies. Elsewhere, anything on the data front (specifically upside inflationary pressure) that keeps the talk of possible Fed hikes alive should be further USD supportive, and vice versa.

**Exhibit 4: DXY has underperformed recent US economic outperformance**
US-foreign Economic Surprise Indices (DXY weighted)




**Source:** Bloomberg; BofA Global Research.

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**Exhibit 5: USD forecasts**
EUR forecast is 1.20 for the end of 2026

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| EUR-USD | 1.14 | 1.17 | 1.20 | 1.22 |
| USD-JPY | 156 | 154 | 152 | 150 |

**Source:** BofA Global Research estimates

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**Exhibit 6: Major macro forecasts**
Looking for decent growth in 2026

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 2.1 | 2.2 | 2.2 |
| CPI (% yoy) | 2.7 | 3.7 | 2.3 |
| Policy Rate (end of period) | 3.625 | 3.625 | 3.125 |
| GenGov Bal (%/GDP) | -5.8 | -6.1 | -6.4 |
| CurAct Bal (%/GDP) | -3.9 | -3.5 | -3.5 |

**Source:** Bloomberg and BofA Global Research estimates

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# EU rates: prices give pause for concern

**Sphia Salim**
MLI (UK)

**Ronald Man**
MLI (UK)

**Themes: prices give pause for concern**

The European rates market remains tied to US-Middle East developments and energy prices. Whilst the ceasefire has broadly held, oil prices remain elevated as traffic through the Strait of Hormuz remains relatively low which has kept inflation expectations high, thus leading to a hawkish repricing in money markets.

The ECB held interest rates steady at its last meeting on 30 April but gave a rather explicit signal for a small hiking cycle starting in June, as the bar for looking through the shock is high. We believe this strengthens the dynamic whereby the very front-end drives moves, although in Germany we note that the correlation of the front end (2y) to further out the curve (10y) should continue declining as we see deteriorating growth risks as underpriced.

**Forecasts: 10y Bund at 2.95% by end-2026 on hikes in 2026 and cuts in 2027**

Our economists maintain their call for 2 rate hikes in June and July 2026, given the higher inflation, lower growth outlook. They then see cuts starting in 2027 to a terminal rate at or below 1.5%, conditional on well-behaved gas prices. This would imply 10y Bunds at 2.95% by end-2026 and 2.70% by end-2027, and a 10y BTP-Bund range of 65-130bp in 2026.

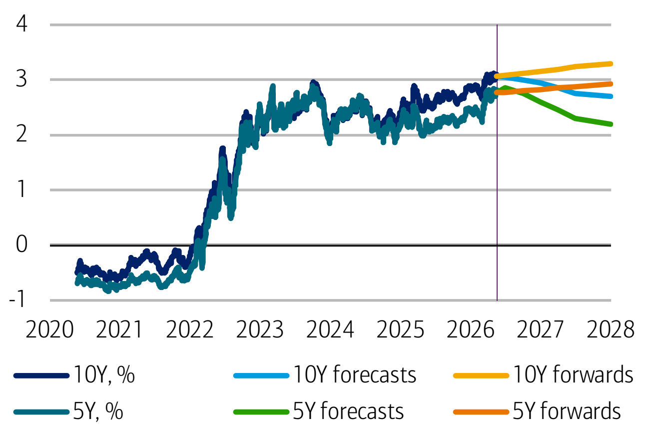
We expect curve flattening near term, but our curve profile is generally steeper vs the forwards from 2H26, reflecting our monetary policy view. We also see tightening pressure on German swap spreads on a less favourable demand/supply outlook from mid-2026. We see supply concerns as well-reflected in the market, even with the latest 2027 German draft budget.

**Risks: energy, uncertainty, German fiscal, credit rating, receiving needs, supply**

Upside risks are sustained high or rising energy prices, a stronger structural impulse from Germany's fiscal package, low receiving needs from financial actors, more bond supply than expected, larger EU fiscal response to uncertainty shocks, and adverse sovereign rating actions. Downside risks are lower energy prices, disappointing execution of Germany's fiscal package, and a renewed escalation in trade uncertainty.

**Exhibit 7: German rates – yield forecasts and forwards***

Our 2027 forecasts are below the forwards




**Source:** BofA Global Research, Bloomberg. *Forwards as of 14-May

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**Exhibit 8: Germany bond yield forecasts, %**

We expect 10y Bund yields at 2.95% by 4Q 26

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| 3m Euribor | 2.60 | 2.60 | 2.65 | 2.60 |
| 2y Govt | 2.80 | 2.70 | 2.45 | 2.30 |
| 5y Govt | 2.85 | 2.75 | 2.60 | 2.45 |
| **10y Govt** | **3.05** | **3.00** | **2.95** | **2.85** |
| 30y Govt | 3.45 | 3.50 | 3.45 | 3.35 |

**Source:** BofA Global Research

**Exhibit 9: Euribor swap rate forecasts, %**

We incorporate our ECB forecasts

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| 2y | 3.00 | 2.80 | 2.55 | 2.40 |
| 5y | 3.00 | 2.85 | 2.65 | 2.50 |
| **10y** | **3.10** | **3.00** | **2.90** | **2.80** |
| **30y** | **3.05** | **3.15** | **3.15** | **3.10** |

**Source:** BofA Global Research

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# EUR: cautious now, with constructive bias

**Michalis Rousakis**
MLI (UK)

**Themes: Cautious until we get more clarity around the war and Hormuz**
We stay cautious on the EUR through Q2, as we see energy markets pricing a rather optimistic scenario. But we maintain a mostly bullish EUR bias for later this year.

Taking a step back, EUR-G10 FX price action this year has been broadly in line with recent history. EUR screens as overvalued vs NZD and, to some extent, CAD, GBP, SEK, and as slightly undervalued vs JPY, NOK, AUD. EUR-USD has been in line with recent history. Commodities have been the main (negative) EUR driver this year. Risk sentiment and relative rates pricing have further weighed on EUR vs commodity FX. By contrast, relative monetary policy has provided some support vs JPY, CAD, SEK. For EUR-USD, the drag from energy has been broadly offset by risk sentiment (see EUR Watch 12 May '26).

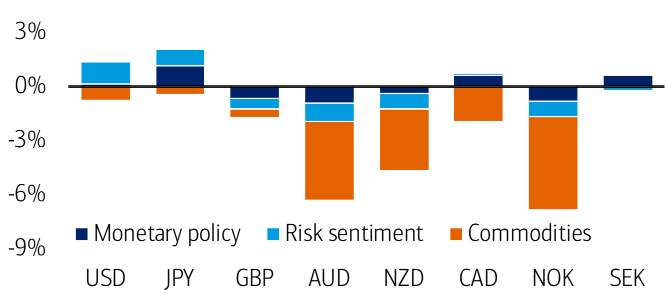
Looking ahead, we remain cautious on the EUR through Q2. First, our commodities team remains cautious, seeing paper oil as priced for perfection (see Global Energy Weekly 27 Apr '26). Second, we think rates markets are underpricing Fed hikes and overpricing ECB hikes (see Liquid Insight 12 May '26). Risk sentiment could be challenged as a result.

However, we see scope for a more constructive EUR outlook further out. While we no longer expect Fed cuts this year, we continue not to expect hikes. Second, our commodities team revised down their natural gas forecasts meaningfully – gas has been more important than Brent for the EUR in recent years (see Global Energy Weekly 12 May '26). As a result, our base case of gradual US-Euro area growth convergence stays intact, partly supported German fiscal stimulus (see Liquid Insight 6 May '26). We also continue to believe the FX market is underpricing the potential for European reforms.

**Forecasts: no changes. We remain cautious near term but bullish by year-end**
We still forecast EUR-USD at 1.14 by end-June, but 1.20 by year-end and 1.25 by end-27, i.e. we are more cautious vs consensus median near term but more bullish further out.

**Risks: all about Iran, ECB reaction, Fed independence**
Iran escalation or an ECB over-reaction would pose downside risks to our EUR forecasts. Fast de-escalation, an overly accommodative Fed, or fresh Fed independence concerns pose upside risks. European reforms and more defence spending pose upside.

**Exhibit 10: Commodities have been the main driver for EUR. Monetary policy has offered little help**
EUR-G10 FX fitted % changes year-to-date by input (positive values = EUR overvaluation)




**Source:** BofA Global Research, Bloomberg. Weekly data through May 8. We regress changes in log EUR-G10 FX on changes 1) in 2-year swap rate differentials, 2) log MSCI Global (but VIX for EURCAD given that MSCI Global is not statistically significant), 3) log European natural gas prices for USD, JPY, GBP, SEK and log BCOM index for the commodity bloc (AUD, NZD, CAD, NOK). Fitted values correspond to estimates for data in 2021-2025.

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**Exhibit 11: EUR forecasts**
Our forecast is 1.20 for EUR-USD at end of 2026

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| EUR-USD | 1.14 | 1.17 | 1.20 | 1.22 |
| EUR-JPY | 178 | 180 | 182 | 183 |

**Source:** BofA Global Research estimates

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**Exhibit 12: Major macro forecasts**
Growth soft in our 2026 outlook

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 1.5 | 0.7 | 1.2 |
| CPI (% yoy) | 2.1 | 2.9 | 1.9 |
| Policy Rate* (end period) | 2.00 | 2.50 | 1.75 |
| Gen Gov Bal (%/GDP) | -3.3 | -3.6 | -3.5 |
| CurAct Bal (%/GDP) | 1.6 | 0.4 | 1.5 |

**Source:** Bloomberg and BofA Global Research estimates

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# JP rates: Fiscal policy back in focus

**Tomonobu Yamashita**
BofAS Japan

**Key theme: JGB selling fueled by supply–demand imbalance and budget risks**
Yen rates have surged, with the 10-year JGB yield rising above 2.7% and the 30-year reaching a record high. While net JGB supply is widely expected to increase in 2026 versus 2025 (see Liquid Insight: Global government bond supply update: same same, but different 14 May 2026), the May auction schedule and supplementary budget headlines are fueling selling pressure.

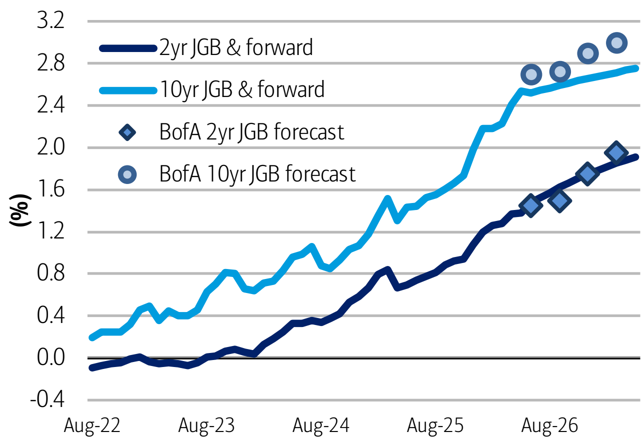
Since late April to early May was Japan's national holiday period, the JGB auction schedule has been particularly crowded from mid-May through early June. Meanwhile, demand for JGBs has been subdued, except from Japanese pension funds. As a result, each auction is adding to selling pressure on JGBs.

In addition, media reports suggest the Japanese government is considering a first supplementary budget for FY2026 to finance energy subsidies for households. Even if the Takaichi administration decides to compile the supplementary budget by the end of the current Diet session, which runs through July 17, we do not expect a near-term increase in auction sizes. However, this could act as an obstacle to buying JGBs on dips (see Japan Viewpoint: Cost of energy subsidies: rising risk of a supplementary budget ahead of summer 23 April 2026).

**Forecast: We raise our end-2026 10-year forecast to 2.9%**
Overall, we expect these supply–demand imbalances to persist at least until early June. We therefore raise our end-2026 forecast for the 10-year JGB yield from 2.6% to 2.9%.

**Risk: Equity prices drop**
Japanese pension funds' portfolio rebalancing—selling equities and buying domestic bonds—provides some support to the JGB market. However, a potential decline in equity markets could instead add to upward pressure on JGB yields.

**Exhibit 13: Yen rates – JGB yield forecasts and forwards**
Both the market and BofA anticipate a continued upward trajectory




**Source:** BofA Global Research, Bloomberg

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**Exhibit 14: Government bond yield forecasts**
We forecast end-2026 10yr JGB yield at 2.9%

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| TONA | 0.98 | 0.98 | 1.23 | 1.48 |
| 2y Govt. | 1.45 | 1.50 | 1.75 | 1.95 |
| 5y Govt | 2.00 | 2.05 | 2.30 | 2.50 |
| 10y Govt | 2.70 | 2.73 | 2.90 | 3.00 |
| 30y Govt | 3.90 | 4.08 | 4.30 | 4.35 |

**Source:** BofA Global Research

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**Exhibit 15: Swap rate forecasts**
Our Japan 10yr swap rate end-2026 forecast is 2.65%

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| 2y | 1.45 | 1.50 | 1.70 | 1.90 |
| 5y | 1.95 | 2.00 | 2.20 | 2.40 |
| 10y | 2.50 | 2.53 | 2.65 | 2.75 |

**Source:** BofA Global Research

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# JPY: turning neutral

**Shusuke Yamada**
BofAS Japan

**Themes: A shift in one of the two drivers of JPY weakness**
There have been two key drivers behind JPY depreciation in recent years. First, persistent structural JPY selling has kept FX supply-demand balance skewed toward excess JPY supply. Second, the market's assessment of the policy mix—overly accommodative monetary policy and fiscal risks (particularly under the Takaichi administration)—has weighed on the currency.

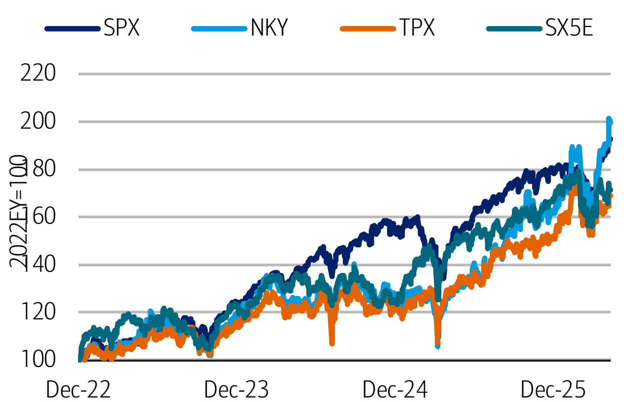
However, structural JPY selling is now moderating. On a basic balance basis (current account plus direct investment), Japan has moved into surplus, while the euro area surplus has narrowed and the US continues to run a sizable deficit. Japanese equities' outperformance versus US and European peers also points to an improvement in JPY fundamentals.

For details, see [FX Viewpoint: Wake up, yen... a window may be opening 19 May 2026](#).

**Forecasts: turning neutral on JPY**
We revise our USD/JPY forecasts lower, to 152 for end-2026 (from 157) and to 145 for end-2027 (from 150) (Exhibits 28 and 29). This implies a slightly stronger JPY outlook relative to both market consensus and forwards.

**Risks: AI, oil, retail flows, policy**
A slowdown in AI-related exports, persistently high oil prices, an acceleration in household JPY selling, and an expansion of monetary and fiscal risks.

**Exhibit 16: Major equity indices in Japan, the US, and Europe (USD-based, indexed)**
The Nikkei 225 Index has been the best performer since 2023




**Source:** BofA Global Research, Bloomberg

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**Exhibit 17: JPY forecasts**
We look for 2026 year-end USD-JPY of 152

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-JPY | 156 | 154 | 152 | 150 |
| EUR-JPY | 178 | 180 | 182 | 183 |

**Source:** BofA Global Research estimates

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**Exhibit 18: Major macro forecasts (CY)**
Our economics team looks for end-2026 BOJ rate to be 1.25%

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 1.2 | 0.4 | 0.6 |
| CPI (% yoy) | 3.2 | 2.1 | 2.6 |
| Policy Rate (end of period) | 0.75 | 1.25 | 1.75 |

**Source:** Bloomberg and BofA Global Research estimates

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# UK rates: Fragile. Handle with care

**Agne Stengeryte**
MLI (UK)

**Mark Capleton**
MLI (UK)

### Mixed signals

May local election results increased UK political volatility, with PM Starmer potentially facing a formal leadership challenge. A challenge is likely to increase near term policy uncertainty and can lead to tighter financial conditions, which can weigh on growth. Policy continuity is possible in some scenarios while a soft-left candidate could raise market concerns on higher borrowing. But potential negative market reaction means breaking fiscal rules is not a foregone conclusion. We think market pressures could constrain radical proposals.

Having said that some in the soft left have suggested tweaks in the fiscal framework, which can increase risks of a rise in borrowing. At the same time, the move higher in yields along with potentially weaker growth or higher inflation is likely to have already hurt the fiscal headroom. Our economists estimate that since March, higher long-term yields and front-end repricing is likely to have hit the headroom by close to £10bn from £23.6bn.

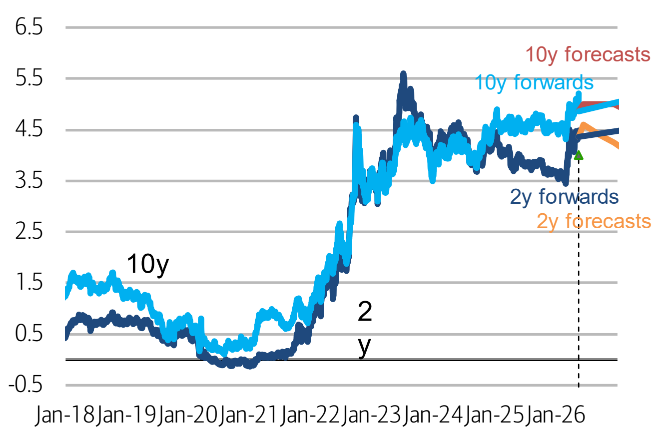
### Forecast: wait and see mode for the time being

We have not made yield forecast changes relative to last publication, observing how domestic politics play out for the time being. The high level of UK implied vol' observed lately likely reflects political uncertainty overlayed upon global uncertainty, entangled with the UK market's structural fragility, we would say.

### Risks: Geopolitics in focus

The key question for the economy is how persistent the energy shock and broader uncertainty prove to be. The main risk is an escalation or a much more protracted war that keeps energy prices elevated beyond our updated base case scenario. Beyond geopolitics, domestic politics and the fiscal backdrop are two other important risks.

**Exhibit 19: Gilt yield benchmark histories, forwards and forecasts, %**
We now project 2y Gilts at 4.25% and 10y Gilts at 5.00% by end-2026




**Source:** Bloomberg, BofA Global Research

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**Exhibit 20: Government bond yield forecasts (%)**
We see 10y Gilts at 5.00% by end-'26...

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| 3m Sonia | 4.25 | 4.25 | 4.25 | 4.00 |
| 2y Govt. | 4.60 | 4.40 | 4.25 | 4.05 |
| 5y Govt | 4.55 | 4.40 | 4.30 | 4.15 |
| 10y Govt | 5.00 | 5.00 | 5.00 | 4.85 |
| 30y Govt | 5.55 | 5.55 | 5.50 | 5.45 |

**Source:** BofA Global Research estimates

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**Exhibit 21: Sonia swap rate forecasts (%)**
... and 10y Sonia at 4.50% by end-'26

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| 2y | 4.40 | 4.20 | 4.05 | 3.85 |
| 5y | 4.30 | 4.15 | 4.05 | 3.90 |
| 10y | 4.50 | 4.50 | 4.50 | 4.40 |
| 30y | 4.85 | 4.90 | 4.90 | 4.85 |

**Source:** BofA Global Research estimates.

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# GBP: old habits

**Kamal Sharma**
MLI (UK)

### Themes: political uncertainty in the spotlight

We had hoped that the political volatility in UK politics was a thing of the past, but the theme has returned with vengeance through mid-May. We have written extensively on the subject recently (see: UK Watch: Mixed signals 15 May 2026 for a macro and markets overview). We had been flagging that the risks of rising political noise were underpriced following the UK elections and though it took some days to materialize, the impact has been visible in both FX and UK Gilts.

At the heart of market concerns is how a potential leadership change impacts the fiscal rule which governs spending. To recap, the market has been concerned with UK fiscal fundamentals since 2022 and remains on alert for signs that the UK's fiscal position may be compromised

A lot of information has been thrown at markets and the net result is that GBP risk premium is materially higher in both GBP and Gilts. The key question is whether this risk premium can remain elevated in the weeks to come? Our sense is that it cannot. Political noise has been concentrated within a short period time and it is high bar to assume that the pace of headlines can persist. This, however, does not mean that GBP is due for a reprieve.

We stick to bearish near-term view on the pound but prefer to restructure our view by owning optionality to express a bearish view. The pace of events is likely to slow in the coming weeks as we await developments surrounding by-election dates and the subsequent response from the leadership. For now, GBP buyers should look to lock in hedging with forwards rates attractive at current levels.

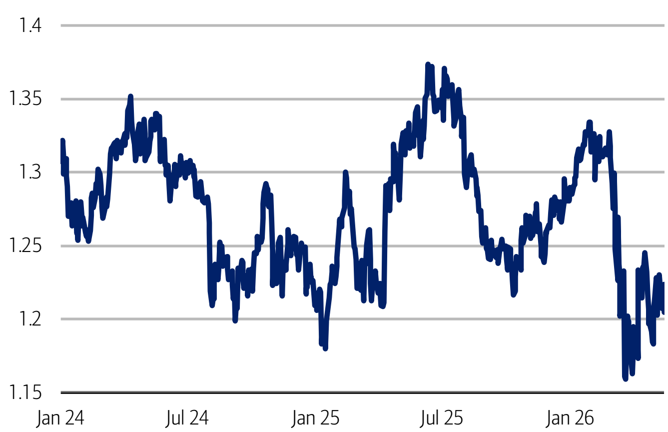
### Forecasts: no changes in forecasts

No changes in forecasts.

### Risks: the next phase

Markets seem preset to expect the worst on the political front. Risks are that comments from the major protagonists challenges this narrative.

**Exhibit 22: GBP/USD 2yr forward levels**
GBP/USD forward points attractive for long term hedging




**Source:** BofA Global Research, Bloomberg
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**Exhibit 23: GBP forecasts**
Our year-end 2026 EUR-GBP forecast is 0.84

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| EUR-GBP | 0.85 | 0.84 | 0.84 | 0.84 |
| GBP-USD | 1.34 | 1.39 | 1.43 | 1.45 |

**Source:** BofA Global Research estimates
BofA GLOBAL RESEARCH

**Exhibit 24: Major macro forecasts**
BOE to hike rates this year

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 1.4 | 0.6 | 1.1 |
| CPI (% yoy) | 3.4 | 3.5 | 2.5 |
| Policy Rate (end of period) | 3.75 | 4.25 | 3.50 |
| Gen Gov Bal (%/GDP) | -4.5 | -3.5 | -3.0 |
| CurAct Bal (%/GDP) | -2.9 | -3.0 | -3.1 |

**Source:** Bloomberg and BofA Global Research estimates
BofA GLOBAL RESEARCH

# CA rates: Upside risks

Katie Craig
BofAS

Ralph Axel
BofAS

## Themes: CAD rates driven by inflation risk

Canadian 2y rates have sold off 70bp since the start of the Iran conflict. Market pricing has largely been driven by moves in oil and expectations for BoC hikes. BoC OIS now implies ~1.75 hikes remaining in '26. While our economists expect the BoC to remain on hold for the year, we see market pricing now as roughly fair due to hawkish BoC and upside risk to inflation.

The move in CAD rates in recent weeks has been driven by inflation risk premium in the form of higher breakevens (nominal rate - real rate). 5y inflation breaks increased from 1.9% at the start of 2026 to 2.3% today, explaining most of the 5y rate increase in this period. The CAD curve bear flattened in March and April but has retraced marginally over May. The 2s10s curve is now 10bp flatter vs Feb month-end. We continue to see the CAD curve steepener vs US flattener as an attractive carry and roll position.

Our CAD rates views: On duration: we recently shifted from outright long to neutral due to uncertainty around the oil outlook. On swaps: we like being short front-end swap spreads vs being long in the US to position for tighter funding conditions in CAD vs soft/stable funding in the US. On the curve: we continue to like CAD curve steepeners vs US flatteners.

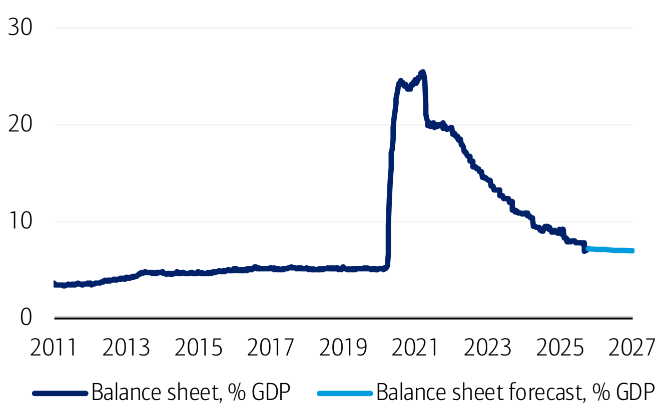
## Forecasts: below forwards at the front-end

We leave our CAD rates forecasts unchanged despite being below forwards. We acknowledge upside risks to our rates forecast due to hawkish BoC and elevated inflation but align our rates forecast with our economist's call for no hikes in '26 reflecting weaker CAD growth.

## Risks: tariffs and USMCA negotiations

Oil is likely to continue to dominate the narrative near-term, which could pose risk to the upside for our forecasts, but the USMCA re-negotiation this summer could result in a negative trade or tariff shock.

**Exhibit 25: Bank of Canada balance sheet projection (CAD bn)**
BoC is now buying bills to offset further decline in settlement balances




**Source:** BofA Global Research, Bloomberg, Bank of Canada

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**Exhibit 26: Government bond yield forecasts**
2026 rate forecasts below forwards for front-end rates

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| 2y | 2.75 | 2.75 | 2.75 | 2.80 |
| 5y | 3.15 | 3.25 | 3.30 | 3.35 |
| 10y | 3.50 | 3.60 | 3.65 | 3.70 |

**Source:** BofA Global Research estimates

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**Exhibit 27: Swap rate forecasts**
We see 10y swap spreads at 3.4% by YE '26

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| 2y | 2.65 | 2.65 | 2.65 | 2.70 |
| 5y | 2.95 | 3.05 | 3.10 | 3.15 |
| 10y | 3.25 | 3.35 | 3.40 | 3.45 |

**Source:** BofA Global Research estimates

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# CAD: no forecast changes

**John Shin**
BofAS

**Themes: remaining in range**

USD-CAD rose moderately over the past few months, but is still very much in the mid-to-high 1.30's-type range where it has been throughout the year. Like much of G10 FX, CAD has been on net only modestly changed despite macro volatility. However, USD-CAD is also essentially at fair value, in the mid 1.30s. With both the Bank of Canada and the Federal Reserve (see Federal Reserve Watch, "Change in Fed call: pushing cuts out to 2H 2027", 08 May 2026) likely to be on hold for the rest on the year given our forecasts, developments in the Iran war and particualrly its impacts on oil will likely be a key driver of short-term moves, despite the relatively subdued FX reaction so far.

**Forecast: no changes**

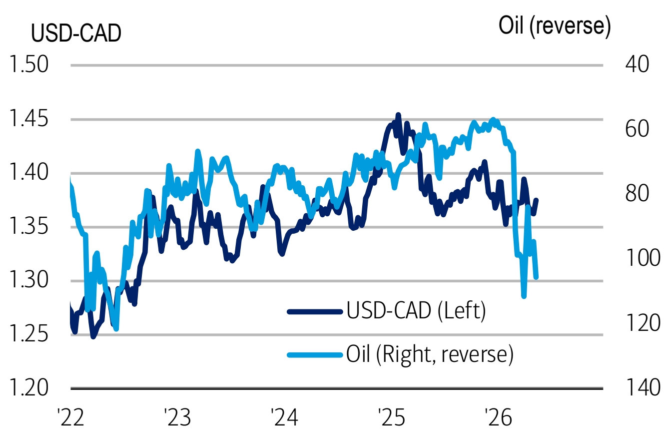
No changes. Ultimately, we still expect USD-CAD at a moderate 1.36 to end the year as economic conditions in Canada improve, and trade uncertainty finally fades, while domestic headline inflation cools off. In general, such a profile also fits our general broader expectations for near-term USD-upside, followed by a return to modest USD depreciation in H2.

**Risks: new tariffs shock or USMCA negotiation derails**

Aside of course from continuation of the energy crisis from the Middle East, new US tariffs or trade shocks could present USD upside risk to our downtrending USD/CAD forecast path for 2026. In particular, the scheduled joint review in July for the USMCA draws closer, bringing trade policy uncertainty further into focus given posturing going into negotations. (See Global Economic Viewpoint, "USMCA on the pitch: Extension likely, issues go to extra time", 28 April 2026) We recently visited Western Canada in the past few weeks, where most clients we spoke with logically had concerns around trade negotiations at top of mind.

Ultimately, our baseline view is for a trilateral extension on July 1st with targeted modifications. Given the uncertainty and rhetoric going into the negotiations, however, activation of the sunset clause with annual reviews is a plausible tail risk.

**Exhibit 28: CAD has been little changed since the war**
While oil prices have surged, CAD has been on net little responsive




**Source:** BofA Global Research, Bloomberg.

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**Exhibit 29: USD/CAD FX forecast**
We expect more backloaded USD/CAD selloff in 2026

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-CAD | 1.38 | 1.37 | 1.36 | 1.35 |

**Source:** BofA Global Research estimates

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**Exhibit 30: Major macro forecasts**
We see the BoC staying on hold

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 1.7 | 1.2 | 1.7 |
| CPI (% yoy) | 2.1 | 2.6 | 2.0 |
| Policy Rate (end of period) | 2.25 | 2.25 | 2.25 |

**Source:** Bloomberg and BofA Global Research estimates

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# AU rates: RBA on hold

**Oliver Levingston**
Merrill Lynch (Australia)

### RBA enters 'wait and see' mode

The RBA cash rate now stands at 4.35%, the highest among G10 central banks following a 8-1 decision in May. While a cash rate above 4.35% cannot be ruled, our base case is for the RBA to remain on hold until restrictive policy is ultimately unwound in 2H '27.

### Inflation risks skewed to the upside

Market pricing suggests the RBA could hike two more times this year. The distribution of risks to inflation are skewed to the upside given the higher starting point for inflation in Australia and ongoing energy market disruption. With near-term inflation risks still elevated, we are upwardly revising our bond yield forecasts and delaying a curve steepening until 2027.

### Belly and long-end rates expected to retrace lower

Since the start of the Iran war and the global bond sell-off, AUD yields have increased markedly. We maintain our base case that after three consecutive rate hikes, the cash rate is are unlikely to rise above 4.35%. At the same time, we expect yields to hold around current levels over the next quarter before retracing lower across the forecast horizon.

Our forecasts sit below current forward rates. The main reasons for the divergence are: (1) we believe markets have underpriced the downside risks to growth from an aggressive RBA hiking cycle; (2) we continue to see neutral cash rates around 3.5-3.75% so we do not think the RBA will continually hike throughout the year as implied by current market-pricing. Therefore we do not recommend fixing rates at this level.

**Table 1: BofA ACGB yields forecasts**
Curve to remain stable until 1Q '27 until RBA rate cuts eventually lead to steeper 2s10s

| | 2Q 26 | 3Q 26 | 4Q 26 | 1Q 27 | 2Q 27 | 3Q 27 | 4Q 27 | Q4 28 |
|---|---|---|---|---|---|---|---|---|
| 3m BBSW | 4.35 | 4.35 | 4.35 | 4.35 | 4.35 | 4.10 | 3.85 | 3.85 |
| 2y Govt | 4.75 | 4.70 | 4.65 | 4.55 | 4.45 | 4.35 | 4.25 | 4.15 |
| 5y Govt | 4.75 | 4.70 | 4.65 | 4.60 | 4.55 | 4.50 | 4.45 | 4.40 |
| 10y Govt | 5.10 | 5.05 | 5.00 | 4.95 | 4.90 | 4.85 | 4.85 | 4.80 |
| 30y Govt | 5.50 | 5.45 | 5.45 | 5.40 | 5.40 | 5.35 | 5.35 | 5.35 |

**Source:** BofA Global Research

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**Table 2: BofA Swap rates forecasts**
We forecast swap rates to slowly retrace lower over the forecast horizon

| | 2Q 26 | 3Q 26 | 4Q 26 | 1Q 27 | 2Q 27 | 3Q 27 | 4Q 27 | Q4 28 |
|---|---|---|---|---|---|---|---|---|
| 3y | 4.85 | 4.80 | 4.75 | 4.65 | 4.55 | 4.45 | 4.35 | 4.25 |
| 10y | 5.20 | 5.15 | 5.10 | 5.05 | 5.00 | 4.95 | 4.95 | 4.90 |

**Source:** BofA Global Research

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# AUD: further upside risk...

**Isabel Hartstein**
Merrill Lynch (Hong Kong)

**Oliver Levingston**
Merrill Lynch (Hong Kong)

### AUD: potential for further gains

The RBA policy rate is the highest in the G10 at 4.35%. We see further tailwinds from higher AUD yields, resilient US equities, and a broadly weaker dollar (especially vs Asia FX). We expect higher oil and gas prices will also provide modest support for AUD although the impact will be limited in the absence of new mining capex.

We continue to expect AUD to reach 0.74 by Q4 '26 before easing to around 0.73, consistent with our view that the RBA will begin cutting rates in late 2027. Upside risks: positive AUD carry, commodities strength, USD weakness boosts AU super fund hedge ratios. Downside risks: crowded AUD longs.

### RBA monetary policy to remain restrictive

Inflation risks remain skewed to the upside given the higher starting point for inflation in Australia and supply disruptions in the Middle East. While a cash rate above 4.35% cannot be ruled out, our economists expect the RBA to remain on hold until restrictive policy is ultimately unwound in 2H '27. Overall, Australia is likely to have the highest policy rate among G10 central banks, which should underpin AUD strength alongside a weaker dollar.

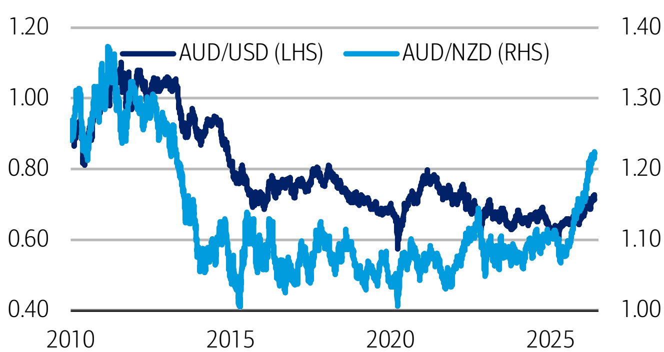
### Risk assets trade higher but commodities boost is likely modest

We expect some upside for AUD from higher commodity prices, but the impact is likely to be modest in the absence of new mining capex. AUD's beta to China could be an important tailwind, but the recent US-China summit did not deliver a breakthrough in the trade relationship and Chinese domestic demand remains soft. Nonetheless, AUD should continue to outperform its G10 peers, supported by higher commodities (particularly base metals, gas and coal) and US equities.

### Changes in hedge ratios: tail risk, not our base case

To be clear, the hurdle for super funds to shift their hedge ratios has not been met. There are few examples of large or sustained falls in S&P 500 beyond April 2025 when AUD/USD fell through 0.60. Yet we remain alert to a scenario where US equities fall 10-15% and a coincident fall in the USD means AUD remains broadly stable. We would expect super funds to adjust their hedging programs in the aftermath, potentially sending AUD/USD higher in a move that could become self-reinforcing.

**Exhibit 31: AUD/USD VS AUD/NZD**
We remain constructive on AUD




**Source:** Bloomberg

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**Exhibit 32: AUD Forecasts**
Our end-2026 AUD-USD forecast is 0.74

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| AUD-USD | 0.73 | 0.74 | 0.74 | 0.74 |
| AUD-NZD | 1.24 | 1.25 | 1.23 | 1.23 |

**Source:** BofA Global Research estimates

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**Exhibit 33: Major macro forecasts**
We forecast higher inflation in 2026

| Australia | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 2.0 | 2.0 | 1.7 |
| CPI (% yoy) | 2.9 | 4.2 | 2.6 |
| Policy Rate (end of period) | 3.60 | 4.35 | 3.85 |

**Source:** Bloomberg and BofA Global Research estimates

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# NZD: revised higher but limited upside

**Oliver Levingston**
Merrill Lynch (Hong Kong)

**Isabel Hartstein**
Merrill Lynch (Hong Kong)

### Demand remains weak amid supply-driven inflation

Headline inflation at 3.1% y/y in 1Q is running above target and set to rise further in the near term. However, there is little evidence of domestic overheating, with consumption, housing activity and business investment all soft. Demand-driven inflation continues to ease alongside labour market slack and subdued wage pressures.

### RBNZ to leave rates at 2.25% but risks of near-term hikes

Our economists expect the RBNZ to remain on hold through 2026 with the OCR at 2.25%. There is a strong case for the RBNZ to look through the current energy spike, given inflation pressures are predominantly supply driven, core inflation measures are easing, demand is soft, spare capacity is building, and wage growth remains consistent with the inflation midpoint.

That being said, front-end pricing implies the RBNZ could hike 4-5 times over the next 12 months. The case for front loading policy tightening is that headline inflation is set to rise further in the near term and risks entrenching inflation expectations, even if driven by supply shocks. A pre-emptive tightening could be viewed as insurance against second round effects.

### NZD to trade a little higher

We remain somewhat bearish on NZD due to its large current account deficit, high dependence on imported oil products and weak domestic demand. But given the material risk of RBNZ hikes, we have revised our NZD forecast higher over 2026. We now expect NZD to trade around 0.59 near term, rise to 0.60 by Q4 '26, hold around 0.60 through 2027, and reach 0.61 by Q4 '27.

### We remain constructive on AUD/NZD

We see some further upside for AUD/NZD, but our forecast is slightly lower, reflecting an upward revision to NZD. For much of its recent history, AUD/NZD has oscillated in a 1.00-1.14 range. However, a widening policy rate differential over the past year has helped AUD/NZD break out of this range, with the cross now trading around the 1.22 level. We continue to see some near-term upside towards 1.25 for AUD/NZD. Positive carry should be generally supportive for AUD/NZD in '26/'27.

**Table 3: BofA NZD forecasts**
Our NZD forecasts have been revised higher over 2026 and the first half of 2027t

| | Q2-26 | Q3-26 | Q4-26 | Q1-27 | Q2-27 | Q3-27 | Q4-27 |
|---|---|---|---|---|---|---|---|
| NZD-USD | 0.59 | 0.59 | 0.6 | 0.6 | 0.6 | 0.6 | 0.61 |
| AUD-NZD | 1.24 | 1.25 | 1.23 | 1.23 | 1.23 | 1.22 | 1.20 |

**Source:** BofA Global Research

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**Table 4: Major macro forecast**
We forecast higher inflation over 2026

| New Zealand | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 0.2 | 1.5 | 2.8 |
| CPI (% yoy) | 2.8 | 3.5 | 2.6 |
| Policy Rate (end of period) | 2.25 | 2.25 | 2.75 |

**Source:** Bloomberg; BofA Global Research

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# CHF: shifting sands

**Kamal Sharma**
MLI (UK)

**FX: caught between competing forces**

CHF has experienced mixed fortunes through the past month, caught between competing forces of stagflation fears and improving carry-to-vol dynamics. CHF weakness versus USD, NOK and AUD suggests that some carry fundamentals are emerging in an environment where market stress have corrected lower. CHF outperformance versus the other G10 currencies reflects stresses in the stagflation narrative where the counter-cyclical properties of CHF have prevailed. Our previous analysis suggests that broader CHF appreciation is unlikely in the absence of a renewed spike in vol of vol – a strong historic driver for CHF. This is still a tail risk for as long there are no discernible signs of a lasting ceasefire, broader CHF losses are unlikely to materialize.

Rather, we would choose to be selective in our short CHF recommendations and USD/CHF higher stands out as a trade that leverages on both wider rate differentials, stronger US data relative to Switzerland and the flattening of the US yield curve which has correlated well with a stronger USD. With global central banks focused on the inflation/growth trade-off, we suspect that the urgency from the SNB to talk CHF lower has declined in similar fashion to 2023, Inflation targeting remains at the heart of policy for the SNB and we expect this to be focus at the June quarterly meeting. We note a lack of verbal jawboning of CHF. This provides a risk to selective CHF weakness but we think this will be confined to pairs such as EUR/CHF and GBP/CHF.

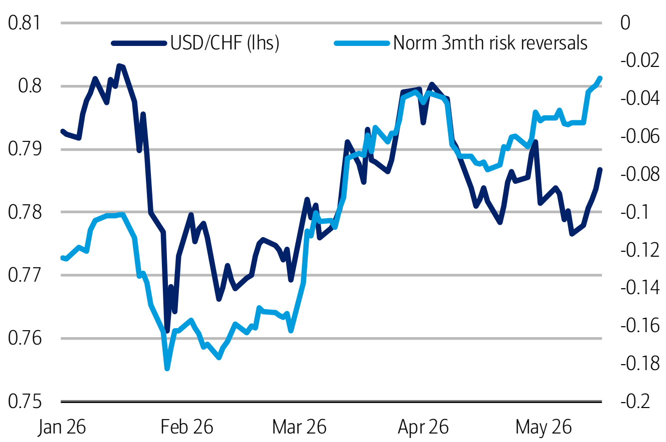
**Forecasts: No changes**

No changes.

**Risks: will inflation tone down SNB rhetoric towards CHF?**

The SNB has shown it can live with a stronger CHF to countenance higher inflation. Risks are that it tones down its rhetoric on CHF strength.

**Exhibit 1: USD/CHF vs 3mth norm risk reversals**
Normalised skew is pointing to higher USD/CHF




**Source:** BofA Global Research, Bloomberg.

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**Exhibit 34: CHF forecasts**
Our 2026 year-end EUR-CHF forecast is 0.93

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| EUR-CHF | 0.91 | 0.92 | 0.93 | 0.94 |
| USD-CHF | 0.80 | 0.79 | 0.78 | 0.77 |

**Source:** BofA Global Research estimates

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**Exhibit 35: Major macro forecasts**
Inflation again well below 2% in 2026

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 1.3 | 0.8 | 1.4 |
| CPI (% yoy) | 0.2 | 0.8 | 0.7 |
| Policy Rate (end of period) | 0.00 | 0.00 | 0.00 |

**Source:** Bloomberg and BofA Global Research estimates

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# NOK: still defying expectations

**Marcus Boman**
MLI (UK)

**Michalis Rousakis**
MLI (UK)

**Themes: Sweet spot scenario continues, for now…**

NOK has remained the top-perfoming currency in G10 for another month. However, in our view, it is a question of when, not if, NOK strength reverses. If hopes for a peace deal materizlies, oil prices are likely to grind lower. In addition, some damage to global growth has probably already occurred, which could weigh on risk assets in the near term.

We have previously argued that the only scenario in which NOK could strengthen further would be a combination of elevated energy prices without spillovers to global growth. This is the scenario that markets have priced since the start of the war. Expectations that a peace deal could come at any moment have kept concerns around global growth contained, while the continued closure of the Strait of Hormuz has supported oil prices.

Looking ahead, however, we still struggle to justify NOK trading at current levels. A re-escalation of the war in Iran would likely send oil prices much higher and revive global growth concerns, rather than be treated as a pure terms-of-trade shock, potentially weighing on NOK. Conversely, even if a peace deal were reached and energy flows normalised, NOK would remain vulnerable to a grind lower in energy prices, particularly given that, in our view, it is already trading at a premium to oil (Exhibit 36).

We also do not expect NOK to get much help from Norges Bank. While they hiked in their last meeting, we believe they will have a hard time delivering on market expectations of 1-2 more hikes this year as we expect a prolonged hold in our base case (see Europe Economic Weekly, 8 May '26).

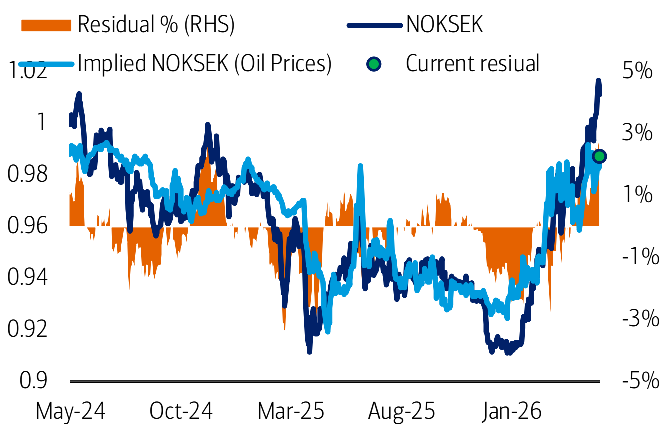
**Forecasts: No changes. We remain cautious NOK near term**

We continue to forecast EURNOK at 11.20 by year-end (11.30 near term), with USDNOK at 9.02. We see NOKSEK lower, both on likely NOK weakness and SEK strength.

**Risks: Norges, US-Iran developments**

A key risk to our bearish near-term NOK forecast is a prolonged but low-intensity Iran conflict that keeps oil prices elevated without triggering a global recession. Persistently higher energy prices could also force a more hawkish Norges stance than we expect.

**Exhibit 36: NOKSEK is trading at its highest residual to oil since Nov '24**
180-day rolling regression of NOKSEK on oil prices vs observed NOKSEK spot




**Source:** BofA Securities, Bloomberg

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**Exhibit 37: NOK forecasts**
Year-end EUR-NOK forecast of 11.20 in 2026

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| EUR-NOK | 11.20 | 11.30 | 11.20 | 11.00 |
| USD-NOK | 9.82 | 9.66 | 9.33 | 9.02 |

**Source:** BofA Global Research estimates

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**Exhibit 38: Major macro forecasts**
Norway recovery modest this year

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 1.8 | 1.2 | 1.0 |
| CPI (% yoy) | 3.0 | 3.6 | 2.4 |
| Policy Rate (end of period) | 4.00 | 4.25 | 3.75 |

**Source:** Bloomberg and BofA Global Research estimates.

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# SEK: our preferred de-escalation hedge

**Marcus Boman**
MLI (UK)

**Michalis Rousakis**
MLI (UK)

### Themes: a trade for the optimistically minded

We are constructive SEK and recently went short EURSEK. SEK has lagged its high-beta peers, both since the start of the US/Iran war and following the ceasefire. While its underperformance during the active phase of the conflict did not surprise us, we would have expected a stronger rebound as tensions eased. As a result, we see meaningful catch-up potential in a peace-deal scenario.

If de-escalaiton occurs, SEK also looks attractive from a macro perspective. We expect renewed USD weakness beyond the near term, continued support from Germany's fiscal push and European defence spending, and Sweden to deliver one of the strongest growth rates in G10 - partly supported by its own meaningful fiscal push (Exhibit 39).

Even under a more adverse scenario, we view downside risks as more contained than for other de-escalation trades. As an electricity exporter with a strong fiscal position, Sweden is better placed than most G10 peers to weather energy-related growth shocks.

In addition, the Riksbank may act as a hedge against excessive weakness. In the last Riksbank minutes, Governor Thedéen commented that "If foreign policy interest rates are raised at a time when the Riksbank remains on hold, this can put downward pressure on the krona's exchange rate and thereby increase the risk of rising inflation in Sweden". In a situation where the Riksbank is concerned about higher inflation linked to the US/Iran conflict, this suggests a preference to avoid excessive SEK depreciation. As such, further SEK weakness could itself prompt a more hawkish policy stance.

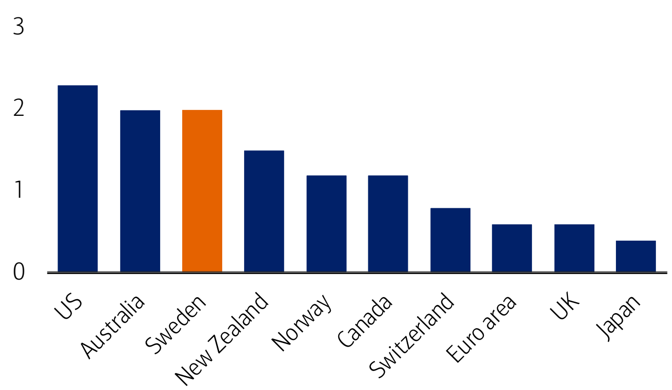
### Forecasts: no changes. Our SEK bias remains bullish

We continue to forecast EURSEK at 10.50 by year-end, with USDSEK at 8.75. We see NOKSEK lower, both because of potential NOK weakness and SEK strength.

### Risks: Dovish Riksbank, Iran

The key risk to our bullish SEK view is renewed escalation in the conflict involving Iran. Inflation has also surprised to the downside recently, which could push the Riksbank towards a more dovish stance relative to its G10 peers.

**Exhibit 39: Our economists forecast Sweden to have the second highest growth rate in G10, second only to the US (and on par with Australia)**
BofA growth rate forecasts for G10




**Source:** BofA Global Research

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**Exhibit 40: SEK forecasts**
Our EUR-SEK forecast at end-2026 is 10.50

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| EUR-SEK | 10.80 | 10.60 | 10.50 | 10.40 |
| USD-SEK | 9.47 | 9.06 | 8.75 | 8.52 |

**Source:** BofA Global Research estimates

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**Exhibit 41: Major macro forecasts**
The Riksbank is very serious about inflation

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 1.8 | 2.0 | 1.9 |
| CPI (% yoy) | 2.6 | 1.8 | 1.4 |
| Policy Rate (end of period) | 1.75 | 2.00 | 2.00 |

**Source:** Bloomberg and BofA Global Research estimates

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# EM Asia

# China: an abrupt loss of momentum


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### Both investment and consumption weakened notably

**Industrial production (IP) growth** eased to 4.1% yoy in Apr from 5.7% in Mar, trailing expectations by a wide margin. Manufacturing IP growth moderated to 4.0% yoy from 6.0%, dragged by cement (-10.8%), PC (-9.3%), and auto (-2.6%). Mining IP growth slowed to 3.8%, while utility IP growth edged up (5.3%). By sector, IP increased in 29 of 41 major industries, including coal mining (3.8% yoy) and oil and natural gas (4.6%).

**Retail sales** slowed markedly in Apr, rising just 0.2% yoy from 1.7% in Mar. Goods sales saw a sharper deceleration, edging down 0.1% yoy, its first contraction since Dec 2022. Within the breakdown, autos (-15.3% yoy) and petroleum and fuel (-6.5% yoy) were the largest drags, likely reflecting weaker demand amid elevated energy costs. Household appliances fell 15.1% yoy, while communication equipment growth decelerated sharply (to 6.2% from 27.3% in March) as momentum in subsidized sectors continued to fade.

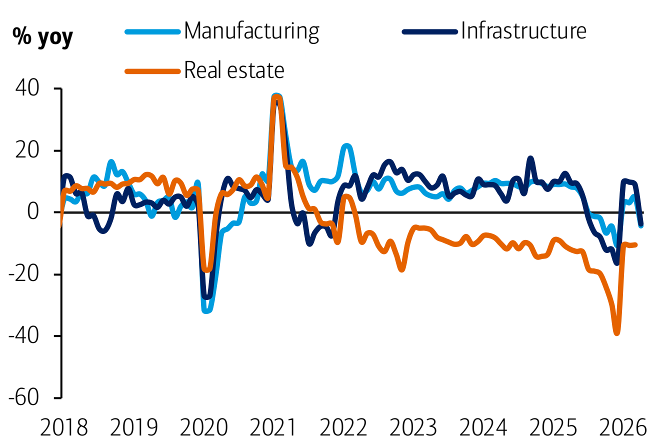
**Fixed asset investment (FAI) growth** in Jan-Apr returned to contraction, slipping to -1.6% from +1.7% previously, the first decline since 2026. On a single-month basis, nominal FAI fell sharply to -8.0% yoy, despite the higher inflation in Apr. In particular, both infrastructure (-3.7%) and manufacturing (-4.3%) investment reversed earlier gains, pointing to a waning effect from prior front loading of investment projects. Meanwhile, the contraction in real estate investment deepened further, broadly consistent with the weaker new home starts seen in earlier months.

### Abrupt loss of momentum underscores growth fragility

April activity data point to a sharp loss of momentum, despite still resilient export growth, underscoring renewed weakness in domestic demand. The magnitude of the slowdown appears too large to be explained by the energy shock alone, pointing instead to still-fragile corporate and household confidence. The rebalancing toward domestic demand evident in 1Q26 appears to have stalled, suggesting policymakers may need to reassess and step up support with greater urgency if the softness proves more persistent. Combined with weak credit growth, the April data strengthen the case for more forceful measures to stabilize household demand and private-sector confidence.

**Exhibit 42: Both manufacturing and infrastructure FAI growth dipped into contraction**

FAI sector breakdown (2018-26)




**Source:** BofA Global Research, CEIC, NBS

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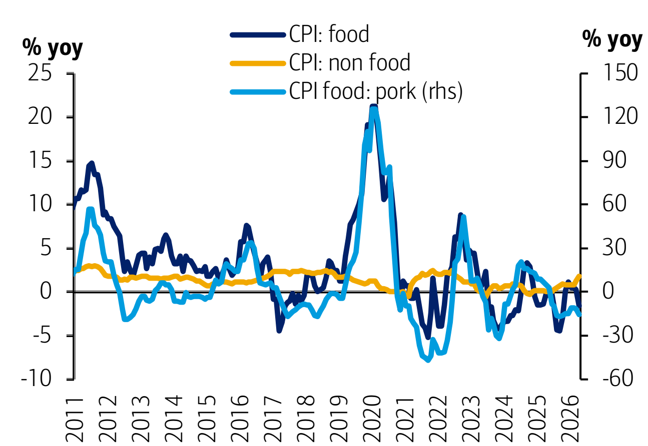
**Exhibit 43: Apr non-food CPI inflation picked up to 1.8% yoy, while pork price remained weak at -15.2% yoy**

CPI inflation (2011-26)




**Source:** BofA Global Research, CEIC, NBS

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## Energy and core trends drive April inflation rebound

Headline and core CPI inflation rose by 1.2% yoy in Apr, reflecting both energy effects and improving underlying momentum. PPI surged to 2.8% yoy, driven by energy pass-through and AI/electrification demand. Despite improving price pressures, we still expect soft domestic demand to cap the upside in inflation, while resilient external trade reduces the urgency for additional domestic stimulus.

