World at a Glance

Second-half revisions

Key forecasts in FX, rates and commodities

We have a wide variety of forecast revisions heading into H2. We lower our end-year forecasts for EUR-USD to 1.15 and the US10yr yield to 4.50%. Full reopening of Hormuz may bring Brent to $82/bbl this year. Our Econ team expects 3 Fed hikes by end-2026.

G10 FX: revisions, EUR-USD lower

We lower our EUR-USD profile with a new end-year forecast of 1.15. We make a variety of forecast revisions reflecting near-term USD upside. However, we still look for medium- and long-term modest USD downside.

Interest rates: end-year US10yr yield forecast is 4.50%

After our US economics team shifted from two cuts in late 2027 to 3 hikes starting in September 2026, we revised our forecasts higher. We also revise other rates forecasts around the world.

EM Asia: maintain our year-end USD/CNY forecast for 6.7

We maintain our year-end USD/CNY forecast for 6.7 as seasonally strong China exporter USD selling may drive modest CNY appreciation into year-end. Meanwhile, the oil retreat keeps INR range-bound.

EEMEA: EEMEA faces tighter reality

Fed hawkishness tightens conditions, offsets Iran deal; long positioning and tight premia skew EEMEA FX weaker pre hikes. Medium term constructive: once Fed pauses, strong carry and solid fundamentals support a buy-the-dip in EEMEA FX.

LatAm: BRL at 5.00

Meanwhile, we expect the BRL at 5.00 by YE26 and at the same level by YE27 and YE28, as interest rates will remain higher for longer. In Mexico, USMCA uncertainty continues to weigh on investment

Commodities: since last month, lowering oil forecasts

On the news from the war in Iran and implications for the strait of Hormuz, we now project Brent and WTI to average $82/bbl and $78/bbl, respectively, setting a $70-80 range for most of 2H26. No changes to 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

25 June 2026 Corrected

FX, Rates and Commodities
Global

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US rates: Task force hawkish

Mark Cabana, CFA
BofAS

Themes: hikes priced for 4Q '26

US rates moved higher and the curve bull-flattened after new Fed Chair Warsh's June FOMC press conference sounded more hawkish than the market expected. Inflation took center stage during this press conference—Warsh vowed that "this Committee will deliver price stability" going forward. Continued geopolitical tensions add to that concern, while recent data has pointed to limited signs of slowdowns in growth or employment.

Fed pricing shifted meaningfully after the June FOMC with the market now pricing 1.65 hikes (41bps) by YE 2026 and 2 full hikes by March 2027. Nine policymakers projected hikes this year and the inflation forecasts were marked up significantly despite upward revisions to the policy rate projections. We think the risks skew to the upside for hikes as a data-dependent Fed heads into the July FOMC.

Forecasts: hikes in 2H '26

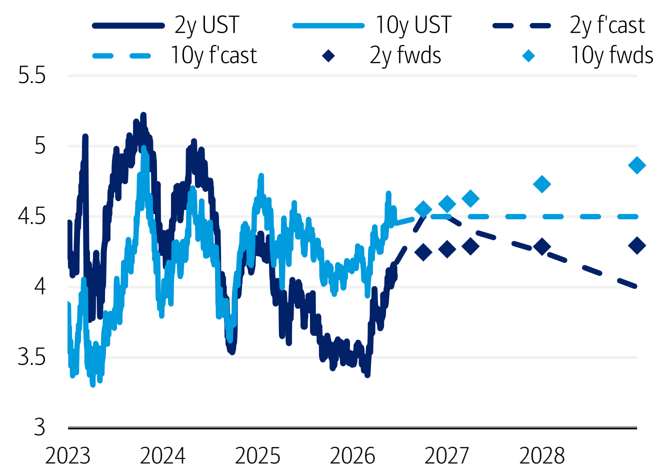
After our US economics team shifted from two cuts in late 2027 to 3 consecutive hikes starting in September 2026, we revised our forecasts higher. Our forecasts for 2y yields are above forwards as we view the Fed more likely to hike in quick succession. Our forecasts for 10y yields remain below forwards, especially further out the curve. That profile reflects flattening pressure from tighter financial conditions under a more hawkish Fed. We continue to expect a flatter 2s10s curve.

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 earlier rather than later. 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 4.5%

	Q3 26	Q4 26	Q1 27	Q2 27
O/N SOFR	3.91	4.41	4.41	4.41
2y Govt	4.50	4.50	4.40	4.35
5y Govt	4.50	4.50	4.45	4.40
10y Govt	4.50	4.50	4.50	4.50
30y Govt	4.90	5.00	5.00	5.00

Source: BofA Global Research estimates

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Exhibit 3: Swap rate forecasts (%)

Our forecast for year-end '26 of 10y swaps is 3.93%

	Q3 26	Q4 26	Q1 27	Q2 27
2y	4.10	4.10	4.12	4.12
5y	4.00	3.97	3.95	3.95
10y	4.05	3.93	3.95	3.95
30y	4.10	4.17	4.15	4.15

Source: BofA Global Research estimates

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USD: from War to Warsh

Alex Cohen
BofAS

Themes: moving on

We maintain a near-term bullish outlook for the USD. For months, the FX market has been driven by two major themes: 1) the outlook for the US-Iran war and the impact on oil prices, and 2) the impending handover of leadership at the Fed and insights as to the expected policy stance under Chair Warsh. Recent developments on both fronts have had conflicting implications for the USD thus far, but on net have resulted in the DXY trading through the top end of its 12-month range. We see scope for this to continue.

Since the first US-Iran ceasefire in early April, the USD was beholden to headline risk and the rolling expectation that some form of deal was imminent. The mid-June announcement of the M.O.U. between the US and Iran was a bigger relief for oil markets than for FX, with the USD reaction relatively minimal. Meanwhile, US economic data proved highly resilient. Broad labor market measures have continued to improve, amid still uncomfortably high readings of core inflation. Fed communications stemming from the first FOMC meeting under Chair Warsh exceeded even the most hawkish of expectations. This sparked a leg higher in the USD, more than offsetting the post-MOU selloff. The Fed appears committed to restoring inflation to target, keeping the USD supported via higher real rates.

Forecasts: USD higher for longer

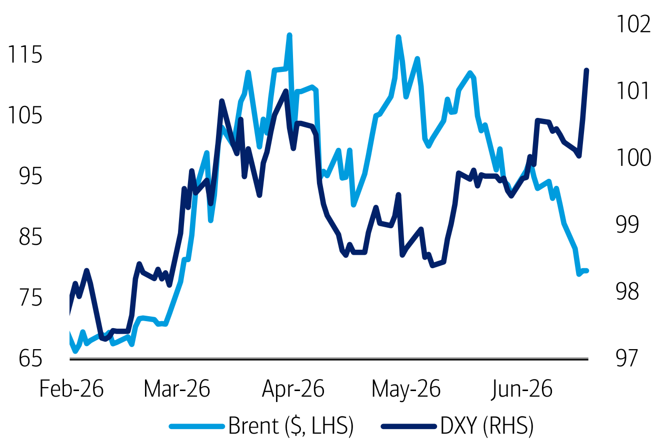
As USD upside risks look to persist, we have elevated our dollar profile. We now forecast EUR/USD to reach 1.12 by Q3 and 1.15 by Q4 2026. We see greater scope for macro trends to revert next year, which could support non-USD currencies. Thus, we expect EURUSD to reach 1.20 by year-end 2027. Meanwhile, we also make a wide variety of forecast changes elsewhere in G10 FX.

Risks: will US data trends continue?

The dollar's upside risks are ongoing US data outperformance and/or a re-escalation of the Iran war, as we move through the 60-day period. Downside risks from here include softer US data that pushes back on the possibility that the Fed's next move will be a hike. We continue to watch developments in the tech/AI space, which should exert meaningful influence on the US economy going forward.

Exhibit 4: De-escalation in Iran has put downward pressure on oil, but USD supported on hawkish Fed

DXY dollar index vs. front-month brent crude)



Source: Bloomberg; BofA Global Research.

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Exhibit 5: USD forecasts

EUR forecast is 1.15 for the end of 2026

	Q3 26	Q4 26	Q1 27	Q2 27
EUR-USD	1.12	1.15	1.16	1.18
USD-JPY	156	152	150	148

Source: BofA Global Research estimates

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Exhibit 6: Major macro forecasts

Looking for decent growth in 2026

	2025F	2026F	2027F
Real GDP (% yoy)	2.1	2.2	2.2
CPI (% yoy)	2.7	3.2	2.1
Policy Rate (end of period)	3.625	4.375	4.375
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: on the home strait

Sphia Salim
MLI (UK)

Ronald Man
MLI (UK)

Themes: on the home Strait

European rates rallied following declines in energy prices amid a reopening of the Strait of Hormuz. This prompted money markets to scale back their ECB hiking expectations for this year. The market prices a full 25bp by October and just another 10bp by Mar-27.

When the ECB raised its key interest rates by 25bps at its last meeting on 11 June, president Lagarde signalled that further decisions were data dependent & contingent on the extent of the energy price shock. However, ECB staff projections implied inflation just above target in 2028 even in a mild scenario with 2 hikes assumed. As a result, despite the recent drop in energy prices, we believe the ECB probably needs incremental dovish data surprises to avoid a September hike. This tightening, with its negative implications for growth & inflation medium term means duration can still perform well, especially vs UST, and heading into the summer seasonal lull in EGB supply.

Forecasts: 10y Bund at 2.90% by end-2026 and rallying to 2.6% by end-2027

Our economists maintain their call for another ECB hike this year, but delay it from Jul to Sep. They also brought forward the timing of cuts in 2027, seeing them materialise in Mar and Jun, instead of Jun, Sep, and Dec. This implies a higher 2027 end point of 2% Depo instead of 1.75%. However, additional cuts to 1.5% are now foreseen in 1H28 (vs market implied terminal of 2.5%. This therefore keeps us bullish vs the forwards across the curve and looking for steepening from 4Q26. Our forecasts revisions are marginal, with 10y Bunds at 2.9% by end-2026 and 2.60% by end-2027 (down 5bp & 10bp resp.).

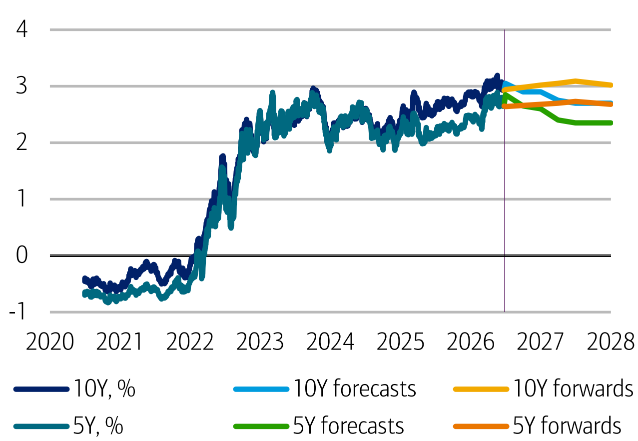
We continue to look for some tightening in German swap spreads in the 2-10y sector on increased supply and swaps receiving in the rally. However, in the long-end spreads can be more resilient as demand persists while swaps flows are skewed towards paying.

Risks: data, uncertainty, German fiscal, swaps flows, supply

Upside risks come from positive surprises in economic data, a stronger structural impulse from Germany's fiscal package, and/or more bond supply than expected. Downside risks for front-end rates are sustained lower energy prices, while in the 5y+, yields can decline more than we expect on slow execution of Germany's fiscal package.

Exhibit 7: German rates – yield forecasts and forwards*

Our 2027 forecasts are below the forwards



Source: BofA Global Research, Bloomberg. *Forwards as of 23-June

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Exhibit 8: Germany bond yield forecasts, %

We expect 10y Bund yields at 2.90% by 4Q 26

	Q3 26	Q4 26	Q1 27	Q2 27
3m Euribor	2.65	2.60	2.35	2.15
2y Govt	2.60	2.55	2.25	2.15
5y Govt	2.65	2.60	2.40	2.35
10y Govt	**2.90**	**2.90**	**2.75**	**2.70**
30y Govt	3.45	3.45	3.25	3.25

Source: BofA Global Research

Exhibit 9: Euribor swap rate forecasts, %

We incorporate our ECB forecasts

	Q3 26	Q4 26	Q1 27	Q2 27
2y	2.75	2.65	2.35	2.25
5y	2.75	2.65	2.40	2.35
10y	**2.95**	**2.90**	**2.70**	**2.65**
30y	3.15	3.15	3.05	3.05

Source: BofA Global Research

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EUR: summer stress

Michalis Rousakis
MLI (UK)

Themes: Cautious through the summer, amid potential Fed hikes

We turn bearish on EUR amid potential Fed hikes, forecasting it at 1.12 at end-Q3 (vs. 1.15 previously). We expect a recovery to 1.15 by year-end, as Euro area growth picks up and US growth slows down amid lower energy prices and fading US fiscal stimulus.

We expect relative data and a hawkish Fed to weigh further on EURUSD over the summer. Meanwhile, EUR has yet to benefit from the ECB hiking discussion – the eventual FX impact will also depend on inflation stickiness and the actual Fed stance (see ECB review 11 Jun '26). Belly real yields remain instructive, in our view. While EUR sentiment has turned bearish, positioning lags, and both sentiment and positioning are far from the extremes observed in 2022 and 2024 (see FX and Rates Sentiment Survey 11 Jun '26, Bearish EUR views from across the pond 18 Jun '26).

The summer will likely mark the peak of US-EA growth divergence. For the Euro area the growth pick up will partly be driven by German fiscal stimulus and, of course, likely lower energy prices – our commodity strategists now expect Brent below USD 80/bbl in H2 and TTF around EUR 50/MWh (see Global Energy Weekly 17 Jun '26). Overall, feedback from recent US and EU meetings suggests a very low bar for upside surprises around German fiscal policy and EU reforms. In equities, flows have turned sharply against EUR and in favour of USD in recent months (see FX Watch 17 Jun '26). While our equity strategists are very cautious overall, they are constructive on Germany given pessimistic growth pricing (see Europe Equity Strategy 12 Jun '26). In the US, we expect the impact of tax refunds and the World Cup to start fading later this year.

Forecasts: EURUSD profile revised lower. Gradual recovery over Q4

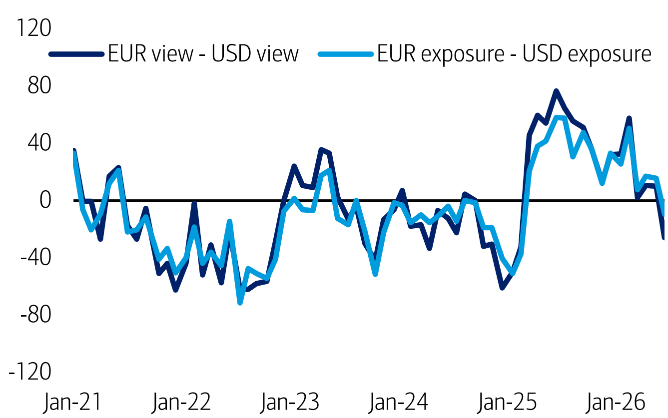
We have revised our EUR-USD forecast profile lower, forecasting 1.12 by end-Q3 and 1.15 by year-end, vs 1.17 and 1.20 previously. Our end-2027 forecast moved to 1.20 vs 1.25 previously.

Risks: Iran, relative monetary policy, European politics and policies

Downside risks from Iran escalation, ECB overreaction, and European politics. Upside risks from a dovish Fed, European reforms, and faster European defence/fiscal spending.

Exhibit 10: EURUSD sentiment has turned bearish but positioning lags, and both are far from the extremes observed in 2022 and 2024

EUR vs USD view and positioning since 2021



Source: BofA Global Research FX and Rates Sentiment Survey. Range of values is -200 to +200.

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Exhibit 11: EUR forecasts

Our forecast is 1.15 for EUR-USD at end of 2026

	Q3 26	Q4 26	Q1 27	Q2 27
EUR-USD	1.12	1.15	1.16	1.18
EUR-JPY	175	175	174	175

Source: BofA Global Research estimates

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Exhibit 12: Major macro forecasts

Growth soft in our 2026 outlook

	2025F	2026F	2027F
Real GDP (% yoy)	1.5	0.5	1.3
CPI (% yoy)	2.1	2.6	1.7
Policy Rate* (end period)	2.00	2.50	2.00
Gen Gov Bal (%/GDP)	-3.0	-3.6	-3.6
CurAct Bal (%/GDP)	1.6	0.4	1.5

Source: Bloomberg and BofA Global Research estimates

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JP rates: Temporary Relief

Tomonobu Yamashita
BofAS Japan

Key theme: Easing tensions in the Middle East encourage dip-buying

So far, JGB supply-demand conditions have improved significantly, likely reflecting the full reopening of the Strait of Hormuz and reduced upside risks to inflation in Japan. As a result, JGBs—particularly at the long-end—have attracted dip-buying flows following the sharp sell-off in May.

- Demand at the long-end of the curve has remained strong, supported not only by offshore investors' dip-buying but also by switching trades among Japanese life insurers. We expect this trend to continue at least until the next Diet session in the fall (see Japan Rates Viewpoint: Switching dynamics signal rotation into higher-coupon JGBs 03 June 2026).

- Given the recent rally in equities, our estimates suggest that Japanese pension funds have been rebalancing their portfolios—selling equities and buying domestic bonds, particularly in the 10-year sector. We believe support for 10-year maturities is otherwise limited outside of these rebalancing flows.

- Although the BoJ raised its policy rate to 1% and Deputy Governor Uchida signaled no change in the hiking bias, Asada—one of the two appointees nominated by Prime Minister Takaichi—dissented from the rate hike at the June MPM. While the market currently prices in around 0.9 rate hikes by end-2026, we see scope for this pricing to be pared back and continue to have a 2s10s steepening bias (see Japan Macro Watch: BoJ review: Still hiking, terminal uncertain 16 June 2026).

Forecast: We lowered our end-2026 forecast for the 10-year yield to 2.85%

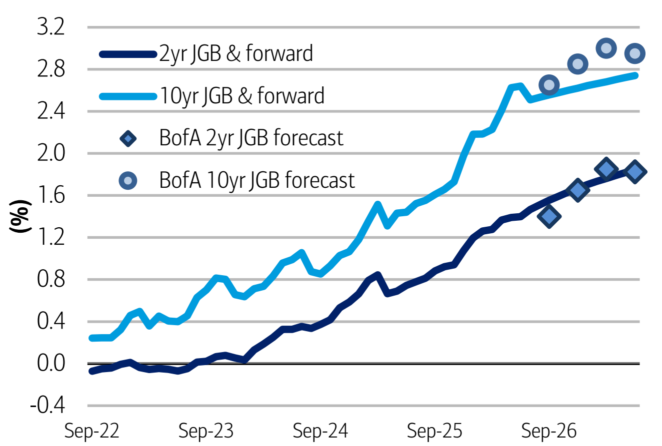
We have slightly lowered our outlook for yen rates. We now expect the 10-year JGB yield to reach 2.85% by end-2026 and the 30-year yield to reach 4.1%, revised from 2.9% and 4.3%, respectively.

Risk: PM Takaichi may pursue another fiscal stimulus

Amid record-low approval ratings for the Takaichi administration, PM Takaichi may pursue another fiscal stimulus during this Diet session, which runs through July 17.

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 2.85%

	Q3 26	Q4 26	Q1 27	Q2 27
TONA	0.98	1.23	1.48	1.48
2y Govt.	1.40	1.65	1.85	1.83
5y Govt	1.90	2.15	2.30	2.25
10y Govt	2.65	2.85	3.00	2.95
30y Govt	3.80	4.10	4.15	4.10

Source: BofA Global Research

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Exhibit 15: Swap rate forecasts

Our Japan 10yr swap rate end-2026 forecast is 2.7%

	Q3 26	Q4 26	Q1 27	Q2 27
2y	1.40	1.65	1.83	1.80
5y	1.90	2.15	2.25	2.20
10y	2.50	2.70	2.80	2.75

Source: BofA Global Research

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JPY: deceptive weakness

Shusuke Yamada
BofAS Japan

Themes: equity-linked FX hedging a plausible key factor for the yen weakness
Taking into account the improvement in the basic balance, the outperformance of Japanese equities, and associated FX hedging, over the past year yen depreciation may have reflected strength—particularly in Japanese equities—rather than weakness in Japan's fundamentals.

If the outperformance of Japanese equities continues, the yen may remain on a weakening trend despite improvements in the basic balance. However, if the outperformance of Japanese equities comes to an end, yen selling driven by FX hedging may subside, and the yen may stabilize in line with the improvement in the basic balance.

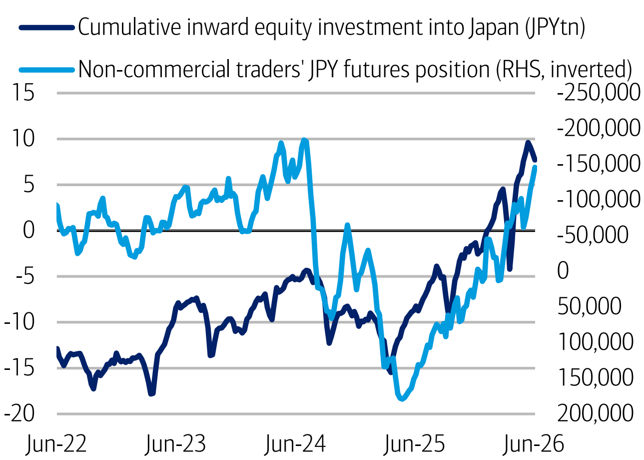
Moreover, if a correction in the AI-driven rally leads to underperformance of Japanese equities, there is a risk of a temporary yen appreciation accompanied by a rise in volatility. In light of equity valuations, yen short positioning, and continued BoJ rate hikes, upside risks to the yen warrant attention.

For details, see FX Viewpoint: Unexplained yen weakness: equity-linked FX hedging a plausible key factor 15 June 2026.

Forecasts: constructive
We remain constructive on JPY, expecting USD/JPY at 152 for end-2026 and 145 for end-2027 and end-2028.

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: Cumulative inward equity investment (¥tn) and speculative JPY futures positioning (number of contracts)
Foreign buying of Japanese equities since last year has been accompanied by yen selling



Source: BofA Global Research, Bloomberg

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

	Q3 26	Q4 26	Q1 27	Q2 27
USD-JPY	156	152	150	148
EUR-JPY	175	175	174	175

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%

	2025F	2026F	2027F
Real GDP (% yoy)	1.2	0.6	0.7
CPI (% yoy)	3.2	1.7	1.3
Policy Rate (end of period)	0.75	1.25	1.75

Source: Bloomberg and BofA Global Research estimates

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UK rates: mind the leadership gap

Agne Stengeryte
MLI (UK)

Mark Capleton
MLI (UK)

Never a dull moment in UK rates

Domestic politics and the BoE rate outlook are the two main drivers for UK rates at present. Keir Starmer has resigned as UK Prime Minister. Nominations to elect his successor would open on July 9 and close by the time Parliament goes into summer recess on 16 July. A swift leadership transition soon after nominations conclude could create a window of relative political stability, with the Chancellor appointment the next key appointment to watch. Still, we would expect the 10y sector of the curve to be sensitive to political developments, not least since higher borrowing is possible under the current fiscal rules (which we expect to remain binding in the near term). Risks to market pricing of BoE rate hikes continue to appear skewed to the downside, leading us to expect a 2s10s Gilt steepening bias. At the long end of the curve, we view convexity as too cheap, in light of other domestic and global risks facing Gilts, including the BoE's QT pace decision in September and the Autumn Budget.

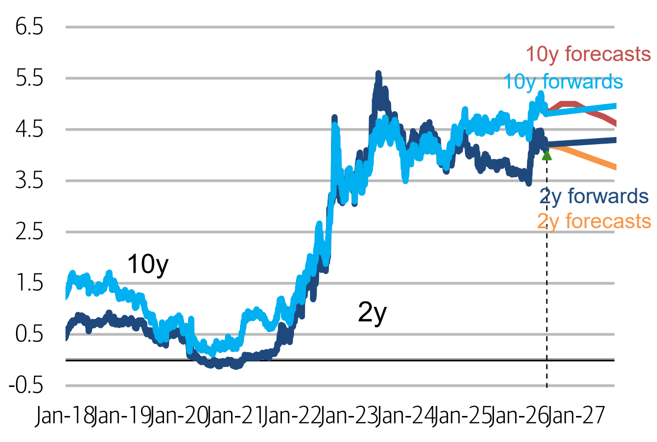
Forecast: BoE on hold in 2026, near-term risks still for a hike

Our economists no longer forecast BoE Bank Rate hikes in their base case, although the decision remains finely balanced. They now expect rates to remain on hold through 2026, followed by a single 25bp cut in November 2027 to a 3.5% terminal rate, versus their previous call for two hikes in 2026 and three cuts in 2027. The balance of risks still tilts towards a hike this year, driven by potential re-escalation or stronger second-round inflation effects. The November 2027 cut assumes inflation is closer to 2% at that point. Reaching the 3.5% terminal rate will be challenging and is not assured. We adjusted our yield forecasts to reflect these changes and current market pricing.

Risks: geopolitics and domestic politics in focus

The key question for the economy is how persistent the energy shock and broader uncertainty prove to be. The balance of risks tilts towards a hike this year, driven by re-escalation risks or stronger second-round inflation effects. Beyond geopolitics, domestic politics and the fiscal backdrop are additional key risks.

Exhibit 19: Gilt yield benchmark histories, forwards and forecasts, %
We now project 2y Gilts at 4.05% 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-2026...

	Q3 26	Q4 26	Q1 27	Q2 27
3m Sonia	3.80	3.75	3.75	3.75
2y Govt.	4.15	4.05	3.95	3.85
5y Govt	4.35	4.30	4.25	4.15
10y Govt	5.00	5.00	4.85	4.75
30y Govt	5.55	5.55	5.50	5.40

Source: BofA Global Research estimates

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Exhibit 21: Sonia swap rate forecasts (%)
... and 10y Sonia at 4.50% by end-2026

	Q3 26	Q4 26	Q1 27	Q2 27
2y	4.05	3.95	3.85	3.75
5y	4.10	4.05	4.00	3.90
10y	4.50	4.50	4.40	4.30
30y	4.85	4.85	4.90	4.80

Source: BofA Global Research estimates.

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GBP: hedging near-term risks

Kamal Sharma
MLI (UK)

Themes: Event-risk – not out of the woods yet

Higher GBP on the day that the PM resigned was perhaps not top of many investors list. Nonetheless, after a hesitant open in Asia, GBP has trended higher which perhaps reflects two things: markets had increasingly coalesced the scenario that we had outlined last week: that developments would accelerate in the aftermath of Makerfield; investors sold GBP for most of last week in anticipation of event risk and higher front-end volatility.

Looking ahead, the markets now have a vol anchor for July 9th and whilst the Coronation scenario appears to the one most favoured, the risks of another protagonist entering the contest cannot be discounted. Secondly, a new PM is inevitably going to be held more accountable for comments and statements and perhaps most importantly, for choice of Chancellor. None of these dynamics is a given and in our view, owning GBP volatility remains the optimal hedge. We are cognizant that the Pound continues to benefit from the bid to UK Plc which should be supportive over the medium-term. However, we are inclined to believe that greater scrutiny on policy choices may dominate the near-term outlook, arguing for higher volatility.

Lurking in the background is optimistic news on FDI. The bid to UK plc has become an increasingly important topic for investors' and something that we have touched upon recently (see: GBP: A bid for UK plc 01 June 2026 and Gilt buying in April: tempting yield levels 02 June 2026). The UK is attracting sizeable FDI inflows (M&A) as well as portfolio flows (Gilt demand), despite political noise.

Forecasts: small revision

Q3 2026 EUR/GBP revised to 0.85 from 0.84. GBP/USD profile lower on count of higher USD profile.

Risks: the next phase

Fiscal dominance will become an issue under a scenario where markets perceive weakening of the Fiscal Rule under a new PM.

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

	Q3 26	Q4 26	Q1 27	Q2 27
EUR-GBP	0.85	0.84	0.84	0.84
GBP-USD	1.32	1.37	1.38	1.40

Source: BofA Global Research estimates

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Exhibit 24: Major macro forecasts
Inflation still staying above target

	2025F	2026F	2027F
Real GDP (% yoy)	1.4	1.1	1.3
CPI (% yoy)	3.4	3.1	2.3
Policy Rate (end of period)	3.75	3.75	3.50
Gen Gov Bal (%/GDP)	-4.2	-3.6	-2.9
CurAct Bal (%/GDP)	-2.8	-2.8	-2.9

Source: Bloomberg and BofA Global Research estimates

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CA rates: below forwards at front-end

Katie Craig
BofAS

Ralph Axel
BofAS

Themes: CAD rates lower on lower oil and fewer hikes

Canadian 2y rates have rallied over the last month, reversing roughly half of the move higher since the start of the Iran conflict. The CAD 2y-10y curve is 12bp flatter over the same period. Rates moves have largely been driven by oil prices and expectations for BoC hikes. Our economists expect the BoC to remain on hold through ’27 with two 25bp hikes in ’28. While market pricing has retraced some of the hikes, BoC OIS still implies 21bp of a hike remaining in ’26 and over 50bp in the next year.

We expect the market to maintain a bias for hikes over cuts despite weak data in CAD. With Canada in a technical recession, moderate weakness in the labor market, trade uncertainty weighing on growth and investment, and core and trimmed measures of inflation close to target the BoC can likely keep rates on hold at least through ’26. However, given the repricing of the Fed policy path and the hawkish shift in the Fed’s forecasts, CAD rates could be biased higher by US rates. As a result, we prefer a long bias vs US rather than being outright short.

Our CAD rates views: On duration: long bias vs short US due to Fed hikes outpacing BoC. 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.

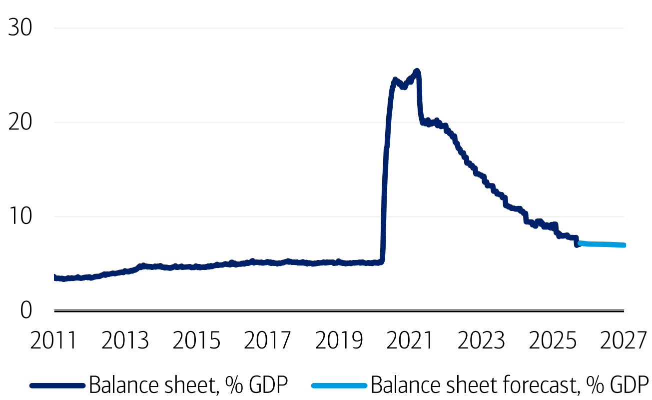
Forecasts: below forwards at the front-end

We revise our CAD rates forecasts by marking to market belly and back-end rates but maintaining a bias of roughly 25bp below forwards for front-end rates due to expectations for the BoC to be patient on hikes. Our curve forecast is for the 2y-10y curve to realize around 75bp in ‘26, roughly 15bp steeper vs current levels.

Risks: balanced near-term

We see risks around our forecast as roughly balanced near-term. Weak economic data can skew front-end rates lower while Fed hikes and inflation risk may skew rates higher.

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 (%)
Front-end rates consistently 25bps below forwards

	Q3 26	Q4 26	Q1 27	Q2 27
2y	2.75	2.75	2.85	2.90
5y	3.15	3.20	3.25	3.30
10y	3.50	3.50	3.55	3.60

Source: BofA Global Research estimates

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Exhibit 27: Swap rate forecasts (%)
We see 10y swap spreads at 3.25% on YE ‘26

	Q3 26	Q4 26	Q1 27	Q2 27
2y	2.65	2.65	2.75	2.80
5y	3.00	3.05	3.10	3.15
10y	3.25	3.25	3.30	3.35

Source: BofA Global Research estimates

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CAD: downward forecast revisions

John Shin
BofAS

Themes: USDCAD drifting higher

Over the past few weeks, USDCAD has been drifting higher in to the lower 1.40 range. Lower oil prices, particularly given Middle East developments, have moved along with the weaker CAD. Meanwhile, we expect the Bank of Canada to stay on hold this year and into 2027, particularly as the macro picture has remained relatively softer (see Canada Watch, "Canada enters a technical recession after a second consecutive GDP contraction", 29 May 2026).

But CAD weakness has also taken place as US yields have moved higher. Both upside US inflation and growth data have pushed US yields higher, to the point where our US Economics team recently changed their forecast and no longer expect the Fed to stay on hold, but rather, look for 3 rate hikes this year (see Federal Reserve Watch, "Change of call: Fed to hike 75bp this year", 22 June 2026),.

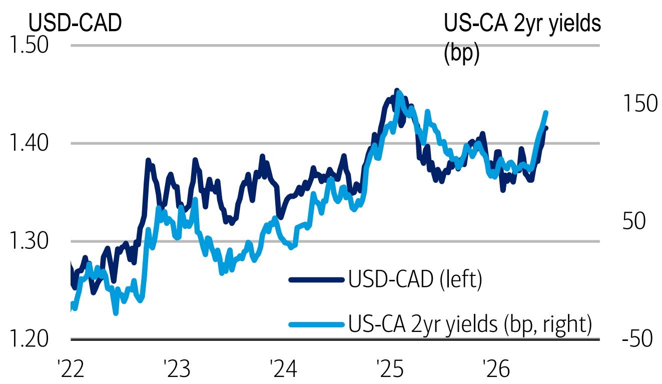
Forecast: upside for USDCAD

We raise our USD-CAD forecast profile over the next year. Our baseline case is for oil prices to stay on the lower side despite uncertainties in the peace process to end the War in Iran. And rate differentials are likely to continue to support USDCAD higher, as it has done over the medium term (see Exhibit 1). While we generally see USDCAD as undervalued by roughly 5% -- which is a key reason why over the longer term into the end of 2027 our forecast is for the mid 1.30s -- near-term macro factors will likely keep pressure on the currency.

Risks: new tariffs shock or USMCA negotiation derails

Even aside from policy and geopolitical impacts on commodities, trade talks may become a larger factor in the near-term in pushing volatility. USMCA negotiations have turned increasingly bumpy, with talks becoming more bilateral than trilateral. (See Global Watch, "USMCA negotiations run past July 1…." 27 May 2026) Whereas before we had been looking for a potential trilateral extension on July 1st, our baseline view now looks not for an outright USMCA breakdown, but rather moves us to "no extension" scenario that will mean annual reviews.

Exhibit 28: USD-CAD and difference in US-CA 2yr yields
USD-CAD has been moving with rate differentials



Source: BofA Global Research, Bloomberg.

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Exhibit 29: USD/CAD FX forecast
We look for end-2026 USD-CAD at 1.43

	Q3 26	Q4 26	Q1 27	Q2 27
USD-CAD	1.44	1.43	1.42	1.40

Source: BofA Global Research estimates

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

	2025F	2026F	2027F
Real GDP (% yoy)	1.7	0.6	1.5
CPI (% yoy)	2.1	2.4	1.9
Policy Rate (end of period)	2.25	2.25	2.25

Source: Bloomberg and BofA Global Research estimates

BofA GLOBAL RESEARCH

AU rates: RBA on hold

Isabel Hartstein
Merrill Lynch (Australia)

Oliver Levingston
Merrill Lynch (Hong Kong)

RBA enters 'wait and see' mode

The RBA cash rate now stands at 4.35%, the highest among G10 central banks following the decision to hold in June. 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 still skewed to the upside

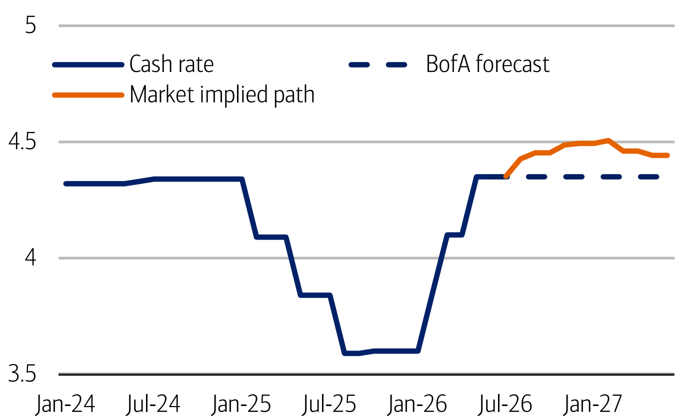
Market pricing suggests the RBA could hike one more time this year. The distribution of risks to inflation are skewed to the upside given the higher starting point for inflation in Australia and ongoing supply chain disruptions resulting from the conflict in the Middle East. With near-term inflation risks still elevated, we are leaving our bond yield forecasts unchanged and continue to expect curve steepening in 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% 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.

Exhibit 31: RBA cash rate – market expectations v BofA forecasts (%)
We expect the RBA to remain on hold into 2027



Source: BofA Global Research, Bloomberg

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Exhibit 32: BofA ACGB yields forecasts
Curve to remain stable until 1Q '27 until RBA rate cuts eventually lead to steeper 2s10s

		3Q 26	4Q 26	1Q 27	2Q 27	
3m BBSW		4.35	4.35	4.35	4.35	
2y Govt.		4.50	4.40	4.35	4.25	
5y Govt		4.50	4.45	4.40	4.35	
10y Govt		4.80	4.75	4.75	4.70	

Source: BofA Global Research, Bloomberg

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Exhibit 33: Swap rate forecasts
We forecast swap rates to slowly retrace lower over the forecast horizon

		3Q 26	4Q 26	1Q 27	2Q 27	
3y		4.60	4.50	4.45	4.35	
10y		4.90	4.85	4.85	4.80	

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

AUD: further upside risk

Isabel Hartstein
Merrill Lynch (Hong Kong)

Oliver Levingston
Merrill Lynch (Hong Kong)

AUD: scope 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 (particularly vs Asia FX). Commodity export prices should continue to offer modest support for AUD, although the impact will likely be modest in the absence of new mining capex.

RBA policy to remain restrictive for some time

Inflation risks remain skewed to the upside given the higher starting point for inflation in Australia and the risk of second-round effects from energy market 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 retain the highest policy rate among G10 central banks amid persistent core inflation, which should underpin AUD strength.

