

World at a Glance

Hormuz Macro

Key forecasts in FX, rates and commodities

The Middle East shock remains the dominant headline risk, but issues such as AI, tariffs and Fed independence have emerged again as market concerns. Since our last monthly, we have revisions for oil, but leave G10 FX and end-2026 US10yr forecasts unchanged.

G10 FX: no changes

G10 FX is essentially broadly little changed from the end of February. We remain cautious near-term, given headline risk and continued elevation of oil. However, we still look for modest medium-term USD weakness, with our end-'26 EUR-USD forecast of 1.20.

Interest rates: modest revisions

We revised higher our forecasts for front end and belly rates but leave YE '26 10y of 4.25%; our 2Y forecast for end '26 now sits at 3.5% vs 3.25% prior. We have a variety of revisions elsewhere around the world.

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

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

EEMEA: markets are calling for stronger EEMEA FX

The market prices optimism for the Iran war but the bar for a sell off seems to be high. We are optimistic too. Even though volatility is likely to persist, we expect EEMEA FX to appreciate over the coming months. We are bullish PLN, ZAR, TRY, CZK, HUF and ILS

LatAm: a new baseline

Prospects of a potential resolution to the conflict in the Middle East have triggered a risk-on environment that translated into a rally in LatAm assets. In particular, the LatAm FX selloff observed in March was almost fully unwound in the first weeks of April.

Commodities: since last month, more oil revisions

Since last month, we upgrade our average 2026 Brent forecast to \$92/bbl on a longer war & rising escalation risks. We reduce our bal-year Henry Hub nat gas forecast as we incorporate recent mild weather. No changes to core metals forecasts.

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.

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Refer to important disclosures on page 99 to 101.

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FX, Rates and Commodities
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US rates: hold music

Marck Cabana, CFA

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Themes: geopolitics center stage

US rates retraced in the month of April closer to pre-Iran conflict levels as reassuring negotiation headlines took center stage. Since the end of March, US rates bull steepened with 2Y rates 10bps lower & 10Y rates 8bps lower. The moves were driven by increased expectations for eventual Fed rate cuts combined with fiscal concerns and geopolitical uncertainty weighing on longer-dated securities.

Fed pricing saw cuts back on the table for 2026 after being fully priced out in March. Historically, the Fed typically looks through upside oil shocks and responds more forcefully to downside oil drops. But we continue to see more downside risk to growth vs what Fed path is currently pricing & our economists reflect 50bps of cuts later this year in forecasts.

Forecasts: cautious cutting

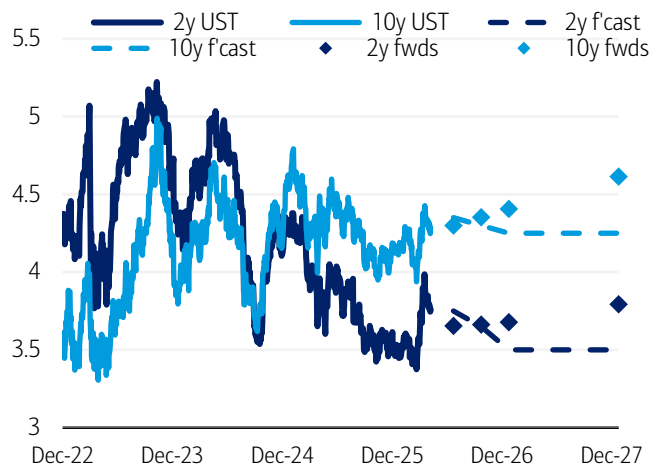
We revised higher our forecasts for front end and belly rates but leave YE '26 10y of 4.25%; our 2Y forecast for end '26 now sits at 3.5% vs 3.25% prior. Elevated macro uncertainty continues to root our forecasts as we account for weaker US growth, sticky high inflation, & a less dovish Fed. Our forecasts depict a steeper curve than current market forwards price & are rooted in our economists' expectations for Fed policy trough of 3-3.25% + economy that returns to trend by YE26.

Risks: balanced

We assess the risks to our new forecasts as balanced. We currently place roughly equal likelihood to rates (1) higher vs our forecasts if inflation realizes above forecasts thus keeping the Fed on hold all year (2) moving lower vs our forecasts if growth deteriorates / labor weakens / risk assets drop & risk of faster or deeper Fed cuts.

Exhibit 1: UST 2y & 10y forecasts vs forwards (%)

Our rates forecasts are still below forwards



Source: BofA Global Research, Bloomberg

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Exhibit 2: Government bond yield forecasts (%)

Our forecast for year-end '26 of 10yT is 4.25%

	Q2 26	Q3 26	Q4 26	Q1 27
0/N SOFR	3.66	3.41	3.16	3.16
2y Govt	3.75	3.65	3.50	3.50
5y Govt	3.90	3.80	3.75	3.75
10y Govt	4.35	4.30	4.25	4.25
30y Govt	4.85	4.80	4.75	4.75

Source: BofA Global Research estimates

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Exhibit 3: Swap rate forecasts (%)

Our forecast for year-end '26 of 10y swaps is 3.68%

	Q2 26	Q3 26	Q4 26	Q1 27
2y	3.60	3.50	3.35	3.37
5y	3.60	3.50	3.42	3.40
10y	3.95	3.85	3.68	3.70
30y	4.05	4.00	3.92	3.90

Source: BofA Global Research estimates

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USD: back where it started

John Shin
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Alex Cohen
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Themes: remaining focused on the Middle East

Bewildering geopolitics in the Middle East has led USD back to essentially the same position as it was at the end of February. Still, questions still remain predominate around opening the Strait of Hormuz and how long the energy shock will persist. While oil has fallen off of its highs, prices still remain historically elevated. Even under the assumption around the War ending, our Commodities team expects oil to remain in the low-to-mid \$90/bbl range over the remainder of the year (see report: [Global Energy Weekly](#), [“Geopolitics reshuffle world energy flows again”, 01 April 2026](#)), leaving central banks around the world with only unpalatable policy choices.

Forecasts: unchanged in G10 since last month

We keep our G10 FX forecasts unchanged from last month (see report: [FX Watch](#), [“Forecast revisions – deferred convergence”, 23 March 2026](#)). We continue to mostly forecast gradual USD depreciation over the course of 2026 for the 2nd half of the year. USD is still modestly overvalued in our view. Moreover, in the aftermath of the war and the rise in energy prices, we see other central banks hiking rates, such as the ECB and the BOE, or staying on hold, while we formally still expect the Fed to cut rates in the Fall.

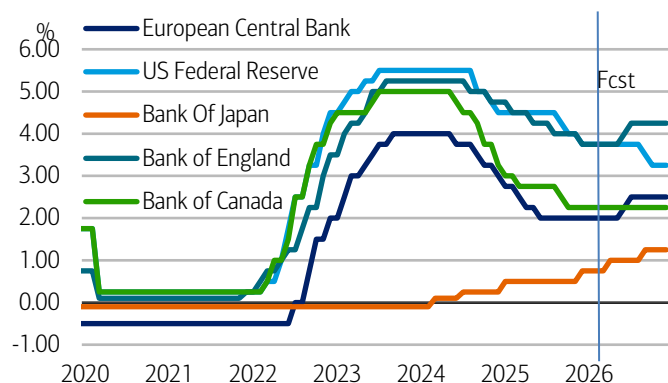
Risks: non-War-related issues coming back

Headline driven markets are quite volatile, and we see multi-directional risks. Anything that keeps energy prices higher for longer should pose upside risks to our USD forecasts, especially as the shock has had a disproportionate growth impact outside the US. Likewise, should an off-ramp be found quickly, alleviating key supply-chain disruptions, we would anticipate the USD to unwind some of the current war-related risk premium. Still, ulatimtely, markets will remain vulnerable to further Middle East headlines.

Otherwise, the market has pivoted away from focusing on themes such as potential AI disruptions and/or private credit concerns, though this could change over time. Fed independence, given the process around the nomination of Kevin Warsh to be the new chair, could also grow as a theme for future USD weakening.

Exhibit 4: Policy moves this year may marginally support USD downside over the medium-term

G5 Central bank policy rates and our forecasts



Source: Bloomberg; BofA Global Research.

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Exhibit 5: USD forecasts

EUR forecast is 1.20 for the end of 2026

	Q2 26	Q3 26	Q4 26	Q1 27
EUR-USD	1.14	1.17	1.20	1.22
USD-JPY	1.60	157	157	153

Source: BofA Global Research estimates

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Exhibit 6: Major macro forecasts

Looking for decent growth in 2026

	2025	2026F	2027F
Real GDP (% yoy)	2.1	2.3	2.2
CPI (% yoy)	2.7	3.5	2.4
Policy Rate (end of period)	3.625	3.125	3.125
GenGov Bal (%/GDP)	-5.9	-6.2	-6.5
CurAct Bal (%/GDP)	-3.9	-3.5	-3.5

Source: Bloomberg; BofA Global Research estimates

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EU rates: ceasefire ≠ swift normalisation

Sphia Salim
MLI (UK)

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Themes: ceasefire ≠ swift normalisation

The US-Iran ceasefire announced on 7 April has broadly held, which has allowed 1) a decline in oil prices, 2) reduction in rate volatility, 3) reduction in rate hike expectations, and 4) steepening of global rate curves. These dynamics were further supported by Lebanon-Israel ceasefire announcement on 16 April.

ECB officials pushed back on the urgency to raise rates in April. We are mindful of persistent inflation risks from damage to the energy infrastructure from the conflict so far and potential spillover risks to other sectors. The market may find it difficult to fully price out monetary tightening as uncertainty over the sustainability of the ceasefire lingers and it remains cognisant of the ECB’s hawkish bias.

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

Our economists made stagflationary adjustments to their outlook and now expect the ECB to raise rates in June and July 2026, which will bring the deposit facility rate to 2.50%. From June 2027, they expect a series of quarterly 25bp cuts until the deposit facility rate reaches 1.50%, or lower. This would imply 10y Bund at 2.95% by end-2026 and 2.70% by end-2027, and a 10y BTP-Bund range of 65-130bp in 2026.

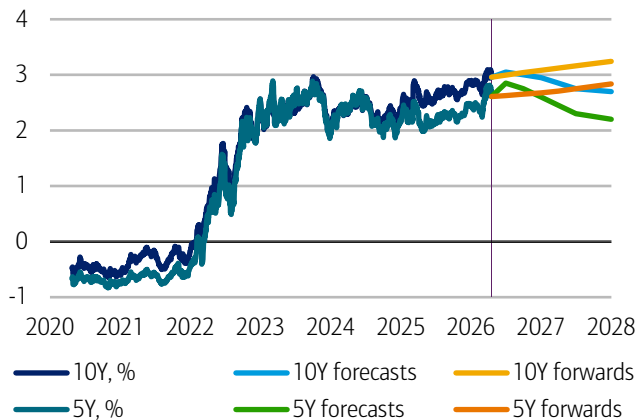
We expect the curve to be steeper vs the forwards from 2H 2026 given 1) the cuts we expect from 2027, and 2) potential pension and insurance flows. We are mindful of the less favourable demand-supply dynamics that could reinstate fundamental tightening pressures in German swap spreads. Supply concerns could shift towards the need for extra EU issuance to fund a €90bn loan to Ukraine, disburse funds that were on hold for Hungary, and fund defence spending under the SAFE instrument.

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

Upside risks are sustained high or rising energy prices, better than expected structural impact of Germany’s fiscal package, low receiving needs from financial actors, more bond supply than expected, larger EU fiscal response to uncertainty shocks, and negative rating decisions. Downside risks are a fall in energy prices, disappointing implementation of Germany’s fiscal package, and trade uncertainty resurfacing.

Exhibit 7: German rates – yield forecasts and forwards*

Our 2027 forecasts are below the forwards



Source: BofA Global Research, Bloomberg. *Forwards as of 17-Apr

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Exhibit 8: Germany bond yield forecasts, %

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

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

Source: BofA Global Research estimates

Exhibit 9: Euribor swap rate forecasts, %

We incorporate our ECB forecasts

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

Source: BofA Global Research estimates

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EUR: cautious now, bullish later

Michalis Rousakis

MLI (UK)

Themes: price action encouraging but EUR at pre-Iran levels seems a stretch

We stay cautious on the EUR in the near term, as we see energy markets pricing a best-case scenario and the FX market dismissing the war impact on Euro area growth. But recent Iran developments and the price action support our bullish bias for later this year.

We remain cautious on EUR in the near term, thinking markets have gone a little ahead of themselves. Our commodities strategists are very cautious, seeing paper oil as priced for perfection (see report: [Global Energy Weekly 15 Apr '26](#)). Our forecasts assume oil prices at close to \$100 per barrel and Dutch TTF gas prices around EUR 90 per MWh until year-end – and natural gas remains EUR’s weak spot (see report: [EUR Watch 18 Mar '26](#)). With EUR-USD at pre-Iran levels, we also doubt the FX market has fully factored in the likely slower US-Euro area growth convergence (see report: [EUR/USD report 7 Apr '26](#)). But EUR could find support vs “high beta” FX if risk sentiment worsened.

Our economists expect two ECB hikes this year (see report: [Europe Economic Weekly 10 Apr '26](#)), but EUR implications are not clear-cut: an ECB focused on protecting its inflation credentials could eventually support the EUR, but an ECB overreaction would not. ECB hikes are usually more EUR-positive when driven by growth rather than inflation.

Looking beyond the near term, the Iran ceasefire and the price action support our EUR bullishness. We forecast EUR-USD at 1.20 by year-end - conditional on no Fed hikes, energy normalization, and gradual US-Euro growth convergence. We are also encouraged by our recent sentiment survey (see report: [FX and Rates Sentiment Survey 10 Apr '26](#)). But we maintain our bearish EUR bias vs GBP (post-May), AUD, and SEK.

Forecasts: no changes. We remain cautious near term but bullish by year-end

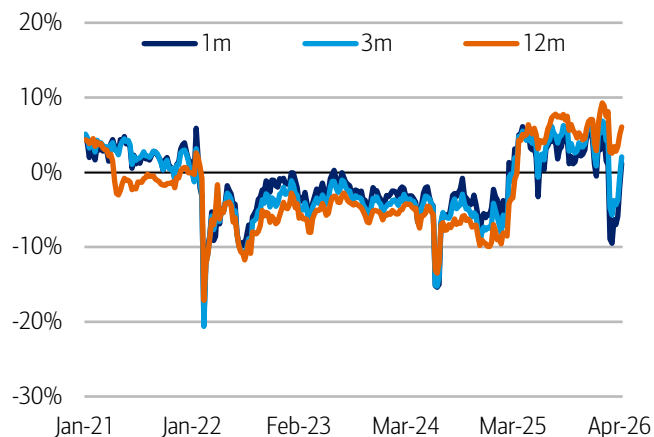
We still forecast EUR-USD at 1.14 by end-June, but 1.20 by year-end and 1.25 by end-27, i.e. we are more cautious vs consensus median near term but more bullish further out.

Risks: all about Iran, ECB reaction, Fed independence

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

Exhibit 10: Turnaround in EUR sentiment post-ceasefire

EUR/G10 FX trade-weighted risk reversal (% implied vol)



Source: BofA Global Research, Bloomberg. Weekly data until 17 April.

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Exhibit 11: EUR forecasts

Our forecast is 1.20 for EUR-USD at end of 2026

	Q2 26	Q3 26	Q4 26	Q4 26
EUR-USD	1.14	1.17	1.20	1.22
EUR-JPY	182	184	188	187

Source: BofA Global Research estimates

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Exhibit 12: Major macro forecasts

Growth soft in our 2026 outlook

	2025	2026F	2027F
Real GDP (% yoy)	1.5	0.6	1.0
CPI (% yoy)	2.1	3.3	2.1
Policy Rate* (end period)	2.00	2.50	1.75
Gen Gov Bal (%/GDP)	-3.3	-3.6	-3.5
CurAct Bal (%/GDP)	1.6	0.4	1.5

Source: Bloomberg, BofA Global Research estimates

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JP rates: A brief calm before the storm

Tomonobu Yamashita

BofAS Japan

Key theme: Temporary supply-demand improvement

Given the three reasons outlined below, supply–demand dynamics in the JGB market are likely to see a temporary improvement, at least through mid-May.

- Following a solid 20-year JGB auction on April 14, no super-long JGB auctions are scheduled until the 30-year JGB auction on May 14.
- The rally in domestic and foreign equity markets is fueling expectations that Japanese pension funds will rebalance from equities toward purchases of domestic bonds.
- The FY2026 budget was approved by the Diet on April 7, reducing near-term risks of additional JGB issuance, although the possibility of a supplementary budget remains.

Forecast: Our end-2026 forecast for the 10-year JGB yield is 2.6%

At this stage, we maintain our end-2026 forecast for the 10-year JGB yield at 2.6%. According to our FX and rates sentiment survey, sentiment toward yen duration has been improving, although supply–demand concerns may re-emerge from mid-May.

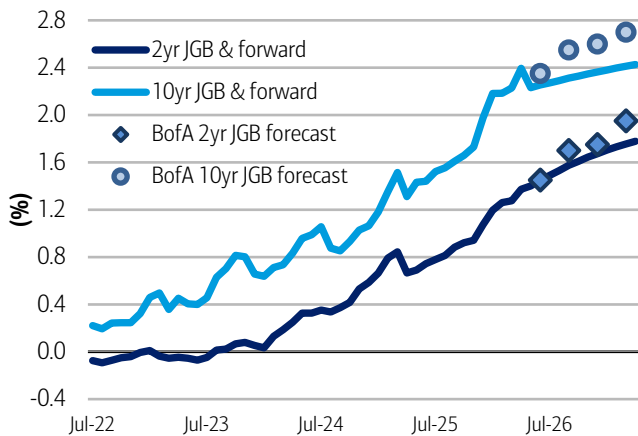
Risk: Supplementary budget and defense spending increase

Upside risks to our JGB yield outlook include the compilation of a supplementary budget and increased defense spending. The gasoline subsidy introduced on March 19 could increase pressure on the Takaichi administration to compile a supplementary budget during the current Diet session.

In addition, if the government raises its defense spending target without securing offsetting revenue through tax increases, this would likely fuel expectations of higher JGB issuance.

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 2.6%

	Q2 26	Q3 26	Q4 26	Q1 27
TONA	0.98	1.23	1.23	1.48
2y Govt.	1.45	1.70	1.75	1.95
5y Govt	1.80	2.05	2.10	2.25
10y Govt	2.35	2.55	2.60	2.70
30y Govt	3.65	3.80	3.90	3.95

Source: BofA Global Research estimates

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Exhibit 15: Swap rate forecasts

Our Japan 10yr swap rate end-2026 forecast is 2.4%

	Q2 26	Q3 26	Q4 26	Q1 27
2y	1.43	1.68	1.70	1.88
5y	1.75	1.95	2.00	2.13
10y	2.15	2.35	2.40	2.48

Source: BofA Global Research estimates

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JPY: further downside risk

Shusuke Yamada

BofAS Japan

Themes: Higher oil price impact still ahead

On April 8, the Ministry of Finance released February balance of payments data and March portfolio investment statistics (designated major investors basis). (1) The impact of higher oil prices is not yet visible in the data, but is likely to become apparent from April to May. (2) USD/JPY may face upward pressure during Tokyo trading hours. (3) Deficits in the services balance and the direct investment balance are set to persist. (4) No change is evident in the pattern of outward investment by retail investors. (5) Overseas investors sold yen-denominated assets. Uncertainty remains over the recovery in demand.

Even if tensions surrounding Iran ease, normalization in oil prices could take time. Our commodities team projects the average Brent crude price in 2026 at US\$92 per barrel, assuming that the conflict ends in April. While a de-escalation in tensions would likely reverse broad USD strength, the yen is likely to weaken against commodity currencies for the following reasons. First, the impact of higher oil prices on FX supply-demand dynamics has yet to materialize and still lies ahead (see this report). Second, lower volatility tends to be yen-negative and positive for high-beta currencies. Third, with reduced USD appreciation pressure, both the need for and the risk of FX intervention decline. Finally, uncertainty lingers over the BoJ's rate-hike outlook amid hawkish shifts by overseas central banks. We favor AUD/JPY.

For details, see report: [FX Watch: Japan Balance of Payments: Higher oil prices have yet to bite 08 April 2026](#).

Forecasts: USD/JPY remains elevated

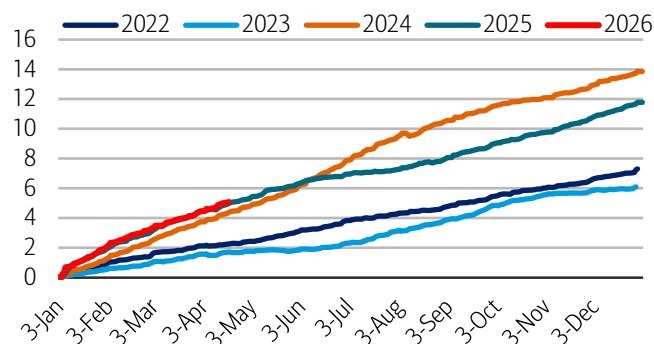
We expect USD/JPY to trade around high 150s/low 160s in 2026.

Risks: Oil price

Persistently high crude oil prices are a clear yen-negative through higher imports, given Japan's dependence on Middle Eastern crude (see report: [FX Watch: Japan BoP: Crude awakening for the yen 09 March 2026](#)). Compared with European central banks, which have traditionally been willing to tighten in response to supply shocks, the BoJ's wait-and-see stance and political pressure for fiscal stimulus despite limited fiscal capacity could also contribute to yen weakness.

Exhibit 16: Estimated cumulative net inflows into major foreign asset Toshins by calendar year (¥tn)

No discernible impact from developments in Iran



Source: BofA Global Research, Bloomberg

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Exhibit 17: JPY forecasts

We look for 2026 year-end USD-JPY of 157

	Q2 26	Q3 26	Q4 26	Q1 27
USD-JPY	160	157	157	153
EUR-JPY	182	184	188	187

Source: BofA Global Research estimates

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Exhibit 18: Major macro forecasts (CY)

Our economics team looks for end-2026 BOJ rate to be 1.25%

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

Source: Bloomberg, BofA Global Research estimates

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UK rates: return to target delayed again

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Market prices too many hikes followed by too few cuts

It is looking less likely that energy prices will reverse as quickly as previously assumed. Our energy strategy team now expect a more prolonged shock with high energy prices persisting through most of this year. As a result, our economists now expect two Bank Rate hikes in June and July 2026, albeit with a risk of one and done, followed by three 25bp cuts from 2Q27 in April, July and November, with risks of four. In turn, we recognize that the risk of further front-end volatility amid thin liquidity has not gone away and that risk appetite is likely to remain low. Nevertheless, we believe that the front-end should be inverted more meaningfully in 2027, with the market pricing in a more aggressive return to neutral after the completion of the expected hiking cycle.

Forecast: Forecast revisions to incorporate BoE hikes

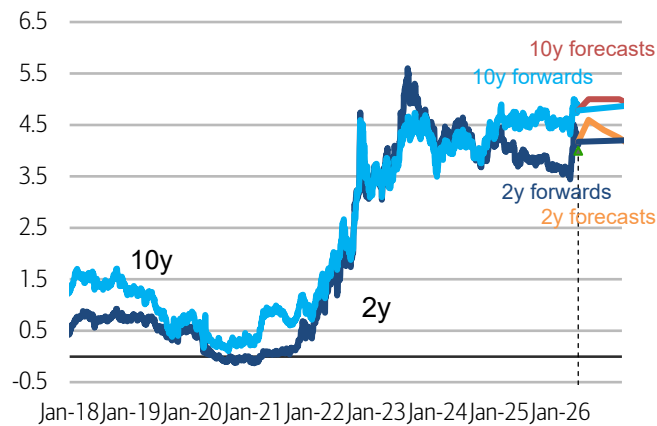
We have recently updated our UK yield forecasts to reflect our economists' revised BoE Bank Rate call. We also updated our projections further out, expecting more near-term flattening than implied by the forwards as market may initially overreact in a bearish way when the BoE delivers a first hike, but more steepening later if and when the BoE shifts more dovish in recognition of the weaker growth prospects. In Gilts, we hope for an April Remit makeover to support spreads: some further WAM reduction in April could be delivered through a lower share of long- and medium-dated Gilt sales and/or higher net T-bill sales. On fiscal risks, we do not expect the fiscal rules to be broken or suspended, with the bar for universal support remaining high.

Risks: Geopolitics in focus

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

Exhibit 19: Gilt yield benchmark histories, forwards and forecasts, %

We now project 2y Gilts at 4.25% and 10y Gilts at 5.00% by end-2026



Source: Bloomberg, BofA Global Research

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Exhibit 20: Government bond yield forecasts (%)

We see 10y Gilts at 5.00% by end-'26...

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

Source: BofA Global Research estimates

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Exhibit 21: Sonia swap rate forecasts (%)

... and 10y Sonia at 4.50% by end-'26

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

Source: BofA Global Research estimates.

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GBP: reality check

Kamal Sharma

MLI (UK)

Themes: political uncertainty resurfaces

Though April has been a constructive one for GBP vs USD with the usual dividend payment related flows underpinning sentiment, political uncertainty has not been far from the surface. As the UK heads towards local election polls on May 7th, GBP risk premium is once again on the rise along with term premium. The sensitivity to fiscal concerns remains the major Achilles Heel for the pound in what seems to be a perpetual spiral of uncertainty which shows no sign of abating and in our view is preventing GBP from trading directionally. EUR/GBP, our proxy for UK political noise, is essentially changed on the year, oscillating between its major moving averages. Whilst far away from a doom-loop, it appears that investors are essentially waiting for the next spike in political noise to sell GBP. The question, therefore, remains, what takes us out of this spiral.

One source of positivity comes from the King’s Speech in mid-May where the government will lay out its legislative agenda at the State Opening of Parliament. The government appears to have recognized that the way to unlock growth and ease supply side constraints is to enhance its relationship with the EU by allowing the government to dynamically align with EU rules and move quicker to changes in the Single Market. Whilst this falls short of some of the more ambitious targets demanded by the parliamentary party such as Customs Union, these measures are designed to ease some of the supply side inflationary impacts of non-tariff trade barriers. Markets still see enhanced UK-EU relations as a positive for GBP but hopes of a more transformational relationship still seem elusive. Still if the announced measures lead less cost of living headwinds and Brexit related costs, we think at the margins this will be welcome news.