## Financial conditions tightened amid stronger CNY

The BofA China Financial Condition Indicator (FCI) tightened to 97.9 in Apr, from 97.2 in Mar. The shift continued to reflect CNY appreciation and contraction of new TSF. Headline TSF growth (7.8%) and loan growth (5.6%) both eased. New RMB loans declined by RMB10bn in Apr, with further contraction in household and MLT corporate loans. The weak credit growth contributed to the ample liquidity in money market. Looking ahead, we see investment stabilization as key to sustaining credit growth.

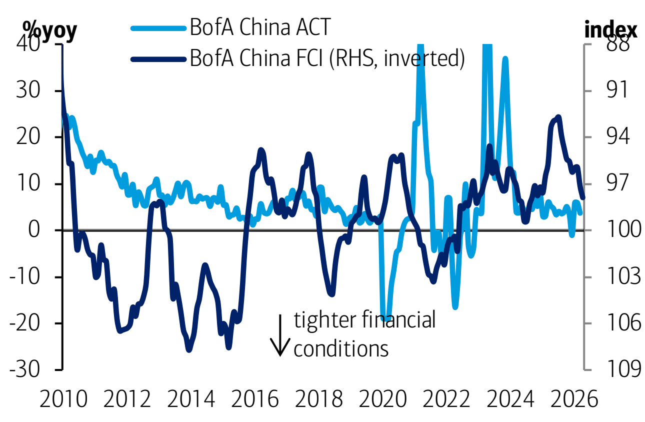
## Strategy – lackluster real activity & oil risks stall 2Q appreciation

We maintain our year-end USD/CNY forecast for 6.7 amid continued geopolitical uncertainty. This is premised on a resolution of the Iran conflict and China's preference for FX stability in times of global stress. For the near-term, this may mean that USD/CNY gravitates around 6.90 in 2Q in line with our forecast.

Trade-weighted CNY appreciation can still be tolerated and even welcomed to blunt imported energy inflation from passing through into the broader economy. The damage to export growth is likely to be minimal China remains very competitive in real terms. US-China relations appear to have stabilized for now in the aftermath of Trump/Xi Summit, which should be a modest CNY positive.

Chinese bond yields continue to fall to fresh year lows, despite the recent uptick in inflation and PPI inflation printing positive for the first time in over a year. This is a consequence of private credit growth still proving sluggish and the markets looking through the inflationary impact. Indeed, the 2s10s CGB yield curve has flattened to 49bps, after steepening to a peak of 54bps on March 31. This will need to be watched as it could forewarn of slower growth ahead.

**Exhibit 44: Financial Condition Indicator tightened to 97.9 in Apr**
BofA China FCI (2010-26)




**Source:** BofA Global Research, CEIC, WIND

**Disclaimer:** The indicators identified as BofA China **Activity Coincident Tracker** (ACT) and BofA China **Financial Condition Indicator** (FCI) above are intended to be indicative metrics only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. These indicators were not created to act as benchmarks.

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**Exhibit 45: We expect CNY appreciate to 6.70 end 2026**
USD/CNY forecasts (2026)

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-CNY | 6.90 | 6.80 | 6.70 | 6.70 |

**Source:** BofA Global Research estimates

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**Exhibit 46: We expect 2026 annual GDP below 5.0%**
We expect growth to moderate in 2026 and 2027

| China | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 5.0 | 4.5 | 4.5 |
| CPI (% yoy) | 0 | 1.0 | 0.8 |
| 7d OMO rate (eop) | 1.4 | 1.4 | 1.4 |
| Fiscal Bal (%/GDP) | -4.0 | -4.0 | -4.0 |
| CurAct Bal (%/GDP) | 3.7 | 3.0 | 2.6 |

**Source:** BofA Global Research estimates

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# India: Cloudy outlook

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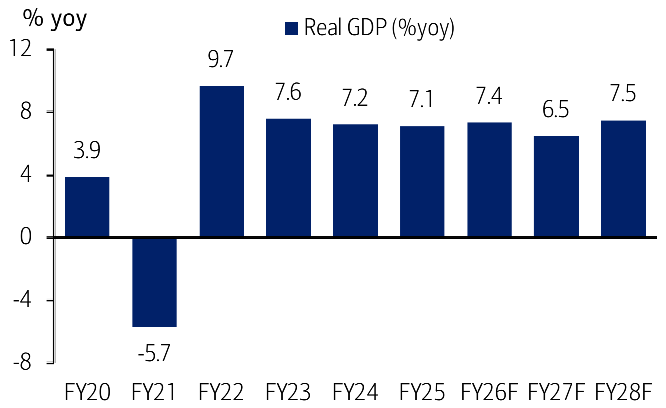
**Growth: West Asia conflict risks persist, high frequency indicators holding up**
With the Iran conflict still having supply effects (two months and counting), availability of energy remains a challenge. High frequency data for March did show some impact of the conflict particularly seen in the rise in WPI and lower imports leading to contained trade deficit as the Strait remained closed. Early HFIs for April remained mixed with marginal improvement in sentiment and rising cost burden, air traffic and fuel consumption continue to soften. Industrial Production for March held up at 4.2% yoy with only a slight moderation in manufacturing while mining activity picked up. Vehicle sales (PVs, two-wheelers and tractor sales) continue to hold up in April (though 2W sales were strong on low base). In line with our baseline crude oil projection of USD 92.5/bbl, we revised our FY27 growth forecast lower by 50 bps to 6.5%, and see some recovery in FY28 to 7.5%, with risks skewed on the downside.

**Inflation: WPI inflation climbs to a 3.5yr high; CPI inflation still insulated**
Wholesale prices rose to a 42M high at 8.3%yoy in Apr vs 3.9% in Mar as global commodity prices remained under pressure. The rise was largely led by fuel and power inflation (up +25% yoy) and primary articles rising to 9.2% yoy. Industrial inputs (+18.3% yoy) saw intensifying price pressure while farm inputs (+9.2% yoy) also reversed the contraction seen last month. Meanwhile, headline CPI inflation edged up marginally to 3.48% yoy in April (vs 3.4% in Mar), mainly on slightly higher food inflation and pick-up in restaurant and accommodation prices. Core inflation remained unchanged at 3.7% yoy for the fourth consecutive month. The wedge between CPI and WPI has increased to 4.8% due to the lack of pass through of higher prices to the consumers. However, the recent announcement of the "much anticipated' fuel price hikes (petrol & diesel prices increased by Rs. 3/ltr (up 3%) and CNG by Rs. 2/kg) by the Government of India, could likely have +15bps impact on CPI inflation over May-June. We expect more price hikes over the coming days while maintain our FY27 est. for headline CPI inflation at 5.2% yoy.

**Monetary policy: RBI delivered a pause in April, minutes reflected wait & watch**
In the April MPC meeting, RBI unanimously delivered a neutral hold amid a volatile global backdrop. The RBI Minutes echoed a unanimous recognition of the reversal in growth-inflation dynamics since the last policy meeting. While supply shocks may weigh on growth and push inflation higher, expectations of contained core inflation and anchored inflation expectations allowed for a status quo for now while closely monitoring the evolving risks. We continue to expect a cumulative 50bps hike starting December 2026.

**External: Higher funding needs adds pressure on the already weak capital flows**
The external position in India continues to remain under strain, with last year's capital account issues now compounded by current account widening. Further adding to this headwind is India's large export and remittances exposure to West Asia, along with portfolio outflows, which in turn will keep the rupee under pressure. Given these, INR has remained under pressure. We did a deep dive into key components of India's BoP issue dissecting the components of current and capital account. As 36% of India's imports are energy and gold imports - the goods deficit is always vulnerable to global commodity price shocks. While services exports remained strong, assessing the AI risk on services exports, we find that the risks remain limited despite the persistent line of questioning, as we expect the value proposition to remain high despite some impact on employment to be offset with enhanced productivity. We project a current account deficit of USD 88 bn (2.1% of GDP) for FY27, declining to USD 45bn (1% of GDP) in FY28, as oil prices normalize back lower.

**Exhibit 47: Real GDP forecasts – annual basis (FY terms)**
With crude at USD 92.5/bbl, GDP forecast downgraded for FY27 by 50bps




**Source:** BofA Global Research, Haver

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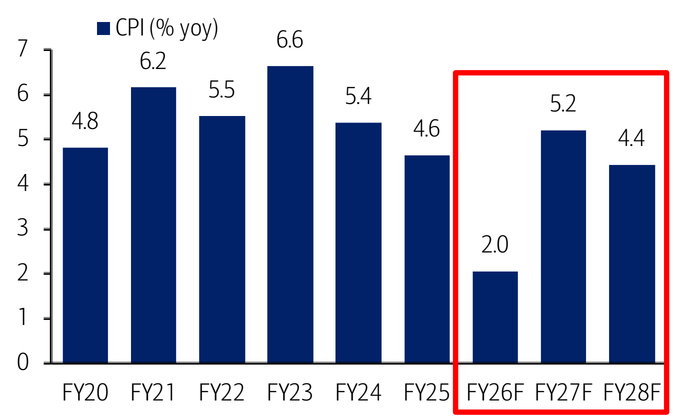
**Exhibit 48: Headline CPI forecasts (% yoy)**
CPI forecast for FY27 revised higher to 5.2%yoy




**Source:** BofA Global Research, Haver

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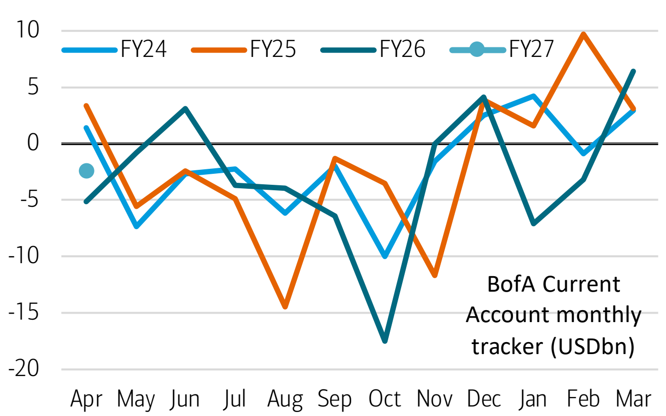
## Strategy: Remain bearish due to oil shock impact

While oil prices have retreated from their peaks, it may settle above USD 80 in 2H26. That would be sufficient to alter the CA flow dynamics for INR and also negatively impact the capital flows. In the near term, INR may remain under pressure due to sizeable equity outflows amid heightened risk aversion. RBI's support for INR remains but has shifted towards alternate measures rather than direct intervention in the market. While FX reserves remain adequate at current levels, a wider current-account deficit and higher imports have reduced RBI's appetite for further drawdown. Recent focus on clamping-down on gold imports would be marginally positive for INR but none of the measures floated so far would provide lasting support to INR. The incremental impact on FX reserves may not be enough to restore market confidence unless CA imbalances are addressed by either terms-of-trade improvement (lower oil), weaker consumption or tighter monetary policy. We expect higher oil prices to result in further INR weakness over time to 98/USD by end-2026.

Fiscal stimulus aimed at boosting consumption, alongside issuance pressure, has already weighed on demand for IGBs. Higher oil prices add complexity as the government absorbs part of the inflation shock, reinforcing steepening pressures along the curve. Front-end hike pricing appears excessive if oil stabilizes in the USD 80–100 range, reducing likelihood of aggressive rate hikes.

**Exhibit 49: Monthly Current Account tracker (USD bn)**
Current account balance turned negative in Apr, on higher goods deficit




**Source:** BofA Global Research, CEIC

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**Exhibit 50:INR forecasts for next 4 quarters**
End-2026 forecast at 98/USD

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-INR | 96.0 | 97.0 | 98.0 | 98.5 |

**Source:** BofA Global Research

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**Exhibit 51: Major macro forecasts- (CY terms)**
Growth-inflation outlook clouded given West Asia conflict

| India | 2024 | 2025 | 2026F |
|---|---|---|---|
| Real GDP (% yoy) | 6.7 | 7.5 | 6.2 |
| CPI (% yoy) | 4.9 | 2.2 | 4.7 |
| Policy Rate (end of period) | 6.50 | 5.25 | 5.50 |
| Fiscal Bal (%/GDP) | -4.7 | -4.4 | -5.0 |
| Cur Act Bal (%/GDP) | -0.8 | -0.4 | -2.3 |

**Source:** BofA Global Research

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# Indonesia: Steady macro; choppy market

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### Macro outlook appears relative steady…

GDP growth has picked up since 4Q25 – recording 5.4% in 4Q25 and 5.6% in 1Q26 – after having hovered around 5% for most of the past decade (ex-pandemic years). In part, this reflects the effects of the administration's pro-growth agenda, which have facilitated firmer household consumption. The improvement in GDP data is also corroborated by stronger sales momentum reported by Fast Moving Consumer Goods (FMCG) companies we met, as well as by high frequency indicators we track. In 1Q26, motor vehicle sales rose by 5% y/y – marking the first expansion since 3Q23. Meanwhile, retail sales were steady at 5% y/y, broadly in line with 4Q25 and considerably stronger than in earlier quarters.

That said, amid heightened external uncertainties we see growth moderating (but not decelerating sharply) to 5.1-5.2% in the coming quarters & drifting away from BI's medium-term potential growth estimate of 5.8-6.2%. We see offset factors that would keep the downside risks to Indonesia's growth outlook somewhat modest – (1) regulations are being updated to better align banks' credit plans with government priority programs. This could help strengthen support for the MSME sector – which accounts for roughly 97% of total employment in Indonesia – where credit growth has continued to lag overall loan growth; and (2), the investment landscape could be supported by sovereign wealth fund Danantara going "live' this year.

Headline inflation moderated to 2.4% y/y in Apr, after temporarily breaching BI's 1.5-3.5% target range in 1Q26 (3.9%) due to low base effects from steep electricity tariff discounts in 1Q25. While we remain watchful for any resurgence in food prices, we see this as a risk that may emerge only in the later part of this year. For now, daily food prices most commonly consumed food items continue to pull-back post-Ramadan, broadly in line with seasonal trends. Barring any price hike for subsidized fuel, we presently see headline inflation slightly below 3% this year, and still well within BI's target range.

### …but domestic market dynamics have been far more choppy

On the other hand, domestic markets have been facing persistent capital outflow pressures, with the IDR ranking among the worst performing currencies in Asia on a year-to-date basis. Several factors have contributed to the intensification of capital outflow pressures, including (1) MSCI's ongoing review of Indonesia's equity market classification, (2) sovereign rating headwinds - Moody's and Fitch placed Indonesia's sovereign credit rating on negative watch in February and March 2026, respectively, adding to investor caution; and (3) Fiscal sustainability concerns - Against a backdrop of rising global energy prices, investors are closely monitoring how the government manages an expanding energy subsidy bill—likely among the largest in the region—while adhering to its stated preference to keep the fiscal deficit within the statutory 3% of GDP ceiling.

We think that BI may consider rate hikes particularly if IDR weakness persists and/or upside inflation risks materialize amid building pipeline pressures. Capital outflows & IDR weakness have persisted in recent months, even as BI has stepped up policy measures. SRBI-policy rate spread is far wider than in the past, and BI is probably mindful of the risks of excessive liquidity tightening. While IndoNIA remains within the lower half of the interest rate corridor, it has shifted closer to the mid-point since late April. Meanwhile, after higher-than-usual drawdowns of FX reserves over the past months, BI seems to be taking a more calibrated approach towards its FX intervention. On 12th May, BI indicated that it would pursue "smart" intervention as it maintains its presence in the markets. A policy rate hike remains warranted in our view, as (1) it sends a stronger signal of BI's commitment towards anchoring IDR stability, and (2) effects would be more durable vs. current set of measures.

However, we don't expect the tightening cycle to be as aggressive as in past episodes (2013, Jun 2018, 2022) – moves that coincided with global monetary policy tightening cycles and were framed as pre-emptive and/or front-loaded. In the current cycle, we expect BI to be more restrained in its rate hikes, given the broader range of monetary policy instruments available (e.g. SRBI and NDF intervention), as well as greater emphasis on coordination with fiscal policy.

### Strategy: Unfavorable seasonality and risk-aversion hits IDR

While Indonesia is relatively less exposed directly from the oil price spike, IDR remains exposed to USD strength and global risk-aversion. That has led to domestic USD demand from corporates and hedging flows from importers. These flows were aggravated by seasonal factors, including larger dividend-payment outflows this quarter and Hajj related USD demand. Nonetheless, broader fundamentals have improved, with consistent trade surpluses and a contained CAD making IDR appear attractive on a valuation basis versus peers. BI has shown strong resolve in supplying USD to contain volatility, has announced additional FX-regulation measures to moderate onshore USD demand and also tightened liquidity via bill issuances to attract foreign flows.

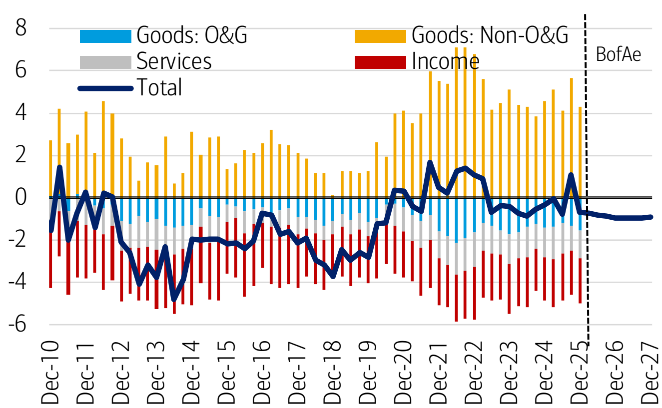
While BI has spent large amounts of reserves so far, the trend of IDR depreciation has continued in a less volatile manner. Upcoming maturities of previously sold USD in forwards markets, including DNDF and NDF, would also limited room for IDR appreciation. Eventually, a more durable appreciation of IDR would need wider rate-differentials vs US rates to make it more prohibitive for corporates to keep export proceeds in USD. We revise our forecast for USDIDR to 17,800/USD for 2Q26 and 18,000/USD by end-2026 as IDR has depreciated beyond our earlier expectations and US rates appear set to stay elevated, increasing headwinds for IDR.

BI has turned defensive amid FX pressures, resulting in higher front-end yields and sharp curve flattening. While fiscal concerns about a potentially wider deficit persist, the long end may lag due to BI support and concerns over negative growth impact.

### Risks to inflation to the upside, while risks to growth to the downside

Risk to inflation is to the upside, amid possibility of higher global prices filtering through to domestic prices, and especially if subsidized fuel prices are hiked. Risks to growth are to the downside, with greater share of fiscal budget likely channeled towards energy subsidies.

**Exhibit 52: Current account balance (% of GDP)**
We see current account deficit closer to 1% of GDP in 2026-27




**Source:** BofA Global Research, Haver

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**Exhibit 53: IDR forecasts for 2026**
Forecast end-26 at 18,000/USD

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-IDR | 17,800 | 17,900 | 18,000 | 18,100 |

**Source:** BofA Global Research

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**Exhibit 54: Major macro forecasts**
Indonesia's growth seen picking up for now

| Indonesia | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 5.1 | 5.2 | 5.4 |
| CPI (% yoy) | 1.9 | 2.9 | 2.8 |
| Policy Rate (end of period) | 4.75 | 5.00 | 4.50 |
| Fiscal Bal (%/GDP) | -2.8 | -2.9 | -2.9 |
| CurAct Bal (%/GDP) | -0.1 | -0.8 | -0.9 |

**Source:** BofA Global Research

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# Korea: ODI trends in focus under US-Korea deal


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**Macro: Outward direct investment trends - The elephant in the room under US-Korea deal**

### ODI: a less discussed source of KRW outflow

KRW remains under pressure despite the elevated trade surplus amid super semi cycle. While persistent portfolio outflow has often been highlighted as one of the key drivers of KRW weakness (Exhibit 3), we think ODI, a less discussed source of outflow, also adds further pressure on the currency, especially amid the uncertainties towards implementation of US-Korea investment deal signed last year.

### Korea's ODI on the rise, with more DM centric trend

Korea's ODI rose to USD72bn in 2025, reflecting an increasingly DM-centric investment pattern. By destination, the US has emerged as the largest recipient in recent years, alongside a notable pickup in investment into Europe. In contrast, ODI to China has declined on a structural basis, increasingly replaced by rising investment into ASEAN. By sector, ODI in manufacturing only accounted for less than one-quarter of the total size, while finance and insurance emerged as the most resilient and dominant sector.

### Expect US-bound mfg. ODI to surge under US-Korea deal

Against this backdrop, and in light of the US-Korea investment deal signed last year, we see a structurally rising trend in US-bound investment over the coming years, especially towards manufacturing. Note that the promised annual investment in the US is about 80% of annual Korean FDI to US and four times of the current manufacturing FDI. That said, recent Japanese investment announcements into the US provide a reference point for the potential scale and sequencing of the US-Korea deal, with projects likely to be unveiled in stages, and funding sources could be extended beyond equity investment.

### Robust FDI inflow unlikely to offset the widening deficit

Korea has also been successfully attracting FDI in previous years. However, it is unlikely to fully offset the widening direct investment deficit, in our view. Such trend, combined with portfolio outflows, could add further pressure on the capital account.

**1Q GDP: Resilient global AI demand fuels stronger growth**

Korea 1Q GDP accelerated to 3.6% yoy from 1.6% yoy previously, and rebounded 1.7% qoq sequentially, beating consensus by a margin. This is the strongest yoy number since 4Q21, in part due to a low year-ago base. By sector, consumption growth rebounded as expected (2.0ppt), while net export turned stronger (1.5ppt). Investment (0.3ppt) also rebounded, erasing its drag on growth for quarters.

In 1Q26, growth was broad based across components. Domestically, consumption accelerated to 3.0% yoy (0.4% qoq), with private consumption rose to 2.6% yoy. Investment (ex. inventory) growth rebounded to 1.3% yoy (2.9% qoq) after 10 quarters of contraction. Of which, facility investment rebounded to 3.6% yoy (4.8% qoq), while contraction in construction investment sharply narrowed to -1.4% yoy (2.8% qoq) from -7% yoy in 4Q25. Externally, net exports contributed more to headline growth. Real export accelerated to 10.3% yoy, driven by surging goods export amid semi super cycle (11.2% yoy, 5.6% qoq). Import growth also rose to 7.7% yoy.

Overall, the acceleration in headline figures exceeded our expectation. In particular, it is encouraging to see a revival in domestic investment demand. Looking ahead, supported by still-robust global AI demand, we expect tech exports, particularly semi exports, to remain elevated and continue to contribute meaningfully to headline GDP growth. That said, growth from 2Q26 onward could face headwinds stemming from heightened

Middle East tensions. Higher energy prices and potential supply disruptions are likely to weigh on production activity and dampen demand momentum. As such, developments in the Iran-related conflict warrant close monitoring in the near term. Overall, given the strong growth momentum in 1Q, we see upside risks to our 2026 GDP growth forecast of 1.9%.

**Strategy: Unrealized bullish hope for KRW**

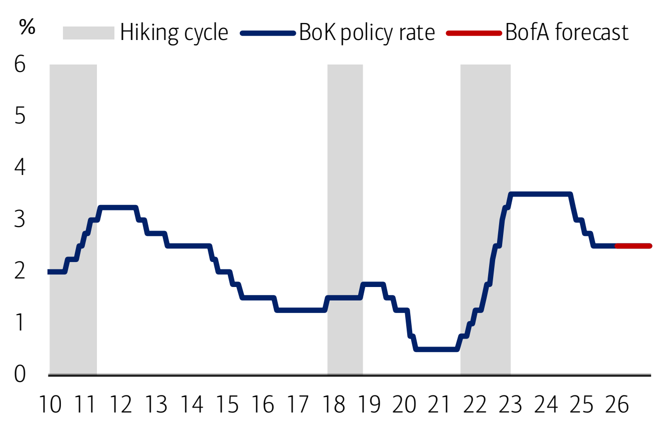
USDKRW has undergone a roundtrip in recent weeks, briefly breaking below 1,450 on 6 May before rebounding to above 1,500 as of late. Foreign portfolio flows remain the dominant driver of the FX pair. Besides, the recent sharp rise in US rates and broad-based USD strength have likely also contributed to the weakness of KRW.

While Kospi has continued to outperform global peers, supported by the insatiable demand for memory chips, foreign investors have begun to take profits at an unprecedented pace. Since May 07, net foreign selling was around US$2.7bn per day through May 19. Besides rebalancing needs by foreign investors, the idea of 'citizen dividend' floated by one senior official to re-distribute AI windfalls more broadly also triggered temporary market jitters.

Although Korea's trade surplus remained wide at US$23.8bn in April, this buffer appears insufficient in times of rapid portfolio outflows, which have become a recurring theme for KRW. From the current level of around 1,510, we believe there's more downside to USDKRW than upside, but a sustained strengthening of KRW seems unlikely until risk sentiment and portfolio flows stabilize.

On rates, swap market pricing implies around 80bp of hikes by year-end and a further 50bp by end-2027. The 10y KTB yield has risen to its highest level since 4Q23, driven by inflationary pressure and a more expansionary fiscal stance, in tandem with global rates selloff. The BoK meeting on 28 May will be crucial for the rates market. We expect a notable hawkish shift in the central bank's stance, reflecting recent developments in inflation-growth dynamics and changes.

**Exhibit 55: We currently expect no change in policy rate in 2026**
BoK's policy rate forecasts




**Source:** BofA Global Research estaimtes

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**Exhibit 56: We expect USDKRW to end at 1,395 by 4Q26**
KRW forecasts

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-KRW | 1,490 | 1,440 | 1,395 | 1,380 |

**Source:** BofA Global Research

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**Exhibit 57: we see upside risks to our 2026 GDP growth forecast of 1.9%.**
Major macro forecasts

| Korea | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% year-on-year) | 1.0% | 1.9% | 2.1% |
| CPI (% year-on-year) | 2.1% | 2.9% | 2.0% |
| Policy Rate (end of period) | 2.50% | 2.50% | 2.50% |
| Fiscal Bal (%/GDP) | -2.4% | -1.0% | -2.1% |
| CurAct Bal (%/GDP) | 6.6% | 10.1% | 7.7% |

**Source:** BofA Global Research

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# Hong Kong: Growth momentum accelerates

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**Macro: Growth momentum rose in 1Q26, fueled by AI cycle & domestic demand**

### 1Q26 GDP surprised to upside by far margin

Hong Kong's 1Q26 growth sharply accelerated to 5.9% yoy (from 3.8% previously), beating consensus (3.5%) by a far margin. In sequential terms, growth expanded further by 2.9% qoq s.a. in 4Q from 0.9% previously, marking the strongest quarterly expansion since 2021.

### Export remained key driver; Domestic spending edged up

The acceleration in GDP growth has been broad based, while external sector remained the key driver. Goods export growth rose to 23.8% yoy (from 15.4% previously), accompanied by the even stronger import growth (29.9% yoy). Export of services moderated (3.5%), as base effect becomes less favorable.

Meanwhile, domestic sectors continued to show notable expansion. Fixed capital formation jumped by 17.7% yoy from 11.7%, the strongest yoy growth since 2023. Without detailed breakdown, this could be driven by projects related to the Northern Metropolis. Private consumption grew further by 5.0% yoy from 2.5% previously, while government consumption growth also edged up to 2.9% yoy.

### Energy shock should not derail growth momentum in 26'

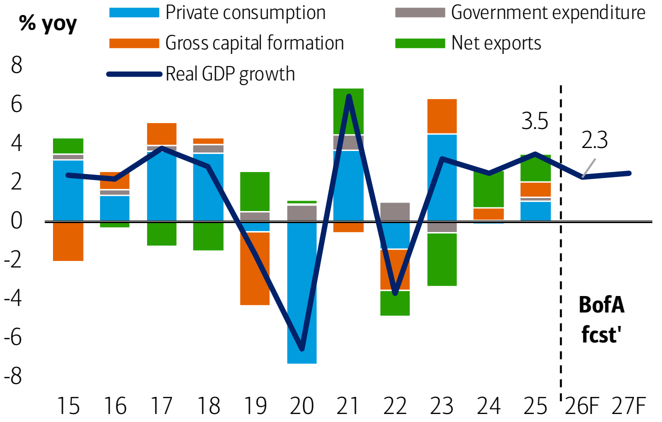
From a regional perspective, the acceleration in headline growth in 1Q26 is well expected, as other regional exporters also reported stronger-than-expected 1Q26 growth figures, especially Taiwan (See 1Q26 GDP comment). In addition to the strong headline growth, both economies witnessed notable above-trend private consumption growth (Hong Kong: 5.0%; Taiwan: 4.9%). In our view, positive wealth effect from equity market outperformance contributed to the expansion, and the continued revival of property market in Hong Kong likely fueled further discretionary consumption growth.

Looking ahead, we believe the energy shock induced by the Middle East tensions should not derail the growth momentum in the rest of 2026, assuming the tensions in the Middle East have peaked. First, passthrough from global prices to domestic fuel markets has been relatively contained, creating limited impact to the real economy as a whole. While Brent crude price rose by ~40% in Mar, fuel inflation only rose by 7.4% in Mar, and therefore headline CPI inflation only accelerated to 1.7% yoy (from 1.5% Jan-Feb combined). The existing pricing mechanism and government relief measures (including diesel/LPG subsidies & reduction in government tunnel tolls for commercial vehicles) will likely keep fuel-related inflation to be gradual in coming months. Second, the AI-fueled export cycle is likely to run through at least until 2027. As a result, we see notable upside risk to our mid-2% growth forecast in 2026.

**FX and Rates: incremental tightening of HKD funding**

USDHKD traded within a tight range between 7.8280 to 7.8380 over the past month. HKD funding conditions have tightened incrementally since April, likely reflecting increased equity market turnover amid improving risk sentiment, despite the underperformance of Hong Kong equities relative to regional peers. Year-to-date cumulative southbound Stock Connect flows amount to around HKD285bn, less than half of flows seen over the same period last year. The 20-day moving average of the T/N forward points stood at around -3.8pips, slightly less negative than the previous month. From seasonality perspective, we expect HKD funding conditions to turn less favorable heading into the summer months, given upcoming dividend payments by Hong Kong-listed firms.

**Exhibit 58: We see strong upside to our current growth forecast**
Revised Hong Kong growth forecasts




**Source:** BofA Global Research estimates

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**Exhibit 59: We expect spot HKD to stay close to 7.75 in 2026**
HKD forecasts

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-HKD | 7.80 | 7.78 | 7.75 | 7.75 |

**Source:** BofA Global Research estimates

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**Exhibit 60: We expect GDP growth to slightly decelerate from 3.5% in 2025 to 2.5% in 2026, and CPI to moderately rise to 1.8% in 26'**
Summary of major forecasts

| Hong Kong | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 3.5 | 2.3 | 2.5 |
| CPI (% yoy) | 1.4 | 2.1 | 2.0 |
| Policy Rate (end of period) | 4.00 | 3.50 | 3.50 |
| Fiscal Bal (%/GDP) | -2.8 | 0.1 | 0.7 |
| CurAct Bal (%/GDP) | 12.6 | 13.0 | 12.6 |

Note: Policy rate refers to HKMA discount rate. Fiscal balance is consolidated balance of fiscal year.
**Source:** BofA Global Research estimates

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# Malaysia: Keeping policy steady

**Kai Wei Ang**
Merrill Lynch (Singapore)

**Abhay Gupta**
Merrill Lynch (Singapore)

**Rahul Bajoria**
BofAS India

### Themes: Preference to keep policy steady amid rising uncertainties

We forecast GDP growth at 4.2% in 2026 - with outlook shaping up as a "tale of two halves" – and the positive output gap narrowing from 1% in 2025 to 0.4% in 2026. We see growth remaining resilient in 2Q26, supported in part by front-loading effects in manufacturing. However, momentum could soften into 3Q26 as the impact of supply chain disruptions begin to materialize, particularly for upstream and commodity-linked sectors. On this count, policymakers have guided that growth drags could turn more pronounced from Jun.

Our forecast points to current account (% of GDP) edging up from 1.6% in 2025 to 2% in 2026E. We expect firmer contributions from (1) commodities, (2) tourism, and (3) data centre–related flows are expected to more than offset any moderation in exports in 2H26 (due to effects of supply chain disruptions). Meanwhile, we don't expect RON95 price cap to be raised for some time, as possible increase in Petronas Dividends could help to cover higher energy-related subsidies. This should in turn cap upward pressures on inflation. As such, we see policy rate unchanged for some time.

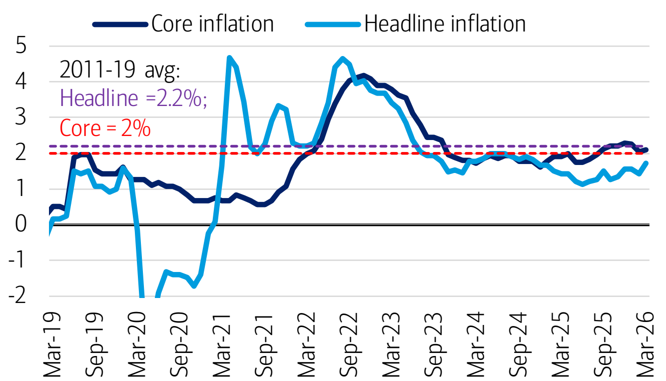
### Strategy: Terms of trade support vs rising political risks

Price-action so far is consistent with the view that Malaysia is seen as a relative winner in Asia if energy prices (including natural gas) stabilize at elevated levels. MYR's positive correlation with CNY this year may also be beneficial in keeping it relatively stable during periods of USD strength. Malaysia's domestic investors' hedging behavior could be interesting if USD's safe haven appeal keeps it negatively correlated with US equities, which may result in an intention to unwind the hedges. However, BNM would keep oversight of USD hoarding and exporter conversion ratios to keep a lid on hidden capital outflows. BNM's reserves remain adequate in the event of further volatility. More recently, political risks have risen with the chances of early elections later this year, well ahead of official timeline of Feb'2028. Historically, MYR has often appreciated into the elections but possibility of a hung parliament could be a risk to that view.

### Risks to inflation to the upside, risks to growth to the downside

Inflation risks are tilted to the upside, especially under a scenario whereby fuel price caps are lifted. Meanwhile, any slowdown in global trade flows would exert downside risks to growth.

**Exhibit 61: Core and headline inflation (% yoy)**
Inflation remain close to historical average




**Source:** BofA Global Research, Haver, DOSM

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**Exhibit 62: MYR forecasts over 2026**
End-2026 forecast at 3.95/USD

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-MYR | 3.95 | 3.95 | 3.95 | 3.95 |

**Source:** BofA Global Research

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**Exhibit 63: Major macro forecasts**
Risks tilted to upside for inflation and downside for growth

| Malaysia | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 5.1 | 4.2 | 4.5 |
| CPI (% yoy) | 1.4 | 1.8 | 2.2 |
| Policy Rate (end of period) | 3.00 | 2.75 | 2.75 |
| Fiscal Bal (%/GDP) | -3.7 | -3.5 | -3.2 |
| CurAct Bal (%/GDP) | 1.6 | 2.3 | 2.4 |

**Source:** BofA Global Research

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# Philippines: Inflation gathering pace

**Jojo Gonzales**
Philippine Equity Partners

**Abhay Gupta**
Merrill Lynch (Singapore)

**April inflation shocked even more; rate hikes forthcoming**

The Consumer Pirce Index (CPI) rose 7.2% YoY in April, well outside the 5.6-6.4% range estimated by the Bangko Sentral ng Pilipinas (BSP). This is the second straight month inflation was worse than the forecast range of the BSP. The upward price pressure came mainly from Rice (+13.7% YoY), Electricity (+16.9%), and Transport (+21.4%). Core inflation too accelerated to 3.9% YoY, suggesting that price pressure may be spreading beyond the more volatile food and fuel factors.

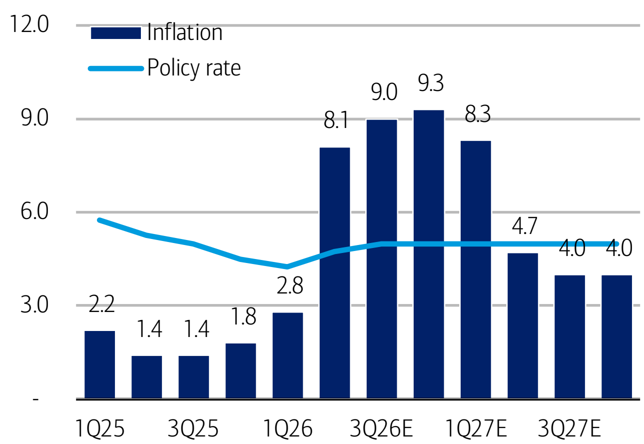
The April inflation print reinforces our view that the BSP will hike policy rates at its next two meetings, in June and August, by 25bp each meeting. We believe inflation will peak in 4Q26, just shy of double-digit rates. This ciritcally assumes our baseline FY26E scenario of Brent averaging US$92.5/bbl, compared to US$87 average YTD and US$110 spot.

Despite growing expectations of policy rate hikes by the BSP, the peso depreciated to new all-time lows, touching P61.72/$ through late May.

**Strategy – Twin deficits expose PHP to oil price shock**

PHP's wide twin deficits increase its vulnerability to the ongoing oil price shock. We have previously argued that a sustainable CAD for the Philippines is around 2–2.5% of GDP, which can be financed via FDI and government funding flows. If oil price stay above USD 80, deficit may widen to near 4% or even above would increase reliance on BSP smoothing to limit depreciation pressures on PHP. Authorities may also attempt to limit imported inflation by containing FX weakness. But more persistent nature of the oil shock may render monetary policy tightening as a more suitable response to manage inflationary pressures. Stronger intervention in the FX market may prove unsustainable while also raising concerns around adequacy of FX reserves. We revise our forecast for USDPHP higher to 63/USD by 2Q'26 and 64/USD by end-2026 as USDPHP as oil prices appear set to stay elevated for longer.

**Exhibit 64: Quarterly inflation expectations**
Seen to peak in 4Q26, assumes a resolution to the Middle East conflict in 2H26, with Brent averaging US$92.5/bbl




**Source:** CEIC data, Philippine Equity Partners

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**Exhibit 65: PHP forecasts over 2026**
PHP forecasted at 64.0/USD by end-2026

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-PHP | 63.0 | 64.0 | 64.0 | 65.0 |

**Source:** BofA Global Research

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**Exhibit 66: Major macro forecasts**
We expect GDP growth to decline this year

| Philippines | 2024 | 2025E | 2026E |
|---|---|---|---|
| Real GDP (% yoy) | 5.7 | 4.4 | 2.0 |
| CPI (% yoy, base year 2012) | 3.2 | 1.7 | 7.3 |
| Policy Rate (end of period) | 5.75 | 4.50 | 5.00 |
| Fiscal Bal (%/GDP) | -5.7 | -6.0 | -6.1 |
| CurAct Bal (%/GDP) | -3.8 | -4.0 | -4.0 |

**Source:** BofA Global Research

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# Singapore: Pre-emptive policy tightening

**Kai Wei Ang**
Merrill Lynch (Singapore)

**Abhay Gupta**
Merrill Lynch (Singapore)

**Rahul Bajoria**
BofAS India

### Themes: MAS tightens pre-emptively to anchor inflation expectations

The Monetary Authority of Singapore (MAS) in April steepened the S$ Nominal Effective Exchange Rate (NEER) slope by an estimated 50bps to 1% p.a. MAS' point forecast points to core inflation around 1.7% in 2Q26, slightly above 2.5% in 3Q26, 2.2-2.3% in 4Q26, and averaging around 2% for full year 2026. While MAS deem risks to inflation outlook as skewed to the upside, these concerns appear to be primarily driven by supply side factors at this stage.

Our base case remains for MAS to pause in July – overall tone in Apr policy statement was more dovish than we earlier thought, with risks to growth outlook seemingly greater than inflation. That said, we continue to closely monitor triggers that could prompt MAS to tighten policy further. This includes signs that (1) core inflation may stay above the historical average of 1.5-2% even into 2H27, and (2) demand-pull pressures emerging stronger and broader than currently anticipated, perhaps underpinned by firmer growth outcomes and/or labour market resilience. We also keep an eye on potential fiscal measures in the coming months, aimed at alleviating households' cost of living concerns and cost pressures for small businesses.

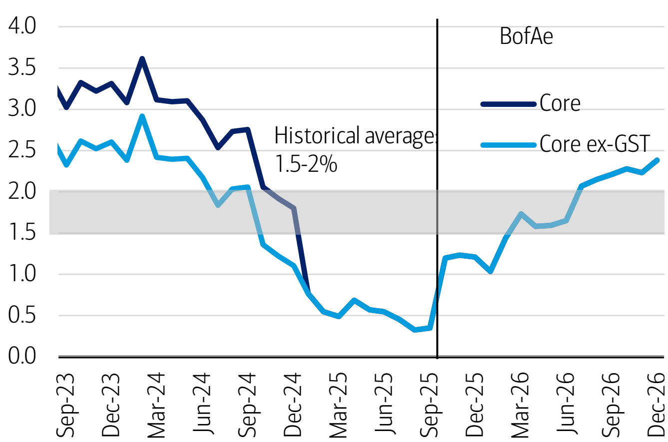
### Strategy: Policy tightening bias supports SNEER

SNEER has remained within a 1.3–1.8% range above the midpoint on our model, moving broadly with oil price fluctuations, USD and shifts in risk sentiment (inversely with all factors). Inflation concerns stemming from higher oil prices continue to support further tightening expectations and a stronger SNEER bias within the band. However, intermittent risk-off episodes driven by growth concerns and USD strength may trigger SNEER corrections. Despite low SGD rates, slope tightening has reduced the net carry on short SNEER positions to around 6bps/month, making it easier to maintain long SNEER positions. Low rates would also mean that MAS relies solely on FX appreciation to tighten financial conditions for now. That would make it undesirable for MAS to see larger SNEER corrections within the band that dilute the effect of policy tightening.

### Upside risk to inflation, and downside risk to inflation

Singapore's economy is a highly open economy, with more than 90% of its food imported. This thus leaves it more vulnerable to changes in global cost environment, as well as rising uncertainties to the global growth backdrop.

**Exhibit 67: Core inflation forecast**
We see core inflation approaching historical average range in 2026




**Source:** BofA Global Research, Haver

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**Exhibit 68: SGD forecasts for 2026**
End-2026 forecast at 1.25/USD

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-SGD | 1.280 | 1.260 | 1.250 | 1.250 |

**Source:** BofA Global Research

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**Exhibit 69: Major macro forecasts**
We see growth staying above potential pace

| Singapore | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 5.0 | 2.5 | 2.5 |
| CPI (% yoy) | 0.9 | 2.1 | 1.9 |
| Policy Rate (end of period) | - | - | - |
| Fiscal Bal (%/GDP) | 1.3 | 0.5 | 0.2 |
| CurAct Bal (%/GDP) | 16.7 | 16.4 | 16.1 |

**Source:** BofA Global Research

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# Taiwan: Energy lifts inflation

**Xiaoqing Pi**
Merrill Lynch (Hong Kong)

### Taiwan CPI inflation picked up on energy price

Taiwan's CPI inflation picked up to 1.74% yoy in Apr. The rise in headline CPI was driven primarily by energy (around 10.8% yoy), although the effective pass through remained moderated by the government's fuel price smoothing mechanism. Goods and services inflation rose to 1.1% and 2.3% yoy, respectively (from 0.2% and 2.2% in Mar), suggesting a modest broadening of price pressures.

Looking ahead, we expect inflation to rise toward around 2% in May, assuming elevated global oil prices as in our base case and relatively stable domestic fuel pricing. Strong consumption momentum, together with the yoy TWD depreciation, is likely to add to near term inflationary pressure-indeed, import prices in TWD terms were already up 9.2% yoy in April. That said, any renewed appreciation of the TWD- would help mitigate imported inflation and partially cushion the impact of higher energy prices

### Export growth softened in April, but momentum stays steady

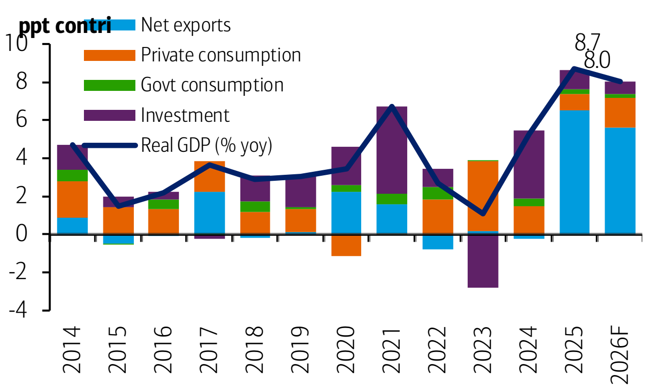
Apr exports slowed to 39.0% yoy (-15.7% mom) after Mar's spike. We see it as normalization plus a high Apr 2025 base. Momentum stays tech-led, with info & comm (62.3% yoy) and electronic components (+38.9% yoy), consistent with resilient AI demand. Looking ahead, we think export growth should stay supported as long as AI-related demand remains resilient, with ongoing capacity expansion, absorbed energy hit and tech firms passing through costs to customers.

### Strategy: USDTWD to remain range-bound

USDTWD remained largely range-bound over the past month. Initially, TWD strengthened modestly towards 31.3, supported by the equity market rally and a return of net foreign inflows. More recently, however, rising inflationary pressure and a repricing toward tighter global monetary policy has dampened risk sentiment.

Since 08 May, foreigners turned net sellers of Taiwan equities again, exerting upward pressure to USDTWD. Previously, the CBC has emphasized the importance of maintaining FX stability amid elevated energy prices, in order to contain imported inflation. With the central bank committed to smoothing excessive FX volatility, we see 32 as the upper bound for USDTWD over the coming months. Under our baseline scenario of a softer USD in 2H26, we expect USDTWD to trend lower toward 31.

**Exhibit 70: We expect 2026 GDP growth at 8.0% yoy**
Taiwan GDP contribution by expenditure




**Source:** BofA Global Research, DGBAS

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**Exhibit 71: We expect USDTWD to edge lower in 2026**
TWD forecasts

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-TWD | 32.1 | 31.0 | 30.8 | 30.6 |

**Source:** BofA Global Research estimates

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**Exhibit 72: We expect 8.0% GDP growth for 2026**
Major macro forecasts

| Taiwan | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 8.7 | 7.2 | 4.0 |
| CPI (% yoy) | 1.7 | 2.0 | 1.7 |
| Policy Rate (end of period) | 2.00 | 2.25 | 2.375 |
| Fiscal Bal (%/GDP) | -1.6 | -2.4 | -2.0 |
| CurAct Bal (%/GDP) | 19.1 | 21.1 | 22.1 |

**Source:** BofA Global Research estimates

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# Thailand: Calm before the storm

**Pipat Luengnaruemitchai**
Kiatnakin Phatra Securities

**Abhay Gupta**
Merrill Lynch (Singapore)

### Theme: Calm before the storm

Thailand's Q1 GDP was solid at 2.8% YoY — beating Q4's 2.5% and driven by a surge in investment, with gross fixed capital formation up 9.9% YoY. However, the Q1 number is essentially a pre-war snapshot. None of the real war pressures are in the data yet. Q2 and Q3 to be where the pain arrives — weaker discretionary consumption, softer tourism spending, and potential supply disruptions if Hormuz stays closed.

Fiscal relief and strong investment provide partial buffers. The Cabinet has approved an Emergency Decree authorizing the Ministry of Finance to borrow up to Bt400bn, about 2% of NGDP, to provide relief to the energy crisis and to support the energy transition. The public-debt path is expected to be closer to the self-imposed ceiling of 70% of GDP. On policy rate, we now expect no policy rate change throughout 2026.

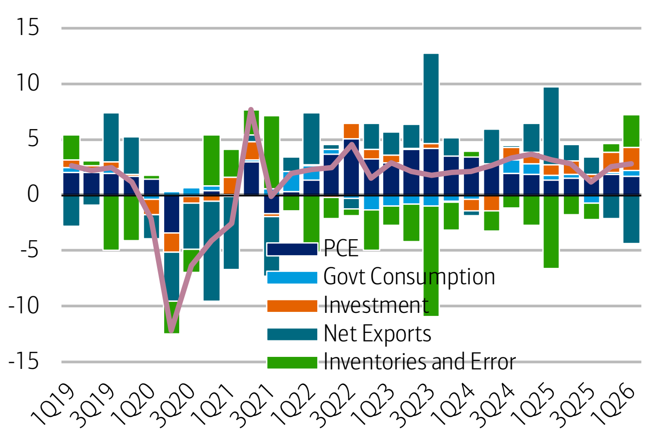
### Key risks

Rising oil prices beyond our baseline scenario could add pressure on inflation, fiscal position, and current account balance even further and put policy rate on hold for longer than expected. Rising global rates could put pressure on long term bond yield and currency depreciation which could lead to further imported inflation and create trade-offs for the BOT between higher inflation and lower growth..

### Strategy: THB on weaker footing on low CA seasonality

Thailand current-account tends to worsen this quarter due to weak tourism seasonality and income-repatriation flows. Despite recent upside surprise in 1Q growth, the recent uncertainty is likely to weigh on growth ahead. Limited monetary and fiscal policy space leaves THB as the pressure valve to offset negative growth shock. Even so, headlines around fiscal stimulus and increase in debt ceiling may add to THB depreciation due to debt sustainability concerns and limited efficacy in supporting growth. De-escalation of Iran war may initially lead to THB appreciation due to correlations with USD, gold and oil. But a higher floor on oil prices in 2H (above USD 80) may keep THB on a weaker footing for now, underpinning our forecast for USDTHB to reach 33/USD by 2Q'2026. This also leads us to pare down expectations for THB appreciation in 2H, revising 3Q26 to 32.7/USD and end-2026 forecast to 32/USD.

**Chart 2: Contribution to Thailand's GDP growth (%YoY)**
1Q26 GDP growth was led by private investment surge




**Source:** NESDC, KKPS

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**Exhibit 73: USD/THB forecasts for 2026**
End-2026 forecast at 32/USD.

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-THB | 33.0 | 32.7 | 32.0 | 31.5 |

**Source:** BofA Global Research

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**Exhibit 74: Major macro forecasts**
We look for GDP growth to slow over medium-term

| Thailand | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 2.4 | 1.3 | 2.2 |
| CPI (% yoy) | -0.1 | 3.0 | 0.1 |
| Policy Rate (end of period) | 1.25 | 0.75 | 1.00 |
| Fiscal Bal (%/GDP) | -4.8 | -4.3 | -3.8 |
| CurAct Bal (%/GDP) | 3.1 | 1.9 | 2.8 |

**Source:** BofA Global Research

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# EEMEA

# South Africa: inflation and political risk, we meet again

**Tatonga Rusike**
MLI (UK)

### Inflation risks drifting higher, SARB to hike twice

We spent 2-4 Sept in South Africa meeting government and local experts. We see risks of higher inflation, as rising fuel costs feed through to both goods and services inflation. We nudge up headline CPI, now expecting 3.8% in April, breaching 4% by May, and peaking at 4.7% in February 2027. We expect core inflation to peak at 3.9%. Rising fuel prices also increase the risk of stronger wage demands, especially outside the public sector. We now expect two 25bp rate hikes in May and July (previously one hike), taking the policy rate to a 7.25% peak. SARB is then likely to remain on hold until mid-2027, before easing conditions allow cuts.

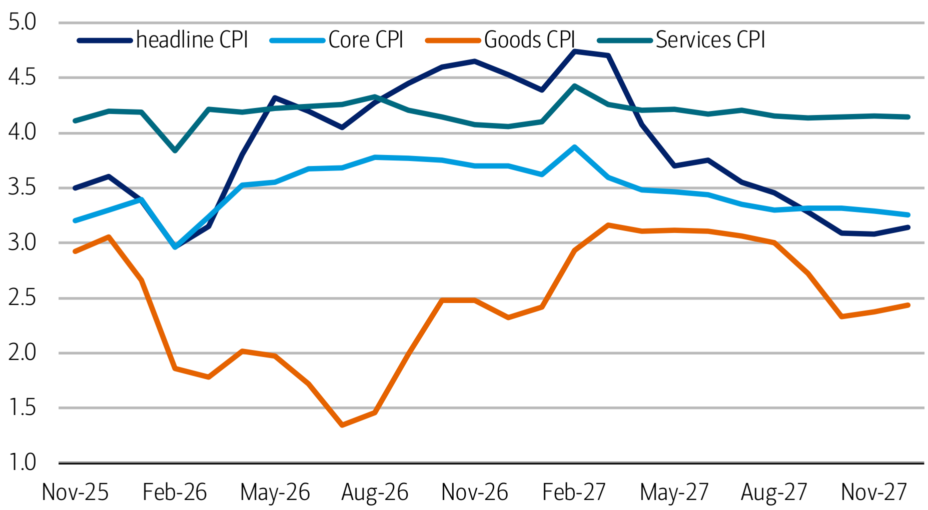
### Food inflation a risk for early 2027

Food inflation is still moderate thanks to a good harvest in the 2025/26 farming season, but could rise in early 2027. The near-term risk is higher fuel prices, as an input cost for farmers. Fertiliser prices remain elevated while supply is still fine. However, if supply problems were to come to the fore – such as an inability to deliver urea over the coming 2-3 months ahead of the planting season – prices could increase due to a supply shortage. That could mean lower output for the 2026/27 harvest and put pressure on food prices. We will also be closely watching the likely impact of the El Nino phenomenon on rains and agriculture output into early 2027.

### CPI forecasts: 3.8% in April, and 4% 2026E

We now expect April headline CPI to print 3.8% (previously 3.7%). The May reading will likely print 4.3% (previously 4.1%), breaching the 4% upper end of SARB's target. We see a peak of 4.7% in February 2027 before a sharp deceleration to 4.1% in April 2027 and 3.7% in May 2027. Core inflation should follow a similar trend, with a likely peak at 3.9% in Feb 2027.

**Exhibit 75: South Africa CPI trends and projections (%year on year)**
We forecast a steep increase in CPI from April driven by higher fuel, resulting in rising services and goods inflation




**Source:** Haver, BofA Global Research

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### Two rate hikes in May and July, policy rate peak at 7.25%

We are now more convinced that SARB is likely to hike by 25bp on May 29. Thereafter, we expect one more hike in July. So, we see two hikes in May and July, and then SARB should stay on hold. We think a first cut is likely only in 12 months' time – May 2027 could be the starting point for a rate-cutting cycle

### CPI outlook: flat near term, 4% breach likely from May

For March CPI, we expect headline inflation to rise marginally to 3.1% from 3% in February. Beginning 1 March, fuel prices rose by 1% month on month, as did education costs, due to seasonality (5.5%). Overall, we forecast 0.6% month on month and 3.1% year on year for the March CPI print.