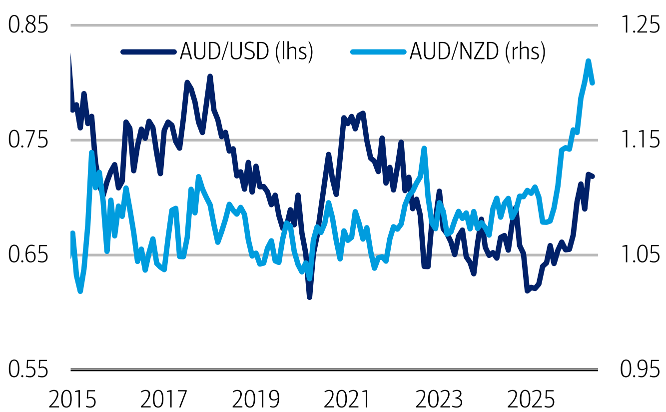
Risk assets supportive, but commodities boost may be limited

We expect AUD to draw support from strong US equities, and from an improvement in global growth conditions as the Straits of Hormuz reopens. Key commodity export prices are expected to remain resilient, 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 recent China activity demand has been soft.

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 34: AUD/USD vs AUD/NZD
We remain constructive on AUD



Source: Bloomberg

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Exhibit 35: AUD Forecasts
Our end-2026 AUD-USD forecast is 0.71

	Q3 26	Q4 26	Q1 27	2Q 27
AUD-USD	0.70	0.71	0.72	0.72
AUD-NZD	1.21	1.20	1.18	1.18

Source: BofA Global Research estimates

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Exhibit 36: Major macro forecasts
We forecast higher inflation in 2026

Australia	2025	2026F	2027F
Real GDP (% yoy)	2.0	1.8	1.7
CPI (% yoy)	2.8	4.0	2.3
Policy Rate (end of period)	3.60	4.35	3.85

Source: Bloomberg and BofA Global Research estimates

BofA GLOBAL RESEARCH

NZD: tighter policy but limited upside

Oliver Levingston
Merrill Lynch (Hong Kong)

Isabel Hartstein
Merrill Lynch (Hong Kong)

RBNZ expected to begin hiking cycle in July

The RBNZ left the OCR unchanged at 2.25% in May, but signalled that it is likely to hike at its next meeting in July after revising up its OCR projection. Our economists expect the RBNZ to hike in July, followed by another increase in September, taking the OCR to 2.75%. The RBNZ also revised up its inflation forecast, with inflation now expected to peak at 4.3% in Q3 2026, driven by tradables inflation reaching 5.6%, before returning to the 2% midpoint by Q3 2027 as tradables inflation eases.

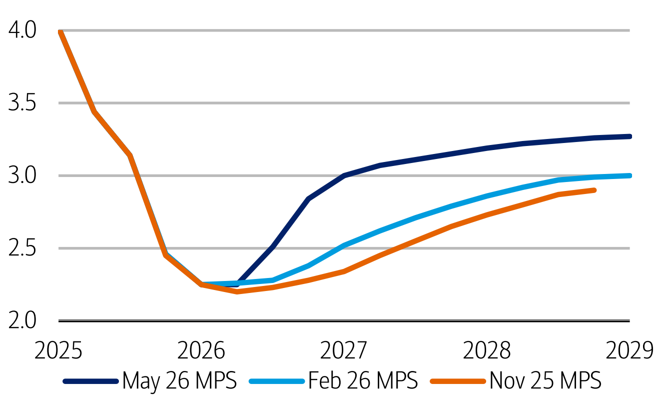
Demand remains weak amid supply-driven inflation

The case for further hikes is that broad-based first-round price pressures could spill over into second-round inflation, amid rising inflation expectations, persistent pricing behavior, accommodative monetary conditions and potential upside risks to activity if fuel prices fall faster than expected. 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.

We turn bearish on AUD/NZD

AUD/NZD is now trading around the 1.21 and if AUD does appreciate we would expect the cross to move higher as well. However, there are also downside risks which could limit further AUD/NZD appreciation: (1) AUD/NZD long positioning appears crowded; (2) the RBNZ is likely to deliver multiple hikes this year while the RBA remains on hold; and (3) wider Australia-New Zealand tax differentials could slow migration flows and support NZD.

Exhibit 37: RBNZ signaling a more front-loaded hiking cycle in response to higher inflation
RBNZ OCR projections



Source: RBNZ

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Exhibit 38: BofA NZD forecasts
Our end-2026 NZD-USD forecast is 0.59

	Q3 26	Q4 26	Q1 27	Q2 27
NZD-USD	0.58	0.59	0.61	0.61
AUD-NZD	1.21	1.20	1.18	1.18

Source: BofA Global Research estimates

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Exhibit 39: Major macro forecast
We forecast growth recovering in 2026

New Zealand	2025F	2026F	2027F
Real GDP (% yoy)	0.2	1.5	2.1
CPI (% yoy)	2.8	3.4	2.3
Policy Rate (end of period)	2.25	2.75	2.75

Source: Bloomberg and BofA Global Research estimates

BofA GLOBAL RESEARCH

CHF: the appliance of defiance

Kamal Sharma
MLI (UK)

FX: how long can the SNB persist?

The SNB once again finds itself in familiar territory: ZIRP versus a strong CHF. With a reluctance to push rates back into negative (we agree), the burden of adjustment falls upon the CHF. It is important to highlight the distinction between domestic and external financial conditions. Whilst domestic policy rates remain accommodative and equity markets buoyant, Swiss domestic financial conditions can be characterised as loose.

The external challenge for the SNB is firmly focussed on FX considerations, long the bete noire for Swiss exporters. It is here where the tightening in external financial conditions is top of mind for the SNB. In that context, we continue to see FX rhetoric remaining a key part of the narrative.

As we have stated on several occasions, we think a policy of endogenizing interest rates and taking hold of the exchange rate may be more suited to the needs of the Swiss economy given its high degree of openness. Designing the policy framework around the domestic/external conflict as Singapore has done with S$NEER addresses some of our concerns.

Whilst the CHF continues to carry the "safe haven" monicker, it is important to contextualise that CHF is essentially a vol of vol currency and historically been more attuned to developments in indices such as the VVIX (see Liquid Insight: CHF – Happenstance? 16 April 2026). With the markets still pricing in a rate hike for the SNB in 2027, we believe CHF underperformance in the near-term is set to continue. We are sceptical that the SNB will validate market pricing.

Forecasts: No changes

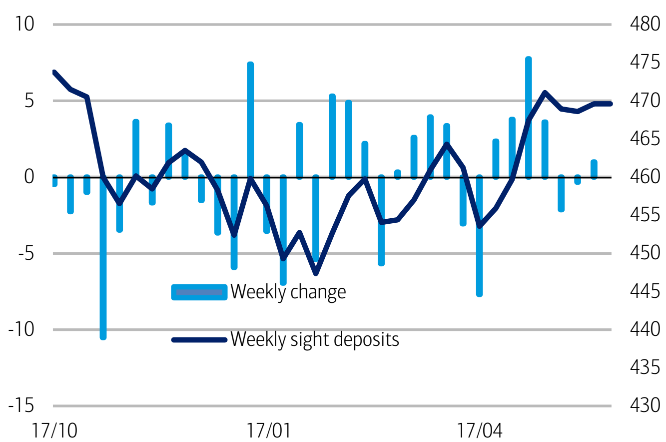
Extended to 2028; EUR/CHF projected to flatline at 0.95.

Risks: SNB Weekly Sight Deposit Data CHF bn

A marked increase in asset volatility is likely to shift sentiment in CHF.

Exhibit 40: SNB Weekly Sight Deposit Data CHF bn

Signs that SNB have been intervening to weaken CHF



Source: BofA Global Research, Bloomberg.

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Exhibit 41: CHF forecasts

Our 2026 year-end EUR-CHF forecast is 0.93

	Q3 26	Q4 26	Q1 27	Q2 27
EUR-CHF	0.92	0.93	0.94	0.94
USD-CHF	0.82	0.81	0.81	0.80

Source: BofA Global Research estimates

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Exhibit 42: Major macro forecasts

Inflation again well below 2% in 2026

	2025F	2026F	2027F
Real GDP (% yoy)	1.4	1.0	1.4
CPI (% yoy)	0.2	0.5	0.7
Policy Rate (end of period)	0.00	0.00	0.00

Source: Bloomberg and BofA Global Research estimates

BofA GLOBAL RESEARCH

NOK: sell-off to continue

Marcus Boman
MLI (UK)

Michalis Rousakis
MLI (UK)

Themes: The "sweet spot" pops

We remain bearish on NOK and revise our year-end EURNOK forecast to 11.50 (from 11.20). We expect lower energy prices combined with a more hawkish Fed to continue disrupting the "sweet spot" scenario that supported NOK strongly through H1. From here onwards, a steady depreciation into year-end seems the most likely path to us.

We previously argued that NOK was supported by a "sweet spot" scenario of high energy prices and benign risk sentiment. That backdrop is now being challenged.

First, after the US-Iran MoU oil prices have fallen below $80/bbl and natural gas prices well below EUR 50/MWh. Our commodities team now expects Brent to trade in the $70-80/bbl range for the rest of 2026 and natural gas at EUR 50/MWh (EUR 35/MWh in 2027) turning energy prices into a drag for NOK (Global Energy Weekly, 17 Jun '26).

Second, the June FOMC meeting was clearly hawkish: Nine policymakers projected hikes in 2026, inflation forecasts were marked up, and Warsh leaned hawkish too, emphasizing restoration of price stability (FOMC Review, 17 Jun '26). This creates meaningful upside risk for the USD, and conversely downside risk for high-beta currencies such as NOK, even if risk sentiment remains supported.

Norges should provide only limited offset. In June, it signalled a potential hike at its next meetings, which would leave Norway with the highest rates in G10. We think August is live (Europe Econ Weekly 19 Jun '26). However, markets price c.37bp of hikes by YE so, in our view, Norges is likely to slow NOK depreciation rather than reverse it.

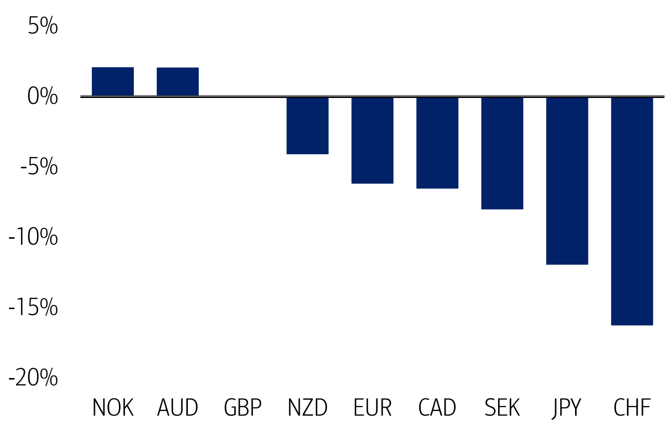
Forecasts: we revise up our EURNOK profile, esp. at the front end

We now forecast EURNOK at 11.50 by year-end, with USDNOK at 10.00, vs. 11.20 and 9.33 previously. We see NOKSEK lower by year-end (0.96), on lower energy prices.

Risks: FED dovishness, peace deal falling apart

A key risk to our bearish NOK view are renewed concerns over Fed independence ahead of the US midterm elections, which could weigh on USD. But a breakdown of the US–Iran agreement would likely support NOK via higher energy prices.

Exhibit 43: NOK is currently the highest yielding currency in G10
1y carry for G10 currencies against the USD



Source: Bloomberg, BofA Global Research

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Exhibit 44: NOK forecasts
Year-end EUR-NOK forecast of 11.50 in 2026

	Q3 26	Q4 26	Q1 27	Q2 27
EUR-NOK	11.40	11.50	11.30	11.20
USD-NOK	10.18	10.00	9.74	9.49

Source: BofA Global Research estimates

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Exhibit 45: Major macro forecasts
Norway recovery modest this year

	2025F	2026F	2027F
Real GDP (% yoy)	1.7	0.8	0.7
CPI (% yoy)	3.0	3.2	2.6
Policy Rate (end of period)	4.00	4.25	3.75

Source: Bloomberg and BofA Global Research estimates.

BofA GLOBAL RESEARCH

SEK: turning neutral for the year

Marcus Boman
MLI (UK)

Michalis Rousakis
MLI (UK)

Themes: Bearish near term, neutral by year-end amid potential Fed hikes
We revise our year-end EURSEK forecast to 11.00 (from 10.50), in line with our upward revised USD forecasts amid Fed tightening risks. However, strong domestic growth, partly on support from German fiscal expansion and European defence spending, and the Riksbank should act as counterbalancing forces, in our view.

Our long-held bullish SEK bias was premised on a weaker USD backdrop. The clearly hawkish June FOMC meeting has shifted that regime. With nine policymakers projecting hikes, inflation forecasts revised higher, and Warsh strongly emphasizing the need to restore price stability, the risk of hikes this year has increased significantly (FOMC Review, 17 Jun '26) This points to upside risks for USD into H2 and, by extension, downside risks for SEK, even if risk sentiment remains fairly supported.

However, Sweden's strong fundamentals should offset these headwinds to some extent, in our view. Externally, we anticipate Germany's fiscal expansion, rising European defence spending, and broadly improving Euro area outlook amid lower energy prices to support SEK (see Global Energy Weekly 17 Jun '26). Also given Sweden's own fiscal push, we expect the Swedish growth rate to be one of the strongest in G10 this year, second only to that in the US.

The Riksbank should provide further support. Markets price just 20bp of tightening by year-end, versus our base case of a hike as early as September. Still, policy alone is unlikely to drive SEK higher in the near term. Taken together, we expect SEK to remain under pressure in H2, before strong fundamentals reassert themselves further out.

Forecasts: we revise up our EURSEK profile, more so at the front end
We revise up our EURSEK and USDSEK forecasts to 11.00 and 9.57 by YE respectively, vs 10.50 and 8.75 previously. We expect NOKSEK at 0.96, on lower energy prices.

Risks: Disappointing recovery & dovish Riksbank, dovish Fed
Downside risks to our neutral SEK view are disappointing growth in Europe and/or Sweden and a dovish Riksbank. Key upside risks are a more dovish Fed ahead of the US midterm elections and a faster-than-we expect Euro area growth pick up.

Exhibit 46: USD strength = SEK weakness
1y rolling beta for EURSEK on DXY controlling for risk sentiment

Source: Bloomberg, BofA Global Research. We use the GFSI as a proxy for risk sentiment
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Exhibit 47: SEK forecasts
Our EUR-SEK forecast at end-2026 is 11.00

	Q3 26	Q4 26	Q1 27	Q2 27
EUR-SEK	11.20	11.00	10.80	10.60
USD-SEK	10.00	9.57	9.31	8.98

Source: BofA Global Research estimates
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Exhibit 48: Major macro forecasts
The Riksbank is very serious about inflation

	2025F	2026F	2027F
Real GDP (% yoy)	1.7	1.9	2.2
CPI (% yoy)	2.6	1.0	1.7
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: Wide gap between demand and supply

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Both investment and consumption weakened notably

Industrial production (IP) growth inched up to 4.5% yoy, up from 4.1% in Apr, supported by a favorable year-ago base. IP registered positive growth in 28 out of 41 major industries, including coal mining (3.5% yoy) and oil and natural gas (1.5% yoy). By product, industrial robots improved the most, rising 27.9% yoy from 15.1% previously.

Retail sales growth turned negative in May (-0.6% yoy vs. 0.2% in Apr), also below consensus and marking the weakest reading since Dec 2022. The data continued to show faded subsidy effects and last year's high base kicked in: growth of household appliance (-15.6% yoy), auto (-16.1% yoy), and communication appliance sales (0.7% yoy, vs. 6.2% yoy) weakened further in May. Meanwhile, dining sales slowed to 0.6% yoy from 2.2%, while tobacco and liquor sales moderated to 4.8% yoy (vs. 11.7% in Apr).

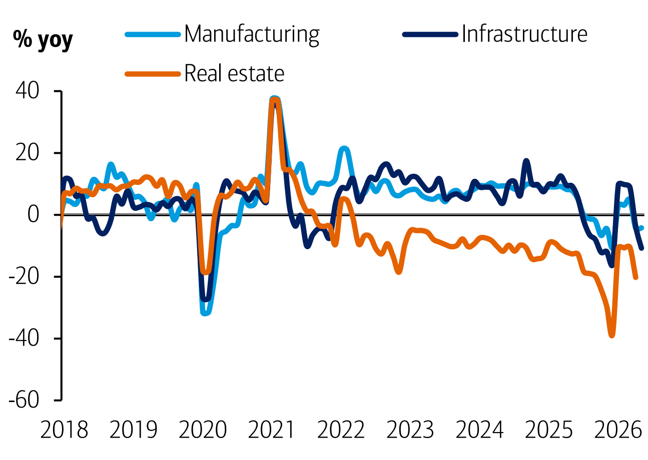
Fixed asset investment (FAI) growth weakened more than expected. Our estimated single-month FAI contracted 10.7% yoy in May (vs. -8.0% in Apr). The contraction in infrastructure deepened (-10.8% yoy, vs -3.7% in Apr), while the manufacturing investment continued to decline (-4.2% yoy vs. -4.3% previously). Within infrastructure FAI, water & environmental (-13.8% yoy) and utility (-11.6% yoy) both saw double-digit contraction and transport fell back into negative territory (-5.7% yoy).

Muted policy response to address weak demand

May activity indicators point to further deterioration in both consumption and investment. Despite still-solid export growth, domestic demand growth remains lackluster on the back of soft household and business confidence. The gap between still-resilient supply growth and muted domestic demand remains wide, implying a more urgent need for policymakers to reassess and step up support in the near future. Meanwhile, the NDRC noted at its June 10 meeting that policy efforts will focus on expanding domestic demand and stabilizing and expanding employment, although concrete policy measures have yet to be rolled out.

Exhibit 49: infrastructure FAI growth weakened notably to -10.8% yoy in May

FAI sector breakdown (2018-26)



Source: BofA Global Research, CEIC, NBS

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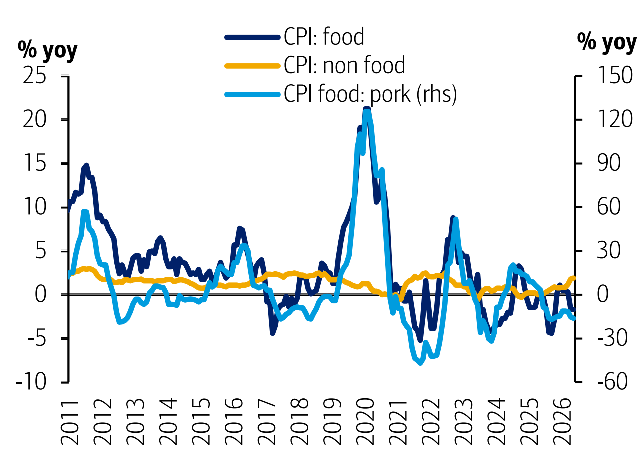
Exhibit 50: May non-food CPI inflation picked up to 1.9% yoy, while pork price remained weak at -16.1% yoy

CPI inflation (2011-26)



Source: BofA Global Research, CEIC, NBS

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CPI inflation steady in May while PPI inflation strength persists

Headline CPI inflation steady at 1.2% yoy in May, broadly in line with expectations. Meanwhile, PPI inflation rose 3.9% yoy in May, with strength concentrated in upstream and tech sectors. While cost-push factors lift both CPI and PPI inflation, we still expect soft domestic demand to cap the upside in inflation. That said, resilient external trade reduces the urgency for additional domestic stimulus.

Financial conditions tightened amid stronger CNY

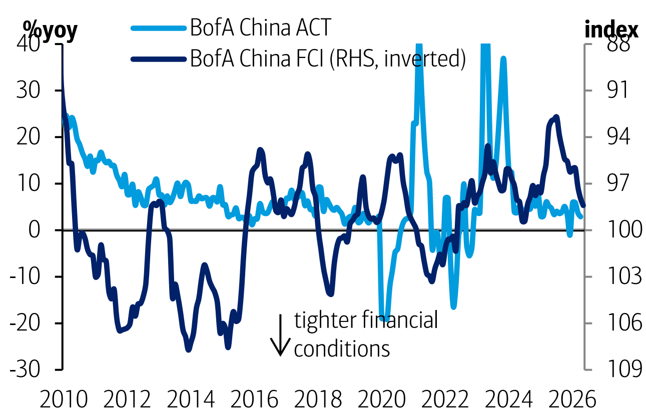
The BofA China Financial Condition Indicator (FCI) tightened to 98.4 in May, from a revised 98.0 in Apr. The shift continued to reflect CNY appreciation and contraction of new TSF. Headline TSF growth (7.7%) and loan growth (5.5%) both eased and composition deteriorated, pointing to weak underlying momentum. Corporate bill financing drove loan growth, while household and long-term corporate loans contracted Credit demand is likely to remain fragile without confidence turnaround, and policy support may stay limited amid solid exports.

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

USD/CNY has moved sideways in June, at around 6.77, while its trade-weighted CFETS index is touching historically high levels at 102 as Asia FX peers underperform. This trade-weighted appreciation may tilt the FX policy bias to lean against CNY appreciation against USD. Additionally, the dividend payment season is underway, which may also act against CNY appreciation as China corporates pay dividends for their HK listed entities. Consequently, we maintain our year-end USD/CNY forecast for 6.7 as seasonally strong China exporter USD selling may drive modest CNY appreciation into year-end.

The underlying deflationary pressures in China's economy are expected to support bonds yields at their currently low levels. This said bond supply risks may weigh in the long end as we enter 3Q. Risks remain that China's policy makers may need to step in with further fiscal support if the economy does not revive, it should also be noted that fiscal tax revenues are also stagnating as growth remains lackluster, which will also add to additional borrowing risks.

Exhibit 51: Financial Condition Indicator tightened to 98.4 in May
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 52: We expect CNY appreciate to 6.70 end 2026
USD/CNY forecasts (2026)

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

Source: BofA Global Research estimates

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Exhibit 53: We expect 2026 annual GDP below 5.0%
We expect growth to moderate in 2026 and 2027

China	2025F	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

BofA GLOBAL RESEARCH

India: Receding geopolitical risks boost outlook

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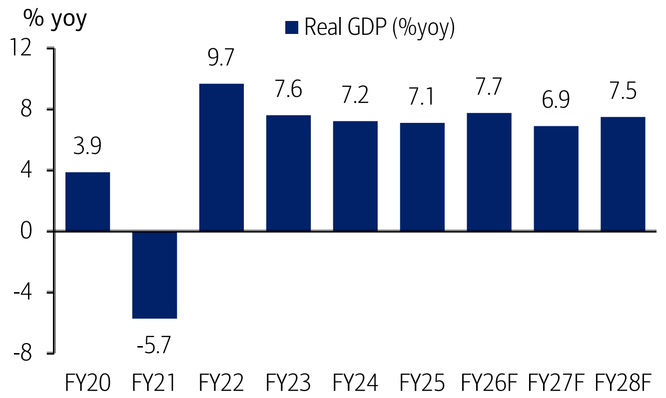
Growth: Resolution to the Middle East Conflict improves growth momentum
India's economic backdrop took a setback with the stagflationary shock owing to the West Asia conflict but with the possible resolution now in sight, we see a likely turnaround aided with the cooling off in the global energy prices, easing the terms of trade pressure. Despite the turbulence, domestic demand and manufacturing and services activity continue to hold up, though early signs of moderation are visible in sectors directly hit. However, the correction seen in crude prices will help the external position as we now see the current account deficit remaining contained at 1.4% in 2026 vs 2.3% earlier. This was also aided by stronger than expected Q1 GDP growth that came in at 7.8% yoy despite one month of conflict disruption. With the revised crude assumption at USD 82/brl for 2026, we expect improvement in both consumption and investment demand and upgrade our real GDP growth forecast to 7.0% (+80 bps) in 2026 while keeping the growth unchanged for 2027 at 7.5% yoy.

Inflation: Inflationary risks turn more domestic
While elevated global commodity and energy prices have started feeding into WPI inflation (see: India Watch: May WPI: Rebased WPI surged to 9.7%), CPI inflation has so far remained below the RBI's target due to limited retail pass-through (India Watch: May CPI review: Inflation inched up but still benign). With the US-Iran deal now in sight, we don't see any further fuel price hikes, while some pass though of the elevated wholesale prices to CPI inflation is imminent. However, there are emerging risks on a weak southwest monsoon (tracking 35% below normal in June so far) that may keep the food inflation higher. With the improved terms of trade outlook, we revise our CPI inflation forecast lower to 4.2%yoy in 2026 (-50 bps) but see El Niño risks panning out particularly driving inflation higher in Q12027. Basis this, we revise the 2027 CPI forecast up by 20bps to 4.8% yoy and see some easing in 2028 to 4.5%.

Monetary policy: Expect 25bps hike in 2026
In the June 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: Current account pressures ease as crude prices decline
The external position of India which was facing a double whammy (on both capital account and worsening current account position) due to the Conflict. However, with the resolution to the conflict and sharp decline in crude prices – part of the BoP problem – the worsening current account- now seems better placed. We now expect an improvement in the current account deficit from 2.1% in FY27 to now 1.2% of the GDP. RBI also announced a slew of measures (see our note, India Watch: RBI June MPC review: Delinking rates from FX policy) to attract capital in the June MPM which has also eased the pressure on the currency (INR has appreciated 2.5% from the peak seen in end-May). India's Balance of Payment is also expected to turn positive in FY27 after two years. The fragility of the US-Iran Peace Deal remains a risk.

Exhibit 54: Real GDP forecasts – annual basis (FY terms)
With crude revised lower, GDP forecast upgraded for FY27 by 40bps



Source: BofA Global Research, Haver

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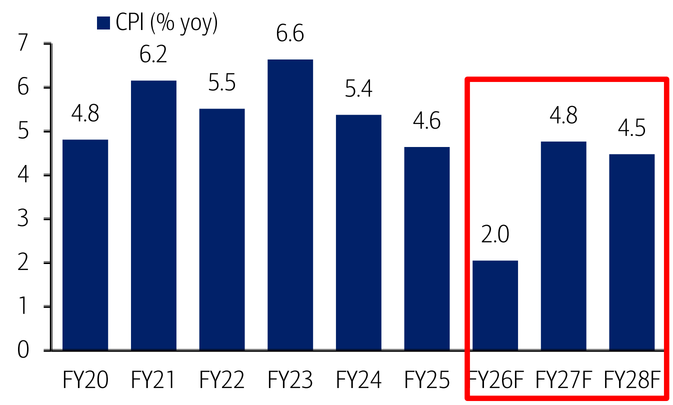
Exhibit 55: Headline CPI forecasts (% yoy)
CPI forecast for FY27 revised lower to 4.8% yoy (-40 bps)



Source: BofA Global Research, Haver

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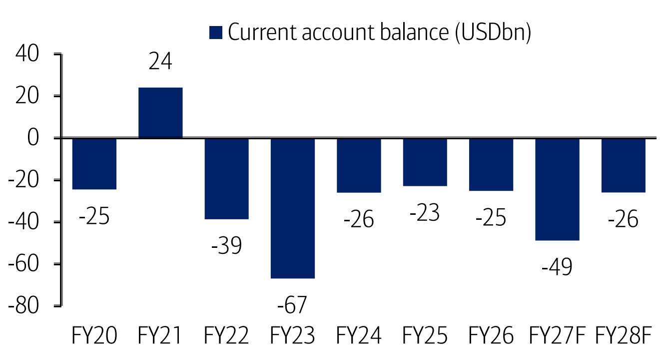
Strategy: Oil retreat keeps INR range-bound

Lower oil prices have reduced concerns around CA deficit widening and broader macro deterioration. Equity outflows have continued over the last month but tax-exemption for debt investors has helped attract inflows as investors covered their underweights in India bonds. Other capital measures announced by RBI earlier this month would likely result in large deposit inflows (USD 50-80Bn) and also facilitate corporates' offshore funding flows. While FX hedges on these flows limit any direct impact on INR, these would shore-up RBI's FX reserves and ammunition for leaning against any speculative bearish INR positions. By reducing the tail-risk of larger depreciation, that skews the risk-reward for INR returns and thus provides stability in the near-term. However, as the inflows accrue directly to RBI reserves, the market flows for INR still remain in deficit. Oil remains key for India and higher floor at USD 80 or above, coupled with seasonal deterioration in CAD towards end of 3Q may bring back depreciation pressure on INR.

Fiscal stimulus and higher subsidy burden has increased the risk of higher issuance and weighed on demand for IGBs. Risk of food price spike due to El-Nino would support rate-hikes pricing and weigh on duration demand. RBI's recent capital measures will inject large liquidity into the banking system while reducing need for bond purchases by RBI, thus putting steepening pressure on bond yield curve.

Exhibit 56: Current account forecasts (USD bn)
India's current account positions is expected to improve from -USD 88bn to – USD 49bn in FY27 now with lower energy prices



Source: BofA Global Research, Haver

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Exhibit 57:INR forecasts for next 4 quarters
End-2026 forecast at 98/USD

	Q3 26	Q4 26	Q1 27	Q2 27
USD-INR	97.0	98.0	98.5	99.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 58: Major macro forecasts- (CY terms)
Growth-inflation outlook improves as Conflict related uncertainty declined

India	2025	2026F	2027F
Real GDP (% yoy)	7.5	7.0	7.5
CPI (% yoy)	2.2	4.2	4.6
Policy Rate (end of period)	5.25	5.50	5.75
Fiscal Bal (%/GDP)	-4.5	-4.5	-4.2
Cur Act Bal (%/GDP)	-0.5	-1.4	-0.6

Source: BofA Global Research

BofA GLOBAL RESEARCH

Indonesia: Primary focus on IDR stability

Kai Wei Ang	Abhay Gupta	Rahul Bajoria
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BI 'all-out" efforts to anchor IDR stability

Bank Indonesia (BI) raised policy rate by an outsized 100bps across May and Jun 2026. After hiking policy rate by a jumbo 50bps at the regular May meeting, BI followed up with a 25bps hike at an off-cycle 9th Jun meeting and another 25bps hike at the regular 18th Jun meeting. We see BI hiking again by at least another 25bps in 3Q26, aimed at steering USD-IDR towards its "target" of 16,800 – 17,500 and to pre-empt rising inflation risks. That said, we expect the pace and magnitude of further hikes – including for Bank Indonesia Rupiah Securities (SRBI) – to be more calibrated going forward. This followed the marketing tightening in domestic liquidity conditions in recent weeks, with Indonesia Overnight Index Average (IndoNIA) near the top (and even breaching) the upper limit of the interest rate corridor the past weeks.

FX purchase curbs will also be tightened for the 3rd time this year. From 1st Jul, the monthly threshold for FX purchases without underlying documents will be lowered to $10K, and is expected to cover 98.1% of FX spot transactions. This follows two rounds of earlier tightening – from $100K to $50K from 1st April and subsequently to $25K from 1st Jun. The previous moves had reduced daily FX transactions without underlying documents from $78mn (≈89.2% of FX spot transactions) to $62mn (≈93.5% of FX spot transactions) in April and $53mn by Jun.

BI also pushed out a series of other measures, with the overall strategy geared towards increasing yield differentials and lowering transaction costs to attract offshore inflows. BI said that it is actively assessing attractiveness of its 2Y and 10Y yields relative to US Treasuries and other peer groups in Asia. As part of broader efforts to make the yield curve more market-driven, BI will refrain from purchasing government bonds with tenors ≥10Y in the secondary market, while MOF would also step back from further bond buybacks. At the same time, BI also pushed out incentives that effectively reduce foreign investors' FX hedging costs by 10%.

Keeping an eye on rising inflation risks

BI said that it has raised its inflation forecast, with its "maximum" forecast now at the limit of its 1.5-3.5% forecast range. BI has incorporated price hikes for unsubsidized fuel – including for Pertamax (most widely used unsubsidized grade) by 32% on 10th Jun – lifting inflation by 0.25%-pts. On our part, we keep an eye on any upward pressure on food prices. First, daily food prices rose further through Jun, and could keep volatile goods inflation (May: 6.2%) above the comfort threshold of 5% for some time. Second, there is risk that El Nino conditions may intensify and persist for longer. Local meteorology agency BKMG currently sees a 62% chance of El Nino reaching the "strong" category, with direct impact on Indonesia lasting until Oct 2026.

Current account deficit under greater pressures vs. past years

Trade surplus narrowed far more than expected to $90mn in Apr vs. $3.3bn in Mar, and the lowest since early 2020. This was driven by a faster monthly increase in imports relative to exports, particularly in mineral products and machinery. We expect trade surplus in the coming months to remain below the typical >$3bn levels seen previously, with (a) commodity exports to be impacted by one-year delay to Freeport's restart (now expected only in early 2028), after a mining accident at the Grasberg mine (one of the largest in the world) in Sep 2025, (b) elevated energy-related costs, and (c) uncertainties surrounding the execution of Indonesia's plan to centralize exports of "strategic" natural resources under state-owned PT Danantara Sumberdaya Indonesia.

Fiscal relief from pull-back in global oil prices

Indonesia's fiscal pressures are among the most pronounced in the region, largely due to its extensive energy subsidy regime. The longer Brent crude prices hover around the $100/bbl mark, the more difficult it becomes to sustain current fuel price caps while keeping the fiscal deficit within the 3% of GDP ceiling. The recent pullback in global oil prices has therefore provided some relief to the fiscal outlook. That said, we continue to monitor the risk of a renewed upswing in oil prices. If pressures re-emerge—though less likely at this stage—we view the use of temporary legislation (Perppu) to allow a short-term deviation from the 3% deficit limit as far more likely than an increase in subsidized fuel prices.

Strategy: Fed repricing another hindrance to IDR

BI has put-up a strong defense of IDR, via a) multiple rate hikes totaling 100bps so far and b) steps to attract more capital inflows by offering lower FX hedging costs to debt investors. That resulted in an unwinding of bearish IDR positions over the last few weeks and USDIDR moving below 18,000/USD level. The inflows would support BI's FX reserves that can then be used to support IDR via intervention. That would reduce some market concerns around rising FX forward liabilities and declining spot reserves which may have led to larger speculative positions in IDR earlier.

However, IDR still remains exposed to broader USD strength which may pick-up pace as markets reprice Fed hiking cycle. That would usually lead to higher USD deposit demand from corporates and also hedging flows by portfolio investors. Upcoming maturities of previously sold USD in forwards markets, including DNDF and NDF, could further limit room for IDR appreciation. IDR does appear relatively attractive on valuation basis versus peers. But 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 forecast USDIDR to reach 18,000/USD by end-2026 as US rates appear set to stay elevated, increasing headwinds for IDR.

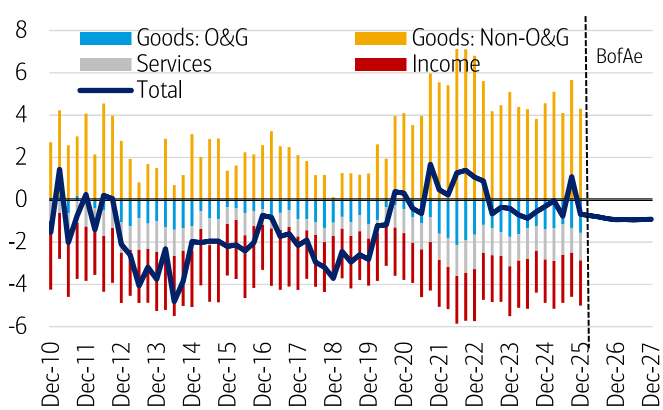
BI has turned defensive amid FX pressures, resulting in higher front-end yields and sharp curve flattening. Long-end curve may also adjust higher as BI refrains from additional bond purchases that allows fiscal concerns to be reflected in the bond curve.

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 59: Current account balance (% of GDP)

We see current account deficit around 1% of GDP in 2026-27



Source: BofA Global Research, Haver

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Exhibit 60: IDR forecasts for next 4 quarters

Forecast end-26 at 18,000/USD

	Q3 26	Q4 26	Q1 27	Q2 27
USD-IDR	17,900	18,000	18,100	18,200

Source: BofA Global Research

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Exhibit 61: Major macro forecasts

Indonesia's growth to edge up over the coming years

Indonesia	2025	2026F	2027F
Real GDP (% yoy)	5.1	5.3	5.4
CPI (% yoy)	1.9	3.3	2.9
Policy Rate (end of period)	4.75	5.50	4.50
Fiscal Bal (%/GDP)	-2.8	-2.9	-2.9
CurAct Bal (%/GDP)	-0.1	-1.2	-0.8

Source: BofA Global Research

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Korea: Robust tech cycle momentum to fuel above-trend growth

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Macro: Robust tech cycle momentum to fuel above-trend growth in 2026

AI cycle drives above 3% GDP growth reset

We upgrade 2026 GDP growth to 3.1% yoy (from our early-April projection of 1.9% yoy), marking a clear shift to above-trend expansion. We also see a further improvement in current account surplus to 16% of GDP this year. The upgrade is driven by a powerful semiconductor upcycle, with our analysts consistently upgrading DRAM prices projection through this year. Year-to-date, export growth has accelerated more than 40% yoy, with semiconductors contributing 36ppt, anchoring a sustained external impulse. We expect net exports to contribute GDP growth by 1.3ppt in 2026.

Strong spillovers reinforce domestic recovery

We also expect spillovers to broaden beyond exports. On the investment side, facility investment is likely to rebound to 3.7% yoy, supported by a sharp pickup in semiconductor capex: investment by the two major chipmakers is set to rise 41.9% yoy in 2026, underpinning a more durable investment cycle. Construction investment also appears to past the trough. On consumption, further normalization is underway. We expect private consumption growth to accelerate to 2.2% in 2026, from 1.3% in 2025.

Fiscal windfall amplifies cycle and to offset energy shock

Another upside surprise comes from fiscal capacity. Based on our estimates, semiconductor profits could generate around KRW110tn (about 4% of GDP) in domestic tax revenue, more than ten times historical averages, creating additional room for policy support if needed. Following the KRW26tn (~1% of GDP) supplementary budget already implemented in April, we expect a further ~KRW25tn package in 2H26 to support households and corporates affected by the prolonged Middle East conflict. This sets up a rare alignment of strong private-sector capex and public fiscal stimulus, reinforcing the growth upside while helping to offset the energy shock.

We now expect three hikes from the BoK through 1Q27

Macro conditions now point to policy tightening, rather than keeping rate at hold. Inflation is tracking ~2.6% in 2026 and expected to stay above target in coming quarters, while growth remains above trend. Combined with a relatively more hawkish BoK composition and external policy pressures (we penciled in three hikes from Fed), we now expect three rate hikes in 3Q26, 4Q26 and 1Q27, respectively, leaving the terminal rate at 3.25%.