Forecasts: no changes in forecasts

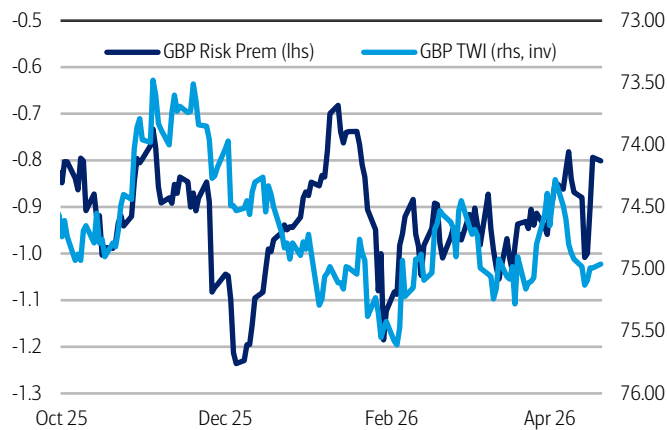
No changes in forecasts.

Risks: all eyes on May local elections

The May Local Council elections pose the most significant risk to GBP should results lead to further question marks over the PM’s leadership and question marks over the sustainability of the fiscal rules.

Exhibit 22: GBP TWI vs GBP Risk Premium

Political noise once again boosting risk premium



Source: BofA Global Research, Bloomberg

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Exhibit 23: GBP forecasts

Our year-end 2026 EUR-GBP forecast is 0.84

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

Source: BofA Global Research estimates

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Exhibit 24: Major macro forecasts

BOE to hike rates this year

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

Source: Bloomberg, BofA Global Research estimates

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CA rates: forecasts revised higher

Katie Craig
BofAS

Ralph Axel
BofAS

Themes: rates retrace but hikes still remain

Canadian rates have rallied following their significant sell-off in March post Iran conflict. Front-end rates remain elevated as markets repriced the BoC path from cuts to hikes on the risk of higher oil. BoC OIS now implies ~1.5 hikes remaining in '26, down from a peak of ~3 in March. While our economists expect the BoC to remain on hold for the year, we see market pricing now as roughly fair.

The CAD curve flattened meaningfully in March but has largely retraced and the 2s10s curve is now only 6bp flatter vs Feb month-end. We attribute the greater flattening in CAD vs the US to the market pricing in of hikes in CAD vs cuts in the US. We continue to see the CAD curve steeper vs US flattener as an attractive carry and roll position.

Forecasts: below forwards at the front-end

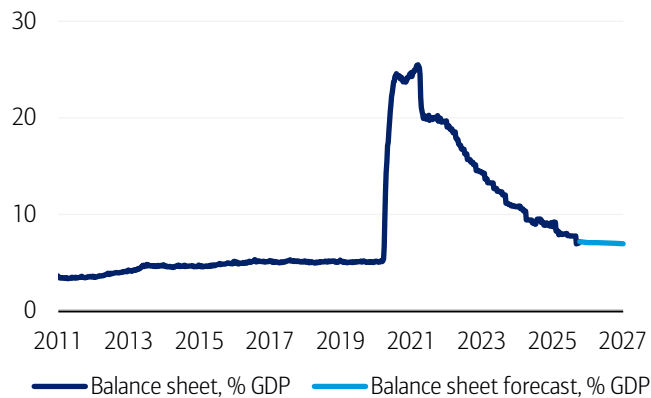
We recently revised our forecasts following changes to our economists' calls in CAD and the US. Our forecasts were largely marked to market for the belly and long-end but reflect weaker CAD growth and expectations for the BoC to remain largely on hold this year. Consistent with this our 2y rate forecast is roughly 25bp below forwards at year-end.

Risks: tariffs and USMCA negotiations

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

Exhibit 25: Bank of Canada balance sheet projection (CAD bn)

BoC is now buying bills to offset further decline in settlement balances



Source: BofA Global Research, Bloomberg, Bank of Canada

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Exhibit 26: Government bond yield forecasts

2026 rate forecasts below forwards for front-end rates

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

Source: BofA Global Research estimates

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Exhibit 27: Swap rate forecasts

We see 10y swap spreads at 3.4% by YE '26

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

Source: BofA Global Research estimates

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CAD: still expecting 1.36 for end of year

John Shin
BofAS

Themes: full circle from the Middle East shock

USD-CAD has largely moved full circle since the beginning of military action in the Middle East, staying around the mid-to-higher 1.30s-type range. Although we had made a number of forecast revisions in G10 FX after the start of the war (see report: [FX Watch, "Forecast revisions – deferred convergence", 23 March 2026](#)), for 2026, we kept our CAD profile unchanged, with the upside USD risks from US inflation offset by the benefits around higher oil prices, which we expect to average around the low-to-mid 90s in the second half of the year (see report: [Global Energy Weekly, "Geopolitics reshuffle world energy flows again", 01 April 2026](#)).

Ultimately, we still expect USD-CAD at a moderate 1.36 to end the year as economic conditions in Canada improve, and trade uncertainty finally fades, while domestic headline inflation cools off. In general, such a profile also fits our general broader expectations for near-term USD-upside, followed by a return to modest USD depreciation in H2 especially as the BOC stays on hold.

Forecast: expect more backloaded USD/CAD depreciation in 2026

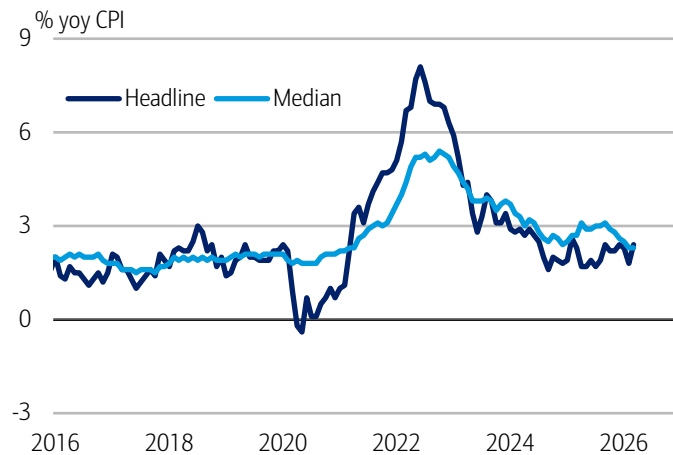
No changes. We keep our forecast at 1.38 for first half of the year, especially as turmoil from the Middle East is likely to still remain a core concern. We see the pair falling again to 1.36 for 2026 year-end. In muted form, such a path for CAD follows our general USD outlook, where we expect some further near-term strength, but softening in H2 and over the longer term in 2027.

Risks: new tariffs shock or USMCA negotiation details

Aside of course from continuation of the energy crisis from the Middle East, new US tariffs or trade shocks could present USD upside risk to our downtrending USD/CAD forecast path for 2026. In particular, the scheduled joint review in July for the USMCA draws closer, bringing trade policy uncertainty further into focus given posturing going into negotiations.

Exhibit 28: Canada headline inflation picking up

Oil pushing up headline inflation but core inflation pass-through moderate



Source: BofA Global Research, Bloomberg.

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Exhibit 29: USD/CAD FX forecast

We expect more backloaded USD/CAD selloff in 2026

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

Source: BofA Global Research estimates

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Exhibit 30: Major macro forecasts

We see the BoC staying on hold

	2025	2026F	2027F
Real GDP (% yoy)	1.7	1.2	1.7
CPI (% yoy)	2.1	2.8	2.0
Policy Rate (end of period)	2.25	2.25	2.25

Source: Bloomberg, BofA Global Research estimates

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AU rates: CPI in focus

Oliver Levingston

Merrill Lynch (Hong Kong)

RBA expected to remain hawkish

The RBA cash rate now stands at 4.10%, the highest among G10 central banks following a 5-4 split decision in March. Our economists expect the RBA to hike one more time in May, raising the cash rate to its previous cycle high of 4.35%. 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 shift to the upside

Market pricing suggests the RBA could hike two more times this year, while the Fed remains on hold. The front-end of the curve has steepened in sympathy with global markets, and the distribution of risks to inflation are firmly skewed to the upside given the higher starting point for inflation in Australia. With near-term inflation risks still elevated, we expect yields to hold around current levels over the next quarter before steadily retracing lower across the forecast horizon.

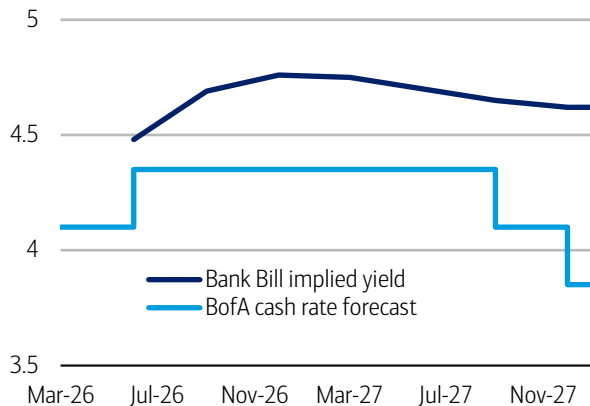
Belly and long-end rates are too high

Since the start of the Iran war and the global bond sell-off, AUD yields have increased markedly and are the highest in G10. In our view, yields should retrace lower over the second half of the year and the curve should gradually steepen. The narrow 5-4 March decision indicates that the RBA Board is concerned about the medium-term risks to growth from an oil price shock, and we maintain our base case that the cash rate is unlikely to rise above 4.35%. Moreover, our estimate of the neutral rate (~3.5%) suggests the stance of monetary policy is clearly in restrictive territory.

Our forecasts sit well below the 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. In other words, rates are likely to fall from here. Therefore we do not recommend fixing rates at this level.

Exhibit 31: BofA cash rate forecast vs bank bill implied yields

We expect the RBA to remain on hold after hiking in May



Source: Bloomberg; BofA Global Research

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Exhibit 32: Government bond yield forecasts

In our view yields will retrace as downside growth risks are priced-in

	2Q 26	3Q 26	4Q 26	1Q 27
3m BBSW	4.35	4.35	4.35	4.35
2y Govt.	4.70	4.50	4.30	4.10
5y Govt	4.80	4.60	4.50	4.35
10y Govt	5.00	4.80	4.70	4.60

Source: BofA Global Research, Bloomberg

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Exhibit 33: Swap rate forecasts

Swap spreads are expected to remain stable over time

	2Q 26	3Q 26	4Q 26	1Q 27
3y	4.80	4.60	4.40	4.20
10y	5.10	4.90	4.80	4.70

Source: BofA Global Research, Bloomberg

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AUD: all that glitters...

Isabel Hartstein

Merrill Lynch (Hong Kong)

Oliver Levingston

Merrill Lynch (Hong Kong)

AUD: we recently raised our year-end forecasts

RBA policy rates are higher than the US Fed's for the first time since 2017. We see further tailwinds from higher AUD yields, an improving outlook for China, and a broadly weaker dollar (especially vs Asia FX). We expect higher oil and gas prices will also provide modest support for AUD although the impact will be limited in the absence of new mining capex. We forecast AUD/USD to reach 0.74 by 4Q '26 and then trade around 0.73, reflecting our expectation that the RBA will begin cutting rates in late 2027. Upside risk: positive AUD carry/ USD weakness boosts AU super fund hedge ratios. Downside risk: crowded AUD longs and negative spillovers from the Iran conflict to equity markets.

RBA is expected to remain hawkish relative to peers

Our economists expect the RBA to hike at the next meeting in May, bringing the cash rate to 4.35%. Front-end pricing has steepened aggressively across advanced economies and implies the RBA could hike two more times this year while the Fed remains on hold. Overall, Australia is likely to have the highest policy rate among G10 central banks, which should underpin AUD strength this year alongside a broadly weaker dollar.

Bullish on China but upside from resources is limited

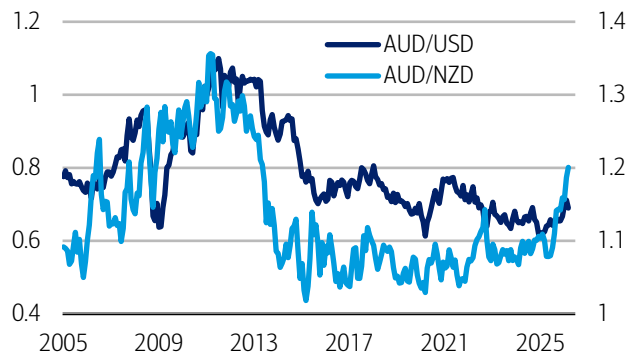
AUD's beta to China could be an important tailwind, particularly if the US-China trade relationship improves. Our economists note early signs of improvement in China's broader economy, reflected in recent activity and inflation data, although a meaningful recovery in China's property market remains unlikely. That said, the upside for AUD from higher commodity prices is likely to be modest. One persistent headwind for AUD has been the tight link between global iron ore market and China's sluggish property market. Our strategists also forecast iron ore will trade about 3% lower by year-end.

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 AUD and see further AUD/NZD upside



Source: Bloomberg; BofA Global Research

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Exhibit 35: AUD Forecasts

Our end-2026 AUD-USD forecast is 0.74

	Q2 26	Q3 26	Q4 26	Q1 27
AUD-USD	0.73	0.74	0.74	0.74
AUD-NZD	1.26	1.28	1.28	1.25

Source: BofA Global Research estimates

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Exhibit 36: Major macro forecasts

We forecast growth recovering in 2026

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

Source: Bloomberg, BofA Global Research estimates

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NZD: energy import dependency

Oliver Levingston

Isabel Hartstein

Merrill Lynch (Hong Kong)

Merrill Lynch (Hong Kong)

The growth impact on the Australian economy is expected to be modest, with weaker global growth likely to soften external demand and weigh on exports, partly offset by lower imports. In NZ, the negative growth impulse from higher oil prices is likely to be larger and more unambiguously contractionary. As a net energy importer with exports concentrated in agriculture, NZ lacks a meaningful commodity price offset, so higher energy prices act primarily as an import-price shock. Rising fuel costs erode household disposable incomes, dampen consumption, and raise costs for transport- and energy-intensive sectors, while weaker global demand also weighs on exports. With reduced imports offering only a partial offset, the oil shock is more likely to slow growth outright in NZ than in Australia.

RBNZ to leave rates at 2.25%

Our economists expect the RBNZ to remain on hold through 2026 with the OCR at 2.25%. The RBNZ is likely to look through near-term, oil-driven inflation given its supply-side nature, with a larger negative growth impulse expected to weigh on medium-term inflation. Inflation expectations remain the key risk which could prompt a hike, but spare capacity should reduce this risk. We expect RBNZ will be reluctant to hike (no hikes until '27), and more dovish RBNZ communications than markets are currently pricing.

NZD to trade around current levels

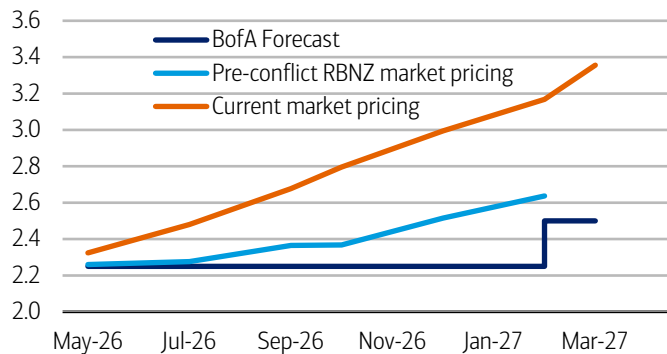
Although we are generally bearish USD, in our view NZD could remain stuck around the 0.58 level over the remainder of the year. NZD remains our preferred short in G10 FX given its large current account deficit and high dependence on imported oil products for domestic consumption.

We are bullish AUD/NZD

We see NZD trading around current levels while AUD/NZD appreciates. For much of its recent history, AUD/NZD has oscillated in a 1.00-1.14 range. However, a widening policy rate differential over the past year has helped AUD/NZD break out of this range, with the cross now trading above the 1.21 level. We continue to see further upside for AUD/NZD as the RBA is likely to add another hike in May while the RBNZ remains on hold in '26. Positive carry should be generally supportive for AUD/NZD in '26/'27.

Exhibit 37: RBNZ market pricing vs BofA RBNZ forecast

We see much lower policy rates than market pricing



Source: Bloomberg; BofA Global Research

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Exhibit 38: BofA NZD forecasts

Our end-2026 NZD-USD forecast is 0.58

	Q2 26	Q3 26	Q4 26	Q1 27
NZD-USD	0.58	0.58	0.58	0.59
AUD-NZD	1.26	1.28	1.28	1.25

Source: BofA Global Research estimates

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Exhibit 39: Major macro forecast

We forecast growth recovering in 2026

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

Source: Bloomberg; BofA Global Research estimates

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CHF: luck rather by design

Kamal Sharma

MLI (UK)

FX: hard-coding intent

Geo-political cross currents, terms of trade shocks and rising volatility should all have been the basis for strengthening CHF. Yet early March has marked an important inflexion point in price action when the SNB raised the intervention stakes (see report: [FX Watch: CHF: SNB ups the ante 02 March 2026](#)), expressing a “heightened sense of urgency”. We took this opportunity to establish a higher EUR/CHF view. In the aftermath, markets have been alert to signs whether the SNB has been intervening. Using available data on sight deposits and month FX data, the evidence is that it’s footprint has been light at best.

So, if SNB intervention flows have been light, why has CHF weakened since March? We think a confluence of factors has been a bigger dynamic – namely moving past peak conflict risk and then USD debasement trade on hold rather than intervention flows. Looking ahead, favourable seasonals in the coming months limit further losses, but the key will be whether USD debasement and term premium become a stronger narrative.

In the absence of a major event driven spike in the VVIX, we think the adjustment phase in CHF is coming to an end. The failure of EUR/CHF to breach its 200dma and our assumption that FX vol is unlikely to break materially lower from here, suggests that CHF weakness is a fade. Whilst we have discussed how level-based correlation analysis plays a secondary role to returns analysis, we think one relationship could be the most telling of all for CHF. Our medium-term bearish views on the USD remain heavily conditioned on renewed USD debasement and fiscal term premium. Both have proved constructive for CHF over the past year.

Forecasts: no changes

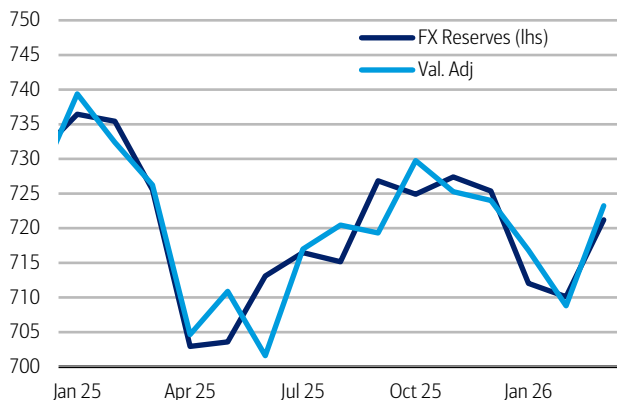
No changes.

Risks: verbal turns into actual intervention

The SNB has so far refrained from FX interventions in size, but adverse price action could force its hand particularly if USD debasement becomes a key theme once again.

Exhibit 40: Monthly FX Reserves

No material pick up in FX reserves in March



Source: BofA Global Research, Bloomberg.

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Exhibit 41: CHF forecasts

Our 2026 year-end EUR-CHF forecast is 0.93

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

Source: BofA Global Research estimates

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Exhibit 42: Major macro forecasts

Inflation again well below 2% in 2026

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

Source: Bloomberg, BofA Global Research estimates

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NOK: (Largely) unjustified strength

Marcus Boman
MLI (UK)

Michalis Rousakis
MLI (UK)

Themes: Sweet spot scenario, for now...

NOK has remained the top performing currency in G10 since the start of the conflict in Iran. However, we view its strength as largely unjustified. If hopes for a peace deal prove correct, oil prices are likely to grind lower. Also some damage to global growth has probably already occurred, which could weigh on risk assets near term. We therefore maintain our bearish NOK bias at these levels.

We argued last month that the only scenario in which NOK could strengthen further would be a combination of elevated energy prices without global growth spillovers (see report: [WAAG, 25 Mar '26](#)). To our surprise, this scenario appears to have partially materialised. Hopes of a peace deal have helped limit growth worries, while the continued closure of the Strait of Hormuz has kept oil prices supported.

Looking ahead, however, we still struggle to justify NOK trading at current levels. Our energy team views oil markets as priced for perfection, with upside risks to energy prices under-appreciated (see report: [Global Energy Weekly, 15 Apr '26](#)). Such a shock would likely revive global growth concerns rather than be treated as a pure terms-of-trade shock, potentially weighing on NOK. Conversely, even if a peace deal was reached swiftly and energy flows normalised, NOK would still be vulnerable to a grind lower in energy prices, particularly given that, in our view, it is already trading at a premium to oil.

We also do not expect NOK to get much help from Norges Bank. While their bias clearly turned hawkish in March, we believe they will have a hard time delivering on market expectations of almost two hikes this year (we expect one Norges hike in our base case).

Forecasts: No changes. We remain cautious NOK near term

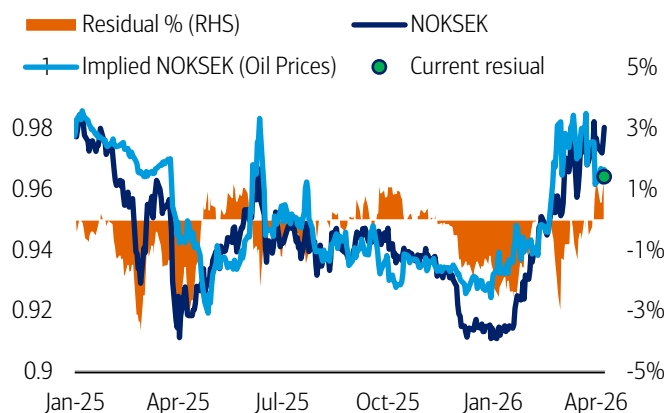
We continue to forecast EURNOK at 11.20 by year-end (11.30 near term), with USDNOK at 9.02. We see NOKSEK lower, both on likely NOK weakness and SEK strength.

Risks: Norges, US-Iran developments

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

Exhibit 43: NOKSEK is trading at its highest residual to oil in over a year

180-day rolling regression of NOKSEK on oil prices vs observed NOKSEK spot



Source: BofA Global Research, Bloomberg

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Exhibit 44: NOK forecasts

Year-end EUR-NOK forecast of 11.20 in 2026

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

Source: BofA Global Research estimates

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Exhibit 45: Major macro forecasts

Norway recovery modest this year

	2025	2026F	2027F
Real GDP (% yoy)	1.1	1.3	1.1
CPI (% yoy)	3.0	3.6	2.4
Policy Rate (end of period)	4.00	4.25	3.75

Source: Bloomberg, BofA Global Research estimates.

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SEK: downside contained, upside remains

Marcus Boman
MLI (UK)

Michalis Rousakis
MLI (UK)

Themes: near-term caution, medium-term bulls

We remain cautious on SEK near term. With DXY trading at levels similar to before the the Middle East war, we believe markets may have gone slightly ahead of themselves. However, we view SEK downside as limited, and remain bullish further out, counting on renewed USD weakness, Germany’s fiscal push, and a strong domestic position.

Iran developments remained the main SEK driver in the past month. The recent USD sell-off indicates FX markets are pricing in a quick normalisation. However, our commodities team thinks the paper oil market is priced to perfection, with energy flows likely needing time to normalise (see report: [Global Energy Weekly, 15 Apr '26](#)). The risks to global growth may thus still be under-appreciated, making us cautious on SEK near term.

That said, we view downside risks to SEK as contained. Being an electricity exporter with a strong fiscal position, Sweden will likely be able to manage energy-related growth shocks better than most of its G10 peers. Additionally, the Riksbank is more forward-looking than the ECB, and therefore less likely to over-react. We think one Riksbank hike (to neutral territory) is more likely than not but, for the ECB, we expect two hikes this year which could be more than reversed next year.

Further out, we remain bullish on SEK. We expect further USD weakness by year-end, Germany’s fiscal push and European defence spending to remain supportive, and Sweden to experience one of the highest growth rates in G10.

Forecasts: no changes. Our SEK bias remains bullish

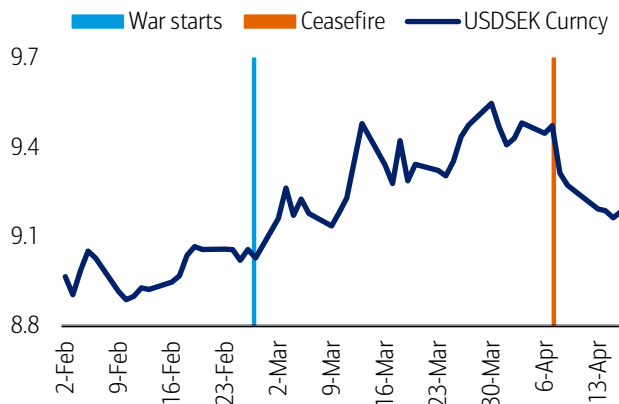
We continue to forecast EURSEK at 10.50 by year-end, with USDSEK at 8.75. We see NOKSEK lower, both because of potential NOK weakness and SEK strength.

Risks: Swedish consumer sentiment, Iran

The key risk to our bullish SEK view would be renewed escalation in the Iran war: higher global growth concerns would likely lead to further SEK weakness. High uncertainty for longer could also start shaking the Swedish consumer, slowing down the Swedish recovery we expect. On the other hand, SEK likely stands to benefit the most in G10 from fast de-escalation in the Middle East.

Exhibit 46: Iran has been the main driver of SEK during the past month

Escalation = depreciation, de-escalation = appreciation



Source: Bloomberg, BofA Global Research

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Exhibit 47: SEK forecasts

Our EUR-SEK forecast at end-2026 is 10.50

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

Source: BofA Global Research estimates

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Exhibit 48: Major macro forecasts

The Riksbank is very serious about inflation

	2025	2026F	2027F
Real GDP (% yoy)	1.5	2.0	1.9
CPI (% yoy)	2.6	1.8	1.3
Policy Rate (end of period)	1.75	2.00	2.00

Source: Bloomberg, BofA Global Research estimates

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EM Asia



China: Inflation forecast upgrade

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Major indicators improved meaningfully in Jan-Feb

Activity data strengthened across the board. Industrial production growth accelerated to 6.3% yoy, beating consensus (5.3%). Manufacturing output rose to 6.6% in Jan-Feb from 5.7% in Dec, likely supported by resilient exports. Utilities also strengthened materially (4.7% yoy vs. 0.8% previously), while mining output held up at a solid 6.1%.