### Economic growth downside present fiscal risks

The 2025/26 fiscal year closed better than the baseline target. National Treasury achieved a deficit of -4.3% of GDP vs -4.5% in revised mid-term budget and the original budget of -4.6%. Revenue growth of around 10% outstripped spending growth of around 8%. The faster revenue growth helped the Treasury to boost spending on infrastructure and one-off items related to elections in the last few months of the fiscal year.

The 2026/27 fiscal year has just started – we are unlikely to see outperformance again this year. The Treasury's fiscal target for the main budget deficit is -3.7% of GDP. The energy shock presents downside risks to economic growth and likely fiscal revenues. It is still too early to be confident on the damage to fiscal revenues. For now, we know that the temporary fuel levy relief (April to June) is costing a total of R17.2 billion. The Treasury plans to cut spending to keep the cost deficit neutral.

### SA financial assets: risks from oil market and political risk

SA financial markets sold off on the energy shock. Pre-war, they reached their best levels of 7.8% for the 10-year bond yield, 140bp for 5YR CDS and 15.8 for USDZAR. We forecast ZAR to remain around 16.5 until 3Q, before strengthening to 15.4 in 1Q 27. The 10-year bond yield can still improve to 8-8.5% if oil prices decelerate – we assume oil averages about $92 per barrel this year. Credit fundamentals remain largely unchanged and should keep CDS in a 140-150 range. On the downside, rising political risks could lead to an early departure of President Ramaphosa or a GNU breakdown ahead of the next general elections in May 2029.

### Strategy: the ZAR to outperform forwards

Given a more constructive outlook for EM FX, we believe the rand has room to outperform forwards given that it is a high beta to EM risk.

**Exhibit 76: Quarterly Inflation, policy rate and exchange rate forecasts**

We see ZAR remaining around 16.5 over the next two quarters before appreciating to 15.4 in 1Q 2027.

| | | 2Q26 | 3Q26 | 4Q26 | 1Q27 |
|---|---|---|---|---|---|
| Quarterly CPI | | 4.1 | 4.3 | 4.6 | 4.6 |
| Repo path | | 7 | 7.25 | 7.25 | 7.25 |
| USD-ZAR | | 16.6 | 16.5 | 16 | 15.4 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

# Türkiye: Tight Stance to Continue

**Hande Kucuk**
MLI (UK)

### Themes: Inflation and BoP pressures call for tighter-for-longer stance

Given the ongoing conflict in the Middle East, Türkiye faces increased pressure on inflation and the balance of payments. Despite headwinds to growth, we think the policy mix needs to remain restrictive for longer—featuring high real rates and slower loan growth—to contain pressure on reserves and support FX stability. While the strong budget performance in 1Q26 implies some fiscal space, we expect moderate and targeted support to keep the fiscal deficit in check at a time when the current account deficit is expected to widen notably. Given the commitment to a controlled lira depreciation policy, the external adjustment is likely to come from slower growth amid weaker financial inflows.

### Headline inflation at a six-month high

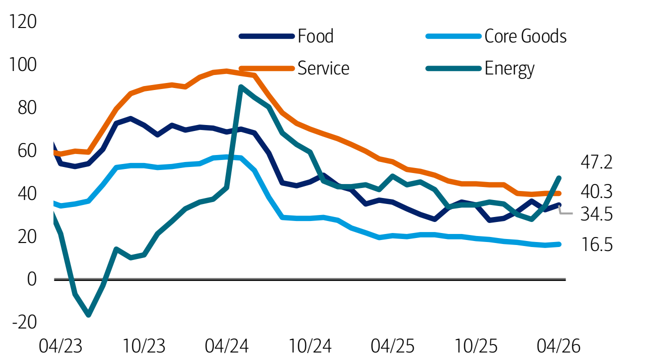
We revised our inflation outlook following the April CPI beat, which pointed to broad-based inflationary pressures and a rising underlying trend. April CPI came in at 4.2% month-on-month, bringing headline inflation 1.5pp higher to 32.4% year-on-year - its highest level in six months. Energy and food were the main culprits, but core inflation also accelerated, with a monthly rate of 3.5% and annual rate of 29.8%. We see May inflation at 1.8% (vs. 4.2% in April), but given last year's 1.5% print, this implies a marginal rise in headline inflation (to 32.7% from 32.4%). We expect inflation to end the year at 30% (vs. 28.5% previously) with average Brent forecast unchanged at $93/bbl.

The CBRT also delivered notable upward revisions to interim targets and forecasts. End-year inflation forecast to 26% (from 18%) for 2026 and to 15% (from 9%) for 2027 – remaining below our forecast and consensus. While there was no new signal for additional tightening, the report guided for continued tight stance.

### We expect unchanged rates at the June meeting

We expect the one-week repo rate to remain on hold at 37% at the 11 June MPC meeting, with funding continuing at the upper corridor (40%) as the uncertainty about the war continues. We think the policy rate will likely remain at 37% through year-end, with TLREF normalizing from ~40% to 37% in Aug/Sep, conditional on some relief in geopolitical risks and stability in reserves.

**Exhibit 77: Main CPI Components (% year-on-year)**
Broad-based rise in April inflation led by energy




**Source:** Haver, BofA Global Research

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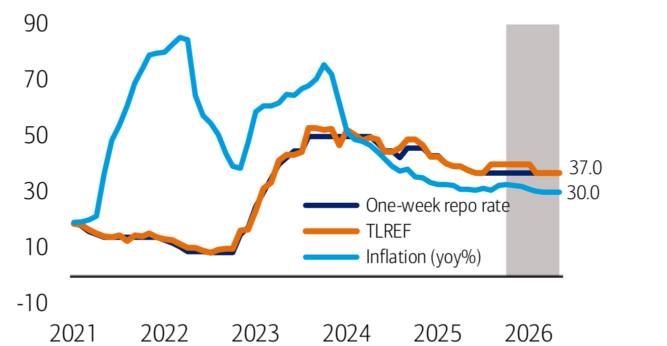
**Exhibit 78: Inflation and Rates Projections (%)**
We revised end-year inflation to 30%, repo rate to 37%




**Source:** Haver, BofA Global Research

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### Net reserves broadly stable since mid-April

Official reserves have partially recovered from their March lows but remain well below pre-war levels, at $172bn and $39bn, respectively, as of 8 May. We estimate the cumulative decline in the CBRT's net FX position (excluding swaps and gold price valuation effects) at $28bn as of 15 May, compared with a peak cumulative decline of $52bn at end-March. This implies around $24bn in net recovery, as some carry-trade ($12bn) and portfolio inflows ($2bn) have returned since the announcement of a ceasefire on 9 April, while retail FX demand has remained weak.

A wider current account deficit and persistent errors & omissions point to elevated external financing needs, at $80bn (4.6% of GDP) in 2026 according to our estimates, implying persistent pressure on reserves amid weak financial inflows (See Emerging Insight for a deep-dive in Türkiye's balance of payments).

### Some signs of growth slowdown

We expect a mild slowdown in real GDP growth in 1Q26 to 3.0% year-on-year, from 3.4% in 4Q25, as activity in manufacturing and construction weakened, while services production strengthened and retail sales (excluding jewellery) remained resilient. Looking ahead, we expect higher energy costs and softer domestic and external demand weighing in on growth. We maintain our 2026 GDP growth forecast at 2.8%.

### Early fiscal impact from the war emerging

The initial impact of the war is showing in the budget, with weaker tax revenue growth alongside acceleration in primary expenditure growth. The 12-month trailing balance widened to -2.4% of GDP (from -2.2%), while the primary surplus declined to 1.2%. Elevated oil prices point to some upside risk to our 3.5% deficit forecast for 2026..

### Forecasts – higher than usual uncertainty given geopolitical developments

We see inflation at 30%, policy rate at 37%, and growth at 2.8%.

### Main risks

Oil prices and geopolitical events.

### Strategy: the TRY to outperform forwards

Our forecast remains below forwards despite a slightly faster rate of nominal depreciation recently. The central bank is committed to real currency appreciation and has sufficient reserves to meet the funding gap in the short term. While balance of payments pressures has increased, retail dollarization has been limited.

**Exhibit 79: CBRT Net FX Position (excluding swaps and gold price effects, $bn)**
**Net FX position broadly stable since mid-April around $30bn**


**Source:** Haver, BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 80: TRY forecasts**
We expect TRY to appreciate in real terms

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-TRY | 46.9 | 49.3 | 51.7 | 53.6 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Table 5: Major macro forecasts**
Geopolitical shocks increase uncertainty on the macro outlook

| Türkiye | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 3.6 | 2.8 | 4.9 |
| CPI (% yoy) | 30.9 | 30.0 | 24.0 |
| Policy Rate (end of period) | 38.0 | 37.0 | 30.0 |
| Fiscal Bal (%/GDP) | -2.9 | -3.5 | -3.9 |
| CurAct Bal (%/GDP) | -1.9 | -3.4 | -2.5 |

**Source:** BofA Global Research
BofA GLOBAL RESEARCH

# Czech Republic: hawkish wait and see

**Mai Doan**
MLI (UK)

Czechia is entering this energy shock in a stronger position than in 2022, and the bar to hike remains high. That said, recent Board signals point to a more hawkish reaction function as the risk of a prolonged energy impulse rises. The CNB will largely look through the first-round impact of higher energy prices, but concern is growing that second-round effects. This is against the backdrop of lingering domestic inflation risks.

Wages, house prices and credit dynamics remain key sources of caution. Wage growth has held near 7% for several quarters, well above rates consistent with a sustained return to the 2% target. Housing remains firm, with 4Q data still showing elevated price growth of 10-15% yoy. Credit growth is also accelerating: household loans have climbed steadily to around 10% y/y in March, while corporate credit has strengthened to roughly 17% yoy.

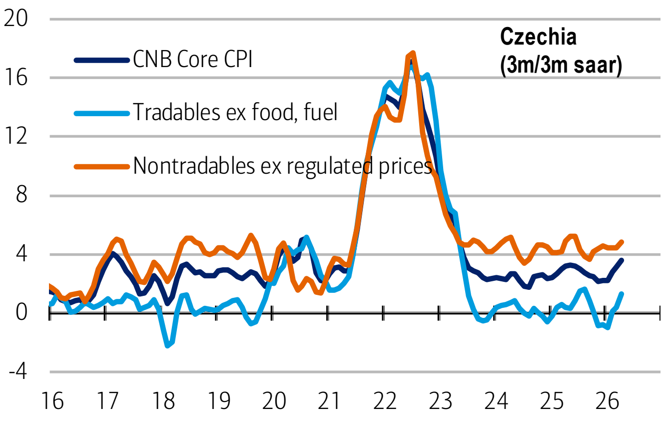
We continue to expect the policy rate to remain steady at 3.50% over the coming year and do not view ECB tightening as a mechanical trigger for a CNB response. The Board's anchor is core inflation, particularly services. April CPI details were broadly reassuring: core inflation held at 2.9% yoy and services at 4.5% yoy, broadly in line with CNB expectations. 3m/3m momentum is somewhat more concerning, with core CPI rising to 3.6% saar, and services 4.8% saar. With the next move more likely to be a hike than a cut, the balance of risks to our rates call is skewed to the upside.

External vulnerability looks contained. Energy sensitivity is manageable and should not, on its own, generate balance-of-payments stress: each $10/bbl increase in oil worsens the energy trade balance by roughly 0.1% of GDP, and each €10/MWh rise in TTF gas by about 0.2% of GDP.

### Strategy: CZK to appreciate more than forwards imply

A weaker dollar should support the koruna even if the CNB ultimately stays on hold.

**Exhibit 81: Czech underlying CPI momentum showing some uptick**
CPI breakdown (3m/3m seasonally adjusted annualized rate)




**Source:** Haver, BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 82: CZK forecasts**
CZK to benefit from a strong EUR

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| EUR-CZK | 24.3 | 24.1 | 23.8 | 23.5 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 83: Major macro forecasts**
Higher energy prices boost CPI, but bar to hike rates is high

| Czech Rep | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 2.6 | 2.0 | 2.4 |
| CPI (% yoy) | 2.5 | 2.4 | 2.8 |
| Policy rate (%, end of period) | 3.50 | 3.50 | 3.50 |
| Fiscal bal (%/GDP) | -2.1 | -2.8 | -3.0 |
| CurAct bal (%/GDP) | 0.7 | 0.8 | 0.5 |

**Source:** BofA Global Research

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# Egypt: orthodox policy reduces pressure

**Jean-Michel Saliba**
MLI (UK)

### View: cautious if Iran war re-escalates

Authorities' orthodox response to the repercussions of the Iran war suggests a desire to remain consistent with the IMF program. However, the United Arab Emirates (UAE) and Qatar Foreign Direct Investment (FDI) deals may not materialize due to the Iran war. External funding needs are likely to be high over 2026, and could be exacerbated by portfolio outflows. The risks are geopolitics, little Fx flexibility, reform slippage.

The 4Q25 current account balance stood at -US$6.2bn, and the deficit widened sequentially to US$13.9bn (2.9% of GDP) on a 12-month trailing basis, from a previous nominal peak of US$20.5bn (6.0% of GDP) in 4Q16. Net international reserves (NIRs) stood at US$53.0bn in April (6.3 months of import coverage), from US$33.2bn in September 2022. The Central Bank of Egypt (CBE) holds an additional US$10.8bn in Fx deposits not reported in reserves.

Weaker EGP has kept net foreign portfolio outflows contained to cUS$10bn (US$13-17bn outflows; US$6-67bn inflows) for now. Foreigners held US$53.8bn of T-bills in January 2026 (43% of stock), up from US$13.6bn in February 2024. Collateral (contingent liabilities) under external financing operations likely stood at US$25.3bn. Banks' Net Foreign Assets (NFAs) stood at US$15.8bn in March 2026.

Urban Consumer Price Inflation (CPI) inflation was 14.9% year-on-year (yoy) in April. The inflation target is 7% (+/-2%) in 4Q26 and 5% (± 2%) in 4Q28. We expect the CBE to keep monetary policy tight given the repercussions of the Iran war.

Fiscal consolidation is likely to be maintained within the IMF program to help anchor debt dynamics. Primary surplus target is 3.5% of GDP in FY25, rising to 5.0% in FY27.

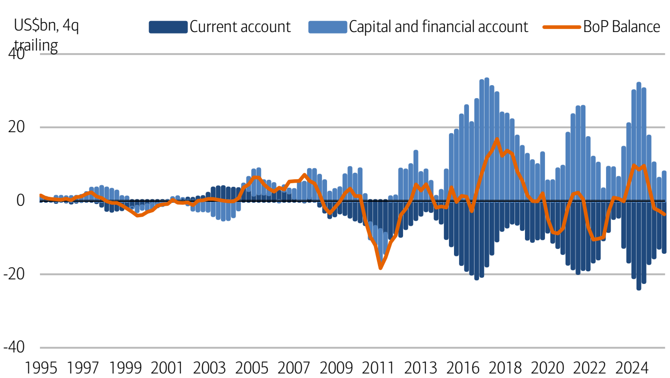
### Forecasts: EGP weaker if major outfows

EGP is likely to gain flexibility, with a weakening trend if there are further portfolio outflows. The uncertainty around the Gulf FDI post-Iran war likely means authorities' policies could be more consistent with IMF conditionality. We expect EGP to outperform the levels implied by NDFs on balance over the remainder of the IMF program duration.

### Drivers

CBE Monetary Policy Committee meeting (21 May 2026), reform momentum, IMF Extended Fund Facility reviews, fiscal and Fx reserves data, Fx flexibility, geopolitics.

**Exhibit 84: Egypt Balance of Payments dynamics**
UAE and Qatar FDI deals boosted balance of payments, but at risk now




**Source:** Haver, BofA Global Research

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**Exhibit 85: EGP forecasts**
USD/EGP to remain range-bound near-term

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-EGP | 53 | 52.0 | 51.0 | 50.0 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 86: Major macro forecasts**
Forecasts uncertain due to the Iran war

| Egypt | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 4.4 | 3.5 | 4.5 |
| CPI (% yoy, avg) | 20.4 | 13.2 | 10.0 |
| Policy Rate (end of period) | 24.00 | 19.00 | 15.00 |
| Fiscal Bal (%/GDP) | -8.5 | -7.5 | -7.0 |
| CurAct Bal (%/GDP) | -4.4 | -4.9 | -5.2 |

**Source:** BofA Global Research. Fiscal Year (FY) based.

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# Hungary: structural shift in macro

**Mai Doan**
MLI (UK)

### Themes: significantly lower risk premium = room for near-term NBH cuts

The Tisza party's landslide victory in the 12 April elections is a game-changer for Hungarian macro. The two-thirds majority allows Tisza to structurally reform Hungary after 16 years under Fidesz, from macro to the judiciary, to rule of law. Together with Tisza's euro ambition, there is likely more political capital for the new government to take some difficult economic decisions to reduce the fiscal burden, supporting policies to rein in inflation.

EU funds will be unblocked, with potential inflows of c.5% of GDP this year, including EUR6.5bn grants from the Recovery and Resilience Facility. In the longer term, the EUR roadmap is a positive structural theme for Hungary. A better relationship with the EU and more business-friendly environment will also help promote investments and attract foreign direct investments. We expect growth to recover to 2-3% in the coming years.

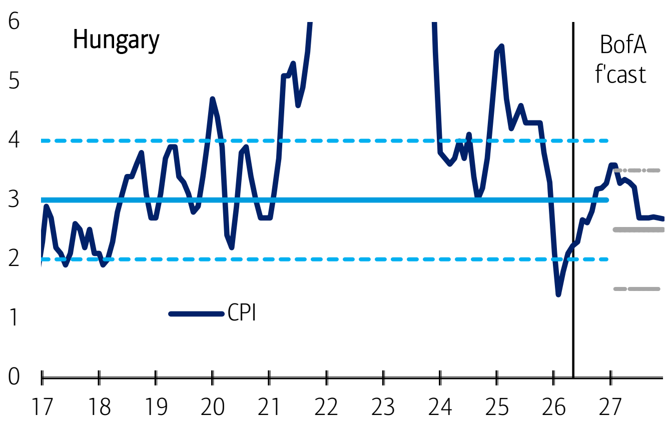
In view of structurally lower risk premia, the NBH likely has room to cut rates sooner – we bring forward our rate-cut expectations to June but still forecast the policy rate to reach 4.5% in 2027. This change reflects the administration's preference for lower yields over FX appreciation, as well as better-than-expected CPI developments. The new Finance Minister, Andras Karman, explicitly signalled this preference last week. Shortly thereafter, the NBH reduced the FX swaps yield by 50bp to 5.25%. Deputy Governor Zoltan Kurali meanwhile has described the improvement in risk premia as "massive", arguing it expands the NBH's "room to maneuver", with the June Inflation Report (IR) as the key checkpoint for reassessing policy.

We now expect inflation to remain within the 3%±1% tolerance band in 2026, ending the year at close to 3%. Jan-Apr CPI data show contained repricing dynamics, with service inflation consistently moderating to 4.6% yoy / 2% saar. Near-term oil-driven pressure has also eased after the government extended the fuel price cap until at least June, reducing headline CPI by roughly 0.8pp versus an uncapped path. In addition, HUF appreciation should lower inflation by around 1.5pp over the next 6–12 months.

### Strategy: stronger HUF in the medium term

The HUF should outperform forwards in the medium term supported by adoption of the euro and global risk.

**Exhibit 87: Inflation likely stays within tolerance band through 2027**
CPI (% yoy)




**Notes: NBH's inflation target is 3%, but we expect the implicit target to be lower next year to gradually align with ECB's target of 2%. Source:** BofA Global Research

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**Exhibit 88: HUF forecasts**
A turnaround in policy to structurally support HUF strength

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| EUR-HUF | 360 | 355 | 350 | 345 |

**Source:** BofA Global Research

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**Exhibit 89: Major macro forecasts**
Macro outlook significantly improves under new government

| Hungary | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 0.4 | 1.2 | 2.5 |
| CPI (% yoy) | 4.4 | 2.5 | 3.0 |
| Policy rate (%, eop) | 6.50 | 5.50 | 4.50 |
| Fiscal bal (%/GDP) | -4.7 | -6.5 | -5.0 |
| CurAct bal (%/GDP) | 1.7 | 1.3 | 0.3 |

**Source:** BofA Global Research

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# Israel: Resilient GDP, mild inflation

**Hande Kucuk**
MLI (UK)

### Themes: Resilience amid the geopolitical shock

Real GDP contracted by 3.3% (seasonally adjusted quarterly rate annualised) in 1Q26. While one-third of the quarter was dominated by the Iran war, the contraction in economic activity was more contained compared to previous conflict episodes. For example, in 2Q25, real GDP contracted by 4.3% despite a shorter duration of conflict-related disruptions. This provides yet more evidence of a highly resilient economy despite elevated geopolitical uncertainty, with strong investment growth (12.6%) and a measured contraction in private consumption (4.7%) concentrated in services. We keep our forecast for 3.6% growth in 2026.

In the first inflation release incorporating higher oil prices, headline inflation remained flat at 1.9%, 0.1pp below consensus, and in line with BoI's mid-point target of 2%. CPI increased at a monthly rate of 1.2% in April. Fuel prices jumped 15% in the month, while food prices were unchanged. Core CPI posted an 0.8% monthly rate, bringing the year-on-year core inflation rate down to 1.5% from 1.9%. While core CPI shows moderation, this was largely driven by a significant slowdown in housing services. Non-tradables excluding housing and fruit and vegetables increased to 2% from 1.9%.

Given resilient growth in 1Q26, and continued uncertainties related to the war and supply-side constraints, we expect unchanged rates at the upcoming BoI meeting on May 25, despite continued shekel strength. We continue to expect rate cuts to start later in the year, in 4Q, but risks are for earlier cuts this year.

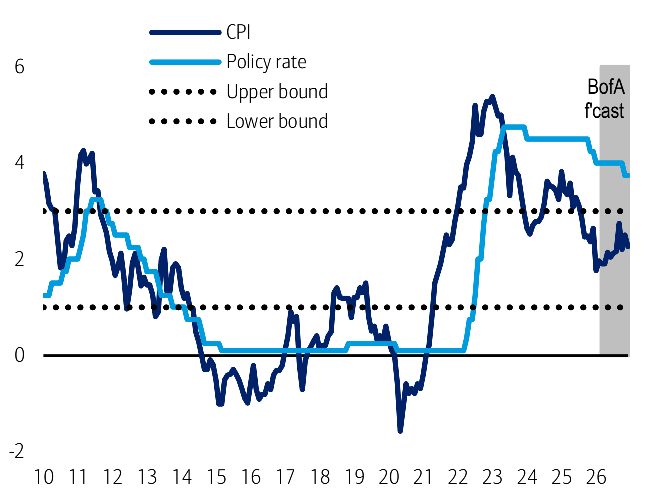
### Forecasts – geopolitics is the main driver of the ILS and rates

We see BOI cutting 25bp in 4Q26 to 3.75%.

**Risks:** Uncertainty regarding the conflict is the main risk on economic outlook.

**Strategy:** Our forecast is below the levels implied by forwards. US equities should support ILS appreciation despite the shekel's overvaluation. BoI interventions are unlikely in the near term.

**Exhibit 90: Inflation and Rates (%)**
Inflation to remain choppy but within target




**Source:** Haver, BofA Global Research

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**Exhibit 91: ILS forecasts**
ILS enjoys LT appreciation bias, but ST weighed by uncertainty

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-ILS | 2.9 | 2.85 | 2.8 | 2.8 |

**Source:** BofA Global Research

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**Exhibit 92: Major macro forecasts**
Economy will recover slowly

| Israel | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 2.9 | 3.6 | 4.5 |
| CPI (% yoy, eop) | 2.6 | 2.3 | 2.1 |
| Policy rate (%, eop) | 4.25 | 3.75 | 3.50 |
| Fiscal bal (%/GDP) | -6.5 | -5.5 | -5.1 |
| CurAct bal (%/GDP) | 1.5 | 1.4 | 2.0 |

**Source:** BofA Global Research

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# Kazakhstan: easing cycle approaches

**Vladimir Osakovskiy >>**
Merrill Lynch (DIFC)

### June cut goes live

Inflation continues to slow in April reaching 10.6% yoy for the month and appears to be on tack to approach 10% yoy in May. The slowdown has prompted the National Bank to turn yet more dovish in its policy assessment during its April 24th policy meeting, where it stated that the NBK stands "ready to consider the possibility of reducing the base rate in its subsequent decisions", We see it as a material change from its March 6 comment that "the possibility of the base rate cut will be considered from the second half of 2026. Under current conditions, the space for monetary policy easing has not yet developed". We think this statement opens the door to a first rate cut as early as the June 5 meeting, or, as a baseline, from July onwards (see: Kazakhstan Watch: June cut goes live 27 April 2026).

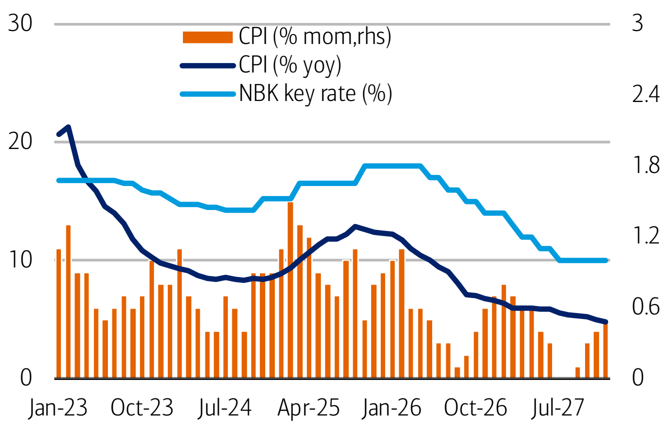
### Easing cycle should be structural and long term

We also emphasize that ongoing disinflation trend is likely long term in nature as it is fundamentally set by the fiscal consolidation as well as structural stabilization of KZT liquidity flows from the Oil Fund and gold purchases. Thus, we think that provided lack any new inflationary shocks, inflation should be well on track to move much closer to the NBK 5% target than ever before over the past several years. As a result, we think that the new easing cycle by the National Bank will also likely be structural in nature as Bank may have room to cut its policy rate by up to 800bp over the next 18-24 months (see: Kazakhstan Viewpoint: What is next? 11 February 2026).

### Discover a whole new world

MinFin and National Bank have also issued a statement that local KZT debt market is set to add Euroclear access from 2027. On the back of other liquidity-boosting measures (primary dealers etc), this will open up an almost $60bn market to a wide range of non-resident investors. With quite an appealing domestic macro story we think that the move may support material non-resident inflows. Regional examples of Euroclear inclusion suggest that facilitated access may boost the share of non-residents from current 6-7% to high double digits, potentially supporting up to $10bn in inflows over the next 1-2 years (see: Kazakhstan Viewpoint: Discover a whole new world 11 May 2026).

**Exhibit 93: Disinflation on track despite all the shocks**
Fiscal consolidation and slowing CPI to open NBK easing from 2Q26




**Source** National Statistical Service, NB, BofA Global Research estimates

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# Nigeria: solid macro and external buffers

**Loic Porte**
MLI (UK)

**Robust external buffers to absorb the shock**

With gross FX reserves hovering around US$50bn and net reserves around US$35bn, Nigeria has buffers to absorb an external shock and capital outflows. Foreign positioning likely stands around US$20bn but additional inflows generated by oil exports stabilise the BoP in the medium term in case a risk-off event materializes.

**Exhibit 94: Oil exports support the Naira in the medium-term even if its effect should decline**
USD/NGN exchange rate

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 | |
|---|---|---|---|---|---|
| USD-NGN | 1,370 | 1,375 | 1,375 | 1,375 | |

**Source:** BofA Global Research

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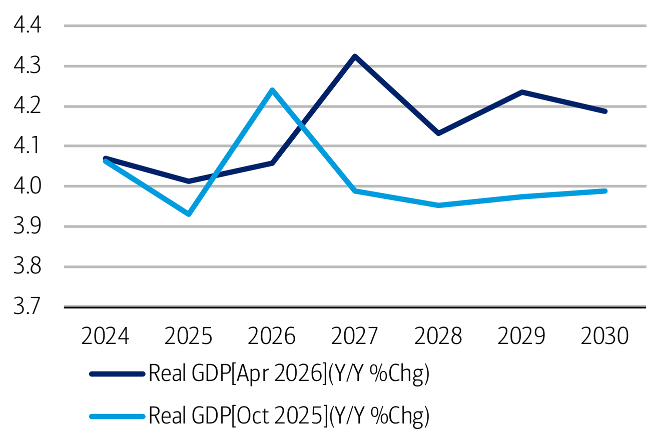
The IMF delivers strong and broadly positive projections, although we remain more constructive than the Fund on the macro outlook. The current account balance is expected to reach a 6% surplus in 2026 and settle around 3% thereafter.

The fiscal deficit is projected to land this year at 4.3% of GDP due to election dynamics, then consolidate to 3% in 2027 and around 2% in 2028 to 2031. Nigeria recorded extra-budgetary capital expenditures in 2025 but it does not materially change the story.

Real GDP growth is anchored at roughly 4% year on year across 2026 to 2031. CPI forecasts appear relatively benign, with a rebound to 17% year end inflation in 2026 and a 16% annual average. Forecasts would likely underestimate the inflationary impact of higher oil prices if the duration and intensity of the conflict are higher than expected, especially after the removal of subsidies.

**Exhibit 95: Real GDP projections lifted by 20bps on average**
Real GDP growth projections Apr 2026 vs October 2025 WEO vintages




**Source:** IMF

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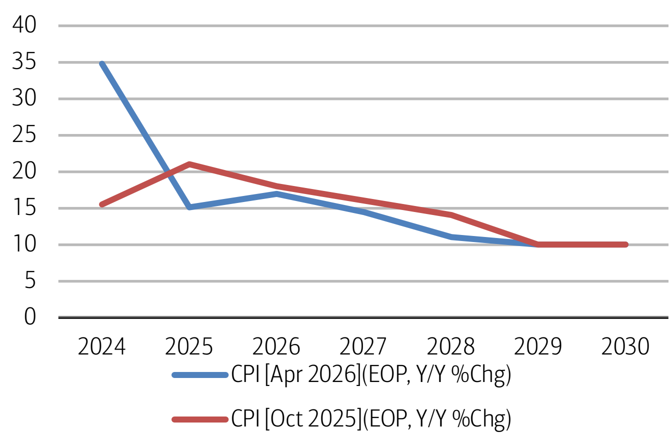
**Exhibit 96: and inflation expectations appear benign**
CPI projections Apr 2026 vs October 2025 WEO vintages




**Source:** IMF

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# Poland: fiscal is a weak spot during crisis

**Mai Doan**
MLI (UK)

### Themes: energy could bring CPI overshooting or raise fiscal burden

The energy shock relating to the Iran war should be less disruptive to Poland/CEE than in 2022, but it is starting to change the macro outlook. We no longer see rate cuts prospects from 3.75% currently, and recently revised down 2026 GDP growth forecast to 3% from just under 4% previously.

High real rates and a lower inflation starting point generally allow the central bank to wait and see instead of reacting pre-emptively, so the bar to hike is high. Policy makers watch second round effects, rather than headlines, are the main risk. But within CEE, we see Poland as more sensitive to CPI overshooting risks – partly driven by higher gas exposure in the CPI basket and expired energy price cap schemes, more fiscal vulnerability, and a relatively less dovish central bank vs CEE peers.

GDP growth is well cushioned by EU funds inflow, and still set to strongly outperform EU/CEE peers. EU funds absorption is set to accelerate (around 2.8% of GDP this year), helping offset weaker private consumption as households save more amid high rates and geopolitical uncertainty.

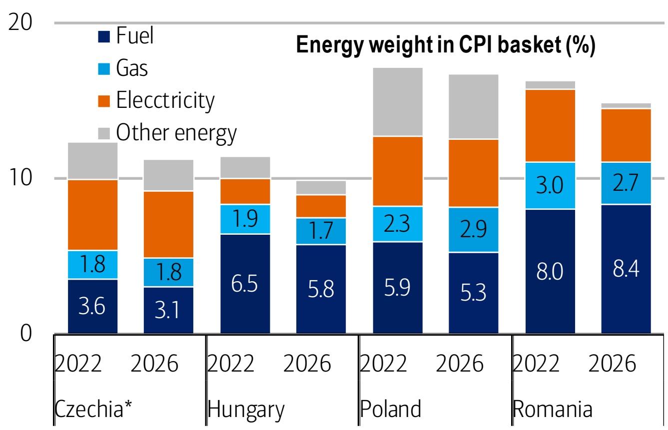
External sensitivity is manageable, and unlikely to trigger BoP stress. Every $10/bbl rise in oil worsens the energy trade balance by around 0.15% of GDP; every €10/MWh in TTF gas adds around 0.2% of GDP to import bill.

Fiscal is Poland's key vulnerability. From 2021 to 2025, the headline and primary deficits widened to around -7% and -4% of GDP, respectively. The 2026 deficit will likely remain close to -7% again, vs 6.5% planned. Finance Ministry has funded over 40% of the 2026 borrowing needs, so there is a good buffer in place. But pressure will arise if extended surge in energy prices and 2027 election pressures necessitates more fiscal spending.

### Strategy: the zloty to outperform forwards

With the outlook for EM FX improving, the PLN should outperform forwards despite its overvaluation. Even if the ECB hikes, this will have only a small impact on EURPLN, in our view.

**Exhibit 97: Poland – energy exposure in CPI basket higher than peers**
Energy weights in CPI basket




***Czech 2022 data estimated using Eurostat. Source: Haver, BofA Global Research**

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**Exhibit 98: PLN forecasts**
PLN to benefit from GDP resilience and stronger EUR outlook

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| EUR-PLN | 4.23 | 4.21 | 4.17 | 4.15 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 99: Major macro forecasts**
Higher energy prices boost CPI, lower GDP

| Poland | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 3.7 | 3.0 | 2.7 |
| CPI (% yoy) | 3.6 | 3.2 | 2.7 |
| Policy rate (%, eop) | 4.00 | 3.75 | 3.75 |
| Fiscal bal (%/GDP) | -7.3 | -7.1 | -6.9 |
| CurAct bal (%/GDP) | -0.9 | -2.4 | -2.2 |

**Source:** BofA Global Research

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# Romania: politics not yet a downgrade trigger

**Mai Doan**
MLI (UK)

**Themes: government instability puts fiscal consolidation and reform at risk**
PSD, the largest party in the government coalition, triggered a political crisis on 20 April by withdrawing its support to the reformist/fiscal-prudent PM Bolojan. The situation is still unfolding for the formation of the next government. Near term it looks manageable from fiscal/financing side, barring any major bouts of global risk aversion. But this has long-term negative implications for reforms and fiscal consolidation outlook.

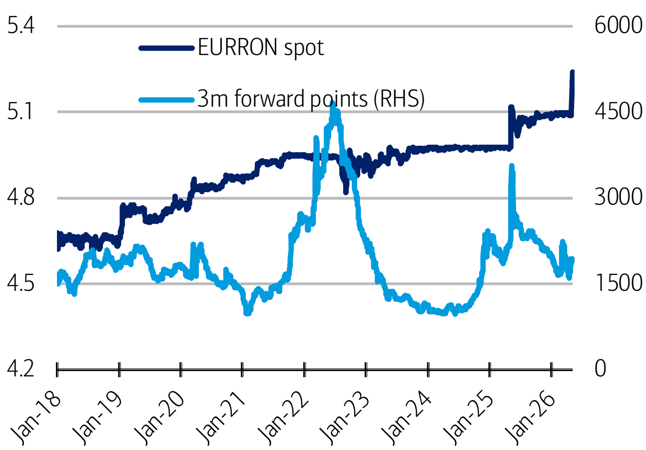
The biggest/most tangible risk in the coming months is the potential loss of EU recovery funds. Prolonged political instability could slow progress to complete milestones and targets by September deadline, putting the last tranches at risk (net EUR4.2bn in grant and EUR3.5bn in loans). However, it is constructive that political parties have signaled intention to cooperate on EU funds related work to minimize any funding loss.

Longer term, political uncertainty and prospects of more PSD influence in the government would undermine the fiscal path towards 3% of GDP, from c.6.5% expected this year and c.6% in 2027 (on a no policy change basis). The negative outlook on the credit will stay, but we need to see more concrete fiscal deterioration for more tangible downgrades risks to junk. In this regard, the 2027 budget will be key.

The energy crisis exposes Romania's still high vulnerability, leaving the NBR with no room to ease in 2026 in our view. The central bank raised YE2026 inflation to 5.5% from 3.9% previously in the May Inflation Report, pinning the outlook on further domestic fiscal adjustment and a stabilization of oil prices.

**Strategy: More RON volatility but not further major depreciation**
In light of the political crisis, the NBR has allowed more RON volatility in recent weeks, calling on politicians to solve the current political crisis and agree on a functioning government as soon as possible. We do not think the central bank advocates further major RON depreciation from here, as Governor Isarescu sees the RON as close to equilibrium.

**Exhibit 100: We do not expect major RON depreciation from here, but forward points might go higher**
EURRON spot (LHS) and 3m forward points (RHS)




**Source:** Bloomberg, BofA Global Research

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**Exhibit 101: RON forecasts**
NBR more flexible on RON given political crisis, but unlikely to let major RON depreciation

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| EUR-RON | 5.20 | 5.23 | 5.25 | 5.25 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 102: Major macro forecasts**
Fiscal adjustments positive, but macro vulnerability still high

| Romania | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 0.6 | 0.4 | 2.7 |
| CPI (% yoy) | 7.3 | 8.3 | 3.8 |
| Policy rate (%, eop) | 6.50 | 6.50 | 5.50 |
| Fiscal bal (%/GDP) | -7.9 | -6.5 | -6.1 |
| CurAct bal (%/GDP) | -7.9 | -7.1 | -6.3 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

# Saudi Arabia: in the crossfire of Iran war

**Jean-Michel Saliba**
MLI (UK)

**View: cautious**

The Iran war means the path for Saudi oil production and oil prices in 2026 is uncertain.

Pre-Iran war, we expected the fiscal deficit to remain elevated at 5.3% of GDP in 2026, only modestly declining to 4.6% of GDP in 2027. We assumed central government spending will remain flattish in real terms (corresponding to small overspending versus budgetary targets). Our 2026 assumptions were consistent with crude oil production of 10.2mn bpd, oil prices of US$60/bbl, and robust non-oil revenues. We now see the twin deficits narrowing as higher oil prices compensate for lower export quantities.

We estimate the central government fiscal breakeven oil price stood at cUS$95/bbl in 2025 and, pre-Iran war, we estimated it will likely decline to US$US89/bbl in 2026 if spending is contained and oil production increases. We estimate the 2026 central government fiscal breakeven oil price now stands at cUS$110/bbl.

Saudi Arabia was producing c10mn bpd pre-war, and exporting roughly 6.6mn bpd. It was refining domestically 2.9mn bpd and directly using 0.5mn bpd (ie roughly 3.5mn bpd of domestic consumption). Saudi Arabia may be producing c6.3mn bpd but supply to market (domestic and external) is 0.5mn bpd higher. It could be exporting about 5mn bpd and supplying 1.3mn bpd to domestic consumption and drawing 0.5mn bpd from storage. We estimate the drop in exports translates to a loss of US$1.9bn every month (0.1% of GDP, assuming unchanged GDP). This means that if oil prices average instead US$79/bbl, the drop in exports would be fully compensated by the increase in oil prices.

**Forecasts: USD peg to hold**

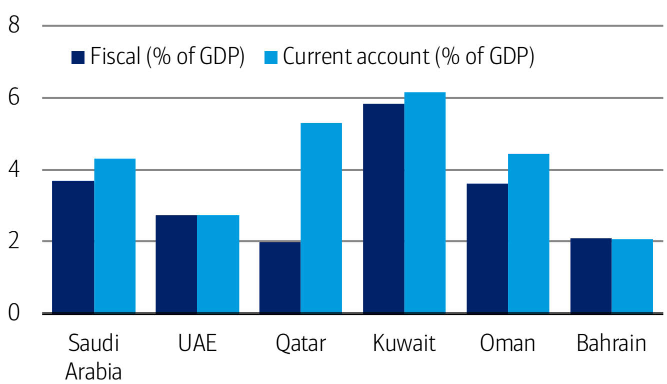
The USD peg is likely to hold on the back of still-high savings, but fiscal adjustment would be needed if oil prices are low or production is lost for a sustained period of time.

**Drivers**

Saudi Central Bank monthly bulletin, OPEC Group of Seven Meeting (7 June 2026), quarterly fiscal data report (September 2026), annual pre-budget statement (September 2026), annual budget statement (December 2026).

**Exhibit 103: Sensitivity of fiscal and external accounts to US$10/bbl oil price swing**

High sensitivity of macro accounts to oil prices




**Source:** Haver, Saudi Ministry of Finance, BofA Global Research

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**Exhibit 104: SAR forecasts**

We expect the USD peg to hold

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-SAR | 3.75 | 3.75 | 3.75 | 3.75 |

**Source:** BofA Global Research

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**Exhibit 105: Major macro forecasts**

Forecasts uncertain due to the Iran war

| Saudi Arabia | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 4.5 | 0.6 | 5.8 |
| CPI (% yoy) | 2.1 | 2.4 | 2.0 |
| Policy Rate (end of period) | 4.25 | 4.25 | 3.75 |
| Fiscal Bal (%/GDP) | -5.8 | -3.6 | -3.1 |
| CurAct Bal (%/GDP) | -2.6 | -0.2 | -0.8 |

**Source:** BofA Global Research

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# LatAm

# Brazil: Oil revenues grease fiscal wheels

**David Beker**
Merrill Lynch (Brazil)

**Natacha Perez**
Merrill Lynch (Brazil)

**Gustavo Mendes**
Merrill Lynch (Brazil)

### Brazil: the "new gold" is still shining

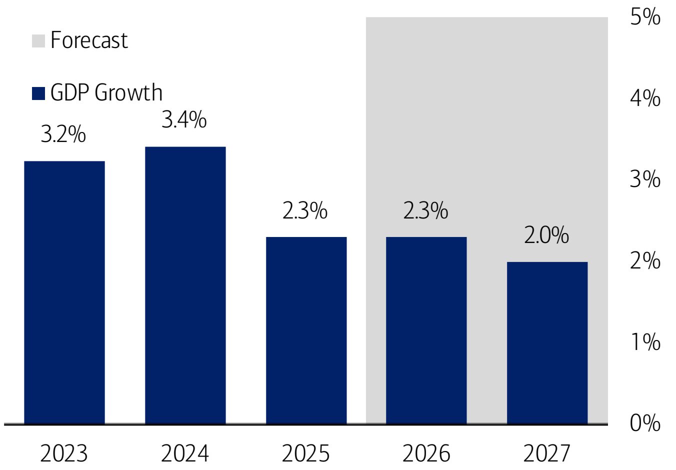
We spent a week visiting investors in New York, Boston, and Los Angeles. The mood towards Brazil remains constructive (see also our previous report, Brazil: the new gold?). Investors we met were not concerned about the recent underperformance of Brazilian assets, and some mentioned that they have room to add risk depending on the evolution of the external backdrop. Investors continue to struggle as the headline volatility regarding the war remains high. Some mentioned that the market appears to be willing to ignore some of the headlines, but they are waiting for more clarity about the war before adding more directional positions.

Several factors have been driving interest in allocations across Brazilian assets. Those include being a large supplier of commodities, being geographically far from the conflict, having big reserves of rare earth minerals, having a clean electricity matrix favoring potential investments in data centers, among others.

### Activity is showing some resilience

March's industrial production (IP) increased 0.1% momsa, down from +0.9% in February. The print was above expectations (BofA: -0.9%, consensus: -0.1%). In yearly terms, IP increased 4.3% yoy, up from -0.7% last month. A part of the strong yoy growth is explained by 3 more business days in Mar26 vs Mar25. Momentum was 1.0%, from 0.3% in February. Year-to-date and 12-month accumulated growth are at 1.3% and 0.4%, respectively. Looking ahead, our BofA Activity Coincident Tracker (ACT) decreased to +14pts in April, from +39pts in March. After a weaker 2025, activity seems to have rebounded in 1Q26. We see this movement as a reflection of pockets of strength, rather than a sustained recovery of the economy. Looking ahead, higher oil prices could benefit the extractive industry in 26'. Another tailwind for activity was the release of (see our note:) the new Desenrola program by the government.

**Exhibit 106: GDP growth boosted marginally by oil exports**
Yearly GDP growth and forecasts




**Source:** IBGE, BofA Global Research

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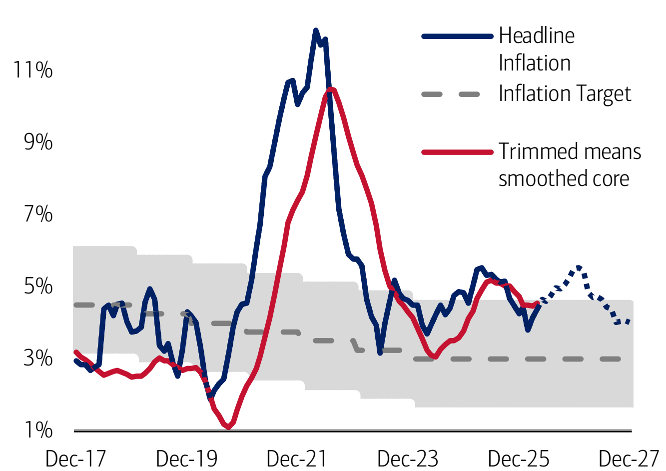
**Exhibit 107: Inflation to pick up momentarily after the oil shock**
Headline and core inflation (12m acc)




**Source:** IBGE, BCB, BofA Global Research

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### April IPCA: bad seasonality meets bitter oil reality

April IPCA was 0.67% mom, in line with consensus expectations. Core measures accelerated at the margin. In 12 months, inflation reached 4.39% yoy, up from 4.14% previously. We see IPCA at 5.5% yoy by 26YE and at 4.0% by 27YE, as the effects of the war are absorbed by the economy and dissipate.

The main upward pressure to the IPCA came from food and beverages (+29bp), with a highlight for milk (+10bp) and tubers (+4bp). The increase in prices of these products reflects focused pressure, associated with seasonal factors, rather than an overall deterioration in food prices. Another upward highlight was healthcare (+16bp), due to medicine (+6bp) and personal care items (+6bp). The former was influenced by the annual adjustment of medicine prices. Another item that pressured inflation upwards was gasoline (+10bp), due to the extension of the war and its impact over oil prices.

### Copom minutes: between caution and cuts the 25bp path holds

The minutes of the latest Copom meeting brought a mixed message: inflation worsened, but easing cycle remains intact for now. We see 25bp cuts likely to continue, as risks rise but do not prevent easing. We keep our call for Selic at 13.25% by end-2026 and 11.50% YE27.

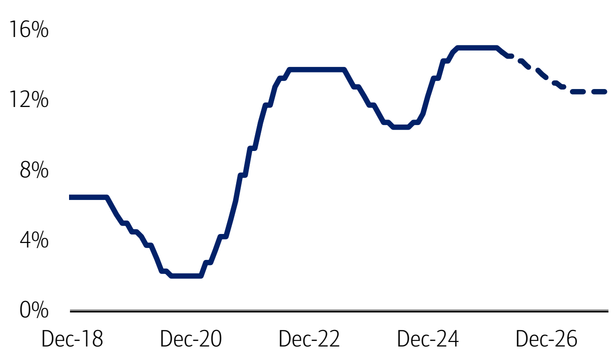
The minutes became marginally more hawkish, with inflation dynamics deteriorating. Headline and core inflation accelerated and moved further above target, while expectations rose to 4.6% for 2026 and ~4.0% for 2027, above target across horizons. The board flagged additional de-anchoring, especially for 2028, and acknowledged that geopolitical shocks are already feeding into prices. The key debate is whether inflation reflects demand pressure vs. supply shocks, but the policy conclusion is clear: rates must remain restrictive for longer in an environment of de-anchored expectations.

### Oil revenues grease fiscal wheels

A permanent increase in oil prices would lift federal revenues through royalties, special participations, taxes and dividends. After diesel and gasoline mitigation, net fiscal gains near R$100bn in 2026. Higher oil revenues may buy time for debt dynamics, but do not materially change Brazil's long-term fiscal challenge.

From a debt sustainability perspective, persistently higher oil prices provide some relief, but mainly at the margin. The additional revenues improve the primary balance and support nominal growth, helping to stabilize the debt-to-GDP ratio relative to a counterfactual without the oil windfall. However, the impact on debt dynamics is inherently limited.

**Exhibit 108: BCB to continue delivering 25bp cuts amid uncertainty**
Brazil policy rate (per annum)




**Source:** BofA Global Research, BCB

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**Exhibit 109: We see BRL appreciating after the oil shock**
BRL Forecasts

| Brazil | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD/BRL | 5.00 | 5.00 | 4.95 | 4.90 |

**Source:** BofA Global Research

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**Exhibit 110: Inflation will go up before dissipating due to oil shock**
Major macro forecasts

| Brazil | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 2.3 | 2.3 | 2.0 |
| CPI (% yoy)* | 4.3 | 5.5 | 4.0 |
| Policy Rate (eop)* | 15.00 | 13.25 | 12.50 |
| Fiscal Bal (%/GDP) | -8.3 | -8.7 | -8.2 |
| CurAct Bal (%/GDP) | -2.9 | -2.2 | -1.8 |

**Source:** BCB, IBGE, BofA Global Research

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# Mexico: A soft start to the year

**Carlos Capistran**
BofAS

### A backdrop of external uncertainty: Iran conflict and the USMCA review

Mexico continues to face uncertainty as the Iran conflict persists and the USMCA review approaches. Although Mexico is broadly neutral to oil price shocks, higher oil prices and elevated global uncertainty tilt risks toward weaker growth and higher inflation. The USMCA review, scheduled for July 1, 2026, is likely to result in a trilateral extension with targeted changes, but trade uncertainty is unlikely to fade, in our view. Another plausible scenario is that the "sunset clause" is activated. Irrespective of the result, we expect trade uncertainty to continue weighing on net exports, restraining investment, and driving FX volatility.

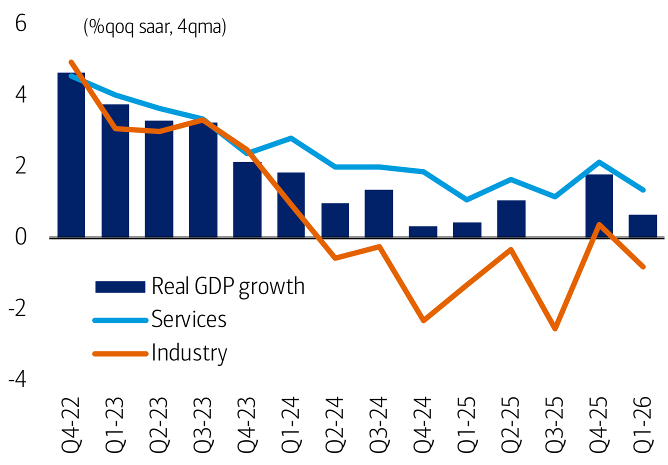
### 2026 started with broad-based economic weakness

Economic activity started 2026 on a soft footing. Flash GDP fell -3.2% qoq saar in 1Q. On an annual basis, GDP rose just +0.2% yoy sa, down from +1.8% in 4Q. Activity remains volatile but has been gradually losing momentum (Exhibit 111). On the demand side, both investment and consumption are weakening at the margin. Investment declined -0.8% mom sa in February, while consumption fell -0.5% mom sa. On the supply side, all three sectors contracted in 1Q quarter-over-quarter. Industrial production continues to weaken at the margin, declining –0.6% mom sa in March; year-to-date it has fallen -1.0% sa. Supply side weakness is also evident in firm dynamics, with IMSS data pointing to a contraction of -1.7k formal firms in March (-2.7% yoy).

### The labor market also points to weakness

The labor market reinforces the view that the economy remains weak. IGPOSE is INEGI's employment index, broadly comparable to U.S. non-farm payrolls, which tracks total employment and firms' labor demand across construction, manufacturing, trade and services, as well as by household's labor data. It shows a weak labor market, with the index contracting -0.1% mom sa and -1.3% yoy in February (Exhibit 112). Weakness in the labor markets shows that the Mexican economy is more in a drift than a dip.

**Exhibit 111: The economy remains weak**
GDP growth (qoq saar, %, 4qma) (2022-2026)




**Source:** BofA Global Research, INEGI

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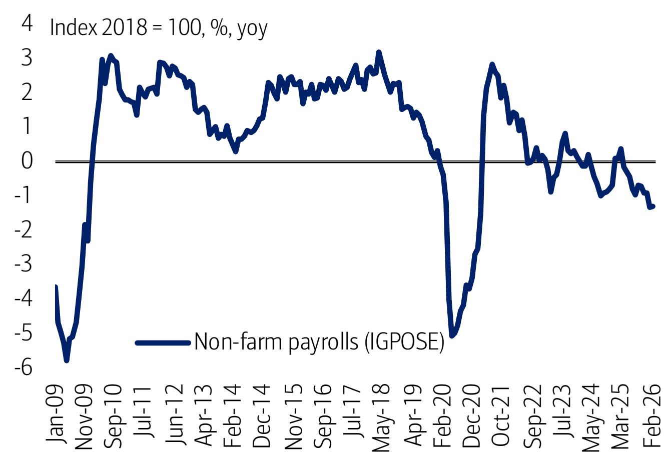
**Exhibit 112: The labor market shows structural weakness**
IGPOSE annual growth (% yoy) (2009-2026)




**Source:** BofA Global Research, Haver, INEGI

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### We lowered our growth forecasts for 2026…

We expect GDP growth at 0.8% yoy in 2026, following the 1Q quarterly contraction and ongoing external headwinds. We only expect a modest recovery to 1.5% in 2027. We see some upside risks from the infrastructure plan announced by the government, which means looser fiscal policy, and some upside risks as well stemming from the potential boost from the FIFA World Cup. Nevertheless, we continue to see structural headwinds keeping GDP growth on the weak side.

### …and S&P has revised Mexico's outlook to negative

S&P Global Ratings revised Mexico's outlook to negative from stable on May 12 but affirmed Mexico's BBB rating. It cited persistently weak fiscal results, rising debt levels and weak economic growth. Both the action and timing were unexpected, but we have been warning that growth in Mexico is very weak – in part due to structural problems – and that the fiscal outlook is deteriorating. Fitch rates Mexico BBB- with a stable outlook, while Moody's rates Mexico Baa2 with a negative outlook. We see a high risk that Moody's acts on the negative outlook this year, potentially as soon as in June, given weak growth. Mexico will continue to have IG status even if Moody's downgrades, but the direction of travel is clear, and IG is clearly at risk.