Key debates: durability vs. risks

The core debate is whether the AI-driven tech cycle can sustain current momentum into 2027 or beyond. Sector-wise, we believe tight supply and strong demand visibility support durability into the semi sector resilience. Risks center on energy shocks (>USD100/bbl oil), geopolitical spillovers, and policy over-tightening. However, limited production disruption so far and fiscal buffers suggest these remain tail risks rather than cycle-breakers.

Strategy: How KOSPI strength became KRW weakness

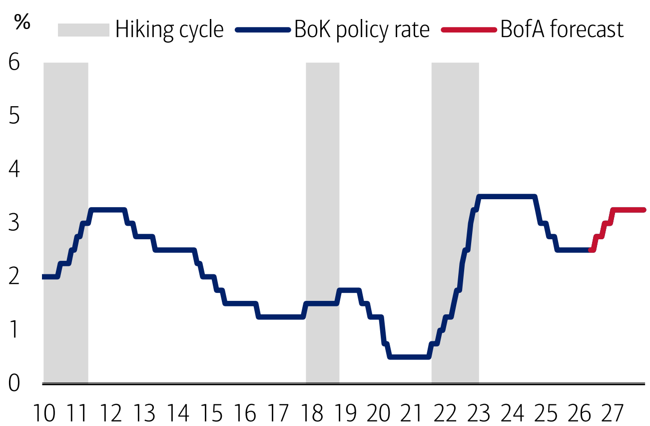
Despite the positive developments surrounding the US–Iran peace deal, USD/KRW remains elevated at around 1,540. We believe the primary driver of KRW weakness is USD demand stemming from foreign investors' selling and hedging of their Korean equity positions. Since the start of 2026, the KOSPI has rallied by more than 100%, with gains heavily concentrated in the two chipmakers, Samsung Electronics and SK Hynix.

Both stocks are widely held by foreign investors, some of whom may be subject to single-stock exposure limits. The combination of a top-heavy rally, elevated market volatility, and high foreign ownership has resulted in record rebalancing-driven selling flows. Even in the absence of outright outflows, global equity investors' need to hedge rising currency exposure amid the KOSPI rally is likely to remain a headwind for the KRW.

We see the path of least resistance as a higher USD/KRW, particularly in a Fed hiking environment. We therefore significantly revise our year-end USD/KRW forecast higher to 1,560, above current forward market pricing.

Downside risks to our bearish USD/KRW view could stem from: (1) FX intervention and timely NPS hedging to address KRW undervaluation and stabilize market expectations; (2) stronger inflows driven by exporters' repatriation and FX conversion; and (3) policy rate hikes that help attract carry-seeking inflows.

Exhibit 62: We expect three 25bp hikes through 1Q27
BoK's policy rate forecasts



Source: BofA Global Research estimates

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Exhibit 63: We expect USDKRW to end at 1,395 by 4Q26
KRW forecasts

	Q3 26	Q4 26	Q1 27	Q2 27
USD-KRW	1,550	1,560	1,540	1,520

Source: BofA Global Research

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Exhibit 64: 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%	3.1%	2.2%
CPI (% year-on-year)	2.1%	2.6%	2.1%
Policy Rate (end of period)	2.50%	3.00%	3.25%
Fiscal Bal (%/GDP)	-2.4%	-1.0%	1.5%
CurAct Bal (%/GDP)	6.6%	16.1%	16.8%

Source: BofA Global Research

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Hong Kong: Cyclical external tailwind meets improving domestic demand

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Macro: Cyclical external momentum meets improving domestic demand

We now expect GDP to expand by 3.5% this year

We are upgrading our Hong Kong growth forecast to 3.5% in 2026 and 3.0% in 2027, as external tailwinds are set to last while domestic demand have been picking up. Exports remain the primary driver of growth, supported by the global AI investment cycle. Strong demand for semiconductors and related components is benefiting Hong Kong through its role as a regional re-export hub. Export performance has already accelerated significantly and is expected to stay robust through 2027.

Residential property revival drives consumption improvement

Domestic demand is improving, led by a rebound in household consumption linked to the recovery in the residential property market. Consumption growth has accelerated alongside stronger retail sales and rising home prices, supported by higher transaction volumes. The positive wealth effect from property is expected to underpin further consumption gains, although external factors such as tighter global financial conditions and policy frictions could pose some downside risks.

Heightened geopolitical uncertainty highlights HK's role as "Super-Connector"

Geopolitical uncertainty is reinforcing Hong Kong's position as a global financial intermediary. While uncertainty can disrupt trade, it also creates opportunities for stable, neutral hubs. Financial services, which account for a significant share of GDP, are benefiting from strong IPO activity and a surge in cross-border wealth management. Hong Kong's role as a "Super-connector" is therefore becoming a key structural support for growth, particularly in services exports and income generation.

Public sector to offset private investment weakness

Investment growth remains uneven. Private investment is still subdued, particularly due to weak property developer activity, while public investment is emerging as the key driver, supported by large-scale infrastructure projects such as the Northern Metropolis. Public spending has surged and is expected to play an increasingly important role in sustaining growth, especially given an improving fiscal position and rising government revenues.

Policy execution key to medium-term growth

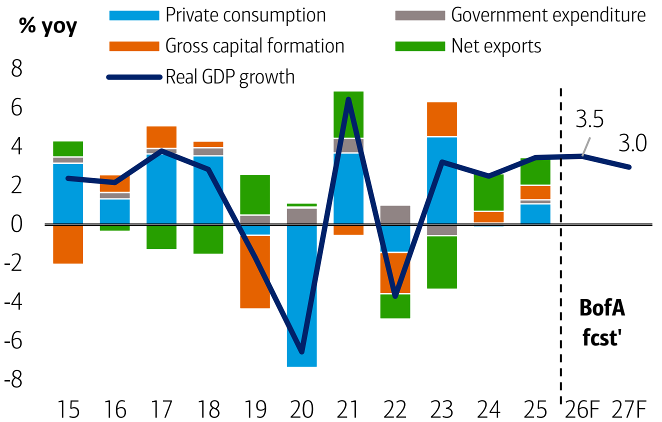
Despite cyclical improvements, structural challenges persist, including a shrinking labor force and limited economic diversification. To address these issues, the government has introduced major initiatives such as the Five-Year Plan and the Northern Metropolis project. These policies aim to enhance long-term growth through innovation, infrastructure, and deeper regional integration, though their effectiveness will depend heavily on execution and private-sector participation.

Strategy: Fed hikes may push USDHKD toward 7.85

HKD funding tightened notably in 2Q, with 1-month HIBOR rebounding to close to 3% from around 2.2% at end 1Q. Post the half year end and peak dividend payment season, HKD funding conditions could ease into late summer, particularly if the bearish momentum in the Hong Kong equity market persists.

On the FX side, USD/HKD has gradually moved higher to around 7.84, supported by a more hawkish Fed and renewed USD strength. Assuming Fed hikes are delivered as our US economists expect, the widening yield differential between US and HK could encourage more carry trades. We see a high likelihood of USD/HKD grinding higher toward 7.85 in 2H.

Exhibit 65: We upgrade GDP growth to 3.5% in 2026
Revised Hong Kong growth forecasts



Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 66: We expect spot HKD to stay close to 7.75 in 2026
HKD forecasts

	Q3 26	Q4 26	Q1 27	Q2 27
USD-HKD	7.85	7.85	7.83	7.82

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 67: CPI is likely little impacted by global energy shock
Summary of major forecasts

Hong Kong	2025	2026F	2027F
Real GDP (% yoy)	3.5	3.5	3.0
CPI (% yoy)	1.4	2.1	2.0
Policy Rate (end of period)	4.00	4.75	4.75
Fiscal Bal (%/GDP)	-2.8	0.1	0.7
CurAct Bal (%/GDP)	12.6	15.6	16.8

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

BofA GLOBAL RESEARCH

Malaysia: Keeping policy steady

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Merrill Lynch (Singapore)

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BofAS India

Themes: Preference to keep policy steady amid rising uncertainties

We revise our GDP growth forecast for 2026 up to 4.6% (from 4.2% earlier), with Malaysia's semiconductor sector to benefit from the global electronics upcycle. Other key growth drivers include generally healthy labour market conditions, realization of past investment approvals and robust tourism activities. Meanwhile, we expect headline inflation to rise above 2% in 2H26, but to stay within the official 1.5-2.5% forecast range for this year. This would be on the back of blanket petrol price cap and the government's sharpened focus on alleviating cost of living pressures ahead of possibly early general elections.

In our view, fiscal concerns are less severe than they appear. Malaysia remains a net energy exporter, with its LNG surplus more than offsetting the oil deficit. As such, we see higher fuel subsidy bill possibly accommodated by additional Petronas Dividends (typically announced in Aug). Meanwhile, we do not see an urgent need for BNM to hike policy rate. However, we keep an eye on risk of policy rate hike in Jan 2027 should demand-pull pressures intensify.

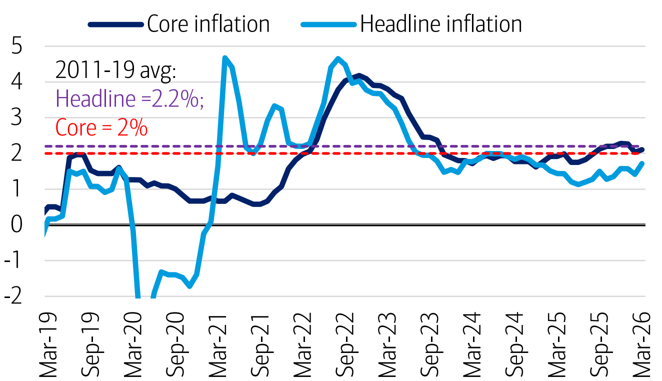
Strategy: Terms of trade mean-reversion and rising political risks

MYR's position as one of the few net oil & gas exporters in the region was reflected in crowded long MYR positions against other regional peers. This also led to sharp MYR NEER and REER appreciation which led to concerns around over-valuation. As oil prices declined on US-Iran de-escalation, unwinding of those positions have likely resulted in MYR weakness recently. Additionally, political uncertainty due to risk of early elections may have exacerbated the move for MYR. We believe Malaysia's external balances will remain in surplus and BNM's oversight of USD hoarding and exporter conversion ratios keeps a lid on hidden capital outflows. MYR's positive correlation with CNY is also beneficial in keeping it relatively stable during periods of USD strength. However, we may see risk of additional MYR weakness if USD strength picks-up pace. Higher US rates may further widen the interest-rate differentials against MYR and make carry more negative for long MYR positions. We revise our forecast for USDMYR to 4.15/USD by Sep'26 and 4.1/USD by end-2026 on expectations of USD strength.

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 68: Core and headline inflation (% yoy)
Inflation remain close to historical average



Source: BofA Global Research, Haver, DOSM

BofA GLOBAL RESEARCH

Exhibit 69: MYR forecasts for next 4 quarters
End-2026 forecast at 4.10/USD

	Q3 26	Q4 26	Q1 27	Q2 27
USD-MYR	4.15	4.10	4.05	4.05

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 70: Major macro forecasts
Risks tilted to upside for inflation and downside for growth

Malaysia	2025	2026F	2027F
Real GDP (% yoy)	5.1	4.6	4.5
CPI (% yoy)	1.4	2.2	2.0
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: Rates hiked in June, then Aug

Jojo Gonzales
Philippine Equity Partners

Abhay Gupta
Merrill Lynch (Singapore)

BSP hikes policy rates 25bp in June to 4.75%

The Bangko Sentral ng Pilipinas (BSP) increased its policy rate by 25bp in June, which was widely expected. Despite inflation coming in beneath BSP forecasts in May, the BSP increased its average 2026/27E inflation estimate to 6.4/4.5% from 6.3/4.3%. The BSP Governor also left the door open to a further hike in policy rates at their next meeting in August, which is consistent with our expectation of the policy rate reaching 5.0% within 3Q26. The peso briefly rallied in mid-June, gaining 2% to P60.315/$ in anticipation of the June rate hike by the BSP, but the rally was cut short by the hawkish message from the Fed at its June FOMC.

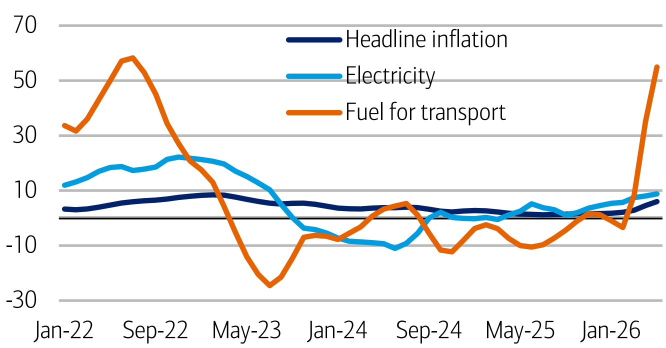
Truce may bring relief to growth, inflation

The Philippines is thought to be among the most vulnerable to the conflict in the Middle East as it is most dependent on imported oil from that region, and also the largest food importer. The truce between the US and Iran may lead oil prices lower, and subsequently domestic inflation. With oil easing, the remaining pressure point on consumer prices may be food – rice in particular – which has come up from its Dec lows.

Strategy – PHP exposed to higher US rates and USD strength

Oil price decline over the last month eased pressure on PHP leading to reduction in long USDPHP positioning. BSP's defense against PHP depreciation around 62/USD level also helped in shaping expectations around further weakness. If oil finds a bottom around USD 80 level then it may leave a wide enough CAD that would be difficult for Philippines to fund via capital flows. Philippines' wide twin deficits also increase its vulnerability to higher US rates by raising cost of external funding for the government and reducing hedging costs for foreign investors. That leaves PHP more sensitive to USD strength driven by repricing of Fed hiking expectations. We forecast USDPHP to reach 64/USD by end-2026 on USD strength and risk of oil prices staying above the comfort levels for Philippines, keeping external balance in deficit.

Exhibit 71: Truce may provide relief from spike inflation spike
Inflation peaked 11 months after oil prices spiked with Russia's invasion of Ukraine in 2022. The current spike replicates the 2022 experience. Relief may be forthcoming is the truce holds



Source: BofA Global Research

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Exhibit 72: PHP forecasts over 2026
PHP forecasted at 64.0/USD by end-2026

	Q3 26	Q4 26	Q1 27	Q2 27
USD-PHP	64.0	64.0	65.0	66.0

Source: BofA Global Research

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Exhibit 73: Major macro forecasts
We expect GDP growth to be fairly similar in 2025 and 2026

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: Electronics-driven growth lift

Kai Wei Ang
Merrill Lynch (Singapore)

Abhay Gupta
Merrill Lynch (Singapore)

Rahul Bajoria
BofAS India

Themes: Inflation hump to emerge only from 3Q26

We revise our GDP growth forecast for 2026 up to 3.4% (from 2.5% earlier), with near-term growth bolstered by broad-based domestic electronics upcycle (across semis, disk media and PCs). Meanwhile, labour market conditions remain healthy, and should keep domestic demand expanding at around trend-pace.

We expect inflation hump to emerge only from 3Q26, considering backloaded jump in electricity tariffs and travel-related expenses, and mandated wage increase for F&B services staff from Jul 2026.

We think that stable core inflation prints through 2Q26 would allow MAS to assess risks surrounding both near-term inflation and medium-term growth outlook. Our base case remains for MAS to keep policy unchanged for some time, but we keep an eye on the risk of further tightening in Oct 2026, should concerns over demand-pull inflation risks intensify.

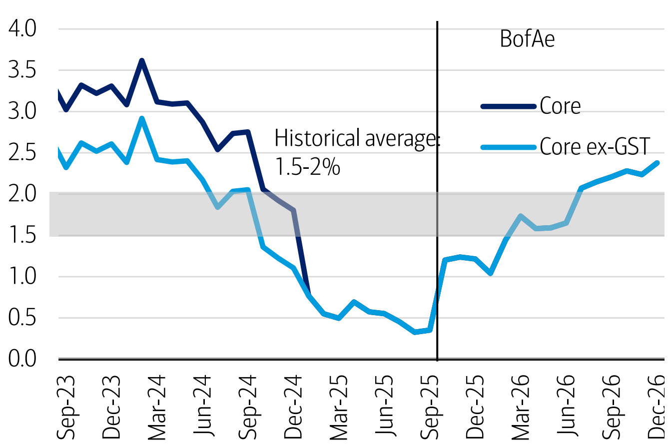
Strategy: SNEER likely to remain range-bound

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 this year support further tightening expectations but dovish policy bias may reduce expectations of imminent tightening. Moreover, USD strength may further trigger SNEER correction, keeping it closer to bottom of our expected range within the band. Low rates have reduced carry on short SGD NEER but lower rates also increase MAS reliance on FX appreciation to tighten financial conditions. That makes it undesirable for MAS to see larger SNEER corrections within the band. That would keep SNEER range-bound for now. On bi-lateral basis, USD strength would remain the key driver for USDSGD that makes us revise our forecast for end-2026 to 1.295/USD from 1.25/USD previously. This is driven by Fed hike expectations that may support USD via wider rate-differentials vs peers.

Upside risk to inflation, and downside risk to growth

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

Exhibit 74: Core inflation forecast
We see core inflation above the historical average in 2H26



Source: BofA Global Research, Haver

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Exhibit 75: SGD forecasts for next 4 quarters
End-2026 forecast at 1.295/USD

	Q3 26	Q4 26	Q1 27	Q1 27
USD-SGD	1.300	1.295	1.290	1.285

Source: BofA Global Research

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Exhibit 76: Major macro forecasts
We see growth staying above potential pace

Singapore	2025	2026F	2027F
Real GDP (% yoy)	5.0	3.4	2.3
CPI (% yoy)	0.9	2.0	2.2
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: Upgrade GDP forecasts

Xiaoqing Pi
Merrill Lynch (Hong Kong)

Upgrade 2026/27 GDP growth forecasts

We upgrade Taiwan GDP growth forecasts to 12.0% and 7.0% for 2026 and 2027, respectively, from previously 7.2% and 4.0%. Exports have been expanding at a faster pace than we previously anticipated, which in turn has supported stronger capex. The government has effectively secured natural gas supply, absorbed fuel price increases, and frozen power tariffs, thereby limiting the drag from higher energy costs on growth momentum. Beyond AI- and export-led expansion, consumers have benefited from steady income growth, wealth effects, and improving sentiment, and we expect consumption to emerge as a second growth engine this year.

We expect CPI inflation to average 2.0% this year and 1.7% next year. Headline CPI inflation will likely hover around or slightly above 2% over the rest of the year even as oil prices may moderate, given yoy TWD depreciation and solid domestic demand provide support to both headline and core inflation

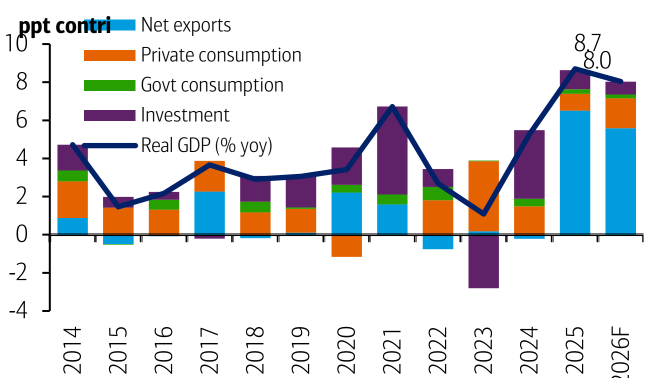
The stronger growth outlook and firming inflation are likely to prompt further monetary tightening. We maintain our call for two 12.5bp rate hikes in September and December, reflecting rising inflationary pressure. At the same time, policymakers are likely to continue using administrative measures to contain energy costs, including caps on fuel prices and stable power tariffs. Fiscal policy is also likely to remain supportive, with the proposed child subsidy potentially adding to consumption momentum.

Strategy: USDTWD to remain range-bound

USD/TWD has traded within a narrow range over the past two months. However, with BofA now expecting three Fed hikes in September, October, and December, we believe low-yielding currencies such as the TWD could face more downward pressure in the second half of the year. The TWD's low volatility profile also makes it an attractive funding currency in carry trades. We therefore revise our year-end USD/TWD forecast higher to 32.0, from 30.8.

Both Taiwan and Korea have benefited from robust tech exports related to AI, but there are key differences. Firstly, relative to Korea's record amount of foreign equity outflows (around US$78bn), Taiwan only had around US$6bn cumulative outflows ytd. Besides, CBC has also been more active in containing FX volatility in comparison to the Korean authorities. We expect TWD to continue outperforming KRW in 2H26.

Exhibit 77: We expect 2026 GDP growth at 8.0% yoy
Taiwan GDP contribution by expenditure



Source: BofA Global Research, DGBAS

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Exhibit 78: USDTWD forecasts into 2027Q2
We look for 32.0 for end-2026

	Q3 26	Q4 26	Q1 27	Q2 27
USD-TWD	31.8	32.0	31.8	31.5

Source: BofA Global Research estimates

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Exhibit 79: 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: Temporary inflation relief

Pipat Luengnaruemitchai
Kiatnakin Phatra Securities

Abhay Gupta
Merrill Lynch (Singapore)

Theme: Temporary inflation relief in May

Thailand's headline inflation in May slightly declined to +2.79% YoY from +2.89% YoY in April, while increasing +0.17% MoM. The main drivers were softer energy prices and negative raw food prices. Core inflation increased, suggesting that second-round effects are emerging in prepared food prices and transport fares. CPI inflation is expected to average around 4.0% YoY in 2H26 due to the base effect of energy prices and the pass-through effect that is concentrated in the prepared food category.

Under the base case of no further significant rise in oil price and limited second round effects, the Bank of Thailand is unlikely to respond to supply-side inflation particularly when the overall economy remains weak and will most likely keep the policy rate unchanged for the rest of 2026. The Fiscal program of Bt400bn is likely to provide relief on overall economic activities in 2H2026.

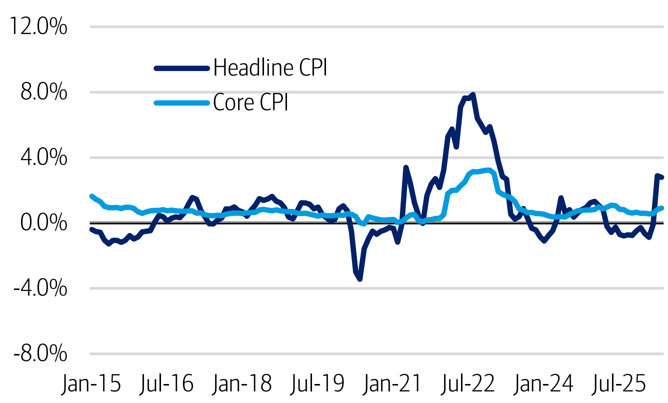
Key risks

Rate hikes by global central banks create more pressure on the BOT and risk currency depreciation down the road. Further fiscal program in the future to avoid fiscal cliff could accelerate public debt to GDP level and add more pressure on fiscal debt sustainability and long-term bond yields.

Strategy: THB weakness on low CA and high USD-beta

Thailand CA tends to worsen this quarter and next due to weak tourism seasonality and income-repatriation flows. Higher imports and dependence on energy imports have added to these headwinds, pushing CA flows into negative territory this quarter. We believe this has further increased THB's sensitivity to the oil price spike, USD swings and market volatility. De-escalation of Iran war initially led to THB appreciation due to weaker USD, lower oil and unwinding of crowded bearish THB positions. But a higher floor on oil prices in 2H (above USD80) may keep THB on a weaker footing for now, underpinning our forecast for USDTHB to reach 33/USD by 2Q'2026 and slower appreciation pace in 2H to 32/USD by end-2026. Recent USD strength would increase the risk towards further THB depreciation due to THB's high-beta to USD.

Exhibit 80: Headline CPI vs Core CPI (%YoY)
Headline CPI inflation remained stable in May



Source: MoC

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Exhibit 81: USD/THB forecasts for 2026-27
End-2026 forecast at 32/USD.

	Q3 26	Q4 26	Q1 27	Q2 27
USD-THB	32.7	32	31.5	31.5

Source: BofA Global Research

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Exhibit 82: Major macro forecasts
We look for GDP growth to slow over medium-term

Thailand	2025F	2026F	2027F
Real GDP (% yoy)	2.4	1.9	2.1
CPI (% yoy)	-0.1	3.0	0.3
Policy Rate (end of period)	1.25	1.00	1.00
Fiscal Bal (%/GDP)	-4.8	-4.3	-3.8
CurAct Bal (%/GDP)	3.1	-0.7	0.0

Source: BofA Global Research

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EEMEA

South Africa: growth holds despite shock

Tatonga Rusike
MLI (UK)

Growth holds despite energy shock

Despite 1Q GDP data outperforming our baseline, the outlook for 2Q is notably weaker as the economy absorbs the impact of an energy shock. We expect growth to stall on a quarterly basis (0% q/q), reflecting downside pressures on trade and services, alongside a likely moderation in household consumption amid higher inflation and the onset of a moderate hiking cycle, in our view. As a result, we have revised down our 2Q growth profile but leave our full-year 2026 GDP forecast unchanged at 1.3%. The stronger-than-expected start to the year helps anchor overall growth comfortably above the 1% mark, despite the near-term loss of momentum. Mining sector continues to provide support through higher prices for gold and platinum group metals.

Consumption headwinds, but less severe than past cycles

Downside risks to household consumption are building from the energy shock, higher interest rates, and rising inflation. However, the drag is likely to be less severe than in previous tightening episodes. In 2022, consumption slowed sharply to 0.1% before contracting in 3Q and remaining weak through 4Q, while in 2023 it declined in three of the four quarters amid an aggressive hiking cycle. By contrast, consumption recovered strongly from 2Q 2024 as the tightening cycle ended and rates began to ease. Given that the current cycle is expected to be relatively shallow—limited to around two hikes-the impact on consumption should be more moderate, pointing to a slowdown rather than a sustained contraction.

Exhibit 83: Quarterly inflation, policy rate and exchange rate forecasts
Strong USD will likely lead to weaker ZAR in 3Q before a recovery in 2027.

		3Q26	4Q26	1Q27	2Q27
Quarterly CPI		4.4	4.7	4.7	4.1
Repo path		7.25	7.25	7.25	7
USD-ZAR		16.80	16.50	16.30	16.00

Source: BofA Global Research

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Monetary policy outlook: one more hike

One policy rate outlook remains unchanged. We expect SARB to hike again in July following the first hike in May. Policy rate would peak at 7.25% and remain on hold for the rest of the year. Inflation is rising- 4% in April, likely peaking close to 5% by February 2027. We expect headline inflation to average 4.3% this year. Our baseline is contingent on a peace deal with Iran near term and the re-opening of strait of Hormuz. Should the conflict escalate or continue into 2H 26 with oil prices above $100, we see risks of higher inflation and likely further rate hikes.

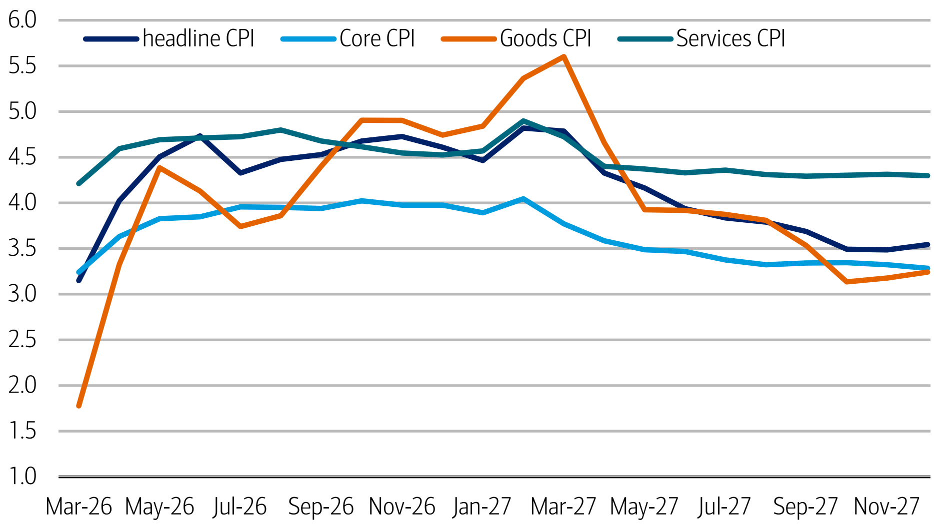
Food inflation a risk for early 2027

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.

Anchoring progress: the case for fiscal rules

South Africa is debating adopting fiscal rules on spending, deficits, or debt limits. So far, the appetite for binding numerical targets appears limited, but we think fiscal anchors can help SA bring debt-to-GDP down more firmly and create a path towards regaining investment grade rating. The current fiscal framework targets a fiscal deficit of 3% of GDP by 2028. However, this is a trajectory, not a rule. This level would ensure primary surpluses above 2%, leading to a material reduction in debt-to-GDP. While borrowing costs are declining, the growth outlook remains vulnerable to the current energy shock, which could undermine the fiscal trajectory without strong anchors.

Exhibit 84: South Africa CPI trends and projections (%year on year)
We forecast headline CPI to peak around 5% in 1Q 27 before decelerating to 3.5% year end 2027



Source: Haver, BofA Global research

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Ratings upturn but investment grade not yet in sight

South Africa is experiencing ratings upgrades. S&P has upgraded to BB/positive (Nov 2025), Fitch BB/stable (June 2026) and Moody's (May 2026) have moved to a positive outlook on its Ba2 rating. The positive actions were based largely on fiscal improvements and progress on economic reforms. Over the next 12 months, we see further upgrades to BB+ (Moody's and S&P). However, to regain investment grade, South Africa would need much higher GDP growth (closer to 2%) consistently, and/or better fiscal and debt metrics - debt-to-GDP firmly trending down to 60-70% and interest to revenue <15%. Fiscal rules can help to secure investment grade status, though this is unlikely before 2028 or the 2029 political cycle.

Exhibit 85: Macro forecasts
GDP growth forecast unchanged at 1.3% in 2026.

South Africa	2025	2026e	2027f
Real GDP (% yoy)	1.11	1.30	1.54
CPI (% yoy)	3.22	4.18	4.03
Policy Rate (end of period)	6.75	7.25	6.25
Fiscal Bal (%/GDP)	-4.27	-4.18	-4.08
CurAct Bal (%/GDP)	-0.46	-0.10	-0.90

Source: BofA Global Research

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Strategy: the ZAR to underperform forwards in Q3

Given a more challenging outlook for EM FX, we believe the rand is likely to weaken more than forwards imply in Q3 given that it is a high beta to EM risk.

Türkiye: Lower oil prices improve outlook

Hande Kucuk
MLI (UK)

Themes: The mood has become more positive

Since the start of the war, markets have been focused on its implications for the current account, reserves and inflation, particularly with oil prices rising above $110/barrel (bbl) and risks of Hormuz disruptions fueling broader commodity pressures. More recently, news of a US-Iran deal and a path towards reopening Hormuz has driven oil prices down to c.$80/bbl, easing upside risks to both inflation and the current account. Reflecting this shift, focus has shifted to when and by how much the Central Bank of the Republic of Türkiye (CBRT) could move to ease funding costs.

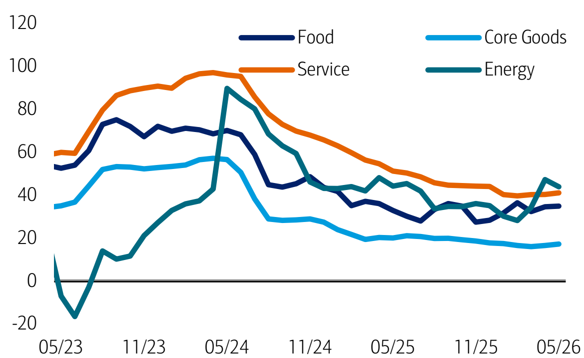
A relatively benign near-term inflation outlook

Monthly inflation is expected to moderate further in June to 1.04% month on month, according to our forecast (from 1.71% in May). Given last year's June inflation level at 1.37%, headline inflation should resume its decline (to 32.2% year on year, according to our forecast) after a two-month hiatus, which saw it rise to 32.6%. CBRT leading indicators suggest a declining underlying inflation trend in June driven by services versus a flat trend in core goods.

Next move from CBRT likely an effective easing in rates

While July is a month of automatic tax adjustments (on fuel and tobacco), food and oil prices will likely limit the rise in monthly inflation. Besides, the Ministry of Finance might set tax adjustments below the statutory amounts, as was done in January. While base effects should support disinflation in July-September, the process is likely to be gradual given sticky core inflation, back-to-school pricing risks and potential one-off adjustments in relative prices, though the ongoing slowdown in domestic demand may partly offset these risks. We now see end-year inflation at 29.5% (versus 30% previously) and expect effective easing in the Turkish Lira Overnight Reference Rate (TLREF) to start in July to 38.50-39%, reaching 37% by end of August. We then factor in one 100bp cut in October to 36% to end the year (versus 37% previously). Risks are tilted for faster normalization of TLREF to 37% by the July meeting and two cuts instead of one to end the year at 35%.

Exhibit 86: Main CPI Components (% year-on-year)
Broad-based rise in April inflation led by energy



Source: Haver, BofA Global Research

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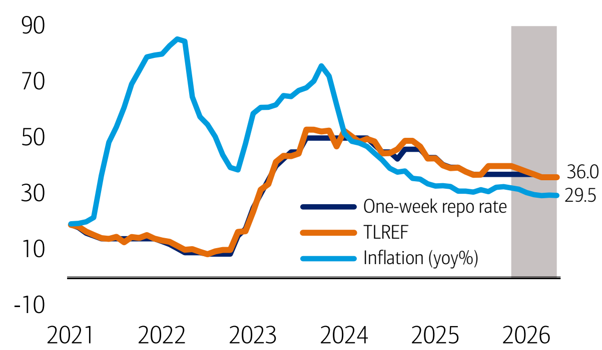
Exhibit 87: Inflation and Rates Projections (%)
We revised end-year inflation to 30%, repo rate to 37%



Source: Haver, BofA Global Research

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Risks to the current account deficit are contained

Risks around energy trade deficit have largely abated given with oil prices now expected to average $70-80/bbl in most of 2H26 versus $90-95/bbl before according to our commodity strategists. Meanwhile, Turkish exports posted a strong rise in April-May, while non-energy imports posted a sharp contraction. Moreover, the decline in gold prices has contained demand for gold imports. Looking ahead, some of the strength in exports might prove to be temporary, but the recent tightening in loan growth caps and high real rates are likely to keep non-energy import growth subdued. Finally, despite some decline in tourist numbers compared to last year, tourism revenues have held up well due to composition effects, i.e. higher spending per tourist. Accordingly, we revise our 2026 current account deficit forecast to $52bn (3.0% of GDP) from $60bn (3.4% of GDP).

Reserves expected to stabilize over the summer months

The near-term outlook on inflation and the current account balance (favourable seasonality in tourism revenues in particular) are expected to support the carry-trade and tactical trade opportunities in TURKGBS and equities over the summer months, paving the way for some reserve accumulation by the CBRT.

Rising domestic political uncertainty had initially led to foreign sell-off amounting to $12bn net FX sales (according to our calculations) in the immediate aftermath of May 21 court ruling, but since then dollarization has remained limited, especially among local retail investors. The CBRT's net FX position excluding swaps and gold valuation effects, have risen around $18-19bn month-to-date in June (post Eid holiday), accelerating in the week of June 15 following the announcement of a draft memorandum of understanding between US and Iran.

Forecasts

We see inflation at 29.5%, policy rate at 36%, growth at 2.8%, and current account at -3%.

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 88: CBRT Net FX Position (excluding swaps and gold price effects, $bn)

Net FX position recently recovered back to $30bn

Source: Haver, BofA Global Research

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Exhibit 89: TRY forecasts

We expect TRY to appreciate in real terms

	Q3 26	Q4 26	Q1 27	Q2 27
USD-TRY	49.3	51.7	53.6	55.6

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 90: Major macro forecasts

Geopolitical shocks increase uncertainty on the macro outlook

Türkiye	2025	2026F	2027F
Real GDP (% yoy)	3.6	2.8	4.2
CPI (% yoy)	30.9	29.5	26.0
Policy Rate (end of period)	38.0	36.0	32.0
Fiscal Bal (%/GDP)	-2.9	-3.5	-4.3
CurAct Bal (%/GDP)	-1.9	-3.0	-2.9

Source: BofA Global Research

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Czech Republic: pre-emptive hikes

Mai Doan
MLI (UK)

Themes: CNB on tightening bias on core persistence and ECB/Fed hikes
Lower oil would, in isolation, open room for more dovish monetary policy, but we opt to keep our call for one additional 25bp rate hike this year to 4.0%. Admittedly, this is now a close call. But with the Fed and the ECB on course to hike, the CNB may have some institutional incentive to demonstrate strength and independence, and deliver another pre-emptive hike. We then see rates on hold at 4.0% through 2027.

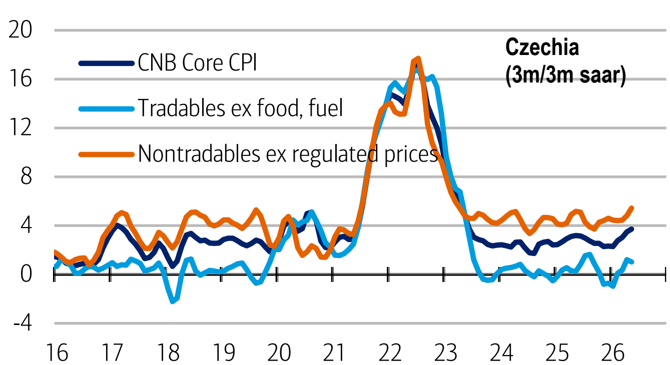
The Czech National Bank (CNB) unexpectedly turned hawkish in early June and hiked the base rate to 3.75% on 18 June, given growing concerns about second-round effects amid a prolonged period of elevated oil prices. This is against the backdrop of lingering domestic inflation risks. Wages, house prices and credit dynamics remain key sources of caution. Wage growth accelerated to 8% yoy in 1Q, well above levels consistent with a sustained return to the 2% target. Housing markets remain firm, with price growth still in double-digit rates. Credit growth is also accelerating: household loans have climbed steadily to c.10% yoy, while corporate credit has strengthened to c.18% yoy.