Retail sales growth picked up to 2.8% yoy in Jan-Feb from 0.9% in Dec, with gains across both goods (2.5% yoy vs. 0.7%) and catering services (4.8% vs. 2.2%). The extended Lunar New Year holiday likely provided a lift, with tobacco and liquor sales surging 19.1% yoy (vs. -2.9% in Dec). Importantly, household appliances (+3.3% yoy vs. -18.7%) and furniture (+8.8% vs. -2.2%) rebounded, easing concerns over fading subsidy effects.

Fixed-asset investment returned to positive territory, rising 1.8% yoy in Jan-Feb after contracting since July 2025. The rebound was led by infrastructure investment, which surged 9.8% yoy from -16% in Dec, while manufacturing FAI improved to +3.1% yoy from -10.6%. This likely reflects lagged effects of incremental policy support introduced in 4Q25, including policy-based financing tools, alongside a more favorable base from last year's revised Jan-Feb data.

We lift 2026 inflation forecasts

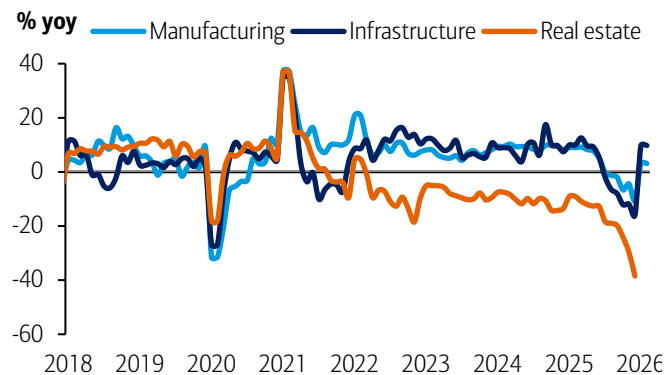
We upgrade projections for 2026 CPI inflation to 0.7% and PPI inflation to 0.3% (from 0.1% and -0.7%). The revision reflects three forces: a cyclical upturn in domestic demand evident in Jan-Feb data; higher projected energy prices due to the Iran conflict; and a rally in metals and electronics supported by structural tailwinds from the AI investment cycle. These forecasts are based on oil price projections as of mid-March and remain subject to further revision, given ongoing volatility in energy markets.

Less need to cut now, more room to act if needed

With demand mending, we remove our call for two policy rate cuts totaling 20bp in 2026, mirroring a broader dialing-down of easing expectations globally after the oil shock. That said, the PBoC's policy space has improved, supported by a stronger CNY in the months leading up to the war and easing net interest margin pressure. This leaves room for policymakers to act decisively should the recovery lose momentum

Exhibit 49: Both manufacturing and infrastructure FAI growth contracted further

FAI sector breakdown (2018-26)

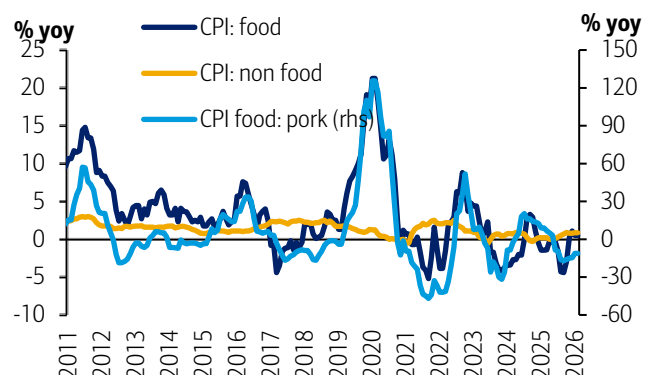


Source: BofA Global Research, CEIC, NBS

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Exhibit 50: Feb non-food CPI inflation steady at 0.9% yoy, while pork price remained weak at -11.2% yoy

CPI inflation (2011-26)



Source: BofA Global Research, CEIC, NBS

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Feb CPI inflation picked up to 3-year high on higher services prices amid LNY

Feb CPI inflation picked up to 1.3% yoy, at the highest since 2023. Jan-Feb combined CPI avg. at 0.8% yoy. PPI deflation narrowed (-0.9%). Higher services prices amid LNY drove the headline inflation. Food prices also inched up despite falling pork price. We watch closely for the sustainability of services prices post LNY. The uncertainties also loom large amid Iranian conflict

Financial condition eased slightly in Feb

The BofA China Financial Condition Indicator (FCI) eased marginally to 95.9 in Feb (vs. a revised reading of 96.0 in Jan), as CNY depreciated against the basket compared with last Feb. Headline TSF growth (8.2%) continued to be supported by govt bond issuance. Corporate loan remained robust, while household loan declined. Jan-Feb combined credit data showed stable credit expansion, suggesting investment growth to pick up in coming months.

Strategy –maintain year-end USD/CNY 6.7 forecast.

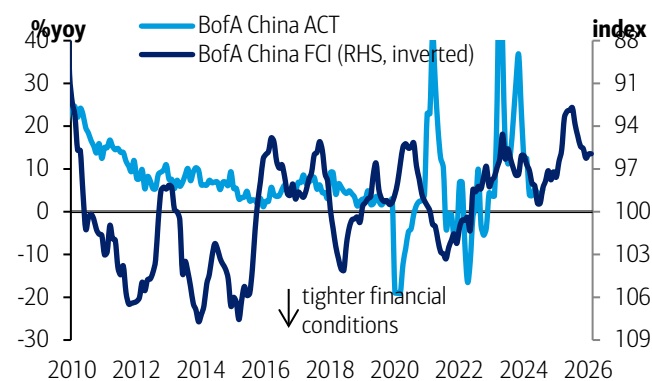
We maintain our year-end USD/CNY forecast for 6.7 amid continued geopolitical uncertainty. This is premised on a resolution of the Iran conflict and China’s preference for FX stability in times of global stress. For the near-term, this may mean that USD/CNY gravitates around 6.90 in 2Q in line with our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

The recent outperformance in EUR and EM peer currencies is helping the trade-weighted CNY CFETS basket to fall by 1% off its recent peak of 100.87, which represented at 4% appreciation from the January lows. This means that CNY appreciation can still be tolerated and even welcomed to blunt imported energy inflation from passing through into the broader economy. The damage to export growth is likely to be minimal China remains very competitive in real terms.

Chinese bond yields continue to fall to fresh year lows, despite the recent uptick in inflation and PPI inflation printing positive for the first time in over a year. This is a consequence of private credit growth still proving sluggish and the markets looking through the inflationary impact. Indeed, the 2s10s CGB yield curve has flattened to 47bps, after steepening to a peak of 53bps on March 23. This will need to be watched as it could forewarn slower growth ahead.

Exhibit 51: Financial Condition Indicator eased to 95.9 in Feb

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)

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

Source: BofA Global Research estimates

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Exhibit 53: We expect 2026 annual GDP below 5.0%

We expect growth to moderate in 2026 and 2027

China	2025	2026F	2027F
Real GDP (% yoy)	5.0	4.7	4.5
CPI (% yoy)	0	0.7	0.7
7d OMO rate (eop)	1.4	1.4	1.4
Fiscal Bal (%/GDP)	-4.0	-4.0	-4.0
CurAct Bal (%/GDP)	3.7	2.9	2.5

Source: BofA Global Research estimates

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India: Eyes on the Sea, Bracing for Clouds

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BofAS India

Abhay Gupta
Merrill Lynch (Singapore)

Smriti Mehra
BofAS India

Growth: West Asia conflict risks persist; lowered FY27 GDP growth by 50bps

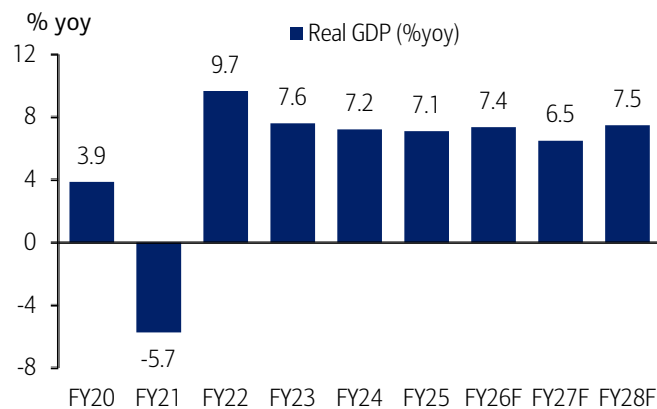
India's economic backdrop remains highly uncertain, as the west Asia crisis rolls on for over a month. Downside risks to economic activity have risen dramatically, and India is looking at a material stagflationary shock in FY27, the longer the crisis persists. March and early activity indicators for April, especially those impacted by supply shortages, have already started showing signs of weakness (see report: [India Watch: India growth meter – Marching ahead despite some visible cracks](#)). Consumption may be hit further once there is pass through of higher crude prices on the retail fuel prices following the completion on the on-going state election in May first week. In line with our new baseline crude oil projection of USD 92.5/bbl, we revised our FY27 growth forecast lower by 50 bps to 6.5%, and see some recovery in FY28 to 7.5%, with risks skewed on the downside (see report: [India Viewpoint: Spring update: Gloom, not bloom](#)).

Inflation: Prices broadly contained with limited pass-through for now

While the impact of elevated global commodity prices was visible in the March wholesale prices, retail prices remained insulated from the cost pressures so far. Going ahead, we expect WPI to rise further, likely climbing north of 5% (see report: [March WPI: At a 3-yr high on visible impact of West Asia conflict](#)). Meanwhile, we expect the pass-through in retail prices to come with a lag, with the impact intensifying in 2H2026, following the elections in five major states in India (the government is likely to raise fuel prices materially by 10%-20% sometime in May, once the assembly elections are concluded) (see report: [India Viewpoint: Tracking the terms of trade shock: Where is the impact visible in March?](#)). In addition to the global price pressures, projections of an El Nino adds incremental upside risks to inflation. As a result, we see FY27 CPI inflation rising to 5.2% with crude at USD 92.5/bbl (from 4.7% earlier), and see inflation moderating back to 4.4% in FY28, with risks skewed to the upside.

Exhibit 54: Real GDP forecasts – annual basis (FY terms)

With crude at USD 92.5/bbl, GDP forecast downgraded for FY27 by 50bps

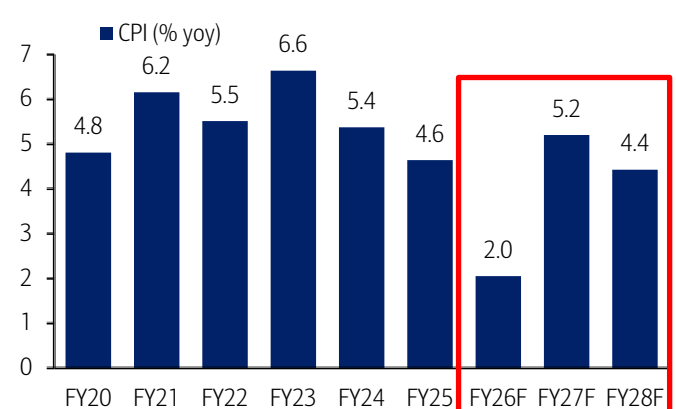


Source: BofA Global Research, Haver

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Exhibit 55: Headline CPI forecasts (% yoy)

CPI forecast for FY27 revised higher to 5.2%yoy



Source: BofA Global Research, Haver

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Monetary policy: Base case for a hike by RBI

Given our baseline view of growth being at lower end of trend growth at 6.5%, and inflation rising sharply towards the upper end of target band, we see RBI raising rates but in a backloaded manner by 50bps to 5.75%, from Q4 2026. However, if growth weakens further, the probability of rate hikes declines, in our view, as second order price effects will be lesser. RBI may then need to ease liquidity to prevent scarring effects.



External: Persistent capital outflows and now higher crude drives external risks

The external position in India continues to remain under strain, with last year's capital account issues now compounded by current account widening. Further adding to this headwind is India's large export and remittances exposure to West Asia, along with portfolio outflows, which in turn will keep the rupee under pressure. We now project a large current account deficit of USD 87.6bn (2.1% of GDP) for FY27, declining to USD 45bn (1% of GDP) in FY28, as oil prices normalize back lower. For the month of March - India's, overall trade deficit narrowed- likely affected by lower shipments owing to closure of Strait of Hormuz. The bilateral trade with major West Asian trading partners saw a sequential fall of 46%. Moving forward, we expect trade deficit to likely inch up following the inventory adjustment and supply normalization (see report: [India Watch: March Trade: Deficit is low now, will be higher later](#)).

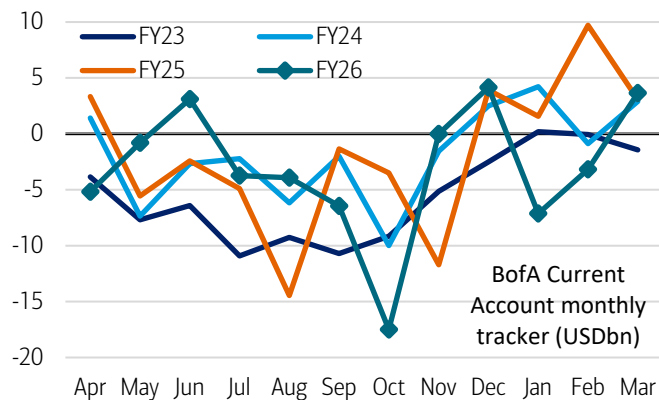
Strategy: Remain bearish due to oil shock impact

While oil prices have retreated from their peak, a higher range for oil above USD 80/bbl would be sufficient to alter the flow dynamics for INR. In the near term, INR may remain under pressure due to USD demand from ramp-up in oil imports to secure supplies and by sizeable equity outflows amid heightened risk aversion. Once volatility subsides, the RBI's recent smoothing operations to support INR are likely to create pent-up USD demand as forward sales mature over the coming months. While FX reserves remain adequate at current levels, a wider current-account deficit and higher imports would reduce the scope for further reserve drawdowns. Concerns around sustainability of the recent pace of FX reserves drawdown likely prompted RBI's to utilize other measures, including regulatory tightening and possibly a direct window to meet USD demand from some oil importers. These measures may be effective in the short-term in reducing the pressure off INR. But persistently higher oil prices would likely result in further INR weakness over time.

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

Exhibit 56: Monthly Current Account tracker (USD bn)

Current account balance turned positive in Mar, on lower goods deficit



Source: BofA Global Research, CEIC

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Exhibit 57: INR forecasts for next 4 quarters

End-2026 forecast at 93/USD

	Q2 26	Q3 26	Q4 26	Q1 27
USD-INR	94.0	93.5	93.0	93.0

Source: BofA Global Research estimates

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Exhibit 58: Major macro forecasts- (CY terms)

Growth-inflation outlook clouded given fallout in West Asia

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

Source: BofA Global Research estimates

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Indonesia: Fiscal pressures more acute

Kai Wei Ang

Merrill Lynch (Singapore)

Abhay Gupta

Merrill Lynch (Singapore)

Rahul Bajoria

BofAS India

Aiming to keep fiscal deficit within the 3% of GDP limit

Indonesia's fiscal sustainability has under scrutiny, with its sizeable energy subsidy bill (1.5% of GDP) for 2026 originally premised on oil prices at \$70/bbl. Possibility of a Government Regulation in Lieu of Law (Perppu) to adjust Budget 2026 settings had also been previously floated. Perppu is issued by the President in situations deemed to be "emergency conditions" and takes effect immediately. However, it must be submitted to the House for approval at the next sitting. Previously, a Perppu for Budget 2020 was proposed by the House on 23rd Mar 2020, issued and took effect on 31st Mar 2020, and formally approved by the House on 12th May 2020. Key changes include (1) suspension of 3% of GDP fiscal deficit ceiling for up to 3 years, and (2) enabling BI to temporarily purchase government bonds in the primary market. S&P was the only credit rating agency revising Indonesia to a negative outlook back on 17th Apr 2020

For now, policymakers seem keen to keep fiscal deficit within the 3% of GDP limit, with Fitch and Moody's both having Indonesia's credit rating outlook on negative watch. Raising subsidised fuel price cap is viewed as a last-resort option due to the impact on disposable income. As a result, to manage impact of rising energy subsidy bill, the government is prioritizing expenditure cuts, including for the flagship Nutrition Meal Program. At the same time, there could also be possibly more reallocation of some items to 'below-the-line', which is not subject to the 3% fiscal deficit ceiling. For instance, some spending for Red-White Cooperatives that is presently under 'regional transfers' could be shifted to below-the-line investment financing.

Monetary policy near-term focus squarely on anchoring stability

At present, the main focus for monetary policy is to anchor inflation and IDR stability, with BI vigilant to ongoing global developments. For now, the Fed is seen cutting once more in the second half of this year, with inflation still seen within the 1.5-3.5% target range. Policymakers maintained that headline inflation matters more for policy formulation than core inflation, considering the potential for second round effects from volatile inflation.

BI is staying alert to inflation risks, particularly on the back of (a) higher global commodity prices, and (b) dry season possibly starting earlier (from April and peaking in August) and lasting longer vs. 2025. That said, BI does not appear overly concerned at this stage, with (i) recent inflation prints exaggerated by surge in gold prices – which has added around 1%-pts to inflation, (ii) pass-through from weaker IDR to inflation seen limited, and (iii) demand pressures benign amid a negative output gap.

Compared to 2-3 years ago, we sense that the hurdle for BI to hike rates is higher, for the following reasons. First, policymakers seem to be paying more attention to growth objectives, as part of broader fiscal-monetary policy efforts. Second, pass-through from FX to inflation is seen weaker than before. Policymakers presently estimate every 1% depreciation of IDR vs. USD lifting inflation by around 0.04%-pts. This is almost halve that of estimates we highlighted in past trip notes (0.07%-pts), on the back of greater competition in the retail markets (including rising use of e-commerce platforms). Second, policymakers seem to be paying more attention to growth considerations.

Accordingly, policymakers appear to be relying more on SRBI as a monetary policy instrument, and are likely more tolerant of wider SRBI-policy rate than previously. While the spread between SRBI and policy rate has rebounded to around 90bps as at time of writing, it is still well below the 120-130bps seen in mid-2024 and late 2024.

Policymakers are typically mindful that wider spreads can tighten liquidity conditions by incentivizing bank arbitrage over lending. In the current environment however, system liquidity remains ample – lending growth is constrained by weak demand – and conditions have been further supported by MOF's recent additional IDR 100tn placement of its excess cash balance with banks.



More hands-on approach towards FX management

BI has reiterated its plans to intensify FX intervention, and has complemented this week a series of new FX measures starting 1st April. First, FX administration rules will be tightened, with (1) maximum limit for FX purchases halved to \$50K/month per person, and (2) mandatory supporting documents for overseas FX transfers halved to \$50K. Second, transaction limits for domestic DNDFs and swaps will be doubled to \$10mn per transaction – with both shifting FX risk management away from the spot market via different channels.

Strategy: Unfavorable seasonality and risk-aversion hits IDR

Indonesia is relatively less exposed to the terms-of-trade shock from the oil price spike and potential fuel shortages. Low foreign ownership of Indonesian assets helped make the impact more manageable despite portfolio outflows in march from both bonds and equity markets. However, IDR remains exposed to global risk-aversion, which continues to generate domestic USD demand from corporates and hedging flows from importers. Beyond the near term, IDR drivers will revert to domestic factors, including larger dividend-payment outflows this quarter that create unfavorable seasonality. A potential widening of the fiscal deficit is another concern that may trigger negative rating risks. Nonetheless, broader fundamentals have improved, with consistent trade surpluses and a contained CAD making IDR appear attractive on a valuation basis versus peers. BI has shown strong resolve in supplying USD to contain volatility, has announced additional FX-regulation measures to moderate onshore USD demand and also tightened liquidity via bill issuances to attract foreign flows. Despite BI’s resistance, IDR has traded through the psychologically important 17,000/USD level this month. We may see the trend of orderly IDR depreciation continue in the near-term until more significant policy tightening is undertaken.

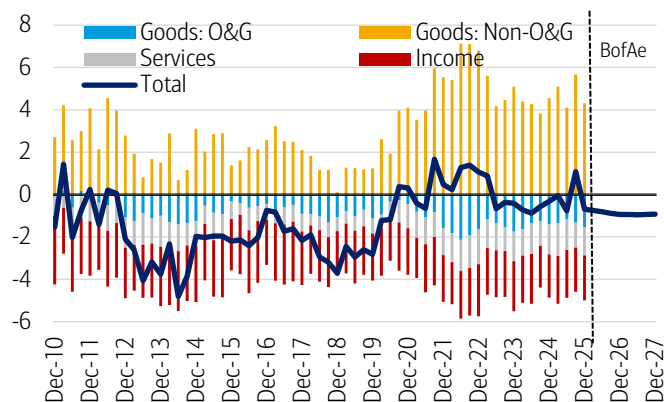
BI has turned defensive due to FX pressures, which has resulted in higher front-end yields and sharp curve flattening. While fiscal concerns about potential widening of deficit target remain, the longer-end bonds may lag due to potential support from BI and concerns about negative growth impact.

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

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

Exhibit 59: Current account balance (% of GDP)

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



Source: BofA Global Research, Haver

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Exhibit 60: IDR forecasts for 2026

Forecast end-26 at 16,200/USD

	Q2 26	Q3 26	Q4 26	Q1 27
USD-IDR	17,100	16,500	16,200	16,200

Source: BofA Global Research estimates

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Exhibit 61: Major macro forecasts

Indonesia’s growth seen picking up for now

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

Source: BofA Global Research estimates

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Korea: BoK's wait-and-see tactic

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BoK review: Another hold decision with wait-and-see tactic amid Iran conflict

Rate held at 2.5%, Middle-East tensions in focus

The BoK decided to hold its policy rate to 2.5% on Apr 10, the seven hold in a row, consistent with our forecast and consensus. The decision today was again unanimous. As expected, the Middle East conflict was in the center of the discussion in the meeting. In the press conference, Governor Rhee highlighted that this round of supply shock will be larger than that of Ukraine war.

Inflation-wise, BoK highlights that the inflation will rise to the mid-to-upper 2% range vs. previous forecast of 2.2% this year, despite the government measures taken in containing the direct pass-through. Core inflation is also likely to rise above previous forecast (2.1%) in part due to second round effects.

Growth-wise, the statement mentions that growth is expected to decelerate more than previously forecast (2.0%), in part due to economic sentiment weakening and production constraints occurring in some industries.

In other areas, the volatility of financial market and FX is highlighted in the statement, and BoK contributes the recent weakness in FX mostly due to Middle East tensions as well as the foreign equity outflows. Meanwhile, it downplays the concerns on housing leverage, quoting housing price increases in Seoul and its surrounding areas have slowed and expectations for price increases have also moderated.

Wait-and-see is the current tactic for MPC

Overall, despite the rising stagflationary risks, the MPC did not discuss a Middle East conflict-induced shift in policy direction at this meeting, according to Governor Rhee. He noted that it was too early to consider a rate hike, emphasizing that the shock is viewed as temporary and therefore does not warrant a monetary policy response at this stage. Regarding recent FX weakness, Rhee also expressed the view that the won could appreciate once the situation involving Iran stabilizes, and cautioned markets against over-interpreting recent USDKRW movements. Taken together, this suggests a more fluid and data-dependent decision-making stance at the MPC.

Policy stance as key to watch under new Governor & MPC member

From April 20, Governor-designate Hyun-Song Shin will assume office and chair MPC meetings from May onward. At the same time, the current MPC member Sung Hwan Shin will conclude his term on May 12, before the May meeting. With the departure of this dovish member, the future policy stance of the MPC will remain a key area to monitor. Governor Rhee also noted at today's press conference that the continuation of the new forward-guidance framework (the "dot plot"), introduced in the Feb meeting, will be decided by the incoming Governor, suggesting the possibility of modest adjustments to the Bank of Korea's communication approach going forward. After all, we remain our forecast that BoK may still decide to hold its rate for the remaining of the year, provided we do not see further notable escalation from the Middle East.

Strategy: KRW finally got some reprieve as outflow pressure abated

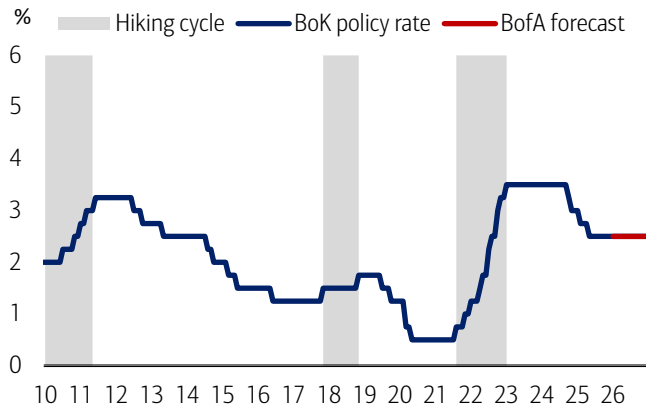
USDKRW has retreated from recent highs and consolidated around 1,470-1,480 range. Record foreign equity outflows were the main source of pressure for the KRW in March, but with risk sentiment improving, net equity inflows have turned positive. On the current account front, our economists remain optimistic and expect Korea to record a wider surplus of USD193bn (10.1% of GDP) in 2026. However, a declining willingness among exporters to repatriate and convert FX receipts suggests that FX support from the current-account surplus should be discounted. We expect portfolio flow dynamics to remain the key driver of USDKRW and will closely monitor domestic entities' investment outflows, as well as foreign inflows into the KOSPI.



Korea National Pension Service (NPS) recently announced a recalibration to its hedging framework. One key change was the removal of the previous 15% hedging cap, with 15% now set as the baseline hedging ratio. Government officials commented that this adjustment would result in an effective increase of hedging by 5-10ppt. With the NPS holding more than USD600bn overseas investments as of end-Jan, we believe greater flexibility in carrying out hedging should enhance its ability to contain market volatility going forward.