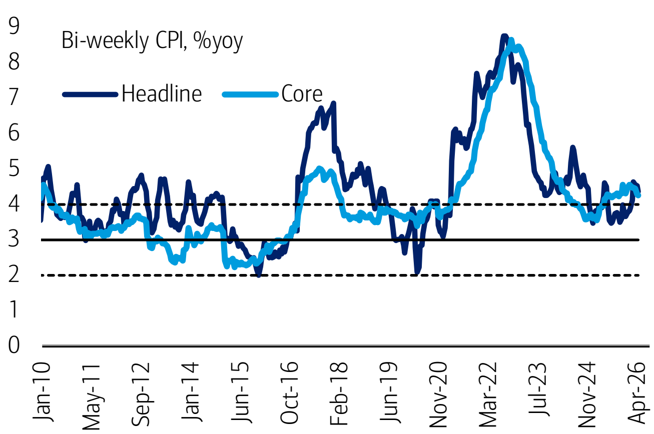
### Inflation decelerated in April, but headline and core remain above 4.0%

Headline and core inflation decelerated but remained above 4% in April. Headline fell to 4.45% yoy from 4.59%, reflecting a sharp decrease in energy prices (-2.12% mom), as electricity prices fell -14%. Core eased to 4.26% yoy (from 4.45%), helped by non-food merchandise (Exhibit 113). We forecast headline inflation at 4.6% by end-2026 and 4.0% by end-2027. We already incorporate persistently high oil prices and continued use of oil revenues to smooth gasoline prices. We forecast core inflation at 4.4% by end-2026 and 4.0% by end-2027. Risks are balanced: to the upside, the FIFA World Cup and the conflict in the Middle East; and to the downside, weak economic activity.

### Banxico ends easing cycle at 6.50%

We expect Banxico to keep the policy rate at 6.50% through the rest of 2026, in accordance with Banxico's new forward guidance. Global inflation risks and the recent sell off in rates linked to the Iran conflict call for caution. Policy will likely remain data dependent amid high volatility and inflation above target. Still, risks around the 6.50% rate are tilted to the downside, given weak activity – with more slack than Banxico anticipated –, and a strong peso. While higher oil prices, persistent inflation, or tighter Fed policy pose upside risks, the bar for hikes over the next year remains high given Banxico's tolerance for above target inflation.

**Exhibit 113: Headline and core stayed above 4.0% in April**
Bi-weekly headline and core inflation (%yoy) (2010-2026)




**Source:** BofA Global Research, INEGI

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**Exhibit 114: We expect USDMXN at 17.50 by end-2026**
MXN forecasts

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-MXN | 17.50 | 17.50 | 17.50 | 17.75 |

**Source:** BofA Global Research

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**Exhibit 115: We expect Mexico to grow 1.3% in 2026**
Major macro forecasts

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy sa) | 0.8 | 0.8 | 1.5 |
| CPI (% yoy, eop) | 3.69 | 4.60 | 3.96 |
| Policy Rate (end of period) | 7.00 | 6.50 | 6.50 |
| Fiscal Bal (%/GDP) | -4.9 | -5.0 | -5.0 |
| CurAct Bal (%/GDP) | -0.4 | -0.5 | -0.3 |

**Source:** BofA Global Research

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# Argentina: Rating upgrade

**Sebastian Rondeau**
BofAS

### Fitch upgrades Argentina to B-, following IMF agreement

Fitch upgraded Argentina sovereign debt to B- from CCC+, amid improving fundamentals, growing the pool of potential investors. Last month, Argentina reached a staff level agreement with the IMF that will release a $1bn loan. Argentina also announced it would get $2bn in financing from the World Bank, which could be used as a guarantee, to alleviate external debt maturities. The program demands $8bn increase in net reserves this year and zero fiscal deficit.

### BCRA USD purchases continue

BCRA is buying USD at a good pace, accumulating about $7.5bn so far this year. It expects to buy at least $10bn this year due to a projected increase in demand for money, and good USD supply. Oil price increase benefits Argentina external accounts (as it is a net oil exporter), though it poses downward risks to our growth forecasts. The current account is approaching a balance amid commodity prices hikes and higher energy volumes.

FX band limits adjust with the inflation of 2 months ago, avoiding a real appreciation of the ceiling. The government has postponed the return to global bond markets (seeking cheaper financing alternatives and privatization), despite large external debt maturities.

### Activity to recover after soft patch

Activity is taking a bit longer to take off, given the impact of very high interest rates during the election. Unemployment rate rose to 7.5% in 4Q25 and tax revenue took a hit. However, the end of election uncertainty and progress in structural reforms should create a virtuous cycle in our view. Interest rates have already plummeted, especially in pesos (from 100% to below 30%).  We forecast GDP growth at 2.5% this year (from 4.4% last year) and at 4% next year. Mining, energy, banking and IT should lead the recovery.

### Inflation sticky amid ARS volatility

Inflation is expected to decline to 2.5% this month, from 3.4% in March (from an average of 2.3% last year), amid the oil price hike. We forecast inflation at 31.9% this year, from 31.5% in 2025 and at 118% in 2024. We see it down to 15.5% in 2027.

### Reforms Agenda: labor reform and glacier law

Labor reform was approved by Congress in March. It seeks to dynamize the labor market by reducing hiring and severance costs, and labor litigation, simplifying collective bargaining and promoting formal jobs. The Glaciers law was also approved, facilitating mining investment. The government will also seek tax simplification, further de-regulation and privatization. Courts have removed some hurdles to the labor reform.

**Exhibit 116: Major macro forecasts**
Large recession in 2024

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy sa) | 4.4 | 2.5 | 4.0 |
| CPI (% yoy) | 31.5 | 31.9 | 15.5 |
| Curr Acct Bal (%/GDP) | -1.3 | -0.3 | -1.1 |
| Primary Fiscal Bal (%/GDP) | 1.5 | 1.5 | 1.5 |
| Policy Rate % (end-period) | 30.0 | na | na |

**Source:** BofA Global Research

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**Exhibit 117: Exchange Rate**
USDARS, end of quarter.

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| Exchange rate (USDARS) | 1,400 | 1,500 | 1,600 | 1,700 |

**Source:** BofA Global Research

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# Chile: Pro-growth agenda

**Sebastian Rondeau**
BofAS

### Reconstruction plan

Kast presented the Reconstruction plan, including tax cuts, deregulation, and spending cuts. To stimulate investment, Kast proposes to lower the corporate tax rate for median and large enterprises from 27% to 23% (in 3 years), with full reintegration (profits taxed once), and to eliminate the capital gains tax (on the sale of shares with low stock market presence). And tax exemptions on new home purchases and a tax credit to new jobs. Cost will peak at 0.7-0.8 of GDP in 4 years. He also proposes speeding up environmental permits (time limit for invalidating sectoral permits down from two years to six months) and eliminating unnecessary regulations. The government instructed to resolve appeals of the evaluation system obstructing $16bn in investment. The right parties together are close to a majority in Congress but will have to negotiate with the opposition. Kast proposes aggressive spending cuts of around $6bn in 18 months to fix the fiscal deficit. The government announced $3bn spending cuts this year and already achieved $2bn. It instructed ministries to lower spending by 3% and another $1bn in cuts. The original government budget increases spending by over 2% real this year. The pension reform implies 1% of GDP additional fiscal deficit in the medium term.

### Copper prices counteract oil prices

Chile is one of the most affected countries from the oil shock, as it imports all the oil. However, higher metal prices, especially copper and lithium, are improving the external balance. The current account deficit was1.9% of GDP in 2025 (down from a 10% peak in 3Q22) and could improve further to post a surplus this year. The fiscal deficit closed at 3% of GDP in 2025 (from 2.9% of GDP in 2024) despite higher mining tax revenue.

### BCCh faces frontloaded fuel price hike

The government hiked wholesale fuel prices between 41% and 54% in March. BCCh kept rates on hold in May (some board members analyzed a hike) after the cut done in December (when it revised the neutral range up 25bp to 3.75-4.75%). We forecast rates on hold due to the oil shock. And 50bp rate hikes to 5% rate next year due to growth above potential amid market friendly policies. A delay in the Strait of Hormuz may bring forward hikes. Higher unemployment is factor that could delay hikes. Inflation increased to 4% in April, from 2.8% in March (from 3.4% yoy in 2025), amid the oil shock, with ex-volatiles stable at 3.4%. We expect inflation at 4.3% this year, due to the oil shock, and to decline to 3.2% next year. GDP grew 2.5% in 2025 (down from 2.6% in 2024). We project a soft patch this year due to the oil shock (1.6% growth) and a 2.9% recovery in 2027.

**Exhibit 118: Major macro forecasts**
GDP growth potential

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| GDP growth % | 2.5 | 1.8 | 2.9 |
| Inflation % | 3.4 | 4.3 | 3.2 |
| Current Acc. Balance % GDP | -1.9 | 1.0 | -0.3 |
| Fiscal Balance % GDP | -2.5 | -1.9 | -1.9 |
| Policy rate % | 4.5 | 4.5 | 5.0 |

**Source:** BofA Global Research

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**Exhibit 119: CLP forecasts**
Volatile CLP

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-CLP | 890 | 880 | 870 | 865 |

**Source:** BofA Global Research

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### Pension reform and regulations

The pension funds regulator is working towards new age-based pension portfolio benchmarks and is implementing a limit on the amount of risk exposure to interest rate derivatives. The government is implementing the pension reform. It increases employer contributions by 7pp in 9 years (4.5pp to individual capitalization and 2.5pp to a social insurance fund) to increase pensions. Universal pensions increase by 17% (gradually).

# Colombia: Elections in two weeks

**Alexander Müller**
BofAS

**Pedro Diaz**
BofAS

### Three-horse race with a highly uncertain outcome

The presidential elections – to be held on 31 May (first round) and 21 June (runoff) – are exhibiting a race between three candidates: Ivan Cepeda, from the ruling party; Abelardo de la Espriella, a right-wing outsider with hawkish views on security policies; and Paloma Valencia, who is backed by the traditional right-wing parties and has center-right views. All polls indicate Cepeda is likely to lead the first round, but without sufficient support to prevent a runoff election. Polls for the run-off are mixed, reflecting high uncertainty. Interestingly, in May de la Espriella surpassed Cepeda with odds at 44% and 40% (source: Polymarket), respectively, on the runoff/second round/ballotage.

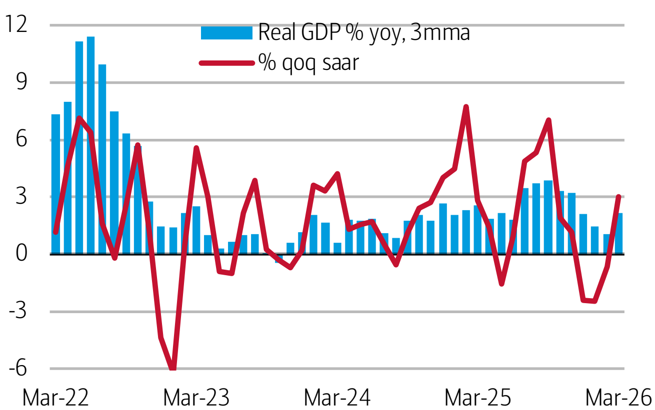
### Sharp differences in economic policy proposals imply wide macro scenarios

The ruling party's candidate, Ivan Cepeda, favors an agenda of continuity. A generous welfare state, expansionary fiscal policy, energy transition (away from oil and coal), social reforms (health and utilities), land redistribution, a more growth-mindful central bank, and repatriation of pension fund (AFP) investments are key elements of Cepeda's vision for the 2026-2030 period. In our view, these proposals are consistent with a macro scenario where GDP is led by public sector demand and consumption, while private investment and exports are sluggish. It's also a scenario of a persistently high fiscal deficit, rising public debt, sticky inflation (above the central bank's target), higher interest rates, and a weaker balance of payments (shrinking energy exports and lower FDI). If Cepeda becomes the president, he would be able to appoint to more board members (and get a majority) in the central bank as of January 2029. One important lever that the next administration can pull, in the scenario that borrowing costs spike, is to force AFPs to repatriate over $ 50bn (~10% of GDP) of foreign investments.

### De la Espriella and Valencia seem to share concerns about fiscal vulnerability

In contrast, de la Espriella and Valencia offer broadly similar guidelines on economic policy. They propose fiscal consolidation, liberalization measures, and a more hands-on approach on domestic security (differentiating from Petro's "Total Peace" strategy). In a de la Espriella or Valencia scenario, we foresee a pick of investment and exports (although a fiscal adjustment would drag GDP in the initial years), ~1pp-of-GDP per year narrowing of the fiscal deficit, revival of Fiscal Rule, lower interest rates, lower inflation, comeback of energy exports, larger FDI, and more cooperation with the US government.

**Exhibit 120: Monthly GDP (ISE) picked up in March, to 3% qoq/saar**
Government is using fiscal policy and minimum wage to support growth




**Source:** BofA Global Research, Statistics Agency (DANE)

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**Exhibit 121: COP forecasts**
The elections (31 May, 21 June) are key risk events for the exchange rate

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-COP | 3,800 | 3,850 | 3,950 | 4,050 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 122: Major macro forecasts**
Fiscal deficit will likely remain elevated in the next two years

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 2.6 | 2.5 | 2.9 |
| CPI (% yoy) | 5.1 | 6.5 | 4.6 |
| Policy Rate (%, eop) | 9.25 | 11.25 | 10.25 |
| Fiscal Bal. (%/GDP) | -6.4 | -6.7 | -5.9 |
| Cur.Act. Bal. (%/GDP) | -2.4 | -2.6 | -2.7 |

**Source:** BofA Global Research

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# Peru: Runoff election poses risks to the economy

**Alexander Müller**
BofAS

**Pedro Diaz**
BofAS

**Outcome of first round (12 Apr) presidential election is finally defined**

The results of Peru's first round presidential election, which took place more than one month ago, became official on 17 May, after the contestation period. With the vote count at 100% and net of contestations, right-wing conservative Keiko Fujimori came in first (17.2%); leftist Roberto Sanchez second (12%); and the former Mayor of Lima, Rafael Lopez Aliaga (also a conservative), third (11.9%). The difference between Sanchez and Lopez Aliaga was 21,209. Peru's electoral authorities (ONPE and JNE) admitted that on election day around 60,000 people in Lima – Lopez Aliaga's stronghold – could not vote because of logistical issues, ballots delivered late to voting centers. This has led to accusations of alleged fraud. In fact, in an interview with CNN, Lopez Aliaga said his team estimates 600,000 people were affected by the logistical issues, not 60,000.

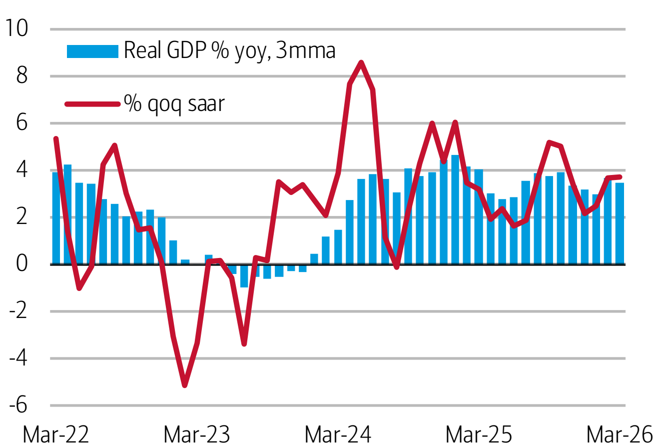
**Precedent of 2021 seems to be impacting business and investor expectations**

Roberto Sanchez presents himself as the successor of former president Pedro Castillo, who was in office for less than two years and imprisoned in December 2022 after attempting a coup (to dissolve Congress, courts, and take control of the military). Castillo's brother, Jose, and sister-in-law, Yenifer Paredes, were elected to the Senate and Lower House, respectively, as part of Sanchez's party (JP). When Castillo was elected president, $ 16.6bn (7.2% of GDP) of short-term capital from non-financial corporations and households fled the economy between the 2Q2021 and 1Q2022. If Sanchez wins the runoff on 7 June, there is a major risk of capital outflows.

**Business confidence is weakening, and Peruvian Sol is underperforming peers**

Notably, the central bank's May survey shows a significant deterioration in business expectations, despite solid economic growth (3.5% yoy in 1Q2026) and the income windfall from high metal prices. The Peruvian Sol is unperforming LatAm currencies, and fixed income securities are also selling off. The market's concern seems to be that Castillo and Sanchez resemble each other in terms of economic policy proposals: new Constitution, hostile stance towards the mining sector, income redistribution, decentralization, larger role of the state in the economy, among others. Nevertheless, the outcome of the second-round, runoff election (7 June) is far from clear.

**Exhibit 123: Monthly GDP proxy's growth (%)**
Activity remains robust, led by construction and services/retail




**Source:** BofA Global Research, Statistics Agency (INEI)

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**Exhibit 124: PEN forecasts**
Runoff election (7 June) is critical for the PEN's outlook

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-PEN | 3.35 | 3.30 | 3.20 | 3.17 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 125: Major macro forecasts**
Peru's macro conditions look robust across the board

| | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 3.4 | 3.5 | 4.4 |
| CPI (% yoy) | 1.5 | 4.4 | 2.6 |
| Policy Rate (eop) | 4.25 | 4.25 | 4.25 |
| Fiscal Bal. (%/GDP) | -2.2 | -1.7 | -1.4 |
| Cur.Act. Bal. (%/GDP) | 3.1 | 3.5 | 3.6 |

**Source:** BofA Global Research

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# Uruguay: Coping with the oil shock

**Sebastian Rondeau**
BofAS

The government is cushioning the oil shock. It announced a fuel price hike of only 7% for April, but more hikes should come. Uruguay is affected by the shock as it imports 100% of the oil. Inflation increased to 3.1% yoy from 2.9% yoy in March (vs 3.7% in 2025 and 5.5% in 2024), close to the bottom of the target band (3-6%). Inflation should return to the center of the target as BCU eased policy to avoid further disinflation and appreciation. We forecast inflation at 3.9% in 2026 and 4.5% in 2027. 12-month ahead inflation forecasts increased to 4.8% (BCRA survey), from a 4.5% low.

BCU kept rates on hold at 5.75%, after cutting 75bp in March, 100bp cut in January and a 50bp cut in December (from a 9.25% peak in April). This is amid fast inflation progress and slow growth. BCU considered a rate around 7.5% was neutral territory. We forecast BCU to raise the policy rate next year to 7% as shocks dissipate. In January the government announced it would intervene in the FX (most likely buying USD forward) to avoid a further appreciation of the UYU.

### Activity soft patch

GDP growth slowed down to 1,8% last year, amid Argentina's headwinds, vs the 3.5% GDP rebound in 2024 (following weather normalization). GDP was flat in 4Q (+0.1 qoqsa). We forecast a 1.5% expansion this year, downside risks, amid expected fiscal consolidation and oil shock. Argentina could become a tailwind eventually. FDI outlook remains positive, including potential investments in renewable energy and IT.

### Fiscal consolidation this year?

The government will likely slow down spending in 2026 to get closer to the 2.5% of GDP fiscal deficit in the medium-term (from 3.4% of GDP last year), seeking a stable debt-to-GDP ratio. However, the fuel price cushion can affect the balance of state-owned enterprises. The new budget proposes taxation of investments abroad and the domestic application of a global minimum tax of 15% for companies with over $800mn annual revenue.  Uruguay initiated an evaluation with the IMF to improve its fiscal transparency.

**Exhibit 126: Major macro forecasts**
GDP slower

| Uruguay | 2025 | 2026F | 2027F |
|---|---|---|---|
| Real GDP (% yoy) | 1.8 | 1.5 | 2.0 |
| CPI (% yoy) | 3.7 | 3.9 | 4.5 |
| CurAct Bal (%/GDP) | -0.4 | -0.7 | -0.7 |
| Fiscal Bal (%/GDP) | -3.4 | -3.0 | -2.5 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 127: UYU Forecast**
UYU depreciation to slow?

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| USD-UYU | 40.6 | 40.6 | 40.7 | 41.4 |

**Source:** BofA Global Research

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# Venezuela: Exports gain steam

**Sebastian Rondeau**
BofAS

**IMF engagement with Venezuela**

U.S. is working with Venezuela interim president Delcy Rodríguez on a joint agenda. The US recognized Delcy Rodriguez as acting president before a US in March. IMF and the World Bank engaged with Venezuela, after most member countries recognized the interim government. U.S. issued a license enabling advisory services for potential Venezuelan and PDVSA debt restructuring proposals. Delcy Rodriguez has consolidated power through a cabinet reshuffle.

The U.S. is managing Venezuelan sales of sanctioned oil (receiving from 30-50 mnbpd short-term), which is being sold at market prices (protecting the revenues via a national emergency order).

**Oil exports reach new recent high**

Oil exports rose to 1.23mn bpd in April, highest in seven years, led by U.S., India, Europe demand. Oil production increased to 990k In March (OPEC secondary sources) from 924 kbpd average in 2025. We expect production to recover to over 1mnbpd average in 2026 amid improved access to oil markets and higher oil prices, and above 1.2mnbpd in 2027. In a successful transition, we see oil production growing to 1,75mn to 2mn bpd by end 2030.

**Oil outlook to improve with licenses & reforms**

Since February, the US has issued general licenses to oil companies to trade and export the oil and to import diluents. US also has issued general licenses to companies already established in Venezuela enabling a broad range of operations and investments in the oil and gas sector. Other companies may seek licenses on a case-by-case basis.

The US seeks that oil companies invest over $100bn in 10 years to grow oil production to around 3mn bpd. Major oil firms expressed mixed interest. Chevron and Repsol work in deals to increase production, according to Reuters. Chevron's said they could raise production by 50% in about two years, from current levels at about 240k bpd by upgrading their equipment. Repsol's CEO said they could triple their production in two to three years, from 45k bpd. ConocoPhillips's visited the country and demands changes to the tax system and to recover $12bn in arbitration claims from 2007 nationalization.

Venezuela National Assembly approved a new more market-friendly hydrocarbon law, allowing the possibility to reduce royalties in oil and gas activities while granting operational control to private companies (allowing flexible production contracts). It also approved a mining law that allows foreign and domestic companies to exploit gold, diamonds, and rare earths, while it increases concessions from 20 to 30 years

**Disinflation amid improving USD supply**

We estimate inflation rose to 518% yoy in March, compared to 417% estimate in 2025, amid faster depreciation of the currency (13.4% monthly average YTD). However, monthly inflation declined to 10.6% in April from 13% in March, amid higher USD supply and slower VES depreciation (3.4%). We expect inflation to decline to 240% this year, and 125% next year, amid higher oil revenue.

# Commodities

# Oil: Call me, maybe

**Francisco Blanch**
MLPF&S

### A precarious ceasefire in a still unresolved Iran conflict

The oil market is facing a sobering reality. Our optimistic "quick resolution" scenario released in late March (see Geopolitics reshuffle world energy flows again)—with the assumption that full oil flows would be restored in Hormuz in short order—seems now highly unlikely. With a double-blockade now firmly in place, strait vessel crossings have failed to pick up for now. The physical oil market continues to tighten as a large share of global seaborne volumes remain trapped in the Middle East and global oil markets remain in steep backwardation.

A strait that is neither fully open nor totally closed in 2Q/3Q may push Brent to average $120/bbl this year. More adverse scenarios, including a resumption of military action, remain plausible too. For the oil market, further attacks would mean that deficits could grow larger over time. A "renewed hostilities" scenario that extends into the early summer could push Brent to average $150/bbl or more in 2026, a record.

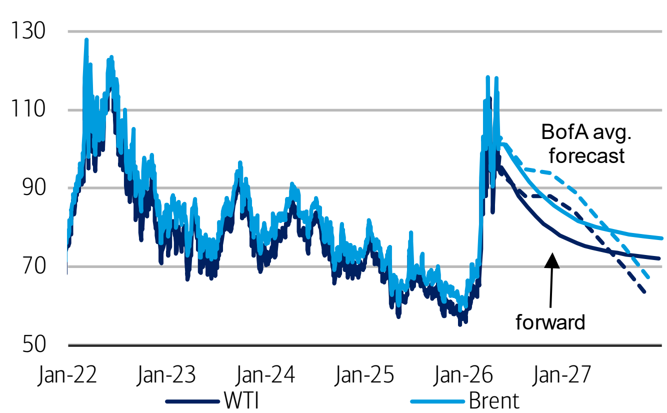
### The endgame may well be about more than just Iran

Ultimately, the Iran conflict's trajectory involves multiple actors and interests. Beyond the US, Israel and Iran, countries including China, Russia, and potentially even Ukraine could influence how the conflict evolves too. China has vast oil stockpiles that it can draw (see Fill me once, shame on me), is the world's leader in renewable energy, and recently offered Taiwan "energy security" in exchange for "peaceful reunification".

Meanwhile, Russia's damaged government balance sheet is benefitting from rising oil prices and US sanctions relief. Yet Moscow's perceived position of strength has pushed Ukraine to become increasingly aggressive when targeting Russian energy infrastructure, further complicating the oil supply map.

Even under our baseline assumption that the US and Iran can come to a deal, normalization would be gradual, with infrastructure repair and trade flows recovering only over time. In short, oil remains priced for perfection.

**Exhibit 128: We lift our forecast amid the ongoing conflict**
Crude oil price forecast versus forwards ($/bbl)




**Source:** Bloomberg, BofA Global Research estimates

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**Exhibit 129: Crude oil forecasts**
Brent and WTI forecasts ($/bbl)

| | 2Q26F | 3Q26F | 4Q26F | 1Q27F | 2Q27F | 3Q27F | 4Q27F |
|---|---|---|---|---|---|---|---|
| WTI | 94 | 88 | 88 | 84 | 77 | 70 | 62 |
| Brent | 103 | 95 | 94 | 89 | 82 | 75 | 67 |

**Source:** BofA Global Research

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# Nat gas: EU gas and carbon break up

**Francisco Blanch**
MLPF&S

### We lower TTF targets on mild weather, high renewables

Reduced LNG supplies from Qatar have not led to the major rally in European natural gas prices that we feared two months ago. There are many reasons for this, including mild temperatures, strong renewables generation, and fast growing N.A. LNG supplies. Still, Qatari gas used to go to Asia and the pull from the Pacific for Atlantic Basin cargoes means that NWE gas imports are now declining. With European natural gas stocks at very low levels but a more flexible EU government fill mandate, TTF prices have underperformed oil. Thus, we adjust our EU TTF natural gas price forecasts down to €55/MWh for 2026 and €35/MWh for 2027. Even then, the weather gods (see Grains & sugar: clear casualties of El Niño) and Hormuz remain key upside risks, so we also introduce another scenario to match our oil views (see Call me, maybe).

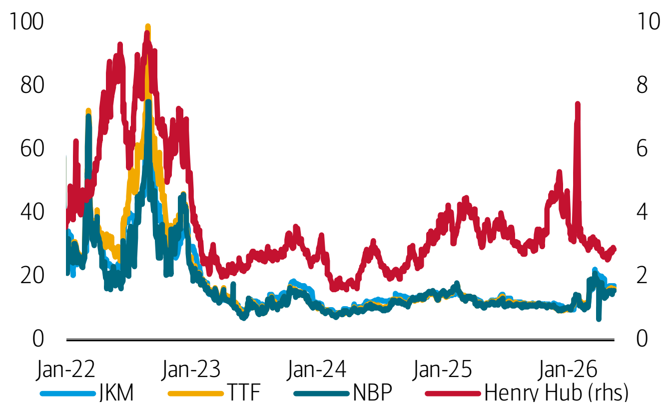
### EU carbon prices have stayed very volatile since January LNG…

We note that EU carbon allowance (EUA) price volatility during the first quarter has been pretty exceptional. Prices hit a high point for the year of €91/t in January then crashed to €62/t into March as European political leaders questioned the scheme (coinciding with the spike in global oil and gas prices). The end result was a €29/t price fluctuation in 1Q26, one of the largest single quarter ranges ever realized. EU allowance prices have since bounced back from the abyss, as regulatory risks appear to have diminished for now and CBAM has come into effect and are currently trading at around €76/t.

### ……but we believe EUA prices would rise, unless TTF spikes

Of course, Hormuz disruptions are a double edge sword for EU carbon. European steel and cement industries were set for a rebound ahead of the war (see Eroding competitive advantage in steel production), while EU petrochemical plants have outperformed those in Asia and the Middle East (see Plastics melt up on Iran war). As such, carbon fundamentals remain strong and we believe current EUA levels are an interesting entry point for longs with a target of €85/t. Still, political limitations may come back to the fore as a winter spike in TTF nat gas prices could be outright bearish for $CO_2$, as gas/carbon correlations have inverted. There are multiple explanations as to why, but ultimately, we believe there is (finally) a growing political desire to prevent EU industry from being crunched on all sides at the same time: high carbon, energy, and labor costs.

**Exhibit 130: Henry hub is failing to keep pace with global rally**
Global natural gas prices ($/MMBtu)




**Source:** Bloomberg

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**Exhibit 131: We lower out US forecast on storage surplus**
Nat gas forecasts

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 | Q2 27 | Q3 27 | Q4 27 |
|---|---|---|---|---|---|---|---|
| US nat gas ($/MMBtu) | 2.95 | 3.3 | 3.9 | 4.8 | 3.35 | 3.7 | 4.15 |
| TTF (€/MWh) | 50 | 55 | 80 | 50 | 30 | 30 | 30 |

**Source:** BofA Global Research estimates

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# Gold: central banks still add gold

**Michael Widmer**
MLI (UK)

### Themes: inflation weighs on gold prices

We lowered our 2Q26 gold price forecast to $4,500/oz in February, acknowledging market concerns over the implications of a Warsh Fed. The Iran war added additional headwinds to the yellow metal. Indeed, a stronger USD removed an incentive to increase exposure to the yellow metal. Beyond that, investors have also oscillated on what rising energy prices may mean: on days when growth concerns dominated, gold rallied; yet, when markets priced in higher inflation and a more restrictive monetary policy path, the yellow metal came under pressure.

With no imminent end to the Iran war in sight, the latter dynamic has increasingly dominated activity, keeping a firm lid on gold. Linked to that, we also acknowledge the call by our colleagues in the US economics team that the Fed will not cut rates this year.

### Forecasts: near-term gold air pocket

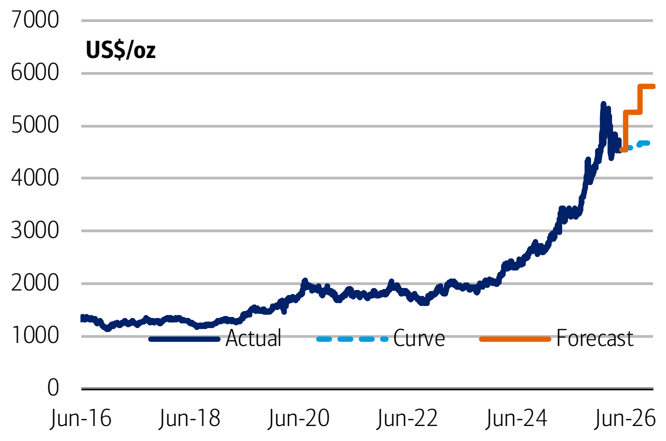
Gold has hit an air pocket. Still we continue to see resilient sectors. Indeed, even as Central Bank of Türkiye has reduced its gold holdings through a combination of swaps and outright sales, monetary authorities in aggregate have remained net buyers in 1Q26.

In our view, this highlights gold's continued appeal in diversifying reserves as concerns over unorthodox US economic policies and a weaponisation of USD prevail. Hence, as scope looks limited for gold to rally near-term, we reiterate our $6,000/oz forecast over the next 12 month.

### Risks: US fiscal consolidation

While we are bullish into 2H26, we follow a few scenarios closely that could increase headwinds to the yellow metal. There is, for instance, uncertainty on how the second half of the Trump presidency might shape up after the mid-term elections and whether the administration would be able to implement policies as easily going forward.

**Exhibit 132: Forecast vs Forwards**
Futures price in higher gold quotations




**Source:** BofA Global Research estimates

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**Exhibit 133: Gold and silver forecasts ($/oz)**
Gold and Silver rising into Q3 26

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| Gold | 4,500 | 5,250 | 5,750 | 5,200 |
| Silver | 75.00 | 85.00 | 100.00 | 85.00 |

**Source:** BofA Global Research estimates

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# Copper: concerns over demand

**Michael Widmer**
MLI (UK)

### Themes: production at risk from Iran war

The Middle East accounts for around 50% of global sulphur exports. Meanwhile, the DRC is one of the largest sulphur buyers globally and much of that material is converted into sulphuric acid on site. Given these constraints, we estimate that around 1Mt of copper supply is at risk in the DRC, equivalent to 3% of global supply. Tightness in sulphur is also feeding through into the downstream sulphuric acid market. Indeed, China said it would suspend sulphuric acid sales abroad from May, an issue because the country is one of the largest exporters.

The implications are numerous. While Glencore notes that current sulphuric acid dislocations do not impact operations in the DRC because feedstock is available from alternative suppliers, albeit at a higher price, other operators in the country are more exposed. Also, Chile is among the largest sulphuric acid importers, with China, Peru and Japan accounting for around three-quarters of those purchases. While producers have so far been able to diversify sulfuric acid purchases, there are still concerns that Chilean production could ultimately come under pressure. Already now, production costs at those operations which run open pit mines and need to use sulfuric have risen by 30%, factoring in also higher diesel prices.

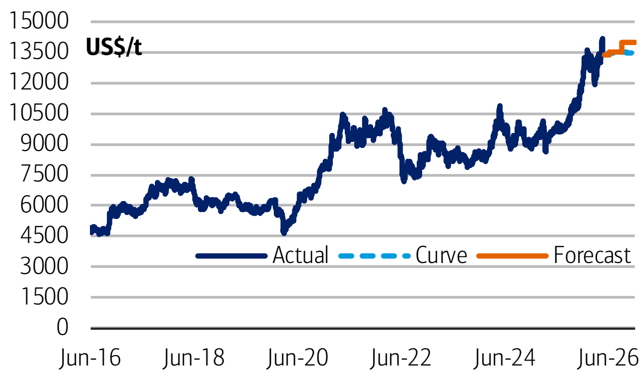
### Forecasts: demand at risk from Iran war

We lowered our copper price forecasts the week before the Iran war broke out and marked-to-market expectations in April. The Middle East conflict will likely impact both copper demand and supply. Yet, the hit to demand is not strong enough to flip our baseline balances for now. Still, we acknowledge the downside risk to global economic activity from higher oil prices, even if markets treat the energy shock predominantly as a monetary phenomenon, i.e. energy prices are a bit higher but still contained. Granted, inventories in the US, Europe and China provide a temporary buffer. But the longer disruptions last, the higher the likelihood that shortages in different parts of the supply chain could hardwire a slowdown, beyond just higher feedstock prices. At that point, the interplay between metals supply and demand losses would become more granular in determining where market balances are headed for different commodities.

### Risks: global recession

An escalation of the energy crises would be bearish, if it pushed the global economy into recession.

**Exhibit 134: Forecast vs Forwards**
We see further upside to copper in 2026




**Source:** Bloomberg, BofA Global Research

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**Exhibit 135: Copper forecasts**
We are cautious near-term, but see further upside into 2026

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| US$/t | 13,000 | 13,500 | 14,000 | 15,000 |
| USc/lb | 590 | 612 | 635 | 680 |

**Source:** Bloomberg, BofA Global Research

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# Aluminum: Middle East supply headwinds

**Michael Widmer**
MLI (UK)

### Themes: supply headwinds bigger than hit to demand

The Middle East conflict will likely impact both metals supply and demand. On the supply side, aluminium is one of the most exposed commodities, with disruptions at smelters in the Middle East, a region that accounts for just under 10% of global supply, likely lasting up to 12 month after the conflict is settled. As such, the hit to demand is not strong enough to flip our baseline aluminium balance for now. Still, we acknowledge the downside risk to global economic activity from higher oil prices, even if markets treat the energy shock predominantly as a monetary phenomenon for now, i.e. energy prices are a bit higher but still contained. Granted, inventories in the US, Europe and China provide a temporary buffer. But the longer disruptions last, the higher the likelihood that shortages in different parts of the supply chain could hardwire a slowdown, beyond just higher feedstock prices.

### Forecasts: no obvious candidate to increase production

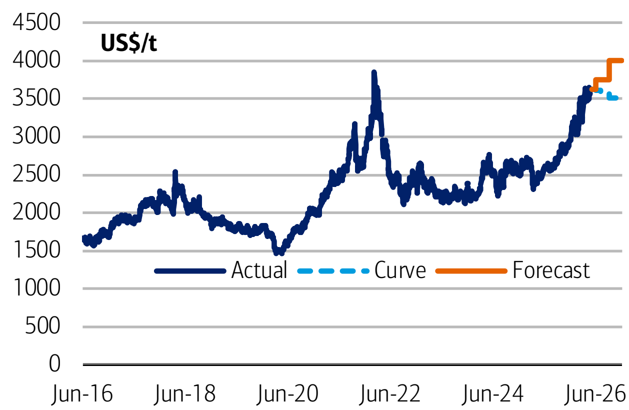
Aluminium supply from the Middle East is now contracting. This one reason, we pulled forward our $4,000/t ($1.93/lb) price forecast from 2Q27 to 4Q26. Indeed, some of the output losses will take time to normalise, with EGA saying that rebuilding the 1.6mt Al Taweelah smelter, which was destroyed by an Iranian rocket attack, could take up to one year. At the same time, China's smelters have hit the government-imposed 45Mt capacity cap. So the question is whether producers there could come to the rescue? China's aluminium market has been oversupplied in recent weeks, with inventories building. Similarly, prices on the country's physical market have been underperforming those on the Shanghai Futures Exchange, reinforcing the absence of aluminium shortages domestically.

Hence, there is apprehension that more aluminium units could be shipped abroad, but China has actually increased net imports of primary aluminium YTD. Incidentally, the government also imposes a 15% export duty, making refined exports not very economic at current prices. Looking further downstream, industry participants have in the past sent more aluminium products abroad, but even those exports have remained within ranges so far, partly owing to the earlier removal of export tax rebates.

### Risks: economy does not re-accelerate

Continued subdued demand growth is the key risk to our constructive outlook.

**Exhibit 136: Forecast vs Forwards**
We see further upside in aluminium




**Source:** BofA Global Research

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**Exhibit 137: Aluminum forecasts**
Aluminium fundamentals look bullish

| | Q2 26 | Q3 26 | Q4 26 | Q1 27 |
|---|---|---|---|---|
| US$/t | 3,450 | 3,750 | 4,000 | 4,250 |
| USc/lb | 156 | 170 | 181 | 193 |

**Source:** BofA Global Research

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# Appendix

# GEMs Macro Forecasts

**Exhibit 138: GDP growth and CPI inflation**
Emerging markets growth expected at 4.4% in 2026

| | Real GDP growth (% yoy) | | | | | CPI Inflation (%) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2026F | | 2027F | | | 2026F | | 2027F | |
| | 2025 | BofA | Chg. | BofA | Chg. | 2025 | BofA | Chg. | BofA | Chg. |
| GEMs | 4.7 | 4.5 | 0.1 | 4.5 | 0.1 | 2.3 | 2.8 | 0.3 | 2.6 | - |
| GEMs (ex. China) | 4.6 | 4.4 | 0.1 | 4.6 | 0.2 | 3.9 | 4.2 | 0.1 | 3.9 | - |
| GEM-10 | 4.9 | 4.3 | (0.3) | 4.8 | 0.1 | 2.7 | 3.7 | 0.5 | 3.4 | 0.3 |
| Global | 3.5 | 3.5 | - | 3.4 | - | 2.4 | 2.7 | - | 2.4 | - |
| US | 2.1 | 2.3 | (0.4) | 2.2 | 0.1 | 2.7 | 3.5 | 0.2 | 2.4 | 0.2 |
| Euro area | 1.5 | 0.6 | (0.6) | 1.0 | (0.3) | 2.1 | 3.3 | 1.6 | 2.1 | 0.4 |
| Japan | 1.2 | 0.4 | (0.3) | 0.6 | | 3.2 | 2.1 | 0.2 | 2.6 | 0.4 |
| | | | | | | | | | | |
| Asia | 5.4 | 4.7 | (0.4) | 5.0 | (0.1) | 0.8 | 2.3 | 0.4 | 2.0 | 0.1 |
| China | 5.0 | 4.5 | (0.2) | 4.5 | - | 0.0 | 1.0 | 0.3 | 0.8 | 0.1 |
| Hong Kong | 3.5 | 2.3 | (0.2) | 2.5 | 0.1 | 1.4 | 2.1 | 0.3 | 2.0 | 0.1 |
| India | 7.5 | 6.2 | - | 7.5 | 0.1 | 2.2 | 4.7 | 0.3 | 4.6 | 0.1 |
| Indonesia | 5.1 | 5.1 | (0.2) | 5.4 | (0.1) | 1.9 | 2.9 | 0.4 | 2.8 | 0.1 |
| Korea | 1.0 | 1.9 | - | 2.1 | - | 2.1 | 2.9 | 0.8 | 2.0 | - |
| Malaysia | 5.2 | 4.2 | (0.5) | 4.5 | 0.3 | 1.4 | 1.8 | 0.1 | 2.2 | 0.2 |
| Philippines | 4.4 | 2.0 | (2.6) | 3.0 | (2.0) | 1.7 | 5.0 | 2.0 | 3.3 | - |
| Singapore | 5.0 | 2.5 | (1.1) | 2.5 | 0.1 | 0.9 | 2.1 | 0.3 | 1.9 | 0.4 |
| Taiwan | 8.7 | 7.2 | (0.8) | 4.5 | 0.5 | 1.7 | 2.0 | 0.4 | 1.8 | (0.2) |
| Thailand | 2.4 | 1.3 | (0.5) | 2.1 | - | -0.1 | 3.0 | 2.8 | -0.1 | (0.8) |
| | | | | | | | | | | |
| EEMEA | 3.5 | 2.9 | (0.7) | 3.9 | 0.3 | 7.3 | 5.5 | 0.2 | 4.6 | 0.3 |
| Czech R. | 2.6 | 2.0 | (0.5) | 2.4 | - | 2.5 | 2.4 | 0.6 | 3.0 | 0.7 |
| Egypt | 4.4 | 4.4 | - | 4.5 | - | 20.4 | 13.2 | - | 10.0 | - |
| Hungary | 0.3 | 1.2 | (0.3) | 2.5 | - | 4.4 | 4.1 | 0.9 | 4.2 | 1.1 |
| Israel | 2.9 | 3.6 | (0.6) | 4.5 | 0.5 | 3.0 | 2.2 | (0.3) | 2.1 | (0.1) |
| Nigeria | 3.9 | 4.2 | - | 4.0 | - | 20.0 | 14.0 | - | 12.0 | - |
| Poland | 3.5 | 3.0 | (0.5) | 2.7 | - | 3.6 | 3.3 | 0.4 | 3.6 | 1.2 |
| Romania | 0.6 | 0.4 | (0.4) | 2.7 | - | 7.3 | 8.1 | 0.6 | 4.0 | 0.8 |
| Saudi Arabia | 4.5 | 2.4 | - | 4.2 | 1.1 | 2.1 | 2.4 | 0.4 | 2.0 | - |
| South Africa | 1.1 | 1.3 | (0.2) | 1.6 | (0.1) | 3.2 | 3.8 | 0.2 | 3.5 | 0.1 |
| Türkiye | 3.7 | 2.8 | (1.1) | 4.9 | 0.4 | 34.9 | 30.2 | 3.4 | 25.0 | 3.0 |
| Ukraine | 2.5 | 7.0 | - | 6.0 | - | 13.4 | 5.0 | - | 5.0 | - |
| | | | | | | | | | | |
| LatAm* | 2.4 | 2.3 | - | 2.4 | - | 3.7 | 5.0 | - | 3.8 | 0.3 |
| Argentina | 4.4 | 3.5 | - | 3.5 | - | 31.5 | 30.9 | 5.4 | 15.1 | 1.8 |
| Brazil | 2.3 | 2.3 | 0.3 | 2.0 | 0.2 | 4.3 | 5.5 | 1.5 | 4.0 | 0.5 |
| Chile | 2.5 | 1.8 | (0.5) | 2.9 | 0.1 | 3.4 | 4.3 | 0.1 | 3.2 | 0.1 |
| Colombia | 2.6 | 2.5 | 0.1 | 2.9 | 0.1 | 5.1 | 6.5 | 0.4 | 4.6 | 0.4 |
| Costa Rica | 4.6 | 3.7 | (0.3) | 3.9 | (0.1) | -1.2 | 2.5 | 0.5 | 3.5 | 0.5 |
| Dominican Rep | 2.1 | 2.7 | (0.3) | 3.9 | (0.1) | 5.0 | 6.0 | 0.5 | 4.8 | 0.9 |
| Ecuador | 3.7 | 3.2 | 0.7 | 2.7 | 0.4 | 1.9 | 2.4 | 0.6 | 2.3 | 0.5 |
| El Salvador | 3.9 | 3.1 | (0.2) | 3.2 | (0.1) | 0.9 | 2.4 | 0.4 | 1.8 | (0.2) |
| Guatemala | 4.1 | 3.6 | - | 3.6 | - | 1.7 | 3.3 | 0.5 | 3.7 | 0.6 |
| Mexico | 0.8 | 1.3 | (0.2) | 1.5 | (0.1) | 3.7 | 4.6 | 0.1 | 4.0 | - |
| Panama | 4.4 | 3.8 | (0.2) | 4.9 | (0.1) | 0.3 | 2.8 | 0.5 | 3.1 | 0.5 |
| Peru | 3.4 | 3.5 | (0.3) | 4.4 | (0.1) | 1.5 | 4.4 | 1.6 | 2.0 | - |
| Uruguay | 1.8 | 1.5 | - | 2.0 | - | 3.7 | 4.0 | - | 4.5 | - |
| Venezuela | 4.0 | 7.0 | 2.0 | 11.0 | - | 443.2 | 267 | - | 125 | - |

**Source:** BofA Global Research

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**Exhibit 139: Current Account and Monetary Policy Rate**

Monetary policy rates overall expected to decline in 2026

| | Current Account balance (% of GDP) | | | | | Monetary policy rate (%) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2026F | | 2027F | | | 2026F | | | 2027F | | |
| | 2025 | BofA | Chg. | BofA | Chg. | Current | BofA | Chg. | Bloomberg Consensus | BofA | Chg. | Bloomberg Consensus |
| GEMs | 2.3 | 1.8 | 0.1 | 1.8 | 0.2 | - | - | - | - | - | - | - |
| GEMs (ex. China) | 1.0 | 0.9 | 0.2 | 1.1 | 0.2 | | | | | | - | |
| GEM-10 | 2.0 | 1.5 | 0.1 | 1.6 | 0.2 | - | - | - | - | - | - | - |
| Global | - | - | - | - | - | 3.71 | 3.47 | - | - | 3.32 | - | - |
| US | -3.9 | -3.5 | - | -3.5 | - | 3.625 | 3.125 | - | 3.38 | 3.125 | - | 3.25 |
| Euro area | 1.6 | 0.4 | (1.9) | 1.5 | (0.6) | 2.15 | 2.65 | - | 2.2 | 1.90 | - | 2.2 |
| Japan | 4.3 | 4.2 | - | 4.1 | - | 0.75 | 1.25 | - | 1.13 | 1.75 | - | 1.38 |
| | | | | | | | | | | | | |
| Asia | 3.8 | 3.2 | 0.3 | 3.0 | 0.4 | - | - | - | - | - | - | - |
| China | 3.7 | 3.0 | 0.1 | 2.5 | - | 1.50 | 1.40 | - | - | 1.40 | - | - |
| Hong Kong | 12.6 | 13.0 | 1.3 | 12.6 | 1.4 | 4.00 | 3.50 | - | - | 3.50 | - | - |
| India | -0.4 | -2.3 | (0.9) | -0.8 | - | 5.25 | 5.50 | 0.25 | 5.29 | 5.75 | - | 5.45 |
| Indonesia | -0.1 | -0.8 | - | -0.9 | - | 4.75 | 4.50 | - | 4.62 | 4.50 | - | 4.70 |
| Korea | 6.6 | 10.1 | 5.1 | 7.7 | 5.7 | 2.50 | 2.50 | - | 2.59 | 2.50 | - | 2.62 |
| Malaysia | 1.6 | 2.3 | - | 2.4 | - | 2.75 | 2.75 | - | 2.76 | 2.75 | - | 2.82 |
| Philippines | -4.0 | -4.1 | (0.1) | -3.6 | - | 4.25 | 4.75 | 0.50 | 4.43 | 5.00 | 0.50 | 4.31 |
| Singapore | 16.7 | 16.4 | - | 16.1 | - | - | - | - | - | - | - | - |
| Taiwan | 19.6 | 22.3 | 0.1 | 15.7 | - | 2.00 | 2.25 | 0.25 | 3.02 | 2.38 | 0.13 | 2.06 |
| Thailand | 4.2 | 3.2 | - | 3.5 | - | 1.00 | 0.75 | (0.25) | 1.01 | 1.00 | - | 1.05 |
| | | | | | | | | | | | | |
| EEMEA | -1.5 | -1.3 | (0.2) | -0.5 | (0.1) | - | - | - | - | - | | - |
| Czech R. | 0.7 | 0.8 | - | 0.5 | - | 3.50 | 3.50 | 0.25 | 3.38 | 3.50 | 0.25 | 3.29 |
| Egypt | -4.4 | -5.2 | - | -3.3 | - | 19.00 | 19.00 | - | - | 15.00 | - | - |
| Hungary | 1.6 | 1.2 | - | 1.0 | - | 6.25 | 6.25 | - | 5.68 | 5.25 | - | 5.03 |
| Israel | 1.5 | 1.4 | (2.8) | 2.0 | (2.7) | 4.00 | 3.75 | 0.50 | 3.22 | 3.50 | 0.25 | 3.20 |
| Nigeria | 5.3 | 4.1 | - | | ! | 26.50 | 21.00 | - | 21.00 | 16.00 | - | 16.50 |
| Poland | -0.7 | -2.2 | (0.3) | -2.1 | (0.4) | 3.75 | 3.75 | - | 3.57 | 3.75 | 0.25 | 3.55 |
| Romania | -8.0 | -7.2 | - | -6.3 | 0.1 | 6.50 | 6.50 | - | 5.65 | 5.50 | - | 4.43 |
| Saudi Arabia | -2.6 | -1.9 | - | -2.2 | 2.3 | 4.25 | 3.50 | - | - | 3.50 | - | - |
| South Africa | -0.5 | 0.3 | - | 0.0 | (0.1) | 6.75 | 7.00 | 0.50 | 6.83 | 6.25 | 0.25 | 6.25 |
| Türkiye | -1.9 | -3.4 | (0.5) | -2.5 | (0.2) | 37.00 | 32.00 | - | 32.13 | 26.00 | - | 25.50 |
| Ukraine | -7.1 | -7.1 | - | -5.5 | - | 15.00 | 11.00 | - | 13.67 | 9.00 | - | 12.00 |
| | | | | | | | | | | | | |
| LatAm | -1.4 | -1.0 | - | -1.0 | 0.1 | - | - | - | | - | | |
| Argentina | -1.3 | -0.4 | - | -1.2 | (0.1) | -- | -- | -- | -- | -- | -- | -- |
| Brazil | -3.0 | -2.2 | 0.3 | -1.8 | 0.4 | 14.75 | 13.25 | 1.50 | 12.67 | 12.50 | 2.00 | 10.89 |
| Chile | -1.9 | 1.0 | 1.8 | -0.3 | 1.3 | 4.50 | 4.50 | - | 4.39 | 5.00 | - | 4.28 |
| Colombia | -2.4 | -2.6 | - | -2.7 | - | 11.25 | 12.00 | - | 12.00 | 11.00 | - | 11.00 |
| Costa Rica | -0.8 | -1.5 | - | -1.5 | - | 3.25 | 3.25 | - | - | 3.25 | - | - |
| Dominican Rep | -1.2 | -2.5 | 1.0 | -2.0 | 1.3 | 5.25 | 5.25 | - | - | 4.50 | - | - |
| Ecuador | 6.0 | 4.0 | - | 2.5 | - | - | - | - | - | - | - | - |
| El Salvador | -3.5 | -4.5 | (2.5) | -3.4 | (0.9) | - | - | - | - | - | - | - |
| Guatemala | 4.8 | 3.5 | - | 3.0 | - | 3.50 | 3.50 | - | - | 3.50 | - | - |
| Mexico | -0.4 | -0.5 | (0.3) | -0.3 | (0.2) | 6.75 | 6.50 | 0.50 | 6.48 | 6.50 | 0.50 | 6.50 |
| Panama | -0.2 | -1.5 | (3.0) | -1.0 | (2.0) | - | - | - | - | - | - | - |
| Peru | 3.1 | 3.5 | - | 3.7 | - | 4.25 | 4.25 | - | 4.23 | 4.25 | - | 4.28 |
| Uruguay | -0.4 | -0.7 | 0.1 | -0.7 | 0.1 | 5.75 | 6.00 | - | - | 7.00 | - | - |
| Venezuela | -5.6 | -1.6 | 1.1 | -5.5 | - | - | - | - | - | - | - | - |

**Source:** BofA Global Research, Bloomberg

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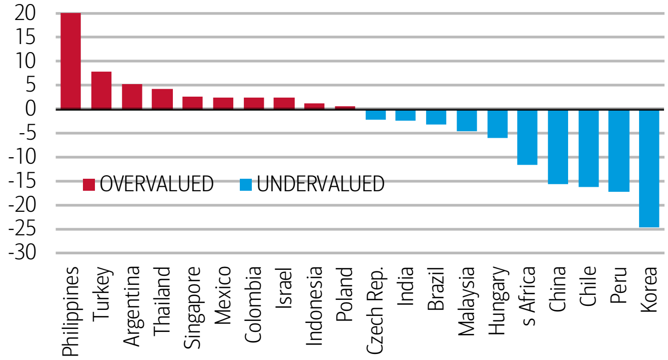
# GEMs FX Compass and CA Imbalances

BofA FX Compass is our long-term fundamental valuation model for 20 EM countries. As part of our modeling framework, we estimate the gap between the forecast and equilibrium CA balance.