May CPI inflation moderated to 2.1% yoy from 2.5%, but the underlying details are somewhat less comforting for the central bank. Core inflation held at 2.9% yoy, slightly above the staff forecast of 2.8%, while services accelerated to 4.6% yoy. In 3m/3m saar, core CPI rose further to 3.7%, and services to 5.4%.

On fiscal, the discussion at London Small Talks Symposium points to a meaningful shift in Czechia's fiscal mindset: public support for budget restraint has weakened relative to previous years. In the coming year, fiscal numbers remain manageable, with the deficit likely to be around 3% or slightly above in 2027. However, the erosion of consolidation discipline, combined with persistent spending pressures and a more permissive political mindset, points to a structurally wider deficit path in the years ahead. With fiscal policy becoming incrementally looser, monetary policy is justified to remain cautious, especially in an economy with limited spare capacity.

Strategy: CZK to depreciate more than forwards imply
A stronger dollar should weaken the koruna even if the CNB ultimately hikes one more time.

Exhibit 91: Czechia – underlying CPI momentum rising steadily explains CNB's hawkish action
Underlying CPI measures (3m/3m saar)



Source: Haver, BofA Global Research

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Exhibit 92: CZK forecasts
Near-term weakness hawkish Fed

	Q3 26	Q4 26	Q1 27	Q2 27
EUR-CZK	24.6	24.3	24.0	23.7

Source: BofA Global Research

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Exhibit 93: Major macro forecasts
CNB hikes on CPI persistence and solid GDP growth

Czech Rep	2025	2026F	2027F
Real GDP (% yoy)	2.6	2.0	2.4
CPI (% yoy)	2.5	2.0	2.4
Policy rate (%, end of period)	3.50	4.00	4.00
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: beneficiary of Iran ceasefire

Jean-Michel Saliba
MLI (UK)

View: beneficiary of Iran ceasefire, cautious if Iran war re-escalates

Authorities' orthodox response to 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 on a timely basis 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$53.1bn in May (6.3 months of import coverage), from US$33.2bn in September 2022. The Central Bank of Egypt (CBE) holds an additional US$11.0bn in Fx deposits not reported in reserves.

Weaker EGP has kept net foreign portfolio outflows contained to cUS$10bn (US$13-17bn outflows; US$6-7bn 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$7.7bn in April 2026.

Urban Consumer Price Inflation (CPI) inflation was 14.6% year-on-year (yoy) in May. 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.

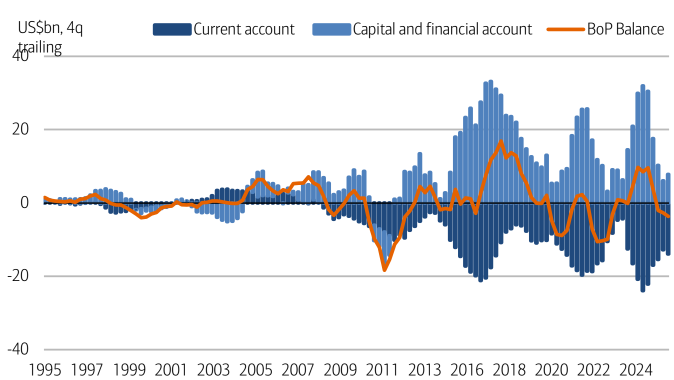
Forecasts: EGP flexible in both directions with IMF engagement

EGP is likely to gain flexibility, with near-term appreciation on inflows and a weakening bias if there are portfolio outflows. Uncertainty on 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 over the IMF program duration.

Drivers

CBE Monetary Policy Committee meeting (9 July 2026), reform momentum, IMF Extended Fund Facility reviews, fiscal and Fx reserves data, Fx flexibility, geopolitics.

Exhibit 94: 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 95: EGP forecasts
USD/EGP bias post-IMFwill likely be for less flexibility

	Q3 26	Q4 26	Q1 27	Q2 27
USD-EGP	51.0	51.0	51.0	51.0

Source: BofA Global Research

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Exhibit 96: Major macro forecasts
Forecasts uncertain due to the Iran war aftermath

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	16.00
Fiscal Bal (%/GDP)	-8.5	-7.5	-7.0
CurAct Bal (%/GDP)	-4.4	-4.8	-4.3

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

BofA GLOBAL RESEARCH

Hungary: ERM2 supports +ve sentiment

Mai Doan
MLI (UK)

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

Our London Small Talks Symposium reveals a strong commitment across the administration to EUR adoption, with potential ERM2 entry before the end of the current parliamentary term (April 2030), earlier than we had previously envisaged. Key milestones to watch are end-summer for the 2026 budget revision, and end-October for the medium-term fiscal plan and EUR roadmap.

Balancing the impact of lower oil prices and a more hawkish Fed, we still see large easing room in Hungary, supported by a declining risk premium, sharply lower inflation outlook, and, in our view, limited HUF depreciation risks. In fact, the National Bank of Hungary (NBH) has started cutting on 23 June to 6.0%, and signalled a mini easing cycle through the summer. But later on, we think policy will proceed with caution given a hawkish Fed and the need for the NBH to re-anchor inflation expectations ahead of eventual ERM2 entry. We lower YE2026 base rate by 25bp to 5.25% to mark-to-market more front-loaded NBH cuts, but keep our YE2027 forecast at 4.50%.

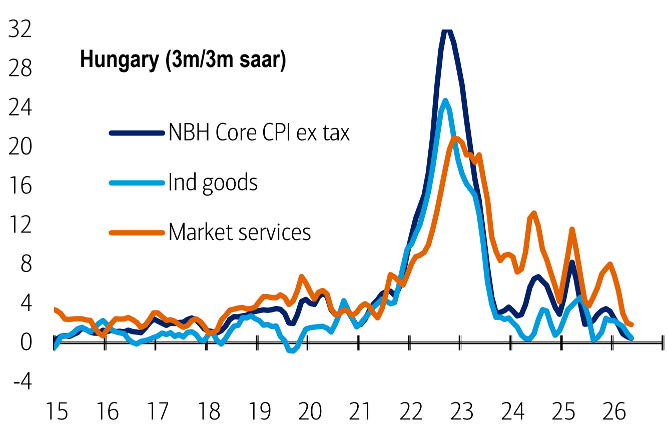
As part of the move toward ERM2, the inflation target will likely be revised down from 3%, probably to 2.5%, bringing it closer to the ECB's 2% target. A lower CPI target would require relatively tighter monetary conditions than under a 3% target, but this does not imply tighter conditions relative to today, when ex-post and ex-ante real rates are well above 300bp. Recent CPI developments have been positive, with both goods and services momentum moderating (to c.2% and <1%, respectively). We expect headline inflation to trend below 3% in the coming year.

Investors and rating agencies retain some reservations about the fiscal outlook, given the high deficit starting point (close to 7% of GDP in 2026). The government also plans to deliver on its election programme as budget savings materialise. With a credible fiscal and EUR/ERM2 plan, we think Hungary's credit ratings could move off negative outlook from late 2026. A positive outlook could follow next year, with an outright upgrade possible from 2028.

Strategy: weaker HUF than forwards imply in Q3

The HUF should underperform forwards in Q3 driven by weaker EM FX and dovish NBH.

Exhibit 97: Hungary – positive disinflation progress strengthens the case for NBH cuts
Underlying CPI measures (3m/3m saar)



Source: BofA Global Research

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Exhibit 98: HUF forecasts
Near-term weakness on hawkish Fed, but medium-term bullish case intact

	Q3 26	Q4 26	Q1 27	Q2 27
EUR-HUF	357	353	350	347

Source: BofA Global Research

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Exhibit 99: Major macro forecasts
Macro outlook significantly improves under new government

Hungary	2025	2026F	2027F
Real GDP (% yoy)	0.4	1.9	3.0
CPI (% yoy)	4.4	2.0	2.5
Policy rate (%, eop)	6.50	5.25	4.50
Fiscal bal (%/GDP)	-4.7	-6.5	-5.0
CurAct bal (%/GDP)	1.7	1.3	0.3

Source: BofA Global Research

BofA GLOBAL RESEARCH

Israel: BoI has room to ease

Hande Kucuk
MLI (UK)

Themes: Recent shekel weakness does not rule out cuts

Israel's growth outlook remains constructive, with a cyclical rebound underway following the Q1 contraction. High-frequency indicators point to a solid recovery, supported by stronger exports, a tight labour market, and resilient domestic demand. Investment remains above trend and credit growth is firm, while stronger fiscal revenues have improved the deficit (3.8% as of May vs. 4.7% at end-2025). We forecast real GDP growth at 3.6% in 2026, rising to 4.5% in 2027 as the recovery broadens, though risks remain tilted to the downside from supply constraints..

Inflation remains benign despite the energy shock, with headline at ~1.9% YoY and core near the lower bound. Tradables disinflation continues to benefit from earlier shekel strength, which should keep imported price pressures contained despite recent FX weakness. However, domestic pressures persist, with housing inflation at 4.0% YoY and wage-driven services inflation likely to remain firm. We see risks around our 12-month ahead inflation forecast of ~1.8% as broadly balanced, with CPI at 2.0% end-2026 and 1.9% end-2027. The BoI's reaction function remains focused on declining inflation expectations and the exchange rate; despite a more hawkish Fed, we expect two further 25bp cuts this year (July and November) to 3.25%.

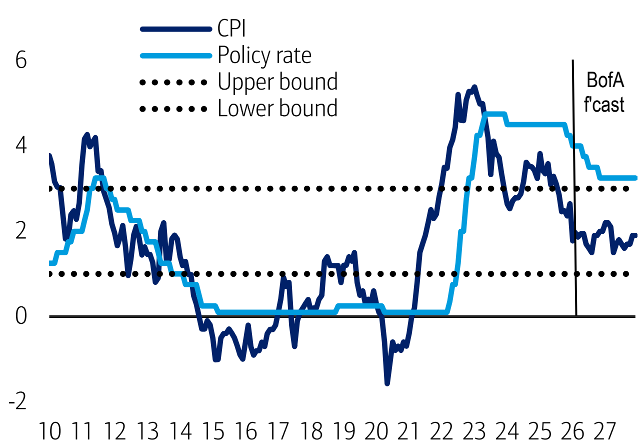
Forecasts – geopolitics is the main driver of the ILS and rates

We see BOI delivering two more cuts of 25bp in July and November to 3.25% terminal.

Risks: Uncertainty regarding the conflict is the 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 100: Inflation and Rates (%)
Inflation to remain choppy but within target



Source: Haver, BofA Global Research

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Exhibit 101: ILS forecasts
ILS enjoys LT appreciation bias, but ST weighed by uncertainty

	Q3 26	Q4 26	Q1 27	Q2 27
USD-ILS	3.10	3.05	3.00	2.95

Source: BofA Global Research

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Exhibit 102: Major macro forecasts
Economy will recover slowly

Israel	2025F	2026F	2027F
Real GDP (% yoy)	2.9	3.6	4.5
CPI (% yoy, eop)	2.6	2.0	1.9
Policy rate (%, eop)	4.25	3.25	3.25
Fiscal bal (%/GDP)	-6.5	-5.3	-5.1
CurAct bal (%/GDP)	1.5	1.4	2.0

Source: BofA Global Research

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Kazakhstan: 100bp start to l-t cycle

Vladimir Osakovskiy >>
Merrill Lynch (DIFC)

The cycle starts …

National Bank has delivered 100bp rte cut in June, which we see as the start of a structural long term easing cycle (see: Kazakhstan Watch 08 June 2026). Continued inflation slowdown was the key driver trigger for the move as inflation has slowed to just 10.4% yoy in May down from 12.3% yoy at the start of the year. The Bank has also cut its CPI forecast for the year to 9-11% and still expect it at 5% target in 2028. We think that with structural macro improvements on the back of ongoing fiscal consolidation and normalizaiton of KZT liquidity flows the inflation could reach 5% target even earlier (i.e. end-27. Thus, the slowdown will also be supported by a strong base effect from 4pp VAT hike this year, which will be fully priced out by early 2027.

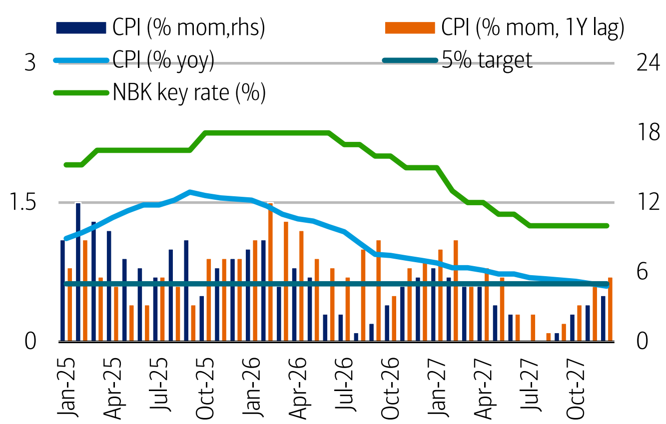
… which should be a long term structural easing

We reiterate our view (see: Discover a whole new world 11 May 2026) that fiscal consolidation this year create path for a broader normalizaiton growth after several years of overheated expansion. On the back of stabilization of KZT liquidity flows, this should put inflation on a steady structural disinflation, making achievement of 5% target much more credible within 1.5-2Y horizon. Once this happens, the Bank should be in a position to bring its policy rate to a neutral level, which we see at 9-10%, suggesting up to 700bp in rate cuts over the period. The cycle, however, may be uneven and may feature pauses in cuts. Thus, the disinflation could be disrupted by delayed tariff indexations, which may push National Bank to pause despite positive long term outlook.

KZT: seasonal headwinds, but already undervalued

KZT has entered negative seasonality period, which will continue throughout summer. The seasonality is set by traditional recovery in imports as well as rising corporate dividend payments, which may weigh on KZT valuations. However, note that the currency has already notably corrected in May and according to our valuation model is currently some 2-3 undervalued. KZT correction will also likely stop any FX buying for the State Pension Fund, which will boost net FX sales from the Oil Fund/gold purchases back above $1bn per month and provide additional support to the KZT in the near future.

Exhibit 103: Slowing inflation to support another 700bp in cuts by 27'eop
Fiscal consolidation, base effect from VAT hike as key disinflation drivers



Source: NBK, Bloomberg, BofA Global Research estimates

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Nigeria: CBN on hold for longer

Loic Porte
MLI (UK)

CBN on hold for longer

The Central Bank of Nigeria is still prioritising credibility. By keeping the policy rate at 26.5% in May, it is signalling that inflation risks still outweigh any near-term case for easing, even as the recent uptick remains relatively modest. We expect inflation to remain sub-20% by end-2026 before easing back toward 14% by end-2027, which should keep the CBN on hold through the rest of this year. Our base case remains for a 350bps easing cycle in 2027, but only once inflation is clearly on a firmer downward path and real rates can still be preserved in the 9-10% range.

External story is strong but might cool with oil prices

Nigeria's external position remains one of the more constructive parts of the macro story. Current account surpluses, stronger inflows and a more orderly FX market are supporting reserve accumulation, with gross reserves now approaching US$50bn and still offering scope to rise further over time. That said, if oil prices start to normalise on the back of a truce in Hormuz, the pace of reserve build-up could slow, and the naira may remain broadly range-bound around current spot levels rather than continue to strengthen materially. Even so, the broader picture remains supportive, with improved FX liquidity and more credible two-way price action helping rebuild confidence.

Fiscal noise still clouds an otherwise improving story

Fiscal policy remains the main inconsistency in an otherwise improving macro mix. A statistical discrepancy of around 2.7% of GDP in 2025 points to spending outside the budget and suggests the true fiscal impulse may be less benign than headline numbers imply. Still, the direction of travel over the medium term is clearer. Stronger revenue mobilisation, slower capex growth and better-targeted social transfers should help shift the stance from expansionary to more neutral. We expect the deficit to narrow from around 5% of GDP to 3% of GDP in 2027 as election-related spending pressures fade once the 16 January 2027 general elections are behind us.

Exhibit 104: Oil exports support the Naira in the medium-term even if its effect should decline
USD/NGN exchange rate

		3Q 2026	4Q 2026	1Q 2027	2Q 2027	
USD-NGN		1,375	1,375	1,375	1,375	

Source: BofA Global Research

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Poland: oil down, Fed up, NBP on hold

Mai Doan
MLI (UK)

Themes: fading energy headwinds, but policy constrained by hawkish Fed

Fading headwinds from energy and resilience in 1H activity contribute to our 2026 GDP upgrade to 3.2% (+0.2pp). Private consumption remains solid, with retail sales trending around 4.5% yoy, reflecting robust labour markets and strong households' balance sheets. EU funds cycle is also positive with significant payments from the recovery programme this year, supporting fixed investment growth in the coming quarters.

Lower oil prices and downside surprises in food in recent months lead us to cut our inflation projections, with 2026 average likely at just under 3% and 2027 average close to the 2.5% target. Core inflation, however, remains more sticky at 3.1% yoy in May. In particular, services momentum has re-accelerated, exceeding 5% in 3m/3m seasonally adjusted annualized rate.

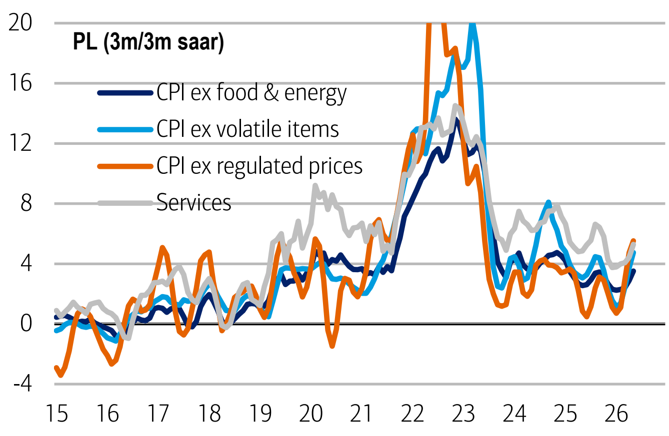
Lower oil would, in isolation, open room for a more dovish National Bank of Poland (NBP). However, monetary policy will likely be constrained by a more hawkish Fed and associated FX sensitivities. High real rates and a lower inflation starting point generally allow the central bank to wait and see instead of reacting pre-emptively. Policy makers watch second round effects, rather than headlines, are the main risk. We maintain our call for stable rates at 3.75% through next year, with balanced risks.

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 around 60% of the 2026 borrowing needs, so there is a good buffer in place. But pressure will arise if 2027 election pressures necessitate more fiscal spending.

Strategy: the zloty to weaken more than forwards imply in Q3

With the outlook for EM FX becoming more challenging as a result of a hawkish Fed, the PLN should weaken more than forwards imply. The PLN also looks overvalued on our BEER model.

Exhibit 105: Poland – underlying CPI momentum accelerating again
Underlying CPI measures (3m/3m saar)



Source: Haver, BofA Global Research

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Exhibit 106: PLN forecasts
Near term weakness on hawkish Fed

	Q3 26	Q4 26	Q1 27	Q2 27
EUR-PLN	4.33	4.28	4.25	4.22

Source: BofA Global Research

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Exhibit 107: Major macro forecasts
Solid GDP growth, while inflation to stay within target band

Poland	2025	2026F	2027F
Real GDP (% yoy)	3.7	3.2	2.8
CPI (% yoy)	3.6	2.7	2.5
Policy rate (%, eop)	4.00	3.75	3.75
Fiscal bal (%/GDP)	-7.3	-7.2	-7.0
CurAct bal (%/GDP)	-0.9	-1.8	-1.7

Source: BofA Global Research

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Romania: fiscal creates buffer ST

Mai Doan
MLI (UK)

Themes: unstable politics yet to affect fundamentals, but risks rising LT
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.

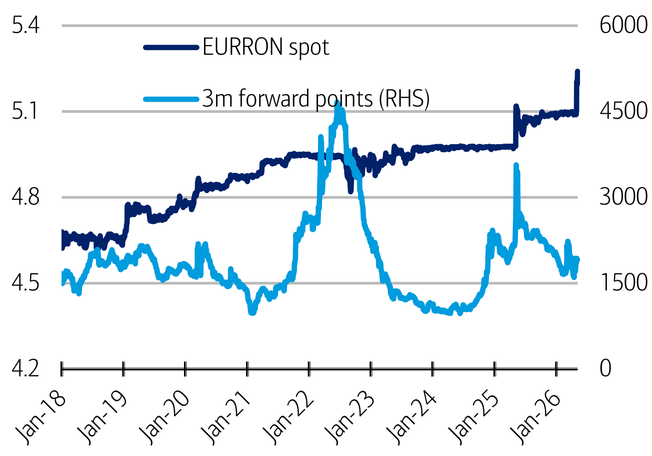
The 2026 deficit target of 6.2% of GDP is achievable, with scope for a decent undershoot. Year-to-date budget execution has been stronger than expected, supported by solid revenue collection and tighter spending control at the start of the year. This provides a better near-term backdrop than markets/ratings agencies had feared. The most tangible risk in the coming months is the potential loss of some EU recovery funds.

Longer term, political uncertainty and prospects of more PSD influence in the government would undermine the fiscal path towards 3% of GDP. The challenge shifts to 2027-28, when further adjustment will still be needed but will become politically more difficult, potentially under a less stable and/or more populist government. The European Commission favours further consolidation through cuts to public investment (around 2% of GDP), rather than through wage freezes, pension restraint, or large tax increases.

Lower oil prices are a relief for the NBR, but with more hawkish Fed and political uncertainty, we see no room to ease in 2026. Stronger fiscal execution has helped cushion the ratings, but it is not enough on its own to shift the outlook. Rating agencies remain focused on whether Romania can demonstrate a credible path beyond this year. Market access, stable financing, and continued recovery programme implementation are all important positive signals, but a removal of negative outlooks is unlikely for now.

Strategy: no major depreciation in the short term
We do not think the central bank advocates further major RON depreciation from here, as inflation remains a concern.

Exhibit 108: 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 109: RON forecasts
NBR more flexible on RON given political crisis, but unlikely to let major RON depreciation

	Q3 26	Q4 26	Q1 27	Q2 27
EUR-RON	5.23	5.25	5.29	5.33

Source: BofA Global Research

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Exhibit 110: Major macro forecasts
Fiscal adjustments positive, but macro vulnerability still high

Romania	2025	2026F	2027F
Real GDP (% yoy)	0.6	0.0	2.5
CPI (% yoy)	7.3	8.0	4.3
Policy rate (%, eop)	6.50	6.50	5.75
Fiscal bal (%/GDP)	-7.9	-6.5	-6.1
CurAct bal (%/GDP)	-7.9	-5.8	-5.5

Source: BofA Global Research

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Saudi Arabia: likely quick to normalize

Jean-Michel Saliba
MLI (UK)

View: cautious

The Iran war means the path for Saudi oil production and oil prices in 2026 is uncertain. We expect Saudi Arabia to be able to ramp-up crude oil production quickly. However, Hormuz Strait normalization could take some time.

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 modestly 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.

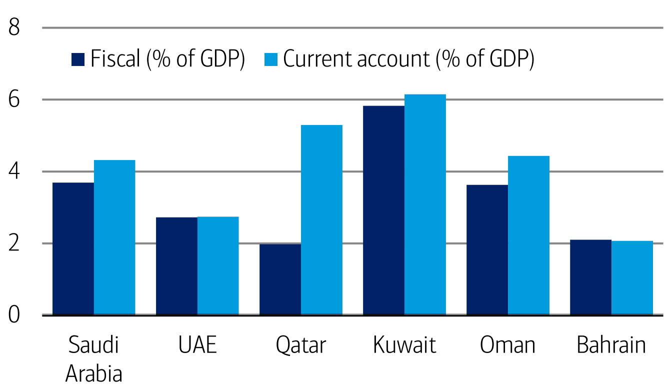
Forecasts: USD peg to hold

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 (5 July 2026), quarterly fiscal data report (September 2026), annual pre-budget statement (September 2026), annual budget statement (December 2026).

Exhibit 111: 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 112: SAR forecasts
We expect the USD peg to hold

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

Source: BofA Global Research

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Exhibit 113: Major macro forecasts
Forecasts uncertain due to the Iran war aftermath

Saudi Arabia	2025	2026F	2027F
Real GDP (% yoy)	4.5	0.6	6.1
CPI (% yoy)	2.1	2.4	2.0
Policy Rate (end of period)	4.25	5.00	5.00
Fiscal Bal (%/GDP)	-5.8	-5.3	-4.4
CurAct Bal (%/GDP)	-2.6	-2.2	-2.4

Source: BofA Global Research

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LatAm

Brazil

David Beker
Merrill Lynch (Brazil)

Natacha Perez
Merrill Lynch (Brazil)

Gustavo Mendes
Merrill Lynch (Brazil)

Inflation limits the room for rate cuts

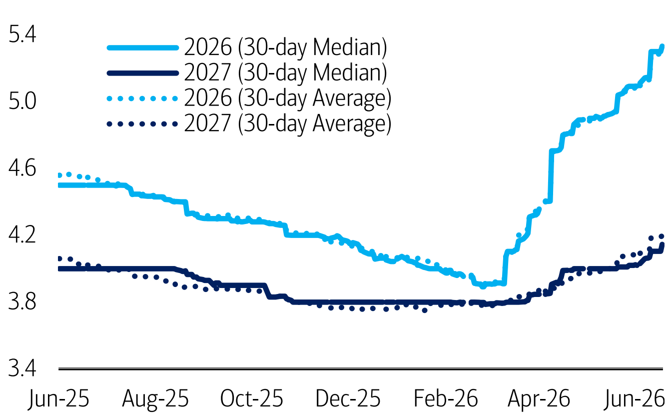
A few weeks ago, we revised our monetary policy call to a more hawkish stance by the BCB (Brazilian Central Bank), as the macro environment became less benign. We expect the Selic to end 2026 at 14.25% (from 13.25%), followed by an extended pause through mid-2027, when easing could eventually resume after the supply shocks effects fade away from the economy. For end-2027, we see the policy rate at 13.25% (from 12.50%). This change reflects a combination of deteriorating current inflation dynamics, rising inflation expectations, and a weaker BRL. At the same time, activity remains supported by continued fiscal and credit stimulus (see our report, Brazil: balancing popular measures and the fiscal rule), delaying the necessary adjustment in demand conditions. Importantly, additional upside risks from shocks such as El Niño and the 6x1 work shift change point to greater inflation persistence ahead, increasing inertia and complicating the policy trade-off.

In this environment, the room for further easing is limited, and the bar for additional cuts has become meaningfully higher, consistent with a return to a "higher-for-longer" backdrop. That said, we do not see rate hikes on the horizon. As inflation embarks on a convergence trajectory, but fiscal uncertainty looms, we expect four consecutive 25bp cuts in 1H28, followed by a pause until year-end. This would leave the Selic at 12.25% by YE28.

Inflationary shocks being absorbed by the economy

The recent deterioration in the inflation outlook, which motivated our policy rate review, reflects both external factors (prolonged war and El Niño) and internal ones (activity stimulus measures). We continue to expect inflation of 5.5% for YE26; however, we are raising our YE27 forecast to 4.7% (from 4.0%) to incorporate the inflationary effects of these events. As these shocks fade and rates remain at elevated levels, we expect IPCA to reach 3.5% by YE28.

Exhibit 114: Deterioration in inflation expectations contaminated 27'
IPCA expectations for full year



Source: BCB

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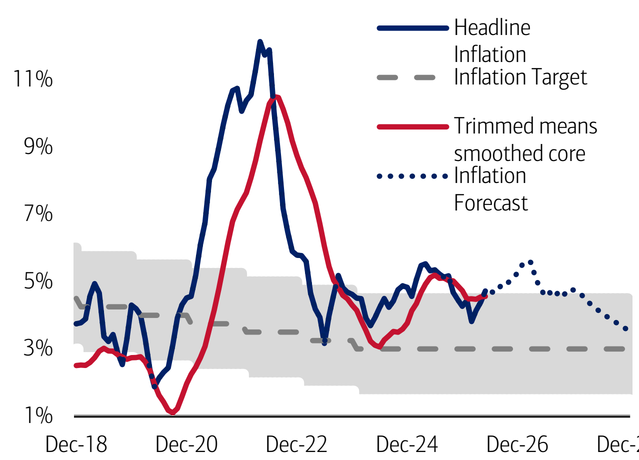
Exhibit 115: Inflation to pick up momentarily after the oil shock
Headline and core inflation (12m acc)



Source: IBGE, BCB, BofA Global Research

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Fiscal: working around the fiscal framework

On the fiscal side, the administration has been rolling out a series of measures to stimulate the economy and boost its popularity ahead of elections. However, as the deadline for announcing credit measures approaches, this type of stimulus should subside until year-end. The stimulus has been concentrated on quasi-fiscal and credit measures, which do not appear in the primary balance but do affect sovereign debt dynamics — the most relevant metric for assessing fiscal stability. That said, we incorporate into our forecasts a "muddle-through" scenario, in which minor changes are implemented by the government, while the growth of mandatory expenses continues to pressure the primary balance. We continue to expect primary deficits of 0.3% and 0.4% of GDP for 2026 and 2027, respectively, widening to 0.6% in 2028. Following our revised monetary policy call, we now project debt-to-GDP ratios of 83.1%, 86.8%, and 90.9% for 2026, 2027, and 2028, respectively. Robust fiscal reforms are necessary to sustain structurally lower interest rates and promote a virtuous investment-growth cycle in the Brazilian economy.

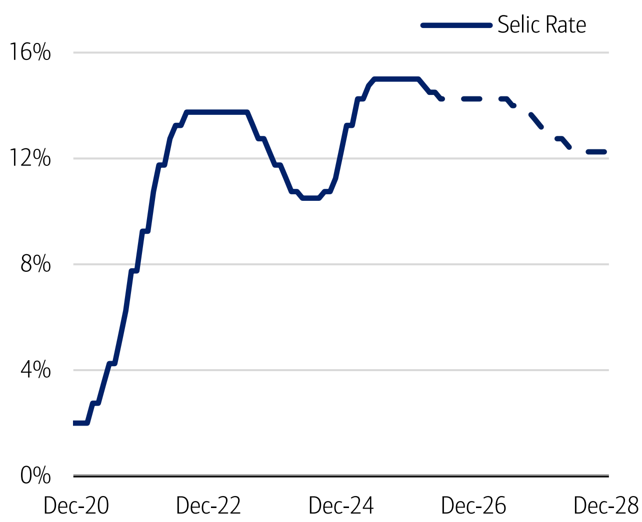
Activity to decelerate on lower stimulus

We expect activity to cool ahead. We continue to forecast GDP growth of 2.3% in 2026, but we are revising our 2027 forecast to 1.3% (from 2.0%) and introducing a 2028 forecast of 1.0%. The recent strong performance of the Brazilian economy was supported by both external factors and domestic policy stimulus. However, looking ahead, we expect credit stimulus to diminish, as Brazilian households already have a record-high share of income committed to debt servicing, while interest rates remain at significantly contractionary levels.

External scenario remains stable

Lastly, we expect the BRL at 5.00 by YE26 and at the same level by YE27 and YE28, as interest rates will remain higher for longer. With respect to external accounts, we expect the current account (CA) to have deficits of US$60 bn and US$55bn in 26' and 27', and foreign direct investment (FDI) at US$74bn and US$75 bn, respectively (unchanged). For 28', we expect a US$ 60bn CA deficit and US$72bn FDI inflow.

Exhibit 116: More adverse scenario limits the room for Selic cuts
Brazil policy rate (per annum)



Source: BofA Global Research, BCB

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Exhibit 117: We see BRL constant as FED hikes are ahead
USD-BRL at 5.00 by year end

Brazil	Q3 26	Q4 26	Q1 27	Q2 27
USD/BRL	5.00	5.00	5.00	5.00

Source: BofA Global Research

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Exhibit 118: Inflation will go up before dissipating due to oil shock
Major macro forecasts

Brazil	2025	2026F	2027F
Real GDP (% yoy)	2.3	2.3	1.3
CPI (% yoy)*	4.3	5.5	4.7
Policy Rate (eop)*	15.00	14.25	13.25
Fiscal Bal (%/GDP)	-8.3	-8.6	-8.9
CurAct Bal (%/GDP)	-2.9	-2.2	-1.9

Source: BCB, IBGE, BofA Global Research

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Mexico

Carlos Capistran
BofAS

Muddling through despite the World Cup

Growth remains sluggish despite World Cup tailwinds

After GDP contracted -2.4% qoq saar in 1Q26, incoming data suggest growth remains soft at best. The weak 1Q print was driven by a deterioration in domestic demand: private consumption fell -3.1% qoq saar and private investment dropped -13.1%, underscoring the fragility of the domestic economy despite some offset from public spending and exports.

At the margin, domestic demand improved somewhat, but momentum remains weak. Consumption rose 1.2% mom sa in March, while retail sales increased just 0.1% and investment posted a modest 0.4% gain, consistent with an economy still stuck in a low-growth environment. Into 2Q, the picture improves only slightly. April data showed stronger remittance growth (3.7% yoy), which could provide some support to consumption, alongside a 2.1% mom sa increase in industrial production. Still, IP remains slightly negative on a year-to-date basis (-0.2% sa).

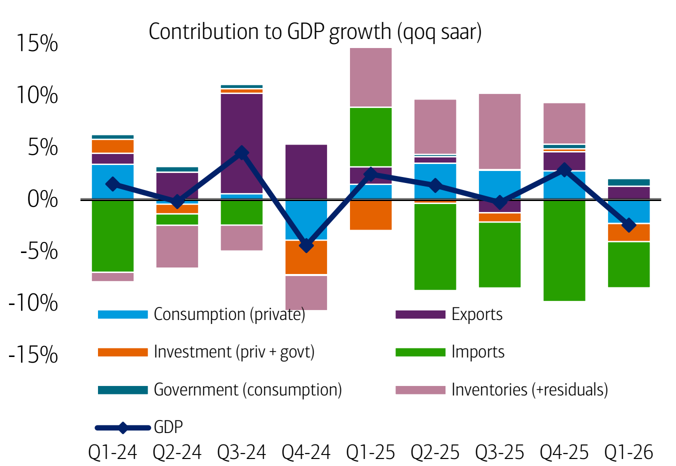
The labor market also continues to soften. Non-farm payrolls (IGPOSE) fell 1.5% yoy sa in March, while the unemployment rate edged up to 2.46% in April, pointing to limited job creation. In line with this backdrop, consumer confidence fell 1.6% mom in May, with expectations for the national economy declining 3.6% mom sa, suggesting households remain unconvinced that activity will improve meaningfully.

USMCA uncertainty continues to weigh on investment

Trade uncertainty remains an important drag on confidence. On June 10, President Trump signaled that the US is unlikely to renew the USMCA in the near term, instead pointing to a potentially prolonged period of negotiations over key provisions affecting sectors such as autos. This message was echoed by Canada Trade Minister LeBlanc, who downplayed the significance of the July 1 review milestone and suggested that disputes could be addressed through side arrangements rather than a comprehensive renewal.

In line with our baseline, this supports our view that the USMCA will not be extended by July 1 (see report). Instead, the agreement would remain in place under an annual review process and would otherwise expire in 2036 unless all three countries agree in writing to extend it. Overall, this points to a shift away from an "extend now" approach toward

Exhibit 119: Consumption and investment contracted in 1Q
GDP growth and contributions (%qoq saar, pp) (2024 – 2026)



Source: BofA Global Research, INEGI

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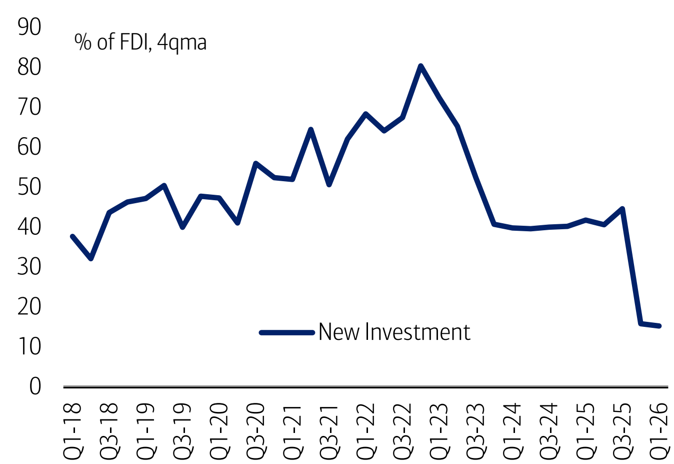
Exhibit 120: USMCA uncertainty could worsen new FDI
New Investment (% of FDI, 4qma) (2018 – 2026)



Source: BofA Global Research, Haver, Banxico

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maintaining the agreement while negotiating through periodic reviews, with any extension likely to come only once a broader agreement is reached. This will continue to weigh on investment in Mexico.

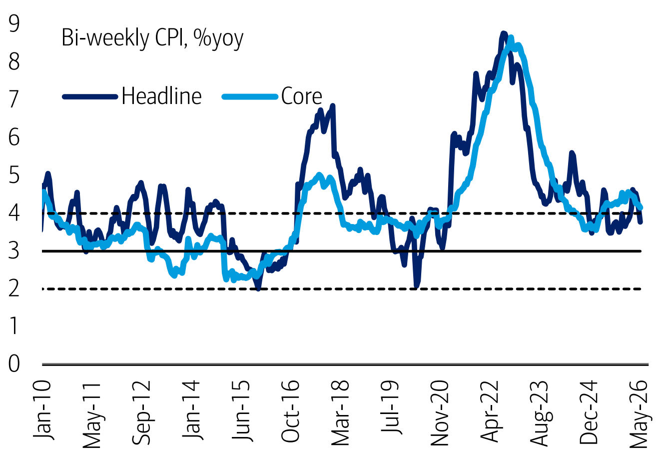
Inflation dipped below 4%, but not for long

Inflation fell below 4% in May, but we do not expect that to last (see report). Headline inflation declined to 3.94% yoy from 4.45%, driven mainly by a sharp drop in fruit and vegetable prices (-3.18% mom), including a 29% fall in tomato prices. Core inflation eased to 4.19% yoy from 4.26%, helped in part by the relatively strong peso (Exhibit 121). We forecast headline inflation at 4.6% by end-2026 and 4.0% by end-2027. We forecast core inflation at 4.2% by end-2026 and 4.0% by end-2027. We see balanced risks to our inflation forecasts. On the upside, inflation could be pushed higher by the FIFA World Cup and supply constraints. On the downside, weak economic activity and a strong peso could exert additional disinflationary pressure.