Exhibit 62: We expect no more cut in 2026, putting terminal rate at 2.5%

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

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

Source: BofA Global Research estimates

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Exhibit 64: We still expect real GDP growth to grow at 1.9% in 2026 despite the Middle East conflict

Major macro forecasts

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

Source: BofA Global Research estimates

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Hong Kong: Limited impact from Middle East tensions

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Macro: Feb retail sales, Middle East impact

Retail sales beat expectation again in Feb

Hong Kong's retail sales growth jumped to 19.3% yoy in Feb from 5.5% previously, beating consensus by a margin (12.2%). In volume terms, retail sales grew by 17.5% yoy from 3.4% previously. Jan-Feb data combined (adjusting for LNY effects), retail sales grew 11.8% yoy compared to 2025.

In Feb, retail sales growth was mainly driven by discretionary spending. By the order of growth, auto sales accelerated to 37.4% (from 18.5%) likely due to policy effect. Department stores sales and luxury sales rose by 29.4% (from -11%) and 24.1% (from 31.1%), respectively. Sales of electronic and consumer durables moderated to 20.8%. Sales at food retailers and supermarkets grew by 18.6% and 13.5% respectively. The exception was fuel sales, which continued its contraction (-10.3%).

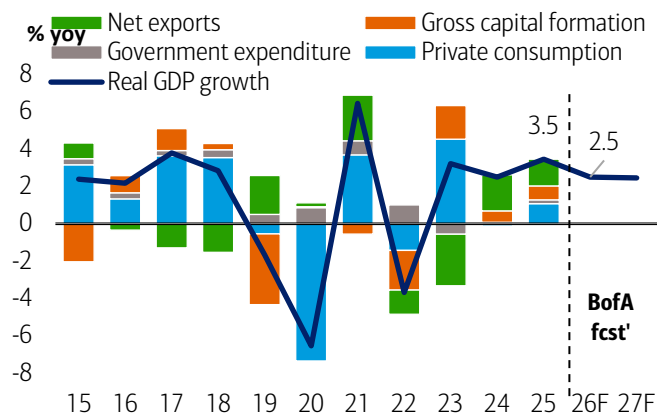
The spike in Feb sales was well expected and was mainly due to the LNY effects, as local consumer spending attained a seasonal high before the festival (which is in mid-Feb this year). That said, combining the Jan-Feb numbers, retail sales still surprises to the upside, suggesting solid spending momentum entering into 2026. Part of the better-than-expected could be attributed to the rise in inbound tourism, as tourists from mainland China rose 20% yoy in Jan-Feb.

Expect limited impact from the US-Iran conflict

Hong Kong should be relatively immune to the energy shock, given the nature of this upcycle and policy measures that smooth the passthrough from global energy shock. We expect the economy to expand by 2.3% under the base case in 2026. While the current spike in oil prices has already raised freight and logistics expenses, we expect the AI-led export-driven growth to become relatively unaffected. Growth could be hampered more materially in the escalation scenario, as potential spike in freight and transportation costs could notably damage the entrepot's business, as well as inbound tourism. In that case, we expect HK growth to come close to 1%.

Exhibit 65: We expect GDP growth to slightly decelerate from 3.5% in 2025 to 2.5% in 2026, with some upside risks

Revised Hong Kong growth forecasts



Source: BofA Global Research estimates

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

HKD forecasts

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

Source: BofA Global Research estimates

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Exhibit 67: We expect GDP growth to slightly decelerate from 3.5% in 2025 to 2.5% in 2026, and CPI to moderately rise to 1.8% in 26'

Summary of major forecasts

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

Note: Policy rate refers to HKMA discount rate. Fiscal balance is consolidated balance of fiscal year.

Source: BofA Global Research estimates

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Historically, external shocks have moderate passthrough to domestic inflation. The most direct pass through would be the rise in transport cost, which accounts for around 8% of CPI basket. Nonetheless, the spillover of international energy costs to utility costs is largely smoothed out by policy designs. Under Scheme of Control Agreements (SCAs), electricity tariffs adjust gradually through a monthly Fuel Clause Charge (FCC) mechanism, which spreads actual fuel-cost changes over time and prevents sudden spikes in input costs for businesses. In addition, government monitoring of auto fuel pricing and efforts to preserve competition in the retail fuel market also help contain excessive markups and contain the rise in fuel inflation. A case in point, despite of the substantial rise in energy prices during Russia-Ukraine war, CPI inflation only reached 1.9% and 2.1% yoy in 2022 and 2023, respectively.

FX and Rates: recent tightening of HKD funding

USDHKD briefly touched 7.84 on 1 April before correcting lower amid broader USD softness. HKD funding conditions have tightened recently, likely reflecting higher transaction volumes in the equity market as risk sentiment improves. The 10-day moving average of the T/N forward points has risen to around -3 from -7 a month ago, reducing the attractiveness of USD-over-HKD carry. Should funding conditions tighten further, the unwinding of carry positions could place additional downward pressure on USDHKD. Overall, we expect HKD funding conditions in 2Q to be less favorable than in 1Q, given the upcoming dividend payment season.



Malaysia: Keeping policy steady

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Merrill Lynch (Singapore)

Abhay Gupta

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Rahul Bajoria

BofAS India

Themes: Preference to keep policy steady amid rising uncertainties

1Q26 GDP growth was steady at 5.3% y/y in 1Q26, and in the upper half of BNM's 4.5-5.5% potential growth estimate for 2026. Amid supply disruptions from the Middle Eastern conflict, the Federation of Malaysia Manufacturing reported that nearly half of manufacturers have already scaled back production. That said, services should remain supportive of growth, on the back of (a) generally healthy labour market conditions, (b) preservation of disposable income due to petrol price caps, and (c) resilience in tourism activities. For now, GDP growth seems on track to meet BNM's forecast of ≥4% for 2026.

We don't expect RON95 price cap to be raised for some time, as possible increase in Petronas Dividends should be sufficient to cover higher energy-related subsidies. This should in turn cap upward pressures on inflation. As such, we see policy rate unchanged for some time. Meanwhile, we don't rule out a widening of the fiscal deficit target for 2026, if the government sees a need for stronger support measures for households & small businesses. Under this scenario, a special Fund could be created to allow more short-term spending to be financed via borrowing (similar to COVID Fund in 2020-22).

Strategy: Terms of trade supports relative appreciation

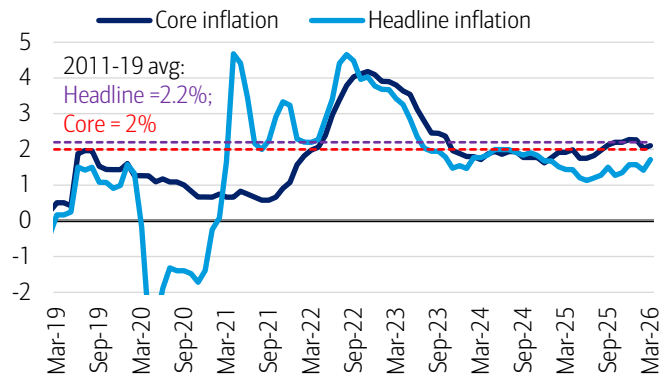
While Malaysia may see second-order effects of oil price spike and global supply disruption, higher energy prices would likely improve the external balances for Malaysia further. Price-action so far is consistent with this view that Malaysia is seen as a relative winner in Asia if energy prices (including natural gas) stabilize at elevated levels. MYR's positive correlation with CNY this year may also be beneficial in keeping it relatively stable during periods of USD strength. Malaysia's domestic investors' hedging behavior could be interesting given the sharp decline in foreign asset prices. As that could mechanically increase the hedge ratios, it may result in unwind of those hedges if USD's safe haven appeal keeps it negatively correlated with US equities. However, BNM would likely keep oversight of USD hoarding and exporter conversion ratios to keep a lid on hidden capital outflows.

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

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Exhibit 69: MYR forecasts over 2026

End-2026 forecast at 3.95/USD

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

Source: BofA Global Research estimates

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Exhibit 70: Major macro forecasts

Risks tilted to upside for inflation and downside for growth

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

Source: BofA Global Research estimates

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Philippines: Inflation already on the rise

Jojo Gonzales

Philippine Equity Partners

Abhay Gupta

Merrill Lynch (Singapore)

March inflation shocks, worse ahead

Headline inflation rose 4.1% YoY (+1.2% MoM) in March, rising faster than the estimate of the Bangko Sentral ng Pilipinas (BSP) at 3.1-3.9%. Transport rose 9.9% YoY while Housing/utilities rose 4.5%. These two categories comprise for barely one-sixth of the CPI. Food inflation remained relatively benign but is expected to rise in the coming months, if only to account for increased oil-linked distribution costs. Prior to the March inflation print, the BSP placed April inflation at 5%.

We see BSP raising policy rates

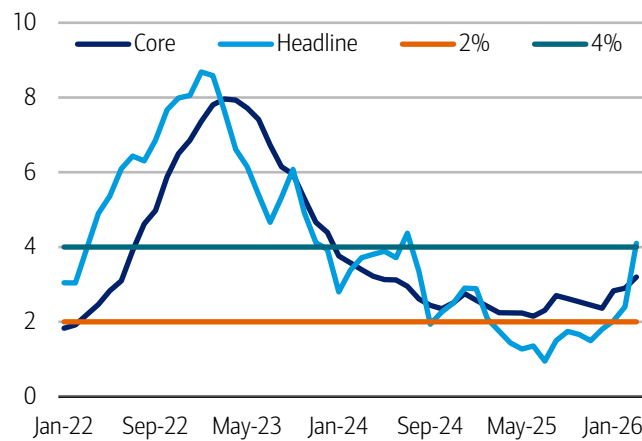
Our baseline 2026E average inflation estimate is 5% and our year-end policy rate forecast is 4.75% - which implies two 25bp rate increases by the BSP. We think the BSP raises policy rates in April and June. A recent survey by Bloomberg of 19 observers have 11 (or 58%) predicting a hike at the April 23 meeting of the BSP.

Strategy – Twin deficits expose PHP to oil price shock

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

Exhibit 71: Headline and core inflation

Headline inflation spikes in March to beyond the 2-4% target range



Source: CEIC data

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Exhibit 72: PHP forecasts over 2026

PHP forecasted at 57.0/USD by end-2026

	Q2 26	Q3 26	Q4 26	Q1 27
USD-PHP	60.0	57.5	57.0	57.0

Source: BofA Global Research estimates

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Exhibit 73: Major macro forecasts

Energy prices will hit GDP growth this year

Philippines	2024	2025E	2026E
Real GDP (% yoy)	5.7	4.4	2.0
CPI (% yoy, base year 2012)	3.2	1.7	5.0
Policy Rate (end of period)	5.75	4.50	4.75
Fiscal Bal (%/GDP)	-5.7	-6.0	-6.1
CurAct Bal (%/GDP)	-3.8	-4.0	-4.0

Source: BofA Global Research estimates

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Singapore: Policy tightening underway

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Themes: MAS tightens pre-emptively to anchor inflation expectations

The Monetary Authority of Singapore (MAS) steepened the S\$ Nominal Effective Exchange Rate (NEER) slope by an estimated 50bps to 1% p.a. MAS raised its 2026 core inflation forecast by 50bps to 1.5-2.5% (mid-point: 2%) and indicated that core inflation is likely to remain “elevated over the next few quarters”, on the back of supply-side driven shocks.. Overall tone was slightly more dovish than we earlier thought, which suggests that MAS is probably inclined to proceed one step at a time amid two-sided risks to inflation and especially growth. While the policy statement emphasized potential for global inflation pressures to be exacerbated, it emphasized more on drivers that could deepened growth drag.

Our base case now assumes MAS pausing in Jul, but we continue to monitor closely triggers that could prompt MAS take further step(s) and tightening policies further. This includes signs that (1) core inflation may stay above 2% even into 2H27, and (2) demand-pull pressures are stronger and broader than anticipated, underpinned by firmer growth outcomes and/or labour market resilience.

Strategy: Policy tightening bias supports SNEER

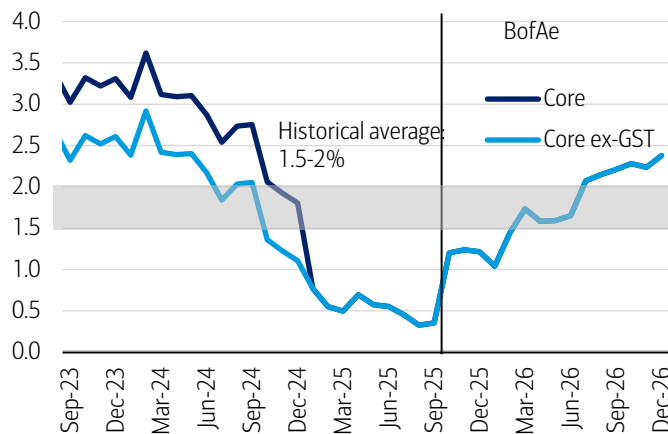
SNEER has remained within a 1.5–1.8% range above the midpoint on our model, moving broadly in line with oil price fluctuations and shifts in risk sentiment. Inflation concerns stemming from higher oil prices continue to support further tightening expectations and a stronger SNEER bias within the band. However, intermittent risk-off episodes driven by growth concerns and USD strength may trigger periodic SNEER corrections. Overall, we expect inflation considerations to dominate that triggered slope tightening by MAS in the April policy meeting. BofA economist sees possibility of further tightening to 1.5% p.a. later in the year which would support long SNEER bias. Despite low SGD rates, slope tightening has reduced the net carry on short SNEER positions to around 6bps/month, making it easier for markets to maintain long SNEER positions.

Upside risk to inflation, and downside risk to inflation

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

Exhibit 74: Core inflation forecast

We see core inflation approaching historical average range in 2026



Source: BofA Global Research, Haver

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Exhibit 75: SGD forecasts for 2026

End-2026 forecast at 1.25/USD

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

Source: BofA Global Research estimates

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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	2.5	2.5
CPI (% yoy)	0.9	2.0	1.8
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 estimates

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Taiwan: all eyes on energy vulnerability

Xiaoqing Pi

Merrill Lynch (Hong Kong)

All eyes on energy security

For Taiwan, the oil price shock from the Middle East tensions has limited pass through on growth – with 10% oil price increase denting GDP growth by 10bp and current account balance by 0.3% of GDP, a negligible impact amid a growth outperformance we estimate at 8% this year (see report: [GDP upgrade](#)). However, Middle East tensions pose not only a price shock but also a potential growth shock if they drag on. LNG sourced from the Middle East accounts for c.16% of Taiwan’s power, according to our estimate; a persistent physical shortage could raise risks for industrial firms central to global supply chains (see report: [Taiwan’s energy vulnerability](#)). For now, the authorities indicate LNG supply is secured through May, with more US LNG cargoes arriving from Jun, which should ease near-term power-shortage concerns.

CBC holds policy rate but signaled a tightening bias

Taiwan’s central bank (CBC) kept its policy rate unchanged at 2.00% at quarterly monetary policy meeting, as expected, while signaling a slight tightening bias. The decision reflects the CBC’s assessment that current monetary conditions remain appropriate given solid growth momentum and still-contained inflation pressures. We continue to expect the CBC to keep policy rates unchanged in the near term, with risks skewed toward tightening should inflation prove more persistent than anticipated.

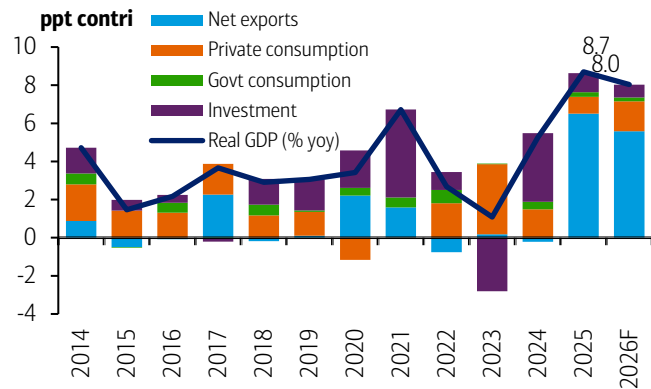
Strategy: CBC reiterated the importance of maintaining FX stability

Amid a broader improvement in risk sentiment, USDTWD has corrected lower from the 32 level seen in early April to around 31.5–31.6 at the time of writing. The TAIEX has rallied roughly 17% mtd to fresh record highs, accompanied by a renewed wave of foreign equity inflows. Fundamentally, Taiwan’s exports reached a new monthly record in March, supported by sustained tailwinds from strong global AI demand. The resulting wider trade surplus should continue to serve as a key buffer for the TWD.

The CBC has emphasized the importance of maintaining FX stability amid elevated energy prices, as containing imported inflation remains a high policy priority. With the central bank committed to smoothing excessive FX volatility, we see 32 as the upper bound for USDTWD over the coming months. Under our baseline scenario of a softer USD in 2H26, we believe USDTWD could trend lower toward 31.

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: We expect USDTWD to edge lower in 2026

TWD forecasts

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

Source: BofA Global Research estimates

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Exhibit 79: We expect 8.0% GDP growth for 2026

Major macro forecasts

Taiwan	2025	2026F	2027F
Real GDP (% yoy)	8.7	8.0	4.0
CPI (% yoy)	1.7	1.6	2.0
Policy Rate (end of period)	2.00	2.00	2.25
Fiscal Bal (%/GDP)	-1.6	-2.4	-2.0
CurAct Bal (%/GDP)	19.1	22.2	22.0

Source: BofA Global Research estimates

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Thailand: Upgrading the engine; watch the horizon

Pipat Luengnaruemitchai **Abhay Gupta**
 Kiatnakin Phatra Securities Merrill Lynch (Singapore)

Theme: From stagflation shock to recession risk

We revise our 2026 GDP forecast to 1.3% (from 1.8%) and raise CPI to 3.0% (from 0.2%) under our new base case of Brent averaging ~US\$93/bbl. The Iran war has delivered a stagflation shock on the global economy - lower growth, higher inflation, and tighter financial conditions. Thailand, as a large net energy importer with a tourism-dependent growth model and thin fiscal buffers, sits among the most exposed economies in Asia.

Public debt-to-GDP was already approaching the 70% statutory ceiling before the shock. The government is allowing retail energy prices to pass through while providing targeted relief - the right call and a forced one given limited fiscal room. But the combination of relief spending and lower nominal GDP growth risks nudging debt above the ceiling. The key test is whether additional spending genuinely lifts growth or simply adds to the debt stock without lifting capacity.

Risks

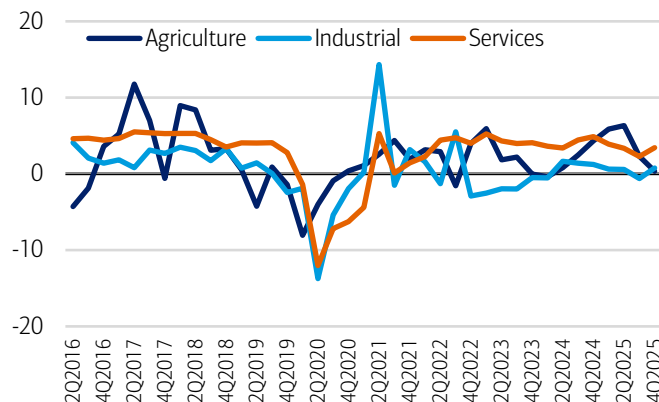
If situation in the Middle East escalate and oil flows don't resume, then surging energy prices with risk of physical shortage could worsen Thai economic outlook significantly to point where recession is on the table. Under the stagflation case, the BOT's ability to ease will be constrained by the elevated cost inflation or a weaker currency.

Strategy: THB on weaker footing into 2Q

The oil shock caught THB at a bad time when THB had strengthened on NEER basis amidst higher policy resistance. Limited monetary and fiscal policy space leaves THB as the pressure valve to offset negative growth shock. Even so, headlines around fiscal stimulus and increase in debt ceiling may add to THB depreciation due to debt sustainability concerns and limited efficacy in supporting growth. Thailand current-account tends to worsen in 2Q due to weak tourism seasonality and income-repatriation flows would likely turn CA flows into negative territory this quarter. Further de-escalation in the Iran war may initially lead to THB appreciation due to correlations with USD, gold and oil. But a higher floor on oil prices in 2Q (above USD 80) may briefly push Thailand's basic balance into deficit in this quarter and keep THB on a weaker footing.

Chart 1: Thailand GDP growth by components (%YoY)

Services rebounded from construction while manufacturing stayed weak



Source: NESDC, KKPS

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Exhibit 80: USD/THB forecasts for 2026

End-2026 forecast at 31/USD.

	Q2 26	Q3 26	Q4 26	Q1 27
USD-THB	33.0	32.0	31.0	30.0

Source: BofA Global Research estimates

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Exhibit 81: Major macro forecasts

We look for GDP growth to slow over medium-term

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

Source: BofA Global Research estimates

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EEMEA



South Africa: Growth dips, inflation rips

Tatonga Rusike

MLI (UK)

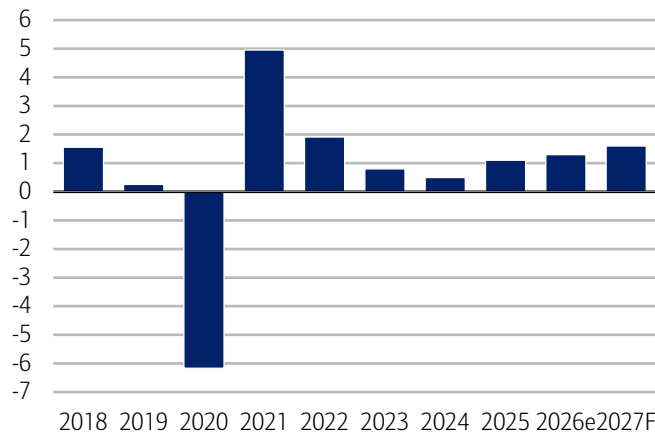
Moderate cut to GDP growth in 2026E

1Q high frequency economic data held up relatively well before the US-Israel war with Iran broke out. Early indications pointed to a mixed performance in industrial sectors (stronger mining vs weaker manufacturing), while demand data (vehicle sales and overall retail sales) showed improvement. Year-on-year private sector credit growth rose steadily by 9% in 2025, up from 4% in 2024. In February 2026, private sector credit growth reached an all-time high of 10.5%, reflecting easing financial conditions. Commodity prices for gold and PGMs are also higher than at beginning of the year, which support increased exports. For instance, we had assumed an average gold price of \$4,500 per oz but it has averaged \$4,800 year to date.

However, higher oil prices are likely to weigh on economic performance for the rest of the year. In 1Q, inflation had been decelerating, with interest rates falling, which boosted consumption. With the energy shock, higher inflation is likely to reduce real wage growth and dampen consumption spending. Higher energy costs could weigh on production costs, impacting volumes and profit margins. Domestic demand is likely to moderate to 1.4% from about 2.1% in 2025- private consumption growth likely to slow from 2025 high of 3.6%. Nevertheless, fixed investment growth could be positive buoyed by reform efforts. That is, near-term economic reforms, mainly in the logistics sector, are likely to improve fixed investment in 2H 26, as the government opens ports and rail networks to private operators.

Exhibit 82: Annual real GDP growth rate (%)

Downgraded 2026E GDP growth to 1.3% from 1.5% previously.

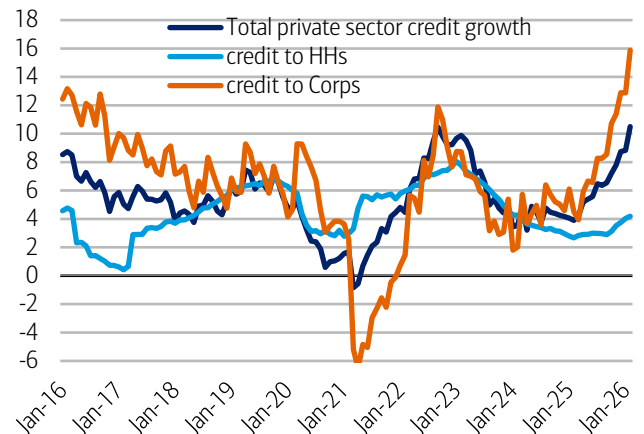


Source: Haver, BofA Global Research

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Exhibit 83: Private sector credit growth trends %YoY

Corporate credit growth outstripping household credit growth.



Source: Haver

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

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

The big jump in CPI is still for April to 3.7%, albeit slightly less than our previous estimate of 4%. The slower increase than our previous baseline is due to temporary relief on the fuel levy of ZAR3 per litre granted by the government on 31 March, ahead of the April fuel price increase. As a result, our CPI forecast now factors in a 15% baseline increase, down from 24% in March.



The April fuel adjustment assumes oil prices at \$101 per barrel, up from \$70 in March. We also assume a further 10% hike at the beginning of May would likely increase CPI to 4.1%. Higher fuel prices will probably translate into higher transport expenses more broadly, which act as input costs for production, leading to higher food prices, among other second-round effects.

Our primary changes to the inflation outlook are due to higher oil prices as a result of geopolitical tensions, which transmit through a weaker ZAR and higher domestic transport and food costs. Even if current tensions eased quickly, the economy would still need to adjust to structurally higher oil prices, implying a more persistent inflationary impact, rather than a transitory shock.

A May hike remains our base case

The SARB's March MPC meeting outlined a baseline and two alternative scenarios.

First the baseline scenario is for a speedy resolution of the war and oil prices reverting to \$80s per barrel, which would suggest no action and a rate cut possibly still on the way later in 2026.

- The first alternative scenario assumes conflict resolution by the May MPC meeting with oil prices averaging close to \$100 per barrel, the ZAR 5% weaker and inflation exceeding 4%, which would suggest one possible hike.
- The second alternative scenario assumes a prolonged conflict over the year, with oil prices above \$100 per barrel and ZAR weaker by 10%, and inflation breaching 5%, which would make multiple hikes more likely.

Our estimates show that the 4% upper target will be breached in 2Q (see Exhibit 84). Inflation is likely to stay around 4% for the remainder of 2026E and peak at 4.4% in 1Q 27E, before falling again. Thus, one near term 25bp hike.