### Exhibit 140: FX Compass Long Term Valuations

Trade-weighted valuations vs REER fair values

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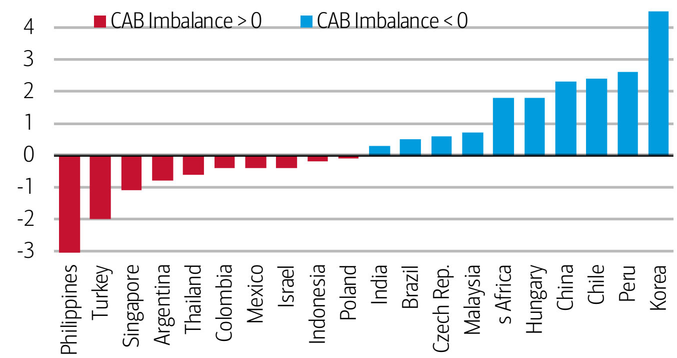
### Exhibit 141: Current Account Imbalances

Gap between forecast and equilibrium CAB (forecasted minus long-term equilibrium)

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### Exhibit 142: FX Compass

Long term currency valuation

| Country | Fair Value vs USD (or EUR) 1/ | Spot vs USD (or EUR) 1/ | Bilateral Misalignment vs USD (or EUR) 1/ | Trade-weighted Misalignment (%) 2/ |
|---|---|---|---|---|
| **Asia** | | | -2.8 | -2.1 |
| China | 6.1 | 6.8 | -11.8 | -15.6 |
| India | 96.5 | 96.9 | -0.4 | -2.3 |
| Indonesia | 17736 | 17605 | 0.7 | 1.3 |
| Korea | 1150 | 1508 | -31.1 | -24.6 |
| Malaysia | 3.8 | 4.0 | -4.2 | -4.6 |
| Philippines | 74.3 | 61.7 | 16.9 | 21.9 |
| Singapore | 1.3 | 1.3 | 2.8 | 2.7 |
| Thailand | 34.2 | 32.7 | 4.2 | 4.2 |
| **EEMEA** | | | -1.1 | -1.5 |
| Czech Rep. 1/ | 23.5 | 24.3 | -3.4 | -2.1 |
| Hungary 1/ | 336 | 362 | -7.5 | -6 |
| Israel | 3.1 | 2.9 | 4.8 | 2.4 |
| Poland 1/ | 4.2 | 4.3 | -1.2 | 0.7 |
| South Africa | 15.3 | 16.7 | -9.1 | -11.7 |
| Türkiye | 50.5 | 45.6 | 9.6 | 7.9 |
| **LatAm** | | | -5.5 | -4.5 |
| Argentina | 1484 | 1399 | 5.8 | 5.3 |
| Brazil | 5.0 | 5.1 | -1 | -3.2 |
| Chile | 753 | 907 | -20.5 | -16.3 |
| Colombia | 3856 | 3775 | 2.1 | 2.4 |
| Mexico | 17.9 | 17.4 | 2.7 | 2.4 |
| Peru | 2.8 | 3.4 | -22.3 | -17.3 |
| **Average** | | | -3.1 | -2.6 |

Note 1/ CZK, HUF and PLN are quoted against the EUR. Fair values are updated using forecasts. Spot is for May 20, 2026. Note 2/ REER valuation is trade-weighted deviation of current REER (October estimate) from Compass fair values. **Source:** BofA Global Research, Bloomberg

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### Exhibit 143: Estimated current account imbalance

CA imbalance

| Country | Forecasted CA 2025-2027 | Long-term CA | CAB Imbalance |
|---|---|---|---|
| **Asia** | 3.4 | 3 | 0.4 |
| China | 2.7 | 0.4 | 2.3 |
| India | -1.5 | -1.9 | 0.3 |
| Indonesia | -0.9 | -0.6 | -0.2 |
| Korea | 8.9 | 4.2 | 4.7 |
| Malaysia | 2.3 | 1.6 | 0.7 |
| Philippines | -4.1 | -0.8 | -3.3 |
| Singapore | 16.2 | 17.3 | -1.1 |
| Thailand | 3.3 | 4 | -0.6 |
| **EEMEA** | -0.3 | -0.6 | 0.3 |
| Czech Rep. 1/ | 0.6 | 0 | 0.6 |
| Hungary 1/ | 0.8 | -1 | 1.8 |
| Israel | 1.7 | 2.1 | -0.4 |
| Poland 1/ | -2.1 | -2 | -0.1 |
| South Africa | 0.3 | -1.5 | 1.8 |
| Türkiye | -3 | -1 | -2 |
| **LatAm** | -0.3 | -0.9 | 0.7 |
| Argentina | -0.7 | 0.1 | -0.8 |
| Brazil | -2 | -2.5 | 0.5 |
| Chile | 0.4 | -2 | 2.4 |
| Colombia | -2.7 | -2.3 | -0.4 |
| Mexico | -0.4 | 0 | -0.4 |
| Peru | 3.6 | 1 | 2.6 |
| **Average** | 1.2 | 0.8 | 0.4 |

Note: CA denotes current account balance as a % of GDP. A negative misalignment indicates the currency is overvalued. **Source:** BofA Global Research

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# GEMs Tables – Asia

**Exhibit 144: China**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| **Summary Data** | | | | | | | | | | |
| Nominal GDP (US$ bn) | | | | | | | 18,781 | 19,623 | 21,595 | 23,428 |
| GDP per capita (US$) | 9,887 | 10,126 | 10,402 | 12,615 | 12,665 | 12,963 | 13,336 | 13,968 | 15,402 | 16,743 |
| Unemployment rate (%)[1] | 4.7 | 5.2 | 5.1 | 5.1 | 6.1 | 5.3 | 5.1 | 5.1 | 5.2 | 5.2 |
| Population (millions) | 1,405 | 1,410 | 1,412 | | 1,412 | 1,410 | 1,408 | 1,405 | 1,402 | 1,399 |
| **Economic Activity** | | | | | | | | | | |
| Real GDP growth (% yoy) | 6.8 | 6.1 | 2.3 | 8.6 | 3.1 | 5.4 | 5.0 | 5.0 | 4.5 | 4.5 |
| Domestic demand growth (% yoy) | 7.5 | 5.4 | 1.6 | 7.0 | 2.7 | 6.3 | 3.6 | 3.4 | 3.7 | 4.4 |
| Real investment growth (% yoy) | 6.8 | 4.1 | 4.1 | 4.0 | 2.7 | 3.3 | 3.1 | 1.9 | 2.9 | 4.0 |
| Real consumption growth (% yoy) | 8.1 | 6.4 | -0.2 | 9.3 | 2.8 | 8.5 | 3.9 | 4.6 | 4.2 | 4.6 |
| Real private consumption growth (% yoy) | 7.4 | 6.1 | -1.9 | 12.0 | 1.7 | 9.0 | 5.2 | 4.3 | 3.7 | 4.5 |
| Real government consumption growth (% yoy) | 9.6 | 7.0 | 3.8 | 3.5 | 5.3 | 7.3 | 0.9 | 5.0 | 5.4 | 5.0 |
| Real export growth (% yoy) | 3.8 | 0.5 | 2.4 | 17.7 | -1.6 | 0.9 | 14.3 | 9.5 | 4.3 | 4.5 |
| Real import growth (% yoy) | 8.1 | 0.4 | 5.5 | 10.4 | -5.7 | 4.5 | 2.0 | -1.5 | 3.6 | 4.0 |
| **Prices** | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 1.9 | 4.5 | 0.2 | 1.5 | 1.8 | -0.3 | 0.2 | 0.6 | 0.9 | 0.7 |
| CPI inflation (% yoy, avg) | 2.1 | 2.9 | 2.5 | 0.9 | 2.0 | 0.2 | 0.2 | 0.0 | 1.0 | 0.8 |
| Nominal wages (% yoy) | 10.9 | 9.8 | 7.6 | 9.7 | 6.7 | 5.8 | 5 | 5.0 | 5.0 | 5.3 |
| Nominal exchange rate (vs. USD, eop) | 6.86 | 6.98 | 6.53 | 6.36 | 6.90 | 7.10 | 7.30 | 6.99 | 6.70 | 6.60 |
| Nominal exchange rate (vs. USD, avg) | 6.62 | 6.91 | 6.90 | 6.45 | 6.74 | 7.08 | 7.18 | 7.14 | 6.86 | 6.66 |
| Bilateral real exchange rate (% yoy, + dep) | - | - | - | - | - | - | - | - | | |
| **Monetary Sector2** | | | | | | | | | | |
| Monetary base growth (% yoy) | 2.8 | -2.0 | 1.9 | -0.3 | 9.6 | 7.8 | -5.4 | 8.5 | 2.5 | 2.5 |
| Broad money growth (% yoy) | 8.1 | 8.7 | 10.1 | 9.0 | 11.8 | 9.7 | 13.0 | 8.5 | 8.5 | 8.7 |
| Credit extension to private sector (% yoy) | 13.5 | 12.3 | 12.8 | 11.6 | 11.1 | 10.6 | 7.6 | 6.4 | 7.0 | 7.2 |
| Central bank policy rate (%, eop)[3] | 2.55 | 2.50 | 2.20 | 2.20 | 2.00 | 1.80 | 1.50 | 1.40 | 1.40 | 1.40 |
| 1-month interbank rate (%, eop) | 3.46 | 3.30 | 3.31 | 3.18 | - | - | 1.96 | 1.64 | | |
| Long-term yield (%, eop) | 3.20 | 3.14 | 3.14 | 2.78 | 2.80 | 2.65 | 1.69 | 1.86 | 1.60 | 1.60 |
| **External Sector** | | | | | | | | | | |
| Current account balance (% of GDP) | 0.2 | 0.7 | 1.7 | 1.9 | 2.4 | 1.4 | 2.3 | 3.7 | 3.0 | 2.6 |
| Current account balance (US$ bn) | 24 | 103 | 249 | 353 | 443 | 253 | 424 | 735 | 642 | 615 |
| Trade balance (US$ bn) | 380 | 393 | 511 | 563 | 665 | 594 | 768 | 1,023 | 955 | 970 |
| Exports, f.o.b. (US$ bn) | 2,417 | 2,387 | 2,510 | 3,216 | 3,347 | 3,179 | 3,409 | 3,633 | 3,708 | 3,741 |
| main export | | | | | | | | | | |
| Imports, c.i.f. (US$ bn) | 2,037 | 1,994 | 1,999 | 2,653 | 2,682 | 2,585 | 2,641 | 2,610 | 2,753 | 2,771 |
| Service balance (US$ bn) | -292 | -261 | -153 | -101 | -87 | -208 | -229 | -196 | -209 | -240 |
| Income balance (US$ bn) | -61 | -39 | -118 | -124 | -154 | -134 | -130 | -115 | -122 | -136 |
| Foreign direct investment (US$ bn) | 138 | 141 | 149 | 181 | 189 | 163 | 116 | 105 | 104 | 109 |
| International reserves (US$ bn) | 3,073 | 3,108 | 3,217 | 3,250 | 3,128 | 3,238 | 3,202 | 3,358 | 3,459 | 3,562 |
| **Public Sector** | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | - | - | - | - | - | - | - | - | | |
| Central gov. budget balance (% of GDP) | - | - | - | - | - | - | - | - | | |
| Consolidated gov. primary budget balance (% of GDP) | -1.8 | -1.9 | -2.7 | -2.2 | -1.8 | -2.9 | -2.1 | -3.0 | -3.0 | -3.0 |
| Consolidated public sector balance (% of GDP)[4] | -2.6 | -2.8 | -3.7 | -3.1 | -2.8 | -3.8 | -3.0 | -4.0 | -4.0 | -4.0 |
| Central gov. revenues (% of GDP)[5] | 19.9 | 19.3 | 18.0 | 17.6 | 16.8 | 16.8 | 16.3 | 15.7 | 15.2 | 14.6 |
| **Debt Indicators** | | | | | | | | | | |
| Gross external debt (% of GDP) | 14.0 | 14.2 | 16.0 | 15.1 | 13.4 | 13.4 | 12.9 | 11.8 | 12.0 | 12.3 |
| Public (% of GDP) | 1.9 | 2.1 | 2.8 | 3.2 | 2.8 | 3.0 | 2.7 | 2.5 | 2.6 | 2.6 |
| Private (% of GDP) | 12.2 | 12.1 | 13.2 | 11.9 | 10.6 | 10.4 | 10.1 | 9.3 | 9.4 | 9.7 |
| Gross government debt (% of GDP) | 63.7 | 70.6 | 83.3 | 84.2 | 88.5 | 94.8 | 102.9 | 109.7 | 118.0 | 125.4 |
| Domestic (% of GDP) | 63.5 | 70.4 | 83.1 | 83.9 | 88.2 | 94.5 | 102.6 | 99.7 | 102.2 | 104.7 |
| External (% of GDP) | 0.1 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| External debt amortizations (US$ bn) | - | - | - | - | - | - | - | - | | |
| External debt interest payments (US$ bn) | - | - | - | - | - | - | - | - | | |
| External debt service (% of XGS) | - | - | - | - | - | - | - | - | | |
| **Savings - Investment Balance** | | | | | | | | | | |
| Savings (% of GDP) | 44.1 | 43.5 | 44.6 | 45.2 | 45.5 | 43.2 | 43.4 | 43.3 | 42.8 | 42.8 |
| Investment (% of GDP) | 43.4 | 42.6 | 42.3 | 42.7 | 42.4 | 41.1 | 40.6 | 39.1 | 39.3 | 39.5 |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | **1Q27** | 2Q27 | **3Q27** | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Quarterly Economic Forecasts** | | | | | | | | | | |
| Real GDP growth (% yoy) | 4.8 | 4.5 | 4.5 | 4.5 | 4.6 | 4.5 | 4.5 | 4.5 | 4.4 | 4.4 |
| Real GDP growth (% qoq, sa, annualized) | 4.5 | 4.9 | 4.5 | 4.2 | 4.8 | 4.6 | 4.3 | 4.5 | 4.4 | 4.5 |
| CPI inflation (% yoy, eop) | -0.2 | 0.6 | 0.9 | 1.2 | 1.2 | 0.9 | 1.0 | 0.6 | 0.7 | 0.7 |
| Central bank policy rate (%, eop) | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 |
| Nominal exchange rate (vs. USD, eop) | 7.10 | 6.99 | 6.90 | 6.90 | 6.80 | 6.70 | 6.70 | 6.70 | 6.60 | 6.60 |
| Current account balance (US$ bn) | 198.7 | 242.1 | 180.9 | 120.0 | 164.6 | 176.4 | 170.9 | 108.3 | 149.3 | 186.6 |

**Source:** BofA Global Research

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**Exhibit 145: India**

Selected economic and financial indicators

| | CY 2018 | CY 2019 | CY 2020E | CY2021E | CY2022E | CY2023E | CY2024E | CY2025E | CY2026E | CY2027E |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn) | 2,734.0 | 2,805 | 2,602 | 3,088 | 3,349 | 3,543 | 3,849 | 3,877 | 3,990 | 4,389 |
| GDP per capita (US$) | 2,081 | 2,114 | 1,941 | 2,278 | 2,447 | 2,562 | 2,759 | 2,752 | 2,804 | 3,053 |
| Unemployment rate (%) | | | | | | | | | | |
| Population (millions) | 1,314 | 1,327 | 1,341 | 1,355 | 1,369 | 1,383 | 1,395 | 1,409 | 1,423 | 1,437 |
| Economic Activity | | | | | | | | | | |
| Real GDP growth (% yoy) | 7.3 | 4.6 | -5.9 | 9.4 | 7.0 | 8.8 | 6.7 | 7.5 | 6.2 | 7.5 |
| Domestic demand growth (% yoy) | 9.3 | 4.9 | -7.7 | 13.6 | 8.1 | 6.3 | 6.7 | 7.2 | 6.3 | 7.3 |
| Real investment growth (% yoy) | 13.6 | 2.8 | -10.7 | 19.9 | 8.7 | 8.7 | 6.2 | 6.9 | 5.8 | 7.3 |
| Real consumption growth (% yoy) | | | | | | | | | | |
| Real private consumption growth (% yoy) | 7.5 | 6.3 | -6.6 | 11.9 | 8.6 | 4.5 | 7.3 | 7.8 | 6.4 | 7.3 |
| Real government consumption growth (% yoy) | 6.7 | 4.0 | -4.6 | 4.3 | 3.1 | 8.9 | 4.8 | 5.2 | 7.6 | 6.9 |
| Real export growth (% yoy) | 10.4 | 1.6 | -10.7 | 25.3 | 13.4 | 2.5 | 7.4 | 6.9 | 4.8 | 7.2 |
| Real import growth (% yoy) | 14.4 | 0.0 | -16.4 | 24.5 | 11.4 | 10.4 | 1.9 | 6.9 | 5.0 | 5.8 |
| Prices | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 2.1 | 7.4 | 4.6 | 5.7 | 5.7 | 5.7 | 5.2 | 1.2 | 5.4 | 3.8 |
| CPI inflation (% yoy, avg) | 3.9 | 3.7 | 6.6 | 5.1 | 6.7 | 5.7 | 4.9 | 2.2 | 4.7 | 4.6 |
| WPI inflation (% yoy, eop) | | | | | | | | | | |
| WPI inflation (% yoy, avg) | | | | | | | | | | |
| Nominal wages (% yoy) | | | | | | | | | | |
| Nominal exchange rate (vs USD, eop) | | | | | | | | | | |
| Nominal exchange rate (vs USD, avg) | | | | | | | | | | |
| Bilateral real exchange rate (% yoy, + dep) | | | | | | | | | | |
| Monetary Sector | | | | | | | | | | |
| Monetary Base growth (% yoy) | | | | | | | | | | |
| Broad Money growth (% yoy) | | | | | | | | | | |
| Credit extension to private sector (% yoy) | | | | | | | | | | |
| Central bank policy rate (%, eop) | 6.50 | 5.15 | 4.00 | 4.00 | 6.25 | 6.50 | 6.50 | 5.25 | 5.50 | 5.75 |
| 1-month interbank rate -Call rate (%) | | | | | | | | | | |
| Long-term yield (%) | | | | | | | | | | |
| External Sector | | | | | | | | | | |
| Current Account balance (% of GDP) | -2.4 | -1.1 | 1.3 | -1.1 | -2.4 | -0.9 | -0.8 | -0.4 | -2.3 | -0.8 |
| Current Account balance (US$ bn) | -65.6 | -29.8 | 32.7 | -33.4 | -79.0 | -32.0 | -32.2 | -16.5 | -90.5 | -35.0 |
| Trade Balance (US$ bn) | -186.7 | -157.7 | -95.5 | -176.7 | -267.2 | -245.5 | -279.8 | -310.9 | -389.1 | -320.0 |
| Exports, f.o.b. (US$ bn) | | | | | | | | | | |
| main export | | | | | | | | | | |
| other | | | | | | | | | | |
| Imports, c.i.f. (US$ bn) | | | | | | | | | | |
| Service balance (US$ bn) | 80.8 | 84.2 | 87.1 | 102.7 | 132.5 | 159.1 | 178.2 | 209.6 | 218.0 | 220.0 |
| Income balance (US$ bn) | 40.3 | 43.7 | 41.1 | 40.6 | 55.6 | 54.4 | 69.4 | 84.9 | 80.6 | 65.0 |
| Foreign direct investment (US$ bn) | 30.7 | 37.5 | 53.2 | 27.5 | 35.4 | 14.2 | 2.9 | 3.4 | 14.0 | 20.0 |
| International reserves (US$ bn) | 396.0 | 459.9 | 585.8 | 633.6 | 562.7 | 622.5 | 635.7 | 658.7 | 632.9 | 637.9 |
| Public Sector | | | | | | | | | | |
| Central Gov. Primary Budget Balance (% of GDP) | | | | | | | | | | |
| Central Gov. Budget Balance (% of GDP) | -3.4 | -4.6 | -9.2 | -6.7 | -6.5 | -5.8 | -4.9 | -4.6 | -5.0 | -4.3 |
| Consolidated Gov. Primary Budget Balance (% of GDP) | | | | | | | | | | |
| Consolidated Public Sector Balance (% of GDP) | -5.8 | -7.2 | -13.1 | -9.5 | -9.6 | -8.6 | -7.8 | -7.8 | -8.5 | -7.5 |
| Central gov. revenues (% of GDP) | | | | | | | | | | |
| Debt Indicators | | | | | | | | | | |
| Gross External Debt (% of GDP) | 19.1 | 28.2 | 27.0 | 27.5 | 24.0 | 23.7 | 25.6 | 28.8 | 25.6 | 24.9 |
| Public (% of GDP) | | | | | | | | | | |
| Private (% of GDP) | | | | | | | | | | |
| Gross government debt (% of GDP) | 70.1 | 73.7 | 89.5 | 88.3 | 84.4 | 84.0 | 82.9 | 84.0 | 81.2 | 79.9 |
| Domestic (% of GDP) | | | | | | | | | | |
| External (% of GDP) | | | | | | | | | | |
| Savings - Investment Balance | | | | | | | | | | |
| Savings (% of GDP) | | | | | | | | | | |
| Investment (% of GDP) | | | | | | | | | | |
| *Memorandum Items* | | | | | | | | | | |
| Agro GDP (% yoy) | | | | | | | | | | |
| Non-agro GDP (% yoy) | | | | | | | | | | |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| Quarterly Economic Forecasts | | | | | | | | | | |
| Real GDP growth (% yoy) | 8.4 | 7.8 | 6.5 | 5.0 | 6.5 | 6.9 | 7.5 | 7.9 | 7.5 | 7.2 |
| CPI Inflation (% yoy, eop) | 10.3 | 7.1 | 2.2 | -0.3 | 18.2 | 8.6 | 4.0 | 1.9 | 16.0 | 7.5 |
| WPI inflation (% yoy, eop) | 1.4 | 1.2 | 3.4 | 5.2 | 5.4 | 5.4 | 5.5 | 4.7 | 4.9 | 3.8 |
| Central bank policy rate (%, eop) | 1.7 | 0.6 | 3.5 | 4.6 | 5.2 | 5.5 | 5.4 | 4.7 | 4.9 | 3.8 |
| Nominal exchange rate (vs USD, eop) | 5.50 | 5.25 | 5.25 | 5.25 | 5.25 | 5.50 | 5.75 | 5.75 | 5.75 | 5.75 |
| Current account balance (US$ bn) | | | | | | | | | | |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 146: Indonesia**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| **Summary Data** | | | | | | | | | | |
| Nominal GDP (US$ bn) | 1,042 | 1,119 | 1,059 | 1,187 | 1,319 | 1,371 | 1,396 | 1,549 | 1,641 | 1,772 |
| GDP per capita (US$) | 3,946 | 4,193 | 3,920 | 4,351 | 4,783 | 4,920 | 4,958 | 5,446 | 5,712 | 6,111 |
| Unemployment rate (%) | 5.2 | 5.1 | 6.0 | 6.4 | 5.8 | 5.4 | 4.9 | 4.9 | 4.7 | 4.6 |
| Population (millions) | 264.2 | 266.9 | 270.2 | 272.7 | 275.8 | 278.7 | 281.6 | 284.4 | 287.2 | 289.9 |
| **Economic Activity** | | | | | | | | | | |
| Real GDP growth (% yoy) | 5.2 | 5.0 | -2.1 | 3.7 | 5.3 | 5.0 | 5.0 | 5.1 | 5.1 | 5.4 |
| Domestic demand growth (% yoy) | 6.3 | 4.0 | -3.8 | 2.9 | 3.8 | 4.9 | 6.0 | 4.5 | 5.1 | 5.3 |
| Real investment growth (% yoy) | 6.7 | 4.5 | -5.0 | 3.8 | 3.9 | 3.8 | 4.6 | 5.1 | 5.0 | 5.3 |
| Real consumption growth (% yoy) | 5.1 | 4.9 | -2.1 | 2.3 | 3.7 | 4.7 | 5.3 | 4.7 | 5.2 | 5.5 |
| Real private consumption growth (% yoy) | 5.1 | 5.2 | -2.7 | 2.0 | 5.0 | 4.9 | 5.1 | 5.0 | 5.1 | 5.4 |
| Real government consumption growth (% yoy) | 4.8 | 3.3 | 2.1 | 4.3 | -4.4 | 3.0 | 6.6 | 2.5 | 6.0 | 6.0 |
| Real export growth (% yoy) | 6.5 | -0.5 | -8.4 | 18.0 | 16.2 | 1.3 | 6.5 | 7.0 | 5.3 | 5.5 |
| Real import growth (% yoy) | 12.1 | -7.1 | -17.6 | 24.9 | 15.0 | -1.6 | 7.9 | 4.8 | 5.0 | 5.0 |
| **Prices** | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 3.1 | 2.6 | 1.7 | 1.9 | 5.5 | 2.6 | 1.6 | 2.9 | 2.5 | 2.8 |
| CPI inflation (% yoy, avg) | 3.3 | 2.8 | 2.0 | 1.6 | 4.1 | 3.7 | 2.3 | 1.9 | 2.9 | 2.8 |
| Nominal wages (% yoy) | 1.6 | 4.7 | -1.2 | -1.9 | 7.3 | 3.3 | 5.0 | 3.0 | 3.0 | 3.0 |
| Nominal exchange rate (vs. USD, eop) | 14,380 | 13,883 | 14,050 | 14,253 | 15,568 | 15,389 | 16,267 | 16,694 | 16,800 | 16,800 |
| Nominal exchange rate (vs. USD, avg) | 14,231 | 14,138 | 14,538 | 14,292 | 14,852 | 15,238 | 15,859 | 16,475 | 16,800 | 16,800.0 |
| Bilateral real exchange rate (% yoy, + dep) | - | - | - | - | - | - | - | - | | |
| **Monetary Sector** | | | | | | | | | | |
| Monetary base growth (% yoy) | 4.8 | 7.4 | 18.5 | 23.0 | 14.3 | 2.6 | 6.1 | 19.3 | | |
| Broad money growth (% yoy) | 6.3 | 6.5 | 12.5 | 14.0 | 8.4 | 3.5 | 4.8 | 9.6 | | |
| Credit extension to private sector (% yoy) | 11.7 | 5.9 | -2.6 | 4.9 | 11.0 | 10.3 | 9.7 | 9.3 | | |
| Central bank policy rate (%, eop) | 6.00 | 5.00 | 3.75 | 3.50 | 5.50 | 6.00 | 6.00 | 4.75 | 4.50 | 4.50 |
| 1-month interbank rate (%, eop) | 7.54 | 5.44 | 3.81 | 3.55 | 6.20 | 6.65 | 6.62 | 5.03 | 5.15 | 5.15 |
| Long-term yield (%, eop) | 7.9 | 7.1 | 5.9 | 6.4 | 6.9 | 6.5 | 7.0 | 6.1 | | |
| **External Sector** | | | | | | | | | | |
| Current account balance (% of GDP) | -2.9 | -2.7 | -0.4 | 0.3 | 1.0 | -0.2 | -0.6 | -0.1 | -0.8 | -0.9 |
| Current account balance (US$ bn) | -30.6 | -30.3 | -4.4 | 3.5 | 13.2 | -2.0 | -8.7 | -1.5 | -13.2 | -15.6 |
| Trade balance (US$ bn) | -0.2 | 3.5 | 28.3 | 43.8 | 62.7 | 46.3 | 39.8 | 49.8 | 37.6 | 35.8 |
| Exports, f.o.b. (US$ bn) | 180.7 | 168.5 | 163.4 | 232.8 | 292.5 | 257.7 | 263.1 | 280.4 | | |
| main export - oil and gas | 24.0 | 21.7 | 16.4 | 31.5 | 54.5 | 42.8 | 0.0 | 0.0 | | |
| Imports, c.i.f. (US$ bn) | 181.0 | 164.9 | 135.1 | 189.0 | 229.9 | 211.4 | 223.3 | 230.6 | | |
| Service balance (US$ bn) | -6.5 | -7.6 | -9.8 | -14.6 | -20.0 | -17.7 | -18.6 | -19.8 | -20.8 | -21.4 |
| Income balance (US$ bn) | -23.9 | -26.1 | -23.0 | -25.7 | -29.5 | -30.6 | -29.9 | 0.0 | -30.0 | -30.0 |
| Foreign direct investment (US$ bn) | 20.6 | 23.9 | 18.6 | 21.1 | 25.4 | 21.5 | 24.7 | 21.4 | 24.0 | 24.0 |
| International reserves (US$ bn) | 120.7 | 129.2 | 135.9 | 144.9 | 137.2 | 146.4 | 155.7 | 156.5 | 145.0 | 145.0 |
| **Public Sector** | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -0.1 | -0.5 | -4.1 | -2.5 | -0.4 | 0.5 | -0.3 | -0.8 | -0.9 | -0.9 |
| Central gov. budget balance (% of GDP) | -1.8 | -2.2 | -6.1 | -4.6 | -2.4 | -1.6 | -2.3 | -2.8 | -2.9 | -2.9 |
| Consolidated gov. primary budget balance (% of GDP) | - | - | - | - | - | - | - | - | | |
| Consolidated public sector balance (% of GDP) | - | - | - | - | - | - | - | - | | |
| Central gov. revenues (% of GDP) | 13.1 | 12.4 | 10.7 | 11.8 | 13.5 | 13.3 | - | - | | |
| **Debt Indicators** | | | | | | | | | | |
| Gross external debt (% of GDP) | 36.0 | 36.1 | 39.4 | 34.9 | 29.9 | 29.7 | - | - | | |
| Public (% of GDP) | 17.9 | 18.1 | 19.8 | 17.6 | 14.8 | 15.3 | - | - | | |
| Private (% of GDP) | 18.1 | 17.9 | 19.6 | 17.3 | 15.1 | 14.3 | - | - | | |
| Gross government debt (% of GDP) | 29.8 | 30.2 | 39.3 | 40.7 | 39.5 | 39.0 | 39.5 | 40.0 | 40.0 | 40.0 |
| Domestic (% of GDP) | 16.3 | 17.8 | 25.4 | 27.8 | 27.4 | 27.4 | - | - | | |
| External (% of GDP) | 13.5 | 12.4 | 13.9 | 12.9 | 12.1 | 11.5 | - | - | | |
| External debt amortizations (US$ bn) | - | - | - | - | - | - | - | - | | |
| External debt Interest payments (US$ bn) | - | - | - | - | - | - | - | - | | |
| External debt service (% of XGS) | - | - | - | - | - | - | - | - | | |
| **Savings - Investment Balance** | | | | | | | | | | |
| Savings (% of GDP) | 31.6 | 31.1 | 31.9 | 31.7 | 30.7 | 30.2 | 30.8 | 29.8 | 29.1 | 29.0 |
| Investment (% of GDP) | 34.6 | 33.8 | 32.3 | 31.4 | 29.7 | 30.3 | 31.4 | 29.9 | 29.9 | 29.9 |
| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
| Quarterly Economic Forecasts | | | | | | | | | | |
| Real GDP growth (% yoy) | 5.0 | 5.4 | 5.4 | 5.1 | 5.1 | 5.1 | 5.2 | 5.6 | 5.3 | 5.5 |
| Real GDP growth (% qoq, sa, annualized) | 4.1 | 6.7 | 4.8 | 4.8 | 4.3 | 6.2 | 5.3 | 6.6 | 3.2 | 7.0 |
| CPI inflation (% yoy, eop) | 2.7 | 2.9 | 3.5 | 2.8 | 2.6 | 2.5 | 2.8 | 2.8 | 2.8 | 2.8 |
| Central bank policy rate (%, eop) | 4.75 | 4.75 | 4.75 | 4.75 | 4.75 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 |
| Nominal exchange rate (vs. USD, eop) | 16680 | 16782 | 16993 | 16400 | 16400 | 16300 | | | | |
| Current account balance (US$ bn) | 4.0 | -2.5 | -3.3 | -3.3 | -3.3 | -3.3 | -3.1 | -3.2 | -3.2 | -3.3 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 147: Korea**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn) | 1824.9 | 1751.3 | 1748.7 | 1940.3 | 1800.6 | 1837.8 | 1841.4 | 1853.6 | 1909.7 | 2120.0 |
| GDP per capita (US$) | 35,373 | 33,836 | 33,732 | 37,479 | 34,848 | 35,541 | 35,584 | 35,866 | 37,003 | 41141.7 |
| Unemployment rate (%)1 | 3.9 | 3.8 | 4.0 | 3.6 | 2.9 | 2.7 | 2.8 | 2.8 | 3.0 | 4.0 |
| Population (millions) | 51.6 | 51.8 | 51.8 | 51.8 | 51.7 | 51.7 | 51.8 | 51.7 | 51.6 | 51.5 |
| Economic Activity | | | | | | | | | | |
| Real GDP growth (% yoy) | 2.9 | 2.2 | -0.7 | 4.3 | 2.6 | 1.4 | 2.0 | 1.0 | 1.9 | 2.1 |
| Domestic demand growth (% yoy) | 2.0 | 1.5 | -1.3 | 3.7 | 2.7 | 1.4 | 0.2 | 0.6 | 1.2 | 1.7 |
| Real investment growth (% yoy) | -2.2 | -2.1 | 3.5 | 3.2 | -0.5 | 1.1 | -0.8 | -3.3 | 0.7 | 1.7 |
| Real consumption growth (% yoy) | 3.7 | 3.2 | -2.2 | 4.1 | 4.1 | 1.7 | 1.4 | 1.7 | 1.9 | 1.6 |
| Real private consumption growth (% yoy) | 3.2 | 2.1 | -4.8 | 3.6 | 4.1 | 1.8 | 1.1 | 1.3 | 1.8 | 1.5 |
| Real government consumption growth (% yoy) | 5.3 | 6.4 | 5.1 | 5.5 | 4.0 | 1.3 | 2.1 | 2.8 | 2.3 | 1.9 |
| Real export growth (% yoy) | 4.0 | 0.2 | -1.7 | 11.1 | 3.4 | 3.1 | 6.8 | 4.1 | 5.1 | 4.8 |
| Real import growth (% yoy) | 1.7 | -1.9 | -3.1 | 10.1 | 3.5 | 3.1 | 2.5 | 3.8 | 3.2 | 2.9 |
| Prices | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 1.3 | 0.7 | 0.6 | 3.7 | 5.0 | 3.2 | 1.9 | 2.3 | 2.7 | 1.6 |
| CPI inflation (% yoy, avg) | 1.5 | 0.4 | 0.5 | 2.5 | 5.1 | 3.6 | 2.3 | 2.1 | 2.9 | 2.0 |
| Nominal wages (% yoy) | 5.1 | 3.4 | 0.6 | 5.0 | 4.7 | 2.3 | 2.5 | 2.5 | 2.5 | 2.5 |
| Nominal exchange rate (vs. USD, eop) | 1118.1 | 1157.8 | 1088.0 | 1185.5 | 1267.3 | 1289.4 | 1470.0 | 1434.9 | 1395.0 | 1335.0 |
| Nominal exchange rate (vs. USD, avg) | 1100.2 | 1165.4 | 1180.3 | 1144.0 | 1291.4 | 1305.7 | 1363.4 | 1422.4 | 1447.3 | 1357.5 |
| Bilateral real exchange rate (% yoy, + dep) | - | - | - | - | - | - | - | - | - | - |
| Monetary sector | | | | | | | | | | |
| Narrow money growth (% yoy) | 4.9 | 4.3 | 20.8 | 21.0 | 4.0 | -10.5 | 3.5 | 5.3 | 6.0 | 6.0 |
| Broad money growth (% yoy) | 6.3 | 7.0 | 9.3 | 11.7 | 8.5 | 2.9 | 6.0 | 4.5 | 6.6 | 5.6 |
| Credit extension to private sector (% yoy) | 7.9 | 9.0 | 9.1 | 11.3 | 6.9 | 4.0 | 4.9 | 4.7 | 6.6 | 5.6 |
| Central bank policy rate (%, eop) | 1.75 | 1.25 | 0.50 | 1.00 | 3.25 | 3.50 | 3.00 | 2.50 | 2.50 | 2.50 |
| 1-month interbank rate (%, eop) | 1.82 | 1.33 | 0.60 | 1.15 | 3.47 | 3.65 | 3.12 | 2.62 | 2.65 | 2.65 |
| Long-term yield (%, eop) | 1.9 | 1.7 | 1.7 | 2.3 | 3.7 | 3.2 | 2.9 | 3.4 | 3.5 | 3.5 |
| External sector | | | | | | | | | | |
| Current account balance (% of GDP) | 4.2 | 3.4 | 4.3 | 4.4 | 1.4 | 1.9 | 5.4 | 6.6 | 10.1 | 7.7 |
| Current account balance (US$ bn) | 77.5 | 59.7 | 75.9 | 85.2 | 25.8 | 35.5 | 99.0 | 123.1 | 193.0 | 163.0 |
| Trade balance (US$ bn) | 110.1 | 79.8 | 80.6 | 75.7 | 15.6 | 34.2 | 100.1 | 138.1 | 219.8 | 201.5 |
| Exports, f.o.b. (US$ bn) | 626.3 | 556.7 | 517.9 | 649.5 | 694.3 | 645.6 | 696.2 | 718.9 | 919.7 | 938.2 |
| main export | - | - | - | - | - | - | - | - | - | - |
| Imports, c.i.f. (US$ bn) | 516.2 | 476.9 | 437.3 | 573.7 | 678.7 | 611.4 | 596.1 | 580.9 | 699.9 | 736.7 |
| Service balance (US$ bn) | -29.4 | -26.8 | -14.7 | -5.3 | -7.3 | -26.1 | -23.7 | -34.5 | -40.2 | -43.6 |
| Income balance (US$ bn) | -3.3 | 6.7 | 10.0 | 14.8 | 17.5 | 27.3 | 22.6 | 19.5 | 13.4 | 5.2 |
| Foreign direct investment (US$ bn) | 26.0 | 25.6 | 26.1 | 43.9 | 40.8 | 19.4 | 33.4 | 25.4 | 60.3 | 58.9 |
| International reserves (US$ bn) | 393.3 | 397.9 | 430.1 | 438.3 | 399.0 | 395.6 | 391.9 | 403.0 | 436.2 | 472.2 |
| Public sector | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | - | - | - | - | - | - | - | - | - | - |
| Central gov. budget balance (% of GDP) | 0.8 | 0.0 | -4.1 | -4.1 | -3.0 | -0.5 | -1.7 | -2.3 | -1.0 | -2.1 |
| Consolidated gov. primary budget balance (% of GDP) | - | - | - | - | - | - | - | - | - | - |
| Consolidated public sector balance (% of GDP) | - | - | - | - | - | - | - | - | - | - |
| Central gov. revenues (% of GDP) | | | | | | | | | | |
| Debt indicators | | | | | | | | | | |
| Gross external debt (% of GDP) | 25.6 | 28.5 | 33.4 | 35.0 | 39.9 | 38.0 | 38.3 | 38.1 | 38.8 | 36.7 |
| Public (% of GDP) | 4.9 | 5.6 | 7.4 | 8.0 | 9.3 | 8.8 | 9.8 | 9.2 | 9.4 | 8.9 |
| Private (% of GDP) | 20.7 | 22.9 | 26.0 | 27.0 | 30.6 | 29.1 | 28.5 | 28.9 | 29.4 | 27.8 |
| Gross government debt (% of GDP) | 41.6 | 44.0 | 49.2 | 49.8 | 48.1 | 50.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Domestic (% of GDP) | - | - | - | - | - | - | - | - | - | - |
| External (% of GDP) | - | - | - | - | - | - | - | - | - | - |
| External debt amortizations (US$ bn) | - | - | - | - | - | - | - | - | - | - |
| External debt interest payments (US$ bn) | - | - | - | - | - | - | - | - | - | - |
| External debt service (% of XGS) | - | - | - | - | - | - | - | - | - | - |
| Savings - Investment Balance | | | | | | | | | | |
| Savings (% of GDP) | 35.5 | 34.2 | 35.6 | 36.4 | 34.1 | 33.5 | 35.3 | 35.2 | 35.2 | 35.1 |
| Investment (% of GDP) | 30.5 | 30.0 | 30.9 | 31.2 | 31.6 | 31.6 | 30.6 | 30.6 | 30.7 | 30.8 |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| Quarterly Economic Forecasts | | | | | | | | | | |
| Real GDP growth (% yoy) | 1.7 | 1.5 | 2.0 | 2.0 | 1.3 | 2.2 | 2.4 | 2.2 | 2.0 | 1.7 |
| Real GDP growth (% qoq, sa, annualized) | 4.7 | -1.1 | 1.1 | 2.7 | 2.5 | 2.6 | 1.7 | 1.8 | 1.7 | 1.7 |
| CPI inflation (% yoy, eop) | 2.1 | 2.3 | 2.3 | 3.4 | 3.4 | 2.7 | 2.6 | 1.8 | 1.9 | 1.6 |
| Central bank policy rate (%, eop) | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| Nominal exchange rate (vs. USD, eop) | 1402 | 1435 | 1513 | 1490 | 1440 | 1395 | 1380 | 1365 | 1350 | 1335 |
| Current account balance (US$ bn) | 26.6 | 36.5 | 61.5 | 52.9 | 39.4 | 39.2 | 40.4 | 41.3 | 40.8 | 40.5 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 148: Hong Kong**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn) | 361.8 | 363.1 | 345.0 | 369.0 | 358.7 | 381.1 | 407.2 | 427 | 447 | 466 |
| GDP per capita (US$) | 48,545 | 48,365 | 46,117 | 49,774 | 48,833.9 | 50,573 | 54,120 | 56,995 | 59,268 | 61,510 |
| Economic Activity and Prices | | | | | | | | | | |
| Real GDP growth (% yoy) | 2.8 | -1.7 | -6.5 | 6.5 | -3.7 | 3.2 | 2.5 | 3.5 | 2.3 | 2.5 |
| CPI inflation (% yoy, avg) | 2.4 | 2.9 | 0.3 | 1.6 | 1.9 | 2.1 | 1.7 | 1.4 | 2.1 | 2.0 |
| Nominal exchange rate (vs. USD, eop) | 7.83 | 7.79 | 7.75 | 7.80 | 7.81 | 7.81 | 7.76 | 7.78 | 7.75 | 7.80 |
| Nominal exchange rate (vs. USD, avg) | 7.84 | 7.84 | 7.76 | 7.77 | 7.83 | 7.83 | 7.80 | 7.80 | 7.78 | 7.80 |
| Central bank policy rate (%, eop)[1] | 2.75 | 2.49 | 0.50 | 0.50 | 4.75 | 5.75 | 4.75 | 4.00 | 3.50 | 3.50 |
| External Sector | | | | | | | | | | |
| Current account balance (% of GDP) | 3.8 | 5.8 | 6.8 | 11.7 | 10.3 | 8.5 | 13.1 | 12.6 | 13.0 | 12.6 |
| Current account balance (US$ bn) | 13.6 | 21.0 | 23.5 | 43.2 | 37.1 | 32.3 | 53.4 | 53.8 | 58.2 | 58.7 |
| Trade balance (US$ bn) | -71.7 | -54.2 | -43.8 | -44.1 | -49.8 | -59.3 | -48.5 | -56.9 | -78.2 | -77.9 |
| Exports, f.o.b. (US$ bn) | 531.3 | 509.7 | 507.1 | 639.1 | 579.8 | 534.5 | 583.1 | 673.2 | 750.2 | 767.4 |
| Imports, c.i.f. (US$ bn) | 603.0 | 563.9 | 550.9 | 683.2 | 629.6 | 593.8 | 631.6 | 730.0 | 828.4 | 845.3 |
| International reserves (US$ bn) | 415.1 | 423.4 | 475.3 | 478.7 | 404.1 | 411.4 | 407.9 | 411.2 | 436.5 | 463.2 |
| Public Sector | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) - | - | - | - | - | - | - | - | - | | |
| Central gov. budget balance (% of GDP) | 4.9 | 2.1 | -1.4 | -9.0 | 0.7 | -4.7 | -3.2 | -2.8 | 0.1 | 0.7 |
| Debt Indicators | | | | | | | | | | |
| Gross external debt (% of GDP) | 468 | 461 | 519 | 507 | 496 | 484 | 469 | 469 | 471 | 475 |
| Public (% of GDP) | 0.9 | 0.9 | 0.7 | 2.3 | 1.6 | 3.9 | 3.7 | 3.7 | 3.7 | 3.8 |
| Private (% of GDP) | 468 | 460 | 518 | 505 | 494 | 481 | 466 | 466 | 468 | 471 |
| Gross government debt (% of GDP) | 4.2 | 3.8 | 5.7 | 8.3 | - | - | - | - | - | - |
| Domestic (% of GDP) | - | - | - | - | - | - | - | - | - | - |
| External (% of GDP) | - | - | - | - | - | - | - | - | - | - |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 149: Philippines**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn) | 341 | 384 | 371 | 381 | 395 | 439 | 455 | 476 | 516 | 542 |
| GDP per capita (US$) | 3,228 | 3,580 | 3,406 | 3,342 | 3,419 | 3,742 | 3,804 | 3,909 | 4,193 | 4,333 |
| Economic Activity and Prices | | | | | | | | | | |
| Real GDP growth (% yoy) | 6.2 | 6.0 | (9.5) | 5.9 | 7.6 | 5.6 | 5.7 | 4.4 | 2.0 | 3.0 |
| CPI inflation (% yoy, avg) | 5.2 | 2.4 | 2.4 | 3.9 | 5.8 | 6.0 | 3.2 | 1.7 | 5.0 | 5.0 |
| Nominal exchange rate (vs. USD, eop) | 52.6 | 50.8 | 48.5 | 51.0 | 55.7 | 55.4 | 58.0 | 58.8 | 57.0 | 57.0 |
| Nominal exchange rate (vs. USD, avg) | 51.0 | 50.9 | 49.7 | 49.8 | 54.5 | 55.6 | 56.7 | 58.4 | 57.9 | 57.0 |
| Central bank policy rate (%, eop) | 4.75 | 4.00 | 2.00 | 2.00 | 5.50 | 6.50 | 5.75 | 4.50 | 4.75 | 5.00 |
| External Sector | | | | | | | | | | |
| Current account balance (% of GDP) | (2.3) | (0.8) | 3.1 | (1.6) | (4.6) | (2.8) | (3.8) | (4.0) | (4.1) | (4.1) |
| Current account balance (US$ bn) | (8.9) | (3.0) | 11.6 | (5.9) | (18.3) | (12.4) | (17.5) | (19.0) | (21.0) | (22.0) |
| Trade balance (US$ bn) | (43.5) | (40.7) | (24.6) | (42.2) | (58.2) | (52.6) | (54.3) | (52.1) | (54.7) | (56.6) |
| Exports, f.o.b. (US$ bn) | 69.3 | 70.9 | 65.21 | 74.7 | 79.0 | 73.6 | 73.3 | 80.6 | 84.6 | 89.7 |
| Imports, c.i.f. (US$ bn) | 112.8 | 111.6 | 89.81 | 116.9 | 137.2 | 126.2 | 127.6 | 132.7 | 139.3 | 146.3 |
| International reserves (US$ bn) | 79.2 | 87.6 | 110.1 | 108.0 | 96.1 | 100.0 | 106.0 | 101.0 | 100.0 | 98.0 |
| Public Sector | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | (1.2) | (1.6) | (6.0) | (7.1) | (6.4) | (5.3) | (5.0) | (5.1) | (5.2) | (5.2) |
| Central gov. budget balance (% of GDP) | (3.2) | (3.6) | (7.6) | (8.6) | (7.3) | (6.1) | (5.3) | (6.0) | (6.1) | (6.2) |
| Debt Indicators | | | | | | | | | | |
| Gross external debt (% of GDP) | | | | | | | | | | |
| Public (% of GDP) | | | | | | | | | | |
| Private (% of GDP) | | | | | | | | | | |
| Gross government debt (% of GDP) | 42.7 | 40.8 | 39.0 | | | | | | | |
| Domestic (% of GDP) | 27.8 | 26.594 | 25.7 | | | | | | | |
| External (% of GDP) | 14.9 | 14.206 | 13.3 | | | | | | | |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 150: Malaysia**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| **Summary Data** | | | | | | | | | | |
| Nominal GDP (US$ bn) | 359.0 | 365.3 | 337.7 | 373.9 | 408.0 | 399.7 | 426.3 | 492.9 | 532.4 | 575.0 |
| GDP per capita (US$) | 11,133 | 11,280 | | | | | | | | |
| Unemployment rate (%) | 3.3 | 3.3 | 4.5 | 4.7 | 3.8 | 3.4 | 3.2 | 3.0 | 2.9 | 2.9 |
| Population (millions) | 32.2 | 32.4 | 32.4 | 32.6 | 32.7 | 33.4 | 34.4 | 34.4 | 35.4 | 35.4 |
| **Economic Activity** | | | | | | | | | | |
| Real GDP growth (% yoy) | 4.8 | 4.4 | -5.5 | 3.3 | 9.0 | 3.5 | 5.1 | 5.2 | 4.2 | 4.5 |
| Domestic demand growth (% yoy) | 4.7 | 3.9 | -4.8 | 3.8 | 9.7 | 5.0 | 4.9 | 6.3 | 5.1 | 4.9 |
| Real investment growth (% yoy) | 1.4 | -2.1 | -14.4 | -0.7 | 6.8 | 5.4 | 12.0 | 9.6 | 8.0 | 6.0 |
| Real consumption growth (% yoy) | 7.1 | 6.6 | -2.6 | 2.5 | 10.3 | 4.4 | 5.0 | 0.0 | 5.1 | 4.9 |
| Real private consumption growth (% yoy) | 8.0 | 7.7 | -3.9 | 1.8 | 11.4 | 4.6 | 5.1 | 5.2 | 5.2 | 4.9 |
| Real government consumption growth (% yoy) | 3.4 | 1.5 | 4.1 | 5.8 | 5.6 | 3.4 | 4.7 | 6.6 | 4.3 | 4.3 |
| Real export growth (% yoy) | 1.9 | -1.0 | -8.6 | 18.5 | 14.5 | -7.9 | 8.3 | 3.1 | 3.1 | 3.8 |
| Real import growth (% yoy) | 1.5 | -2.4 | -7.9 | 21.2 | 16.0 | -6.8 | 8.2 | 4.6 | 4.5 | 4.5 |
| **Prices** | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 0.2 | 1.0 | -1.4 | 3.2 | 3.8 | 1.5 | 1.7 | 1.6 | 2.0 | 2.4 |
| CPI inflation (% yoy, avg) | 1.0 | 0.7 | -1.1 | 2.5 | 3.4 | 2.5 | 1.8 | 1.4 | 1.8 | 2.2 |
| Nominal wages (% yoy) | 3.7 | 2.6 | -2.1 | 1.4 | 9.4 | 9.4 | 10.4 | 9.0 | 8.0 | 8.0 |
| Nominal exchange rate (vs. USD, eop) | 4.14 | 4.09 | 4.01 | 4.18 | 4.41 | 4.59 | 4.47 | 4.06 | 3.90 | 3.90 |
| Nominal exchange rate (vs. USD, avg) | 4.04 | 4.14 | 4.20 | 4.14 | 4.40 | 4.56 | 4.58 | 4.28 | 3.90 | 3.90 |
| Bilateral real exchange rate (% yoy, + dep) | - | - | - | - | - | - | - | | | |
| **Monetary Sector** | | | | | | | | | | |
| Monetary base growth (% yoy) | 1.2 | 5.8 | 15.7 | 10.4 | 4.3 | 5.9 | 4.4 9.0 | | | |
| Broad money growth (% yoy)[1] | 9.1 | 3.5 | 4.0 | 6.4 | 4.3 | 6.0 | 3.6 4.1 | | | |
| Credit extension to private sector (% yoy)[2] | 7.7 | 3.9 | 3.4 | 4.5 | 5.7 | 5.3 | 5.5 4.8 | | | |
| Central bank policy rate (%) | 3.25 | 3.00 | 1.75 | 1.75 | 2.75 | 3.00 | 3.00 | 2.75 | 2.75 | 2.75 |
| 3-month interbank rate (%) | 3.69 | 3.35 | 1.94 | 2.05 | 3.68 | 3.77 | 3.73 | 3.28 | 3.35 | 3.35 |
| Long-term yield (%)[3] | 4.08 | 3.62 | 2.81 | 3.27 | 4.08 | 3.85 | 3.83 | 3.56 | | |
| **External Sector** | | | | | | | | | | |
| Current account balance (% of GDP) | 2.2 | 3.5 | 4.2 | 3.9 | 3.2 | 1.1 | 1.4 | 1.6 | 2.3 | 2.4 |
| Current account balance (US$ bn) | 8.0 | 12.8 | 14.1 | 14.5 | 13.0 | 4.4 | 6.1 | 7.4 | 12.0 | 14.0 |
| Trade balance (US$ bn) | 28.4 | 30.1 | 32.7 | 42.9 | 42.6 | 28.7 | 25.0 | 25.9 | 27.0 | 28.0 |
| Exports, f.o.b. (US$ bn) | 205.9 | 197.4 | 185.8 | 242.8 | 281.3 | 232.1 | 248.3 | 271.8 | 273.8 | 275.8 |
| main export | 54.6 | 53.5 | 56.9 | 67.9 | 88.1 | 85.0 | 84.8 | 108.8 | | |
| Imports, c.i.f. (US$ bn) | 177.4 | 167.2 | 153.1 | 200.0 | 238.7 | 203.4 | 223.3 | 245.9 | 246.8 | 247.8 |
| Service balance (US$ bn) | -4.3 | -2.6 | -11.2 | -15.9 | -13.2 | -9.7 | -2.6 | 0.3 | 5.0 | 8.0 |
| Income balance (US$ bn) | -16.1 | -14.7 | -7.4 | -12.5 | -16.3 | -14.7 | -16.4 | -18.7 | -20.0 | -22.0 |
| Foreign direct Investment (US$ bn) | 8.3 | 9.1 | 4.0 | 20.3 | 15.0 | 9.7 | 17.8 18.1 | | 17.0 | 16.0 |
| International reserves (US$ bn) | 101.4 | 103.6 | 107.6 | 116.9 | 114.7 | 113.5 | 116.2 125.5 | | 128.0 | 130.0 |
| Price of main export commodity - Crude Palm Oil (RM/ton avg) | 2,235 | 2,119 | 2,765 | 4,417 | 5,126 | 3,829 | 4,213 4,308 | | | |
| **Public Sector** | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -1.6 | -1.2 | -3.7 | -3.9 | -3.2 | -2.5 | -1.5 | -1.1 | -0.8 | -0.5 |
| Central gov. budget balance (% of GDP) | -3.7 | -3.4 | -6.2 | -6.4 | -5.5 | -5.0 | -4.3 | -3.7 | -3.5 | -3.2 |
| Consolidated gov. primary budget balance (% of GDP) | - | - | - | - | - | - | - | | | |
| Consolidated public sector balance (% of GDP) | -2.9 | -3.4 | -7.3 | -8.3 | -6.0 | -5.9 | - | - | | |
| Central gov. revenues (% of GDP) | 16.1 | 17.5 | 15.9 | 15.1 | 16.4 | 17.3 | 16.8 | 16.6 | | |
| **Debt Indicators** | | | | | | | | | | |
| Gross external debt (% of GDP) | 63.8 | 62.6 | 67.6 | 69.8 | 63.8 | 69.3 | 69.9 | 68.9 | - | - |
| Public (% of GDP) | 20.7 | 20.7 | 24.6 | 26.0 | 21.1 | 22.1 | 21.1 | 21.0 | - | - |
| Private (% of GDP) | 43.0 | 42.0 | 42.9 | 43.7 | 42.7 | 47.3 | 48.8 | 47.9 | - | - |
| Gross government debt (% of GDP) | 51.2 | 52.4 | 62.0 | 63.3 | 60.1 | 64.3 | 64.6 | 65.3 | - | - |
| Domestic (% of GDP) | 49.7 | 50.5 | 60.0 | 61.3 | 58.5 | 62.6 | 63.1 64.2 | - | - | |
| External (% of GDP) | 1.5 | 1.9 | 2.0 | 1.9 | 1.6 | 1.6 | 1.4 1.0 | - | - | |
| External debt amortizations (US$ bn) | - | - | - | - | - | - | - | - | - | - |
| External debt interest payments (US$ bn) | - | - | - | - | - | - | - | - | - | - |
| External debt service (% of XGS) | - | - | - | - | - | - | - | - | - | - |
| **Savings - Investment Balance** | | | | | | | | | | |
| Savings (% of GDP) | 26.1 | 24.5 | 23.8 | 26.0 | 26.8 | 23.9 | 23.4 | 22.0 | 23.2 | 23.9 |
| Investment (% of GDP) | 23.9 | 21.0 | 19.7 | 22.1 | 23.6 | 22.8 | 22.0 | 20.5 | 21.0 | 21.5 |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Quarterly Economic Forecasts** | | | | | | | | | | |
| Real GDP growth (% yoy) | 5.4 | 6.3 | 5.3 | 4.1 | 3.7 | 3.7 | 4.1 | 4.4 | 4.7 | 4.7 |
| Real GDP growth (% qoq, sa, annualized) | 11.0 | 3.1 | -0.8 | 4.1 | 9.1 | 1.6 | 1.6 | 5.3 | 10.4 | 2.0 |
| CPI inflation (% yoy, eop) | 1.4 | 1.4 | 1.7 | 1.9 | 1.8 | 2.0 | 2.1 | 2.1 | 2.3 | 2.4 |
| Central bank policy rate (%, eop) | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 |
| Nominal exchange rate (vs. USD, eop) | 4.22 | 4.06 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.9 |
| Current account balance (US$ bn) | 3.0 | 0.5 | 3.0 | 3.0 | 3.0 | 3.0 | 3.5 | 3.5 | 3.5 | 3.5 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 151: Singapore**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn) | 376.8 | 377.0 | 349.6 | 436.4 | 509.0 | 505.5 | 547.4 | 604.6 | 628.8 | 654.0 |
| GDP per capita (US$) | 66,819 | 66,095 | 61,495 | 80,026 | 90,287 | 85,422 | 90,678 | 98,936 | 101,419 | 103,802 |
| Unemployment Rate (%) | 2.1 | 2.2 | 3.0 | 2.7 | 2.1 | 1.9 | 2.0 | 2.0 | 2.0 | 2.0 |
| Population (millions) | 5.6 | 5.7 | 5.7 | 5.5 | 5.6 | 5.9 | 6.0 | 6.1 | 6.2 | 6.3 |
| Economic Activity | | | | | | | | | | |
| Real GDP growth (% yoy) | 3.5 | 1.3 | -3.8 | 9.8 | 4.1 | 1.8 | 4.4 | 5.0 | 2.5 | 2.5 |
| Domestic demand growth (% yoy) | 4.0 | 2.8 | -7.9 | 6.3 | 6.6 | 4.1 | 5.6 | 3.4 | 2.9 | 2.8 |
| Real investment growth (% yoy) | -5.0 | 2.5 | -14.0 | 23.2 | 4.7 | -0.9 | 2.9 | 6.1 | 3.0 | 2.9 |
| Real consumption growth (% yoy) | 4.0 | 2.8 | -7.9 | 6.3 | 6.6 | 4.1 | 5.6 | 3.4 | 2.9 | 2.8 |
| Real private consumption growth (% yoy) | 4.3 | 2.7 | -13.6 | 7.2 | 9.7 | 4.9 | 4.8 | 3.9 | 3.1 | 2.9 |
| Real government consumption growth (% yoy) | 2.9 | 3.4 | 13.2 | 3.9 | -2.3 | 1.8 | 8.3 | 1.7 | 2.2 | 2.4 |
| Real export growth (% yoy) | 8.3 | 0.0 | -0.4 | 8.8 | 4.9 | 5.7 | 5.4 | 10.8 | 3.4 | 2.6 |
| Real import growth (% yoy) | 7.8 | -0.1 | -2.0 | 8.9 | 5.8 | 5.3 | 6.6 | 11.9 | 4.2 | 4.3 |
| Prices | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 0.5 | 0.8 | 0.0 | 4.0 | 6.5 | 3.7 | 1.6 | 1.2 | 2.4 | 1.6 |
| CPI inflation (% yoy, avg) | 0.4 | 0.6 | -0.2 | 2.3 | 6.1 | 4.8 | 2.4 | 0.9 | 2.1 | 1.9 |
| Nominal wages (% yoy) | 3.5 | 2.6 | 1.4 | 3.6 | 6.8 | 5.3 | 4.0 | 4.0 | 4.0 | 4.0 |
| Nominal exchange rate (vs. USD, eop) | 1.36 | 1.35 | 1.32 | 1.35 | 1.34 | 1.32 | 1.36 | 1.28 | 1.27 | 1.27 |
| Nominal exchange rate (vs. USD, avg) | 1.35 | 1.36 | 1.38 | 1.34 | 1.38 | 1.34 | 1.34 | 1.31 | 1.27 | 1.27 |
| Bilateral real exchange rate (% yoy, + dep) | - | - | - | - | - | - | - | | | |
| Monetary Sector | | | | | | | | | | |
| Monetary base growth (% yoy) | 0.1 | 3.6 | 32.8 | - | -10.7 | 2.1 | 8.8 | - | | |
| Broad money growth (% yoy)[1] | 3.9 | 5.0 | 13.2 | - | 1.8 | 4.6 | 6.0 | - | | |
| Credit extension to private sector (% yoy)[2] | 3.0 | 3.1 | -2.0 | - | -2.3 | -2.3 | -2.3 | - | | |
| Central bank policy rate (%, eop) | - | - | - | - | - | - | - | - | | |
| 3-month interbank rate (%, eop) | 1.46 | 1.26 | 0.17 | 0.19 | 3.03 | 3.70 | 3.03 | - | | |
| Long-term yield (%, eop)[3] | 2.04 | 1.74 | 0.84 | 1.67 | 3.09 | 2.71 | 2.86 | - | | |
| External Sector | | | | | | | | | | |
| Current account balance (% of GDP) | 16.0 | 16.0 | 17.5 | 19.8 | 18.4 | 17.7 | 17.5 | 16.7 | 16.4 | 16.1 |
| Current account balance (US$ bn) | 81.2 | 82.5 | 84.3 | 116.1 | 129.3 | 120.0 | 128.3 | 132.0 | 103.0 | 105.0 |
| Trade balance (US$ bn) | 140.3 | 131.4 | 141.9 | 162.8 | 220.7 | 211.1 | 197.9 | 230.4 | 220.0 | 220.0 |
| Exports, f.o.b. (US$ bn) | 621.0 | 601.3 | 575.7 | 689.2 | 837.9 | 751.2 | 779.1 | 852.0 | 825.0 | 860.0 |
| Electronic exports (US$ bn) | - | - | - | - | - | - - | - | | | |
| Imports, c.i.f. (US$ bn) | 480.7 | 469.9 | 433.9 | 526.4 | 617.2 | 540.1 | 581.1 | 621.6 | 605.0 | 640.0 |
| Service balance (US$ bn) | 10.9 | 20.4 | 10.0 | 49.9 | 59.1 | 42.9 | 59.4 | 49.1 | 45.0 | 45.0 |
| Income balance (US$ bn) | -70.0 | -69.4 | -67.6 | -96.6 | -150.6 | -134.0 | -129.0 | -147.5 | -162.0 | -160.0 |
| Foreign direct investment (US$ bn) | 81.2 | 105.3 | 78.4 | 138.5 | 140.8 | 157.9 | 160.0 | 159.2 | | |
| International reserves (US$ bn) | 287.7 | 279.5 | 362.3 | 417.9 | 289.5 | 351.0 | 371.4 | 409.3 | 429.3 | 449.3 |
| Public Sector | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -0.8 | -0.2 | -3.9 | -2.0 | -2.0 | -0.3 | 0.5 | 0.8 | 0.0 | -0.3 |
| Central gov. budget balance (% of GDP) | 0.7 | 0.2 | -10.5 | 0.2 | -0.1 | -0.9 | 0.4 | 1.3 | 0.5 | 0.2 |
| Consolidated gov. primary budget balance (% of GDP) | - | - | - | - | - | - | - | | | |
| Consolidated public sector balance (% of GDP) | - | - | - | - | - | - | - | | | |
| Central gov. revenues (% of GDP) | 14.4 | 14.5 | 13.7 | 13.4 | 13.0 | 15.0 | - | | | |
| Debt Indicators | | | | | | | | | | |
| Gross external debt (% of GDP) | 411.0 | 425.3 | 488.9 | 430.2 | 377.7 | 408.6 | 407.1 | 391.0 | | |
| Public (% of GDP) | - | - | - | - | - | - | - | - | | |
| Private (% of GDP) | 411.0 | 425.3 | 488.9 | 430.2 | 377.7 | 408.6 | 407.1 | 391.0 | | |
| Gross government debt (% of GDP) | 107.5 | 124.7 | 146.3 | 132.6 | 153.9 | 169.5 | 173.1 | 166.1 | | |
| Domestic (% of GDP) | 107.5 | 124.7 | 146.3 | 132.6 | 153.9 | 169.5 | 173.1 | 166.1 | | |
| External (% of GDP) | - | - | - | - | - | - | - | - | | |
| External debt amortizations (US$ bn) | - | - | - | - | - | - | - | - | | |
| External debt Interest payments (US$ bn) | - | - | - | - | - | - | - | - | | |
| External debt service (% of XGS) | - | - | - | - | - | - | - | - | | |
| Savings - Investment Balance | | | | | | | | | | |
| Savings (% of GDP) | 40.7 | 40.6 | 39.5 | 43.8 | 40.6 | 38.9 | 39.7 | 38.7 | - | |
| Investment (% of GDP) | 24.7 | 24.6 | 22.9 | 24.0 | 22.2 | 21.2 | 22.2 | 21.3 | - | |
| *Memorandum Items* | | | | | | | | | | |
| Lending to housing (% yoy) | 5.9 | 1.0 | 2.4 | - | - | - | - | | | |
| Central gov. expenditure (% of GDP) | 15.2 | 14.7 | 17.7 | 20.0 | 15.6 | 14.9 | - | | | |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| Quarterly Economic Forecasts | | | | | | | | | | |
| Real GDP growth (% yoy) | 4.5 | 5.7 | 4.6 | 3.2 | 1.3 | 0.9 | 2.1 | 2.4 | 2.7 | 2.8 |
| Real GDP growth (% qoq, sa, annualized) | 7.8 | 5.2 | -1.3 | 0.8 | 1.6 | 2.4 | 2.8 | 2.8 | 2.8 | 2.8 |
| CPI inflation (% yoy, eop) | 0.7 | 1.2 | 1.8 | 2.0 | 2.2 | 2.4 | 2.3 | 2.1 | 1.8 | 1.6 |
| Central bank policy rate (%, eop) | | | | | | | | | | |
| Nominal exchange rate (vs. USD, eop) | 1.29 | 1.28 | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 |
| Current Account balance (US$ bn) | 22.2 | 31.0 | 23.8 | 23.8 | 23.8 | 23.8 | 25.0 | 25.0 | 25.0 | 25 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 152: Taiwan**
Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn) | 610 | 612 | 677 | 778 | 762 | 757 | 802 | 922 | 984 | 1,070 |
| GDP per capita (US$) | | | 28,549 | 32,944 | 32,625 | 32,325 | 34,255 | 39,588 | 42,413 | 46,978 |
| Economic Activity and Prices | | | | | | | | | | |
| Real GDP growth (% yoy) | 2.8 | 3.1 | 3.4 | 6.7 | 2.7 | 1.1 | 5.3 | 8.7 | 7.2 | 4.5 |
| CPI inflation (% yoy, avg) | 1.4 | 0.6 | -0.2 | 2.0 | 2.9 | 2.5 | 2.2 | 1.7 | 2.0 | 1.8 |
| Nominal exchange rate (vs. USD, eop) | 30.7 | 30.1 | 28.5 | 27.7 | 30.7 | 30.7 | 32.8 | 3.5 | 4.0 | 3.5 |
| Nominal exchange rate (vs. USD, avg) | 30.1 | 30.9 | 29.6 | 28.0 | 29.8 | 31.1 | 32.1 | 31.4 | 30.8 | 30.0 |
| Central bank policy rate (%, eop) | 1.38 | 1.38 | 1.13 | 1.13 | 1.75 | 1.88 | 2.00 | 2.00 | 2.25 | 2.38 |
| External Sector | | | | | | | | | | |
| Current account balance (% of GDP) | 11.6 | 10.7 | 14.4 | 15.3 | 13.2 | 14.0 | | 19.6 | 22.3 | |
| Current account balance (US$ bn) | 70.9 | 65.7 | 97.6 | 118.3 | 101.4 | 105.8 | 112.8 | 181.1 | 219.7 | 250.6 |
| Trade balance (US$ bn) | 49.2 | 43.5 | 59.0 | 64.4 | 51.3 | 80.8 | 80.6 | 156.4 | 193.2 | 219.6 |
| Exports, f.o.b. (US$ bn) | 334.0 | 329.2 | 345.1 | 446.4 | 479.4 | 432.4 | 474.9 | 640.0 | 739.0 | 828.9 |
| Imports, c.i.f. (US$ bn) | 284.8 | 285.7 | 286.1 | 382.0 | 428.1 | 351.6 | 394.3 | 483.5 | 545.8 | 609.2 |
| International reserves (US$ bn) | 462 | 478 | 530 | 548 | 555 | 571 | 577 | 603 | 617 | 629 |
| Public Sector | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | 0.1 | 0.6 | -0.3 | 1.3 | 1.2 | -2.4 | 1.4 | -1.2 | -2.0 | -2.0 |
| Central gov. budget balance (% of GDP) | -0.3 | 0.1 | -0.7 | 0.8 | 0.8 | -2.9 | 0.4 | -1.6 | -2.4 | -2.0 |
| Debt Indicators | | | | | | | | | | |
| Gross external debt (% of GDP) | 31.4 | 30.2 | 28.0 | 27.4 | 26.4 | 27.3 | 27.6 | 25.4 | 23.7 | |
| Public (% of GDP) | 0.0 | 0.1 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | |
| Private (% of GDP) | 31.4 | 30.1 | 27.8 | 27.2 | 26.2 | 27.2 | 27.5 | 25.3 | 23.6 | |
| Gross government debt (% of GDP) | 33.9 | 32.7 | 32.1 | 30.2 | 29.5 | 29.0 | 29.0 | 28.7 | 28.7 | |
| Domestic (% of GDP) | - | - | - | - | - | - | - | | | |
| External (% of GDP) | - | - | - | - | - | - | - | | | |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 153: Thailand**
Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn) | 506.4 | 543.9 | 477.0 | 477.2 | 475.2 | 497.0 | 511.5 | 519.1 | 543.3 | 602.1 |
| GDP per capita (US$) | 7624.3 | 8161.3 | 7133.9 | 7112.1 | 7058.9 | 7357.2 | 7546.8 | 7658.3 | 8015.7 | 8883.3 |
| Economic Activity and Prices | | | | | | | | | | |
| Real GDP growth (% yoy) | 4.2 | 2.3 | -6.3 | 1.5 | 2.7 | 2.0 | 2.5 | 2.4 | 1.3 | 2.1 |
| CPI inflation (% yoy, avg) | -0.9 | 0.7 | -0.9 | 1.2 | 6.1 | 1.6 | 0.4 | -0.1 | 3.0 | -0.1 |
| Nominal exchange rate (vs. USD, eop) | 32.3 | 29.9 | 30.5 | 33.0 | 31.0 | 34.0 | 34.0 | 32.0 | 31.0 | 30.0 |
| Nominal exchange rate (vs. USD, avg) | 32.3 | 31.0 | 31.3 | 32.1 | 35.0 | 34.7 | 34.7 | 32.0 | 31.0 | 30.0 |
| Central bank policy rate (%, eop) | 1.8 | 1.3 | 0.5 | 0.5 | 1.0 | 2.50 | 2.50 | 1.25 | 0.75 | 1.00 |
| External Sector | | | | | | | | | | |
| Current account balance (% of GDP) | 5.6 | 6.8 | 8.1 | -3.7 | -3.0 | 1.4 | 2.2 | 4.2 | 3.2 | 3.5 |
| Current account balance (US$ bn) | 28.4 | 37.0 | 40.8 | -18.5 | -15.7 | 7.4 | 11.1 | 21.9 | 17.1 | 19.4 |
| Trade balance (US$ bn) | 22.4 | 26.7 | 40.9 | 32.4 | 13.5 | 19.4 | 17.2 | 27.5 | 22.6 | 23.3 |
| Exports, f.o.b. (US$ bn) | 251.1 | 242.7 | 227.0 | 270.6 | 285.2 | 280.7 | 293.3 | 327.8 | 344.5 | 352.3 |
| Imports, c.i.f. (US$ bn) | 228.7 | 216.0 | 186.1 | 238.2 | 271.6 | 261.4 | 276.1 | 299.4 | 321.9 | 329.0 |
| International reserves (US$ bn) | 205.6 | 224.3 | 258.1 | 239.5 | 216.3 | 218.0 | 221.9 | 236.5 | 247.1 | 260.5 |
| Public Sector | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -1.5 | -1.9 | -6.6 | -8.0 | -4.2 | -2.1 | -3.1 | -3.4 | -3.3 | -2.9 |
| Central gov. budget Balance (% of GDP) | -3.0 | -3.0 | -7.1 | -9.0 | -5.8 | -3.6 | -4.4 | -4.5 | -4.4 | -4.0 |
| Debt Indicators | | | | | | | | | | |
| Gross external debt (% of GDP) | 32.2 | 31.6 | na | na | na | na | na | na | na | na |
| Public (% of GDP) | 7.1 | 7.0 | na | na | na | na | na | na | na | na |
| Private (% of GDP) | 25.2 | 24.6 | na | na | na | na | na | na | na | na |
| Gross government debt (% of GDP) | 41.9 | 41.1 | 49.4 | 58.4 | 60.5 | 62.3 | 63.2 | 65.1 | 67.8 | 67.8 |
| Domestic (% of GDP) | 40.3 | 39.8 | 48.5 | 57.3 | 59.5 | 61.6 | 62.5 | 64.6 | na | na |
| External (% of GDP) | 1.6 | 1.3 | 0.9 | 1.1 | 1.0 | 0.9 | 0.7 | 0.5 | na | na |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