Banxico signals a prolonged hold at 6.50%

We continue to expect Banxico to keep the policy rate at 6.50% through the rest of 2026 (see report), as the central bank has signaled that the easing cycle has ended. Global inflation risks and ongoing trade uncertainty continue to argue for caution, suggesting policy will remain vigilant amid elevated volatility and inflation still above target. We believe that Banxico will try to keep rates on hold all the way to the elections in Mexico in mid-2027. We expect Banxico to be on hold even if the US Fed hikes in the following months. Risks to our Banxico call are balanced. To the downside, weak activity and a strong peso. To the upside, more persistent inflation or tighter Fed policy remains upside risks.

Exhibit 121: Headline eased to 3.94% and core to 4.19% in May
Bi-weekly headline and core inflation (%yoy) (2010-2026)



Source: BofA Global Research, INEGI

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Exhibit 122: We expect USDMXN at 17.50 by end-2026
MXN forecasts

	Q3 26	Q4 26	Q1 27	Q2 27
USD-MXN	17.50	17.50	17.75	18.00

Source: BofA Global Research

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Exhibit 123: We expect Mexico to grow 0.8% in 2026
Major macro forecasts

	2025	2026F	2027F
Real GDP (% yoy sa)	0.7	0.8	1.5
CPI (% yoy, eop)	3.69	4.54	4.03
Policy Rate (end of period)	7.00	6.50	6.50
Fiscal Bal (%/GDP)	-3.9	-4.0	-4.0
CurAct Bal (%/GDP)	-0.4	-0.5	-0.3

Source: BofA Global Research

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Argentina

Sebastian Rondeau
BofAS

Upgrades

S&P and Fitch upgrades Argentina to B-, following IMF agreement

S&P also upgraded Argentina sovereign debt to B- from CCC+, following a similar decision from Fitch the prior month, amid improving fundamentals, growing the pool of potential investors.

Argentina had reached a staff level agreement with the IMF releasing a $1bn loan. The program demands $8bn increase in net reserves this year and zero fiscal deficit. Argentina is also getting guarantees from World Bank, IADB and CAF for about $3bn to back financing for about $4bn. The government has postponed the return to global bond markets, seeking cheaper financing alternatives and privatization/asset sales, to finance large external debt maturities.

BCRA USD purchases continue

BCRA is buying USD at a good pace, accumulating about $12bn so far this year, already beating the net reserves target for the year. The authorities expect to buy at least $17bn this year amid good USD supply and projected increase in demand for money. Exports are rising by double digits amid higher commodity prices and volumes. As a result, the current account is approaching a balance.

The real exchange rate has appreciated about 10% this year, in line with the export boom FX band limits adjust with the inflation of 2 months ago, avoiding a real appreciation of the ceiling.

Activity will recover after a soft patch

Activity is taking a bit longer to take off, given the impact of very high interest rates during the election. GDP grew only 1.7% yoy in 1H. Unemployment rate rose to 7.5% in 4Q25 and tax revenue took a hit. But political normalization and structural reforms should create a virtuous cycle in our view. Interest rates have plummeted, especially in pesos (from 100% to below 30%). We forecast GDP growth at 3% this year (from 4.4% last year) and at 3.5% next year. Mining, energy, banking and IT should lead the recovery.

Disinflation is back amid ARS stability

Inflation declined to 2.1% in May, from a 3.4% peak in March (2.3% average last year), amid relative prices shocks (oil, beef, tariffs). We forecast inflation at 31.4% this year, from 31.5% in 2025 and at 118% in 2024. We see it down further to 17.4% in 2027.

Reforms Agenda: labor reform and glacier law

Labor reform was approved by Congress in March 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.

Exhibit: Major macro forecasts
Large recession in 2024

	2025F	2026F	2027F
Real GDP (% yoy sa)	4.4	3.0	3.5
CPI (% yoy)	31.5	31.4	17.4
Curr Acct Bal (%/GDP)	-1.3	0.2	-0.2
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 124: Exchange Rate
USDARS, end of quarter.

	Q3 26	Q4 26	Q1 27	Q2 27
Exchange rate (USDARS)	1,500	1,600	1,700	1,800

Source: BofA Global Research

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Chile

Sebastian Rondeau
BofAS

Pro-growth agenda: Reconstruction plan

The Lower House approved 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 enterprise 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 to speed 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 initially proposed 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. However, other new spending more than offset the cuts and the fiscal deficit is expected to remain above 2% of GDP. The pension reform implies a 1% of GDP additional fiscal deficit in the medium term.

Copper prices counteract oil prices

Chile finds relief from Iran-US deal as it imports all the oil. Besides, 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 close to a balance 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 moving towards neutral stance

The government hiked wholesale fuel prices between 41% and 54% in March. BCCh kept rates on hold in May and June after the cut done in December (when it revised the neutral range up 25bp to 3.75-4.75%). BCCh said risks are balanced as short term increase in inflation is offset by weak activity and contained second round effects. We forecast rates on hold due to the oil shock. And 50bp rate hikes to 5% rate next year as growth should pick up amid market friendly policies and high copper prices. Higher unemployment is factor that delay hikes.

Inflation increased to 3.9% in May, from 2.8% in March (from 3.4% yoy in 2025), amid the oil shock, with ex-volatiles stable at 3.2%. We expect inflation at 4.1% 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 (1.4% growth) and a 3% recovery in 2027.

Exhibit 125: Major macro forecasts
GDP growth potential

	2025	2026F	2027F
GDP growth %	2.5	1.4	3.0
Inflation %	3.4	4.1	3.2
Current Acc. Balance % GDP	-1.9	2.3	0.2
Fiscal Balance % GDP	-3.0	-1.9	-1.9
Policy rate %	4.5	4.5	5.0

Source: BofA Global Research

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Exhibit 126: CLP forecasts
Volatile CLP

	Q3 26	Q4 26	Q1 27	Q2 27
USD-CLP	880	870	865	860

Source: BofA Global Research

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Colombia

Alexander Müller
BofAS

Pedro Diaz
BofAS

Economic implications of the electoral outcome

De la Espriella, right-wing candidate, wins the presidential elections

At the time of writing, according to the preliminary count, Abelardo de la Espriella (right-wing conservative) has 49.66% of votes and Ivan Cepeda (leftist, ruling party candidate) 48.7%. The preliminary count and the official results have never differed by more than 0.2pp. This is why pundits are saying it's highly likely that de la Espriella won the runoff.

Modest rally in asset prices, as big move already happened after first round

Colombian asset prices rallied modestly on the day after the runoff, presumably because markets were already pricing a high probability of a de la Espriella victory. The big rally happened over the first-round election results (31 May) when de la Espriella defeated Cepeda by almost 3pp, and both advanced to the runoff (21 June). De la Espriella proposes to fix Colombia's fiscal slippage, which is considered the main problem of the economy by investors and rating agencies.

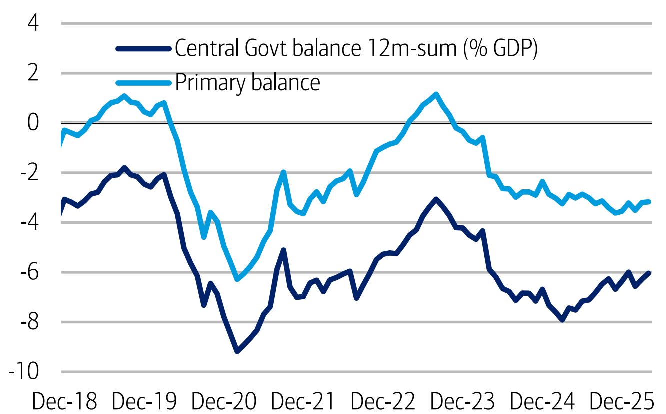
Tight electoral results imply governance will be challenging

The difference between the two candidates in the runoff is substantially narrower than expected. Barely 0.96%, around 250k votes. In our view, the polarization of the population may make governance difficult during de la Espriella's term and perhaps persuade him to moderate his very hawkish stance on policies such as domestic security/crime and fiscal consolidation. The point is that there will be a permanent risk of social protests from the opposing side. Petro instigated social unrest during the Duque administration (2018-2022). We think Petro and Cepeda may insist on their proposal to have a Constitutional Assembly. Their political party (Pacto Historico) will be the largest in Congress, although short of a majority.

De la Espriella proposes fiscal adjustment on the back of expenditure cuts

The de la Espriella administration, to assume office on 7 August, will inherit a fiscal deficit above 7% of GDP and rising public debt. The 10-year local currency government bond yields surpassed 14% in May, before the first round of the elections, causing the impression that borrowing costs were spiraling out of control. Nevertheless, the 10-year yield has now dropped below 12%. We think mainly because investors anticipate fiscal adjustment. We forecast a fiscal consolidation of 1.5pp of GDP in the primary balance for 2027 and 1pp for 2028. Beyond that, the adjustment would be more gradual.

Exhibit 127: Central Government balances (rolling 12m, % of GDP)
De la Espriella inherits a large fiscal deficit



Source: BofA Global Research, Statistics Institute (DANE)

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Exhibit 128: COP forecasts
We forecast the USDCOP at 3450 by year-end 2026

	Q3 26	Q4 26	Q1 27	Q2 27
USD-COP	3,450	3,450	3,500	3,550

Source: BofA Global Research

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Exhibit 129: Major macro forecasts
Fiscal deficit will likely widen in 2024, based on the guidance

	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	12.25	11.25
Fiscal Bal (%/GDP)	-6.4	-7.2	-5.9
CurAct Bal (%/GDP)	-2.4	-2.6	-2.7

Source: BofA Global Research

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Peru

Alexander Müller
BofAS

Pedro Diaz
BofAS

Bullish on economic growth

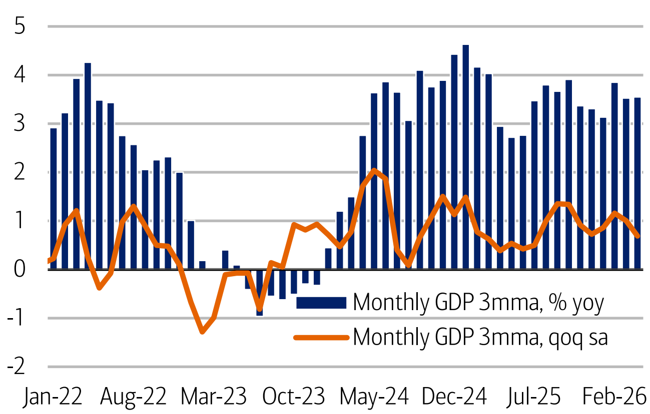
Out-of-consensus on economic growth and the exchange rate (more bullish)
We forecast GDP growth of 3.5%, 4.4%, and 4.5% for 2026, 2027, 2028, respectively. Well above consensus compared to the median expectation in Bloomberg's survey (2.9%, 3%, 3%). We've been out-of-consensus since the beginning of the year (see report, "This is Peru's moment: bullish and out-of-consensus on growth"). On the exchange rate, we forecast the USDPEN at 3.15 by year-end 2027 (vs. consensus 3.40, Bloomberg).

Three conditions: terms of trade, stronger governance, market-friendly reforms
We think there are three key conditions that will probably make Peru outperform LatAm peers on growth. The first is the terms of trade, empirically a powerful driver of the Peruvian economic cycle. The terms of trade are up 32% yoy in the first part of 2026. BofA projects the average price of copper – Peru's top export – will increase 16% in 2027. Mining investment is up over 40% year-to-date, which bodes well for production and export revenues. Also, with the relief in oil import prices, given the end of the war in Iran, the terms of trade windfall should continue.

Fujimori administration will have large muscle in Congress
The second condition is much stronger governance. Strong enough to make the impeachment of President-elect Fujimori virtually impossible. Her political party (Fuerza Popular) and allies (Renovacion Popular, many of them former Fujimoristas) account for half of the seats in the lower house and senate. Moreover, this implies capacity to deliver economic reforms. Key among them is the proposal to deregulate the mining sector and unlock the $ 60bn (~15% of GDP) mining projects. Additionally, we think Fujimori is likely to appoint a hawkish finance minister who should reduce concerns about the risk of fiscal slippage for the coming years.

Main downside risk seems to be a severe "coastal El Nino" climate shock
For the Peruvian economy, what matters most is what scientists call the zone 1-2 El Nino, aka coastal El Nino. Not the sone 3-4, aka Global El Nino, which is already materializing and expected to be strong. Coastal El Nino generates flooding and is more destructive for economic activity and inflationary (as agricultural supply on the coast is devastated). Global El Nino creates drought conditions in the highlands and affects agricultural supply (putting some upward pressure on inflation).

Exhibit 130: Monthly GDP proxy (seasonally-adjusted, % variation)
We see major tailwinds for activity



Source: BofA Global Research, Statistics Institute (INEI)

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Exhibit 131: PEN forecasts
USD/PEN at 3.20 by year end

	Q3 26	Q4 26	Q1 27	Q2 27
USD-PEN	3.30	3.20	3.17	3.16

Source: BofA Global Research

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Exhibit 132: Major macro forecasts
GDP growth at 2.5% in 2026

	2025	2026F	2027F
Real GDP (% yoy)	3.4	3.5	4.4
CPI (% yoy)	1.5	4.1	2.6
Policy Rate (eop)	4.25	4.25	4.25
Fiscal Bal (%/GDP)	-2.2	-1.7	-1.4
CurAct Bal (%/GDP)	3.1	3.5	3.7

Source: BofA Global Research

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Uruguay

Sebastian Rondeau
BofAS

Soft patch

Relief from oil.

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 3.8% yoy from 2.9% yoy in March (vs 3.7% in 2025 and 5.5% in 2024), inside the target band (3-6%). Inflation should return to the center of the target as BCU eased policy to avoid a further disinflation and appreciation. We forecast inflation at 4.1% in 2026 and 4.6% in 2027. 12-month ahead inflation forecasts increased to 4.9% (BCRA survey), from a 4.5% low.

BCU has kept rates on hold at 5.75%, after cutting by 75bp in March, 100bp cut in January and a 50bp cut in December (from a 9.25% peak in April). This amid inflation contained 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 2% 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 133: Major macro forecasts
GDP slower

Uruguay	2025F	2026F	2027F
Real GDP (% yoy)	1.8	2.0	2.0
CPI (% yoy)	3.7	4.1	4.5
CurAct Bal (%/GDP)	-0.4	-0.7	-0.7
Fiscal Bal (%/GDP)	-3.4	-3.0	-2.5

Source: BofA Global Research

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Exhibit 134: UYU Forecast
UYU depreciation to slow?

	Q3 26	Q4 26	Q1 27	Q2 27
USD-UYU	40.6	40.7	41.4	41.7

Source: BofA Global Research

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Venezuela

Sebastian Rondeau
BofAS

Debt restructuring plans

Venezuela hired financial (Centerview) and legal advisors (Hogan Lovells) to initiate a comprehensive debt restructuring process, including Republic and PDVSA bonds, following the issuance of relevant OFAC licenses. U.S. is working with Venezuela president Delcy Rodríguez on a joint agenda. The US recognized Delcy Rodriguez as acting president before a US court in March. IMF and the World Bank engaged with Venezuela, after the majority of member countries recognized the interim government. Delcy Rodriguez has consolidated power through a cabinet reshuffle. The U.S. is managing Venezuelan sales of sanctioned oil, which is being sold at market prices (it is protecting the revenues via a national emergency order).

Oil production inches up

Oil exports rose to 1.25mn bpd in May according to Reuters, highest in seven years, led by U.S., India, Europe demand. Oil production increased to 1,072k In May (OPEC secondary sources) from 924 kbpd average in 2025. We expect production to recover to over 1.5mnbpd average in 2028 amid improved access to oil markets and higher oil prices.

Oil outlook improves with deals and licenses

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. Chevron and Repsol work in deals to increase production, according to Reuters. Shell obtained a license for the Loran offshore gas field and Repsol shows interest in the Horcón area. 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. The government is also reforming the electricity sector to open it to private investors.

Disinflation amid improving USD supply

We estimate inflation at 420% yoy in May, compared to 417% estimate in 2025. Monthly inflation declined to 6.3% in April from 13% in March, amid higher USD supply and slower VES depreciation (7% in April-May). We expect inflation to decline to 226% this year, and 125% next year, amid higher oil revenue.

Commodities

Oil: Call me, maybe

Francisco Blanch
MLPF&S

The US and Iran agree to reopen the Strait of Hormuz……

The Strait of Hormuz has been effectively closed for more than 100 days now, but a MOU to reopen it is now emerging. The drop in oil prices has been concentrated in the front of the curve, with crude time spreads collapsing from $5/bbl to about $0.50 backwardation. As we anticipated three weeks ago, a full reopening of Hormuz could mean Brent prices average $82/bbl this year, compared to our prior expectation of $93/bbl, so we moved ahead to adjust our baseline forecasts to this level (see Hormuz for Hormuz opens new oil path). Having averaged about $90/bbl in 1H26, this means that Brent would likely have to trade in the $70-80/bbl range for most of 2H26.

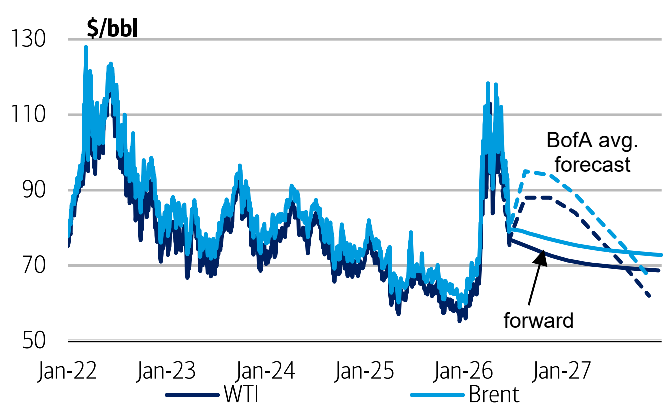
…but volumes lost over 100+ days top 1.3bn bbls

Even so, the excitement surrounding the full resumption of Middle East oil flows in the coming weeks ignores several major issues. Clearing mines and restoring flows to normal levels is likely to take months, not days, given the logistical challenges, implying that oil markets could remain in deficit until 4Q26. We estimate that production losses since the start of the war have averaged 11–14 mn b/d, with the supply gap being covered by demand rationing and inventory draws. These losses have made the Iran war the largest supply disruption on record, exceeding the Iranian Revolution in 1979 and the first Gulf War in 1991. Regarding oil balances, our best assessment is that they will show a deficit of 2.6mn b/d on average in 2026 compared to a 2mn surplus pre-war.

Restocking, demand recovery may support Brent in 2027

Three major factors have made the energy crisis triggered by the Iran war much more manageable. First, the oil market was set to post a 2mn b/d surplus in 2026 on our initial projections. That's a lot of margin to manage disruptions. Second, inventories both onshore and offshore built to very high levels, providing a much-needed cushion. Third, governments, including China, have delivered the largest-ever release of strategic oil stocks. Thus, a combination of factors, including cancelled plans in 1H26 and major restocking demand, should support oil prices in 2027. Thus, we expect 2027 Brent prices to average $70/bbl in 2027 despite a likely surplus, if the peace deal holds, of ~1mn b/d.

Exhibit 135: We adjust our forecast amid announcement and signing of a Memorandum of Understanding
Crude oil price forecast versus forwards ($/bbl)



Source: Bloomberg, BofA Global Research estimates

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Exhibit 136: Crude oil forecasts
Brent and WTI forecasts ($/bbl)

	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F
WTI	75	69	68	63	65	66
Brent	79	73	72	67	69	70

Source: BofA Global Research

BofA GLOBAL RESEARCH

Nat gas: NA and other fuel mitigate loss

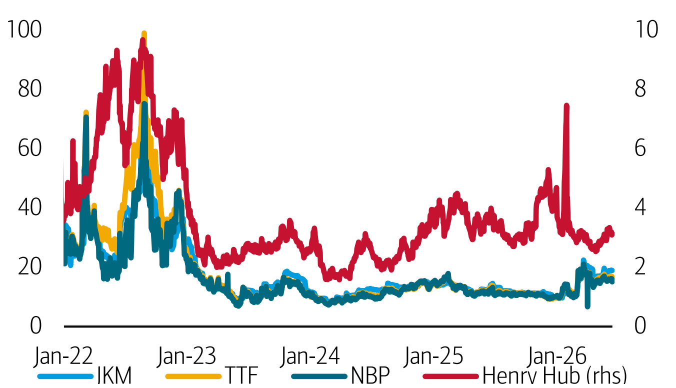
Francisco Blanch
MLPF&S

North American LNG helping offset Mid-East disruption…
Despite Middle East LNG supply disruption this year, global gas prices have fallen well short of 2022 levels and are underperforming Brent. LNG on the water is at levels typically only seen heading into winter when regions such as Asia utilize LNG vessels as floating storage. The atypical seasonal spike in LNG on the water is due to LNG loaded onto stranded vessels in the Persian Gulf and longer shipping routes from the US to Asia. Kuwait, however, is still able to receive LNG from Qatar, as the cargos do not have to leave the Persian Gulf. Oman lies outside the Strait, and hence its LNG exports have not been impacted by the Iran war. Importantly, new supplies from Canada and the US in the past year have offset nearly half the lost Middle East LNG in recent months.

…while Asia consumers reduce demand and coal and renewables mitigate loss.
The Iran war is mostly impacting the Pacific basin as more than 80% of Qatar LNG went to Asia. Despite JKM's premium to TTF, LNG imports into Asia dropped to seasonal lows in recent months. Some Qatari customers have had to find alternative sources of LNG supplies, switch to other fuels, or reduce demand. Coal prices have recently rallied amid the switching and higher-than-usual temperatures are exacerbating already-tight market conditions. Meanwhile, robust solar generation has helped European markets mitigate the impact to European energy prices from the Qatar LNG supply disruptions. But the super El Niño could spur a persistent high pressure blocking pattern that in turn could lead to a hot, dry, and low-wind summer in Europe.

Low Euro gas stocks keep TTF supported through year-end despite the MOU
Despite the MOU expected to reopen the Strait, recent reports suggest that it could take around 2 months for Qatar to return LNG back to 80% of pre-war levels with 2 trains out of service for an extended period (possibly multiple years) due to damage sustained during the war. Even so, relative to the unknown Hormuz opening timeline over the last 100+ days, line of sight to an Iran deal should weigh on global gas prices. As such, we lower our 2H26 TTF price forecast to 50€/MWh, on the prospect of an Iran deal. But TTF should see support as Europe faces a narrow injection window in which to reach comfortable inventory levels for winter.

Exhibit 137: We adjust our TTF forecast amid expectations of the Strait reopening
Global natural gas prices ($/MMBtu)



Source: Bloomberg

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Exhibit 138: We lower out US forecast on storage surplus
Nat gas forecasts

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

Source: BofA Global Research estimates

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Gold: Fed headwinds

Michael Widmer
MLI (UK)

Themes: three rate hikes = $6,000/oz unlikely

We lowered our 2Q26 gold price forecast to $4,500/oz in February, acknowledging market concerns over the implications of a Warsh Fed. Gold continues to face a challenging near-term backdrop on expectations of tighter monetary policy, with our colleagues in the economics team now expecting three rate hikes, USD strength and weak investor flows; a possible Fed balance sheet reduction is also an overhang, but may not be an imminent threat. Hitting our $6,000/oz target looks unlikely for now. But the ongoing US macro combination of high deficits, lack of fiscal consolidation and resulting funding needs – the premise behind our original bullish gold call – suggests there is still fuel in the tank to rally again longer-term.

Forecasts: Shift from inflationary cuts to hikes lowers upside by 50%

The peak in policy rates back in 2023 laid the foundations for the ensuing bull market. Yet, the inflation backdrop remains uncomfortable and the rate of price changes is still above target. Chairman Warsh emphasized the importance of restoring price stability at the recent FOMC meeting, increasing the risk of tighter monetary policy. So it is not surprising that markets have repriced policy paths. The increased probability of rate hikes into December 2026 has been closely correlated with a decline in gold prices.

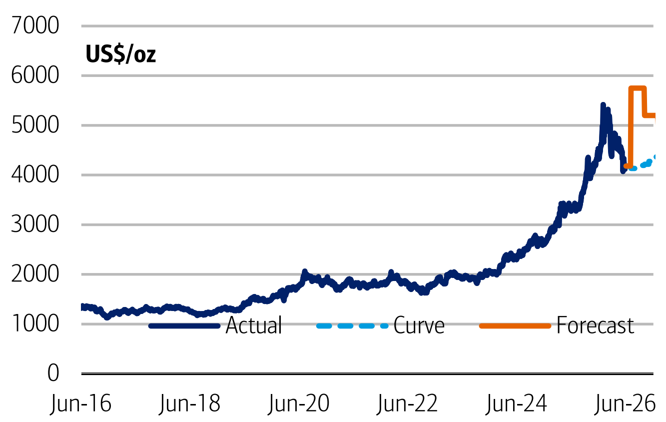
Or put a different way: the shift from "inflationary cuts" to tighter monetary policy reduces gold upside by around 50%, all else equal. Lack of investor interest has been reflected in outflows from physically backed ETFs. Going forward, these vehicles are a good proxy for whether interest in the yellow metal is changing.

Risks: US fiscal consolidation

There is uncertainty on how the second half of the Trump presidency might shape up after the mid-term elections and whether the administration will be able to implement policies as easily going forward. Considering that the unorthodox policy mix has been so bullish, this could be an additional headwind.

Exhibit 139: Forecast vs Forwards

Futures price in higher gold quotations



Source: BofA Global Research estimates

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Exhibit 140: Gold and silver forecasts ($/oz)

Gold and Silver rising into Q3 26

	Q3 26	Q4 26	Q1 27	Q2 27
Gold	5,250	5,750	5,200	5,000
Silver	85.00	100.00	85.00	75.00

Source: BofA Global Research estimates

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Copper: resilient demand despite macro

Michael Widmer
MLI (UK)

Themes: governments reinvigorate their interest the miners

The Miners' share of the MSCI All-world index remains low. Similarly, while miners and copper have mirrored the performance of semi-conductor companies, there has been a wide differential, even though both are essential for data centres/ AI.

Being unloved was one factor, miners had tightened the belt and the lack of capex in the past decade is a key reason, supply is so constrained now. No surprise then that governments are looking to fortify supply chains, sometimes with early-stage projects who might find it difficult to get market funding, as for instance the US DFC confirmed recently.

Forecasts: demand at risk from Iran war

Supply headwinds persist, with Cochilco expecting a 2.0% decline in Chilean copper production in 2026 on lower ore grades, scheduled maintenance and operational constraints. Miners also continue to face disruptions, with the three largest copper mines delivering around 660kt fewer units since 2024; Ivanhoe and First Quantum are working on restarting operations at Cobre Panama and Kamoa Kakula, but there is uncertainty over the exact timeline and only a gradual ramp-up to previous nameplate capacity, respectively.

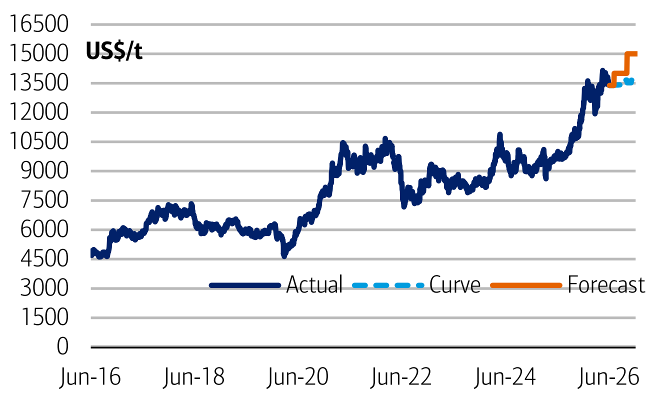
All along, demand has been supported and a push to increase energy resilience will likely incentivise energy importing nations to increase electrification of their economies.

On 15th July, the EU will publish a detailed outline of AccelerateEU, which should boost copper demand through investment in renewables and ancillary grid infrastructure. Hence, despite the macro headwind, demand should be supported.

Risks: global recession

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

Exhibit 141: Forecast vs Forwards
We see further upside to copper in 2026



Source: Bloomberg, BofA Global Research

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Exhibit 142: Copper forecasts
We are cautious near-term, but see further upside into 2026

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

Source: Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Aluminum: vulnerable

Michael Widmer
MLI (UK)

Themes: China boosts semi exports and primary imports

Fundamentals in China's aluminium market have been subdued in recent weeks, as production has exceeded demand. These imbalances have been visible in a range of indicators. Indeed, the outperformance of LME prices meant primary aluminium imports were no longer incentivised, while price differentials have made exports increasingly economic.

As such, it is perhaps not surprising that shipments of semi-finished products have crept higher. They are now close to the levels at which China decided to curtail export tax rebates. Smelters in Indonesia are also gradually raising output and, while exports are still somewhat constrained, shipments are slowly pushing higher.

Forecasts: Threefold headwinds to aluminum

Aluminium prices look vulnerable near-term as supply risks ease and demand concerns persist. Middle Eastern aluminium production (10% of global supply) dropped by 35% YoY in May. Yet, there is a risk that this is partly offset by (1) rising production in and exports from China. We have factored in 46mt of supply from the Asian country this year and expect a small deficit. The annualised YTD run-rate has been 46.6mt.

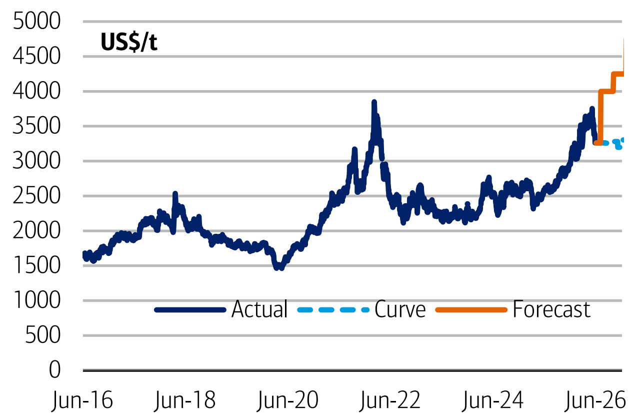
This, and (2) the potential release of Middle East aluminium inventories should the Iran war subside, means that both funds and commercial buyers have stayed on the sidelines.

Beyond that, (3) smelters in Indonesia could also increase supply by 2mt this year. Still, fundamentals ex-China remain strong, and investment in energy resilience may ultimately boost metals demand, so we still see a pathway for aluminium to hit $4,000/t ($1.81/lb).

Risks: economy does not re-accelerate

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

Exhibit 143: Forecast vs Forwards
Aluminium should remain supported, despite near-term headwinds



Source: BofA Global Research

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Exhibit 144: Aluminum forecasts
Aluminium fundamentals look bullish

	Q3 26	Q4 26	Q1 27	Q2 27
US$/t	3,750	4,000	4,250	4,750
USc/lb	170	181	193	215

Source: BofA Global Research

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Appendix

GEMs Macro Forecasts

Exhibit 145: 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	-	4.5	-	2.3	2.8	-	2.6	-
GEMs (ex. China)	4.6	4.4	-	4.6	-	3.9	4.2	-	3.9	-
GEM-10	4.9	4.4	0.1	4.8	-	2.7	3.6	(0.1)	3.4	-
Global	3.5	3.5	-	3.4	-	2.4	2.7	-	2.4	-
US	2.1	2.2	(0.1)	2.2	-	2.7	3.2	(0.3)	2.1	(0.3)
Euro area	1.5	0.5	(0.1)	1.3	0.3	2.1	2.6	(0.7)	1.7	(0.4)
Japan	1.1	0.6	0.2	0.7		3.2	1.7	(0.4)	1.3	(1.3)
Asia	5.4	5.1	0.4	5.1	0.1	0.8	2.2	(0.1)	2.0	-
China	5.0	4.5	-	4.5	-	0.0	1.0	-	0.6	(0.2)
Hong Kong	3.5	3.5	1.2	3.0	0.5	1.4	2.1	-	2.0	-
India	7.5	7.0	-	7.5	-	2.2	4.2	(0.5)	4.8	0.2
Indonesia	5.1	5.3	0.2	5.4	-	1.9	3.3	0.4	2.9	0.1
Korea	1.0	3.1	1.2	2.2	0.1	2.1	2.6	(0.3)	2.1	0.1
Malaysia	5.2	4.6	0.4	4.5	-	1.4	2.0	0.2	2.2	-
Philippines	4.4	2.5	0.5	3.5	0.5	1.7	6.7	1.7	4.9	1.6
Singapore	5.0	3.4	0.9	2.3	(0.2)	0.9	2.0	(0.1)	2.2	0.3
Taiwan	8.8	12.0	4.8	7.0	2.5	1.7	2.0	-	1.7	(0.1)
Thailand	2.4	2.1	0.8	2.2	0.1	-0.1	2.4	(0.6)	0.1	0.2
EEMEA	3.5	2.6	(0.3)	4.1	0.2	7.7	5.7	0.2	4.4	(0.2)
Czech R.	2.6	2.0	-	2.4	-	2.5	2.0	(0.4)	2.4	(0.6)
Egypt	4.4	4.4	-	4.5	-	20.4	13.2	-	10.0	-
Hungary	0.4	1.9	0.7	3.0	0.5	4.4	2.0	(2.1)	2.5	(1.7)
Israel	2.9	3.6	-	4.5	-	3.0	2.0	(0.2)	1.9	(0.2)
Nigeria	4.0	4.1	(0.1)	4.3	0.3	23.0	16.0	2.0	12.0	-
Poland	3.7	3.2	0.2	2.8	0.1	3.6	2.7	(0.6)	2.5	(1.1)
Romania	0.6	0.0	(0.4)	2.5	(0.2)	7.3	8.0	(0.1)	4.3	0.3
Saudi Arabia	4.5	0.6	-	6.1	1.9	2.1	2.4	-	2.0	-
South Africa	1.1	1.3	-	1.5	(0.1)	3.2	4.3	0.5	4.0	0.5
Türkiye	3.7	2.8	-	4.2	(0.7)	34.9	31.2	1.0	27.1	2.1
Ukraine	2.5	7.0	-	6.0	-	13.4	5.0	-	5.0	-
LatAm*	2.4	2.2	(0.1)	2.2	(0.2)	3.7	4.9	-	4.1	0.3
Argentina	4.4	3.0	(0.5)	3.5	-	31.5	31.4	0.5	17.4	2.3
Brazil	2.3	2.3	-	1.3	(0.7)	4.3	5.5	-	4.7	0.7
Chile	2.5	1.4	(0.4)	3.0	0.1	3.4	4.1	(0.2)	3.2	-
Colombia	2.6	2.5	-	2.9	-	5.1	6.5	-	4.6	-
Costa Rica	4.6	3.7	-	4.0	0.1	-1.2	2.5	-	3.5	-
Dominican Rep	2.1	3.5	0.8	3.9	-	5.0	6.0	-	4.8	-
Ecuador	3.7	3.2	-	2.7	-	1.9	2.4	-	2.3	-
El Salvador	3.9	3.2	0.1	3.2	-	0.9	2.5	0.1	1.8	-
Guatemala	4.3	3.9	-	3.7	-	1.7	2.9	(0.4)	2.7	(1.0)
Mexico	0.7	0.8	(0.5)	1.5	-	3.7	4.5	(0.1)	4.0	-
Panama	4.4	4.2	0.4	5.0	0.1	0.4	2.8	-	2.3	(0.8)
Peru	3.4	3.5	-	4.4	-	1.5	4.1	(0.3)	2.6	0.6
Uruguay	1.8	1.5	-	2.0	-	3.7	3.9	(0.1)	4.5	-
Venezuela	4.0	8.0	1.0	11.0	-	443.2	243	-	125	-