To anchor inflation expectations around the target, the SARB would likely hike in May to push up the policy rate to 7%. The rationale would be to keep real rates close to 3% near term. Thereafter, the focus could be to move towards 2.75% once CPI is on a firm downward trajectory towards 3%.

However, a scenario where the SARB were to hike more than once would involve actual inflation prints increasing substantially above 4% and inflation expectations rising, reversing the current declining trend. Rising inflation expectations make for a difficult judgment call from the central bank. The next Bureau of Economic Research inflation expectations survey, scheduled for June 2026, is likely to incorporate the effects of the energy shock on inflation expectations by businesses, labour unions and analysts.

Strategy: the ZAR to outperform forwards

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

Exhibit 84: Quarterly Inflation, policy rate and exchange rate forecasts

We have improved ZAR forecast for 2Q and 3Q from 17-handle to 16.5 following ceasefire.

	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly CPI	3.9	3.9	4.2	4.3	3.6	3.3	3.0
Repo path	7	7	7	7	6.75	6.5	6.25
USD-ZAR	16.5	16.5	16.0	15.4	15.7	16.0	16.0

Source: BofA Global Research

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Türkiye: Reserves started to recover

Hande Kucuk

MLI (UK)

Themes: Reserves started to recover on resumed inflows

According to our calculations, the CBRT has accumulated c.\$20bn in net FX between April 9-18 (i.e. since the announcement of a ceasefire between US-Israel and Iran), partially reversing the c.\$52bn net FX sales seen between end-February and early April. As of April 18, CBRT's net FX position excluding swaps stand at \$33.4bn compared to \$70.2bn on February 27. The recovery has been reflected in official reserves as well. Gross reserves increased \$19.3bn in the last three weeks, reaching \$174.4bn as of April 17. Net reserves excluding swaps increased \$18.9bn in the same period, standing at \$39.2bn.

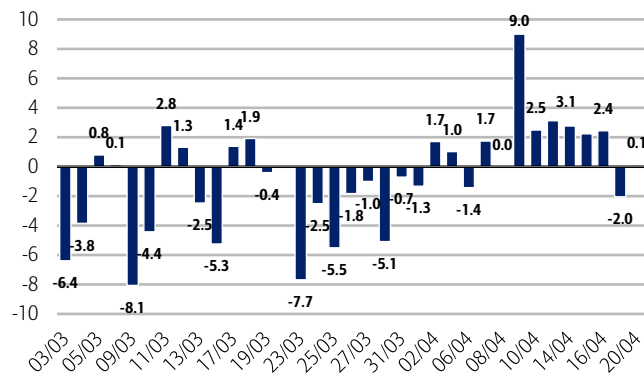
Following the announcement of ceasefire in the sixth week after the start of the Iran war, portfolio and carry trade outflows stopped, paving way for resumed inflows – mainly in carry trade and to some extent in Turkish equities. Forward TRY position of foreign banks and local corps, a proxy for carry-trade, declined \$29bn in the first five weeks of the war, recovering by \$6.5bn in the week of April 10. In the same five-week period portfolio outflows totalled \$8.1bn (of which \$6.8bn TURKGBs, \$1.3bn stocks), which was followed by \$0.4bn inflow to stock market in the week of April 10, which no meaningful change in foreign holdings of TURKGBs. So of the c.\$37bn outflows, c. \$7bn came back following the announcement of the ceasefire.

Reserves should remain in focus

Even under a potential deal, supply risks could keep energy prices elevated. We forecast the current account deficit at \$60bn (3.4% of GDP) in 2026. Assuming net errors and omissions outflows around 1% of GDP in 2026, this implies external financing needs coming close to 4.5%. While it implies downward pressure on reserves compared to pre-war levels, we think it will be manageable under the current policy framework. We expect the policy of controlled lira depreciation to continue at a slightly faster pace (around 1.5% per month in the near-term versus 1% previously), with interest rates and tight financial conditions doing most of the adjustment to contain non-energy imports and keep local dollarization in check.

Exhibit 85: Daily change in CBRT's net FX position (excl. swaps and gold price valuation, \$bn)

\$20bn recovery in net FX position since the ceasefire

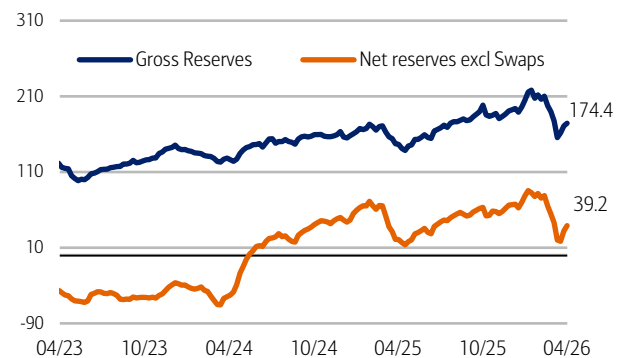


Source: CBRT, Haver, BofA Global Research

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Exhibit 86: Gross and net reserves (\$bn)

Gross reserves stand at \$174bn as of April 17



Source: CBRT, Haver, BofA Global Research

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Inflation expectations have shifted meaningfully

Despite a lower-than-expected March inflation - 1.9% month-on-month -- driving a decline in headline inflation to 30.9% from 31.5%, inflation expectations shifted meaningfully given the energy price shock and potential spillovers. The April Survey of Market Participants shows end-2026 inflation expectations up 3.4pp to 27.5% and end-2027 up 1.7pp to 20.1%, widening the gap to CBRT targets.

We see April inflation at 3.5% month-on-month (mom) and 31.5% year-on-year (yoy) amid recent electricity and natural gas hikes and fuel price and transport increases. We expect headline inflation to hover around 32% into the June MPC meeting, which leaves limited room for an easing of the effective funding rate toward 37% before then, in our view. We see policy rate at 36% by end-2026 versus inflation at 28.5%, with slight downside risks on rates and balanced risks on inflation.

Fiscal performance remains strong, provides buffers

On the fiscal side, strong pre-war performance (budget deficit at 2.2% of GDP as of March down from 2.9% in December 2025) provides room to cushion the energy shock and support vulnerable sectors if labor market conditions weaken. We still think the original 2025 budget target of 3.5% of GDP is achievable despite recent measures. Growth will slow, but resilience remains the base case; we forecast 2.8% real GDP growth this year (from 4.3% pre war).

Forecasts – higher than usual uncertainty given geopolitical developments

We see inflation at 28.5%, policy rate at 36%, and growth at 2.8%.

Risks

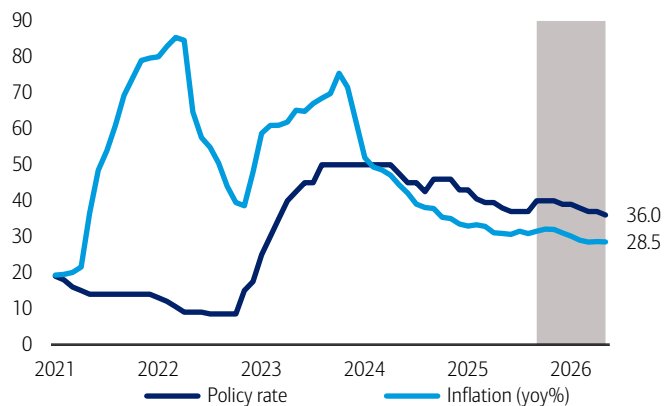
Oil prices and geopolitical events.

Strategy: the TRY to outperform forwards

Our forecast remains below forwards. The CBRT remains committed to real currency appreciation. Carry is still high and macro policies are supportive for continuous adjustment. The central bank has enough reserves to support the currency in the event of further outflows.

Exhibit 87: Inflation and Rates Projections (%)

We see end-year rates at 36% versus 28.5% inflation



Source: Haver, BofA Global Research

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Exhibit 88: TRY forecasts

We expect TRY to appreciate in real terms

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

Source: BofA Global Research estimates

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Table 1: Major macro forecasts

Geopolitical shocks increase uncertainty on the macro outlook

Türkiye	2025	2026F	2027F
Real GDP (% yoy)	3.6	2.8	4.9
CPI (% yoy)	30.9	28.5	23.0
Policy Rate (end of period)	38.0	36.0	30.0
Fiscal Bal (%/GDP)	-2.9	-3.5	-3.9
CurAct Bal (%/GDP)	-1.9	-3.4	-2.5

Source: BofA Global Research estimates

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Czech Republic: high bar to hike

Mai Doan

MLI (UK)

Themes: Czech macro has good resilience, CNB unlikely to hike

Czechia is better positioned than in 2022, and the CNB can likely look through a price-driven energy shock. Post-2022 energy diversification/gas demand destruction, improved macro balances, and higher real rates give Czechia room to wait rather than react pre-emptively. Tighter fiscal further cushions the shock. The headline deficit narrowed from about 5% of GDP in 2021 to around 2.2% in 2025, and the primary deficit from around 4% to 0.5%, while the external position has improved versus 2022. Among CEE peers, Czechia screens as the most resilient on energy exposure and policy space, with the least CPI sensitivity to oil and gas in the basket.

While higher oil prices are expected to have some impact (mainly via prices rather than shortages), the overall effect on GDP should be limited, with growth remaining around 2%, vs our pre-war forecast of 2.4%. The Czech economy tends to be less vulnerable to energy shock than peers, but it is very sensitive to a slowdown in the Euro area.

Monetary policy remains firmly focused on core inflation, which should stay levels consistent with maintaining a tight stance but not, on its own, a trigger for further tightening. ECB hikes would affect model trajectories but do not mechanically require a response in monetary policy, as interest rates are already restrictive. Any consideration of tightening would hinge on clear signs of second round effects (particularly in core inflation) rather than headline energy moves, with the emphasis on being forward looking rather than reacting to temporary shocks.

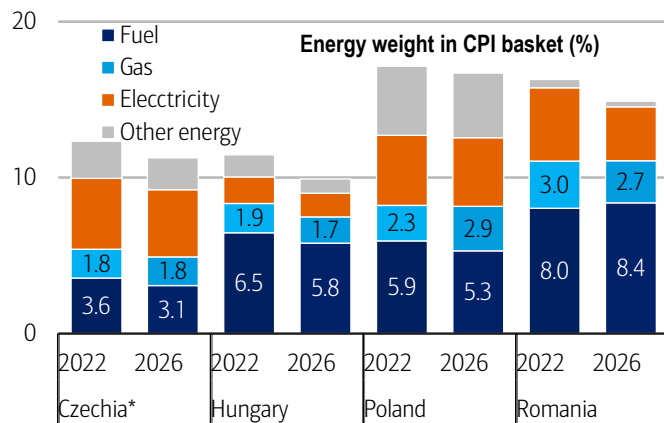
External sensitivity is manageable and should not trigger BoP stress. Each \$10/bbl increase in oil worsens Czechia’s energy trade balance by around 0.1% of GDP, and each €10/MWh in TTF gas by around 0.2% of GDP.

Strategy: EM risk to support CZK outperformance

The koruna should remain supported by improving EM sentiment. Limited hikes from the ECB are likely to have only a marginal impact on the EURCZK.

Exhibit 89: Czech CPI basket least sensitive among CEE to oil and gas

Energy weights in CPI basket



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

Exhibit 90: CZK forecasts

CZK to benefit from a strong EUR

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

Source: BofA Global Research estimates

Exhibit 91: Major macro forecasts

Higher energy prices boost CPI, but bar to hike rates is high

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

Source: BofA Global Research estimates



Egypt: orthodox policy reduces pressure

Jean-Michel Saliba

MLI (UK)

View: cautious if Iran war re-escalates

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

The 3Q25 current account balance stood at -US\$6.2bn, and the deficit narrowed 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\$52.8bn in February (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\$6-67bn inflows) for now. Foreigners held US\$44.9bn of T-bills in September 2025 (42% of stock), up from US\$13.6bn in February 2024. Collateral (contingent liabilities) under external financing operations likely stood at US\$24.5bn. Banks' Net Foreign Assets (NFAs) stood at US\$11.7bn in February 2026.

Urban Consumer Price Inflation (CPI) inflation was 15.1% year-on-year (yoy) in March. The inflation target is 7% (+/-2%) in 4Q26 and 5% (± 2%) in 4Q28. We expect the CBE to keep monetary policy tight given the repercussions of the Iran war.

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

Forecasts: EGP weaker if major outflows

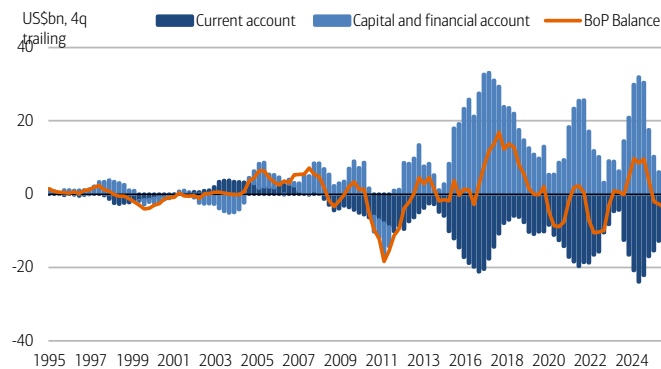
EGP is likely to gain flexibility, with a weakening trend if there are further portfolio outflows. The uncertainty around the Gulf FDI post-Iran war likely means authorities' policies could be more consistent with IMF conditionality. We expect EGP to outperform the levels implied by NDFs on balance over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

Drivers

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

Exhibit 92: 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 93: EGP forecasts

USD/EGP to remain range-bound near-term

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

Source: BofA Global Research estimates

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Exhibit 94: Major macro forecasts

Forecasts uncertain due to the Iran war

Egypt	2025	2026F	2027F
Real GDP (% yoy)	4.4	3.5	4.5
CPI (% yoy, avg)	20.4	13.2	10.0
Policy Rate (end of period)	24.00	19.00	15.00
Fiscal Bal (%/GDP)	-8.5	-6.4	-6.0
CurAct Bal (%/GDP)	-4.4	-5.2	-3.3

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

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Hungary: a reversal of fortune

Mai Doan

MLI (UK)

Themes: market-friendly policies of incoming Tisza = positive re-rating trigger

The landslide victory of the Tisza party in the 12 April elections is a game changer for Hungarian macro. The two-thirds majority allows Tisza to structurally reform Hungary after 16 years under Fidesz, from macro to judiciary, and rule of laws. Together with Tisza's EUR aspiration, there is likely more political capital for the new government to take some difficult economic decisions, e.g. reducing subsidies in various sectors, and thus the fiscal burden; supporting policies to rein in inflation.

In the near term, EU funds will be unblocked, with potential inflows in the order of 5% of GDP this year, including EUR6.5bn grants from the Recovery and Resilience Facility. In the longer term, the EUR roadmap is a meaningful structural positive theme for Hungary. A normalized relationship with the EU and more business-friendly environment will also help promote investments and attract foreign direct investments.

The incoming Tisza government plans to formally embed euro adoption in its medium-term strategy this autumn. We see this as a credible commitment, which should strengthen Hungary's policy anchor, lower risk premia, and support credit ratings. Under conservative assumptions and a normalising external backdrop, Maastricht fiscal criteria appear achievable by 2029-30 with GDP growth back to potential around 2.5%. Hungary could see the opportunity to adopt the EUR before spring 2034 elections.

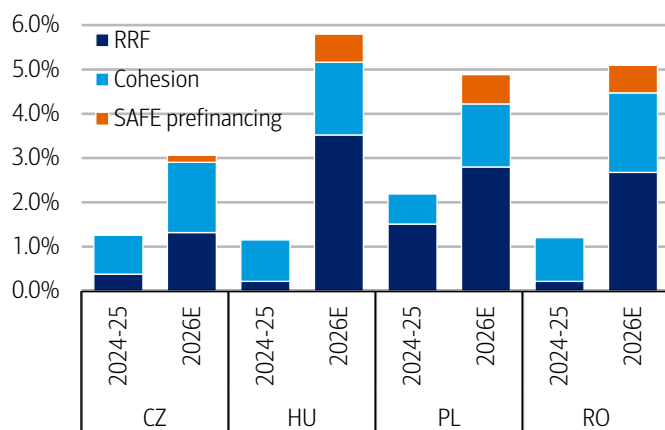
In view of structurally HUF strength/appreciation, the NBH will likely have room to cut rates sooner and deeper vs our pre-elections forecasts. Barring another shock in energy prices, we think NBH easing considerations could resume in 4Q, and policy rate could cut be cut to 4.50% by YE2027 (vs our pre-election forecasts rate cuts from 2Q'27 to 5.25% by YE2027).

Strategy: election game-changer means stronger forint

Tisza's parliamentary election win should be positive for Hungarian assets in the medium term. The forint has already appreciated a lot, but a supportive global backdrop means it has room to outperform forwards even from current levels.

Exhibit 95: EU funds absorption under Tisza government could be over 5% of GDP in 2026, boosting growth and FX reserves

EU recovery, cohesion funds, and SAFE loans inflows (% GDP)



Source: European Commission, BofA Global Research estimates

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Exhibit 96: HUF forecasts

A turnaround in policy to structurally support HUF strength

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

Source: BofA Global Research estimates

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Exhibit 97: Major macro forecasts

Energy boosts CPI, but NBH reaction depends on FX

Hungary	2025	2026F	2027F
Real GDP (% yoy)	0.4	1.2	2.5
CPI (% yoy)	4.4	3.2	3.2
Policy rate (% eop)	6.50	6.00	4.50
Fiscal bal (%/GDP)	-5.0	-5.7	-4.5
CurAct bal (%/GDP)	1.7	1.3	0.9

Source: BofA Global Research estimates

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Israel: Currency strength limits inflation risks

Hande Kucuk
MLI (UK)

Themes: A mild inflation response to geopolitical shock

Israeli economy has shown a high degree of resilience amid the ongoing geopolitical developments. Current growth headwinds are largely supply-driven, reflecting labor shortages, some scarcity of intermediate goods, and a mild tightening in credit conditions. Although the economy tends to rebound quickly once hostilities end, we still expect another year of below-potential growth at 3.6% in 2026.

April inflation came in at 0.4% slightly lower than expectations at 0.5%, bringing headline inflation down to 1.9% from 2.0% in March. BoI's base case sees headline inflation to remain in the low 2% range and converge toward 2.2% by end-2026. The labor market remains tight, putting some upward pressure on prices, but there is no evidence at this stage of a wage price spiral. Tail risks are two-sided: a prolonged conflict combined with higher oil prices would be stagflationary, while a rapid and positive geopolitical resolution could trigger demand-driven inflation. In both cases, BoI guides for modest and delayed easing, with 1-2 cuts likely in early 2027.

The shekel's strength seems to reflect confidence in fundamentals and expectations around geopolitics, limiting the near-term upside risks to inflation. Overall, we see inflation drifting modestly higher in the near-term due to fuel prices and foreign travel but remaining anchored, at 2.3% end-26. We expect only one 25bp cut in 4Q to 3.75% at year-end, with risks slightly to the downside.

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

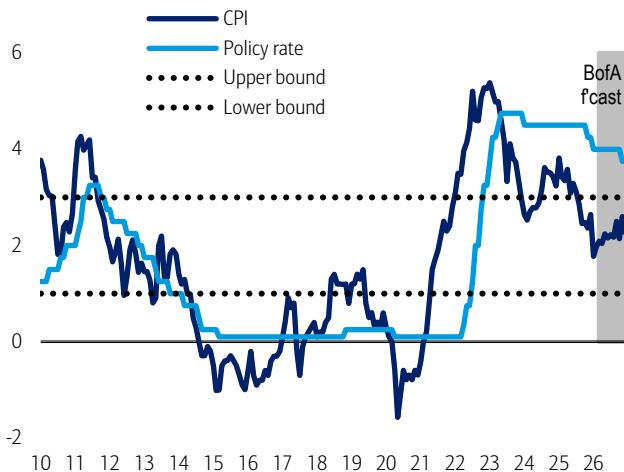
We see BOI cutting 25bp in 4Q26 to 3.75%.

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

Strategy: Despite the war, the shekel is not exhibiting any meaningful risk premium. We see risks skewed toward shekel weakness, as two key drivers of USDILS, US equities and EM FX, are likely to come under pressure should the conflict persist.

Exhibit 98: Inflation and Rates (%)

Inflation to remain choppy but within target



Source: Haver, BofA Global Research

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Exhibit 99: ILS forecasts

ILS enjoys LT appreciation bias, but ST weighed by uncertainty

	Q2 26	Q3 26	Q4 26	Q1 27
USD-ILS	3.00	2.95	2.90	2.90

Source: BofA Global Research estimates

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Exhibit 100: Major macro forecasts

Economy should recover slowly

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

Source: BofA Global Research estimates

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Kazakhstan: resilient and supported

Vladimir Osakovskiy >>

Merrill Lynch (DIFC)

KZT well supported by fundamentals and oil

As an important energy producer, Kazakhstan remains well positioned to withstand any headwinds from the latest geopolitical escalation (see report: [GEMs Viewpoint: Dispatch from DC: The Iran war and AI dominate the debates 19 April 2026](#)). Oil production has recovered from the earlier shocks and is set to remain robust throughout the year. Improving fundamentals on the back of fiscal consolidation and still tight monetary policy support robust non-resident infows. On the back of renewed corporate issuance as well as supportive tax seasonality this has pushed the currency to 2Y highs and into overvaluation territory (see report: [Kazakhstan Watch: KZT: in the sweet spot, for now 07 April 2026](#)). KZT will likely remain well supported in coming weeks as supportive factors remain well in place, as additional support may come from renewed corporate issuance. However, stretched valuations as well as increasingly negative seasonality from May onwards may cap further upside.

Disinflation and easing on track

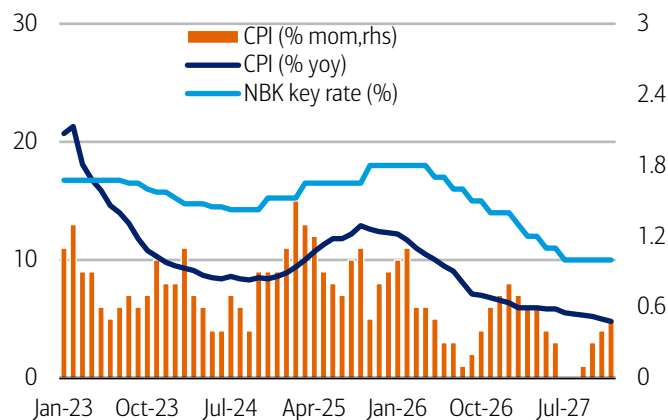
Disinflation trend remained well in place in March with inflation slowing to 11% yoy – the lowest since year 2025 and despite a major VAT hike this year. With much weaker economic growth this year, we expect inflation to continue to slow throughout 2026, at least due to strong base effect from inflationary 2025. We also continue to think that such a slowdown will likely keep National Bank in a position to start a long-term monetary easing cycle from June-July. The Bank has already signalled that some easing is possible in 2H26, as we expect it to deliver up to 400bp in rate cuts in 2026 as well as similar scale of easing next year.

Economic slowdown – fiscal and exogenous

Real GDP growth was reported at 3% yoy in 1Q26 – the weakest pace of expansion since 2022. Bulk of the slowdown was due to oil output disruptions earlier in the year, but we also note the likely constraining effect of fiscal consolidation, which will likely keep headline growth at modest 3.5% this year, at least due to base effect. Growth may be supported by accelerated corporate and quasi-fiscal issuance, which could offer additional spending boost to offset weaker public spending.

Exhibit 101: Disinflation on track despite all the shocks

Fiscal consolidation and slowing CPI to open NBK easing from 2Q26



Source National Statistical Service, NB, BofA Global Research estimates

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Nigeria: solid macro and external buffers

Loic Porte

MLI (UK)

Robust external buffers to absorb the shock

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

Exhibit 102: Oil exports support the Naira in the medium-term even if its effect should decline

USD/NGN exchange rate

	Spot	2Q 2026	3Q 2026	4Q 2026	1Q 2027
USD-NGN	1349	1350	1375	1375	1375

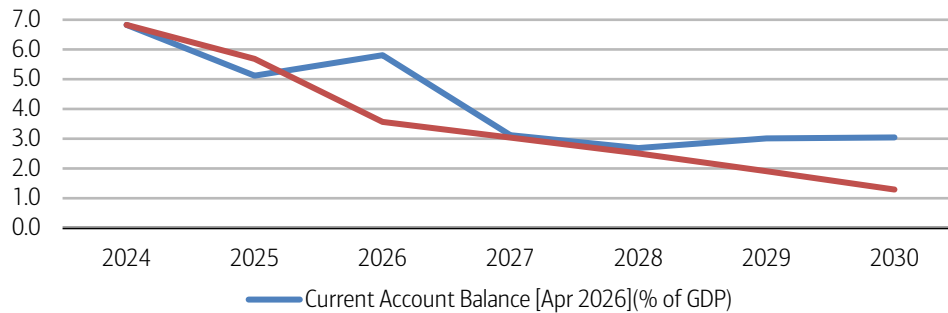
Source: BofA Global Research

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

Exhibit 103: Oil shock improves 2026 estimates but Dangote refinery lifts them in the long run

Current Account balance projections Apr 2026 vs October 2025 WEO vintages



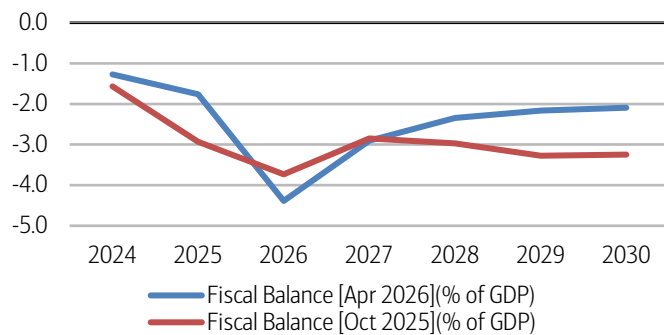
Source: IMF

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

Exhibit 104: Election spending expected to come in higher than expected...