# GEMs Tables – EEMEA

**Exhibit 154: Poland**

Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 603 | 606 | 689 | 696 | 813 | 922 | 1,041 | 1,171 | 1,285 |
| GDP per capita (US$) | 15,699 | 15,908 | 18,182 | 18,422 | 21,600 | 24,585 | 27,866 | 31,492 | 34,685 |
| Unemployment rate (%) | 3.3 | 3.2 | 3.4 | 2.9 | 2.8 | 2.9 | 3.0 | 2.8 | 2.9 |
| Population (millions) | 38.4 | 38.1 | 37.9 | 37.8 | 37.6 | 37.5 | 37.3 | 37.2 | 37.0 |
| Economic Activity | | | | | | | | | |
| Real GDP growth (% yoy) | 4.6 | -2.0 | 6.8 | 5.6 | 0.1 | 3.1 | 3.7 | 3.0 | 2.7 |
| Domestic demand growth (% yoy) | 3.6 | -2.9 | 8.1 | 5.2 | -3.0 | 4.2 | 4.6 | 4.8 | 2.3 |
| Real investment growth (% yoy) | 1.9 | -7.8 | 16.6 | 9.3 | -16.8 | 4.6 | 6.4 | 13.6 | -0.4 |
| Real consumption growth (% yoy) | 4.0 | -1.5 | 6.0 | 4.0 | 1.0 | 4.1 | 4.1 | 2.6 | 3.0 |
| Real private consumption growth (% yoy) | 3.4 | -3.4 | 6.3 | 5.0 | -0.2 | 2.9 | 3.7 | 2.5 | 3.0 |
| Real government consumption growth (% yoy) | 6.1 | 4.5 | 5.0 | 1.2 | 4.6 | 7.8 | 5.3 | 3.0 | 3.0 |
| Real export growth (% yoy) | 5.3 | -1.1 | 12.4 | 7.3 | 3.8 | 1.9 | 5.4 | 2.0 | 4.2 |
| Real import growth (% yoy) | 3.2 | -2.6 | 16.2 | 6.9 | -1.4 | 4.7 | 6.8 | 4.0 | 3.5 |
| Prices | | | | | | | | | |
| CPI inflation (% yoy, eop) | 3.4 | 2.4 | 8.6 | 16.6 | 6.2 | 4.7 | 2.4 | 3.4 | 2.2 |
| CPI inflation (% yoy, avg) | 2.3 | 3.4 | 5.1 | 14.3 | 11.6 | 3.7 | 3.6 | 3.2 | 2.7 |
| Nominal wages (% yoy) | 6.6 | 4.8 | 8.6 | 12.9 | 11.9 | 11.2 | - | - | |
| Nominal exchange rate (vs EUR, eop) | 4.26 | 4.61 | 4.60 | 4.69 | 4.35 | 4.27 | 4.23 | 4.20 | 4.15 |
| Nominal exchange rate (vs EUR, avg) | 4.30 | 4.44 | 4.57 | 4.69 | 4.54 | 4.31 | 4.24 | 4.21 | 4.18 |
| Bilateral real exchange rate (% yoy, + dep) | -0.2 | 0.2 | 0.3 | -2.7 | -8.4 | -6.4 | -3.0 | - | - |
| Monetary Sector | | | | | | | | | |
| Monetary base growth (% yoy, eop)1 | 14.1 | 32.6 | 12.6 | -8.1 | 6.3 | 10.3 | 11.4 | - | - |
| Broad money growth (% yoy, eop) | 8.3 | 16.4 | 8.9 | 5.4 | 8.5 | 9.3 | 10.4 | - | - |
| Credit extension to private sector (% yoy, eop) | 5.2 | 0.3 | 5.5 | 1.6 | -0.5 | 4.8 | 5.4 | - | - |
| Central bank policy rate (%, eop) | 1.50 | 0.10 | 1.75 | 6.75 | 5.75 | 5.75 | 4.00 | 3.75 | 3.75 |
| 1-month interbank rate (%, eop)2 | 1.63 | 0.20 | 2.23 | 6.93 | 5.80 | 5.81 | 4.06 | - | - |
| Long-term yield (%, eop)3 | 2.0 | 1.3 | 3.4 | 6.6 | 5.2 | 5.7 | 5.2 | - | - |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | -0.3 | 2.4 | -1.3 | -2.2 | 1.5 | 0.3 | -0.9 | -2.4 | -2.2 |
| Current account balance (US$ bn) | -5.4 | 9.0 | -9.9 | -17.4 | 11.0 | -8.3 | -19.9 | -28.2 | -28.6 |
| Trade balance (US$ bn) | -4.9 | 8.0 | -9.1 | -23.2 | 5.1 | -6.7 | -15.2 | -36.3 | -36.0 |
| Exports, f.o.b. (US$ bn) | 247 | 252 | 312 | 342 | 363 | 361 | 390 | 421.9 | 458.3 |
| main export | - | - | - | - | - | - | - | - | - |
| Imports, c.i.f. (US$ bn) | 252 | 244 | 321 | 365 | 358 | 367 | 406 | 458.3 | 494.3 |
| Service balance (US$, bn) | 26.9 | 26.0 | 31.3 | 37.9 | 42.7 | 43.4 | 44.4 | 51.0 | 54.6 |
| Income balance (US$, bn) | -24.9 | -22.5 | -30.3 | -27.4 | -33.1 | -30.8 | -37.6 | -42.3 | -46.7 |
| Foreign direct investment (US$ bn) | 13.6 | 15.2 | 27.3 | 28.7 | 23.4 | 10.5 | - | - | - |
| International reserves (US$ bn) | 128 | 154 | 166 | 167 | 194 | 223 | 271 | 298 | 333 |
| Public Sector | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | 0.1 | -6.9 | -0.8 | -1.9 | -2.7 | -5.1 | - | - | - |
| Central gov. budget balance (% of GDP) | -1.1 | -7.8 | -1.8 | -3.0 | -4.1 | -6.6 | - | - | - |
| Consolidated gov. primary budget balance (% of GDP) | 0.6 | -5.6 | -0.6 | -1.8 | -3.1 | -4.3 | - | - | - |
| Consolidated public sector balance (% of GDP) | -0.7 | -6.9 | -1.7 | -3.4 | -5.2 | -6.4 | -7.3 | -7.1 | -6.9 |
| General gov. revenues (% of GDP) | 40.7 | 40.9 | 41.9 | 39.9 | 41.7 | 42.8 | - | - | - |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 59.0 | 62.4 | 53.2 | 53.9 | 53.1 | 50.1 | 52.3 | - | - |
| Public (% of GDP) | 21.5 | 22.1 | 17.4 | 17.1 | 17.5 | 17.9 | 24.0 | - | - |
| Private (% of GDP) | 37.5 | 40.3 | 35.9 | 36.8 | 35.7 | 32.2 | 28.3 | - | - |
| Gross government debt (% of GDP) | 45.2 | 56.6 | 53.0 | 48.8 | 49.5 | 54.8 | 59.7 | 64.5 | 69.3 |
| Domestic (% of GDP) | 26.1 | 36.9 | 38.2 | 34.7 | 35.2 | 39.9 | 37.7 | - | - |
| External (% of GDP) | 19.1 | 19.6 | 14.8 | 14.1 | 14.3 | 14.9 | 21.9 | - | - |
| External debt amortizations (US$ bn) | - | - | - | - | - | - | - | - | - |
| External debt interest payments (US$ bn) | - | - | - | - | - | - | - | - | - |
| External debt service (% of XGS) | - | - | - | - | - | - | - | - | - |
| Savings - Investment Balance | | | | | | | | | |
| Savings (% of GDP) | 20.4 | 21.2 | 20.5 | 19.8 | 19.2 | 18.5 | 17.4 | - | - |
| Investment (% of GDP) | 20.7 | 18.8 | 21.8 | 22.1 | 17.7 | 18.2 | 18.2 | - | - |

| | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|
| Quarterly Economic Forecasts | | | | | | |
| Real GDP growth (sa, % yoy) | 2.6 | 2.0 | - | - | - | - |
| Real GDP growth (sa, % qoq, annualized) | - | - | - | - | - | - |
| CPI inflation (% yoy, eop) | - | - | - | - | - | - |
| Central bank policy rate (%, eop) | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 |
| Nominal exchange rate (vs EUR, eop) | 4.25 | 4.20 | 4.15 | 4.15 | 4.15 | 4.15 |
| Current account balance (US$ bn) | - | - | . | - | - | - |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 155: South Africa**

Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 389 | 338 | 420 | 407 | 381 | 401 | 427 | 488 | 539 |
| GDP per capita (US$) | 6583 | 5631 | 6924 | 6640 | 6133 | 6365 | 6688 | 7535 | 8210 |
| Unemployment rate (%) | 29 | 29 | 34 | 34 | 32 | 33 | 34 | 34 | 34 |
| Population (millions) | 59.1 | 60.0 | 60.6 | 61.4 | 62.2 | 63.0 | 63.9 | 64.7 | 65.6 |
| Economic Activity | | | | | | | | | |
| Real GDP growth (% yoy) | 0.3 | -6.2 | 4.9 | 2.1 | 0.8 | 0.5 | 1.1 | 1.3 | 1.6 |
| Domestic demand growth (% yoy) | 1.3 | -7.8 | 4.9 | 3.9 | 0.5 | -0.6 | 2.1 | 1.4 | 1.4 |
| Real investment growth (% yoy) | -1.7 | -14.8 | -0.3 | 5.9 | 3.0 | -3.9 | -2.2 | 1.5 | 1.7 |
| Real consumption growth (% yoy) | 1.4 | -4.5 | 4.7 | 2.2 | 0.6 | 0.7 | 2.7 | 1.9 | 1.9 |
| Real private consumption growth (% yoy) | 1.3 | -6.1 | 6.0 | 2.6 | 0.2 | 1.0 | 3.6 | 2.3 | 2.2 |
| Real government consumption growth (% yoy) | 1.8 | 0.9 | 0.6 | 0.7 | 1.9 | -0.1 | -0.2 | 0.5 | 0.7 |
| Real export growth (% yoy) | -3.3 | -12.0 | 9.7 | 7.8 | 5.1 | -2.8 | -2.5 | 1.6 | 2.2 |
| Real import growth (% yoy) | 0.6 | -17.6 | 9.7 | 15.0 | 3.9 | -6.4 | 1.1 | 1.9 | 1.4 |
| Prices | | | | | | | | | |
| CPI inflation (% yoy, eop) | 4.0 | 3.0 | 5.9 | 7.2 | 5.2 | 3.0 | 3.6 | 4.5 | 3.1 |
| CPI inflation (% yoy, avg) | 4.1 | 3.3 | 4.5 | 6.9 | 5.9 | 4.4 | 3.2 | 4.0 | 3.7 |
| Nominal wages (% yoy) | 4.6 | -1.9 | 6.3 | 5.3 | 5.8 | 4.8 | 4.6 | 4.6 | 4.6 |
| Nominal exchange rate (vs USD, eop) | 14.0 | 14.7 | 15.9 | 17.0 | 18.5 | 18.7 | 16.6 | 16.0 | 16.0 |
| Nominal exchange rate (vs USD, avg) | 14.5 | 16.5 | 14.8 | 16.4 | 18.5 | 18.3 | 17.9 | 16.5 | 15.8 |
| Bilateral real exchange rate (% yoy, + dep) | 0.2 | 9.1 | -5.8 | -1.9 | 4.6 | -4.8 | -1.5 | -11.7 | -8.3 |
| Monetary Sector | | | | | | | | | |
| Monetary base growth (% yoy) | 4.2 | 3.6 | 5.3 | 14.0 | 8.9 | 27.5 | 11.7 | 4.0 | 3.7 |
| Broad money growth (% yoy) | 6.1 | 9.4 | 5.7 | 8.6 | 7.6 | 6.7 | 8.2 | 4.0 | 3.7 |
| Credit extension to private sector (% yoy) | 6.1 | 3.6 | 2.4 | 7.7 | 5.0 | 3.8 | 8.7 | 5.0 | 4.7 |
| Central bank policy rate (%, eop) | 6.5 | 3.5 | 3.8 | 7.00 | 8.25 | 7.75 | 6.75 | 7.25 | 6.25 |
| 1-month interbank rate (%, eop) | 6.6 | 3.5 | 3.7 | 7.1 | 8.3 | 7.7 | 6.6 | 7.4 | 6.4 |
| Long-term yield (%, eop)1 | 9.0 | 9.7 | 9.9 | 11.3 | 11.3 | 10.3 | 8.6 | 9.0 | 8.0 |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | -2.6 | 2.0 | 3.7 | -0.3 | -1.1 | -0.7 | -0.5 | -0.1 | -0.9 |
| Current account balance (US$ bn) | -10.1 | 6.7 | 15.7 | -1.3 | -4.1 | -2.6 | -2.0 | -0.3 | -4.7 |
| Trade balance (US$ bn) | 2.5 | 17.6 | 30.6 | 14.2 | 7.6 | 11.7 | 11.9 | 12.2 | 7.8 |
| Exports, f.o.b. (US$ bn) | 90.0 | 84.7 | 121.7 | 123.8 | 112.4 | 111.4 | 116.2 | 122.7 | 120.1 |
| main export | 23.7 | 18.4 | 42.6 | 45.5 | 31.0 | 30.3 | 29.0 | 13.0 | 13.0 |
| Imports, c.i.f. (US$ bn) | 87.4 | 67.1 | 91.1 | 109.5 | 104.8 | 99.7 | 104.3 | 110.6 | 112.3 |
| Service balance (US$ bn) | -0.6 | -2.7 | -4.4 | -5.6 | -4.4 | -3.9 | -3.7 | -4.5 | -4.5 |
| Income balance (US$ bn) | -9.7 | -5.6 | -8.0 | -8.5 | -5.1 | -7.9 | -8.2 | -8.0 | -8.0 |
| Foreign direct investment (US$ bn) | 2.0 | 5.0 | 40.1 | 6.9 | 6.7 | 3.6 | 1.7 | 3.0 | 3.0 |
| International reserves (US$ bn) | 48.9 | 47.4 | 50.3 | 53.2 | 54.2 | 54.9 | 58.4 | 58.0 | 58.8 |
| Public Sector | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -2.5 | -5.7 | -0.9 | 0.0 | 0.5 | 0.9 | 1.1 | 1.4 | 1.6 |
| Central gov. budget balance (% of GDP) | -6.1 | -9.8 | -5.1 | -4.6 | -4.6 | -4.3 | -4.3 | -4.1 | -4.0 |
| Consolidated gov. primary budget balance (% of GDP) | -2.5 | -5.7 | -0.9 | 0.0 | 0.6 | 0.7 | 0.9 | 1.2 | 1.5 |
| Consolidated public sector balance (% of GDP) | -5.0 | -9.9 | -4.6 | -3.6 | -4.4 | -4.6 | -4.5 | -4.3 | -4.2 |
| Central gov. revenues (% of GDP) | 23.6 | 22.1 | 24.7 | 25.1 | 24.3 | 24.6 | 26.0 | 26.0 | 26.0 |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 47.6 | 50.4 | 38.2 | 40.3 | 41.5 | 42.0 | 44.0 | 46.0 | 48.0 |
| Public (% of GDP) | 26.6 | 30.8 | 23.8 | 23.5 | 24.5 | 24.8 | 25.8 | 26.8 | 27.8 |
| Private (% of GDP) | 21.0 | 19.6 | 14.5 | 16.8 | 17.0 | 17.1 | 18.1 | 19.1 | 20.1 |
| Gross government debt (% of GDP) | 57.1 | 70.1 | 67.7 | 70.4 | 73.9 | 77.0 | 80.0 | 77.2 | 74.1 |
| Domestic (% of GDP) | 50.3 | 63.1 | 61.2 | 62.2 | 65.6 | 68.8 | 70.9 | 67.1 | 63.0 |
| External (% of GDP) | 6.8 | 7.0 | 6.5 | 8.2 | 8.3 | 8.1 | 9.1 | 10.1 | 11.1 |
| External debt amortizations (US$ bn) | 44.5 | 41.9 | 60.2 | 61.3 | 63.3 | 65.3 | 67.3 | 69.3 | 71.3 |
| External debt interest payments (US$ bn) | 6.5 | 6.0 | 7.3 | 7.1 | 7.4 | 7.9 | 8.2 | 8.4 | 8.7 |
| External debt service (% of XGS) | 56.7 | 56.6 | 55.5 | 55.2 | 62.9 | 65.7 | 64.9 | 63.3 | 66.5 |
| Savings - Investment Balance | | | | | | | | | |
| Savings (% of GDP) | 13.3 | 14.4 | 16.5 | 15.0 | 13.1 | 12.9 | 13.0 | 13.0 | 13.0 |
| Investment (% of GDP) | 15.9 | 12.4 | 12.7 | 15.3 | 14.2 | 13.6 | 13.4 | 13.1 | 13.9 |

| | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|
| Quarterly Economic Forecasts | | | | | | |
| Real GDP growth (% yoy) | 1.2 | 1.2 | 1.3 | 1.5 | 1.7 | 1.8 |
| Real GDP growth (% qoq, sa, annualized) | 1.1 | 1.4 | 1.7 | 1.7 | 2.0 | 1.8 |
| CPI inflation (% yoy, eop) | 4.4 | 4.5 | 4.5 | 4.7 | 3.8 | 3.3 |
| Central bank policy rate (%, eop) | 7.25 | 7.25 | 7.25 | 7 | 6.5 | 6.25 |
| Nominal exchange rate (vs USD, eop) | 16.5 | 16.0 | 15.4 | 15.7 | 16.0 | 16 |
| Current account balance (US$ bn) | -0.6 | 0.4 | -2.0 | 0.4 | -0.5 | 0.61 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 156: Türkiye**

Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 775.0 | 730.2 | 837.1 | 926.0 | 1130.0 | 1322.4 | 1597.0 | 1743.8 | 1985.5 |
| GDP per capita (US$) | 9320 | 8733 | 9885 | 10858 | 13236 | 15437 | 18579 | 20218 | 22941 |
| Unemployment rate (%) | 13.7 | 13.1 | 12.0 | 10.5 | 9.4 | 8.7 | 8.4 | 9.2 | 9.0 |
| Population (millions) | 83.2 | 83.6 | 84.7 | 85.3 | 85.4 | 85.7 | 86.0 | 86.3 | 86.5 |
| Economic Activity | | | | | | | | | |
| Real GDP growth (% yoy) | 1.3 | 1.8 | 11.8 | 5.4 | 5.0 | 3.3 | 3.7 | 2.8 | 4.9 |
| Domestic demand growth (% yoy) | -1.1 | 8.1 | 6.8 | 4.7 | 8.5 | 2.4 | 4.4 | 3.9 | 5.6 |
| Real investment growth (% yoy) | -12.1 | 6.9 | 7.2 | 4.4 | 7.3 | 2.7 | 7.7 | 4.5 | 5.7 |
| Real consumption growth (% yoy) | 2.0 | 3.5 | 13.3 | 14.0 | 9.0 | 3.5 | 2.9 | 3.8 | 5.0 |
| Real private consumption growth (% yoy) | 1.4 | 3.6 | 15.6 | 16.2 | 10.5 | 4.3 | 3.2 | 4.0 | 4.7 |
| Real government consumption growth (% yoy) | 4.6 | 2.8 | 4.2 | 4.5 | 2.3 | -0.8 | 1.3 | 2.7 | 6.4 |
| Real export growth (% yoy) | 4.7 | -16.4 | 25.1 | 10.5 | -2.3 | 0.1 | 1.3 | 0.9 | 3.1 |
| Real import growth (% yoy) | -5.4 | 6.8 | 2.1 | 8.3 | 12.1 | -4.4 | 4.2 | 6.2 | 6.4 |
| Prices | | | | | | | | | |
| CPI inflation (% yoy, eop) | 11.8 | 14.6 | 36.1 | 64.3 | 64.8 | 44.4 | 30.9 | 30.0 | 24.0 |
| CPI inflation (% yoy, avg) | 15.2 | 12.3 | 19.6 | 72.3 | 53.9 | 51.0 | 34.9 | 31.2 | 26.6 |
| Nominal wages (% yoy) | 18.4 | 13.3 | 20.6 | 77.3 | 54.9 | 61.0 | 34.9 | 22.5 | 20.2 |
| Nominal exchange rate (vs USD, eop) | 6.0 | 7.4 | 13.0 | 18.7 | 29.5 | 35.3 | 42.9 | 51.7 | 59.6 |
| Nominal exchange rate (vs USD, avg) | 5.7 | 7.0 | 8.8 | 16.6 | 23.7 | 32.9 | 40.6 | 48.0 | 56.6 |
| Bilateral real exchange rate (% yoy, + dep) | -1.6 | -9.2 | -9.5 | -8.4 | 3.7 | 10.7 | 7.5 | 6.1 | 3.8 |
| Monetary Sector | | | | | | | | | |
| Monetary base growth (% yoy) | 18.7 | 23.8 | 26.2 | 41.6 | 30.4 | 43.6 | 37.1 | 37.7 | 32.2 |
| Broad money growth (% yoy) | 27.8 | 33.4 | 51.8 | 62.0 | 65.9 | 39.1 | 39.4 | 34.0 | 27.0 |
| Credit extension to private sector (% yoy) | 12.0 | 34.4 | 34.2 | 53.3 | 55.7 | 38.2 | 45.7 | 42.0 | 35.0 |
| Central bank policy rate (%, eop) | 12.0 | 17.0 | 14.0 | 9.0 | 42.5 | 47.5 | 38.0 | 37.0 | 30.0 |
| 1-month interbank rate (%, eop) | 10.8 | 17.5 | 14.3 | 10.3 | 43.6 | 48.8 | 38.0 | 37.0 | 30.0 |
| Long-term yield (%, eop) | 11.5 | 17.1 | 13.9 | 10.2 | 23.7 | 27.2 | 27.1 | 25.0 | 24.0 |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | 1.9 | -4.2 | -0.8 | -5.1 | -3.7 | -1.0 | -1.9 | -3.4 | -2.5 |
| Current account balance (US$ bn) | 15.0 | -31.0 | -7.1 | -46.7 | -41.8 | -13.0 | -30.1 | -60.0 | -50.0 |
| Trade balance (US$ bn) | -29.5 | -49.9 | -46.2 | -109.5 | -106.3 | -82.2 | -92.1 | -105.5 | -111.3 |
| Exports, f.o.b. (US$ bn) | 180.8 | 169.6 | 225.2 | 254.2 | 255.6 | 261.8 | 273.3 | 270.0 | 274.0 |
| main export - road vehicles | 28.7 | 23.7 | 26.8 | 28.0 | 32.5 | 34.5 | 38.9 | 38.0 | 42.9 |
| Imports, c.i.f. (US$ bn) | 210.3 | 219.5 | 271.4 | 363.7 | 362.0 | 344.0 | 365.4 | 385.4 | 385.3 |
| Service balance (US$ bn) | 42.8 | 15.3 | 32.8 | 52.5 | 55.7 | 61.4 | 63.5 | 58.0 | 64.0 |
| Income balance (US$ bn) | -11.8 | -8.6 | -11.5 | -9.2 | -11.8 | -18.5 | -23.3 | -15.0 | -12.0 |
| Foreign direct investment (US$ bn) | 6.5 | 4.3 | 6.5 | 9.8 | 4.5 | 5.1 | 3.2 | 3.0 | 3.5 |
| International reserves (US$ bn) | 105.7 | 93.6 | 111.2 | 128.7 | 140.9 | 155.2 | 184.0 | 154.0 | 155.0 |
| Public Sector | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -0.6 | -0.8 | -0.3 | 1.1 | -2.6 | -1.9 | 0.4 | -0.4 | -0.8 |
| Central gov. budget balance (% of GDP) | -2.8 | -3.4 | -2.7 | -0.9 | -5.1 | -4.7 | -2.9 | -3.5 | -3.9 |
| Consolidated public sector primary balance (% of GDP) | -0.6 | -0.9 | -0.3 | 1.1 | -2.6 | -2.0 | -2.9 | -0.5 | -0.9 |
| Consolidated public sector balance (% of GDP) | -2.9 | -3.5 | -2.8 | -0.9 | -5.1 | -4.8 | -3.0 | -3.6 | -4.0 |
| Central gov. revenues (% of GDP) | 19.9 | 20.0 | 18.9 | 18.3 | 19.2 | 19.5 | 20.4 | 20.6 | 20.8 |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 51.4 | 53.5 | 45.2 | 42.5 | 38.3 | 34.0 | 32.7 | 34.0 | 35.0 |
| Public (% of GDP) | 20.4 | 23.4 | 19.1 | 17.6 | 17.2 | 15.3 | 14.0 | 13.5 | 15.3 |
| Private (% of GDP) | 31.0 | 30.1 | 26.0 | 24.9 | 21.1 | 18.7 | 18.8 | 20.5 | 19.7 |
| Gross government debt (% of GDP) | 31.2 | 38.3 | 33.6 | 28.1 | 23.6 | 21.1 | 24.5 | 24.6 | 24.7 |
| Domestic (% of GDP) | 19.8 | 23.6 | 20.7 | 20.2 | 15.4 | 13.9 | 15.8 | 35.6 | 51.5 |
| External (% of GDP) | 11.5 | 11.2 | 12.9 | 7.9 | 8.2 | 7.2 | 8.7 | 7.8 | 6.6 |
| External debt amortizations (US$ bn) | 55.9 | 47.1 | 47.0 | 38.0 | 43.0 | 50.4 | 66.4 | 66.3 | 66.2 |
| External debt interest payments (US$ bn) | 10.5 | 10.0 | 9.2 | 11.2 | 9.7 | 12.3 | 12.8 | 10.5 | 8.6 |
| External debt service (% of XGS) | 26.5 | 26.8 | 19.2 | 13.5 | 16.5 | 18.7 | 22.4 | 22.0 | 27.3 |
| Savings - Investment Balance | | | | | | | | | |
| Savings (% of GDP) | 27.9 | 23.3 | 27.2 | 23.2 | 24.9 | 27.9 | 27.3 | 26.1 | 27.3 |
| Investment (% of GDP) | 26.0 | 27.5 | 28.0 | 28.3 | 28.6 | 28.9 | 29.2 | 29.5 | 29.8 |

| | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|
| Quarterly Economic Forecasts | | | | | | |
| Real GDP growth (% yoy) | 2.2 | 2.8 | 4.4 | 5.1 | 5.2 | 4.8 |
| Real GDP growth (% qoq, sa, annualized) | 4.5 | 1.1 | 7.9 | 5.2 | 4.5 | 3.1 |
| CPI inflation (% yoy, eop) | 30.3 | 30.0 | 29.4 | 25.3 | 23.6 | 24.0 |
| Central bank policy rate (%, eop) | 38.0 | 36.0 | 35.0 | 33.0 | 31.0 | 30.0 |
| Nominal exchange rate (vs USD, eop) | 49.0 | 51.7 | 53.7 | 55.7 | 57.8 | 59.8 |
| Current account balance (US$ bn) | 13.8 | -22.0 | -37.2 | -19.7 | 32.1 | -25.2 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 157: Czech Republic**
Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 257 | 251 | 291 | 303 | 345 | 347 | 391 | 442 | 489 |
| GDP per capita (US$) | 24,017 | 23,498 | 27,678 | 27,940 | 31,662 | 31,819 | 35,871 | 40,477 | 44,807 |
| Economic Activity and Prices | | | | | | | | | |
| Real GDP growth (% yoy) | 3.5 | -5.3 | 4.0 | 2.9 | 0.2 | 1.1 | 2.6 | 2.0 | 2.4 |
| CPI inflation (% yoy, avg) | 2.8 | 3.2 | 3.8 | 15.1 | 10.7 | 2.4 | 2.5 | 2.4 | 2.8 |
| Nominal exchange rate (vs EUR, eop) | 25.4 | 26.2 | 24.9 | 24.1 | 24.7 | 25.2 | 24.2 | 23.8 | 23.3 |
| Nominal exchange rate (vs EUR, avg) | 25.7 | 26.5 | 25.6 | 24.6 | 24.0 | 25.1 | 24.7 | 24.0 | 23.6 |
| Central bank policy rate (%, eop) | 2.00 | 0.25 | 3.75 | 7.00 | 6.75 | 4.00 | 3.50 | 3.50 | 3.50 |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | 0.3 | 1.8 | -2.1 | -4.7 | -0.1 | 1.7 | 0.7 | 0.8 | 0.5 |
| Current account balance (US$ bn) | 0.9 | 4.4 | -6.0 | -14.2 | -0.4 | 5.9 | 2.9 | 3.4 | 2.5 |
| Trade balance (US$ bn) | 10.5 | 12.1 | 5.1 | - 1.0 | 13.1 | 17.9 | 18.2 | 20.5 | 21.0 |
| Exports, f.o.b. (US$ bn) | 156 | 144 | 175 | 185 | 197 | 197 | 215 | 247 | 276 |
| Imports, c.i.f. (US$ bn) | 146 | 132 | 169 | 186 | 183 | 180 | 197 | 227 | 255 |
| International reserves (US$ bn) | 150 | 166 | 174 | 140 | 148 | 146 | 176 | 184 | 195 |
| Public Sector | | | | | | | | | |
| General gov. primary budget balance (% of GDP) | 0.96 | -4.9 | -4.2 | -2.0 | -2.4 | -0.7 | - | - | - |
| General gov. budget balance (% of GDP) | 0.3 | -5.6 | -5.0 | -3.1 | -3.7 | -2.0 | -2.1 | -2.8 | -3.0 |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 75.5 | 80.3 | 71.9 | 68.1 | 62.3 | 62.5 | 70.4 | - | - |
| Public (% of GDP) | 14.8 | 16.8 | 16.4 | 16.8 | 13.2 | 11.6 | 13.8 | - | - |
| Private (% of GDP) | 60.7 | 63.5 | 55.5 | 51.3 | 49.1 | 50.9 | 56.6 | - | - |
| Gross government debt (% of GDP) | 29.6 | 36.9 | 40.7 | 42.5 | 42.2 | 43.3 | 44.3 | 45.2 | 46.0 |
| Domestic (% of GDP) | 17.7 | 23.3 | 28.9 | 30.5 | 31.7 | 33.4 | 33.1 | - | - |
| External (% of GDP) | 11.9 | 13.6 | 11.8 | 12.0 | 10.5 | 9.9 | 11.2 | - | - |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 158: Egypt**
Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 317.7 | 382.4 | 424.4 | 475.2 | 397.4 | 385.7 | 353.8 | 412.1 | 459.9 |
| GDP per capita (US$) | 3,213 | 3,801 | 4,157 | 4,587 | 3,777 | 3,619 | 3,253 | 3,715 | 4,065 |
| Economic Activity and Prices | | | | | | | | | |
| Real GDP growth (% yoy) | 5.5 | 3.6 | 3.3 | 6.7 | 3.8 | 2.4 | 4.4 | 3.5 | 4.5 |
| CPI inflation (% yoy, avg) | 13.9 | 5.7 | 4.5 | 8.5 | 24.4 | 33.3 | 20.4 | 13.2 | 10.0 |
| Nominal exchange rate (vs USD, eop) | 16.69 | 16.16 | 15.70 | 18.79 | 30.90 | 48.03 | 49.50 | 53.00 | 50.00 |
| Nominal exchange rate (vs USD, avg) | 17.61 | 16.09 | 15.70 | 16.50 | 25.79 | 36.27 | 49.71 | 50.00 | 51.50 |
| Central bank policy rate (%, eop) | 15.75 | 9.25 | 8.25 | 11.25 | 18.25 | 27.25 | 24.00 | 19.00 | 15.00 |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | -3.4 | -2.9 | -4.3 | -3.5 | -1.2 | -5.4 | -4.4 | -4.9 | -5.2 |
| Current account balance (US$ bn) | -10.9 | -11.2 | -18.4 | -16.6 | -4.7 | -20.8 | -15.4 | -20.1 | -24.1 |
| Trade balance (US$ bn) | -38.0 | -36.5 | -42.1 | -43.4 | -31.2 | -39.6 | -51.0 | -56.0 | -59.0 |
| Exports, f.o.b. (US$ bn) | 28.5 | 26.4 | 28.7 | 43.9 | 39.6 | 32.6 | 40.2 | 43.2 | 46.1 |
| Imports, c.i.f. (US$ bn) | 66.5 | 62.8 | 70.7 | 87.3 | 70.8 | 72.1 | 91.2 | 99.2 | 105.1 |
| International reserves (US$ bn) | 44.5 | 38.2 | 40.6 | 33.4 | 34.8 | 46.4 | 48.7 | 53.0 | 56.0 |
| Public Sector | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | 1.8 | 1.7 | 1.4 | 1.3 | 1.5 | 6.1 | 3.5 | 4.5 | 5.0 |
| Central gov. budget balance (% of GDP) | -7.7 | -7.5 | -7.1 | -6.2 | -6.0 | -3.6 | -8.5 | -7.5 | -7.0 |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 34.2 | 32.3 | 32.5 | 32.8 | 41.8 | 41.2 | 39.4 | 41.0 | 38.2 |
| Public (% of GDP) | 26.8 | 25.4 | 25.5 | 25.9 | 32.3 | 31.6 | 29.9 | 31.4 | 28.6 |
| Private (% of GDP) | 7.4 | 6.9 | 7.0 | 6.8 | 9.6 | 9.6 | 9.6 | 9.6 | 9.6 |
| Gross government debt (% of GDP) | 85.8 | 82.8 | 87.9 | 88.3 | 95.2 | 90.1 | 83.2 | 85.8 | 81.1 |
| Domestic (% of GDP) | 68.9 | 64.8 | 68.9 | 68.9 | 70.1 | 62.8 | 57.7 | 58.7 | 56.9 |
| External (% of GDP) | 16.9 | 18.0 | 19.0 | 19.5 | 25.1 | 27.3 | 25.5 | 27.1 | 24.3 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 159: Hungary**
Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 165 | 158 | 183 | 177 | 213 | 223 | 246 | 279 | 337 |
| GDP per capita (US$) | 17,021 | 16,419 | 19,071 | 18,438 | 22,226 | 23,361 | 25,961 | 29,495 | 35,849 |
| Economic Activity and Prices | | | | | | | | | |
| Real GDP growth (% yoy) | 5.1 | -4.5 | 7.2 | 4.1 | -0.6 | 0.8 | 0.4 | 1.2 | 2.5 |
| CPI inflation (% yoy, avg) | 3.3 | 3.3 | 5.1 | 14.6 | 17.1 | 3.7 | 4.4 | 2.5 | 3.0 |
| Nominal exchange rate (vs EUR, eop) | 331 | 365 | 369 | 400 | 383 | 410 | 385 | 350 | 345 |
| Nominal exchange rate (vs EUR, avg) | 325 | 351 | 359 | 391 | 382 | 396 | 398 | 384 | 348 |
| Central bank policy rate* (%, eop) | 0.90 | 0.60 | 2.40 | 13.00 | 10.75 | 6.50 | 6.50 | 5.50 | 4.50 |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | -0.6 | -1.1 | -4.4 | -8.9 | 0.0 | 1.8 | 1.7 | 1.3 | 0.3 |
| Current account balance (US$ bn) | -1.0 | -1.7 | -8.0 | -15.8 | 0.0 | 4.1 | 4.1 | 3.7 | 0.9 |
| Trade balance (US$ bn) | -4.3 | -2.1 | -6.0 | -16.6 | -1.2 | -1.1 | -2.1 | - | - |
| Exports, f.o.b. (US$ bn) | 104 | 101 | 119 | 128 | 136 | 130 | 137 | - | - |
| Imports, c.i.f. (US$ bn) | 108 | 103 | 125 | 145 | 137 | 131 | 139 | - | - |
| International reserves (US$ bn) | 31.8 | 41.4 | 43.5 | 41.2 | 45.7 | 46.5 | 59.0 | 69.7 | 79.5 |
| Public Sector | | | | | | | | | |
| General gov. primary budget balance (% of GDP) | 0.2 | -5.2 | -4.9 | -3.4 | -2.3 | -0.3 | - | - | - |
| General gov. budget balance (% of GDP) | -2.0 | -7.5 | -7.1 | -6.2 | -7.0 | -5.1 | -4.7 | -6.5 | -5.0 |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 97.0 | 149.5 | 155.3 | 153.0 | 128.9 | 138.2 | 121.8 | - | - |
| Public (% of GDP) | 27.5 | 37.3 | 34.7 | 35.9 | 37.5 | 34.0 | 39.2 | - | - |
| Private (% of GDP) | 69.5 | 112.2 | 120.5 | 117.1 | 91.4 | 104.2 | 82.6 | - | - |
| Gross government debt (% of GDP) | 65.0 | 78.7 | 76.2 | 74.1 | 73.3 | 73.5 | 74.6 | 74.9 | 74.4 |
| Domestic (% of GDP) | 38.7 | 47.5 | 51.8 | 50.1 | 46.0 | 48.2 | 45.3 | - | - |
| External (% of GDP) | 26.2 | 31.2 | 24.4 | 24.0 | 27.3 | 25.2 | 29.3 | - | - |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 160: Israel**
Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 399 | 411 | 490 | 525 | 511 | 542 | 611 | 719 | 782 |
| GDP per capita (US$) | 44,107 | 44,594 | 52,281 | 54,984 | 51,872 | 54,294 | 60,335 | 71,049 | 77,259 |
| Economic Activity and Prices | | | | | | | | | |
| Real GDP growth (% yoy) | 3.6 | -1.8 | 9.3 | 6.4 | 2.1 | 1.0 | 2.9 | 3.6 | 4.5 |
| CPI inflation (% yoy, avg) | 0.8 | -0.6 | 1.5 | 4.4 | 4.2 | 3.1 | 3.0 | 2.2 | 2.1 |
| Nominal exchange rate (vs USD, eop) | 3.46 | 3.22 | 3.11 | 3.52 | 3.63 | 3.65 | 3.19 | 3.10 | 3.00 |
| Nominal exchange rate (vs USD, avg) | 3.56 | 3.44 | 3.23 | 3.36 | 3.69 | 3.70 | 3.45 | 3.10 | 3.04 |
| Central bank policy rate (%, eop) | 0.25 | 0.10 | 0.10 | 3.25 | 4.75 | 4.50 | 4.25 | 3.75 | 3.50 |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | 3.0 | 3.8 | 3.1 | 2.7 | 3.1 | 2.9 | 1.5 | 1.4 | 2.0 |
| Current account balance (US$ bn) | 11.9 | 15.6 | 15.1 | 14.4 | 16.1 | 15.8 | 8.9 | 10.0 | 15.9 |
| Trade balance (US$ bn) | -15.3 | -11.8 | -21.9 | -26.5 | -20.6 | -26.3 | -26.1 | -32.4 | -36.0 |
| Exports, f.o.b. (US$ bn) | 60.4 | 59.0 | 69.6 | 79.6 | 73.0 | 70.0 | 76.2 | 78.9 | 83.6 |
| Imports, c.i.f. (US$ bn) | 75.7 | 70.8 | 91.5 | 106.2 | 93.6 | 96 | 102 | 111 | 120 |
| International reserves (US$ bn) | 126.0 | 173.3 | 213.0 | 194.2 | 204.7 | 215 | 230 | 240 | 250 |
| Public Sector | | | | | | | | | |
| General gov. primary budget balance (% of GDP) | -1.7 | -8.7 | - | - | - | - | - | - | - |
| General gov. budget balance (% of GDP) | -4.4 | -11.3 | -5.1 | -1.8 | -7.1 | -9.0 | -6.5 | -5.5 | -5.1 |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 25.9 | 31.5 | 32.7 | 29.5 | 28.3 | 27.2 | 27.0 | 24.3 | 23.0 |
| Public (% of GDP) | 9.9 | 15.2 | 16.7 | 15.1 | 13.3 | 12.5 | 12.8 | 12.0 | 12.0 |
| Private (% of GDP) | 16.0 | 16.4 | 16.1 | 14.5 | 15.0 | 14.7 | 14.2 | 12.4 | 11.0 |
| Gross government debt (% of GDP) | 59.3 | 71.1 | 67.8 | 60.5 | 61.3 | 67.6 | 68.5 | 69.9 | 71.7 |
| Domestic (% of GDP) | 49.4 | 55.9 | 51.1 | 45.4 | 48.0 | 55.1 | 55.7 | 57.9 | 59.7 |
| External (% of GDP) | 9.9 | 15.2 | 16.7 | 15.1 | 13.3 | 12.5 | 12.8 | 12.0 | 12.0 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 161: Kazakkhstan**

Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 176.0 | 168.1 | 193.0 | 224.2 | 259.6 | 285.6 | 307.3 | 337.4 | 358.5 |
| GDP per capita (US$) | 9444.5 | 8902.4 | 10091.0 | 11583.1 | 13257.7 | 14415.6 | 14905.0 | 16838.6 | 17668.8 |
| Economic Activity and Prices | | | | | | | | | |
| Real GDP growth (% yoy) | 4.5 | -2.5 | 4.3 | 2.9 | 4.8 | 4.8 | 6.3 | 4.0 | 4.3 |
| CPI inflation (% yoy, avg) | 5.3 | 6.8 | 8.0 | 15.0 | 14.8 | 8.8 | 11.4 | 11.0 | 4.8 |
| Nominal exchange rate (vs USD, eop) | 381.2 | 420.7 | 431.7 | 461.0 | 453.6 | 524.5 | 507.1 | 520.0 | 520.0 |
| Nominal exchange rate (vs USD, avg) | 382.7 | 413.0 | 425.9 | 460.1 | 456.2 | 470.1 | 521.5 | 513.5 | 520.0 |
| Central bank policy rate (%, eop) | 9.25 | 9.00 | 9.75 | 16.75 | 15.75 | 15.25 | 18.00 | 14.00 | 10.00 |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | -4.0 | -6.5 | -1.4 | 2.9 | -3.6 | -1.7 | -4.0 | -2.9 | -3.0 |
| Current account balance (US$ bn) | -7.0 | -11.0 | -2.7 | 6.4 | -9.4 | -5.0 | -11.8 | -10.0 | -10.6 |
| Trade balance (US$ bn) | 14.9 | 2.7 | 22.2 | 35.0 | 19.8 | 17.6 | 11.5 | 9.1 | 13.7 |
| Exports, f.o.b. (US$ bn) | 67.3 | 49.3 | 71.6 | 85.6 | 80.3 | 78.8 | 77.5 | 76.9 | 82.8 |
| Imports, c.i.f. (US$ bn) | 52.4 | 46.6 | 49.5 | 50.6 | 60.4 | 61.2 | 65.9 | 67.8 | 69.1 |
| International reserves (US$ bn) | 29.0 | 35.6 | 34.4 | 35.1 | 36.0 | 45.8 | 65.7 | 70.0 | 60.0 |
| Public Sector | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -0.9 | -2.9 | -1.9 | -0.8 | -0.7 | -0.9 | -1.0 | -0.5 | -1.3 |
| Central gov. budget balance (% of GDP) | -1.9 | -4.0 | -3.1 | -2.1 | -2.4 | -2.5 | -2.7 | -2.2 | -3.0 |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 90.7 | 97.6 | 85.0 | 71.7 | 62.7 | 57.0 | 57.7 | 51.8 | 50.6 |
| Public (% of GDP) | 7.6 | 9.1 | 9.5 | 6.9 | 5.4 | 4.6 | 5.6 | 5.3 | 5.5 |
| Private (% of GDP) | 83.1 | 88.5 | 75.5 | 64.7 | 57.3 | 52.4 | 52.1 | 46.4 | 45.1 |
| Gross government debt (% of GDP) | 23.7 | 27.0 | 26.5 | 23.9 | 20.4 | 22.1 | 24.6 | 23.5 | 25.1 |
| Domestic (% of GDP) | 14.5 | 17.0 | 17.2 | 15.3 | 13.1 | 15.6 | 17.7 | 17.1 | 18.4 |
| External (% of GDP) | 9.2 | 10.0 | 9.3 | 8.7 | 7.3 | 6.4 | 6.9 | 6.5 | 6.7 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 162: Nigeria**

Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 668 | 600 | 610 | 648 | 488 | 252 | 312 | 410 | 473 |
| GDP per capita (US$) | 3190 | 2802 | 2791 | 2903 | 2140 | 1084 | 1311 | 1690 | 1909 |
| Economic Activity and Prices | | | | | | | | | |
| Real GDP growth (% yoy) | 5.5 | -6.8 | 0.9 | 4.4 | 3.9 | 3.4 | 3.9 | 4.2 | 4.0 |
| CPI inflation (% yoy, avg) | 11.4 | 13.2 | 17.0 | 18.8 | 24.7 | 33.2 | 20.0 | 14.0 | 12.0 |
| Nominal exchange rate (vs USD, eop) | 307.0 | 379.5 | 414.9 | 461.0 | 911.7 | 1544 | 1440 | 1372 | 1428 |
| Nominal exchange rate (vs USD, avg) | 306.9 | 356.9 | 408.0 | 429.8 | 724.2 | 1520 | 1498 | 1359 | 1407 |
| Central bank policy rate (%, eop) | 13.50 | 11.50 | 11.50 | 16.50 | 18.75 | 27.50 | 27.00 | 21.00 | 16.00 |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | -2.0 | -2.9 | -0.6 | 0.2 | 1.3 | 6.8 | 5.3 | 4.1 | - |
| Current account balance (US$ bn) | -13.7 | -16.0 | -3.3 | 1.1 | 6.4 | 17.2 | 16.6 | 16.8 | - |
| Trade balance (US$ bn) | | | | | | | | | - |
| Exports, f.o.b. (US$ bn) | 65.0 | 35.9 | 46.9 | 64.2 | 55.8 | 53.0 | 58.2 | 59.0 | - |
| Imports, f.o.b. (US$ bn) | 75.8 | 52.3 | 51.4 | 58.2 | 47.7 | 39.8 | 40.6 | 40.9 | - |
| International reserves (US$ bn) | 38.1 | 36.5 | 40.2 | 37.1 | 32.9 | 40.9 | 45.5 | 49.0 | 50.0 |
| Public Sector | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -2.0 | -1.9 | -2.0 | -1.7 | -0.2 | 0.7 | -0.9 | -1.0 | -0.2 |
| Central gov. budget balance (% of GDP) | -2.4 | -3.0 | -2.9 | -3.4 | -3.9 | -2.0 | -4.0 | -4.5 | -2.9 |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 4.4 | 5.9 | 6.4 | 6.7 | 10.8 | 18.3 | 18.4 | 18.7 | 18.9 |
| Public (% of GDP) | - | - | - | - | - | - | - | - | - |
| Private (% of GDP) | - | - | - | - | - | - | - | - | - |
| Gross government debt (% of GDP) | 21.4 | 25.7 | 26.6 | 29.8 | 36.3 | 39.3 | 36.4 | 35.0 | 35.3 |
| Domestic (% of GDP) | 12.6 | 13.1 | 13.5 | 13.6 | 23.6 | 25.6 | 23.6 | 22.8 | 22.9 |
| External (% of GDP) | 4.4 | 5.9 | 6.4 | 6.7 | 10.8 | 18.3 | 18.4 | 18.7 | 18.9 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 163: Romania**

Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 250 | 251 | 285 | 295 | 348 | 383 | 429 | 474 | 500 |
| GDP per capita (US$) | 12,874 | 12,949 | 14,825 | 15,508 | 18,250 | 20,064 | 22,511 | 24,926 | 26,349 |
| Economic Activity and Prices | | | | | | | | | |
| Real GDP growth (% yoy) | 4.0 | -3.6 | 5.6 | 4.2 | 2.3 | 0.9 | 0.6 | 0.4 | 2.7 |
| CPI inflation (% yoy, avg) | 3.8 | 2.6 | 5.0 | 13.7 | 10.5 | 5.6 | 7.3 | 8.3 | 3.8 |
| Nominal exchange rate (vs EUR, eop) | 4.78 | 4.87 | 4.95 | 4.95 | 4.97 | 4.97 | 5.10 | 5.25 | 5.30 |
| Nominal exchange rate (vs EUR, avg) | 4.75 | 4.84 | 4.92 | 4.93 | 4.95 | 4.97 | 5.07 | 5.18 | 6.18 |
| Central bank policy rate (%, eop) | 2.50 | 1.50 | 1.75 | 6.75 | 7.00 | 6.50 | 6.50 | 6.50 | 5.50 |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | -4.9 | -5.1 | -7.2 | -9.6 | -6.7 | -8.2 | -7.9 | -7.1 | -6.3 |
| Current account balance (US$ bn) | -12.2 | -12.8 | -20.6 | -28.3 | -23.3 | -31.3 | -33.8 | -33.6 | -31.4 |
| Trade balance (US$ bn) | -20.0 | -21.6 | -27.4 | -33.8 | -31.4 | -35.7 | - | - | - |
| Exports, f.o.b. (US$ bn) | 70.6 | 65.7 | 83.1 | 90.6 | 93.6 | 93.3 | - | - | - |
| Imports, c.i.f. (US$ bn) | 90.6 | 87.3 | 110.4 | 124.4 | 125.0 | 129.0 | - | - | - |
| International reserves (US$ bn) | 42.1 | 52.2 | 51.9 | 55.8 | 72.9 | 73.2 | - | - | - |
| Public Sector | | | | | | | | | |
| General gov. primary budget balance (% of GDP) | -3.2 | -7.9 | -5.7 | -5.0 | -4.6 | -6.8 | - | - | - |
| General gov. budget balance (% of GDP) | -4.4 | -9.3 | -7.2 | -6.5 | -6.6 | -9.3 | -7.9 | -6.5 | -6.1 |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 51.3 | 64.6 | 56.6 | 55.5 | 58.1 | 55.3 | 62.3 | - | - |
| Public (% of GDP) | 20.3 | 29.1 | 28.3 | 25.3 | 29.5 | 31.5 | 33.9 | - | - |
| Private (% of GDP) | 31.0 | 35.5 | 28.4 | 30.2 | 28.6 | 23.7 | 28.4 | - | - |
| Gross government debt (% of GDP) | 35.2 | 46.9 | 48.6 | 48.1 | 49.3 | 54.8 | 59.3 | 61.1 | 63.4 |
| Domestic (% of GDP) | 15.4 | 18.3 | 21.7 | 23.9 | 20.9 | 24.6 | 26.3 | - | - |
| External (% of GDP) | 19.8 | 28.6 | 26.9 | 24.1 | 28.4 | 30.3 | 33.0 | - | - |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 164: Saudi Arabia**

Selected economic and financial indicators

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | |
| Nominal GDP (US$ bn) | 889 | 768 | 983 | 1,239 | 1,219 | 1,254 | 1,277 | 1,401 | 1,440 |
| GDP per capita (US$) | 29,567 | 24,339 | 31,921 | 38,510 | 36,157 | 35,528 | 34,558 | 36,202 | 35,479 |
| Economic Activity and Prices | | | | | | | | | |
| Real GDP growth (% yoy) | 1.7 | -3.8 | 6.5 | 12.0 | 0.5 | 2.6 | 4.5 | 0.6 | 5.8 |
| CPI inflation (% yoy, avg) | -1.2 | 3.4 | 3.1 | 2.5 | 2.3 | 1.7 | 2.1 | 2.4 | 2.0 |
| Nominal exchange rate (vs. USD, eop) | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 |
| Nominal exchange rate (vs. USD, avg) | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 |
| Central bank policy rate (%, eop) | 2.25 | 1.00 | 1.00 | 5.00 | 6.00 | 5.00 | 4.25 | 3.50 | 3.50 |
| External Sector | | | | | | | | | |
| Current account balance (% of GDP) | 3.6 | -4.5 | 4.6 | 11.7 | 2.1 | -1.3 | -2.6 | -0.2 | -0.8 |
| Current account balance (US$ bn) | 32.4 | -34.7 | 44.9 | 145.3 | 25.9 | -16.3 | -32.7 | -2.4 | -11.6 |
| Trade balance (US$ bn) | 122.9 | 49.3 | 138.0 | 237.2 | 130.3 | 92.0 | 81.4 | 110.8 | 104.0 |
| Exports, f.o.b. (US$ bn) | 261.6 | 173.9 | 276.2 | 411.2 | 320.2 | 305.8 | 311.0 | 342.9 | 336.8 |
| Imports, f.o.b. (US$ bn) | 138.7 | 124.5 | 138.2 | 174.0 | 189.9 | 213.8 | 229.5 | 232.0 | 232.9 |
| International reserves (US$ bn) | 499 | 453 | 455 | 459 | 436 | 437 | 460 | 448 | 437 |
| Public Sector | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -3.3 | -9.4 | -1.3 | 2.9 | -0.9 | -1.5 | -4.7 | -2.3 | -1.7 |
| Central gov. budget balance (% of GDP) | -4.0 | -10.2 | -2.0 | 2.2 | -1.8 | -2.5 | -5.8 | -3.6 | -3.1 |
| Debt Indicators | | | | | | | | | |
| Gross external debt (% of GDP) | 19.6 | 29.4 | 27.3 | 21.3 | 24.5 | 29.5 | 37.5 | 35.6 | 35.9 |
| Public (% of GDP) | - | - | - | - | - | - | - | - | - |
| Private (% of GDP) | - | - | - | - | - | - | - | - | - |
| Gross government debt (% of GDP) | 20.3 | 29.6 | 25.5 | 21.3 | 23.0 | 25.9 | 31.7 | 32.5 | 34.7 |
| Domestic (% of GDP) | 11.2 | 17.5 | 15.2 | 13.2 | 14.1 | 15.7 | 19.7 | 20.1 | 21.4 |
| External (% of GDP) | 9.2 | 12.2 | 10.3 | 8.1 | 8.9 | 10.2 | 12.0 | 12.4 | 13.3 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

# GEMs Tables – LatAm

**Exhibit 165: Argentina**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| **Summary Data** | | | | | | | | | | |
| Nominal GDP (US$ bn) | 505.2 | 427.8 | 327.5 | 401.2 | 500.8 | 488.0 | 588.2 | 659.8 | 792.2 | 839.8 |
| GDP per capita (US$) | 11,353 | 9,507 | 7,203 | 8,731 | 10,782 | 10,395 | 12,396 | 13,758 | 16,343 | 17,142 |
| Unemployment rate (%) | 9.6 | 11.0 | 12.0 | 7.0 | 7.0 | 6.0 | 6.4 | 7.5 | 7.0 | 7.0 |
| Population (millions) | 44.5 | 45.0 | 45.5 | 46.0 | 46.4 | 46.9 | 47.5 | 48.0 | 48.5 | 49.0 |
| **Economic Activity** | | | | | | | | | | |
| Real GDP growth (% yoy) | -2.6 | -2.0 | -9.9 | 10.4 | 5.3 | -1.6 | -1.3 | 4.4 | 2.5 | 4.0 |
| Domestic demand growth (% yoy) | -2.9 | -8.0 | -11.0 | 13.2 | 8.9 | 0.5 | -5.8 | 8.3 | 1.2 | 6.8 |
| Real investment growth (% yoy) | -5.7 | -16.0 | -13.1 | 34.0 | 11.2 | -2.0 | -17.2 | 16.4 | 0.9 | 14.5 |
| Real consumption growth (% yoy) | -2.2 | -6.2 | -10.6 | 9.1 | 8.3 | 1.1 | -3.1 | 6.7 | 1.3 | 5.1 |
| Real private consumption growth (% yoy) | -2.2 | -6.1 | -12.2 | 9.5 | 9.4 | 1.0 | -2.9 | 7.9 | 1.6 | 6.0 |
| Real government consumption growth (% yoy) | -1.9 | -6.4 | -2.0 | 7.1 | 3.0 | 1.5 | -3.8 | 0.2 | -0.3 | 0.0 |
| Real export growth (% yoy) | 0.6 | 9.8 | -17.4 | 8.5 | 4.6 | -7.5 | 19.8 | 7.6 | 8.3 | 3.9 |
| Real import growth (% yoy) | -4.5 | -18.7 | -17.2 | 18.6 | 17.8 | 1.7 | -10.2 | 27.0 | 4.5 | 13.4 |
| **Prices** | | | | | | | | | | |
| National inflation (% yoy)* | 47.6 | 53.8 | 36.1 | 50.9 | 94.8 | 211.4 | 117.8 | 31.5 | 31.9 | 15.5 |
| National inflation (% avg)* | 34.3 | 53.5 | 42.0 | 48.4 | 72.4 | 133.5 | 219.9 | 41.9 | 33.4 | 21.9 |
| Nominal wages (% yoy) | 29.7 | 40.9 | 33.0 | 49.5 | 90.4 | 206.4 | 110.5 | 42.9 | 30.7 | 17.0 |
| Nominal exchange rate (vs. USD, eop) | 37.7 | 59.9 | 84.1 | 102.7 | 177.1 | 808.5 | 1,031.0 | 1,451.6 | 1,600.0 | 1,766.1 |
| Nominal exchange rate (vs. USD, avg) | 29.3 | 49.3 | 71.6 | 95.8 | 133.6 | 317.2 | 924.4 | 1,266.1 | 1,465.7 | 1,688.7 |
| Bilateral real exchange rate (% yoy, + dep) | 39.6 | 5.7 | 4.6 | -13.4 | -5.8 | 52.4 | -39.7 | 10.2 | -14.8 | -2.5 |
| **Monetary Sector** | | | | | | | | | | |
| Monetary base growth (% yoy) | 27.0 | 40.7 | 92.7 | 65.0 | 95.1 | 206.4 | 114.8 | 87.3 | 35.2 | 20.2 |
| Broad money growth (% yoy) | 12.0 | 29.7 | 92.7 | 65.0 | 95.1 | 206.4 | 114.8 | 87.3 | 35.2 | 20.2 |
| Credit extension to private sector (% yoy) | 32.6 | 19.3 | 52.7 | 65.0 | 95.1 | 206.4 | 114.8 | 87.3 | 35.2 | 20.2 |
| Central bank policy rate (%, eop) | 59.3 | 63.0 | 40.0 | 40.0 | 75.0 | 100.0 | 32.0 | 30.0 | na | na |
| 1-month interbank rate (%, eop) | 44.5 | 47.3 | 36.0 | 32.0 | 67.0 | 92.0 | 29.4 | 30.0 | 25.0 | 20.0 |
| Long-term yield (%, eop) | - | - | - | - | - | - | | | | |
| **External Sector** | | | | | | | | | | |
| Current account balance (% of GDP) | -5.4 | -0.8 | 0.8 | 1.7 | -0.8 | -4.3 | 1.0 | -1.3 | -0.3 | -1.1 |
| Current account balance (US$ bn) | -27.1 | -3.5 | 2.7 | 6.6 | -4.1 | -21.0 | 5.7 | -8.7 | -2.0 | -9.5 |
| Trade balance (US$ bn) | -0.7 | 18.2 | 14.6 | 18.7 | 12.4 | -2.9 | 22.4 | 15.2 | 21.1 | 17.3 |
| Exports, f.o.b. (US$ bn) | 61.8 | 65.2 | 54.9 | 78.0 | 88.5 | 66.8 | 79.8 | 87.2 | 93.6 | 95.0 |
| main export - Soybeans | na | na | na | na | na | na | na | na | na | na |
| Imports, f.o.b. (US$ bn) | 62.5 | 46.9 | 40.3 | 59.3 | 76.2 | 69.8 | 57.4 | 71.9 | 72.5 | 77.8 |
| Service balance (US$, bn) | -8.9 | -4.8 | -2.5 | -3.7 | -6.8 | -6.4 | -5.8 | -11.0 | -9.7 | -11.3 |
| Income balance (US$, bn) | -17.4 | -16.9 | -9.4 | -8.4 | -9.6 | -11.6 | -11.0 | -13.0 | -13.4 | -15.5 |
| Foreign direct investment (US$ bn) | 10.0 | 5.1 | 3.7 | 5.1 | 13.1 | 20.9 | 8.9 | 9.3 | 10.0 | 10.0 |
| International reserves (US$ bn) | 65.8 | 44.8 | 39.4 | 39.7 | 44.6 | 23.1 | 30.0 | 41.0 | 49.0 | 53.0 |
| Price of main export commodity - Soybean | na | na | na | na | na | | | | | |
| **Public Sector** | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -2.7 | -1.0 | -6.4 | -3.5 | -2.0 | -2.7 | 1.8 | 1.5 | 1.5 | 1.5 |
| Central gov. budget balance (% of GDP) | -5.7 | -4.0 | -9.4 | -5.0 | -3.8 | -5.9 | 0.3 | 0.1 | 0.0 | 0.0 |
| Consolidated gov. primary budget balance (% of GDP) | na | na | na | na | na | | | | | |
| Consolidated public sector balance (% of GDP) | -6.0 | -4.3 | -9.7 | -5.3 | -3.8 | -5.9 | 0.3 | 0.1 | 0.0 | |
| Central gov. revenues (% of GDP) | 18.0 | 18.1 | 17.6 | 18.1 | 18.3 | | | | | |
| **Debt Indicators** | | | | | | | | | | |
| Gross external debt (% of GDP) | 45.5 | 52.3 | 75.1 | 62.4 | 57.4 | | | | | |
| Public (% of GDP) | 26.4 | 28.9 | 37.3 | 31.0 | 28.5 | | | | | |
| Private (% of GDP) | 19.0 | 23.4 | 37.8 | 31.4 | 28.9 | | | | | |
| Gross government debt (% of GDP) | 66.0 | 75.4 | 102.2 | 90.1 | 79.2 | 76.0 | 78.2 | 69.5 | 62.4 | |
| Domestic (% of GDP) | 39.4 | | | | | | | | | |
| External (% of GDP) | 24.1 | | | | | | | | | |
| **Savings - Investment Balance** | | | | | | | | | | |
| Savings (% of GDP) | - | - | 17.8 | 18.3 | 18.3 | | | | | |
| Investment (% of GDP) | - | - | 16.7 | 16.2 | 17.2 | | | | | |
| ***Memoradum Items*** | | | | | | | | | | |
| Gran Buenos Aires Inflation - Indec (% yoy)* | - | - | - | - | - | | | | | |
| Central gov. primary budget balance (% of GDP)** | - | - | - | - | - | | | | | |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Quarterly Economic Forecasts** | | | | | | | | | | |
| Real GDP growth (%, yoy) | 3.3 | 2.1 | 1.2 | 2.5 | 3.0 | 3.3 | 4.3 | 4.0 | 3.9 | 3.9 |
| Real GDP growth (%, qoq, sa, annualized) | 2.4 | 2.5 | 0.1 | 5.0 | 4.1 | 3.6 | 4.3 | 3.7 | 3.6 | 3.6 |
| National inflation (% yoy, eop) | 31.8 | 31.5 | 32.6 | 34.3 | 34.5 | 31.9 | 26.1 | 22.2 | 19.3 | 15.5 |
| Central bank policy rate (%, eop) | | | | | | | | | | |
| Nominal exchange rate (vs USD, eop) | 1,380 | 1,452 | 1,400 | 1,400 | 1,500 | 1,600 | 1,640 | 1,681 | 1,723 | 1,766 |
| Current account balance (US$ bn) | -1.6 | 1.1 | 0.1 | 0.3 | -1.5 | -1.0 | -3.3 | -0.6 | -2.7 | -3.0 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 166: Brazil**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| **Summary Data** | | | | | | | | | | |
| Nominal GDP (US$ bn) | 1916 | 1873 | 1476 | 1670 | 1952 | 2191 | 2185 | 2281 | 2692 | 3010 |
| GDP per capita (US$) | 9278 | 9008 | 7054 | 7951 | 9255 | 10350 | 10277 | 10687 | 12567 | 14002 |
| Unemployment Rate (%) (PNAD)* | 12.4 | 12.0 | 13.5 | 13.5 | 9.5 | 8.0 | 6.9 | 6.0 | 6.2 | 6.2 |
| Population (millions) | 207 | 208 | 209 | 210 | 211 | 212 | 213 | 213 | 214 | 215 |
| **Economic Activity** | | | | | | | | | | |
| Real GDP growth (% yoy) | 1.8 | 1.2 | -3.3 | 4.8 | 3.0 | 3.2 | 3.4 | 2.3 | 2.3 | 2.0 |
| Domestic demand growth (% yoy) | 2.5 | 2.2 | -3.9 | 4.8 | 3.2 | 2.2 | 4.7 | 1.7 | 2.1 | 2.0 |
| Real investment growth (% yoy) | 5.2 | 4.0 | -1.7 | 12.9 | 1.1 | -3.0 | 6.9 | 2.9 | 1.0 | 1.0 |
| Real consumption growth (% yoy) | 2.0 | 1.8 | -4.4 | 3.2 | 3.7 | 3.3 | 4.3 | 1.5 | 2.3 | 2.2 |
| Real private consumption growth (% yoy) | 2.4 | 2.6 | -4.6 | 3.0 | 4.1 | 3.2 | 5.1 | 1.3 | 2.4 | 2.5 |
| Real government consumption growth (% yoy) | 0.8 | -0.5 | -3.7 | 4.2 | 2.1 | 3.8 | 2.0 | 2.1 | 2.1 | 1.1 |
| Real export growth (% yoy) | 4.1 | -2.6 | -2.3 | 4.4 | 5.7 | 8.9 | 2.8 | 6.2 | 6.0 | 10.0 |
| Real import growth (% yoy) | 7.7 | 1.3 | -9.5 | 13.8 | 1.0 | -1.2 | 15.6 | 4.5 | 5.0 | 10.0 |
| **Prices** | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 3.7 | 4.3 | 4.5 | 10.1 | 5.8 | 4.6 | 4.8 | 4.3 | 5.5 | 4.0 |
| CPI inflation (% yoy, avg) | 3.7 | 3.7 | 3.2 | 8.3 | 9.3 | 4.6 | 4.4 | 5.0 | 4.7 | 4.6 |
| Nominal wages (% yoy) | 5.5 | 3.7 | 6.8 | -1.5 | 14.6 | 7.8 | 9.3 | 9.7 | 7.4 | 5.1 |
| Nominal exchange rate (vs USD, eop) | 3.87 | 4.03 | 5.20 | 5.58 | 5.22 | 4.84 | 6.19 | 5.50 | 4.95 | 4.75 |
| Nominal exchange rate (vs USD, avg) | 3.68 | 3.94 | 5.24 | 5.41 | 5.14 | 4.98 | 5.47 | 5.57 | 5.06 | 4.84 |
| Bilateral real exchange rate (% yoy, + dep) | - | - | - | - | - | - | - | - | - | - |
| **Monetary Sector** | | | | | | | | | | |
| Monetary base growth (% yoy) | 1.8 | 4.8 | 36.3 | -5.2 | 2.6 | 0.7 | 6.7 | -0.9 | 7.8 | 6.0 |
| Broad money growth (% yoy) | 6.9 | 9.1 | 43.2 | 1.9 | -1.2 | -0.2 | 5.1 | -1.9 | 8.0 | 5.0 |
| Credit extension to private sector (% yoy) | 5.1 | 6.5 | 15.7 | 16.4 | 14.5 | 8.1 | 9.5 | 8.0 | 6.0 | 7.0 |
| Central bank policy rate (%, eop) | 6.50 | 4.50 | 2.00 | 9.25 | 13.75 | 11.75 | 12.25 | 15.00 | 13.25 | 12.50 |
| 1-month interbank rate (%, eop) | 6.40 | 4.40 | 1.90 | 9.15 | 13.65 | 11.65 | 12.15 | 14.90 | 13.15 | 12.40 |
| Long-term yield (%, eop) | - | - | - | - | - | - | - | - | - | - |
| **External Sector** | | | | | | | | | | |
| Current account balance (% of GDP) | -2.8 | -3.4 | -1.6 | -2.4 | -2.2 | -1.2 | -3.0 | -2.9 | -2.2 | -1.8 |
| Current account balance (US$ bn) | -53.8 | -64.0 | -24.2 | -39.4 | -42.0 | -27.1 | -66.2 | -66.7 | -59.4 | -55.2 |
| Trade balance (US$ bn) | 44.3 | 29.6 | 35.7 | 42.3 | 51.5 | 92.3 | 65.8 | 59.7 | 71.7 | 79.7 |
| Exports, f.o.b. (US$ bn) | 239.5 | 225.8 | 210.7 | 284.0 | 340.2 | 343.8 | 339.9 | 350.5 | 352.5 | 363.4 |
| main export | - | - | - | - | - | - | - | - | - | - |
| Imports, c.i.f. (US$ bn) | 195.2 | 196.2 | 175.0 | 241.7 | 288.7 | 251.5 | 274.0 | 290.8 | 280.8 | 283.7 |
| Service balance (US$, bn) | -39.3 | -38.5 | -24.7 | -27.0 | -41.9 | -43.8 | -55.2 | -50.6 | -59.1 | -60.9 |
| Income balance (US$, bn) | -58.8 | -55.0 | -35.2 | -54.8 | -51.6 | -75.6 | -76.8 | -75.8 | -72.0 | -74.0 |
| Foreign direct investment (US$ bn) | 78.2 | 69.2 | 38.3 | 46.4 | 75.5 | 62.8 | 74.1 | 77.7 | 74.0 | 75.5 |
| Intercompany Loans (US$, bn) | 20.8 | 5.5 | 4.7 | -0.4 | 18.4 | 9.9 | 9.5 | 9.9 | 9.5 | 9.6 |
| International reserves (US$ bn) | 374.7 | 356.9 | 355.6 | 362.2 | 324.7 | 355.0 | 329.7 | 358.2 | 360.0 | 360.0 |
| **Public Sector** | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -1.7 | -1.2 | -9.8 | -0.4 | 0.5 | -2.4 | -0.4 | -0.5 | -0.4 | -0.5 |
| Central gov. budget balance (% of GDP) | -6.1 | -5.4 | -13.3 | -4.9 | -4.4 | -8.0 | -7.6 | -7.5 | -7.9 | -7.4 |
| Consolidated gov. primary budget balance (% of GDP) | -1.5 | -0.8 | -9.2 | 0.7 | 1.2 | -2.3 | -0.4 | -0.4 | -0.3 | -0.4 |
| Consolidated public sector balance (% of GDP) | -7.0 | -5.8 | -13.3 | -4.3 | -4.6 | -8.8 | -8.5 | -8.3 | -8.7 | -8.2 |
| Central gov. revenues (% of GDP) | 21.3 | 22.1 | 19.3 | 21.4 | 23.0 | 21.5 | 22.7 | 22.8 | 22.8 | 22.2 |
| **Debt Indicators** | | | | | | | | | | |
| Gross external debt (% of GDP) | 16.7 | 17.2 | 20.9 | 19.5 | 16.4 | 15.6 | 15.8 | 16.5 | 13.5 | 12.1 |
| Public (% of GDP) | 6.7 | 6.6 | 8.3 | 7.9 | 6.2 | 5.8 | 5.8 | 6.1 | 5.1 | 4.5 |
| Private (% of GDP) | 10.0 | 10.6 | 12.6 | 11.6 | 10.2 | 9.8 | 10.1 | 10.5 | 8.4 | 7.5 |
| Gross government debt (% of GDP) | 75.3 | 74.4 | 86.9 | 77.3 | 71.7 | 73.8 | 76.3 | 78.6 | 80.9 | 83.2 |
| Domestic (% of GDP) | 65.7 | 65.0 | 76.1 | 66.6 | 62.7 | 65.1 | 66.0 | 68.4 | 71.4 | 73.4 |
| External (% of GDP) | 9.6 | 9.4 | 10.8 | 10.7 | 9.0 | 8.8 | 10.2 | 10.2 | 9.5 | 9.8 |
| External debt amortizations (US$ bn) | 110.2 | 92.7 | 93.5 | 80.0 | 94.7 | 112.3 | 131.4 | 121.3 | 125.0 | 125.0 |
| External debt interest payments (US$ bn) | 15.2 | 18.5 | 11.9 | 11.9 | 11.9 | 19.7 | 21.4 | 19.8 | 21.0 | 21.0 |
| External debt service (% of XGS) | 52.4 | 49.3 | 50.0 | 32.4 | 31.4 | 38.4 | 45.0 | 40.3 | 41.4 | 40.2 |
| **Savings - Investment Balance** | | | | | | | | | | |
| Savings (% of GDP) | 12.3 | 12.1 | 14.9 | 15.6 | 15.7 | 15.2 | 13.9 | 13.9 | 14.3 | 14.4 |
| Investment (% of GDP) | 15.1 | 15.5 | 16.6 | 17.9 | 17.8 | 16.4 | 16.9 | 16.8 | 16.5 | 16.2 |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Quarterly Economic Forecasts** | | | | | | | | | | |
| Real GDP growth (%, yoy) | 1.8 | 1.8 | 2.2 | 2.5 | 2.2 | 2.6 | 3.3 | 1.5 | 2.1 | 1.9 |
| Real GDP growth (%, qoq, sa, annualized) | 0.1 | 0.6 | 3.4 | 2.7 | 1.1 | 3.8 | 4.5 | -2.6 | 4.1 | 2.1 |
| CPI inflation (% yoy, eop) | 5.2 | 4.3 | 4.1 | 4.6 | 5.0 | 5.5 | 4.8 | 4.7 | 4.0 | 4.0 |
| Central bank policy rate (%, eop) | 15.00 | 15.00 | 14.75 | 14.25 | 13.75 | 13.25 | 12.75 | 12.50 | 12.50 | 12.50 |
| Nominal exchange rate (vs USD, eop) | 5.32 | 5.50 | 5.22 | 5.00 | 5.00 | 4.95 | 4.90 | 4.85 | 4.80 | 4.75 |
| Current account balance (US$ bn) | -20.7 | -13.1 | -20.3 | -10.3 | -10.6 | -18.2 | -16.7 | -10.0 | -10.2 | -18.4 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 167: Mexico**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 F | 2027 F |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn) | 1,265 | 1,300 | 1,086 | 1,309 | 1,483 | 1,832 | 1,778 | 1,871 | 2,111 | 2,167 |
| GDP per capita (US$) | 10,092 | 10,269 | 8,500 | 10,152 | 11,399 | 13,963 | 13,436 | 14,033 | 15,711 | 16,015 |
| Unemployment rate (%) | 3.3 | 3.5 | 4.4 | 4.1 | 3.3 | 2.8 | 2.7 | 2.6 | 2.6 | 2.9 |
| Population (millions) | 125.3 | 126.6 | 127.8 | 129.0 | 130.1 | 131.2 | 132.3 | 133.4 | 134.4 | 135.3 |
| Economic Activity | | | | | | | | | | |
| Real GDP growth (% yoy) | 2.0 | -0.4 | -8.6 | 6.3 | 3.7 | 3.1 | 1.1 | 0.8 | 0.8 | 1.5 |
| Domestic demand growth (% yoy) | 1.2 | -0.6 | -10.9 | 8.1 | 5.0 | 5.8 | 2.9 | -0.5 | 1.3 | 1.3 |
| Real investment growth (% yoy) | 0.7 | -4.4 | -17.3 | 10.4 | 7.4 | 13.8 | 3.6 | -6.4 | 0.3 | 1.3 |
| Real consumption growth (% yoy) | 1.7 | 0.5 | -8.7 | 7.2 | 4.4 | 3.9 | 2.6 | 1.3 | 1.7 | 1.4 |
| Real private consumption growth (% yoy) | 1.5 | 0.9 | -10.0 | 8.6 | 4.8 | 4.2 | 2.4 | 1.3 | 1.9 | 1.5 |
| Real government consumption growth (% yoy) | 3.1 | -1.8 | -0.7 | -0.5 | 2.0 | 2.4 | 3.7 | 1.3 | 0.9 | 0.7 |
| Real export growth (% yoy) | 6.5 | 1.3 | -7.2 | 7.3 | 9.6 | -7.1 | 3.0 | 7.3 | 4.2 | 4.2 |
| Real import growth (% yoy) | 5.5 | -1.0 | -12.3 | 16.2 | 8.6 | 3.7 | 2.7 | 3.5 | 5.9 | 3.4 |
| Prices | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 4.8 | 2.8 | 3.2 | 7.4 | 7.8 | 4.7 | 4.2 | 3.7 | 4.6 | 4.0 |
| CPI inflation (% yoy, avg) | 4.9 | 3.6 | 3.4 | 5.7 | 7.9 | 5.5 | 4.7 | 3.8 | 4.2 | 4.1 |
| Nominal wages (% yoy) | 5.7 | 6.7 | 7.3 | 7.2 | 10.8 | 10.9 | 9.6 | 7.3 | 6.8 | 6.8 |
| Nominal exchange rate (vs USD, eop) | 19.65 | 18.93 | 19.91 | 20.53 | 19.50 | 16.97 | 20.83 | 18.01 | 17.50 | 18.50 |
| Nominal exchange rate (vs USD, avg) | 19.11 | 19.33 | 22.17 | 20.38 | 19.91 | 17.39 | 18.85 | 18.88 | 17.61 | 18.13 |
| Bilateral real exchange rate (% yoy, + dep) | 5.8 | -5.0 | 4.2 | 5.0 | -6.7 | -12.0 | 17.5 | -10.5 | -3.7 | 4.0 |
| Monetary Sector | | | | | | | | | | |
| Monetary base growth (% yoy) | 8.3 | 4.1 | 21.6 | 15.2 | 10.6 | 9.6 | 11.2 | 7.6 | 9.0 | 8.0 |
| Broad money growth (% yoy) | 6.6 | 7.0 | 11.0 | 9.7 | 10.0 | 10.4 | 13.6 | 7.5 | 8.0 | 6.5 |
| Credit extension to private sector (% yoy) | 10.3 | 5.7 | 0.6 | 4.3 | 12.6 | 12.7 | 12.6 | 6.9 | 11.1 | 11.5 |
| Central bank policy rate (%, eop) | 8.25 | 7.25 | 4.25 | 5.50 | 10.50 | 11.25 | 10.00 | 7.00 | 6.50 | 6.50 |
| 1-month interbank rate (%, eop) | 8.59 | 7.56 | 4.48 | 5.72 | 10.77 | 11.50 | 10.25 | 7.38 | 6.81 | 6.81 |
| Long-term yield (%, eop) | 8.84 | 6.81 | 5.39 | 7.53 | 8.73 | 8.46 | 9.38 | 8.19 | 7.25 | 7.25 |
| External Sector | | | | | | | | | | |
| Current account balance (% of GDP) | -2.1 | -0.3 | 2.5 | -0.3 | -1.3 | -0.7 | -0.9 | -0.4 | -0.5 | -0.3 |
| Current account balance (US$ bn) | -25.9 | -3.9 | 26.9 | -4.5 | -18.7 | -12.5 | -16.7 | -8.2 | -10.8 | -7.4 |
| Trade balance (US$ bn) | -13.8 | 5.2 | 34.2 | -10.7 | -28.3 | -12.4 | -18.6 | 0.8 | -13.4 | -6.9 |
| Exports, f.o.b. (US$ bn) | 451.1 | 460.9 | 417.3 | 495.3 | 578.2 | 593.6 | 618.3 | 665.6 | 723.3 | 786.0 |
| Main export - Autos | 118.4 | 125.1 | 102.8 | 116.5 | 140.3 | 161.7 | 165.4 | 155.6 | 0.0 | 0.1 |
| Imports, c.i.f. (US$ bn) | 464.8 | 455.8 | 383.2 | 506.0 | 606.5 | 605.9 | 636.9 | 664.8 | 736.7 | 792.9 |
| Service balance (US$ bn) | -13.8 | -9.4 | -12.4 | -12.4 | -15.5 | -19.6 | -9.1 | -11.5 | -10.9 | -12.1 |
| Income balance (US$ bn) | 1.7 | 0.4 | 5.2 | 18.6 | 25.1 | 19.4 | 10.9 | 2.5 | 13.5 | 11.6 |
| Foreign direct investment (US$ bn) | 37.9 | 29.9 | 31.5 | 35.6 | 39.2 | 30.7 | 45.5 | 43.1 | 40.0 | 39.0 |
| International reserves (US$ bn) | 174.6 | 180.8 | 195.7 | 202.4 | 199.1 | 212.8 | 228.8 | 252.1 | 260.0 | 270.0 |
| Remittances (US$ bn) | 34.4 | 37.3 | 41.7 | 52.5 | 58.9 | 63.3 | 64.7 | 61.8 | 61.1 | 62.0 |
| Price of main export commodity - oil (US$ per barrel) | 62.1 | 56.1 | 35.7 | 64.7 | 89.3 | 71.2 | 70.6 | 61.6 | 88.3 | 74.9 |
| Public Sector | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -0.1 | 0.1 | -0.1 | -1.1 | -1.1 | -1.1 | -2.5 | -1.9 | -0.7 | -0.7 |
| Central gov. budget balance (% of GDP) | -2.0 | -2.0 | -2.5 | -3.1 | -3.4 | -3.8 | -5.6 | -5.1 | -3.7 | -4.0 |
| Consolidated gov. primary budget balance (% of GDP) | 0.6 | 1.1 | 0.1 | -0.3 | -0.4 | -0.1 | -1.5 | -0.1 | -0.1 | -0.1 |
| Consolidated public sector balance (% of GDP) | -2.0 | -1.6 | -2.8 | -2.8 | -3.2 | -3.3 | -5.0 | -3.9 | -4.0 | -3.5 |
| Public sector borrowing requirements (% of GDP) | -2.1 | -2.3 | -3.8 | -3.7 | -4.3 | -4.3 | -5.8 | -4.9 | -5.0 | -5.0 |
| Central gov. revenues (% of GDP) | 16.0 | 15.9 | 17.0 | 16.2 | 16.2 | 16.4 | 16.5 | 17.0 | 16.4 | 16.6 |
| Debt Indicators | | | | | | | | | | |
| Gross external debt (% of GDP) | 25.4 | 23.7 | 27.9 | 25.8 | 21.1 | 17.0 | 19.7 | 18.4 | 21.9 | 21.9 |
| Public (% of GDP) | 16.5 | 15.4 | 18.5 | 17.1 | 14.3 | 11.4 | 13.4 | 12.2 | 15.9 | 15.7 |
| Private (% of GDP) | 9.0 | 8.4 | 9.3 | 8.8 | 6.8 | 5.5 | 6.3 | 6.2 | 6.0 | 6.2 |
| Gross government debt (% of GDP) | 45.6 | 45.5 | 51.7 | 50.5 | 48.2 | 47.3 | 54.1 | 55.8 | 57.4 | 57.4 |
| Domestic (% of GDP) | 29.1 | 30.1 | 33.1 | 33.4 | 33.9 | 35.9 | 40.7 | 43.6 | 41.5 | 41.7 |
| External (% of GDP) | 16.5 | 15.4 | 18.5 | 17.1 | 14.3 | 11.4 | 13.4 | 12.2 | 15.9 | 15.7 |
| External debt amortizations (US$ bn) | 7.6 | 23.0 | 18.4 | 22.2 | 13.4 | 8.1 | 4.2 | 6.0 | 15.7 | 9.5 |
| External debt interest payments (US$ bn) | 7.3 | 7.8 | 8.0 | 8.8 | 8.4 | 8.7 | 7.6 | 6.0 | 12.6 | 8.7 |
| External debt service (% of XGS) | 3.3 | 6.7 | 6.3 | 6.2 | 3.8 | 2.8 | 1.9 | 1.8 | 3.9 | 2.3 |
| Savings - Investment Balance | | | | | | | | | | |
| Savings (% of GDP) | 21.3 | 20.6 | 20.8 | 20.1 | 19.5 | 18.9 | 17.7 | 17.3 | 16.5 | 16.7 |
| Investment (% of GDP) | 23.1 | 22.1 | 20.0 | 20.8 | 21.6 | 23.8 | 24.4 | 22.7 | 22.5 | 22.5 |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| Quarterly Economic Forecasts | | | | | | | | | | |
| Real GDP growth (% yoy) | -0.1 | 1.8 | 0.2 | 1.0 | 1.0 | 0.6 | 1.8 | 1.6 | 1.5 | 1.3 |
| Real GDP growth (% qoq, sa, annualized) | 0.3 | 3.5 | -3.2 | 2.5 | 1.6 | 1.4 | 1.6 | 1.7 | 1.0 | 1.0 |
| CPI inflation (% yoy, eop) | 3.8 | 3.7 | 4.6 | 3.7 | 4.5 | 4.6 | 4.0 | 4.1 | 4.0 | 4.0 |
| Central bank policy rate (%, eop) | 7.50 | 7.00 | 6.75 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 |
| Nominal exchange rate (vs USD, eop) | 18.31 | 18.01 | 17.94 | 17.50 | 17.50 | 17.50 | 17.75 | 18.00 | 18.25 | 18.50 |
| Current account balance (US$ bn) | 1.6 | 7.7 | 3.2 | -18.6 | -6.1 | 10.8 | 1.8 | -17.0 | -7.3 | 15.1 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 168: Venezuela**
Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn, Exch rate adjusted since 2015) | 104.9 | 78.7 | 51.1 | 52.1 | 57.4 | 59.7 | 62.6 | 82.2 | 101.9 | 112.0 |
| GDP per capita (US$) | 3,630 | 2,758 | 1,798 | 1,839 | 2,028 | 2,115 | 2,227 | 2,931 | 3,645 | 4,017 |
| Unemployment rate (%) | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Population (millions) | 28.9 | 28.5 | 28.4 | 28.4 | 28.3 | 28.2 | 28.1 | 28.0 | 28.0 | 27.9 |
| Economic Activity | | | | | | | | | | |
| Real GDP growth (% yoy) | -20.0 | -25.0 | -35.0 | 2.0 | 10.0 | 4.0 | 5.0 | 4.0 | 8.0 | 11.0 |
| Domestic demand growth (% yoy) | -22.0 | -27.5 | -38.5 | 2.2 | 11.0 | 4.4 | 5.5 | 4.4 | 8.8 | 12.1 |
| Real investment growth (% yoy) | -40.0 | -50.0 | -70.0 | 4.0 | 20.0 | 8 | 10 | 8 | 16 | 22 |
| Real consumption growth (% yoy) | -20.0 | -25.0 | -35.0 | 2.0 | 10.0 | 4 | 5 | 4 | 8 | 11 |
| Real private consumption growth (% yoy) | -20.0 | -25.0 | -35.0 | 2.0 | 10.0 | 4 | 5 | 4 | 8 | 11 |
| Real government consumption growth (% yoy) | -21.0 | -26.3 | -36.8 | 2.1 | 10.5 | 4.2 | 5.25 | 4.2 | 8.4 | 11.55 |
| Real export growth (% yoy) | -40.0 | -42.5 | -38.5 | 3.0 | 15.0 | 6 | 7.5 | 6 | 12 | 16.5 |
| Real import growth (% yoy) | -40.0 | -42.5 | -38.5 | 2.2 | 11.0 | 4.4 | 5.5 | 4.4 | 8.8 | 12.1 |
| Prices | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 1698488 | 12341 | 3687 | 660 | 305 | 205 | 94 | 443 | 243 | 125 |
| CPI inflation (% yoy, avg) | 523290 | 1259565 | 3639 | 1374 | 482 | 255 | 149 | 268 | 343 | 184 |
| Nominal wages (% yoy) | 180979 | 1234 | 2581 | 726 | 320 | 215 | 99 | 465 | 248 | 128 |
| Nominal exchange rate (vs USD, eop) | 638 | 39368 | 1107199 | 5 | 17 | 36 | 52 | 296 | 887 | 1961 |
| Nominal exchange rate (vs USD, avg) | 638 | 39368 | - | - | - | | | | | |
| Bilateral real exchange rate (% yoy, + dep) | - | - | - | - | - | | | | | |
| Monetary Sector | | | | | | | | | | |
| Monetary base growth (% yoy) | 43950 | 7200 | 1200 | 400 | 394 | 230 | 122 | 356 | 293 | 155 |
| Broad money growth (% yoy) | 43945 | 5000 | 1300 | 600 | 394 | 230 | 122 | 356 | 293 | 155 |
| Credit extension to private sector (% yoy) | 41755 | 5000 | 1300 | 600 | 394 | 230 | 122 | 356 | 293 | 155 |
| Central bank policy rate (%, eop) | - | - | - - | | - | | | | | |
| 1-month interbank rate (%, eop) | - | - | - | - | - | | | | | |
| Long-term yield (%, eop) | - | - | - | - | - | | | | | |
| External Sector | | | | | | | | | | |
| Current account balance (% of GDP) | 10.9 | 7.2 | 2.1 | 1.2 | 2.0 | -0.1 | 2.4 | -5.6 | -1.6 | -5.5 |
| Current account balance (US$ bn) | 11.4 | 5.7 | 1.1 | 0.6 | 1.1 | 0.0 | 1.5 | -4.6 | -1.6 | -6.2 |
| Trade balance (US$ bn) | 15.5 | 9.2 | 0.1 | 2.0 | 2.6 | 1.4 | 4.8 | -2.0 | -0.5 | -4.0 |
| Exports, f.o.b. (US$ bn) | 25.7 | 15.2 | 6.1 | 10.0 | 16.2 | 12.8 | 22.5 | 18.3 | 22.7 | 24.9 |
| Main export - Oil | 23.3 | 13.8 | 6.0 | 7.0 | 13.5 | 10.7 | 18.8 | 14.8 | 18.0 | 20.9 |
| Imports, f.o.b. (US$ bn) | 10.2 | 6.0 | 6.0 | 8.0 | 13.6 | 11.4 | 17.7 | 20.2 | 23.2 | 28.9 |
| Service balance (US$ bn) | -4.3 | -4.3 | -3.0 | -4.0 | -4.0 | -4.4 | -6.8 | -4.1 | -4.4 | -5.1 |
| Income balance (US$ bn) | 0.2 | 0.8 | 1.5 | 2.0 | 2.5 | 3.0 | 3.5 | 1.5 | 3.3 | 2.9 |
| Foreign direct investment (US$ bn) | - | - | - - | - | | | | | | |
| International reserves (US$ bn) | 7.0 | 7.5 | 7.0 | 6.0 | 10.0 | 10.0 | 10.0 | 14.0 | 14.0 | 14.0 |
| Price of main export commodity - oil (US$ per barrel) | 64.5 | 57.5 | 43.8 | | | | | | | |
| Public Sector | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | - | - | - | - | - | - | | | | |
| Central gov. budget balance (% of GDP) | - | - | - | - | - | - | | | | |
| Consolidated gov. primary budget balance (% of GDP) | - | - | - | - | - | - | | | | |
| Consolidated public sector balance (% of GDP)* | - | - | - | - | - | - | | | | |
| Central gov. revenues (% of GDP) | - | - | - | - | - | - | | | | |
| Debt Indicators | | | | | | | | | | |
| Gross external debt (% of GDP) | 140.1 | - | - | - | - | - | | | | |
| Public (% of GDP) | 121.9 | - | - | - | - | - | | | | |
| Private (% of GDP) | 18.1 | - | - | - | - | - | | | | |
| Gross government debt (% of GDP) | 44.5 | - | - | - | - | - | | | | |
| Domestic (% of GDP) | 0.1 | - | - | - | - | - | | | | |
| External (% of GDP) | 44.4 | - | - | - | - | - | | | | |
| External debt amortizations (US$ bn) | 3.7 | - | - | - | - | - | | | | |
| External debt interest payments (US$ bn) | 3.3 | - | - | - | - | - | | | | |
| External debt service (% of XGS) | 27.1 | - | - | - | - | - | | | | |
| Savings - Investment Balance | | | | | | | | | | |
| Savings (% of GDP) | - | - | - | - | - | - | | | | |
| Investment (% of GDP) | - | - | - | - | - | - | | | | |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 169: Chile**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| **Summary Data** | | | | | | | | | | |
| Nominal GDP (US$ bn) | 297.6 | 279.2 | 253.1 | 316.6 | 300.6 | 335.5 | 318.6 | 341.4 | 381.0 | 419.9 |
| GDP per capita (US$) | 15,871 | 14,615 | 13,008 | 16,087 | 15,158 | 16,806 | 15,849 | 16,866 | 18,689 | 20,457 |
| Unemployment rate (%) | 7.4 | 7.2 | 11.2 | 7.2 | 8.0 | 8.8 | 8.5 | 8.4 | 8.0 | 8.0 |
| Population (millions) | 18.8 | 19.1 | 19.5 | 19.7 | 19.8 | 20.0 | 20.1 | 20.2 | 20.4 | 20.5 |
| **Economic Activity** | | | | | | | | | | |
| Real GDP growth (% yoy) | 3.7 | 0.9 | -5.8 | 11.7 | 2.4 | 0.2 | 2.6 | 2.5 | 1.6 | 2.9 |
| Domestic demand growth (% yoy) | 4.0 | 1.6 | -7.9 | 18.5 | 3.0 | -3.3 | 0.8 | 3.3 | 2.7 | 5.5 |
| Real investment growth (% yoy) | 5.1 | 4.4 | -11.5 | 15.7 | 2.8 | -1.1 | -1.4 | 7.0 | 4.3 | 4.8 |
| Real consumption growth (% yoy) | 3.7 | 0.8 | -6.8 | 19.3 | 3.1 | -3.9 | 1.4 | 2.2 | 2.3 | 5.7 |
| Real private consumption growth (% yoy) | 3.8 | 1.0 | -7.5 | 20.8 | 2.9 | -5.2 | 1.0 | 1.9 | 3.3 | 6.9 |
| Real government consumption growth (% yoy) | 3.3 | -0.2 | -3.9 | 13.8 | 4.1 | 1.7 | 3.0 | 3.1 | -1.8 | 1.3 |
| Real export growth (% yoy) | 5.3 | -2.6 | -3.2 | -1.4 | 1.4 | -0.3 | 6.6 | 4.7 | 3.3 | 2.9 |
| Real import growth (% yoy) | 8.1 | -2.4 | -12.7 | 31.8 | 0.9 | -12.0 | 2.5 | 10.3 | 7.4 | 11.3 |
| **Prices** | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 2.1 | 3.0 | 3.0 | 7.2 | 12.8 | 3.4 | 4.5 | 3.4 | 4.3 | 3.2 |
| CPI inflation (% yoy, avg) | 2.3 | 2.3 | 3.0 | 4.5 | 11.6 | 7.3 | 3.9 | 4.2 | 3.9 | 3.7 |
| Nominal wages (% yoy) | 4.5 | 4.6 | 3.7 | 7.0 | 11.8 | 7.7 | 7.0 | 4.4 | 5.3 | 4.2 |
| Nominal exchange rate (vs USD, eop) | 696 | 745 | 711 | 852 | 851 | 881 | 995 | 916 | 870 | 850 |
| Nominal exchange rate (vs USD, avg) | 641 | 703 | 792 | 760 | 874 | 840 | 944 | 943 | 891 | 859 |
| Bilateral real exchange rate (% yoy, + dep) | - | - | - | - | - | - | | | | |
| **Monetary Sector** | | | | | | | | | | |
| Monetary base growth (% yoy) | 1.7 | 9.2 | 145.3 | 11.4 | 6.8 | -4.8 | 7.7 | 6.1 | 6.0 | 6.1 |
| Broad money growth (% yoy) | 11.2 | 9.4 | 6.9 | 11.4 | 6.8 | 2.7 | 6.1 | 6.1 | 6.0 | 6.1 |
| Credit extension to private sector (% yoy) | 10.1 | 9.4 | 2.5 | 7.9 | -0.5 | 2.8 | 5.0 | 5.1 | 6.0 | 6.1 |
| Central bank policy rate (%, eop) | 2.75 | 1.75 | 0.50 | 4.00 | 11.25 | 8.25 | 5.00 | 4.50 | 4.50 | 5.00 |
| 1-month interbank rate (%, eop) | 4.10 | 4.08 | 3.16 | 6.07 | 13.35 | 10.54 | | | | |
| Long-term yield (%, eop) | 6.00 | 5.50 | 5.50 | 6.00 | 6.00 | 6.00 | | | | |
| **External Sector** | | | | | | | | | | |
| Current account balance (% of GDP) | -3.9 | -3.7 | -1.7 | -6.4 | -9.0 | -3.5 | -1.5 | -1.9 | 1.2 | -0.3 |
| Current account balance (US$ bn) | -11.6 | -10.5 | -4.3 | -20.3 | -27.1 | -11.9 | -4.9 | -6.3 | 4.6 | -1.3 |
| Trade balance (US$ bn) | 4.2 | 3.0 | 18.4 | 10.5 | 3.8 | 15.3 | 21.0 | 18.3 | 29.2 | 23.3 |
| Exports, f.o.b. (US$ bn) | 74.7 | 68.8 | 73.5 | 94.8 | 98.5 | 94.6 | 99.2 | 105.1 | 130.3 | 136.8 |
| main export - Copper | 35.6 | 32.5 | 38.0 | 52.7 | 44.7 | 43.3 | 49.7 | 56.4 | 77.8 | 83.6 |
| Imports, f.o.b. (US$ bn) | 70.5 | 65.8 | 55.1 | 84.3 | 94.7 | 79.2 | 78.1 | 86.9 | 101.1 | 113.4 |
| Service balance (US$, bn) | -4.7 | -5.1 | -5.0 | -12.3 | -14.8 | -10.8 | -9.1 | -9.2 | -9.2 | -9.2 |
| Income balance (US$, bn) | -11.2 | -8.3 | -10.0 | -21.3 | -16.1 | -16.4 | -16.7 | -15.4 | -15.4 | -15.4 |
| Foreign direct investment (US$ bn) | 7.8 | 12.6 | 8.5 | 15.9 | 20.9 | 15.5 | 9.6 | 10.8 | 10.8 | 10.8 |
| International reserves (US$ bn) | 39.9 | 40.7 | 39.2 | 51.3 | 39.2 | 46.0 | 45.0 | 45.0 | 45.0 | 45.0 |
| Price of main export commodity - copper (¢/lb) | 295.9 | 272.3 | 272.8 | 423.8 | 400.2 | 387.9 | 414.2 | 481.9 | 422.7 | |
| **Public Sector** | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -0.8 | -1.9 | -6.3 | -6.8 | 2.1 | -1.3 | -1.7 | -1.7 | -0.6 | -0.6 |
| Central gov. budget balance (% of GDP) | -1.7 | -2.9 | -7.3 | -7.7 | 1.1 | -2.4 | -3.0 | -3.0 | -1.9 | -1.9 |
| Consolidated gov. primary budget balance (% of GDP) | -1.1 | -2.3 | -7.9 | -7.4 | 2.1 | -1.3 | -1.7 | -1.7 | -0.6 | |
| Consolidated public sector balance (% of GDP) | -1.5 | -2.7 | -8.5 | -8.3 | 1.1 | -2.4 | -3.0 | -3.0 | -1.9 | |
| Central gov. revenues (% of GDP) | 21.9 | 21.5 | 19.9 | 23.9 | 25.9 | 22.7 | 22.4 | 22.5 | 22.2 | |
| **Debt Indicators** | | | | | | | | | | |
| Gross external debt (% of GDP) | 62.0 | 70.9 | 82.3 | 83.5 | 86.5 | 76.4 | | | | |
| Public (% of GDP) | 8.3 | 10.7 | 13.7 | 13.5 | 14.5 | 17.2 | | | | |
| Private (% of GDP) | 53.7 | 60.3 | 68.7 | 70.0 | 72.0 | 59.1 | | | | |
| Gross government debt (% of GDP) | 25.6 | 28.2 | 32.5 | 36.3 | 43.3 | 39.4 | 42.3 | 44.5 | | |
| Domestic (% of GDP) | 17.3 | 17.5 | 18.8 | 22.5 | 27.7 | 26.0 | 27.9 | 29.4 | | |
| External (% of GDP) | 8.3 | 10.7 | 13.7 | 13.8 | 15.6 | 13.4 | 14.4 | 15.1 | | |
| External debt amortizations (US$ bn) | - | - | - | - | - | - | | | | |
| External debt interest payments (US$ bn) | - | - | - | - | - | - | | | | |
| External debt service (% of XGS) | - | - | - | - | - | - | | | | |
| **Savings - Investment Balance** | | | | | | | | | | |
| Savings (% of GDP) | 18.2 | 19.2 | 22.2 | - | - | - | | | | |
| Investment (% of GDP) | 21.5 | 22.9 | 20.9 | - | - | - | | | | |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Quarterly Economic Forecasts** | | | | | | | | | | |
| Real GDP growth (%, yoy) | 2.0 | 1.6 | 0.6 | 1.2 | 2.4 | 2.8 | 3.5 | 3.0 | 2.7 | 2.4 |
| Real GDP growth (%, qoq, sa, annualized) | -1.1 | 2.3 | -0.5 | 4.2 | 3.6 | 3.6 | 2.4 | 2.4 | 2.4 | 2.4 |
| CPI inflation (% yoy, eop) | 4.4 | 3.4 | 2.8 | 4.6 | 3.8 | 4.3 | 3.8 | 2.8 | 3.1 | 3.2 |
| Central bank policy rate (%, eop) | 4.75 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.75 | 5.00 | 5.00 |
| Nominal exchange rate (vs USD, eop) | 963 | 910 | 920 | 910 | 900 | 890 | 880 | 870 | 860 | 850 |
| Current account balance (US$ bn) | | | | | | | | | | |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 170: Colombia**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn) | 334 | 323 | 271 | 314 | 346 | 369 | 420 | 459 | 529 | 523 |
| GDP per capita (US$) | 6,922 | 6,535 | 5,382 | 6,140 | 6,704 | 7,070 | 7,976 | 8,640 | 9,897 | 9,713 |
| Unemployment rate (%) | 10.0 | 10.9 | 16.7 | 13.8 | 11.2 | 10.2 | 10.3 | 9.0 | 9.2 | 9.0 |
| Population (millions) | 48.3 | 49.4 | 50.4 | 51.1 | 51.7 | 52.2 | 52.7 | 53.1 | 53.5 | 53.8 |
| Economic Activity | | | | | | | | | | |
| Real GDP growth (% yoy) | 2.6 | 3.2 | -7.2 | 10.8 | 7.3 | 0.8 | 1.5 | 2.6 | 2.5 | 2.9 |
| Domestic demand growth (% yoy) | 3.5 | 4.0 | -7.6 | 13.4 | 10.2 | -2.4 | 1.6 | 3.9 | 2.9 | 3.2 |
| Real investment growth (% yoy) | 1.5 | 3.0 | -20.7 | 11.6 | 16.0 | -16.1 | 2.4 | 2.1 | 5.0 | 5.6 |
| Real consumption growth (% yoy) | 4.0 | 4.3 | -4.2 | 13.8 | 9.0 | 0.7 | 1.5 | 4.2 | 2.5 | 2.7 |
| Real private consumption growth (% yoy) | 3.2 | 4.1 | -5.0 | 14.7 | 10.8 | 0.5 | 1.6 | 3.6 | 2.6 | 2.8 |
| Real government consumption growth (% yoy) | 7.4 | 5.3 | -0.8 | 9.8 | 1.0 | 1.6 | 0.6 | 7.1 | 2.4 | 2.3 |
| Real export growth (% yoy) | 0.6 | 3.1 | -22.5 | 14.6 | 12.5 | 3.1 | 0.4 | 1.8 | 2.5 | 3.5 |
| Real import growth (% yoy) | 5.8 | 7.3 | -20.1 | 26.7 | 24.0 | -10.0 | 1.2 | 8.4 | 4.1 | 4.9 |
| Prices | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 3.2 | 3.8 | 1.6 | 5.6 | 13.1 | 9.3 | 5.2 | 5.1 | 6.5 | 4.6 |
| CPI inflation (% yoy, avg) | 3.2 | 3.5 | 2.5 | 3.5 | 10.2 | 11.8 | 6.6 | 5.1 | 5.9 | 3.7 |
| Nominal wages (% yoy) | 7.0 | 5.9 | 6.0 | 6.0 | 3.5 | 10.1 | 16.0 | 7.0 | 6.0 | 5.0 |
| Nominal exchange rate (vs. USD, eop) | 3,250 | 3,277 | 3,430 | 4,080 | 4,853 | 3,855 | 4,406 | 3,778 | 3,950 | 4,350 |
| Nominal exchange rate (vs. USD, avg) | 2,956 | 3,281 | 3,693 | 3,807 | 4,347 | 4,319 | 4,155 | 3,995 | 3,819 | 4,200 |
| Bilateral real exchange rate (% yoy, + dep) | 7.5 | -0.6 | 4.4 | 20.6 | 11.9 | -21.6 | 12.0 | -17.0 | 0.4 | 8.0 |
| Monetary Sector | | | | | | | | | | |
| Monetary base growth (% yoy) | 10.4 | 12.3 | 20.5 | 9.6 | 6.4 | 1.0 | 11.7 | 6.1 | 11.9 | 7.5 |
| Broad money growth (% yoy) | 5.6 | 7.8 | 13.9 | 12.0 | 14.0 | -1.2 | 10.3 | 4.7 | 10.5 | 6.5 |
| Credit extension to private sector (% yoy) | 4.4 | 7.8 | 2.2 | 10.9 | 17.5 | 2.5 | 2.0 | 5.7 | 11.5 | 6.0 |
| Central bank policy rate (%, eop) | 4.25 | 4.25 | 1.75 | 3.00 | 12.00 | 13.00 | 9.50 | 9.25 | 11.25 | 10.25 |
| 1-month interbank rate (%, eop) | 4.11 | 4.11 | 1.71 | 2.97 | 11.23 | 12.34 | 9.21 | 8.96 | 10.96 | 9.96 |
| Long-term yield (%, eop) | 6.8 | 6.3 | 5.4 | 8.2 | 13.0 | 10.8 | 11.3 | 10.0 | 9.25 | 9.0 |
| External Sector | | | | | | | | | | |
| Current account balance (% of GDP) | -4.2 | -4.6 | -3.4 | -5.6 | -6.0 | -2.2 | -1.7 | -2.4 | -2.6 | -2.7 |
| Current account balance (US$ bn) | -14.0 | -14.8 | -9.3 | -17.9 | -20.9 | -8.3 | -7.3 | -10.9 | -13.8 | -14.1 |
| Trade balance (US$ bn) | -6.4 | -9.9 | -8.9 | -14.0 | -12.2 | -6.8 | -9.2 | -11.4 | -11.6 | -11.9 |
| Exports, f.o.b. (US$ bn) | 43.0 | 40.7 | 32.3 | 42.7 | 59.5 | 52.6 | 53.2 | 54.0 | 55.3 | 57.1 |
| Main export - Oil (US$ bn) | 16.8 | 16.0 | 8.8 | 13.5 | 18.7 | 15.8 | 15.5 | 15.2 | 14.5 | 14.0 |
| Imports, f.o.b. (US$ bn) | 49.4 | 50.5 | 41.2 | 56.7 | 71.7 | 59.4 | 60.1 | 65.1 | 66.6 | 68.7 |
| Service balance (US$ bn) | -4.2 | -4.3 | -4.2 | -6.0 | -3.9 | -1.0 | -0.4 | -0.6 | -0.7 | -0.8 |
| Income balance (US$ bn) | -3.5 | -0.7 | 3.8 | 2.1 | -4.8 | -0.5 | 2.3 | 0.0 | -1.0 | -1.1 |
| Foreign direct investment (US$ bn) | 11.3 | 14.0 | 7.5 | 9.6 | 17.2 | 17.1 | 14.6 | 17.0 | 19.6 | 19.3 |
| International reserves (US$ bn) | 48.4 | 53.2 | 59.0 | 58.6 | 57.3 | 59.6 | 62.8 | 64.0 | 65.2 | 66.4 |
| Public Sector | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -0.3 | 0.4 | -5.0 | -3.6 | -1.0 | -0.3 | -2.4 | -3.5 | -2.7 | -1.7 |
| Central gov. budget balance (% of GDP) | -3.1 | -2.5 | -7.8 | -7.0 | -5.3 | -4.2 | -6.7 | -6.4 | -6.7 | -5.9 |
| Consolidated gov. primary budget balance (% of GDP) | 0.1 | 0.5 | -5.3 | -5.2 | -1.4 | 1.6 | -1.2 | -2.0 | -1.2 | -0.2 |
| Consolidated public sector balance (% of GDP) | -2.6 | -2.4 | -7.6 | -7.1 | -6.0 | -2.7 | -5.9 | -5.6 | -5.9 | -5.1 |
| Central gov. revenues (% of GDP) | 15.1 | 16.2 | 15.3 | 16.1 | 16.2 | 18.7 | 16.5 | 16.3 | 17.3 | 17.6 |
| Debt Indicators | | | | | | | | | | |
| Gross external debt (% of GDP) | 39.5 | 42.9 | 57.0 | 53.9 | 53.1 | 53.6 | 56.5 | 59.7 | 62.1 | 62.6 |
| Public (% of GDP) | 21.8 | 22.9 | 33.2 | 32.2 | 30.2 | 30.9 | 32.7 | 34.8 | 36.1 | 35.5 |
| Private (% of GDP) | 17.7 | 20.1 | 23.8 | 21.7 | 22.9 | 22.8 | 23.8 | 24.9 | 26.0 | 27.1 |
| Gross government debt (% of GDP) | 49.3 | 50.3 | 65.0 | 63.0 | 60.8 | 56.3 | 61.3 | 64.4 | 67.1 | 69.8 |
| Domestic (% of GDP) | 31.4 | 31.3 | 39.0 | 36.2 | 34.5 | 35.3 | 38.8 | 41.1 | 42.5 | 45.8 |
| External (% of GDP) | 16.6 | 16.0 | 23.0 | 24.5 | 24.8 | 19.4 | 21.1 | 23.3 | 24.6 | 24.0 |
| External debt amortizations (US$ bn) | 15.7 | 13.2 | 14.6 | 15.1 | 19.3 | 15.7 | 16.5 | 18.6 | 21.8 | 22.0 |
| External debt interest payments (US$ bn) | 5.8 | 7.5 | 6.5 | 6.9 | 11.7 | 12.1 | 12.7 | 12.1 | 11.6 | 12.0 |
| External debt service (% of XGS) | 40.0 | 40.5 | 55.2 | 43.1 | 42.3 | 40.6 | 42.5 | 44.0 | 46.7 | 45.9 |
| Savings - Investment Balance | | | | | | | | | | |
| Savings (% of GDP) | 17.0 | 16.8 | 15.7 | 13.3 | 13.7 | 11.2 | 11.7 | 11.0 | 11.1 | 12.1 |
| Investment (% of GDP) | 21.2 | 21.4 | 19.1 | 18.9 | 19.8 | 13.5 | 13.5 | 13.4 | 13.7 | 14.8 |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| Quarterly Economic Forecasts | | | | | | | | | | |
| Real GDP growth (% yoy) | 3.6 | 2.3 | 2.3 | 2.5 | 2.1 | 2.9 | 3.0 | 3.0 | 2.8 | 2.6 |
| Real GDP growth (% qoq, sa, annualized) | 5.2 | 0.5 | 2.0 | 2.4 | 3.6 | 3.6 | 2.4 | 2.4 | 2.8 | 2.8 |
| CPI inflation (% yoy, eop) | 5.2 | 5.1 | 5.6 | 6.0 | 6.1 | 6.5 | 6.4 | 5.7 | 5.2 | 4.6 |
| Central bank policy rate (%, eop) | 9.25 | 9.25 | 11.25 | 11.25 | 11.25 | 11.25 | 11.00 | 10.75 | 10.50 | 10.25 |
| Nominal exchange rate (vs. USD, eop) | 3,920 | 3,778 | 3,674 | 3,800 | 3,850 | 3,950 | 4,050 | 4,150 | 4,250 | 4,350 |
| Current account balance (US$ bn) | -3.3 | -4.0 | -2.4 | -2.9 | -3.6 | -4.3 | -2.5 | -3.0 | -3.7 | -4.5 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 171: Peru**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| Summary Data | | | | | | | | | | |
| Nominal GDP (US$ bn) | 229.9 | 236.5 | 209.7 | 229.9 | 248.5 | 272.5 | 295.8 | 340.9 | 391.7 | 441.2 |
| GDP per capita (US$) | | | | | | | | | 11,271 | 12,569 |
| Unemployment rate (%) | 6.7 | 6.6 | 13.9 | 10.9 | 7.7 | 6.8 | 6.5 | 6.0 | 6.1 | 6.0 |
| Population (millions) | 31.6 | 32.1 | 32.6 | 33.0 | 33.4 | 33.7 | 34.1 | 34.4 | 34.8 | 35.1 |
| Economic Activity | | | | | | | | | | |
| Real GDP growth (% yoy) | 4.0 | 2.2 | -10.9 | 13.4 | 2.8 | -0.4 | 3.5 | 3.4 | 3.5 | 4.4 |
| Domestic demand growth (% yoy) | 3.6 | 2.8 | -9.3 | 13.9 | 2.4 | -1.0 | 4.0 | 5.8 | 3.1 | 3.0 |
| Real investment growth (% yoy) | 3.4 | 0.8 | -17.3 | 25.0 | 0.7 | -7.7 | 9.3 | 14.1 | 2.9 | 4.0 |
| Real consumption growth (% yoy) | 3.6 | 3.4 | -7.0 | 11.1 | 2.9 | 0.9 | 2.7 | 3.5 | 3.1 | 2.6 |
| Real private consumption growth (% yoy) | 3.8 | 3.2 | -9.9 | 12.5 | 3.5 | 0.1 | 2.8 | 3.6 | 3.3 | 2.8 |
| Real government consumption growth (% yoy) | 2.4 | 4.3 | 7.9 | 4.8 | -0.2 | 4.9 | 2.1 | 2.8 | 2.4 | 2.3 |
| Real export growth (% yoy) | 2.9 | 0.9 | -19.8 | 12.7 | 5.5 | 4.1 | 6.6 | 4.4 | 2.3 | 2.4 |
| Real import growth (% yoy) | 1.3 | 3.1 | -13.6 | 14.8 | 3.6 | 1.3 | 8.4 | 12.8 | 3.2 | 3.6 |
| Prices | | | | | | | | | | |
| CPI inflation (% yoy, eop) | 2.2 | 1.9 | 2.0 | 6.4 | 8.5 | 3.2 | 2.0 | 1.5 | 4.4 | 2.6 |
| CPI inflation (% yoy, avg) | 1.3 | 2.1 | 1.8 | 4.0 | 7.9 | 6.3 | 2.4 | 1.5 | 3.9 | 2.5 |
| Nominal wages (% yoy) | -0.3 | 4.6 | -12.4 | 3.5 | 11.5 | 7.1 | 5.8 | 6.0 | 5.5 | 5.8 |
| Nominal exchange rate (vs USD, eop) | 3.38 | 3.32 | 3.62 | 3.98 | 3.81 | 3.71 | 3.77 | 3.36 | 3.20 | 3.15 |
| Nominal exchange rate (vs USD, avg) | 3.29 | 3.34 | 3.50 | 3.88 | 3.84 | 3.75 | 3.76 | 3.51 | 3.34 | 3.16 |
| Bilateral real exchange rate (% yoy, + dep) | 3.9 | -1.4 | 8.7 | 10.5 | -4.7 | -2.7 | 2.5 | -10.0 | -6.7 | -1.8 |
| Monetary Sector | | | | | | | | | | |
| Monetary base growth (% yoy) | 7.3 | 5.2 | 33.2 | 13.1 | -4.4 | -3.2 | 10.7 | 5.9 | 8.8 | 6.0 |
| Broad money growth (% yoy) | 5.3 | 9.1 | 32.0 | 0.3 | -1.1 | 1.2 | 10.4 | 6.5 | 9.0 | 6.2 |
| Credit extension to private sector (% yoy) | 9.0 | 7.0 | 12.8 | 5.7 | 2.5 | 0.5 | 1.2 | 4.9 | 7.4 | 5.0 |
| Central bank policy rate (%, eop) | 2.75 | 2.25 | 0.25 | 2.50 | 7.50 | 6.75 | 5.00 | 4.25 | 4.25 | 4.25 |
| 1-month interbank rate (%, eop) | 2.75 | 2.25 | 0.23 | 2.25 | 7.45 | 6.86 | 4.95 | 4.20 | 4.20 | 4.20 |
| Long-term yield (%, eop) | 5.64 | 4.21 | 3.51 | 5.90 | 7.97 | 6.68 | 6.69 | 6.00 | 6.00 | 6.00 |
| External Sector | | | | | | | | | | |
| Current account balance (% of GDP) | -1.2 | -0.7 | 0.8 | -2.2 | -4.0 | 0.3 | 2.2 | 3.1 | 3.5 | 3.7 |
| Current account balance (US$ bn) | -2.8 | -1.7 | 1.6 | -5.1 | -10.0 | 0.9 | 6.6 | 6.6 | 13.7 | 16.3 |
| Trade balance (US$ bn) | 7.2 | 6.9 | 8.1 | 15.1 | 10.3 | 17.2 | 24.3 | 34.6 | 30.0 | 30.9 |
| Exports, f.o.b. (US$ bn) | 49.1 | 48.0 | 42.8 | 63.1 | 66.2 | 67.5 | 73.1 | 93.1 | 88.0 | 88.1 |
| Main export - Copper | 14.9 | 14.0 | 13.0 | 20.7 | 19.7 | 23.4 | 23.9 | 28.1 | 33.4 | 36.0 |
| Imports, f.o.b. (US$ bn) | 41.9 | 41.1 | 34.7 | 48.0 | 56.0 | 49.8 | 48.8 | 58.5 | 58.0 | 57.2 |
| Service balance (US$ bn) | -3.6 | -4.2 | -5.2 | -8.0 | -8.9 | -8.0 | -7.9 | -8.2 | -6.5 | -7.0 |
| Income balance (US$ bn) | -6.5 | -4.4 | -1.3 | -12.2 | -11.4 | -8.3 | -9.8 | -19.7 | -9.8 | -16.5 |
| Foreign direct investment (US$ bn) | 5.9 | 4.8 | 0.7 | 7.1 | 11.2 | 4.3 | 6.8 | 11.8 | 12.0 | 12.5 |
| International reserves (US$ bn) | 60.1 | 68.3 | 74.7 | 78.5 | 71.9 | 71.0 | 83.3 | 90.2 | 92.2 | 93.0 |
| Price of main export commodity - Copper (US$/ton) | 296 | 273 | 280 | 422 | 398 | 383 | 415 | 448 | 533 | 621 |
| Public Sector | | | | | | | | | | |
| Central gov. primary budget balance (% of GDP) | -0.8 | -0.9 | -7.9 | -2.0 | -0.8 | -2.1 | -1.8 | -1.0 | -0.5 | -0.2 |
| Central gov. budget balance (% of GDP) | -2.0 | -2.1 | -9.3 | -3.4 | -2.2 | -3.6 | -3.4 | -2.5 | -2.0 | -1.7 |
| Consolidated gov. primary budget balance (% of GDP) | -0.9 | -0.2 | -7.1 | -1.0 | -0.1 | -1.1 | -1.8 | -0.6 | -0.1 | 0.2 |
| Consolidated public sector balance (% of GDP) | -2.3 | -1.6 | -8.7 | -2.5 | -1.7 | -2.7 | -3.5 | -2.2 | -1.7 | -1.4 |
| Central gov. revenues (% of GDP) | 16.0 | 16.3 | 14.7 | 17.9 | 19.2 | 16.8 | 16.3 | 17.0 | 17.2 | 17.5 |
| Debt Indicators | | | | | | | | | | |
| Gross external debt (% of GDP) | 30.5 | 31.3 | 38.7 | 40.8 | 37.7 | 35.0 | 36.9 | 37.4 | 37.7 | 38.3 |
| Public (% of GDP) | 15.3 | 16.8 | 23.6 | 26.7 | 24.6 | 22.6 | 23.9 | 24.6 | 24.8 | 25.0 |
| Private (% of GDP) | 15.2 | 14.5 | 15.1 | 14.1 | 13.2 | 12.4 | 13.0 | 12.8 | 12.9 | 13.3 |
| Gross government debt (% of GDP) | 25.3 | 26.2 | 34.0 | 35.3 | 33.3 | 32.3 | 32.0 | 30.2 | 29.1 | 28.3 |
| Domestic (% of GDP) | 16.7 | 18.1 | 19.7 | 16.4 | 16.3 | 17.1 | 14.9 | 12.4 | 11.1 | 10.1 |
| External (% of GDP) | 8.8 | 8.4 | 14.8 | 19.4 | 17.6 | 15.8 | 17.1 | 17.8 | 18.0 | 18.2 |
| External debt amortizations (US$ bn) | 7.0 | 6.0 | 5.7 | 4.0 | 3.3 | 5.0 | 3.9 | 5.4 | 5.6 | 5.7 |
| External debt interest payments (US$ bn) | 3.4 | 2.8 | 2.9 | 2.8 | 2.9 | 3.8 | 4.7 | 4.8 | 5.1 | 5.0 |
| External debt service (% of XGS) | 18.8 | 16.2 | 18.9 | 10.2 | 8.7 | 12.0 | 11.0 | 12.3 | 12.4 | 11.9 |
| Savings - Investment Balance | | | | | | | | | | |
| Savings (% of GDP) | 19.9 | 19.6 | 19.1 | 18.6 | 16.8 | 17.7 | 22.7 | 25.4 | 25.8 | 24.2 |
| Investment (% of GDP) | 21.1 | 20.3 | 18.3 | 20.9 | 20.8 | 17.4 | 20.4 | 22.3 | 22.3 | 20.5 |

| | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27 | 3Q27 | 4Q27 |
|---|---|---|---|---|---|---|---|---|---|---|
| Quarterly Economic Forecasts | | | | | | | | | | |
| Real GDP growth (% yoy) | 3.8 | 3.2 | 3.4 | 3.3 | 3.1 | 4.0 | 4.1 | 4.6 | 4.5 | 4.4 |
| Real GDP growth (% qoq, sa, annualized) | 5.6 | 1.5 | 3.6 | 2.4 | 4.9 | 4.9 | 4.1 | 4.5 | 4.5 | 4.5 |
| CPI inflation (% yoy, eop) | 1.4 | 1.5 | 3.8 | 4.0 | 4.6 | 4.4 | 1.9 | 2.0 | 2.0 | 2.0 |
| Central bank policy rate (%, eop) | 4.25 | 4.25 | 4.25 | 4.25 | 4.25 | 4.25 | 4.25 | 4.25 | 4.25 | 4.25 |
| Nominal exchange rate (vs USD, eop) | 3.47 | 3.36 | 3.49 | 3.35 | 3.30 | 3.20 | 3.17 | 3.16 | 3.15 | 3.15 |
| Current account balance (US$ bn) | 2.6 | 2.4 | 1.0 | 0.9 | 2.8 | 2.7 | 1.0 | 0.9 | 2.8 | 2.7 |

**Source:** BofA Global Research

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**Exhibit 172: Uruguay**

Selected economic and financial indicators

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|---|---|---|---|
| **Summary Data** | | | | | | | | | | |
| Nominal GDP (US$ bn) | 64.6 | 61.3 | 53.6 | 61.4 | 70.2 | 77.3 | 80.9 | 85.2 | 91.9 | 95.5 |
| GDP per capita (thous US$) | 18.4 | 17.4 | 15.2 | 17.3 | 19.7 | 21.7 | 22.6 | 23.7 | 25.5 | 26.4 |
| **Economic Activity and Prices** | | | | | | | | | | |
| Real GDP growth (% yoy) | 0.5 | 0.4 | -6.1 | 5.3 | 4.7 | 0.4 | 3.1 | 1.8 | 1.5 | 2.0 |
| CPI inflation (% yoy, eop) | 8 | 8.8 | 9.4 | 8.0 | 8.3 | 5.1 | 5.5 | 3.7 | 3.9 | 4.5 |
| Nominal exchange rate (vs USD, eop) | 32.4 | 37.4 | 42.4 | 44.7 | 39.9 | 38.9 | 43.7 | 39.1 | 40.7 | 41.8 |
| Nominal exchange rate (vs USD, avg) | 30.7 | 35.3 | 42 | 43.6 | 41.2 | 38.8 | 40.3 | 40.9 | 39.9 | 41.3 |
| Central Bank policy rate (%, eop) | - | - | 4.5 | 5.8 | 11.5 | 9.0 | 8.8 | 7.5 | 6.0 | 7.0 |
| **External Sector** | | | | | | | | | | |
| Current account balance (% of GDP) | -0.4 | 1.6 | -0.8 | -2.5 | -3.7 | -3.3 | -1.0 | -0.4 | -0.7 | -0.7 |
| Current account balance (US$ bn) | -0.3 | 1 | -0.4 | -1.5 | -2.6 | -2.6 | -0.8 | -0.4 | -0.6 | -0.6 |
| Trade balance (US$ bn) | 3.3 | 3.8 | 2.4 | 4.5 | 4.2 | 2.7 | 4.1 | 4.0 | 3.7 | 3.7 |
| Exports, f.o.b. (US$ bn) | 17.1 | 17.1 | 13.6 | 19.4 | 23.6 | 22.1 | 23.2 | 23.5 | 24.4 | 24.4 |
| Imports, f.o.b. (US$ bn) | 13.8 | 13.3 | 11.2 | 14.9 | 19.4 | 19.3 | 19.1 | 19.5 | 20.7 | 20.7 |
| International reserves (US$ bn) | 16.5 | 15.1 | 15.8 | 16.0 | 16.5 | 16.0 | 17.4 | 18.9 | 18.9 | 19.9 |
| **Public Sector** | | | | | | | | | | |
| Non financial public sector. primary budget balance (% of GDP) | -0.6 | -1.6 | -2.9 | -1.1 | -1.0 | -1.3 | -1.0 | -1.3 | -0.9 | -0.4 |
| Non financial public sector overall budget balance (% of GDP) | -3.1 | -3.8 | -5.4 | -3.2 | -3.0 | -3.3 | -3.1 | -3.4 | -3.0 | -2.5 |
| **Debt Indicators** | | | | | | | | | | |
| Gross external debt (% of GDP) | - | - | - | - | - | - | - | - | | |
| Public (% of GDP) | - | - | - | - | - | - | - | - | | |
| Private (% of GDP) | - | - | - | - | - | - | - | - | | |
| Gross government debt (% of GDP) | 55.6 | 57.2 | 67.6 | 61.1 | 62.0 | 64.2 | 64.8 | 54.6 | 55.1 | 55.1 |
| Domestic (% of GDP) | 29 | 27.5 | 32.2 | 29.1 | - | - | | | | |
| External (% of GDP) | 26.6 | 29.7 | 35.4 | 32.0 | - | - | | | | |

**Source:** BofA Global Research

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# Yield forecasts

**Exhibit 173: Government Bond Yield and Swap Rate Forecasts**
Developed Market Forecasts

| | | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Dec-27 |
|---|---|---|---|---|---|---|
| Bond yields | | | | | | |
| US | O/N SOFR | 3.66 | 3.66 | 3.66 | 3.66 | 3.16 |
| | 2y | 4.00 | 3.95 | 3.90 | 3.80 | 3.50 |
| | 5y | 4.10 | 4.05 | 4.00 | 3.95 | 3.85 |
| | 10y | 4.35 | 4.30 | 4.25 | 4.25 | 4.25 |
| | 30y | 4.85 | 4.80 | 4.75 | 4.75 | 4.90 |
| Germany | 3m Euribor | 2.60 | 2.60 | 2.65 | 2.60 | 1.80 |
| | 2y | 2.80 | 2.70 | 2.45 | 2.30 | 1.90 |
| | 5y | 2.85 | 2.75 | 2.60 | 2.45 | 2.20 |
| | 10y | 3.05 | 3.00 | 2.95 | 2.85 | 2.70 |
| | 30y | 3.45 | 3.50 | 3.45 | 3.35 | 3.25 |
| Japan | TONA | 0.98 | 0.98 | 1.23 | 1.48 | 1.73 |
| | 2yr | 1.45 | 1.50 | 1.75 | 1.95 | 2.10 |
| | 5yr | 2.00 | 2.05 | 2.30 | 2.50 | 2.60 |
| | 10yr | 2.70 | 2.73 | 2.90 | 3.00 | 3.05 |
| | 30yr | 3.90 | 4.08 | 4.30 | 4.35 | 4.30 |
| UK | 2yr | 4.60 | 4.40 | 4.25 | 4.05 | 3.70 |
| | 5yr | 4.55 | 4.40 | 4.30 | 4.15 | 3.90 |
| | 10yr | 5.00 | 5.00 | 5.00 | 4.85 | 4.50 |
| | 30yr | 5.55 | 5.55 | 5.50 | 5.45 | 5.20 |
| Canada | 2yr | 2.75 | 2.75 | 2.75 | 2.80 | 3.00 |
| | 5yr | 3.15 | 3.25 | 3.30 | 3.35 | 3.45 |
| | 10yr | 3.50 | 3.60 | 3.65 | 3.70 | 3.75 |
| Australia | 3m BBSW | 4.35 | 4.35 | 4.35 | 4.35 | 3.85 |
| | 2y | 4.75 | 4.70 | 4.65 | 4.55 | 4.25 |
| | 5y | 4.75 | 4.70 | 4.65 | 4.60 | 4.45 |
| | 10y | 5.10 | 5.05 | 5.00 | 4.95 | 4.85 |
| Swap rates | | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Dec-27 |
| US | 2y | 3.85 | 3.80 | 3.75 | 3.67 | 3.37 |
| | 5y | 3.80 | 3.75 | 3.67 | 3.60 | 3.50 |
| | 10y | 3.95 | 3.85 | 3.68 | 3.70 | 3.70 |
| Euribor | 2y | 3.00 | 2.80 | 2.55 | 2.40 | 2.00 |
| | 5y | 3.00 | 2.85 | 2.65 | 2.50 | 2.20 |
| | 10y | 3.10 | 3.00 | 2.90 | 2.80 | 2.60 |
| Japan | 2y | 1.45 | 1.50 | 1.70 | 1.90 | 2.05 |
| | 5y | 1.95 | 2.00 | 2.20 | 2.40 | 2.50 |
| | 10y | 2.50 | 2.53 | 2.65 | 2.75 | 2.80 |
| UK | 2y | 4.40 | 4.20 | 4.05 | 3.85 | 3.50 |
| | 5y | 4.30 | 4.15 | 4.05 | 3.90 | 3.65 |
| | 10y | 4.50 | 4.50 | 4.50 | 4.40 | 4.10 |
| Canada | 2y | 2.65 | 2.65 | 2.65 | 2.70 | 2.90 |
| | 5y | 2.95 | 3.05 | 3.10 | 3.15 | 3.25 |
| | 10y | 3.25 | 3.35 | 3.40 | 3.45 | 3.50 |
| Australia | 3y | 4.85 | 4.80 | 4.75 | 4.65 | 4.35 |
| | 10y | 5.20 | 5.15 | 5.10 | 5.05 | 4.95 |

**Source:** BofA Global Research

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# Global FX Forecasts

**Exhibit 174: G10 FX Forecasts**

Our end-year EUR-USD forecast is 1.20

| | Spot | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Jun-27 | Sep-27 | Dec-27 |
|---|---|---|---|---|---|---|---|---|
| G3 | | | | | | | | |
| EUR-USD | 1.16 | 1.14 | 1.17 | 1.20 | 1.22 | 1.23 | 1.24 | 1.25 |
| USD-JPY | 159 | 156 | 154 | 152 | 150 | 148 | 146 | 145 |
| EUR-JPY | 184 | 178 | 180 | 182 | 183 | 182 | 181 | 181 |
| Dollar Bloc | | | | | | | | |
| USD-CAD | 1.38 | 1.38 | 1.37 | 1.36 | 1.35 | 1.35 | 1.35 | 1.35 |
| AUD-USD | 0.71 | 0.73 | 0.74 | 0.74 | 0.74 | 0.74 | 0.73 | 0.73 |
| NZD-USD | 0.58 | 0.59 | 0.59 | 0.60 | 0.60 | 0.60 | 0.60 | 0.61 |
| Europe | | | | | | | | |
| EUR-GBP | 0.87 | 0.85 | 0.84 | 0.84 | 0.84 | 0.84 | 0.83 | 0.83 |
| GBP-USD | 1.34 | 1.34 | 1.39 | 1.43 | 1.45 | 1.46 | 1.49 | 1.51 |
| EUR-CHF | 0.92 | 0.91 | 0.92 | 0.93 | 0.94 | 0.94 | 0.95 | 0.95 |
| USD-CHF | 0.79 | 0.80 | 0.79 | 0.78 | 0.77 | 0.76 | 0.77 | 0.76 |
| EUR-SEK | 10.89 | 10.80 | 10.60 | 10.50 | 10.40 | 10.30 | 10.30 | 10.30 |
| USD-SEK | 9.39 | 9.47 | 9.06 | 8.75 | 8.52 | 8.37 | 8.31 | 8.24 |
| EUR-NOK | 10.77 | 11.20 | 11.30 | 11.20 | 11.00 | 10.90 | 10.80 | 10.70 |
| USD-NOK | 9.28 | 9.82 | 9.66 | 9.33 | 9.02 | 8.86 | 8.71 | 8.56 |

Forecast as of May-20-2026. Spot exchange rate as of May-20-2026. The left of the currency pair is the denominator of the exchange rate. **Source:** BofA Global Research

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**Exhibit 175: EM FX Forecasts**

Our end-year USD-CNY forecast is 6.70

| | Spot | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Jun-27 | Sep-27 | Dec-27 |
|---|---|---|---|---|---|---|---|---|
| Latin America | | | | | | | | |
| USD-BRL | 5.05 | 5.00 | 5.00 | 4.95 | 4.90 | 4.85 | 4.80 | 4.75 |
| USD-MXN | 17.37 | 17.50 | 17.50 | 17.50 | 17.75 | 18.00 | 18.25 | 18.50 |
| USD-CLP | 907 | 890 | 880 | 870 | 865 | 860 | 855 | 850 |
| USD-COP | 3,788 | 3,800 | 3,850 | 3,950 | 4,050 | 4,150 | 4,250 | 4,350 |
| USD-ARS | 1399 | 1,400 | 1,500 | 1,600 | 1,700 | 1,800 | 1,900 | 1,900 |
| USD-PEN | 3.43 | 3.35 | 3.30 | 3.20 | 3.17 | 3.16 | 3.15 | 3.15 |
| Emerging Europe | | | | | | | | |
| EUR-PLN | 4.25 | 4.23 | 4.21 | 4.17 | 4.15 | 4.15 | 4.15 | 4.15 |
| EUR-HUF | 361 | 360 | 355 | 350 | 345 | 345 | 345 | 345 |
| EUR-CZK | 24.31 | 24.30 | 24.10 | 23.80 | 23.50 | 23.40 | 23.30 | 23.30 |
| USD-ZAR | 16.59 | 16.60 | 16.50 | 16.00 | 15.40 | 15.70 | 16.00 | 16.00 |
| USD-TRY | 45.60 | 46.90 | 49.30 | 51.70 | 53.60 | 55.60 | 57.60 | 59.60 |
| EUR-RON | 5.23 | 5.20 | 5.23 | 5.25 | 5.25 | 5.25 | 5.27 | 5.30 |
| USD-EGP | 53.44 | 53.00 | 52.00 | 51.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| USD-ILS | 2.92 | 2.90 | 2.85 | 2.80 | 2.80 | 2.75 | 2.70 | 2.70 |
| USD-AED | 3.67 | 3.67 | 3.67 | 3.67 | 3.67 | 3.67 | 3.67 | 3.67 |
| USD-KWD | 0.31 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| USD-SAR | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 |
| USD-QAR | 3.65 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 |
| Asian Bloc | | | | | | | | |
| USD-KRW | 1,505 | 1,490 | 1,440 | 1,395 | 1,380 | 1,365 | 1,350 | 1,335 |
| USD-TWD | 31.66 | 32.10 | 31.00 | 30.80 | 30.60 | 30.40 | 30.20 | 30.00 |
| USD-SGD | 1.28 | 1.28 | 1.26 | 1.25 | 1.25 | 1.24 | 1.24 | 1.23 |
| USD-THB | 32.67 | 33.00 | 32.70 | 32.00 | 31.50 | 31.50 | 31.50 | 31.00 |
| USD-HKD | 7.83 | 7.80 | 7.78 | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 |
| USD-CNY | 6.80 | 6.90 | 6.80 | 6.70 | 6.70 | 6.70 | 6.60 | 6.60 |
| USD-IDR | 17654 | 17,800 | 17,900 | 18,000 | 18,100 | 18,200 | 18,200 | 18,200 |
| USD-PHP | 61.72 | 63.00 | 64.00 | 64.00 | 65.00 | 66.00 | 66.00 | 66.00 |
| USD-MYR | 3.97 | 3.95 | 3.95 | 3.95 | 3.95 | 3.95 | 3.90 | 3.90 |
| USD-INR | 96.83 | 96.00 | 97.00 | 98.00 | 98.50 | 99.00 | 99.00 | 99.00 |

Forecast as of May-20-2026. Spot exchange rate as of May-20-2026. The left of the currency pair is the denominator of the exchange rate. **Source:** BofA Global Research

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# Commodities forecasts

**Exhibit 176: BofA Global Research Commodity Price Forecasts**
BofA Global Research estimates

| | units | 2024 | 1Q25 | 2Q25 | 3Q25 | 4Q25F | 2025 | 1Q26F | 2Q26F | 3Q26F | 4Q26F | 2026 | 1Q27F | 2Q27F | 3Q27F | 4Q27F | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| WTI Crude Oil | ($/bbl) | 76 | 71 | 65 | 62 | 59 | 64 | 72 | 94 | 88 | 88 | 86 | 84 | 77 | 70 | 62 | 73 |
| Brent Crude Oil | ($/bbl) | 80 | 75 | 67 | 66 | 63 | 68 | 78 | 103 | 95 | 94 | 93 | 89 | 82 | 75 | 67 | 78 |
| US NY Harbor ULSD (HO) Cracks to Brent Crude Oil | ($/bbl) | 23 | 23 | 23 | 30 | 34 | 28 | 39 | 54 | 49 | 45 | 47 | 41 | 36 | 34 | 33 | 36 |
| US RBOB Cracks to Brent Crude Oil | ($/bbl) | 17 | 17 | 21 | 16 | 15 | 17 | 19 | 21 | 26 | 16 | 21 | 13 | 23 | 21 | 12 | 17 |
| NWE Low Sulphur Gasoil Cracks to Brent Crude Oil | ($/bbl) | 20 | 28 | 28 | 35 | 35 | 32 | 29 | 50 | 43 | 38 | 40 | 31 | 28 | 26 | 25 | 28 |
| NWE Eurobob Cracks to Brent Crude Oil | ($/bbl) | 13 | 11 | 15 | 15 | 13 | 14 | 14 | 22 | 20 | 10 | 16 | 8 | 13 | 11 | 6 | 9 |
| NWE 1% Residual Cracks to Brent Crude Oil | ($/bbl) | -6 | 3 | -1 | -2 | -4 | -1 | -7 | -7 | -3 | -4 | -5 | -3 | -2 | -1 | 0 | -1 |
| NWE 0.5% Residual Cracks to Brent Crude Oil | ($/bbl) | 5 | 4 | 5 | 3 | -3 | 2 | -1 | 1 | 5 | 3 | 2 | 4 | 3 | 2 | 2 | 3 |
| NWE 3.5% Residual Cracks to Brent Crude Oil | ($/bbl) | -10 | -11 | -8 | -11 | -12 | -11 | -8 | 6 | -3 | -5 | -3 | -5 | -5 | -6 | -7 | -6 |
| US Natural Gas | ($/MMBtu) | 2.41 | 3.65 | 3.44 | 3.07 | 3.00 | 3.29 | 5.04 | 2.95 | 3.30 | 3.90 | 3.80 | 4.80 | 3.35 | 3.70 | 4.15 | 4.00 |
| EU TTF Natural Gas | (€/MWh) | 35 | 47 | 36 | 33 | 30 | 36 | 33 | 50 | 55 | 80 | 55 | 50 | 30 | 30 | 30 | 35 |
| Thermal coal, Newcastle FOB | ($/t) | 136 | 107 | 101 | 109 | 108 | 106 | 120 | 170 | 160 | 150 | 150 | 125 | 120 | 130 | 125 | 125 |
| Aluminium | ($/t) | 2,420 | 2,626 | 2,450 | 2,620 | 2,828 | 2,631 | 3,198 | 3,450 | 3,750 | 4,000 | 3,600 | 4,250 | 4,750 | 4,250 | 4,000 | 4,313 |
| Copper | ($/t) | 9,150 | 9,347 | 9,519 | 9,815 | 11,105 | 9,947 | 12,824 | 13,000 | 13,500 | 14,000 | 13,331 | 15,000 | 15,000 | 16,000 | 16,000 | 15,500 |
| Lead | ($/t) | 2,071 | 1,969 | 1,946 | 1,966 | 1,968 | 1,962 | 1,929 | 2,050 | 2,000 | 2,050 | 2,007 | 2,250 | 2,217 | 2,217 | 2,217 | 2,225 |
| Nickel | ($/t) | 16,829 | 15,578 | 15,153 | 15,031 | 14,892 | 15,164 | 17,338 | 18,000 | 20,000 | 20,000 | 18,834 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 |
| Zinc | ($/t) | 2,778 | 2,835 | 2,639 | 2,830 | 3,165 | 2,867 | 3,237 | 3,250 | 3,500 | 3,250 | 3,309 | 3,000 | 2,750 | 2,750 | 2,500 | 2,750 |
| Gold | ($/oz) | 2,387 | 2,862 | 3,289 | 3,458 | 4,152 | 3,440 | 4,873 | 4,500 | 5,250 | 5,750 | 5,093 | 5,200 | 5,000 | 5,000 | 4,500 | 4,925 |
| Silver | ($/oz) | 28 | 32 | 34 | 40 | 55 | 40 | 84 | 75 | 85 | 100 | 86 | 85 | 75 | 71 | 65 | 74 |
| Platinum | ($/oz) | 956 | 970 | 1,076 | 1,390 | 1,694 | 1,282 | 2,204 | 2,200 | 2,500 | 3,000 | 2,476 | 3,000 | 3,000 | 2,800 | 2,800 | 2,900 |
| Palladium | ($/oz) | 984 | 962 | 991 | 1,173 | 1,478 | 1,151 | 1,706 | 1,700 | 1,900 | 2,200 | 1,876 | 2,200 | 2,000 | 1,800 | 1,600 | 1,900 |
| Wheat | ($/bu) | 5.7 | 5.6 | 5.3 | 5.2 | 5.1 | 5.3 | 5.5 | 6.7 | 7.2 | 7.5 | 6.7 | 7.6 | 7.7 | 7.6 | 7.8 | 7.7 |
| Corn | ($/bu) | 4.2 | 4.7 | 4.5 | 4.0 | 4.3 | 4.4 | 4.4 | 5.5 | 6.0 | 6.5 | 5.6 | 6.6 | 6.7 | 6.7 | 6.9 | 6.7 |
| Soybean | ($/bu) | 11.0 | 10.2 | 10.4 | 10.1 | 11.1 | 10.5 | 11.3 | 12.4 | 12.3 | 12.3 | 12.1 | 12.1 | 11.9 | 11.7 | 11.5 | 11.8 |
| Soybean oil | ($c/lb) | 44.4 | 44.0 | 49.0 | 53.0 | 51.0 | 49.3 | 59.0 | 70.0 | 66.0 | 64.0 | 64.8 | 66.0 | 68.0 | 64.0 | 64.0 | 65.5 |
| Soybean meal | ($/t) | 290.1 | 298.0 | 290.0 | 276.9 | 295.0 | 290.1 | 310.0 | 320.0 | 315.0 | 310.0 | 313.8 | 290.0 | 285.0 | 280.0 | 275.0 | 282.5 |
| Sugar ICE NY | ($c/lb) | 20.8 | 19.4 | 17.3 | 16.2 | 15.0 | 17.0 | 14.5 | 15.0 | 15.5 | 15.5 | 15.1 | 15.5 | 16.0 | 15.0 | 15.0 | 15.4 |

**Source:** Bloomberg, BofA Global Research estimates

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## Special Disclosures

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

# Disclosures

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