Source: BofA Global Research

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Exhibit 146: 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	2.4	2.4	0.6	2.4	0.6	-	-	-	-	-	-	-
GEMs (ex. China)	1.2	1.9	1.0	2.4	1.3						-	
GEM-10	2.0	1.9	0.4	1.8	0.2	-	-	-	-	-	-	-
Global	-	-	-	-	-	3.71	3.47	-	-	3.32	-	-
US	-3.6	-2.9	0.6	-2.9	0.6	3.625	4.375	-	3.73	4.375	-	3.35
Euro area	1.6	0.4	-	1.5	-	2.40	2.65	-	2.7	2.15	-	2.4
Japan	4.9	4.2	-	3.4	(0.7)	1.00	1.25	-	1.20	1.75	-	1.43
Asia	4.0	3.9	0.7	3.7	0.7	-	-	-	-	-	-	-
China	3.7	3.1	0.1	2.5	-	1.50	1.40	-	-	1.40	-	-
Hong Kong	12.6	15.6	2.6	16.8	4.2	4.00	4.00	0.50	-	3.50	-	-
India	-0.5	-1.4	0.9	-0.6	0.2	5.25	5.50	-	5.51	5.75	-	5.63
Indonesia	-0.1	-1.2	(0.4)	-0.8	0.1	5.75	6.00	1.50	5.63	5.50	1.00	5.23
Korea	6.6	16.1	6.0	16.8	9.1	2.50	3.00	0.50	2.96	3.25	0.75	3.12
Malaysia	1.6	2.2	(0.1)	2.2	(0.2)	2.75	2.75	-	2.78	2.75	-	2.86
Philippines	-4.0	-4.6	(0.5)	-4.7	(1.1)	4.75	5.00	0.25	5.14	5.00	-	4.86
Singapore	16.7	16.1	(0.3)	16.3	0.2	-	-	-	-	-	-	-
Taiwan	19.5	24.6	2.3	26.9	11.2	2.00	2.25	-	2.08	2.38	(0.00)	2.15
Thailand	2.8	-0.2	(3.4)	0.1	(3.4)	1.00	1.00	0.25	1.09	1.00	-	1.07
EEMEA	-1.6	-1.0	0.3	-0.5	-	-	-	-	-	-		-
Czech R.	0.7	0.8	-	0.5	-	3.75	4.00	0.50	3.63	4.00	0.50	3.52
Egypt	-4.4	-4.8	0.4	-4.3	(1.0)	19.00	19.00	-	-	16.00	1.00	-
Hungary	1.7	1.3	0.1	0.3	(0.7)	6.00	5.25	(1.00)	5.92	4.50	(0.75)	5.04
Israel	1.5	1.4	-	2.0	-	3.75	3.75	-	3.58	3.25	(0.25)	3.22
Nigeria	4.8	6.5	2.4	5.0	5.0	26.50	26.50	5.50	23.50	22.00	6.00	17.50
Poland	-0.9	-1.8	0.4	-1.7	0.4	3.75	3.75	-	3.78	3.75	-	3.60
Romania	-7.9	-7.1	0.1	-6.4	(0.1)	6.50	6.50	-	6.32	5.75	0.25	5.18
Saudi Arabia	-2.6	-2.2	-	-2.4	(0.2)	4.25	3.50	-	-	3.50	-	-
South Africa	-0.5	-0.1	(0.4)	-0.9	(0.9)	7.00	7.25	0.25	7.00	6.25	-	6.44
Türkiye	-1.9	-3.0	0.4	-2.9	(0.4)	37.00	36.00	4.00	33.91	31.00	5.00	25.35
Ukraine	-7.1	-7.1	-	-5.5	-	15.00	11.00	-	13.67	9.00	-	12.00
LatAm	-1.4	-0.8	0.2	-0.9	0.1	-	-	-		-		
Argentina	-1.3	0.2	0.6	-0.2	1.0	--	--	--	--	--	--	--
Brazil	-2.9	-2.2	-	-1.9	(0.1)	14.25	14.25	1.00	13.38	13.25	0.75	11.45
Chile	-1.9	1.2	0.2	-0.3	-	4.50	4.50	-	4.65	5.00	-	4.63
Colombia	-2.4	-2.6	-	-2.7	-	11.25	12.25	0.25	11.91	11.25	0.25	10.64
Costa Rica	-0.8	-1.0	0.5	-1.5	-	3.25	3.25	-	-	3.25	-	-
Dominican Rep	-1.2	-2.0	0.5	-1.5	0.5	5.25	5.25	-	-	5.25	0.75	-
Ecuador	6.0	2.8	(1.2)	3.0	0.5	-	-	-	-	-	-	-
El Salvador	-3.5	-4.0	0.5	-3.5	(0.1)	-	-	-	-	-	-	-
Guatemala	4.7	3.7	-	3.5	-	3.50	3.50	-	-	3.50	-	-
Mexico	-0.5	-0.5	-	-0.3	-	6.50	6.50	-	6.50	6.50	-	6.54
Panama	-0.2	-1.0	0.5	-1.0	-	-	-	-	-	-	-	-
Peru	3.1	3.5	-	3.7	-	4.25	4.25	-	4.32	4.25	-	4.53
Uruguay	-0.4	-0.7	-	-0.7	-	5.75	6.00	-	-	7.00	-	-
Venezuela	-5.6	-1.6	-	-5.5	-	-	-	-	-	-	-	-

Source: BofA Global Research, Bloomberg

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GEMs Consolidated Macro Indicators

Exhibit 147: GEMs
Consolidated Macro Indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
GEMs										
Nominal GDP (US$ bn)	31,513	32,217	31,498	36,998	38,253	39,520	40,672	43,146	47,506	51,357
Real GDP growth (% yoy)										
Weighted by PPP-GDP	4.9	4.0	-2.0	7.4	4.1	4.6	4.3	4.7	4.5	4.5
Weighted by current exchange rates	4.8	4.1	-1.4	7.5	3.9	4.3	4.1	4.4	4.1	4.2
Median	3.2	3.1	-5.5	6.7	4.4	2.3	3.1	3.7	3.2	3.5
CPI inflation (% yoy, ave)										
Weighted by PPP-GDP	3.2	3.2	3.2	3.3	4.9	3.8	3.5	3.5	2.3	3.1
Weighted by current exchange rates	2.8	3.0	2.9	2.9	4.4	3.1	2.5	1.6	2.4	2.2
Median	2.2	2.8	2.5	3.9	6.9	4.2	2.4	2.1	2.8	2.7
Trade balance (US$ bn)	296.7	303.7	322.0	462.1	485.2	578.5	482.8	586.8	571.0	481.1
Exports (US$ bn)	3,730	4,082	3,904	3,809	4,776	5,126	4,769	4,958	4,864	4,952
Imports (US$ bn)	3,433	3,778	3,582	3,347	4,291	4,548	4,286	4,371	4,293	4,471
Current account balance (US$ bn)	45.4	263.6	744.5	714.1	534.1	461.6	612.4	1,027.7	1,148.8	1,210.8
Current account balance (% of GDP)	0.1	0.8	2.4	1.9	1.4	1.2	1.5	2.4	2.4	2.4
International reserves (US$ bn)	7,363	7,553	8,134	8,414	7,887	8,248	8,349	8,846	9,059	9,291
Gross government debt (% of GDP)	54.9	58.2	69.2	68.7	69.9	72.8	74.6	75.4	81.2	83.0
Gov. budget balance (% of GDP)	-2.6	-2.7	-4.9	-3.6	-3.1	-4.2	-4.0	-4.3	-4.2	-4.0
Asia										
Nominal GDP (US$ bn)	22,225	22,851	22,975	27,228	27,593	27,963	28,929	30,385	33,005	35,688
Real GDP growth (% yoy)										
Weighted by PPP-GDP	6.2	5.1	-0.7	7.8	4.2	5.6	5.2	5.4	5.1	5.1
Weighted by current exchange rates	6.1	5.1	0.1	7.8	3.6	5.2	4.9	5.1	4.9	4.7
Median	4.5	3.7	-4.6	6.2	3.6	3.4	5.0	5.0	4.0	4.0
CPI inflation (% yoy, ave)										
Weighted by PPP-GDP	2.4	2.7	2.9	2.1	3.6	2.1	1.7	0.8	2.2	1.9
Weighted by current exchange rates	2.3	2.6	2.5	1.7	3.1	1.5	1.2	0.6	1.8	1.5
Median	1.8	1.6	0.4	2.2	4.6	3.0	2.2	1.5	2.2	2.2
Trade balance (US$ bn)	229.6	203.8	231.8	365.4	384.2	547.8	460.3	498.8	509.5	480.3
Exports (US$ bn)	2,531	2,752	2,625	2,650	3,354	3,550	3,243	3,359	3,244	3,304
Imports (US$ bn)	2,301	2,548	2,394	2,285	2,970	3,002	2,782	2,860	2,735	2,824
Current account balance (US$ bn)	200.5	318.8	625.0	676.0	652.5	512.4	776.9	1,213.6	1,284.7	1,322.4
Current account balance (% of GDP)	0.9	1.4	2.7	2.5	2.4	1.8	2.7	4.0	3.9	3.7
International reserves (US$ bn)	5,534	5,691	6,212	6,376	5,902	6,167	6,186	6,462	6,634	6,851
Gross government debt (% of GDP)	58.7	63.6	75.7	76.2	78.0	82.3	84.0	84.4	92.3	95.4
Gov. budget balance (% of GDP)	-2.2	-2.6	-4.5	-3.8	-3.2	-3.7	-3.1	-3.7	-3.7	-3.5
EEMEA										
Nominal GDP (US$ bn)	4,149	4,352	4,399	4,966	5,199	5,382	5,432	6,032	6,745	7,430
Real GDP growth (% yoy)										
Weighted by PPP-GDP	3.5	3.2	-2.1	6.1	4.1	2.6	2.6	3.5	2.6	4.1
Weighted by current exchange rates	3.5	3.1	-2.7	6.2	4.9	2.1	2.4	3.3	2.4	4.0
Median	3.3	3.6	-3.8	5.6	4.4	2.1	2.4	2.9	2.8	4.2
CPI inflation (% yoy, ave)										
Weighted by PPP-GDP	5.8	4.9	4.3	4.8	8.2	10.0	10.3	15.4	12.6	10.5
Weighted by current exchange rates	5.3	4.3	4.2	4.9	8.5	9.2	8.4	4.9	2.9	3.4
Median	4.6	3.8	3.3	4.5	13.7	10.7	3.7	3.6	2.7	4.0
Trade balance (US$ bn)	-6.6	29.9	9.8	-8.0	12.7	-55.9	-106.1	-68.3	-79.9	-146.0
Exports (US$ bn)	629	711	671	614	756	789	738	780	799	796
Imports (US$ bn)	636	681	661	622	743	845	844	848	879	942
Current account balance (US$ bn)	-20.9	41.1	121.5	122.3	10.8	32.9	-87.8	-95.0	-70.2	-38.1
Current account balance (% of GDP)	-0.5	0.9	2.8	2.5	0.2	0.6	-1.6	-1.6	-1.0	-0.5
International reserves (US$ bn)	1,006	1,052	1,079	1,162	1,162	1,224	1,288	1,424	1,430	1,454
Gross government debt (% of GDP)	40.3	38.7	44.4	43.4	45.5	45.8	46.2	47.8	48.9	49.2
Gov. budget balance (% of GDP)	-2.7	-2.2	-3.9	-1.8	-2.4	-5.3	-7.1	-6.6	-5.6	-5.0
LatAm										
Nominal GDP (US$ bn)	5,138.9	5,013.9	4,124.7	4,804.7	5,461.7	6,175.3	6,311.0	6,728.5	7,756.4	8,239.6
Real GDP growth (% yoy)										
Weighted by PPP-GDP	1.7	0.8	-6.6	7.7	4.1	2.2	2.1	2.4	2.2	2.2
Weighted by current exchange rates	1.1	0.3	-6.9	7.5	4.0	2.2	2.1	2.3	2.2	2.3
Median	2.2	1.7	-7.9	9.9	5.0	2.7	2.9	3.6	3.2	3.3
CPI inflation (% yoy, ave)										
Weighted by PPP-GDP	3.6	3.4	3.4	7.8	7.7	4.7	4.2	3.7	4.9	4.1

Exhibit 147: GEMs
Consolidated Macro Indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Weighted by current exchange rates	3.6	3.5	3.5	8.0	7.6	4.5	4.2	3.7	4.9	4.1
Median	2.2	2.9	2.5	6.3	7.9	3.5	2.6	2.7	4.0	3.3
Trade balance (US$ bn)	73.7	70.0	80.4	104.7	88.3	86.6	128.6	156.3	143.5	143.1
Exports (US$ bn)	569.9	618.5	607.2	545.7	666.3	787.3	788.6	819.2	838.4	871.3
Imports (US$ bn)	496.2	548.5	526.7	441.0	578.1	700.7	660.0	662.9	694.9	728.2
Current account balance (US$ bn)	-134.2	-96.4	-2.1	-84.2	-129.2	-83.8	-76.7	-90.9	-65.7	-73.5
Current account balance (% of GDP)	-2.6	-1.9	-0.1	-1.8	-2.4	-1.4	-1.2	-1.4	-0.8	-0.9
International reserves (US$ bn)	822.8	810.2	842.4	874.8	823.4	856.7	875.6	959.8	995.5	985.1
Gross government debt (% of GDP)	55.9	57.2	69.3	64.0	60.3	59.8	63.3	63.9	62.8	58.1
Gov. budget balance (% of GDP)	-4.4	-3.7	-8.5	-4.1	-3.5	-5.4	-5.4	-4.9	-5.1	-5.0

Source: BofA Global Research

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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 148: FX Compass Long Term Valuations

Trade-weighted valuations vs REER fair values

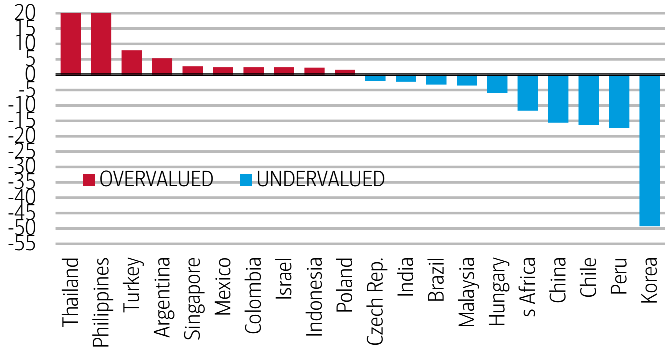

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Exhibit 149: Current Account Imbalances

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

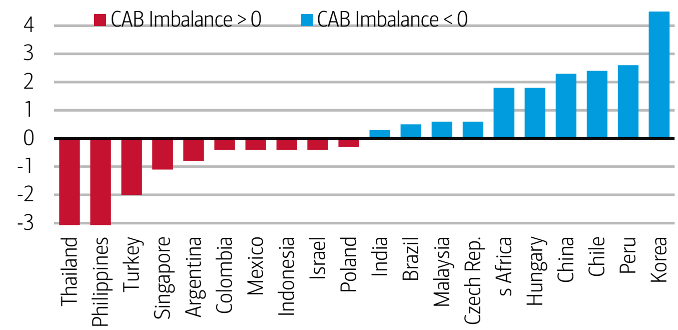

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Exhibit 150: FX Compass

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			-7.8	-1.9
China	6.0	6.8	-12.7	-15.6
India	94.0	94.4	-0.4	-2.3
Indonesia	18119	17752	2	2.3
Korea	793	1513	-90.8	-49.3
Malaysia	4.0	4.1	-2.6	-3.5
Philippines	72.6	60.4	16.8	21.9
Singapore	1.3	1.3	2.8	2.7
Thailand	41.8	32.5	22.2	29
EEMEA			-0.9	-1.3
Czech Rep. 1/	23.4	24.2	-3.4	-2.1
Hungary 1/	324	349	-7.7	-6
Israel	3.1	2.9	4.9	2.4
Poland 1/	4.2	4.2	-0.5	1.6
South Africa	15.0	16.2	-8.3	-11.7
Türkiye	51.1	46.3	9.4	7.9
LatAm			-5.6	-4.5
Argentina	1532	1436	6.3	5.3
Brazil	5.0	5.1	-1	-3.2
Chile	732	886	-21	-16.3
Colombia	3490	3421	2	2.4
Mexico	17.7	17.2	2.6	2.4
Peru	2.8	3.4	-22.5	-17.3
Average			-5.1	-2.5

Note 1/ CZK, HUF and PLN are quoted against the EUR. Fair values are updated using forecasts. Spot is for June 17, 2026. Note 2/ REER valuation is trade-weighted deviation of current REER (October estimate) from Compass fair values. **Source:** BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 151: Estimated current account imbalance

CA imbalance

Country	Forecasted CA 2026-2027	Long-term CA	CAB Imbalance
Asia	3.5	3	0.4
China	2.7	0.4	2.3
India	-1.5	-1.9	0.3
Indonesia	-1	-0.6	-0.4
Korea	13.6	4.2	9.4
Malaysia	2.2	1.6	0.6
Philippines	-4.1	-0.8	-3.3
Singapore	16.2	17.3	-1.1
Thailand	-0.4	4	-4.3
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/	-2.3	-2	-0.3
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	0.5

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

BofA GLOBAL RESEARCH

GEMs Tables – Asia

Exhibit 152: China

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)							18,781	19,623	21,630	23,484
GDP per capita (US$)	9,887	10,126	10,402	12,615	12,665	12,963	13,336	13,968	15,427	16,783
Unemployment rate (%)[1]	4.7	5.2	5.1	5.1	6.1	5.3	5.1	5.1	5.2	5.2
Population (millions)	1,405	1,410	1,412		1,412	1,410	1,408	1,405	1,402	1,399
Economic Activity										
Real GDP growth (% yoy)	6.8	6.1	2.3	8.6	3.1	5.4	5.0	5.0	4.5	4.5
Domestic demand growth (% yoy)	7.5	5.4	1.6	7.0	2.7	6.3	3.6	3.4	2.9	4.1
Real investment growth (% yoy)	6.8	4.1	4.1	4.0	2.7	3.3	3.1	1.9	2.2	3.9
Real consumption growth (% yoy)	8.1	6.4	-0.2	9.3	2.8	8.5	3.9	4.6	3.5	4.3
Real private consumption growth (% yoy)	7.4	6.1	-1.9	12.0	1.7	9.0	5.2	4.3	2.8	4.0
Real government consumption growth (% yoy)	9.6	7.0	3.8	3.5	5.3	7.3	0.9	5.0	5.0	5.0
Real export growth (% yoy)	3.8	0.5	2.4	17.7	-1.6	0.9	14.3	9.2	9.0	4.8
Real import growth (% yoy)	8.1	0.4	5.5	10.4	-5.7	4.5	2.0	-1.1	6.5	3.0
Prices										
CPI inflation (% yoy, eop)	1.9	4.5	0.2	1.5	1.8	-0.3	0.2	0.6	0.8	0.6
CPI inflation (% yoy, avg)	2.1	2.9	2.5	0.9	2.0	0.2	0.2	0.0	1.0	0.6
Nominal wages (% yoy)	10.9	9.8	7.6	9.7	6.7	5.8	5	5.0	5.0	5.3
Nominal exchange rate (vs. USD, eop)	6.86	6.98	6.53	6.36	6.90	7.10	7.30	6.99	6.70	6.60
Nominal exchange rate (vs. USD, avg)	6.62	6.91	6.90	6.45	6.74	7.08	7.18	7.14	6.88	6.66
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-		
Monetary Sector2										
Monetary base growth (% yoy)	2.8	-2.0	1.9	-0.3	9.6	7.8	-5.4	8.5	2.5	2.5
Broad money growth (% yoy)	8.1	8.7	10.1	9.0	11.8	9.7	13.0	8.5	8.5	8.7
Credit extension to private sector (% yoy)	13.5	12.3	12.8	11.6	11.1	10.6	7.6	6.4	7.0	7.2
Central bank policy rate (%, eop)[3]	2.55	2.50	2.20	2.20	2.00	1.80	1.50	1.40	1.40	1.40
1-month interbank rate (%, eop)	3.46	3.30	3.31	3.18	-	-	1.96	1.64		
Long-term yield (%, eop)	3.20	3.14	3.14	2.78	2.80	2.65	1.69	1.86	1.60	1.60
External Sector										
Current account balance (% of GDP)	0.2	0.7	1.7	1.9	2.4	1.4	2.3	3.7	3.0	2.3
Current account balance (US$ bn)	24	103	249	353	443	253	424	735	647	550
Trade balance (US$ bn)	380	393	511	563	665	594	768	1,061	970	942
Exports, f.o.b. (US$ bn)	2,417	2,387	2,510	3,216	3,347	3,179	3,409	3,752	4,208	4,235
main export										
Imports, c.i.f. (US$ bn)	2,037	1,994	1,999	2,653	2,682	2,585	2,641	2,692	3,238	3,294
Service balance (US$ bn)	-292	-261	-153	-101	-87	-208	-229	-238	-240	-240
Income balance (US$ bn)	-61	-39	-118	-124	-154	-134	-130	-110	-102	-174
Foreign direct investment (US$ bn)	138	141	149	181	189	163	116	105	103	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	11.9	12.0	12.3
Public (% of GDP)	1.9	2.1	2.8	3.2	2.8	3.0	2.7	2.4	2.5	2.5
Private (% of GDP)	12.2	12.1	13.2	11.9	10.6	10.4	10.1	9.5	9.5	9.8
Gross government debt (% of GDP)	63.7	70.6	83.3	84.2	88.5	94.8	102.9	104.1	118.0	125.4
Domestic (% of GDP)	63.5	70.4	83.1	83.9	88.2	94.5	102.6	103.8	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	43.2	42.9	42.9
Investment (% of GDP)	43.4	42.6	42.3	42.7	42.4	41.1	40.6	39.0	39.4	39.6

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	4.8	4.5	5.0	4.6	4.5	4.4	4.3	4.4	4.6	4.5
Real GDP growth (% qoq, sa, annualized)	4.5	4.9	5.3	3.8	3.9	4.5	4.9	4.5	4.4	4.3
CPI inflation (% yoy, eop)	-0.2	0.6	0.8	1.3	1.3	0.8	0.9	0.4	0.6	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	7.06	6.90	6.80	6.70	6.70	6.70	6.60	6.60
Current account balance (US$ bn)	202.5	243.8	184.1	101.4	167.7	207.8	100.7	88.3	151.5	223.1

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 153: India

Selected economic and financial indicators

	CY2018	CY2019	CY2020E	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	4,079	4,487
GDP per capita (US$)	2,081	2,114	1,941	2,278	2,447	2,562	2,759	2,752	2,866	3,122
Unemployment rate (%)										
Population (millions)	1,314	1,327	1,341	1,355	1,369	1,383	1,395	1,409	1,423	1,437
Economic Activity										
Real GDP growth (% yoy)	7.3	4.6	-5.9	9.4	7.0	8.8	6.7	7.5	7.0	7.5
Domestic demand growth (% yoy)	9.3	4.9	-7.7	13.6	8.1	6.3	6.7	7.2	6.3	7.3
Real investment growth (% yoy)	13.6	2.8	-10.7	19.9	8.7	8.7	6.2	6.9	5.8	7.3
Real consumption growth (% yoy)										
Real private consumption growth (% yoy)	7.5	6.3	-6.6	11.9	8.6	4.5	7.3	7.8	6.4	7.3
Real government consumption growth (% yoy)	6.7	4.0	-4.6	4.3	3.1	8.9	4.8	5.2	7.6	6.9
Real export growth (% yoy)	10.4	1.6	-10.7	25.3	13.4	2.5	7.4	6.9	4.8	7.2
Real import growth (% yoy)	14.4	0.0	-16.4	24.5	11.4	10.4	1.9	6.9	5.0	5.8
Prices										
CPI inflation (% yoy, eop)	2.1	7.4	4.6	5.7	5.7	5.7	5.2	1.2	5.2	4.2
CPI inflation (% yoy, avg)	3.9	3.7	6.6	5.1	6.7	5.7	4.9	2.2	4.2	4.8
WPI inflation (% yoy, eop)										
WPI inflation (% yoy, avg)										
Nominal wages (% yoy)										
Nominal exchange rate (vs USD, eop)										
Nominal exchange rate (vs USD, avg)										
Bilateral real exchange rate (% yoy, + dep)										
Monetary Sector										
Monetary Base growth (% yoy)										
Broad Money growth (% yoy)										
Credit extension to private sector (% yoy)										
Central bank policy rate (%, eop)	6.50	5.15	4.00	4.00	6.25	6.50	6.50	5.25	5.50	5.75
1-month interbank rate -Call rate (%)										
Long-term yield (%)										
External Sector										
Current Account balance (% of GDP)	-2.4	-1.1	1.3	-1.1	-2.4	-0.9	-0.8	-0.5	-1.4	-0.6
Current Account balance (US$ bn)	-65.6	-29.8	32.7	-33.4	-79.0	-32.0	-32.2	-18.7	-55.9	-27.0
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	-4.5	-4.2
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	-8.0	-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	81.1	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	7.8	5.9	7.0	7.0	7.5	7.9	7.5	7.2
CPI Inflation (% yoy, eop)	10.3	7.1	6.6	-1.2	15.9	7.7	8.1	0.8	13.6	6.8
WPI inflation (% yoy, eop)	1.4	1.2	3.4	4.4	4.7	5.2	5.6	4.6	4.8	4.2
Central bank policy rate (%, eop)	1.7	0.6	3.1	3.9	4.5	5.1	5.4	4.6	4.8	4.2
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 154: Indonesia

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023F	2024F	2025F	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	1,701
GDP per capita (US$)	3,946	4,193	3,920	4,351	4,783	4,920	4,958	5,446	5,712	6,111
Unemployment rate (%)	5.2	5.1	6.0	6.4	5.8	5.4	4.9	4.9	4.7	4.6
Population (millions)	264.2	266.9	270.2	272.7	275.8	278.7	281.6	284.4	287.2	289.9
Economic Activity										
Real GDP growth (% yoy)	5.2	5.0	-2.1	3.7	5.3	5.0	5.0	5.1	5.3	5.4
Domestic demand growth (% yoy)	6.3	4.0	-3.8	2.9	3.8	4.9	6.0	4.5	6.1	5.8
Real investment growth (% yoy)	6.7	4.5	-5.0	3.8	3.9	3.8	4.6	5.1	6.0	6.2
Real consumption growth (% yoy)	5.1	4.9	-2.1	2.3	3.7	4.7	5.3	4.7	6.4	5.7
Real private consumption growth (% yoy)	5.1	5.2	-2.7	2.0	5.0	4.9	5.1	5.0	5.2	5.4
Real government consumption growth (% yoy)	4.8	3.3	2.1	4.3	-4.4	3.0	6.6	2.5	15.0	8.0
Real export growth (% yoy)	6.5	-0.5	-8.4	18.0	16.2	1.3	6.5	7.0	2.7	4.0
Real import growth (% yoy)	12.1	-7.1	-17.6	24.9	15.0	-1.6	7.9	4.8	6.0	6.0
Prices										
CPI inflation (% yoy, eop)	3.1	2.6	1.7	1.9	5.5	2.6	1.6	2.9	3.1	2.7
CPI inflation (% yoy, avg)	3.3	2.8	2.0	1.6	4.1	3.7	2.3	1.9	3.3	2.9
Nominal wages (% yoy)	1.6	4.7	-1.2	-1.9	7.3	3.3	5.0	3.0	3.0	3.0
Nominal exchange rate (vs. USD, eop)	14,380	13,883	14,050	14,253	15,568	15,389	16,267			
Nominal exchange rate (vs. USD, avg)	14,231	14,138	14,538	14,292	14,852	15,238	15,859			
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-		
Monetary Sector										
Monetary base growth (% yoy)	4.8	7.4	18.5	23.0	14.3	2.6	6.1	19.3		
Broad money growth (% yoy)	6.3	6.5	12.5	14.0	8.4	3.5	4.8	9.6		
Credit extension to private sector (% yoy)	11.7	5.9	-2.6	4.9	11.0	10.3	9.7	9.3		
Central bank policy rate (%, eop)	6.00	5.00	3.75	3.50	5.50	6.00	6.00	4.75	6.00	5.50
1-month interbank rate (%, eop)	7.54	5.44	3.81	3.55	6.20	6.65	6.62	5.03	6.65	6.15
Long-term yield (%, eop)	7.9	7.1	5.9	6.4	6.9	6.5	7.0	6.1		
External Sector										
Current account balance (% of GDP)	-2.9	-2.7	-0.4	0.3	1.0	-0.2	-0.6	-0.1	-1.2	-0.8
Current account balance (US$ bn)	-30.6	-30.3	-4.4	3.5	13.2	-2.0	-8.7	-1.5	-18.9	-13.8
Trade balance (US$ bn)	-0.2	3.5	28.3	43.8	62.7	46.3	39.8	49.8	30.6	36.2
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	-20.0
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	140.0
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	5.6	5.2	5.1	5.1	4.9	5.5	5.3	5.5
Real GDP growth (% qoq, sa, annualized)	4.1	6.3	5.7	4.3	4.1	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)	4.8	4.8	4.8	5.3	5.3	5.3	5.3	5.3	5.0	4.8
Nominal exchange rate (vs. USD, eop)	16,680.0	16,782.0	16,993.0							
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 155: Korea
Selected economic and financial indicators

	2018	2019	2020	2021F	2022F	2023	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	1824.9	1751.3	1748.7	1940.3	1800.6	1837.8	1841.4	1853.6	1839.1	1921.3
GDP per capita (US$)	35,373	33,836	33,732	37,479	34,848	35,541	35,584	35,866	35,634	37285.0
Unemployment rate (%)1	3.9	3.8	4.0	3.6	2.9	2.7	2.8	2.8	3.0	3.0
Population (millions)	51.6	51.8	51.8	51.8	51.7	51.7	51.8	51.7	51.6	51.5
Economic Activity										
Real GDP growth (% yoy)	2.9	2.2	-0.7	4.3	2.6	1.4	2.0	1.0	3.1	2.2
Domestic demand growth (% yoy)	2.0	1.5	-1.3	3.7	2.7	1.4	0.2	0.6	1.9	1.9
Real investment growth (% yoy)	-2.2	-2.1	3.5	3.2	-0.5	1.1	-0.8	-3.3	2.2	1.6
Real consumption growth (% yoy)	3.7	3.2	-2.2	4.1	4.1	1.7	1.4	1.7	2.3	2.0
Real private consumption growth (% yoy)	3.2	2.1	-4.8	3.6	4.1	1.8	1.1	1.3	2.2	2.1
Real government consumption growth (% yoy)	5.3	6.4	5.1	5.5	4.0	1.3	2.1	2.8	2.4	1.7
Real export growth (% yoy)	4.0	0.2	-1.7	11.1	3.4	3.1	6.8	4.1	8.3	3.2
Real import growth (% yoy)	1.7	-1.9	-3.1	10.1	3.5	3.1	2.5	3.8	5.9	2.1
Prices										
CPI inflation (% yoy, eop)	1.3	0.7	0.6	3.7	5.0	3.2	1.9	2.3	2.2	2.2
CPI inflation (% yoy, avg)	1.5	0.4	0.5	2.5	5.1	3.6	2.3	2.1	2.6	2.1
Nominal wages (% yoy)	5.1	3.4	0.6	5.0	4.7	2.3	2.5	2.5	2.8	2.5
Nominal exchange rate (vs. USD, eop)	1118.1	1157.8	1088.0	1185.5	1267.3	1289.4	1470.0	1434.9	1560.0	1500.0
Nominal exchange rate (vs. USD, avg)	1100.2	1165.4	1180.3	1144.0	1291.4	1305.7	1363.4	1422.4	1516.0	1515.0
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary sector										
Narrow money growth (% yoy)	4.9	4.3	20.8	21.0	4.0	-10.5	3.5	5.3	6.0	6.0
Broad money growth (% yoy)	6.3	7.0	9.3	11.7	8.5	2.9	6.0	4.5	6.6	5.6
Credit extension to private sector (% yoy)	7.9	9.0	9.1	11.3	6.9	4.0	4.9	4.7	5.0	4.5
Central bank policy rate (%, eop)	1.75	1.25	0.50	1.00	3.25	3.50	3.00	2.50	3.00	3.25
1-month interbank rate (%, eop)	1.82	1.33	0.60	1.15	3.47	3.65	3.12	2.62	3.15	3.40
Long-term yield (%, eop)	1.9	1.7	1.7	2.3	3.7	3.2	2.9	3.4	4.0	4.3
External sector										
Current account balance (% of GDP)	4.2	3.4	4.3	4.4	1.4	1.9	5.4	6.6	16.1	16.8
Current account balance (US$ bn)	77.5	59.7	75.9	85.2	25.8	35.5	99.0	123.1	296.3	322.1
Trade balance (US$ bn)	110.1	79.8	80.6	75.7	15.6	34.2	100.1	138.1	297.0	330.3
Exports, f.o.b. (US$ bn)	626.3	556.7	517.9	649.5	694.3	645.6	696.2	718.9	1,015.2	1,098.3
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US$ bn)	516.2	476.9	437.3	573.7	678.7	611.4	596.1	580.9	718.2	768.1
Service balance (US$ bn)	-29.4	-26.8	-14.7	-5.3	-7.3	-26.1	-23.7	-34.5	-29.5	-30.2
Income balance (US$ bn)	-3.3	6.7	10.0	14.8	17.5	27.3	22.6	19.5	28.8	22.0
Foreign direct investment (US$ bn)	26.0	25.6	26.1	43.9	40.8	19.4	33.4	25.4	52.0	53.3
International reserves (US$ bn)	393.3	397.9	430.1	438.3	399.0	395.6	391.9	403.0	423.2	458.0
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	1.5
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	43.8	44.0
Public (% of GDP)	4.9	5.6	7.4	8.0	9.3	8.8	9.8	9.2	11.9	12.0
Private (% of GDP)	20.7	22.9	26.0	27.0	30.6	29.1	28.5	28.9	31.8	32.0
Gross government debt (% of GDP)	41.6	44.0	49.2	49.8	48.1	50.4	0.0	0.0	51.6	53.8
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	3.6	3.3	2.4	3.1	2.0	2.2	2.3	2.4
Real GDP growth (% qoq, sa, annualized)	4.7	-1.1	6.9	1.5	2.0	2.0	2.6	2.3	2.3	2.3
CPI inflation (% yoy, eop)	2.1	2.3	2.2	3.2	2.8	2.2	2.3	1.7	2.3	2.2
Central bank policy rate (%, eop)	2.50	2.50	2.50	2.50	2.75	3.00	3.25	3.25	3.25	3.25
Nominal exchange rate (vs. USD, eop)	1402	1435	1513	1490	1550	1560	1540	1520	1500	1500
Current account balance (US$ bn)	26.6	36.5	85.0	75.4	67.9	68.0	75.7	80.8	83.1	82.5

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 156: Hong Kong

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	361.8	363.1	345.0	369.0	358.7	381.1	407.2	427	449	473
GDP per capita (US$)	48,545	48,365	46,117	49,774	48,833.9	50,573	54,120	56,995	59,639	62,437
Economic Activity and Prices										
Real GDP growth (% yoy)	2.8	-1.7	-6.5	6.5	-3.7	3.2	2.5	3.5	3.5	3.0
CPI inflation (% yoy, avg)	2.4	2.9	0.3	1.6	1.9	2.1	1.7	1.4	2.1	2.0
Nominal exchange rate (vs. USD, eop)	7.83	7.79	7.75	7.80	7.81	7.81	7.76	7.78	7.85	7.80
Nominal exchange rate (vs. USD, avg)	7.84	7.84	7.76	7.77	7.83	7.83	7.80	7.80	7.83	7.81
Central bank policy rate (%, eop)[1]	2.75	2.49	0.50	0.50	4.75	5.75	4.75	4.00	4.00	3.50
External Sector										
Current account balance (% of GDP)	3.8	5.8	6.8	11.7	10.3	8.5	13.1	12.6	15.6	16.8
Current account balance (US$ bn)	13.6	21.0	23.5	43.2	37.1	32.3	53.4	53.8	70.2	79.7
Trade balance (US$ bn)	-71.7	-54.2	-43.8	-44.1	-49.8	-59.3	-48.5	-56.9	-82.1	-75.9
Exports, f.o.b. (US$ bn)	531.3	509.7	507.1	639.1	579.8	534.5	583.1	673.2	866.5	910.6
Imports, c.i.f. (US$ bn)	603.0	563.9	550.9	683.2	629.6	593.8	631.6	730.0	948.6	986.5
International reserves (US$ bn)	415.1	423.4	475.3	478.7	404.1	411.4	407.9	411.2	439.1	466.0
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	469	468
Public (% of GDP)	0.9	0.9	0.7	2.3	1.6	3.9	3.7	3.7	3.7	3.7
Private (% of GDP)	468	460	518	505	494	481	466	466	465	464
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 157: Philippines

Selected economic and financial indicators

	2018	2019F	2020	2021	2022F	2023	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	341	384	371	381	395	439	455	476	459	468
GDP per capita (US$)	3,228	3,580	3,406	3,342	3,419	3,742	3,804	3,909	3,735	3,742
Economic Activity and Prices										
Real GDP growth (% yoy)	6.2	6.0	(9.5)	5.9	7.6	5.6	5.7	4.4	2.5	3.5
CPI inflation (% yoy, avg)	5.2	2.4	2.4	3.9	5.8	6.0	3.2	1.7	6.7	4.9
Nominal exchange rate (vs. USD, eop)	52.6	50.8	48.5	51.0	55.7	55.4	58.0	58.8	64.0	66.0
Nominal exchange rate (vs. USD, avg)	51.0	50.9	49.7	49.8	54.5	55.6	56.7	58.4	61.4	65.0
Central bank policy rate (%, eop)	4.75	4.00	2.00	2.00	5.50	6.50	5.75	4.50	5.00	5.00
External Sector										
Current account balance (% of GDP)	(2.3)	(0.8)	3.1	(1.6)	(4.6)	(2.8)	(3.8)	(4.0)	(4.6)	(4.7)
Current account balance (US$ 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 158: Malaysia

Selected economic and financial indicators

	2018	2019	2020	2021	2022F	2023	2024F	2025F	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$)	11,133	11,280								
Unemployment rate (%)	3.3	3.3	4.5	4.7	3.8	3.4	3.2	3.0	3.0	3.0
Population (millions)	32.2	32.4	32.4	32.6	32.7	33.4	34.4	34.4	34.5	34.6
Economic Activity										
Real GDP growth (% yoy)	4.8	4.4	-5.5	3.3	9.0	3.5	5.1	5.2	4.6	4.5
Domestic demand growth (% yoy)	4.7	3.9	-4.8	3.8	9.7	5.0	4.9	6.3	5.1	4.9
Real investment growth (% yoy)	1.4	-2.1	-14.4	-0.7	6.8	5.4	12.0	9.6	8.0	6.0
Real consumption growth (% yoy)	7.1	6.6	-2.6	2.5	10.3	4.4	5.0	0.0	4.6	4.8
Real private consumption growth (% yoy)	8.0	7.7	-3.9	1.8	11.4	4.6	5.1	5.2	4.7	4.8
Real government consumption growth (% yoy)	3.4	1.5	4.1	5.8	5.6	3.4	4.7	6.6	4.5	4.3
Real export growth (% yoy)	1.9	-1.0	-8.6	18.5	14.5	-7.9	8.3	3.1	3.7	4.0
Real import growth (% yoy)	1.5	-2.4	-7.9	21.2	16.0	-6.8	8.2	4.6	4.5	4.6
Prices										
CPI inflation (% yoy, eop)	0.2	1.0	-1.4	3.2	3.8	1.5	1.7	1.6	2.2	2.3
CPI inflation (% yoy, avg)	1.0	0.7	-1.1	2.5	3.4	2.5	1.8	1.4	2.0	2.2
Nominal wages (% yoy)	3.7	2.6	-2.1	1.4	9.4	9.4	10.4	9.0	8.0	8.0
Nominal exchange rate (vs. USD, eop)	4.14	4.09	4.01	4.18	4.41	4.59	4.47	4.06	3.90	3.90
Nominal exchange rate (vs. USD, avg)	4.04	4.14	4.20	4.14	4.40	4.56	4.58	4.28	3.90	3.90
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-			
Monetary Sector										
Monetary base growth (% yoy)	1.2	5.8	15.7	10.4	4.3	5.9	4.4 9.0			
Broad money growth (% yoy)[1]	9.1	3.5	4.0	6.4	4.3	6.0	3.6 4.1			
Credit extension to private sector (% yoy)[2]	7.7	3.9	3.4	4.5	5.7	5.3	5.5 4.8			
Central bank policy rate (%)	3.25	3.00	1.75	1.75	2.75	3.00	3.00	2.75	2.75	2.75
3-month interbank rate (%)	3.69	3.35	1.94	2.05	3.68	3.77	3.73	3.28	3.35	3.35
Long-term yield (%)[3]	4.08	3.62	2.81	3.27	4.08	3.85	3.83	3.56		
External Sector										
Current account balance (% of GDP)	2.2	3.5	4.2	3.9	3.2	1.1	1.4	1.6	2.2	2.2
Current account balance (US$ bn)	8.0	12.8	14.1	14.5	13.0	4.4	6.1	7.4	11.5	12.5
Trade balance (US$ bn)	28.4	30.1	32.7	42.9	42.6	28.7	25.0	25.9	26.0	28.0
Exports, f.o.b. (US$ bn)	205.9	197.4	185.8	242.8	281.3	232.1	248.3	271.8	278.8	280.8
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	252.8	252.8
Service balance (US$ bn)	-4.3	-2.6	-11.2	-15.9	-13.2	-9.7	-2.6	0.3	5.5	6.5
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	23.3	23.8
Investment (% of GDP)	23.9	21.0	19.7	22.1	23.6	22.8	22.0	20.5	21.1	21.6