Fiscal balance projections Apr 2026 vs October 2025 WEO vintages

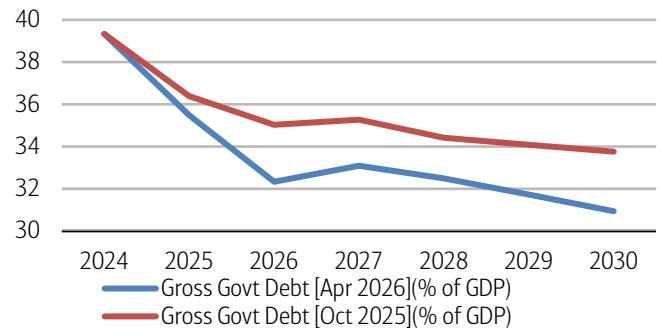


Source: IMF

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Exhibit 105: ...but debt trajectory improves marginally

Gross govt debt projections Apr 2026 vs October 2025 WEO vintages



Source: IMF

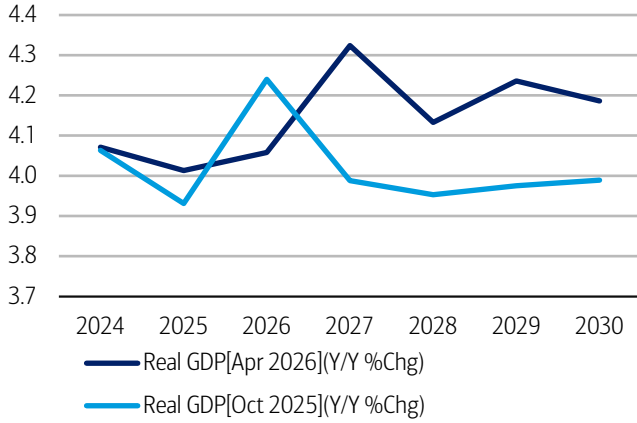
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Real GDP growth is anchored at roughly 4% year on year across 2026 to 2031. CPI forecasts appear relatively benign, with a rebound to 17% year end inflation in 2026 and a 16% annual average. Forecasts would likely underestimate the inflationary impact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

Exhibit 106: Real GDP projections lifted by 20bps on average...

Real GDP growth projections Apr 2026 vs October 2025 WEO vintages

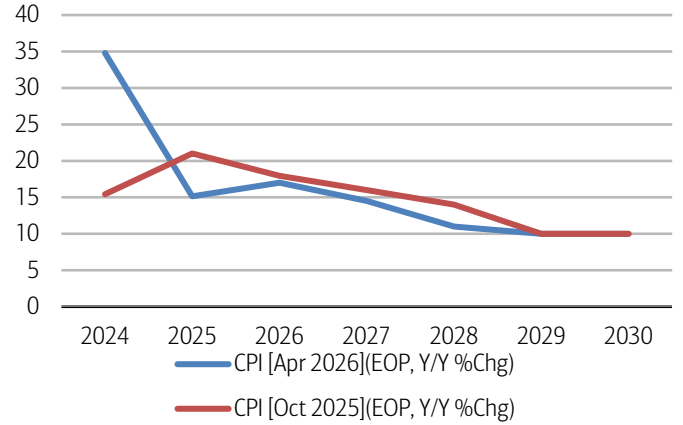


Source: IMF

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Exhibit 107: ...and inflation expectations appear benign

CPI projections Apr 2026 vs October 2025 WEO vintages



Source: IMF

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Poland: fiscal is a weak spot during crisis

Mai Doan

MLI (UK)

Themes: energy could bring CPI overshooting or raise fiscal burden

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

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

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

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

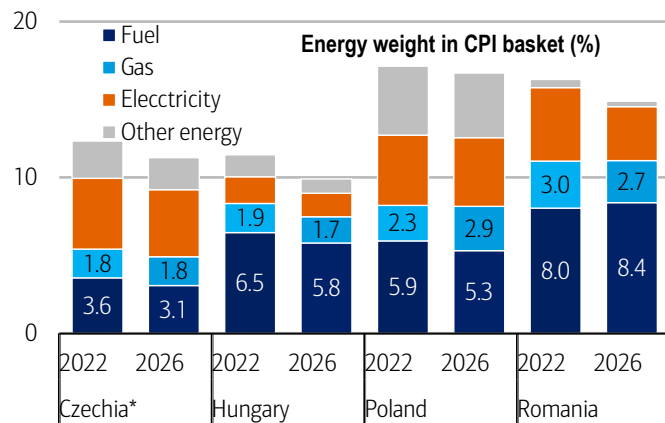
Fiscal is Poland’s key vulnerability. From 2021 to 2025, the headline and primary deficits widened to around -7% and -4% of GDP, respectively. The 2026 deficit will likely remain close to -7% again, vs 6.5% planned. Finance Ministry has funded over 40% of the 2026 borrowing needs, so there is a good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

Strategy: the zloty to outperform forwards

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

Exhibit 108: Poland – energy exposure in CPI basket higher than peers

Energy weights in CPI basket



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

Exhibit 109: PLN forecasts

PLN to benefit from GDP resilience and stronger EUR outlook

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

Source: BofA Global Research estimates

Exhibit 110: Major macro forecasts

Higher energy prices boost CPI, lower GDP

Poland	2025	2026F	2027F
Real GDP (% yoy)	3.5	3.0	2.7
CPI (% yoy)	3.6	3.3	3.6
Policy rate (% eop)	4.00	3.75	3.75
Fiscal bal (%/GDP)	-6.8	-6.8	-6.5
CurAct bal (%/GDP)	-0.7	-2.2	-2.1

Source: BofA Global Research estimates



Romania: renewed political concerns

Mai Doan

MLI (UK)

Themes: government instability puts fiscal consolidation and reform at risk

PSD, the largest party in the government coalition, triggered a political crisis on 20 April by withdrawing its support to the reformist/fiscal-prudent PM Bolojan. The situation is still unfolding for the future of the 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 the fiscal consolidation outlook.

The biggest/most tangible risk in the coming months is the potential loss of EU recovery funds. Political instability will likely slow progress to complete milestones and targets by September deadline, putting the last tranches (EUR1.3bn grant in 3Q, and EUR3.2bn net loans in 4Q) at risk. This implies 1-2 more Eurobonds issuance needed vs the original plan. Longer term, political uncertainty and prospects of more PSD influence in the government would undermine the fiscal path towards 3% of GDP, from c.6.5% expected this year and c.6% in 2027 (on a no policy change basis). This in turn weakens investors' confidence. The negative outlook on the credit will stay, but we need to see more concrete fiscal deterioration for more tangible downgrades risks to junk.

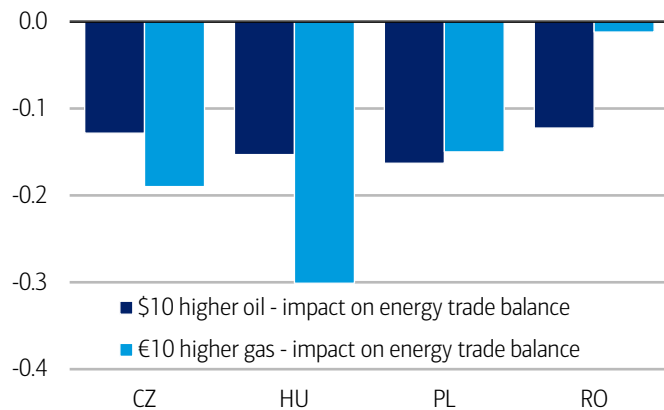
Meanwhile, the energy crisis exposes Romania's still high vulnerability, given elevated energy-sensitive inflation, large external gaps, and tight fiscal constraints, leaving the NBR with no room to ease in 2026. External sensitivity is contained, but Romania's large starting current-account gap may be problematic. Each \$10/bbl rise in oil worsens the energy trade balance by ~0.1% of GDP, while Romania is gas self-sufficiency. Under a bearish case with oil at \$100 and gas at €75, we estimate the current account would widen by ~0.5% of GDP.

Strategy: RON to be tightly managed

Given still elevated inflation and still high reserves, the NBR is likely to stick to keeping the RON in a tight range for some time, in our view, despite rising political risks. As a result, we expect the RON to outperform forwards. The Bolojan government has executed most of the fiscal consolidation and is currently trying to ensure EU funds are absorbed in full. But the outlook has worsened with more political instability, and prospects of more PSD influence in the government means more fiscal risks from 2027.

Exhibit 111: Romania's gas self-sufficient status provides cushion

Sensitivity of trade balance to oil and gas prices (% GDP)



Source: Haver, BofA Global Research

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Exhibit 112: RON forecasts

NBR will try keep RON in tight range to avoid adding to CPI pressures, but watch outflow pressures

	Q2 26	Q3 26	Q4 26	Q1 27
EUR-RON	5.10	5.13	5.15	5.17

Source: BofA Global Research estimates

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Exhibit 113: Major macro forecasts

Fiscal adjustments positive, but macro vulnerability still high

Romania	2025	2026F	2027F
Real GDP (% yoy)	0.6	0.8	2.7
CPI (% yoy)	7.3	7.5	3.2
Policy rate (% eop)	6.50	6.50	5.50
Fiscal bal (%/GDP)	-8.1	-6.5	-6.1
CurAct bal (%/GDP)	-8.0	-7.2	-6.4

Source: BofA Global Research estimates

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Saudi Arabia: in the crossfire of Iran war

Jean-Michel Saliba

MLI (UK)

View: cautious

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

Pre-Iran war, we expect 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 to 3.9% (fiscal) of GDP and 1.9% (external) of GDP, respectively.

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\$89/bbl in 2026 if spending is contained and oil production increases. We estimate the 2026 central government fiscal breakeven oil price now stands at US\$100/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 now be producing c10mn bpd but supply to market (domestic and external) is 8.5mn bpd. It could be exporting about 5mn bpd and supplying 3.5mn bpd of domestic consumption and adding 1-1.5mn bpd into 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

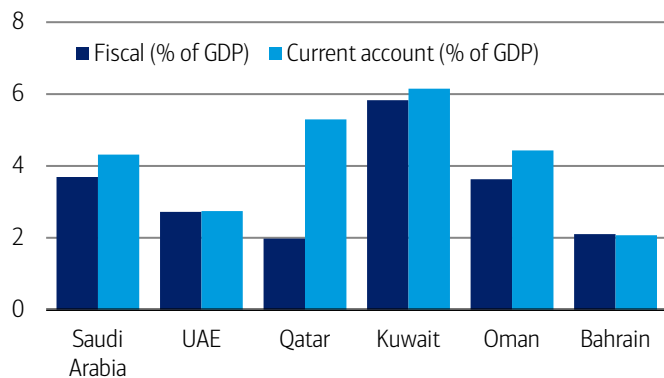
The USD peg is likely to hold on the back of still-high savings, but fiscal adjustment would be needed if oil prices are low or production is lost for a sustained period of time.

Drivers

Saudi Central Bank monthly bulletin, quarterly fiscal data report (April 2026), OPEC Group of Eight Meeting (3 May 2026), annual pre-budget statement (September 2026), annual budget statement (December 2026).

Exhibit 114: 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 115: SAR forecasts

We expect the USD peg to hold

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

Source: BofA Global Research estimates

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Exhibit 116: Major macro forecasts

Forecasts uncertain due to the Iran war

Saudi Arabia	2025	2026F	2027F
Real GDP (% yoy)	4.5	2.4	4.2
CPI (% yoy)	2.1	2.4	2.0
Policy Rate (end of period)	4.25	3.50	3.50
Fiscal Bal (%/GDP)	-5.8	-3.9	-3.2
CurAct Bal (%/GDP)	-2.6	-1.9	-2.2

Source: BofA Global Research estimates

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LatAm



Brazil: Is Brazil the new gold?

David Beker

Merrill Lynch (Brazil)

Natacha Perez

Merrill Lynch (Brazil)

Gustavo Mendes

Merrill Lynch (Brazil)

Is Brazil the new gold?

We visited clients in NY ahead of the IMF meetings in DC. Investors remain comfortable holding exposure to the Brazilian Real and Brazilian equities. In local rates, yields are seen as attractive, but the perception is that the increase in inflation forecasts given the war impacts make it difficult for the Brazilian Central Bank (BCB) to accelerate the pace of easing. The clients we met mentioned that several factors make the exposure into LatAm markets compelling: 1. Historical low allocations into LatAm assets; 2. Supplier of commodities; 3. Weak dollar backdrop; 4. Region transitioning to right wing governments. On politics, Argentina and Chile already shifted to the right and the perception is that the same could happen in Colombia, Peru and Brazil.

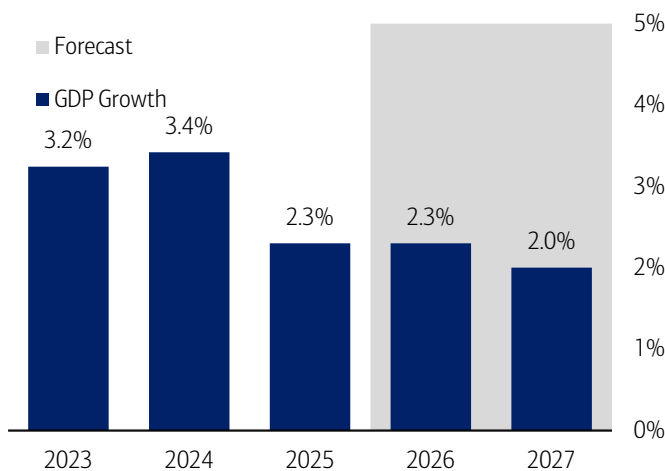
The scenario changed after the war

[We recently revised our forecasts for the Brazilian economy \(see report\).](#) We increased our GDP growth forecast to 2.3% in 2026 (from 2.0%), followed by 2.0% in 2027 (from 1.8%), supported by stronger export revenues, resilient energy investment and still supportive carry dynamics. While we previously assumed 50bp rate cuts per meeting, the higher and more uncertain inflation would likely prompt the BCB to slow the pace of easing to 25bp steps, reflecting increased uncertainty around inflation persistence and expectations. As a result, we forecast the Selic to end 2026 at 13.25% (from 11.75%), declining more gradually to 12.50% in 2027 (from 10.50% originally), rather than converging quickly toward neutrality. On the fiscal front, we recently revised our public sector primary balance forecasts to -0.3% of GDP in 2026 (from -0.4% of GDP previously) and -0.4% in 2027.

The public sector nominal deficit would widen to -8.7% of GDP in 2026 and -8.2% in 2027, from -8.3% of GDP in 2025. Externally, the current account deficit would narrow to -2.3% of GDP in 2026 and -2.0% in 2027 (from previous -2.5% and -2.2%, respectively).

Exhibit 117: GDP growth boosted marginally by oil exports

Yearly GDP growth and forecasts

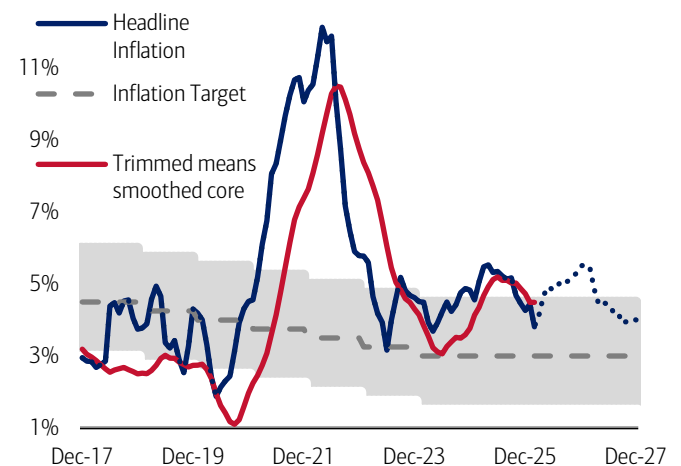


Source: IBGE, BofA Global Research

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Exhibit 118: 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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Brazil weekly inflation risk monitor: Raising our year-end IPCA forecast

We have started to publish a weekly report to track inflation dynamics over a 12-month horizon by combining survey-based expectations (Focus), our proprietary projections and market-implied pricing. While the BCB’s focus survey has gradually adjusted short-term inflation expectations, the inflation breakeven suggests that markets continue to assign a non-negligible premium to upside inflation risk, reflecting uncertainty around core persistence and near-term shocks. Given the surprise of last week IPCA print for March (below) [we have upgraded our inflation forecast for 2026 to 5.5% at year-end](#) (see report), from 5.0%. Notice our forecast assumes inflation to be above target ceiling already in April. Under Brazil's continuous inflation target regime, a formal open letter is required if 12-month inflation remains outside the tolerance band for six consecutive months, \ which is likely to be the case in September 2026.

[March IPCA was 0.88% mom](#) (see report), above expectations. Core measures showed a small improvement, but headline worsened with oil shock. The main upward pressure to the IPCA came from transportation (+34bp), with a highlight for gasoline (+23bp), airfares (+5bp), and diesel (+3bp). The increase of these prices show that companies in Brazil are already marking-up consumer prices, despite Petrobras not having increased gasoline prices at the refinery. The second largest contributor to the print was food at home (+33bp): tubers (+11bp), milk and dairy (+7bp), and beef (+5bp). Perishables inflation was related to seasonality, while dairy inflation is attributed to the weather, which affects pasture availability and increases feed costs.

IBC-Br: Industry backing February’s expansion

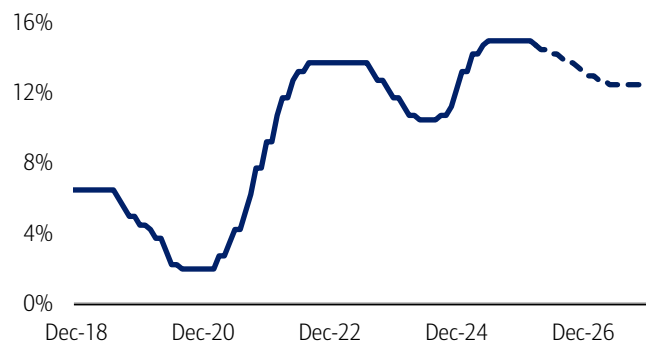
[February's Economic Activity Index \(IBC-Br\) increased 0.6% momsa](#) (see report) (-0.3% yoy), following a 0.9% mom sa expansion in January (+1.1% yoy). The print was in line with consensus expectations. The monthly growth was fueled by the industry, however, [the positive growth of the sector in February seems to be related to a rebuilding of inventories](#) (see report), rather than signaling a robust recovery. Looking ahead, our [Activity Tracker foresees a blip activity in March](#) (see report), estimated at 39pts, mainly due to strong auto sales.

Is the oil shock a license to spend?

Higher oil prices raise tail fiscal risks via inflation, logistics stress and renewed pressure for discretionary govt support. Truck drivers remain a key channel; strike risks are lower, but not eliminated, keeping fiscal optionality in play. A 2022 style fiscal expansion is constrained, but extraordinary credits remain the path of least resistance.

Exhibit 119: BCB to continue delivering 25bp cuts amid uncertainty

Brazil policy rate (per annum)



Source: BofA Global Research, BCB

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Exhibit 120: We see BRL appreciating after the oil shock

BRL Forecasts

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

Source: BofA Global Research estimates

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Exhibit 121: More growth and more inflation after the oil shock

Major macro forecasts

Brazil	2025	2026F	2027F
Real GDP (% yoy)	2.3	2.3	2.0
CPI (% yoy)*	4.3	5.5	4.0
Policy Rate (eop)*	15.00	13.25	12.50
Fiscal Bal (%/GDP)	-8.3	-8.6	-8.2
CurAct Bal (%/GDP)	-3.0	-2.2	-1.8

Source: BCB, IBGE, BofA Global Research estimates

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Mexico: A growth-inflation trade-off

Carlos Capistran

BofAS

Iran conflict raises the stakes

Mexico’s stagflationary backdrop has intensified since the onset of the Iran conflict (see our [Emerging Insight](#) report). While Mexico is broadly neutral to oil-price shocks, higher oil prices and elevated global uncertainty are now skewing risks toward weaker growth and more persistent inflation. In our updated baseline, oil prices remain above pre-conflict levels even if the recent de-escalation proves durable. We have therefore lowered our growth forecasts and raised our inflation outlook. This combination further tightens Banxico’s policy trade-off, leaving limited room to support activity without undermining disinflation progress.

GDP growth on a weaker trajectory

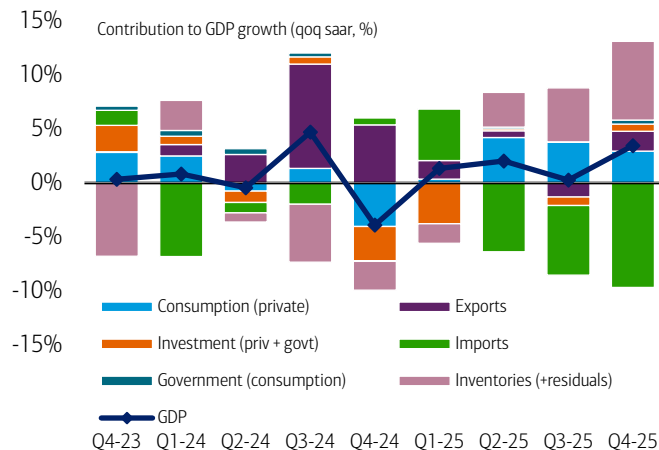
Mexico’s growth outlook has deteriorated amid heightened global uncertainty linked to the war in Iran, although activity was already soft before the conflict. After a [strong finish](#) (see report) to 2025 (Exhibit 122), investment and private consumption contracted by -1.1% mom sa and -1.6% mom sa, respectively, while monthly GDP fell -0.9% mom sa in January (Exhibit 123). More recent data suggest only limited stabilization. Industrial production rose 0.4% mom sa in February but fell -1.3% yoy. Formal employment increased by a combined 215k in February and March, yet the number of employers has declined steadily from November through March, amounting to a -19k loss. At the same time, the escalation in violence in February likely dampened February–March activity, including tourism. While risks remain skewed to the downside, potential offsets include the upcoming FIFA World Cup and [infrastructure-led investment under Plan Mexico](#) (see report). Overall, we forecast GDP growth of 1.3% in 2026 and 1.5% in 2027, with downside risks.

Fiscal consolidation still unlikely

Mexico’s economy could receive some support from the government’s investment plan, but this appears inconsistent with the fiscal consolidation envisaged in the new fiscal guidelines (see [pre-criterios](#) report). The guidelines point to a 2pp of GDP cut in expenditure between 2026 and 2027, yet the investment plan announced in February implies an additional increase in spending this year. In our view, consolidation as outlined in the guidelines is unlikely given weak growth conditions and the 2027 midterm elections. Higher oil prices lift oil-related revenues, but their declining trend limits the scope to meaningfully support consolidation—particularly as much of the

Exhibit 122: Activity improved at the end of 2025, but...

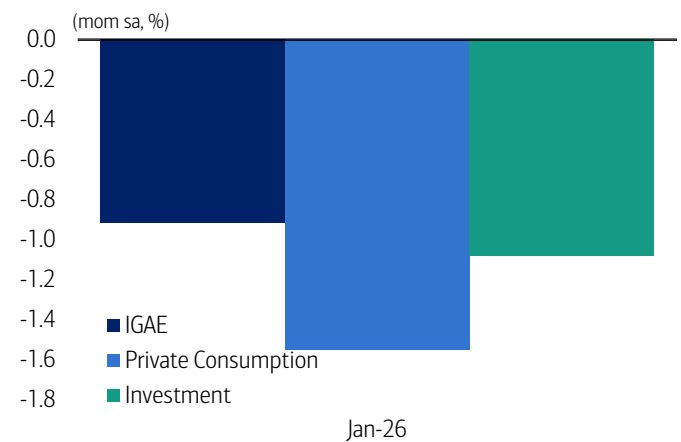
Contribution to GDP growth (qoq saar, %) (2023-2025)



Source: BofA Global Research, Haver, INEGI

Exhibit 123: ...activity began 2026 on weak footing

Monthly activity indicators (mom sa, %, 3mma) (Jan-2026)



Source: BofA Global Research, Haver, INEGI



additional revenue is being used to lower gasoline and diesel taxes. As a result, we forecast the broadest deficit measure, the PSBR, at 5.0% of GDP in 2026, above the 4.1% projected in the budget. Even so, the wider deficit should have only a limited impact on the current account, which we expect to remain near -0.5% of GDP.

Inflation heated up in March: headline and core above 4.0%

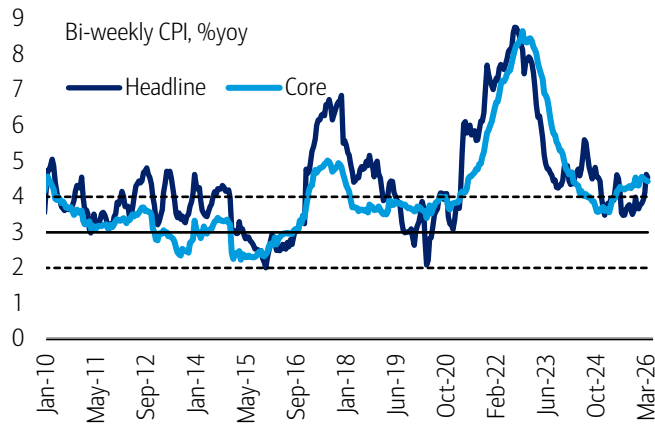
Headline and core [inflation were both above 4% in March](#) (see report). Headline rose to 4.62% yoy from 4.02% previously, driven by higher fruit and vegetable prices. Core eased marginally to 4.45% yoy (from 4.50%), helped by non-food merchandise (Exhibit 124). Services' inflation accelerated to 4.51% yoy from 4.45%. As the Iran conflict unfolds, we have incorporated persistently higher oil prices, as well as the Mexican government's use of oil revenues to keep gasoline prices at bay. We forecast headline inflation at 4.64% by end-2026 and 4.00% by end-2027. We forecast core inflation at 4.44% by end-2026 and 4.02% by end-2027. Risks remain tilted to the upside, in part due to the FIFA World Cup and ongoing Middle East tensions.

Banxico: growth vs. inflation

We continue to expect Banxico to deliver [one final 25bp cut in June, taking the policy rate to 6.50%](#) (see report). With a negative output gap, low FX pass-through, and a resilient peso, conditions argue against rate hikes and give Banxico room to avoid tightening. However, global financial conditions remain volatile, and inflation remains above target. Despite this, we expect Banxico to prioritize weak growth and proceed with one more cut—our base case is June, though it could come as soon as May. Beyond that, the outlook is highly conditional. Persistently high oil prices, a re-acceleration of core inflation above 5%, or renewed Fed tightening could force Banxico to hike to anchor expectations. Conversely, a global recession or easing geopolitical tensions could reopen the door to additional cuts as the negative output gap persists, alongside a relatively strong peso.

Exhibit 124: Headline & core stayed above 4.0% in March

Bi-weekly headline and core inflation (%yoy) (2010-2026)



Source: BofA Global Research, INEGI

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Exhibit 125: We expect USDMXN at 17.50 by end-2026

MXN forecasts

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

Source: BofA Global Research estimates

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Exhibit 126: We expect Mexico to grow 1.3% in 2026

Major macro forecasts

	2025	2026F	2027F
Real GDP (% yoy sa)	0.8	1.3	1.5
CPI (% yoy, eop)	3.69	4.64	4.00
Policy Rate (end of period)	7.00	6.50	6.50
Fiscal Bal (%/GDP)	-4.9	-5.0	-5.0
CurAct Bal (%/GDP)	-0.4	-0.5	-0.3

Source: BofA Global Research estimates

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Argentina: External financing

Sebastian Rondeau

BofAS

Argentina reaches IMF agreement, unleashing financing

Argentina reached a staff level agreement with the IMF that will release a \$1bn loan. Argentina also announced it would get \$2bn in financing from the World Bank, which could be used as a guarantee. This seeks to alleviate external debt maturities. Argentina USD bonds rallied strongly amid easing Iran conflict fears and financing announcement. The program demands \$8bn increase in net reserves this year and zero fiscal deficit.

Reforms Agenda: Labor reform and glacier law

Labor reform was approved by Congress in March. It seeks to dynamize the labor market by reducing hiring and severance costs, and labor litigation, simplifying collective bargaining and promoting formal jobs. The Glaciers law was also approved, facilitating mining investment. The government will also seek tax simplification, further de-regulation and privatization. The strong performance of the ruling coalition and allies in the mid-term election supports reforms.

BCRA USD purchases continue

BCRA is buying USD at a good pace, accumulating about \$6bn so far this year. It expects to buy at least \$10bn this year due to a projected increase in demand for money, coming from very low levels. FX band limits adjust with the inflation of 2 months ago, avoiding a real appreciation of the ceiling. The government has postponed the return to global bond markets (seeking cheaper financing alternatives), despite large external debt maturities.

Activity soft patch should be short-lived

Activity is taking a bit longer to take off, given the impact of very high interest rates during the election. Unemployment rate rose to 7.5% in 4Q25 and tax revenue took a hit. However, the end of election uncertainty and progress in structural reforms should create a virtuous cycle in our view. Interest rates have already plummeted, especially in pesos (from 100% to below 30%). We forecast GDP growth at 3.5% this year (from 4.4% last year). Mining, energy, banking and IT should lead the recovery. Oil price increase benefits Argentina external accounts as it is a net oil exporter, though it poses downward risks to our growth forecasts.

Inflation sticky amid ARS volatility

Inflation inched up to 3.4% mom in March (from 2.9% in February) from an average of 2.3% last year, amid the oil price hike. We forecast inflation at 31% this year (vs 27% before), from 31.5% in 2025 and 118% in 2024. We see it down further to 15% in 2027.

Exhibit 127: Major macro forecasts

Large recession in 2024

	2025	2026F	2027F
Real GDP (% yoy sa)	4.4	3.4	3.5
CPI (% yoy)	31.5	31.4	15
Curr Acct Bal (%/GDP)	-1.3	-0.5	-1.2
Primary Fiscal Bal (%/GDP)	1.5	1.5	1.5
Policy Rate % (end-period)	30.0	na	na

Source: BofA Global Research estimates

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Exhibit 128: Exchange Rate

USDARS, end of quarter.

	Q2 26	Q3 26	Q4 26	Q1 27
Exchange rate (USDARS)	1400	1500	1600	1700

Source: BofA Global Research estimates

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Chile: Reconstruction

Sebastian Rondeau

BofAS

Kast presidency started

Jose Kast (Right, Republicanos) took office on March 11. The right parties together are close to a majority in Congress but will have to negotiate with the opposition. Kast proposes aggressive spending cuts of around \$6bn in 18 months to fix the fiscal deficit. The government announced \$3bn spending cuts this year: it instructed ministries to lower spending by 3% and another \$1bn in cuts.

Pro-growth agenda: Reconstruction plan

Kast is presenting 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%, 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. He also proposes to speed up environmental permits and eliminate unnecessary regulations. The government instructed to resolve appeals of the evaluation system obstructing \$16bn in investment.

Chile is one of the most affected countries from Iran tensions, as it imports all the oil. The current account deficit was 1.9% of GDP in 2025 (down from a 10% peak in 3Q22) and could decline further as strong copper prices offset oil prices. The fiscal deficit closed at 3% of GDP in 2025 (from 2.9% of GDP in 2024) despite higher mining tax revenue. The government budget increases spending over 2% real this year. The pension reform implies a 1% of GDP additional fiscal deficit in the medium term.

BCCh faces frontloaded fuel price hike

The government hiked wholesale fuel prices between 41% and 54%. BCCh kept rates on hold in March after the cut done in December (when it revised the neutral range up 25bp to 3.75-4.75%). We forecast no more cuts this year due to the oil shock. And 50bp rate hikes to 5% rate next year due to growth above potential amid market friendly policies.

GDP grew 2.5% in 2025 (down from 2.6% in 2024). We project a soft patch this year due to the oil shock (1.8% growth) and a 2.9% recovery in 2027. Inflation increased to 2.8% in March, from 2.4% in February (below the 3% target) from 3.4% yoy in 2025 (though ex-volatiles is at 3.4%). We raise inflation forecast to 4.3% this year, due to the oil shock, declining to 3.2% next year.

Pension reform and regulations

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

Exhibit 129: Major macro forecasts

GDP growth potential

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

Source: BofA Global Research estimates

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Exhibit 130: CLP forecasts

Volatile CLP

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

Source: BofA Global Research estimates

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Colombia Macroeconomic risks

Alexander Müller
BofAS

Pedro Diaz
BofAS

New government will inherit substantially weaker macroeconomic conditions

The next administration will assume office in August. Most likely, amid weaker economic growth, dragged by a depressed investment rate (bad signal for years to come); a bulky fiscal deficit (the main trigger for the recent credit rating downgrade by S&P), six years in a row of inflation exceeding the central bank's tolerance range; and worse balance of payments conditions (insufficient net FDI to cover the current account deficit).

Confrontation between government and BanRep poses risks for institutions

On 31 March, the official rate decision was announced after the finance minister left the central bank (BanRep) meeting in disconformity. He held a parallel presser in which he revealed (before the official release) the four-member majority voted for a 100bp hike. Finance minister Avila also stated that the government is breaking relations with BanRep, accusing the board of making decisions to satisfy interest groups. He voted for a 50bp rate cut instead, along with another board member appointed by President Petro.

Risk of fiscal dominance in central bank is harmful for institutions

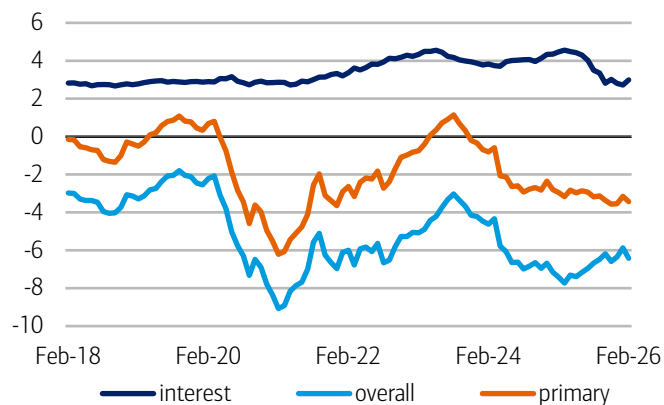
Article 35 of BanRep's statute states that rate decisions require a minimum quorum of five board members and of them must be the finance minister. In other words, according to the statute, if Avila is not present in April's rate decision, BanRep cannot hike rates again. There is concern in the market about the possibility of the next rate decision (to be held on 30 April) getting boycotted. BanRep is tightening monetary policy in response to high inflation (running qt 5.6% yoy) pressured by a 24% increase in the minimum wage. If the market perceives the central bank cannot respond appropriately to the economic conditions, the escape valve of the pressure may be the exchange rate and the risk premium in Colombian financial assets.

Meanwhile, government announces AFP repatriation and liability management

On the policy side, however, the government is taking actions that can influence asset prices by increasing the demand for Colombian assets. One of these actions is the decree that lowers the limit of foreign investments for private pension funds (AFPs) – to 30% (from ~50%) – which will likely force them to repatriate assets, inducing appreciation pressure on the exchange rate and bidding up local assets. The other action is a US\$ 4bn (1% of GDP) buyback of external bonds, mainly funded with cash.

Exhibit 131: Central government balances (rolling 12 months, % of GDP)

Loose fiscal policy is being counteracted by contractionary monetary policy



Source: BofA Global Research, Ministry of Finance (Hacienda), Statistics Agency (DANE)
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Exhibit 132: COP forecasts

The presidential elections seem crucial for the exchange rate

	Q2 26	Q3 26	Q4 26	Q1 27
USD-COP	3550	3525	3500	3600

Source: BofA Global Research estimates

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Exhibit 133: Major macro forecasts

Fiscal deficit will likely remain elevated in the next two years

	2025	2026F	2027F
Real GDP (% yoy)	2.6	2.5	2.9
CPI (% yoy)	5.1	6.5	4.6
Policy Rate (% eop)	9.25	12.00	11.00
Fiscal Bal. (%/GDP)	-6.4	-6.7	-5.9
Cur.Act. Bal. (%/GDP)	-2.4	-2.6	-2.7

Source: BofA Global Research estimates

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Peru: Canary in the coal mine

Alexander Müller
BofAS

Pedro Diaz
BofAS

Peru is an example of how the inflation shock can impact LatAm countries

Except for propane gas for low-income households and industrial diesel, Peru’s domestic fuel prices are fully flexible which makes the pass-through of the global inflation shock fast and powerful. In fact, in March CPI inflation posted the highest monthly print in thirty years, 2.38% mom, more than doubling the median estimate (1.09%, Bloomberg survey). It is the highest monthly print in thirty years.

Iran war, malfunction of natural gas pipeline, food shock, and Easter holidays

In March, gasoline prices jumped 32.5% mom and diesel 33% mom, as a reflection of the Iran war. Relatedly, liquefied petroleum gas (LPG) for vehicles spiked 75.5% mom, exacerbated by the two-week malfunction of the TGP pipeline. Against this backdrop, local transportation prices also increased sharply (10.3% mom). Moreover, we think that the increase in food prices (3.24% mom) is explained by higher transportation costs; floodings and hotter water temperatures (which affected the supply of vegetables, fruits, and fish); and the run-up to the Easter holidays in the beginning of April.

In this context, typical core inflation metric (CPI ex food & energy) is misleading

Core inflation – defined as the CPI excluding food and energy – was 2.07% mom in March. Typically, this is also the central bank’s (BCRP) preferred core inflation measure. But March 2026 is anything but a typical month. Another core inflation measure, published by the BCRP, defined as CPI excluding food, energy, and transportation (let’s call it “super core”), was 0.76% mom. We think the BCRP is giving more importance to “super core” at the current juncture. In annual terms, CPI inflation is running at 3.8%, typical core 3.7%, and super core 2.3%, only a bit above the 2% target.

We expect rates on hold for the rest of 2026, contingent on duration of shock

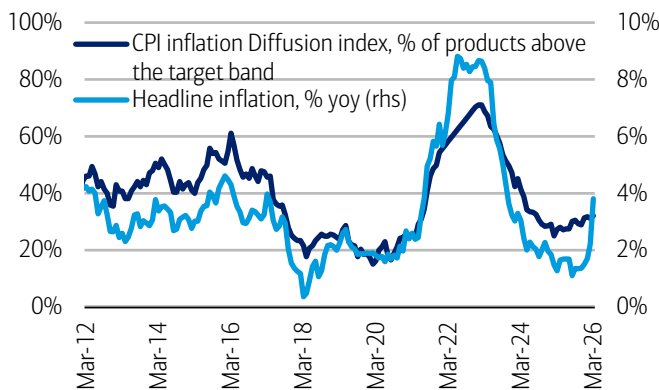
Our base-case is that the BCRP will remain on hold at 4.25% in 2026-27. They are taking the view that supply shocks are temporary and super core inflation remains low. However, if the global shock extends to Q3, further pressuring energy and food prices, we think inflation expectations will get more contaminated and force the BCRP to hike.

Presidential election vote count

Keep an eye on the tight vote count that will determine the second candidate advancing to the presidential runoff, setting up a contest against Keiko Fujimori.

Exhibit 134: Diffusion index (%)

Inflation is not generalized across the consumer basket



Source: BofA Global Research, Statistics Agency (INEI)

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Exhibit 135: PEN forecasts

Presidential elections (1st round April, runoff June) are a key risk event

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

Source: BofA Global Research estimates

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Exhibit 136: Major macro forecasts

Peru’s macro conditions look robust across the board

	2025	2026F	2027F
Real GDP (% yoy)	3.4	3.5	4.4
CPI (% yoy)	1.5	4.4	2.0
Policy Rate (eop)	4.25	4.25	4.25
Fiscal Bal. (%/GDP)	-2.2	-1.7	-1.4
Cur.Act. Bal. (%/GDP)	3.1	3.5	3.6

Source: BofA Global Research estimates

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Uruguay: Copying with oil

Sebastian Rondeau

BofAS

Cushioning the oil shock

The government announced a fuel price hike of only 7% for April. Uruguay is affected by the shock as it imports 100% of the oil. Inflation declined to 2.9% yoy in February, a new low (vs 3.7% in 2025 and 5.5% in 2024), below the target band (3-6%), the smallest since 2001. Inflation should return to the target as BCU eases policy to avoid further disinflation and appreciation. We forecast inflation at 4% in 2026 and 4.5% in 2027. 12-month ahead inflation forecasts increased to 4.8% (BCRA survey).

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

Activity slowing down

GDP growth slowed down to 1,8% last year, amid Argentina's headwinds, vs the 3.5% GDP rebound in 2024 (following weather normalization). GDP was flat in 4Q (+0.1 qoqsa). We forecast a 1.5% expansion this year, amid 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 137: Major macro forecasts

GDP slower

Uruguay	2025	2026F	2027F
Real GDP (% yoy)	1.8	1.5	2.0
CPI (% yoy)	3.7	4.0	4.5
CurAct Bal (%/GDP)	-0.4	-0.7	-0.7
Fiscal Bal (%/GDP)	-3.4	-3.0	-2.5

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 138: UYU Forecast

UYU depreciation to slow?

	Q2 26	Q3 26	Q4 26	Q1 27
USD-UYU	41.4	41.4	41.5	42.1

Source: BofA Global Research estimates

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Venezuela: Recognition

Sebastian Rondeau

BofAS

IMF engagement with Venezuela

The US is working with Venezuela interim president Delcy Rodríguez on a joint agenda. The US recognized Delcy Rodríguez as acting president in March. IMF and the World Bank engaged with Venezuela, after most member countries recognized the interim government. Delcy Rodríguez has consolidated power through a cabinet reshuffle.

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

Oil production outlook improves with licenses & reforms

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

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

Oil production back to pre-blockade levels

Oil production increased to 990k In March (OPEC secondary sources) from 924 kbpd average in 2025. We expect production to recover to over 1mnbpd average in 2026 amid improved access to oil markets and higher oil prices, and above 1.2mnbpd in 2027. In a successful transition, we see oil production growing to 1.75mn to 2mn bpd by end 2030.

Inflation pressures remain

We estimate inflation rose to 560% yoy in March, compared to 417% estimate in 2025, amid faster depreciation of the currency (17% monthly average YTD vs 13% mom average in 1H25). Before the discontinuation of CPI releases, inflation estimates had increased to 26% in May (over 1,000% annualized). We expect inflation to decline to 270% this year, and 125% next year, amid higher oil revenue.



Commodities



Oil: Iran war wipes out energy surplus

Francisco Blanch

MLPF&S

Backwardation is an ominous sign ignoring post-conflict energy realities...

With a ceasefire in place, energy flows through the Strait of Hormuz could resume soon. Time is of the essence. Simple oil math suggests it is critical to restart them to prevent a major economic downturn. While the outcome of US-Iran talks may determine the path for oil prices in 2H26, petroleum markets show extreme backwardation. Exorbitant oil backwardation, a premium for immediate delivery, is the result of dwindling inventories. As most of the energy flows from the Middle East ended up in Asia, the Atlantic Basin is just waking up to the massive physical oil shortfall.

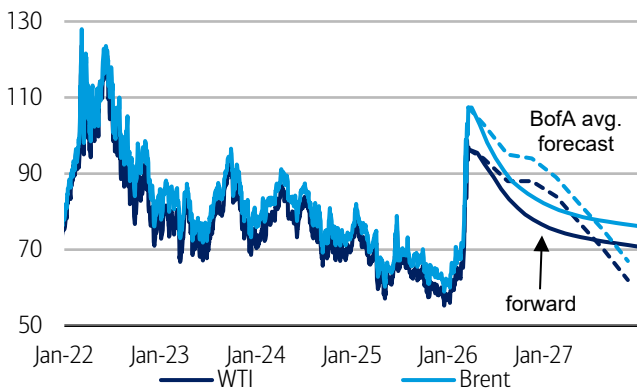
However, even if the conflict comes to an end, two key questions remain. First, will Hormuz open in full and how long will it take to get to pre-war levels of activity? Second, how much damage has really been done to energy infrastructure and how will it impact normalization of flows? Fully restoring Middle East energy supplies will take time the oil market does not have. Our rule of thumb is that every unexpected 1mn b/d shift in demand/supply balances over 1 year translates into a \$15-\$20/bbl average price move. The effect can be mitigated by strategic oil reserve releases. But all stocks are about to head sharply lower, reducing the buffer.

Flows may not return to 95% of normal until year-end

So far, we believe the oil market has priced in an average supply loss of 3mn b/d for the year (about 1.1bn barrels, cushioned by a 400mn SPR release). This means Brent should average \$90-95 per barrel. The actual supply loss since the war started has likely been about 650mn barrels, suggesting that the market is pricing in just 450mn barrels (1.75mn b/d) of additional losses for 2026. Is this realistic? Possibly. But it is also very optimistic. In our view, it may take 6 to 9 months for oil supplies to get back to 95-100%, even if 75% comes back within 1-2 months after a peace deal. Thus, oil demand may have to be rationed into the summer, an exercise that may require Brent prices well north of \$100/bbl in 3Q26. Our current projections embed a reduction in oil demand of 1.1mn b/d to meet the likely reduced level of supplies, even if Hormuz flows again. Importantly, we project supply to normalize over the course of the next 9 months, posing upside risks to 4Q26 prices too. Current forward oil prices leave little room for error.

Exhibit 139: We lift our forecast amid the ongoing conflict

Crude oil price forecast versus forwards (\$/bbl)



Source: Bloomberg, BofA Global Research estimates

Exhibit 140: Crude oil forecasts

Brent and WTI forecasts (\$/bbl)

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

Source: BofA Global Research estimates

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Nat gas: Diverging fortunes of NA gas

Francisco Blanch

MLPF&S

We lower bal-year Henry Hub forecast on mild April

The mild end to the winter replenished gas stocks and the mild weather has continued into April to weigh on gas prices. As such, we reduce our bal-year Henry Hub forecast to \$3.4/mmbtu as we incorporate the recent mild weather that takes our estimate for end of summer gas inventories above the 5-year average to ~3.83 Tcf. Yet the recent tight balances keep our price forecast above the current forward curve.

West surplus could flip to deficit on low hydro and LNG...

While robust Pacific and W. Canada inventories might provide some near-term comfort to gas markets, there are bullish demand side risks setting up out west. The "snow drought" left the West with low reservoirs, which will lead to reduced hydrogeneration this summer and an increased call on gas generation. Locations like Socal could strengthen as the western US competes for more Canadian gas imports, especially if Costa Azul LNG starts this summer. This could all occur while LNG Canada feedgas demand is increasing and could in turn lift AECO prices too.

...while power and net imports support East and Midwest...

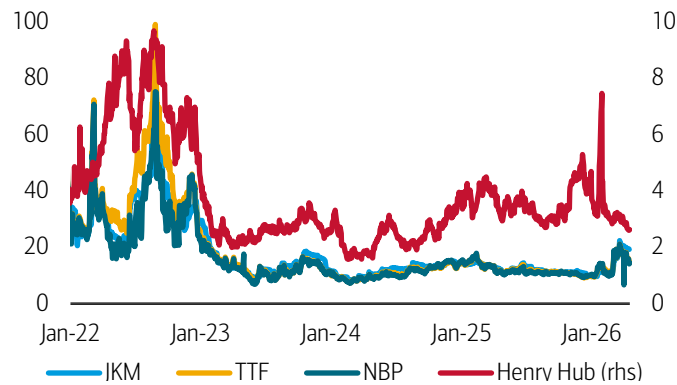
Appalachian resources continue to increase production despite reduced activity, there is a growing power sector demand story brewing. Rising electric loads from data centers could call on less efficient gas-fired generation to balance and drive power prices in PJM and MISO higher. The storage deficits could prove difficult to replenish in the face of growing power demand. Midwest locations like Chicago could really be in jam this summer as stronger demand in the West from LNG and hydro could limit Canadian gas flows into the Midwest and robust demand in PJM could keep more gas in the East.

...yet Waha remains distressed as transport maxed out

The Permian has exhausted pipeline takeaway capacity and Waha is realizing record low prices. Increasing GORs and higher oil prices could drive more associated gas production. Although ERCOT loads are growing, renewables and batteries will limit gas generation this summer. Waha should remain stressed throughout the summer as stranded gas likely fills the GCX expansion. Meaningful transport relief does not show up until late this year or early 2027 when larger pipeline projects are anticipated to start. Permian should be well positioned to supply the new LNG projects, all of which are in Texas.

Exhibit 141: Henry hub is failing to keep pace with global rally

Global natural gas prices (\$/MMBtu)



Source: Bloomberg

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Exhibit 142: We lower our US forecast on storage surplus

Nat gas forecasts

	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27	Q4 27
US nat gas (\$/MMBtu)	2.95	3.3	3.9	4.8	3.35	3.7	4.15
TTF (€/MWh)	83	90	93	75	40	40	45

Source: BofA Global Research estimates

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Gold: central banks still add gold

Michael Widmer

MLI (UK)

Themes: Central Bank of Türkiye sells gold

Emerging market central banks have been steady gold buyers and the yellow metal now makes up 16% of their reserves. Yet, as the US-Israel war with Iran escalated, Central Bank of Türkiye, which had proactively intervened in the past, reduced its gold holdings through swaps and sales. Central bank swaps are not unusual, but sales are a concern. Poland also floated the idea of gold sales to finance defence spending, but then walked back on a lack of government support. Still, central bank gold ownership is below the levels that would maximise risk-adjusted returns. It is also encouraging that purchases picked up again in January, after a soft patch in 4Q25. Central banks already own more gold than Treasuries. Fiscal concerns could rise over the costly war, and there is also uncertainty over revenues from tariffs. Hence, gold could become attractive again. Indeed, concern about US fiscal policy was the key reason we first we became more positive towards gold at \$1,900/oz.

Forecasts: Gold declined on oil/ USD; concerns over growth increase

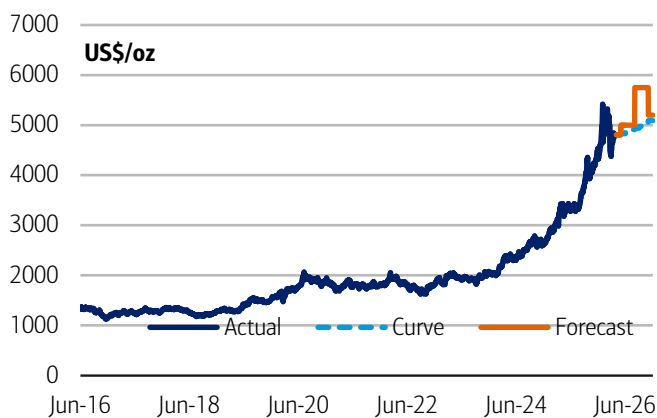
During our last price review in February, we cut our 2Q26 gold price forecast to \$4,500/oz. The lack of investor interest was then partially influenced by the volatility in the wake of the announcement that Kevin Warsh would lead the Fed. The US-Israel war with Iran has exacerbated the headwinds, with a stronger USD weighing on gold. Rising oil prices also mean that markets priced out rate cuts this year. This has been a remarkable U-turn from a few weeks ago when the yellow metal was supported by expectations of “inflationary easing” by the Fed. Either way, the war is not just about higher energy prices, but also potentially about shortages (see report: [Global Energy Weekly: Geopolitics reshuffle world energy flows again 01 April 2026](#)). The latter could hard-wire an economic slowdown, which we believe is not fully priced in yet. As such, we think that gold could still rally to \$6,000/oz in the coming months.

Risks: US fiscal consolidation

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

Exhibit 143: Forecast vs Forwards

Futures price in higher gold quotations



Source: BofA Global Research estimates

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Exhibit 144: Gold and silver forecasts (\$/oz)

Gold and Silver rising into Q3 26

	Q2 26	Q3 26	Q4 26	Q1 27
Gold	4,500	5,000	5,750	5,200
Silver	65.00	75.00	85.00	75.00

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH



Copper: cost inflation

Michael Widmer

MLI (UK)

Themes: production costs are increasing

Spiking energy prices matter for the miners (see the recent [Energy Weekly](#) report arguing that Middle Eastern energy flows may not get back to 100% by the end of the year), which use between 5l and 550l of diesel per tonne of final copper, lithium, iron ore and coal product. We estimate that production costs for iron ore, coal, copper and lithium have risen between 0.3% and 18% as diesel prices have surged. Miners should be able to shoulder that inflation because margins are healthy as metals prices continue to trade at elevated levels. That said, concerns over potential shortages are rising, though they are unevenly distributed across mining regions: in the Americas, supply risks remain limited for now, but there is growing apprehension that the DRC and smaller miners in Australia could face constraints.