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	5.3	6.2	5.4	4.6	3.5	3.5	4.3	4.2	4.8	4.7
Real GDP growth (% qoq, sa, annualized)	8.3	5.6	0.0	5.3	4.5	2.8	2.4	6.6	8.2	2.0
CPI inflation (% yoy, eop)	1.4	1.4	1.4	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	4.04	3.90	3.90	3.90	3.90	3.90	3.90	3.9
Current account balance (US$ bn)	3.0	0.5	3.8	2.3	2.3	2.3	3.1	3.1	3.1	3.1

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 159: Singapore

Selected economic and financial indicators

	2018	2019	2020	2021F	2022F	2023	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	376.8	377.0	349.6	436.4	509.0	505.5	547.4	604.6	640.9	672.9
GDP per capita (US$)	66,819	66,095	61,495	80,026	90,287	85,422	90,678	98,936	101,419	103,802
Unemployment Rate (%)	2.1	2.2	3.0	2.7	2.1	1.9	2.0	2.0	2.0	2.0
Population (millions)	5.6	5.7	5.7	5.5	5.6	5.9	6.0	6.1	6.2	6.3
Economic Activity										
Real GDP growth (% yoy)	3.5	1.3	-3.8	9.8	4.1	1.8	4.4	5.0	3.4	2.3
Domestic demand growth (% yoy)	4.0	2.8	-7.9	6.3	6.6	4.1	5.6	3.4	3.1	2.5
Real investment growth (% yoy)	-5.0	2.5	-14.0	23.2	4.7	-0.9	2.9	6.1	3.8	2.9
Real consumption growth (% yoy)	4.0	2.8	-7.9	6.3	6.6	4.1	5.6	3.4	2.7	2.3
Real private consumption growth (% yoy)	4.3	2.7	-13.6	7.2	9.7	4.9	4.8	3.9	2.8	2.3
Real government consumption growth (% yoy)	2.9	3.4	13.2	3.9	-2.3	1.8	8.3	1.7	2.3	2.4
Real export growth (% yoy)	8.3	0.0	-0.4	8.8	4.9	5.7	5.4	10.8	3.8	4.2
Real import growth (% yoy)	7.8	-0.1	-2.0	8.9	5.8	5.3	6.6	11.9	2.6	4.3
Prices										
CPI inflation (% yoy, eop)	0.5	0.8	0.0	4.0	6.5	3.7	1.6	1.2	2.3	1.9
CPI inflation (% yoy, avg)	0.4	0.6	-0.2	2.3	6.1	4.8	2.4	0.9	2.0	2.2
Nominal wages (% yoy)	3.5	2.6	1.4	3.6	6.8	5.3	4.0	4.0	4.0	4.0
Nominal exchange rate (vs. USD, eop)	1.36	1.35	1.32	1.35	1.34	1.32	1.36	1.28	1.27	1.27
Nominal exchange rate (vs. USD, avg)	1.35	1.36	1.38	1.34	1.38	1.34	1.34	1.31	1.27	1.27
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-			
Monetary Sector										
Monetary base growth (% yoy)	0.1	3.6	32.8	-	-10.7	2.1	8.8	-		
Broad money growth (% yoy)[1]	3.9	5.0	13.2	-	1.8	4.6	6.0	-		
Credit extension to private sector (% yoy)[2]	3.0	3.1	-2.0	-	-2.3	-2.3	-2.3	-		
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-		
3-month interbank rate (%, eop)	1.46	1.26	0.17	0.19	3.03	3.70	3.03	-		
Long-term yield (%, eop)[3]	2.04	1.74	0.84	1.67	3.09	2.71	2.86	-		
External Sector										
Current account balance (% of GDP)	16.0	16.0	17.5	19.8	18.4	17.7	17.5	16.7	16.1	16.3
Current account balance (US$ bn)	81.2	82.5	84.3	116.1	129.3	120.0	128.3	132.0	103.0	110.0
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	50.0
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	6.0	4.8	2.1	0.6	1.3	1.4	2.6	3.8
Real GDP growth (% qoq, sa, annualized)	7.8	5.2	3.9	2.0	-1.6	-1.6	5.7	3.2	3.2	3.2
CPI inflation (% yoy, eop)	0.7	1.2	1.8	1.8	2.2	2.3	2.3	2.4	2.1	1.9
Central bank policy rate (%, eop)										
Nominal exchange rate (vs. USD, eop)	1.29	1.28	1.27							
Current Account balance (US$ bn)	22.2	31.0	23.8	23.8	23.8	23.8	27.5	27.5	27.5	27.5

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 160: Taiwan

Selected economic and financial indicators

	2018	2019	2020	2021	2022F	2023	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	610	612	677	778	762	757	802	923	1,037	1,156
GDP per capita (US$)			28,549	32,944	32,625	32,325	34,255	39,611	44,685	46,978
Economic Activity and Prices										
Real GDP growth (% yoy)	2.8	3.1	3.4	6.7	2.7	1.1	5.3	8.8	12.0	7.0
CPI inflation (% yoy, avg)	1.4	0.6	-0.2	2.0	2.9	2.5	2.2	1.7	2.0	1.7
Nominal exchange rate (vs. USD, eop)	30.7	30.1	28.5	27.7	30.7	30.7	32.8	31.4	32.0	31.0
Nominal exchange rate (vs. USD, avg)	30.1	30.9	29.6	28.0	29.8	31.1	32.1	31.2	31.9	31.5
Central bank policy rate (%, eop)	1.38	1.38	1.13	1.13	1.75	1.88	2.00	2.00	2.25	2.38
External Sector										
Current account balance (% of GDP)	11.6	10.7	14.4	15.3	13.2	14.0				
Current account balance (US$ bn)	70.9	65.7	97.6	118.3	101.4	105.8	112.8	179.8	254.5	310.5
Trade balance (US$ bn)	49.2	43.5	59.0	64.4	51.3	80.8	80.6	156.4	226.6	277.3
Exports, f.o.b. (US$ bn)	334.0	329.2	345.1	446.4	479.4	432.4	474.9	640.0	839.6	1002.8
Imports, c.i.f. (US$ bn)	284.8	285.7	286.1	382.0	428.1	351.6	394.3	483.5	613.0	725.5
International reserves (US$ bn)	462	478	530	548	555	571	577	603	630	649
Public Sector										
Central gov. primary budget balance (% of GDP)	0.1	0.6	-0.3	1.3	1.2	-2.4	1.4	0.8	-2.0	-2.0
Central gov. budget balance (% of GDP)	-0.3	0.1	-0.7	0.8	0.8	-2.9	0.4	0.3	-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	26.4	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	26.4	23.6	
Gross government debt (% of GDP)	33.9	32.7	32.1	30.2	29.5	29.0	29.0	0.0	28.7	
Domestic (% of GDP)	-	-	-	-	-	-	-			
External (% of GDP)	-	-	-	-	-	-	-			

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 161: Thailand

Selected economic and financial indicators

	2018	2019	2020	2021F	2022F	2023	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	506.4	543.9	477.0	477.2	475.2	497.0	511.5	519.1	622.9	658.1
GDP per capita (US$)	7624.3	8161.3	7133.9	7112.1	7058.9	7357.2	7546.8	7658.3	8861.1	9361.3
Economic Activity and Prices										
Real GDP growth (% yoy)	4.2	2.3	-6.3	1.5	2.7	2.0	2.5	2.4	2.1	2.2
CPI inflation (% yoy, avg)	-0.9	0.7	-0.9	1.2	6.1	1.6	0.4	-0.1	2.4	0.1
Nominal exchange rate (vs. USD, eop)	32.3	29.9	30.5	33.0	31.0	34.0	34.0	32.0	31.0	30.0
Nominal exchange rate (vs. USD, avg)	32.3	31.0	31.3	32.1	35.0	34.7	34.7	32.0	31.0	30.0
Central bank policy rate (%, eop)	1.8	1.3	0.5	0.5	1.0	2.50	2.50	1.25	1.00	1.00
External Sector										
Current account balance (% of GDP)	5.6	6.8	8.1	-3.7	-3.0	1.4	2.2	4.2	-0.2	0.1
Current account balance (US$ bn)	28.4	37.0	40.8	-18.5	-15.7	7.4	11.1	21.9	-1.3	0.5
Trade balance (US$ bn)	22.4	26.7	40.9	32.4	13.5	19.4	17.2	27.5	7.4	4.1
Exports, f.o.b. (US$ bn)	251.1	242.7	227.0	270.6	285.2	280.7	293.3	327.8	383.3	406.3
Imports, c.i.f. (US$ bn)	228.7	216.0	186.1	238.2	271.6	261.4	276.1	299.4	375.9	402.3
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	-4.3	-3.829213
Central gov. budget Balance (% of GDP)	-3.0	-3.0	-7.1	-9.0	-5.8	-3.6	-4.4	-4.5	-5.4	-4.9
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	70.3
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 162: Poland

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	595	603	606	689	696	813	922	1,041	1,143	1,216
GDP per capita (US$)	15,481	15,699	15,908	18,182	18,422	21,600	24,585	27,866	30,741	32,830
Unemployment rate (%)	3.9	3.3	3.2	3.4	2.9	2.8	2.9	3.0	2.8	2.9
Population (millions)	38.4	38.4	38.1	37.9	37.8	37.6	37.5	37.3	37.2	37.0
Economic Activity										
Real GDP growth (% yoy)	6.2	4.6	-2.0	6.8	5.6	0.1	3.1	3.7	3.2	2.8
Domestic demand growth (% yoy)	6.7	3.6	-2.9	8.1	5.2	-3.0	4.2	4.6	3.8	2.4
Real investment growth (% yoy)	15.8	1.9	-7.8	16.6	9.3	-16.8	4.6	6.4	7.8	0.4
Real consumption growth (% yoy)	4.4	4.0	-1.5	6.0	4.0	1.0	4.1	4.1	2.9	3.0
Real private consumption growth (% yoy)	4.6	3.4	-3.4	6.3	5.0	-0.2	2.9	3.7	2.1	2.2
Real government consumption growth (% yoy)	3.8	6.1	4.5	5.0	1.2	4.6	7.8	5.3	5.0	5.0
Real export growth (% yoy)	6.8	5.3	-1.1	12.4	7.3	3.8	1.9	5.4	4.5	4.0
Real import growth (% yoy)	7.6	3.2	-2.6	16.2	6.9	-1.4	4.7	6.8	4.8	3.5
Prices										
CPI inflation (% yoy, eop)	1.1	3.4	2.4	8.6	16.6	6.2	4.7	2.4	2.8	2.5
CPI inflation (% yoy, avg)	1.7	2.3	3.4	5.1	14.3	11.6	3.7	3.6	2.7	2.5
Nominal wages (% yoy)	7.1	6.6	4.8	8.6	12.9	11.9	11.2	-	-	
Nominal exchange rate (vs EUR, eop)	4.30	4.26	4.61	4.60	4.69	4.35	4.27	4.23	4.28	4.15
Nominal exchange rate (vs EUR, avg)	4.26	4.30	4.44	4.57	4.69	4.54	4.31	4.24	4.21	4.22
Bilateral real exchange rate (% yoy, + dep)	0.2	-0.2	0.2	0.3	-2.7	-8.4	-6.4	-3.0	-	-
Monetary Sector										
Monetary base growth (% yoy, eop)1	11.7	14.1	32.6	12.6	-8.1	6.3	10.3	11.4	-	-
Broad money growth (% yoy, eop)	9.2	8.3	16.4	8.9	5.4	8.5	9.3	10.4	-	-
Credit extension to private sector (% yoy, eop)	7.5	5.2	0.3	5.5	1.6	-0.5	4.8	5.4	-	-
Central bank policy rate (%, eop)	1.50	1.50	0.10	1.75	6.75	5.75	5.75	4.00	3.75	3.75
1-month interbank rate (%, eop)2	1.64	1.63	0.20	2.23	6.93	5.80	5.81	4.06	-	-
Long-term yield (%, eop)3	2.9	2.0	1.3	3.4	6.6	5.2	5.7	5.2	-	-
External Sector										
Current account balance (% of GDP)	-2.0	-0.3	2.4	-1.3	-2.2	1.5	0.3	-0.9	-1.8	-1.7
Current account balance (US$ bn)	-10.6	-5.4	9.0	-9.9	-17.4	11.0	-8.3	-19.9	-20.7	-20.5
Trade balance (US$ bn)	-13.3	-4.9	8.0	-9.1	-23.2	5.1	-6.7	-15.2	-28.7	-27.6
Exports, f.o.b. (US$ bn)	242	247	252	312	342	363	361	390	423.9	450.3
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US$ bn)	256	252	244	321	365	358	367	406	452.6	477.9
Service balance (US$, bn)	25.3	26.9	26.0	31.3	37.9	42.7	43.4	44.4	49.9	52.4
Income balance (US$, bn)	-25.2	-24.9	-22.5	-30.3	-27.4	-33.1	-30.8	-37.6	-41.4	-44.8
Foreign direct investment (US$ bn)	17.4	13.6	15.2	27.3	28.7	23.4	10.5	-	-	-
International reserves (US$ bn)	117	128	154	166	167	194	223	271	297	321
Public Sector										
Central gov. primary budget balance (% of GDP)	0.7	0.1	-6.9	-0.8	-1.9	-2.7	-5.1	-	-	-
Central gov. budget balance (% of GDP)	-0.5	-1.1	-7.8	-1.8	-3.0	-4.1	-6.6	-	-	-
Consolidated gov. primary budget balance (% of GDP)	1.2	0.6	-5.6	-0.6	-1.8	-3.1	-4.3	-	-	-
Consolidated public sector balance (% of GDP)	-0.2	-0.7	-6.9	-1.7	-3.4	-5.2	-6.4	-7.3	-7.2	-7.0
General gov. revenues (% of GDP)	40.8	40.7	40.9	41.9	39.9	41.7	42.8	-	-	-
Debt Indicators										
Gross external debt (% of GDP)	61.1	59.0	62.4	53.2	53.9	53.1	50.1	52.3	-	-
Public (% of GDP)	24.1	21.5	22.1	17.4	17.1	17.5	17.9	24.0	-	-
Private (% of GDP)	37.1	37.5	40.3	35.9	36.8	35.7	32.2	28.3	-	-
Gross government debt (% of GDP)	48.2	45.2	56.6	53.0	48.8	49.5	54.8	59.7	64.7	69.6
Domestic (% of GDP)	26.4	26.1	36.9	38.2	34.7	35.2	39.9	37.7	-	-
External (% of GDP)	21.9	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)	19.5	20.4	21.2	20.5	19.8	19.2	18.5	17.4	-	-
Investment (% of GDP)	21.4	20.7	18.8	21.8	22.1	17.7	18.2	18.2	-	-

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (sa, % yoy)	4	3.5	4.1	3.7	2.6	2.0	-	-	-	-
Real GDP growth (sa, % qoq, annualized)	3.6	4.1	-	-	-	-	-	-	-	-
CPI inflation (% yoy, eop)	2.9	2.4	2.7	3	-	-	-	-	-	-
Central bank policy rate (%, eop)	4.75	4	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Nominal exchange rate (vs EUR, eop)	5.17	6.17	4.28	4.32	4.25	4.20	4.15	4.15	4.15	4.15
Current account balance (US$ bn)	-4.9	-0.2	.	-	-	-	.	-	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 163: South Africa

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	405	389	338	420	407	381	401	427	483	535
GDP per capita (US$)	6956	6583	5631	6924	6640	6133	6365	6688	7464	8155
Unemployment rate (%)	27	29	29	34	34	32	33	34	34	34
Population (millions)	58.2	59.1	60.0	60.6	61.4	62.2	63.0	63.9	64.7	65.6
Economic Activity										
Real GDP growth (% yoy)	1.6	0.3	-6.2	4.9	2.1	0.8	0.5	1.1	1.3	1.5
Domestic demand growth (% yoy)	2	1.3	-7.8	4.9	3.9	0.5	-0.6	2.1	1.4	1.3
Real investment growth (% yoy)	-1.2	-1.7	-14.8	-0.3	5.9	3.0	-3.9	-2.2	1.0	1.7
Real consumption growth (% yoy)	2.7	1.4	-4.5	4.7	2.2	0.6	0.7	2.7	2.0	1.7
Real private consumption growth (% yoy)	3.2	1.3	-6.1	6.0	2.6	0.2	1.0	3.6	2.3	2.0
Real government consumption growth (% yoy)	1.1	1.8	0.9	0.6	0.7	1.9	-0.1	-0.2	0.9	0.7
Real export growth (% yoy)	2.7	-3.3	-12.0	9.7	7.8	5.1	-2.8	-2.5	0.5	2.2
Real import growth (% yoy)	3.5	0.6	-17.6	9.7	15.0	3.9	-6.4	1.1	0.8	1.4
Prices										
CPI inflation (% yoy, eop)	4.5	4.0	3.0	5.9	7.2	5.2	3.0	3.6	4.6	3.5
CPI inflation (% yoy, avg)	4.6	4.1	3.3	4.5	6.9	5.9	4.4	3.2	4.2	4.0
Nominal wages (% yoy)	5	4.6	-1.9	6.3	5.3	5.8	4.8	4.6	4.6	4.6
Nominal exchange rate (vs USD, eop)	14.4	14.0	14.7	15.9	17.0	18.5	18.7	16.6	16.5	15.6
Nominal exchange rate (vs USD, avg)	13.2	14.5	16.5	14.8	16.4	18.5	18.3	17.9	16.7	15.9
Bilateral real exchange rate (% yoy, + dep)	-2.4	0.2	9.1	-5.8	-1.9	4.6	-4.8	-1.5	-10.9	-8.6
Monetary Sector										
Monetary base growth (% yoy)	9.1	4.2	3.6	5.3	14.0	8.9	27.5	11.7	4.2	4.0
Broad money growth (% yoy)	5.6	6.1	9.4	5.7	8.6	7.6	6.7	7.7	4.2	4.0
Credit extension to private sector (% yoy)	5.1	6.1	3.6	2.4	7.7	5.0	3.8	8.2	5.2	5.0
Central bank policy rate (%, eop)	6.8	6.5	3.5	3.8	7.00	8.25	7.75	6.75	7.25	6.25
1-month interbank rate (%, eop)	7	6.6	3.5	3.7	7.1	8.3	7.7	6.6	7.4	6.4
Long-term yield (%, eop)1	9.4	9.0	9.7	9.9	11.3	11.3	10.3	8.6	9.0	8.0
External Sector										
Current account balance (% of GDP)	-2.9	-2.6	2.0	3.7	-0.3	-1.1	-0.7	-0.5	-0.1	-0.9
Current account balance (US$ bn)	-11.9	-10.1	6.7	15.7	-1.3	-4.1	-2.6	-2.0	-0.5	-4.8
Trade balance (US$ bn)	2	2.5	17.6	30.6	14.2	7.6	11.7	11.9	12.0	7.7
Exports, f.o.b. (US$ bn)	94.4	90.0	84.7	121.7	123.8	112.4	111.4	116.2	121.6	119.3
main export	25.3	23.7	18.4	42.6	45.5	31.0	30.3	29.0	13.0	13.0
Imports, c.i.f. (US$ bn)	92.4	87.4	67.1	91.1	109.5	104.8	99.7	104.3	109.6	111.6
Service balance (US$ bn)	0.1	-0.6	-2.7	-4.4	-5.6	-4.4	-3.9	-3.7	-4.5	-4.5
Income balance (US$ bn)	-11.3	-9.7	-5.6	-8.0	-8.5	-5.1	-7.9	-8.2	-8.0	-8.0
Foreign direct investment (US$ bn)	1.4	2.0	5.0	40.1	6.9	6.7	3.6	1.7	3.0	3.0
International reserves (US$ bn)	46.5	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)	-0.9	-2.5	-5.7	-0.9	0.0	0.5	0.7	1.1	1.4	1.6
Central gov. budget balance (% of GDP)	-4.3	-6.1	-9.8	-5.1	-4.6	-4.5	-4.5	-4.3	-4.2	-4.1
Consolidated gov. primary budget balance (% of GDP)	-0.9	-2.5	-5.7	-0.9	0.0	0.6	0.5	1.0	1.2	1.5
Consolidated public sector balance (% of GDP)	-3.6	-5.0	-9.9	-4.6	-3.6	-4.4	-4.8	-4.4	-4.4	-4.2
Central gov. revenues (% of GDP)	23.5	23.6	22.1	24.7	25.1	24.2	24.5	25.7	25.9	26.0
Debt Indicators										
Gross external debt (% of GDP)	42.6	47.6	50.4	38.2	40.3	41.5	42.0	44.0	46.0	48.0
Public (% of GDP)	22.5	26.6	30.8	23.8	23.5	24.5	24.8	25.8	26.8	27.8
Private (% of GDP)	20.1	21.0	19.6	14.5	16.8	17.0	17.1	18.1	19.1	20.1
Gross government debt (% of GDP)	51.5	57.1	70.1	67.7	70.4	73.9	77.0	78.9	77.4	73.6
Domestic (% of GDP)	46.1	50.3	63.1	61.2	62.2	65.6	68.8	69.8	67.3	62.5
External (% of GDP)	5.4	6.8	7.0	6.5	8.2	8.3	8.1	9.1	10.1	11.1
External debt amortizations (US$ bn)	46.4	44.5	41.9	60.2	61.3	63.3	65.3	67.3	69.3	71.3
External debt interest payments (US$ bn)	6.6	6.5	6.0	7.3	7.1	7.4	7.9	8.2	8.4	8.7
External debt service (% of XGS)	56.2	56.7	56.6	55.5	55.2	62.9	65.7	64.9	63.9	67.0
Savings - Investment Balance										
Savings (% of GDP)	13.2	13.3	14.4	16.5	15.0	13.1	12.9	13.0	13.0	13.0
Investment (% of GDP)	15.9	15.9	12.4	12.7	15.3	14.2	13.6	13.4	13.1	13.9

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	1.6	1.5	1.8	1.231225	1.1	0.9	0.9	1.3	1.7	2.0
Real GDP growth (% qoq, sa, annualized)	1.2	1.5	1.3	0.037983	0.7	0.9	1.9	1.8	2.3	1.9
CPI inflation (% yoy, eop)	3.4	3.6	3.4	4.734542	4.5	4.6	4.6	4.8	3.9	3.7
Central bank policy rate (%, eop)	7	6.75	6.75	7	7.25	7.25	7.25	7	6.5	6.25
Nominal exchange rate (vs USD, eop)	17.3	16.6	16.1	16.4	16.8	16.5	16.3	16.0	15.8	15.6
Current account balance (US$ bn)	-0.8	0.3	-2	0.092713	-0.6	0.4	-2.0	0.4	-0.5	0.61

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 164: Czech Republic
Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	252	257	251	291	303	345	347	391	426	460
GDP per capita (US$)	23691	24,017	23,498	27,678	27,940	31,662	31,819	35,871	39,066	42,203
Economic Activity and Prices										
Real GDP growth (% yoy)	2.8	3.5	-5.3	4.0	2.9	0.2	1.1	2.6	2.0	2.4
CPI inflation (% yoy, avg)	2.1	2.8	3.2	3.8	15.1	10.7	2.4	2.5	2.0	2.4
Nominal exchange rate (vs EUR, eop)	25.7	25.4	26.2	24.9	24.1	24.7	25.2	24.2	24.3	23.3
Nominal exchange rate (vs EUR, avg)	25.6	25.7	26.5	25.6	24.6	24.0	25.1	24.7	24.3	23.8
Central bank policy rate (%, eop)	1.8	2.00	0.25	3.75	7.00	6.75	4.00	3.50	4.00	4.00
External Sector										
Current account balance (% of GDP)	0.4	0.3	1.8	-2.1	-4.7	-0.1	1.7	0.7	0.8	0.5
Current account balance (US$ bn)	1.0	0.9	4.4	-6.0	-14.2	-0.4	5.9	2.9	3.3	2.4
Trade balance (US$ bn)	9.3	10.5	12.1	5.1	- 1.0	13.1	17.9	18.2	19.9	19.9
Exports, f.o.b. (US$ bn)	161.1	156	144	175	185	197	197	215	239	262
Imports, c.i.f. (US$ bn)	151.9	146	132	169	186	183	180	197	220	242
International reserves (US$ bn)	142.5	150	166	174	140	148	146	176	176	187
Public Sector										
General gov. primary budget balance (% of GDP)	1.6	0.96	-4.9	-4.2	-2.0	-2.4	-0.7	-	-	-
General gov. budget balance (% of GDP)	0.9	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)	77.8	75.5	80.3	71.9	68.1	62.3	62.5	70.4	-	-
Public (% of GDP)	15.5	14.8	16.8	16.4	16.8	13.2	11.6	13.8	-	-
Private (% of GDP)	62.4	60.7	63.5	55.5	51.3	49.1	50.9	56.6	-	-
Gross government debt (% of GDP)	31.7	29.6	36.9	40.7	42.5	42.2	43.3	44.3	45.4	46.3
Domestic (% of GDP)	19.3	17.7	23.3	28.9	30.5	31.7	33.4	33.1	-	-
External (% of GDP)	12.4	11.9	13.6	11.8	12.0	10.5	9.9	11.2	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 165: Egypt
Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	261.0	317.7	382.4	424.4	475.2	397.4	385.7	353.8	417.8	469.0
GDP per capita (US$)	2,688	3,213	3,801	4,157	4,587	3,777	3,619	3,253	3,767	4,146
Economic Activity and Prices										
Real GDP growth (% yoy)	5.3	5.5	3.6	3.3	6.7	3.8	2.4	4.4	3.5	4.5
CPI inflation (% yoy, avg)	21.6	13.9	5.7	4.5	8.5	24.4	33.3	20.4	13.2	10.0
Nominal exchange rate (vs USD, eop)	17.50	16.69	16.16	15.70	18.79	30.90	48.03	49.50	50.00	51.00
Nominal exchange rate (vs USD, avg)	17.88	17.61	16.09	15.70	16.50	25.79	36.27	49.71	49.31	50.50
Central bank policy rate (%, eop)	16.75	15.75	9.25	8.25	11.25	18.25	27.25	24.00	19.00	16.00
External Sector										
Current account balance (% of GDP)	-2.3	-3.4	-2.9	-4.3	-3.5	-1.2	-5.4	-4.4	-4.8	-4.3
Current account balance (US$ bn)	-6.0	-10.9	-11.2	-18.4	-16.6	-4.7	-20.8	-15.4	-20.1	-20.3
Trade balance (US$ bn)	-37.3	-38.0	-36.5	-42.1	-43.4	-31.2	-39.6	-51.0	-56.0	-55.3
Exports, f.o.b. (US$ bn)	25.8	28.5	26.4	28.7	43.9	39.6	32.6	40.2	43.2	44.5
Imports, c.i.f. (US$ bn)	63.1	66.5	62.8	70.7	87.3	70.8	72.1	91.2	99.2	99.8
International reserves (US$ bn)	44.3	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)	0.1	1.8	1.7	1.4	1.3	1.5	6.1	3.5	4.5	5.0
Central gov. budget balance (% of GDP)	-9.3	-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)	35.5	34.2	32.3	32.5	32.8	41.8	41.2	39.4	39.5	38.7
Public (% of GDP)	28.4	26.8	25.4	25.5	25.9	32.3	31.6	29.9	29.9	29.1
Private (% of GDP)	7.1	7.4	6.9	7.0	6.8	9.6	9.6	9.6	9.6	9.6
Gross government debt (% of GDP)	92.5	85.8	82.8	87.9	88.3	95.2	90.1	83.2	83.9	81.7
Domestic (% of GDP)	74.4	68.9	64.8	68.9	68.9	70.1	62.8	57.7	58.3	57.0
External (% of GDP)	18.1	16.9	18.0	19.0	19.5	25.1	27.3	25.5	25.5	24.7

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 166: Hungary

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	161	165	158	183	177	213	223	246	279	329
GDP per capita (US$)	16617	17,021	16,419	19,071	18,438	22,226	23,361	25,961	29,551	35,021
Economic Activity and Prices										
Real GDP growth (% yoy)	5.6	5.1	-4.5	7.2	4.2	-0.7	0.7	0.4	1.9	3.0
CPI inflation (% yoy, avg)	2.8	3.3	3.3	5.1	14.6	17.1	3.7	4.4	2.0	2.5
Nominal exchange rate (vs EUR, eop)	321.7	331	365	369	400	383	410	385	353	345
Nominal exchange rate (vs EUR, avg)	318.8	325	351	359	391	382	396	398	384	349
Central bank policy rate* (%, eop)	0.9	0.90	0.60	2.40	13.00	10.75	6.50	6.50	5.50	4.75
External Sector										
Current account balance (% of GDP)	0.3	-0.6	-1.1	-4.4	-8.9	0.0	1.8	1.7	1.3	0.3
Current account balance (US$ bn)	0.5	-1.0	-1.7	-8.0	-15.8	0.0	4.1	4.1	3.7	0.9
Trade balance (US$ bn)	-2.9	-4.3	-2.1	-6.0	-16.6	-1.2	-1.1	-2.1	-	-
Exports, f.o.b. (US$ bn)	104.6	104	101	119	128	136	130	137	-	-
Imports, c.i.f. (US$ bn)	107.5	108	103	125	145	137	131	139	-	-
International reserves (US$ bn)	31.4	31.8	41.4	43.5	41.2	45.7	46.5	59.0	69.7	76.4
Public Sector										
General gov. primary budget balance (% of GDP)	0.3	0.2	-5.2	-4.9	-3.4	-2.3	-0.3	-	-	-
General gov. budget balance (% of GDP)	-2.0	-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)	99.4	97.0	149.5	155.3	153.0	128.9	138.2	121.8	-	-
Public (% of GDP)	28.9	27.5	37.3	34.7	35.9	37.5	34.0	39.2	-	-
Private (% of GDP)	70.5	69.5	112.2	120.5	117.1	91.4	104.2	82.6	-	-
Gross government debt (% of GDP)	68.8	65.0	78.7	76.2	74.1	73.3	73.5	74.6	74.7	74.6
Domestic (% of GDP)	41.0	38.7	47.5	51.8	50.1	46.0	48.2	45.3	-	-
External (% of GDP)	27.8	26.2	31.2	24.4	24.0	27.3	25.2	29.3	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 167: Kazakkhstan

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	173	176.0	168.1	193.0	224.2	259.6	255.9	314.7	375.8	407.5
GDP per capita (US$)	9402.6	9444.5	8902.4	10091.0	11583.1	13257.7	14413.7	15262.8	18334.4	20088.2
Economic Activity and Prices										
Real GDP growth (% yoy)	4.1	4.5	-2.5	4.3	2.9	4.8	4.8	6.5	4.5	4.0
CPI inflation (% yoy, avg)	6	5.3	6.8	8.0	15.0	14.8	8.8	11.4	9.6	5.9
Nominal exchange rate (vs USD, eop)	375.2	381.2	420.7	431.7	461.0	453.6	524.5	507.1	480.0	480.0
Nominal exchange rate (vs USD, avg)	344.7	382.7	413.0	425.9	460.1	456.2	470.1	521.5	485.0	480.0
Central bank policy rate (%, eop)	9.25	9.25	9.00	9.75	16.75	15.75	15.25	18.00	14.00	10.00
External Sector										
Current account balance (% of GDP)	-1	-4.0	-6.5	-1.4	2.9	-3.6	-1.7	-4.1	-2.5	-4.2
Current account balance (US$ bn)	-1.8	-7.0	-11.0	-2.7	6.4	-9.4	-5.0	-12.5	-9.3	-17.0
Trade balance (US$ bn)	19.2	14.9	2.7	22.2	35.0	19.8	17.6	11.5	15.5	4.3
Exports, f.o.b. (US$ bn)	66.4	67.3	49.3	71.6	85.6	80.3	78.8	77.5	86.1	74.4
Imports, c.i.f. (US$ bn)	47.2	52.4	46.6	49.5	50.6	60.4	61.2	65.9	70.5	70.1
International reserves (US$ bn)	30.9	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)	-0.5	-0.9	-2.9	-1.9	-0.8	-0.7	-0.9	-1.0	-0.5	-1.3
Central gov. budget balance (% of GDP)	-1.4	-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)	92.7	90.7	97.6	85.0	71.7	62.7	57.7	59.4	50.1	46.8
Public (% of GDP)	7.1	7.6	9.1	9.5	6.9	5.4	5.3	6.1	5.4	5.3
Private (% of GDP)	85.6	83.1	88.5	75.5	64.7	57.3	52.3	53.3	44.7	41.5
Gross government debt (% of GDP)	24.3	23.7	27.0	26.5	23.9	20.4	21.7	24.0	22.9	23.4
Domestic (% of GDP)	15.6	14.5	17.0	17.2	15.3	13.1	15.1	17.3	17.0	17.5
External (% of GDP)	8.7	9.2	10.0	9.3	8.7	7.3	6.6	6.7	5.9	5.9

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 168: Nigeria
Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	643	668	600	610	648	488	252	291	377	388
GDP per capita (US$)	3139	3190	2802	2791	2903	2140	1084	1225	1556	1603
Economic Activity and Prices										
Real GDP growth (% yoy)	0.8	5.5	-6.8	0.9	4.4	3.9	3.4	4.0	4.1	4.3
CPI inflation (% yoy, avg)	12.1	11.4	13.2	17.0	18.8	24.7	33.2	23.0	16.0	12.0
Nominal exchange rate (vs USD, eop)	307.0	307.0	379.5	414.9	461.0	911.7	1544	1440	1378	1396
Nominal exchange rate (vs USD, avg)	306.1	306.9	356.9	408.0	429.8	724.2	1520	1498	1379	1394
Central bank policy rate (%, eop)	14.00	13.50	11.50	11.50	16.50	18.75	27.50	27.00	26.50	22.00
External Sector										
Current account balance (% of GDP)	1.1	-2.0	-2.9	-0.6	0.2	1.3	7.5	4.8	6.5	5.0
Current account balance (US$ bn)	7.3	-13.7	-16.0	-3.3	1.1	6.4	19.0	14.0	24.4	15.0
Trade balance (US$ bn)										19.0
Exports, f.o.b. (US$ bn)	61.2	65.0	35.9	46.9	64.2	55.8	53.0	57.5	67.4	50.8
Imports, f.o.b. (US$ bn)	40.8	75.8	52.3	51.4	58.2	47.7	39.8	43.0	42.3	31.8
International reserves (US$ bn)	42.6	38.1	36.5	40.2	37.1	32.9	40.9	45.5	51.0	54.0
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.8	-2.0	-1.9	-2.0	-1.7	-0.2	0.7	0.5	-1.6	-0.9
Central gov. budget balance (% of GDP)	-1.8	-2.4	-3.0	-2.9	-3.4	-3.9	-1.5	-4.0	-4.3	-3.4
Debt Indicators										
Gross external debt (% of GDP)	3.9	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)	20.4	21.4	25.7	26.6	29.8	36.3	39.3	35.5	32.3	33.1
Domestic (% of GDP)	12.9	12.6	13.1	13.5	13.6	23.6	25.6	23.1	21.0	21.5
External (% of GDP)	3.9	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 169: Romania
Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	242	250	251	285	295	348	383	429	471	494
GDP per capita (US$)	12,378	12,874	12,949	14,825	15,508	18,250	20,064	22,511	24,765	26,007
Economic Activity and Prices										
Real GDP growth (% yoy)	5.4	4.0	-3.6	5.6	4.2	2.3	0.9	0.6	0.0	2.5
CPI inflation (% yoy, avg)	4.6	3.8	2.6	5.0	13.7	10.5	5.6	7.3	8.0	4.3
Nominal exchange rate (vs EUR, eop)	4.66	4.78	4.87	4.95	4.95	4.97	4.97	5.10	5.25	5.40
Nominal exchange rate (vs EUR, avg)	4.65	4.75	4.84	4.92	4.93	4.95	4.97	5.07	5.18	6.18
Central bank policy rate (%, eop)	2.50	2.50	1.50	1.75	6.75	7.00	6.50	6.50	6.50	5.75
External Sector										
Current account balance (% of GDP)	-4.6	-4.9	-5.1	-7.2	-9.6	-6.7	-8.2	-7.9	-7.1	-6.4
Current account balance (US$ bn)	-11.2	-12.2	-12.8	-20.6	-28.3	-23.3	-31.3	-33.8	-33.6	-31.4
Trade balance (US$ bn)	-18.1	-20.0	-21.6	-27.4	-33.8	-31.4	-35.7	-	-	-
Exports, f.o.b. (US$ bn)	73.0	70.6	65.7	83.1	90.6	93.6	93.3	-	-	-
Imports, c.i.f. (US$ bn)	91.2	90.6	87.3	110.4	124.4	125.0	129.0	-	-	-
International reserves (US$ bn)	42.1	42.1	52.2	51.9	55.8	72.9	73.2	-	-	-
Public Sector										
General gov. primary budget balance (% of GDP)	-1.7	-3.2	-7.9	-5.7	-5.0	-4.6	-6.8	-	-	-
General gov. budget balance (% of GDP)	-2.8	-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)	49.9	51.3	64.6	56.6	55.5	58.1	55.3	62.3	-	-
Public (% of GDP)	20.4	20.3	29.1	28.3	25.3	29.5	31.5	33.9	-	-
Private (% of GDP)	29.5	31.0	35.5	28.4	30.2	28.6	23.7	28.4	-	-
Gross government debt (% of GDP)	34.6	35.2	46.9	48.6	48.1	49.3	54.8	59.3	61.4	63.6
Domestic (% of GDP)	14.8	15.4	18.3	21.7	23.9	20.9	24.6	26.3	-	-
External (% of GDP)	19.8	19.8	28.6	26.9	24.1	28.4	30.3	33.0	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 170: Saudi Arabia
Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	887	889	768	983	1,239	1,219	1,254	1,277	1,361	1,408
GDP per capita (US$)	29,360	29,567	24,339	31,921	38,510	36,157	35,528	34,558	35,153	34,697
Economic Activity and Prices										
Real GDP growth (% yoy)	3.2	1.7	-3.8	6.5	12.0	0.5	2.6	4.5	0.6	6.1
CPI inflation (% yoy, avg)	2.5	-1.2	3.4	3.1	2.5	2.3	1.7	2.1	2.4	2.0
Nominal exchange rate (vs. USD, eop)	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Nominal exchange rate (vs. USD, avg)	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Central bank policy rate (%, eop)	3	2.25	1.00	1.00	5.00	6.00	5.00	4.25	3.50	3.50
External Sector										
Current account balance (% of GDP)	8.2	3.6	-4.5	4.6	11.7	2.1	-1.3	-2.6	-2.2	-2.4
Current account balance (US$ bn)	73	32.4	-34.7	44.9	145.3	25.9	-16.3	-32.7	-30.5	-34.2
Trade balance (US$ bn)	168.7	122.9	49.3	138.0	237.2	130.3	92.0	81.4	82.8	81.9
Exports, f.o.b. (US$ bn)	294.4	261.6	173.9	276.2	411.2	320.2	305.8	311.0	314.8	314.8
Imports, f.o.b. (US$ bn)	125.6	138.7	124.5	138.2	174.0	189.9	213.8	229.5	232.0	232.9
International reserves (US$ bn)	496	499	453	455	459	436	437	460	443	428
Public Sector										
Central gov. primary budget balance (% of GDP)	-4.8	-3.3	-9.4	-1.3	2.9	-0.9	-1.5	-4.7	-4.0	-2.9
Central gov. budget balance (% of GDP)	-5.2	-4.0	-10.2	-2.0	2.2	-1.8	-2.5	-5.8	-5.3	-4.4
Debt Indicators										
Gross external debt (% of GDP)	15.8	19.6	29.4	27.3	21.3	24.5	29.5	37.5	37.3	37.8
Public (% of GDP)	-	-	-	-	-	-	-	-	-	-
Private (% of GDP)	-	-	-	-	-	-	-	-	-	-
Gross government debt (% of GDP)	16.8	20.3	29.6	25.5	21.3	23.0	25.9	31.7	35.0	38.2
Domestic (% of GDP)	9.2	11.2	17.5	15.2	13.2	14.1	15.7	19.7	21.6	23.5
External (% of GDP)	7.7	9.2	12.2	10.3	8.1	8.9	10.2	12.0	13.4	14.7

Source: BofA Global Research

BofA GLOBAL RESEARCH

GEMs Tables – LatAm

Exhibit 171: 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	795.4	838.8
GDP per capita (US$)	11,353	9,507	7,203	8,731	10,782	10,395	12,396	13,758	16,410	17,121
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	3.0	3.5
Domestic demand growth (% yoy)	-2.9	-8.0	-11.0	13.2	8.9	0.5	-5.8	8.3	2.0	5.9
Real investment growth (% yoy)	-5.7	-16.0	-13.1	34.0	11.2	-2.0	-17.2	16.4	2.6	12.4
Real consumption growth (% yoy)	-2.2	-6.2	-10.6	9.1	8.3	1.1	-3.1	6.7	1.9	4.5
Real private consumption growth (% yoy)	-2.2	-6.1	-12.2	9.5	9.4	1.0	-2.9	7.9	2.3	5.2
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	8.8	3.3
Real import growth (% yoy)	-4.5	-18.7	-17.2	18.6	17.8	1.7	-10.2	27.0	6.0	11.6
Prices										
National inflation (% yoy)*	47.6	53.8	36.1	50.9	94.8	211.4	117.8	31.5	31.4	17.4
National inflation (% avg)*	34.3	53.5	42.0	48.4	72.4	133.5	219.9	41.9	33.1	23.1
Nominal wages (% yoy)	29.7	40.9	33.0	49.5	90.4	206.4	110.5	43.3	31.9	19.2
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	1,900.0
Nominal exchange rate (vs. USD, avg)	29.3	49.3	71.6	95.8	133.6	317.2	924.4	1,266.1	1,462.7	1,800.0
Bilateral real exchange rate (% yoy, + dep)	39.6	5.7	4.6	-13.4	-5.8	52.4	-39.7	10.2	-14.4	3.1
Monetary Sector										
Monetary base growth (% yoy)	27.0	40.7	92.7	65.0	95.1	206.4	114.8	87.3	35.3	21.5
Broad money growth (% yoy)	12.0	29.7	92.7	65.0	95.1	206.4	114.8	87.3	35.3	21.5
Credit extension to private sector (% yoy)	32.6	19.3	52.7	65.0	95.1	206.4	114.8	87.3	35.3	21.5
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	0.2	-0.2
Current account balance (US$ bn)	-27.1	-3.5	2.7	6.6	-4.1	-21.0	5.7	-8.7	1.3	-1.5
Trade balance (US$ bn)	-0.7	18.2	14.6	18.7	12.4	-2.9	22.4	15.2	23.8	23.3
Exports, f.o.b. (US$ bn)	61.8	65.2	54.9	78.0	88.5	66.8	79.8	87.2	94.7	96.0
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	70.9	72.7
Service balance (US$, bn)	-8.9	-4.8	-2.5	-3.7	-6.8	-6.4	-5.8	-11.0	-9.1	-9.3
Income balance (US$, 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	62.0	
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					
Memorandum 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	1.5	3.2	3.5	3.8	4.2	3.2	3.2	3.2
Real GDP growth (%, qoq, sa, annualized)	2.4	2.5	1.3	6.5	3.5	3.6	2.8	2.8	3.6	3.6
National inflation (% yoy, eop)	31.8	31.5	32.6	33.9	34.1	31.4	26.2	23.5	21.5	17.4
Central bank policy rate (%, eop)										
Nominal exchange rate (vs USD, eop)	1,380	1,452	1,382	1,400	1,500	1,600	1,700	1,800	1,900	1,900
Current account balance (US$ bn)	-1.6	1.1	0.2	1.7	-0.6	0.0	-1.7	1.3	-0.4	-0.6

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 172: 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	2669	2894
GDP per capita (US$)	9278	9008	7054	7951	9255	10350	10277	10687	12459	13465
Unemployment Rate (%) (PNAD)*	12.4	12.0	13.5	13.5	9.5	8.0	6.9	6.0	5.4	6.0
Population (millions)	207	208	209	210	211	212	213	213	214	215
Economic Activity										
Real GDP growth (% yoy)	1.8	1.2	-3.3	4.8	3.0	3.2	3.4	2.3	2.3	1.3
Domestic demand growth (% yoy)	2.5	2.2	-3.9	4.8	3.2	2.2	4.7	1.7	1.8	1.3
Real investment growth (% yoy)	5.2	4.0	-1.7	12.9	1.1	-3.0	6.9	2.9	0.4	0.3
Real consumption growth (% yoy)	2.0	1.8	-4.4	3.2	3.7	3.3	4.3	1.5	2.1	1.5
Real private consumption growth (% yoy)	2.4	2.6	-4.6	3.0	4.1	3.2	5.1	1.3	2.1	1.6
Real government consumption growth (% yoy)	0.8	-0.5	-3.7	4.2	2.1	3.8	2.0	2.1	2.1	1.2
Real export growth (% yoy)	4.1	-2.6	-2.3	4.4	5.7	8.9	2.8	6.2	6.0	1.9
Real import growth (% yoy)	7.7	1.3	-9.5	13.8	1.0	-1.2	15.6	4.5	3.0	2.1
Prices										
CPI inflation (% yoy, eop)	3.7	4.3	4.5	10.1	5.8	4.6	4.8	4.3	5.5	4.7
CPI inflation (% yoy, avg)	3.7	3.7	3.2	8.3	9.3	4.6	4.4	5.0	4.7	4.9
Nominal wages (% yoy)	5.5	3.7	6.8	-1.5	14.6	7.8	9.3	9.7	8.4	7.9
Nominal exchange rate (vs USD, eop)	3.87	4.03	5.20	5.58	5.22	4.84	6.19	5.50	5.00	5.00
Nominal exchange rate (vs USD, avg)	3.68	3.94	5.24	5.41	5.14	4.98	5.47	5.57	5.09	5.00
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary Sector										
Monetary base growth (% yoy)	1.8	4.8	36.3	-5.2	2.6	0.7	6.7	-0.9	7.8	6.0
Broad money growth (% yoy)	6.9	9.1	43.2	1.9	-1.2	-0.2	5.1	-1.7	8.0	7.0
Credit extension to private sector (% yoy)	5.1	6.5	15.7	16.4	14.5	8.1	9.5	8.0	9.0	6.0
Central bank policy rate (%, eop)	6.50	4.50	2.00	9.25	13.75	11.75	12.25	15.00	14.25	13.25
1-month interbank rate (%, eop)	6.40	4.40	1.90	9.15	13.65	11.65	12.15	14.90	14.15	13.15
Long-term yield (%, eop)	-	-	-	-	-	-	-	-	-	-
External Sector										
Current account balance (% of GDP)	-2.8	-3.4	-1.6	-2.4	-2.2	-1.2	-3.0	-2.9	-2.2	-1.9
Current account balance (US$ bn)	-53.8	-64.0	-24.2	-39.4	-42.0	-27.0	-65.3	-66.7	-60.0	-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$, bn)	-39.3	-38.5	-24.7	-27.0	-41.9	-43.7	-54.3	-50.6	-59.1	-60.9
Income balance (US$, bn)	-58.8	-55.0	-35.2	-54.8	-51.6	-75.6	-76.8	-75.8	-72.6	-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	370.0	370.0
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	-8.1
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	-8.6	-8.9
Central gov. revenues (% of GDP)	21.3	22.1	19.3	21.4	23.0	21.5	22.7	22.8	22.8	22.3
Debt Indicators										
Gross external debt (% of GDP)	16.7	17.2	20.9	19.5	16.4	15.6	15.8	16.9	17.2	17.7
Public (% of GDP)	6.7	6.6	8.3	7.9	6.2	5.8	5.8	6.1	6.5	6.8
Private (% of GDP)	10.0	10.6	12.6	11.6	10.2	9.8	10.1	10.8	10.7	10.9
Gross government debt (% of GDP)	75.3	74.4	86.9	77.3	71.7	73.8	76.3	78.6	83.1	86.8
Domestic (% of GDP)	65.7	65.0	76.1	66.6	62.7	65.1	66.0	68.4	72.1	75.4
External (% of GDP)	9.6	9.4	10.8	10.7	9.0	8.8	10.2	10.2	10.9	11.4
External debt amortizations (US$ bn)	110.2	92.7	93.5	80.0	94.7	112.3	131.4	121.3	125.0	130.0
External debt interest payments (US$ bn)	15.2	18.5	11.9	11.9	11.9	19.7	21.4	19.8	21.0	24.0
External debt service (% of XGS)	52.4	49.3	50.0	32.4	31.4	38.4	45.0	40.3	41.4	42.4
Savings - Investment Balance										
Savings (% of GDP)	12.3	12.1	14.9	15.6	15.7	15.2	13.9	13.9	14.2	14.2
Investment (% of GDP)	15.1	15.5	16.6	17.9	17.8	16.4	16.9	16.8	16.4	16.1

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (%, yoy)	1.8	1.8	1.8	2.3	2.4	2.5	1.1	1.4	1.7	1.1
Real GDP growth (%, qoq, sa, annualized)	0.4	1.0	4.5	2.5	0.8	1.7	0.9	1.7	1.8	-0.1
CPI inflation (% yoy, eop)	5.2	4.3	4.1	4.6	5.0	5.5	5.1	4.7	4.6	4.7
Central bank policy rate (%, eop)	15.00	15.00	14.75	14.25	14.25	14.25	14.25	14.25	13.75	13.25
Nominal exchange rate (vs USD, eop)	5.32	5.50	5.22	5.10	5.00	5.00	5.00	5.00	5.00	5.00
Current account balance (US$ bn)	-20.7	-13.1	-20.2	-10.2	-10.9	-18.1	-16.8	-9.9	-10.4	-18.1

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 173: 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	1,833	1,782	1,869	2,115	2,164
GDP per capita (US$)	10,092	10,269	8,500	10,152	11,399	13,965	13,466	14,018	15,744	15,993
Unemployment rate (%)	3.3	3.5	4.4	4.1	3.3	2.8	2.7	2.6	2.6	2.9
Population (millions)	125.3	126.6	127.8	129.0	130.1	131.2	132.3	133.4	134.4	135.3
Economic Activity										
Real GDP growth (% yoy)	2.0	-0.4	-8.6	6.3	3.7	3.1	1.2	0.7	0.8	1.5
Domestic demand growth (% yoy)	1.2	-0.6	-10.9	8.1	5.0	5.8	3.2	-0.5	1.5	3.1
Real investment growth (% yoy)	0.6	-4.4	-17.2	10.4	7.4	13.7	4.0	-6.3	0.2	2.3
Real consumption growth (% yoy)	1.7	0.5	-8.7	7.2	4.4	3.9	2.8	1.2	1.8	3.2
Real private consumption growth (% yoy)	1.5	0.9	-10.0	8.6	4.8	4.2	2.7	1.2	1.3	1.7
Real government consumption growth (% yoy)	3.1	-1.8	-0.7	-0.5	2.0	2.4	3.7	1.3	5.1	12.2
Real export growth (% yoy)	6.5	1.3	-7.2	7.3	9.6	-7.1	3.0	7.3	5.6	4.2
Real import growth (% yoy)	5.5	-1.0	-12.3	16.3	8.6	4.8	3.2	4.2	7.6	5.2
Prices										
CPI inflation (% yoy, eop)	4.8	2.8	3.2	7.4	7.8	4.7	4.2	3.7	4.5	4.0
CPI inflation (% yoy, avg)	4.9	3.6	3.4	5.7	7.9	5.5	4.7	3.8	4.2	4.1
Nominal wages (% yoy)	5.7	6.7	7.3	7.2	10.8	10.9	9.6	7.3	6.7	6.7
Nominal exchange rate (vs USD, eop)	19.65	18.93	19.91	20.53	19.50	16.97	20.8	18.0	17.5	18.5
Nominal exchange rate (vs USD, avg)	19.11	19.33	22.17	20.38	19.91	17.39	18.85	18.88	17.55	18.13
Bilateral real exchange rate (% yoy, + dep)	5.8	-5.0	4.2	5.0	-6.7	-12.0	17.5	-10.5	-3.8	3.8
Monetary Sector										
Monetary base growth (% yoy)	8.3	4.1	21.6	15.2	10.6	9.6	11.2	7.6	9.0	8.0
Broad money growth (% yoy)	6.6	7.0	11.0	9.7	10.0	10.4	13.6	7.5	8.0	6.5
Credit extension to private sector (% yoy)	10.3	5.7	0.6	4.3	12.6	12.7	12.6	6.9	10.0	11.1
Central bank policy rate (%, eop)	8.25	7.25	4.25	5.50	10.50	11.25	10.00	7.00	6.50	6.50
1-month interbank rate (%, eop)	8.59	7.56	4.48	5.72	10.77	11.50	10.25	7.38	6.81	6.81
Long-term yield (%, eop)	8.84	6.81	5.39	7.53	8.73	8.46	9.38	8.19	7.25	7.25
External Sector										
Current account balance (% of GDP)	-2.1	-0.3	2.5	-0.3	-1.0	-0.6	-0.9	-0.5	-0.5	-0.3
Current account balance (US$ bn)	-25.9	-3.9	26.9	-4.5	-15.0	-10.3	-16.9	-8.8	-10.8	-7.4
Trade balance (US$ bn)	-13.8	5.2	34.2	-10.7	-28.3	-12.4	-18.6	0.8	7.4	-0.5
Exports, f.o.b. (US$ bn)	451.1	460.9	417.3	495.3	578.2	593.6	618.3	665.6	750.8	817.3
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	743.3	817.9
Service balance (US$ bn)	-13.8	-9.4	-12.4	-12.4	-11.8	-17.3	-9.5	-13.0	-11.5	-12.9
Income balance (US$ bn)	1.7	0.4	5.2	18.6	25.1	19.4	11.2	3.4	-6.8	6.0
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	61.7	60.7
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	79.4	67.4
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	-0.5
Consolidated public sector balance (% of GDP)	-2.0	-1.6	-2.8	-2.8	-3.2	-3.3	-5.0	-3.9	-4.0	-4.0
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	24.1
Public (% of GDP)	16.5	15.4	18.5	17.1	14.3	11.4	13.4	12.2	15.9	17.9
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	59.6
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	17.9
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	3.8	2.2
Savings - Investment Balance										
Savings (% of GDP)	21.3	20.6	20.8	20.1	19.5	18.9	17.6	17.2	16.3	15.0
Investment (% of GDP)	23.1	22.1	20.0	20.8	21.6	23.8	24.4	22.7	22.6	22.8

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	-0.2	1.6	0.4	0.7	1.2	0.8	1.8	1.6	1.4	1.3
Real GDP growth (% qoq, sa, annualized)	-0.3	2.9	-2.4	2.5	1.7	1.4	1.6	1.7	1.0	1.0
CPI inflation (% yoy, eop)	3.8	3.7	4.6	3.7	4.3	4.5	4.0	4.1	4.1	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	17.25	17.50	17.50	17.75	18.00	18.25	18.50
Current account balance (US$ bn)	1.2	7.7	-15.9	-11.9	0.4	16.5	14.5	-18.9	-11.7	8.6

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 174: Venezuela
Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	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 175: 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$)	15,871	14,615	13,008	16,087	15,158	16,806	15,849	16,866	18,689	20,457
Unemployment rate (%)	7.4	7.2	11.2	7.2	8.0	8.8	8.5	8.4	8.0	8.0
Population (millions)	18.8	19.1	19.5	19.7	19.8	20.0	20.1	20.2	20.4	20.5
Economic Activity										
Real GDP growth (% yoy)	3.7	0.9	-5.8	11.7	2.4	0.2	2.6	2.5	1.4	3.0
Domestic demand growth (% yoy)	4.0	1.6	-7.9	18.5	3.0	-3.3	0.8	3.3	2.7	5.5
Real investment growth (% yoy)	5.1	4.4	-11.5	15.7	2.8	-1.1	-1.4	7.0	4.3	4.8
Real consumption growth (% yoy)	3.7	0.8	-6.8	19.3	3.1	-3.9	1.4	2.2	2.3	5.7
Real private consumption growth (% yoy)	3.8	1.0	-7.5	20.8	2.9	-5.2	1.0	1.9	3.3	6.9
Real government consumption growth (% yoy)	3.3	-0.2	-3.9	13.8	4.1	1.7	3.0	3.1	-1.8	1.3
Real export growth (% yoy)	5.3	-2.6	-3.2	-1.4	1.4	-0.3	6.6	4.7	3.3	2.9
Real import growth (% yoy)	8.1	-2.4	-12.7	31.8	0.9	-12.0	2.5	10.3	7.4	11.3
Prices										
CPI inflation (% yoy, eop)	2.1	3.0	3.0	7.2	12.8	3.4	4.5	3.4	4.1	3.2
CPI inflation (% yoy, avg)	2.3	2.3	3.0	4.5	11.6	7.3	3.9	4.2	3.9	3.7
Nominal wages (% yoy)	4.5	4.6	3.7	7.0	11.8	7.7	7.0	4.4	5.3	4.2
Nominal exchange rate (vs USD, eop)	696	745	711	852	851	881	995	916	870	850
Nominal exchange rate (vs USD, avg)	641	703	792	760	874	840	944	943	891	859
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-				
Monetary Sector										
Monetary base growth (% yoy)	1.7	9.2	145.3	11.4	6.8	-4.8	7.7	6.1	6.0	6.1
Broad money growth (% yoy)	11.2	9.4	6.9	11.4	6.8	2.7	6.1	6.1	6.0	6.1
Credit extension to private sector (% yoy)	10.1	9.4	2.5	7.9	-0.5	2.8	5.0	5.1	6.0	6.1
Central bank policy rate (%, eop)	2.75	1.75	0.50	4.00	11.25	8.25	5.00	4.50	4.50	5.00
1-month interbank rate (%, eop)	4.10	4.08	3.16	6.07	13.35	10.54				
Long-term yield (%, eop)	6.00	5.50	5.50	6.00	6.00	6.00				
External Sector										
Current account balance (% of GDP)	-3.9	-3.7	-1.7	-6.4	-9.0	-3.5	-1.5	-1.9	1.2	-0.3
Current account balance (US$ 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 176: 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	572	609
GDP per capita (US$)	6,922	6,535	5,382	6,140	6,703	7,070	7,975	8,633	10,694	11,310
Unemployment rate (%)	10.0	10.9	16.7	13.8	11.2	10.2	10.3	9.0	9.2	9.0
Population (millions)	48.3	49.4	50.4	51.1	51.7	52.2	52.7	53.1	53.5	53.8
Economic Activity										
Real GDP growth (% yoy)	2.6	3.2	-7.2	10.8	7.3	0.8	1.5	2.6	2.5	2.9
Domestic demand growth (% yoy)	3.5	4.0	-7.6	13.4	10.2	-2.4	1.6	3.9	2.9	3.2
Real investment growth (% yoy)	1.5	3.0	-20.7	11.6	16.0	-16.1	2.4	2.1	5.0	5.6
Real consumption growth (% yoy)	4.0	4.3	-4.2	13.8	9.0	0.7	1.5	4.2	2.5	2.7
Real private consumption growth (% yoy)	3.2	4.1	-5.0	14.7	10.8	0.5	1.6	3.6	2.6	2.8
Real government consumption growth (% yoy)	7.4	5.3	-0.8	9.8	1.0	1.6	0.6	7.1	2.4	2.3
Real export growth (% yoy)	0.6	3.1	-22.5	14.6	12.5	3.1	0.4	1.8	2.5	3.5
Real import growth (% yoy)	5.8	7.3	-20.1	26.7	24.0	-10.0	1.2	8.4	4.1	4.9
Prices										
CPI inflation (% yoy, eop)	3.2	3.8	1.6	5.6	13.1	9.3	5.2	5.1	6.5	4.6
CPI inflation (% yoy, avg)	3.2	3.5	2.5	3.5	10.2	11.8	6.6	5.1	5.9	3.7
Nominal wages (% yoy)	7.0	5.9	6.0	6.0	3.5	10.1	16.0	7.0	6.0	5.0
Nominal exchange rate (vs. USD, eop)	3,250	3,277	3,430	4,080	4,853	3,855	4,406	3,778	3,450	3,650
Nominal exchange rate (vs. USD, avg)	2,956	3,281	3,693	3,807	4,347	4,319	4,155	3,995	3,506	3,575
Bilateral real exchange rate (% yoy, + dep)	7.5	-0.6	4.4	20.6	11.9	-21.6	12.0	-17.0	-12.8	3.6
Monetary Sector										
Monetary base growth (% yoy)	10.4	12.3	20.5	9.6	6.4	1.0	11.9	5.4	9.9	7.5
Broad money growth (% yoy)	5.6	7.8	13.9	12.0	14.0	-1.2	10.5	4.1	8.6	6.5
Credit extension to private sector (% yoy)	4.4	7.8	2.2	10.9	17.5	2.5	2.0	5.1	9.6	6.0
Central bank policy rate (%, eop)	4.25	4.25	1.75	3.00	12.00	13.00	9.50	9.25	12.25	11.25
1-month interbank rate (%, eop)	4.11	4.11	1.71	2.97	11.23	12.34	9.21	8.96	11.96	10.96
Long-term yield (%, eop)	6.8	6.3	5.4	8.2	13.0	10.8	11.3	10.0	9.25	9.0
External Sector										
Current account balance (% of GDP)	-4.2	-4.6	-3.4	-5.6	-6.0	-2.2	-1.7	-2.4	-2.6	-2.7
Current account balance (US$ bn)	-14.0	-14.8	-9.3	-17.9	-20.9	-8.3	-7.3	-10.9	-14.9	-16.4
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	21.2	22.5
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	-3.2	-1.7
Central gov. budget balance (% of GDP)	-3.1	-2.5	-7.8	-7.0	-5.3	-4.2	-6.7	-6.4	-7.2	-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	-1.7	-0.2
Consolidated public sector balance (% of GDP)	-2.6	-2.4	-7.6	-7.1	-6.0	-2.7	-5.9	-5.6	-6.4	-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	65.2	67.0
Domestic (% of GDP)	31.4	31.3	39.0	36.2	34.5	35.3	38.8	41.1	40.6	43.0
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)	3.8	2.1	2.2	2.8	2.1	3.0	3.0	3.0	2.8	2.6
Real GDP growth (% qoq, sa, annualized)	6.1	0.1	2.4	2.4	3.6	3.6	2.4	2.4	2.8	2.8
CPI inflation (% yoy, eop)	5.2	5.1	5.6	6.1	6.1	6.5	6.4	5.7	5.1	4.6
Central bank policy rate (%, eop)	9.25	9.25	11.25	12.25	12.25	12.25	12.00	11.75	11.50	11.25
Nominal exchange rate (vs. USD, eop)	3,920	3,778	3,674	3,450	3,450	3,450	3,500	3,550	3,600	3,650
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 177: Peru

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US$ bn)	229.9	236.5	209.7	229.9	248.5	272.5	295.8	340.9	391.1	440.2
GDP per capita (US$)									11,255	12,542
Unemployment rate (%)	6.7	6.6	13.9	10.9	7.7	6.8	6.5	6.0	6.1	6.0
Population (millions)	31.6	32.1	32.6	33.0	33.4	33.7	34.1	34.4	34.8	35.1
Economic Activity										
Real GDP growth (% yoy)	4.0	2.2	-10.9	13.4	2.8	-0.4	3.5	3.4	3.5	4.4
Domestic demand growth (% yoy)	3.6	2.8	-9.3	13.9	2.4	-1.0	4.0	5.8	3.1	3.0
Real investment growth (% yoy)	3.4	0.8	-17.3	25.0	0.7	-7.7	9.3	14.1	2.9	4.0
Real consumption growth (% yoy)	3.6	3.4	-7.0	11.1	2.9	0.9	2.7	3.5	3.1	2.6
Real private consumption growth (% yoy)	3.8	3.2	-9.9	12.5	3.5	0.1	2.8	3.6	3.3	2.8
Real government consumption growth (% yoy)	2.4	4.3	7.9	4.8	-0.2	4.9	2.1	2.8	2.4	2.3
Real export growth (% yoy)	2.9	0.9	-19.8	12.7	5.5	4.1	6.6	4.4	2.3	2.4
Real import growth (% yoy)	1.3	3.1	-13.6	14.8	3.6	1.3	8.4	12.8	3.2	3.6
Prices										
CPI inflation (% yoy, eop)	2.2	1.9	2.0	6.4	8.5	3.2	2.0	1.5	4.1	2.6
CPI inflation (% yoy, avg)	1.3	2.1	1.8	4.0	7.9	6.3	2.4	1.5	3.8	2.4
Nominal wages (% yoy)	-0.3	4.6	-12.4	3.5	11.5	7.1	5.8	6.0	5.5	5.8
Nominal exchange rate (vs USD, eop)	3.38	3.32	3.62	3.98	3.81	3.71	3.77	3.36	3.20	3.15
Nominal exchange rate (vs USD, avg)	3.29	3.34	3.50	3.88	3.84	3.75	3.76	3.51	3.34	3.16
Bilateral real exchange rate (% yoy, + dep)	3.9	-1.4	8.7	10.5	-4.7	-2.7	2.5	-10.0	-6.5	-1.8
Monetary Sector										
Monetary base growth (% yoy)	7.3	5.2	33.2	13.1	-4.4	-3.2	10.7	6.0	8.6	6.0
Broad money growth (% yoy)	5.3	9.1	32.0	0.3	-1.1	1.2	10.4	6.5	8.8	6.2
Credit extension to private sector (% yoy)	9.0	7.0	12.8	5.7	2.5	0.5	1.2	4.9	7.2	5.0
Central bank policy rate (%, eop)	2.75	2.25	0.25	2.50	7.50	6.75	5.00	4.25	4.25	4.25
1-month interbank rate (%, eop)	2.75	2.25	0.23	2.25	7.45	6.86	4.95	4.20	4.20	4.20
Long-term yield (%, eop)	5.64	4.21	3.51	5.90	7.97	6.68	6.69	6.00	6.00	6.00
External Sector										
Current account balance (% of GDP)	-1.2	-0.7	0.8	-2.2	-4.0	0.3	2.2	3.1	3.5	3.7
Current account balance (US$ 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	25.9	24.2
Investment (% of GDP)	21.1	20.3	18.3	20.9	20.8	17.4	20.4	22.3	22.4	20.5

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	3.8	3.2	3.5	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	3.8	4.4	4.1	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

BofA GLOBAL RESEARCH

Exhibit 178: Uruguay
Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	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

BofA GLOBAL RESEARCH

Global FX forecasts

Exhibit 179: G10 FX Forecasts

Our end-year EUR-USD forecast is 1.15

	Spot	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
G3											
EUR-USD	1.13	1.12	1.15	1.16	1.18	1.19	1.20	1.20	1.21	1.21	1.22
USD-JPY	162	156	152	150	148	146	145	145	145	145	145
EUR-JPY	183	175	175	174	175	174	174	174	175	175	177
Dollar Bloc											
USD-CAD	1.42	1.44	1.43	1.42	1.40	1.38	1.38	1.37	1.37	1.36	1.36
AUD-USD	0.69	0.70	0.71	0.72	0.72	0.73	0.73	0.73	0.73	0.73	0.73
NZD-USD	0.56	0.58	0.59	0.61	0.61	0.62	0.62	0.62	0.62	0.62	0.62
Europe											
EUR-GBP	0.86	0.85	0.84	0.84	0.84	0.83	0.83	0.83	0.83	0.83	0.83
GBP-USD	1.32	1.32	1.37	1.38	1.40	1.43	1.45	1.45	1.46	1.46	1.47
EUR-CHF	0.92	0.92	0.93	0.94	0.94	0.95	0.95	0.95	0.95	0.95	0.95
USD-CHF	0.81	0.82	0.81	0.81	0.80	0.80	0.79	0.79	0.79	0.79	0.78
EUR-SEK	11.09	11.20	11.00	10.80	10.60	10.50	10.40	10.30	10.30	10.30	10.30
USD-SEK	9.78	10.00	9.57	9.31	8.98	8.82	8.67	8.58	8.51	8.51	8.44
EUR-NOK	11.15	11.40	11.50	11.30	11.20	11.00	10.90	10.80	10.70	10.70	10.70
USD-NOK	9.84	10.18	10.00	9.74	9.49	9.24	9.08	9.00	8.84	8.84	8.77

Forecast as of Jun-24-2026. Spot exchange rate as of Jun-24-2026. The left of the currency pair is the denominator of the exchange rate. **Source:** BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 180: EM FX Forecasts

Our end-year USD-CNY forecast is 6.70

	Spot	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Latin America											
USD-BRL	5.18	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
USD-MXN	17.63	17.50	17.50	17.75	18.00	18.25	18.50	18.60	18.75	18.85	19.00
USD-CLP	915	880	870	865	860	855	850	850	850	850	850
USD-COP	3,418	3,450	3,450	3,500	3,550	3,600	3,650	3,700	3,750	3,800	3,800
USD-ARS	1471	1,500	1,600	1,700	1,800	1,900	1,900	1,950	2,000	2,050	2,100
USD-PEN	3.40	3.30	3.20	3.17	3.16	3.15	3.15	3.15	3.15	3.15	3.15
Emerging Europe											
EUR-PLN	4.29	4.33	4.28	4.25	4.22	4.18	4.15	4.14	4.12	4.11	4.10
EUR-HUF	357	357	353	350	347	345	345	344	342	342	340
EUR-CZK	24.25	24.60	24.30	24.00	23.70	23.50	23.30	23.2	23.1	23.0	23.0
USD-ZAR	16.62	16.80	16.50	16.30	16.00	15.80	15.60	15.40	15.40	15.30	15.30
USD-TRY	46.50	49.30	51.70	53.80	55.90	57.90	60.00	63.30	66.60	69.90	73.20
EUR-RON	5.24	5.23	5.25	5.29	5.33	5.36	5.40	5.44	5.48	5.50	5.52
USD-EGP	49.62	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00
USD-ILS	2.99	3.10	3.05	3.00	2.95	2.93	2.91	2.90	2.90	2.90	2.90
USD-AED	3.67	3.67	3.67	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	0.30	0.30	0.30
USD-SAR	3.75	3.75	3.75	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	3.64	3.64	3.64
Asian Bloc											
USD-KRW	1,548	1,550	1,560	1,540	1,520	1,500	1,500	1,500	1,500	1,500	1,500
USD-TWD	31.77	31.80	32.00	31.80	31.50	31.30	31.10	31.10	31.10	31.10	31.10
USD-SGD	1.30	1.30	1.30	1.29	1.29	1.28	1.28	1.28	1.28	1.28	1.28
USD-THB	33.43	32.70	32.00	31.50	31.50	31.50	31.00	31.00	31.00	31.00	31.00
USD-HKD	7.84	7.85	7.85	7.83	7.82	7.80	7.80	7.80	7.80	7.80	7.80
USD-CNY	6.81	6.80	6.70	6.70	6.70	6.60	6.60	6.60	6.60	6.60	6.60
USD-IDR	17952	17,900	18,000	18,100	18,200	18,200	18,200	18,200	18,200	18,200	18,200
USD-PHP	61.54	64.00	64.00	65.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00
USD-MYR	4.14	4.15	4.10	4.05	4.05	4.05	4.05	4.05	4.05	4.05	4.05
USD-INR	94.66	97.00	98.00	98.50	99.00	99.00	99.00	99.00	99.00	99.00	99.00

Forecast as of Jun-24-2026. Spot exchange rate as of Jun-24-2026. The left of the currency pair is the denominator of the exchange rate. Source: BofA Global Research

BofA GLOBAL RESEARCH

Yield forecasts

Exhibit 181: Government Bond Yield and Swap Rate Forecasts
Developed Market Forecasts

		Sep-26	Dec-26	Mar-27	Jun-27	Dec-27	Dec-28
Bond yields							
US	O/N SOFR	3.91	4.41	4.41	4.41	4.41	4.41
	2y	4.50	4.50	4.40	4.35	4.25	4.00
	5y	4.50	4.50	4.45	4.40	4.30	4.15
	10y	4.50	4.50	4.50	4.50	4.50	4.50
	30y	4.90	5.00	5.00	5.00	5.00	5.00
Germany	3m Euribor	2.65	2.60	2.35	2.15	2.10	1.70
	2y	2.60	2.55	2.25	2.15	2.05	1.85
	5y	2.65	2.60	2.40	2.35	2.30	2.15
	10y	2.90	2.90	2.75	2.70	2.60	2.50
	30y	3.45	3.45	3.25	3.25	3.15	3.15
Japan	TONA	0.98	1.23	1.48	1.48	1.73	1.73
	2yr	1.40	1.65	1.85	1.83	2.00	1.95
	5yr	1.90	2.15	2.30	2.25	2.35	2.20
	10yr	2.65	2.85	3.00	2.95	3.00	2.80
	30yr	3.80	4.10	4.15	4.10	4.00	3.75
UK	2yr	4.15	4.05	3.95	3.85	3.60	3.60
	5yr	4.35	4.30	4.25	4.15	4.00	3.95
	10yr	5.00	5.00	4.85	4.75	4.50	4.50
	30yr	5.55	5.55	5.50	5.40	5.20	5.00
Canada	2yr	2.75	2.75	2.85	2.90	3.00	3.00
	5yr	3.15	3.20	3.25	3.30	3.40	3.50
	10yr	3.50	3.50	3.55	3.60	3.65	3.75
Australia	3m BBSW	4.35	4.35	4.35	4.35	3.85	3.85
	2y	4.70	4.65	4.55	4.45	4.25	4.15
	5y	4.70	4.65	4.60	4.55	4.45	4.40
	10y	5.05	5.00	4.95	4.90	4.85	4.80
Swap rates		Sep-26	Dec-26	Mar-27	Jun-27	Dec-27	Dec-28
US	2y	4.10	4.10	4.12	4.12	4.12	3.87
	5y	4.00	3.97	3.95	3.95	3.95	3.80
	10y	4.05	3.93	3.95	3.95	3.95	3.95
Euribor	2y	2.75	2.65	2.35	2.25	2.15	1.90
	5y	2.75	2.65	2.40	2.35	2.30	2.10
	10y	2.95	2.90	2.70	2.65	2.55	2.40
Japan	2y	1.40	1.65	1.83	1.80	1.95	1.90
	5y	1.90	2.15	2.25	2.20	2.28	2.13
	10y	2.50	2.70	2.80	2.75	2.78	2.58
UK	2y	4.05	3.95	3.85	3.75	3.50	3.50
	5y	4.10	4.05	4.00	3.90	3.75	3.70
	10y	4.50	4.50	4.40	4.30	4.10	4.10
Canada	2y	2.65	2.65	2.75	2.80	2.90	2.90
	5y	3.00	3.05	3.10	3.15	3.25	3.35
	10y	3.25	3.25	3.30	3.35	3.40	3.50
Australia	3y	4.80	4.75	4.65	4.55	4.35	4.25
	10y	5.15	5.10	5.05	5.00	4.95	4.90

Source: BofA Global Research

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Commodities forecasts

Exhibit 182: 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	($/bbl)	76	71	65	62	59	64	73	93	75	69	78	68	63	65	66	66
Brent Crude Oil	($/bbl)	80	75	67	66	63	68	78	98	79	73	82	72	67	69	70	70
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	50	50	46	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. Forecasts published in Global Energy Weekly: Coal heats up 23 June 2026

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Special Disclosures

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Disclosures

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