Forecasts: supply disruptions and resilient demand supports prices

Looking into the anatomy of production costs for copper, and taking Chile as a reference, open-pit mines, the stable of copper output, are significantly more energy-intensive than underground operations, accounting for 40% and 2% of energy demand, respectively. In turn, fuels make up 94% of energy usage at open-pit mines, so diesel has historically accounted for around 15% of minesite operating costs. While miners in the Americas are exposed to rising diesel prices, concerns over shortages are limited for now. Canada, for instance, is a net exporter of various petroleum products, with diesel being the single-largest refined product export. Similarly, while Chile and Peru are net diesel importers, the majority of barrels are sourced from the US. But Australia, which accounts for 3% of supply, is one of the most diesel-intensive and import-reliant advanced economies.

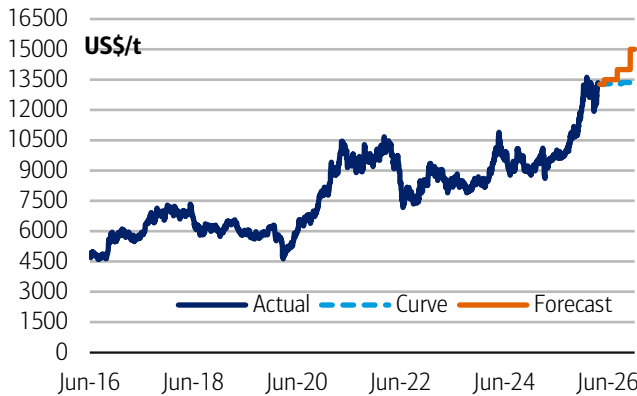
Importantly, it relies on imports from Asian hubs, e.g. South Korea, Singapore, and Malaysia, which account for about 60% of total imports. In turn, 50-75% of crude supplies for these three countries is delivered via the Strait of Hormuz. Against the backdrop of supply disruptions in recent months, and with copper demand in China resilient, the dynamic is one reason, copper prices should be supported.

Risks: global recession

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

Exhibit 145: Forecast vs Forwards

We see further upside to copper in 2026



Source: Bloomberg, BofA Global Research

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Exhibit 146: Copper forecasts

We are cautious near-term, but see further upside into 2026

	Q2 26	Q3 26	Q4 26	Q1 27
US\$/t	12,750	13,500	14,000	15,000
USc/lb	578	612	635	680

Source: Bloomberg, BofA Global Research estimates

BofA GLOBAL RESEARCH



Aluminum: supply risks; demand upside

Michael Widmer

MLI (UK)

Themes: Middle Eastern supply issues

Aluminium fundamentals have strengthened in recent quarters as smelters in China, the US and Europe have been under pressure on a confluence of factors. The resulting tightness has been exacerbated by disruptions from the Middle East, which accounts for around 9% of global aluminium production of which we have lost about one-third. Those volumes are unlikely to come back imminently. Indeed, EGA’s 1.6mt Al Taweelah smelter (2% of global supply), will need to be repaired after an attack from Iran, which will take up to one year. Those disruptions are particularly painful for the US and Europe given the Middle East accounts for around 20% of imports in the two geographies. Granted, ships have still made their way across the Med and the Atlantic in recent weeks, but the last tonnes will arrive in due course and consumers should then start to feel the lack of metal.

Forecasts: energy independence to boost demand

Given concerns over Middle Eastern oil and gas supplies, a renewed focus on energy security/independence is no surprise. Reconfiguring the global energy system will require metals. China has made remarkable progress on diversifying its grid, achieving its 14th Five Year Plan renewables targets well ahead of time. That said, grid spending declined in 2H25 and there is a risk that the country will raise solar/ wind capacity by just 200GW this year, from 400GW in 2025, although spending on infrastructure may to some extent offset that.

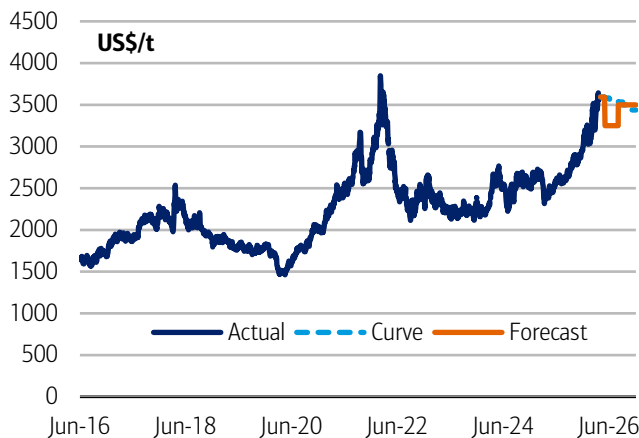
Still, China is not done with building its grid and other countries will likely need to accelerate spending as well. Indeed, we estimate that power generation capacity in China, the US and Europe needs to increase by a minimum of 4%, 2% and 2%, respectively annually out to 2030, just to keep the lights on. Metals are the beneficiaries. As such, aluminium (and copper) demand should bounce back, and there may also be a renewed push on nuclear energy, which should be supportive for uranium. Hence, we stick with our \$4,000/ (\$1.81/lb) price forecast for 2Q27.

Risks: economy does not re-accelerate

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

Exhibit 147: Forecast vs Forwards

We see further upside in aluminium



Source: BofA Global Research

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Exhibit 148: Aluminum forecasts

Aluminium fundamentals look bullish

	Q2 26	Q3 26	Q4 26	Q1 27
US\$/t	2,900	3,250	3,500	3,500
USc/lb	132	147	159	159

Source: BofA Global Research estimates

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Appendix



GEMs Macro Forecasts

Exhibit 149: GDP growth and CPI inflation

Emerging markets growth expected at 4.4% in 2026

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

Source: BofA Global Research

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Exhibit 150: 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			Bloomberg Consensus
	2025	BofA	Chg.	BofA	Chg.	Current	BofA	Chg.	Bloomberg Consensus	BofA	Chg.	
GEMs	2.3	1.8	0.1	1.8	0.2	-	-	-	-	-	-	-
GEMs (ex. China)	1.0	0.9	0.2	1.1	0.2	-	-	-	-	-	-	-
GEM-10	2.0	1.5	0.1	1.6	0.2	-	-	-	-	-	-	-
Global	-	-	-	-	-	3.71	3.47	-	-	3.32	-	-
US	-3.9	-3.5	-	-3.5	-	3.625	3.125	-	3.38	3.125	-	3.25
Euro area	1.6	0.4	(1.9)	1.5	(0.6)	2.15	2.65	-	2.2	1.90	-	2.2
Japan	4.3	4.2	-	4.1	-	0.75	1.25	-	1.13	1.75	-	1.38
Asia	3.8	3.2	0.3	3.0	0.4	-	-	-	-	-	-	-
China	3.7	3.0	0.1	2.5	-	1.50	1.40	-	-	1.40	-	-
Hong Kong	12.6	13.0	1.3	12.6	1.4	4.00	3.50	-	-	3.50	-	-
India	-0.4	-2.3	(0.9)	-0.8	-	5.25	5.50	0.25	5.29	5.75	-	5.45
Indonesia	-0.1	-0.8	-	-0.9	-	4.75	4.50	-	4.62	4.50	-	4.70
Korea	6.6	10.1	5.1	7.7	5.7	2.50	2.50	-	2.59	2.50	-	2.62
Malaysia	1.6	2.3	-	2.4	-	2.75	2.75	-	2.76	2.75	-	2.82
Philippines	-4.0	-4.1	(0.1)	-3.6	-	4.25	4.75	0.50	4.43	5.00	0.50	4.31
Singapore	16.7	16.4	-	16.1	-	-	-	-	-	-	-	-
Taiwan	19.6	22.3	0.1	15.7	-	2.00	2.25	0.25	3.02	2.38	0.13	2.06
Thailand	4.2	3.2	-	3.5	-	1.00	0.75	(0.25)	1.01	1.00	-	1.05
EEMEA	-1.5	-1.3	(0.2)	-0.5	(0.1)	-	-	-	-	-	-	-
Czech R.	0.7	0.8	-	0.5	-	3.50	3.50	0.25	3.38	3.50	0.25	3.29
Egypt	-4.4	-5.2	-	-3.3	-	19.00	19.00	-	-	15.00	-	-
Hungary	1.6	1.2	-	1.0	-	6.25	6.25	-	5.68	5.25	-	5.03
Israel	1.5	1.4	(2.8)	2.0	(2.7)	4.00	3.75	0.50	3.22	3.50	0.25	3.20
Nigeria	5.3	4.1	-	-	!	26.50	21.00	-	21.00	16.00	-	16.50
Poland	-0.7	-2.2	(0.3)	-2.1	(0.4)	3.75	3.75	-	3.57	3.75	0.25	3.55
Romania	-8.0	-7.2	-	-6.3	0.1	6.50	6.50	-	5.65	5.50	-	4.43
Saudi Arabia	-2.6	-1.9	-	-2.2	2.3	4.25	3.50	-	-	3.50	-	-
South Africa	-0.5	0.3	-	0.0	(0.1)	6.75	7.00	0.50	6.83	6.25	0.25	6.25
Türkiye	-1.9	-3.4	(0.5)	-2.5	(0.2)	37.00	32.00	-	32.13	26.00	-	25.50
Ukraine	-7.1	-7.1	-	-5.5	-	15.00	11.00	-	13.67	9.00	-	12.00
LatAm	-1.4	-1.0	-	-1.0	0.1	-	-	-	-	-	-	-
Argentina	-1.3	-0.4	-	-1.2	(0.1)	--	--	--	--	--	--	--
Brazil	-3.0	-2.2	0.3	-1.8	0.4	14.75	13.25	1.50	12.67	12.50	2.00	10.89
Chile	-1.9	1.0	1.8	-0.3	1.3	4.50	4.50	-	4.39	5.00	-	4.28
Colombia	-2.4	-2.6	-	-2.7	-	11.25	12.00	-	12.00	11.00	-	11.00
Costa Rica	-0.8	-1.5	-	-1.5	-	3.25	3.25	-	-	3.25	-	-
Dominican Rep	-1.2	-2.5	1.0	-2.0	1.3	5.25	5.25	-	-	4.50	-	-
Ecuador	6.0	4.0	-	2.5	-	-	-	-	-	-	-	-
El Salvador	-3.5	-4.5	(2.5)	-3.4	(0.9)	-	-	-	-	-	-	-
Guatemala	4.8	3.5	-	3.0	-	3.50	3.50	-	-	3.50	-	-
Mexico	-0.4	-0.5	(0.3)	-0.3	(0.2)	6.75	6.50	0.50	6.48	6.50	0.50	6.50
Panama	-0.2	-1.5	(3.0)	-1.0	(2.0)	-	-	-	-	-	-	-
Peru	3.1	3.5	-	3.7	-	4.25	4.25	-	4.23	4.25	-	4.28
Uruguay	-0.4	-0.7	0.1	-0.7	0.1	5.75	6.00	-	-	7.00	-	-
Venezuela	-5.6	-1.6	1.1	-5.5	-	-	-	-	-	-	-	-

Source: BofA Global Research, Bloomberg

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GEMs Consolidated Macro Indicators

Exhibit 151: GEMs

Consolidated Macro Indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
GEMs										
Nominal GDP (US\$ bn)	31.505	32.215	31.433	36.897	38.270	39.525	40.619	43.040	47.432	51.682
Real GDP growth (% vov)										
Weighted by PPP-GDP	4.9	4.0	-2.0	7.4	4.2	4.6	4.2	4.7	4.5	4.5
Weighted by current exchange rates	4.9	4.0	-1.4	7.5	4.0	4.4	4.0	4.3	3.9	4.1
Median	3.4	2.8	-5.5	6.5	4.7	2.7	2.7	3.7	3.0	3.2
CPI inflation (% vov. ave)										
Weighted by PPP-GDP	3.2	3.2	3.2	3.2	4.9	3.9	3.5	3.5	2.2	3.1
Weighted by current exchange rates	2.8	3.0	2.9	2.8	4.4	3.1	2.5	1.6	2.5	2.2
Median	2.2	2.8	2.5	3.9	6.9	4.2	2.6	2.2	3.3	3.5
Trade balance (US\$ bn)	296.7	303.7	327.0	467.1	485.7	578.5	487.8	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)	63.3	268.8	712.6	693.4	547.1	454.8	602.5	969.3	876.2	934.6
Current account balance (% of GDP)	0.7	0.8	2.3	1.9	1.4	1.2	1.5	2.3	1.8	1.8
International reserves (US\$ bn)	7,358	7,539	8,073	8,388	7,878	8,227	8,339	8,823	9,028	9,288
Gross government debt (% of GDP)	54.9	58.7	69.7	68.8	69.9	77.8	74.6	78.1	81.7	83.7
Gov. budget balance (% of GDP)	-2.6	-2.7	-4.9	-3.6	-3.1	-4.1	-4.0	-4.3	-4.7	-4.0
Asia										
Nominal GDP (US\$ bn)	22,207	22,849	22,910	27,127	27,609	27,967	28,884	30,258	32,869	35,743
Real GDP growth (% vov)										
Weighted by PPP-GDP	6.2	5.1	-0.7	7.7	4.3	5.6	5.1	5.4	4.7	5.0
Weighted by current exchange rates	6.1	5.1	0.1	7.7	3.8	5.3	4.8	5.0	4.5	4.6
Median	4.5	3.6	-4.6	5.1	4.7	3.4	4.7	4.9	3.4	2.8
CPI inflation (% vov. ave)										
Weighted by PPP-GDP	2.4	2.7	2.9	2.0	3.5	2.1	1.7	0.8	2.2	1.9
Weighted by current exchange rates	2.2	2.6	2.5	1.7	3.1	1.5	1.2	0.6	1.9	1.6
Median	1.8	1.9	0.5	1.9	4.6	3.2	2.3	1.6	2.5	2.0
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)	212.7	324.0	593.2	655.2	669.4	508.0	770.0	1,149.6	1,040.6	1,058.4
Current account balance (% of GDP)	1.0	1.4	2.6	2.4	2.4	1.8	2.7	3.8	3.2	3.0
International reserves (US\$ bn)	5,524	5,675	6,160	6,358	5,896	6,151	6,180	6,436	6,609	6,818
Gross government debt (% of GDP)	58.7	63.7	75.7	76.3	78.0	82.3	84.0	88.2	92.4	96.1
Gov. budget balance (% of GDP)	-2.2	-2.6	-4.5	-3.9	-3.2	-3.6	-3.1	-3.7	-3.7	-3.7
EMEA										
Nominal GDP (US\$ bn)	4,159	4,352	4,399	4,966	5,199	5,382	5,428	6,053	6,819	7,632
Real GDP growth (% vov)										
Weighted by PPP-GDP	3.6	3.2	-2.1	6.1	4.1	2.6	2.5	3.5	2.9	3.9
Weighted by current exchange rates	3.5	3.1	-2.7	6.2	4.9	2.2	2.4	3.2	2.7	3.8
Median	3.5	3.6	-3.8	5.5	4.4	2.1	2.4	2.9	2.8	4.0
CPI inflation (% vov. ave)										
Weighted by PPP-GDP	5.8	4.9	4.3	4.8	8.2	10.0	10.3	15.0	12.3	10.1
Weighted by current exchange rates	5.3	4.3	4.2	4.9	8.5	9.2	8.4	4.6	3.0	3.6
Median	4.6	3.8	3.3	4.5	13.7	10.7	3.7	3.6	3.8	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	947
Current account balance (US\$ bn)	-15.3	41.1	121.5	122.3	10.6	32.9	-90.2	-88.7	-90.6	-40.9
Current account balance (% of GDP)	-0.4	0.9	2.8	2.5	0.2	0.6	-1.7	-1.5	-1.3	-0.5
International reserves (US\$ bn)	1,006	1,052	1,079	1,162	1,162	1,224	1,288	1,424	1,431	1,463
Gross government debt (% of GDP)	40.1	38.7	44.4	43.4	45.5	45.8	46.3	48.2	49.4	49.1
Gov. budget balance (% of GDP)	-2.7	-2.2	-3.9	-1.8	-2.4	-5.3	-7.1	-6.5	-5.3	-4.8
LatAm										
Nominal GDP (US\$ bn)	5,138.9	5,013.9	4,124.7	4,804.7	5,461.7	6,175.0	6,307.0	6,729.2	7,743.8	8,306.9
Real GDP growth (% vov)										
Weighted by PPP-GDP	1.7	0.8	-6.6	7.7	4.1	2.2	2.1	2.4	2.3	2.4
Weighted by current exchange rates	1.2	0.3	-6.9	7.5	4.0	2.2	2.1	2.3	2.3	2.5
Median	2.5	1.7	-7.9	9.9	5.0	2.7	2.9	3.6	3.2	3.3
CPI inflation (% vov. ave)										
Weighted by PPP-GDP	3.6	3.4	3.4	7.8	7.7	4.7	4.2	3.7	5.0	3.8
Weighted by current exchange rates	3.6	3.5	3.5	8.0	7.6	4.5	4.2	3.7	4.9	3.8
Median	2.2	2.9	2.5	6.3	7.9	3.5	2.6	2.7	4.2	3.6
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	-84.1	-132.9	-86.1	-77.4	-91.6	-73.9	-82.9
Current account balance (% of GDP)	-2.6	-1.9	-0.1	-1.8	-2.4	-1.4	-1.2	-1.4	-1.0	-1.0
International reserves (US\$ bn)	828.0	812.2	832.9	868.0	820.2	851.7	871.2	963.5	988.9	1,005.9
Gross government debt (% of GDP)	55.9	57.2	69.3	64.0	60.3	59.8	63.3	63.9	62.1	56.4
Gov. budget balance (% of GDP)	-4.4	-3.7	-8.5	-4.1	-3.5	-5.4	-5.4	-4.9	-5.1	-4.7

Source: BofA Global Research

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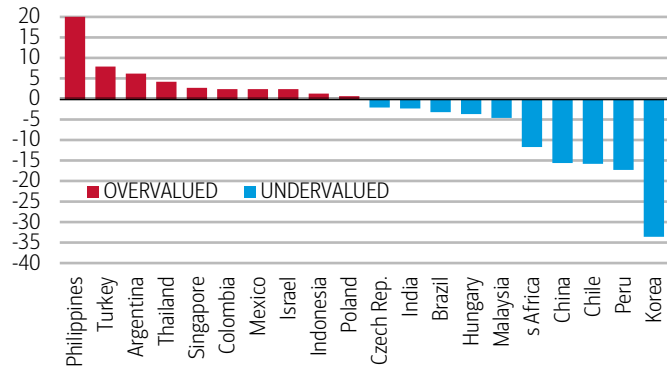


GEMs FX Compass and CA Imbalances

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 152: FX Compass Long Term Valuations

Trade-weighted valuations vs REER fair values

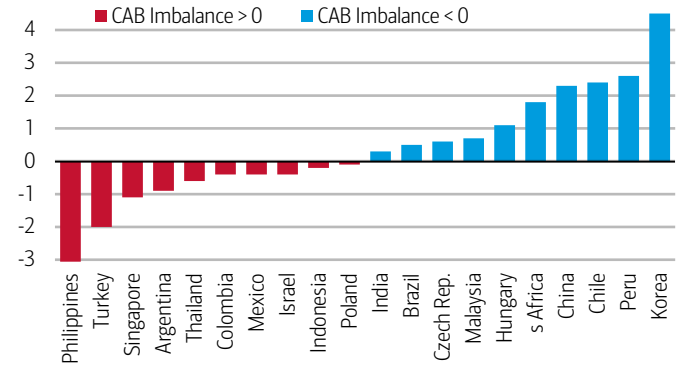


Source: BofA Global Research

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Exhibit 153: Current Account Imbalances

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



Source: BofA Global Research

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Exhibit 154: 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			-5.3	-3.3
China	6.08	6.82	-12.2	-15.6
India	93.05	93.52	-0.5	-2.3
Indonesia	17197.05	17144	0.3	1.3
Korea	993.62	1470.75	-48	-33.6
Malaysia	3.78	3.95	-4.5	-4.6
Philippines	71.4	59.94	16.1	21.3
Singapore	1.3	1.27	2.5	2.7
Thailand	33.41	32.08	4	4.2
EEMEA			-0.7	-1.1
Czech Rep. 1/	23.5	24.3	-3.4	-2.1
Hungary 1/	344.33	361.89	-5.1	-3.7
Israel	3.14	2.99	4.9	2.4
Poland 1/	4.18	4.23	-1.3	0.7
South Africa	15.03	16.37	-8.9	-11.7
Türkiye	49.63	44.89	9.5	7.9
LatAm			-5.3	-4.2
Argentina	1475.72	1376.2	6.7	6.2
Brazil	4.92	4.97	-0.9	-3.2
Chile	735.87	882.95	-20	-15.8
Colombia	3649.05	3571.66	2.1	2.4
Mexico	17.8	17.32	2.7	2.4
Peru	2.81	3.43	-22.3	-17.3
Average			-3.9	-2.9

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

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Exhibit 155: Estimated current account imbalance

CA imbalance

Country	Forecasted CA 2025-2027	Long-term CA	CAB Imbalance
Asia	3.4	2.8	0.6
China	2.7	0.4	2.3
India	-1.5	-1.9	0.3
Indonesia	-0.9	-0.6	-0.2
Korea	8.9	2.6	6.3
Malaysia	2.3	1.6	0.7
Philippines	-4	-0.8	-3.2
Singapore	16.2	17.3	-1.1
Thailand	3.3	4	-0.6
EEMEA	-0.2	-0.4	0.2
Czech Rep. 1/	0.6	0	0.6
Hungary 1/	1.1	0	1.1
Israel	1.7	2.1	-0.4
Poland 1/	-2.1	-2	-0.1
South Africa	0.3	-1.5	1.8
Türkiye	-3	-1	-2
LatAm	-0.3	-0.9	0.6
Argentina	-0.8	0.1	-0.9
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	0.7	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 156: China

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)							18,781	19,623	21,595	23,428
GDP per capita (US\$)	9,887	10,126	10,402	12,615	12,665	12,963	13,336	13,968	15,402	16,743
Unemployment rate (%) ¹	4.7	5.2	5.1	5.1	6.1	5.3	5.1	5.1	5.2	5.2
Population (millions)	1,405	1,410	1,412		1,412	1,410	1,408	1,405	1,402	1,399
Economic Activity										
Real GDP growth (% yoy)	6.8	6.1	2.3	8.6	3.1	5.4	5.0	5.0	4.5	4.5
Domestic demand growth (% yoy)	7.5	5.4	1.6	7.0	2.7	6.3	3.6	3.4	3.7	4.4
Real investment growth (% yoy)	6.8	4.1	4.1	4.0	2.7	3.3	3.1	1.9	2.9	4.0
Real consumption growth (% yoy)	8.1	6.4	-0.2	9.3	2.8	8.5	3.9	4.6	4.2	4.6
Real private consumption growth (% yoy)	7.4	6.1	-1.9	12.0	1.7	9.0	5.2	4.3	3.7	4.5
Real government consumption growth (% yoy)	9.6	7.0	3.8	3.5	5.3	7.3	0.9	5.0	5.4	5.0
Real export growth (% yoy)	3.8	0.5	2.4	17.7	-1.6	0.9	14.3	9.5	4.3	4.5
Real import growth (% yoy)	8.1	0.4	5.5	10.4	-5.7	4.5	2.0	-1.5	3.6	4.0
Prices										
CPI inflation (% yoy, eop)	1.9	4.5	0.2	1.5	1.8	-0.3	0.2	0.6	0.9	0.7
CPI inflation (% yoy, avg)	2.1	2.9	2.5	0.9	2.0	0.2	0.2	0.0	1.0	0.8
Nominal wages (% yoy)	10.9	9.8	7.6	9.7	6.7	5.8	5	5.0	5.0	5.3
Nominal exchange rate (vs. USD, eop)	6.86	6.98	6.53	6.36	6.90	7.10	7.30	6.99	6.70	6.60
Nominal exchange rate (vs. USD, avg)	6.62	6.91	6.90	6.45	6.74	7.08	7.18	7.14	6.86	6.66
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary Sector²										
Monetary base growth (% yoy)	2.8	-2.0	1.9	-0.3	9.6	7.8	-5.4	8.5	2.5	2.5
Broad money growth (% yoy)	8.1	8.7	10.1	9.0	11.8	9.7	13.0	8.5	8.5	8.7
Credit extension to private sector (% yoy)	13.5	12.3	12.8	11.6	11.1	10.6	7.6	6.4	7.0	7.2
Central bank policy rate (% eop) ³	2.55	2.50	2.20	2.20	2.00	1.80	1.50	1.40	1.40	1.40
1-month interbank rate (% eop)	3.46	3.30	3.31	3.18	-	-	1.96	1.64		
Long-term yield (% eop)	3.20	3.14	3.14	2.78	2.80	2.65	1.69	1.86	1.60	1.60
External Sector										
Current account balance (% of GDP)	0.2	0.7	1.7	1.9	2.4	1.4	2.3	3.7	3.0	2.6
Current account balance (US\$ bn)	24	103	249	353	443	253	424	735	642	615
Trade balance (US\$ bn)	380	393	511	563	665	594	768	1,023	955	970
Exports, f.o.b. (US\$ bn)	2,417	2,387	2,510	3,216	3,347	3,179	3,409	3,633	3,708	3,741
main export										
Imports, c.i.f. (US\$ bn)	2,037	1,994	1,999	2,653	2,682	2,585	2,641	2,610	2,753	2,771
Service balance (US\$ bn)	-292	-261	-153	-101	-87	-208	-229	-196	-209	-240
Income balance (US\$ bn)	-61	-39	-118	-124	-154	-134	-130	-115	-122	-136
Foreign direct investment (US\$ bn)	138	141	149	181	189	163	116	105	104	109
International reserves (US\$ bn)	3,073	3,108	3,217	3,250	3,128	3,238	3,202	3,358	3,459	3,562
Public Sector										
Central gov. primary budget balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Central gov. budget balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Consolidated gov. primary budget balance (% of GDP)	-1.8	-1.9	-2.7	-2.2	-1.8	-2.9	-2.1	-3.0	-3.0	-3.0
Consolidated public sector balance (% of GDP) ⁴	-2.6	-2.8	-3.7	-3.1	-2.8	-3.8	-3.0	-4.0	-4.0	-4.0
Central gov. revenues (% of GDP) ⁵	19.9	19.3	18.0	17.6	16.8	16.8	16.3	15.7	15.2	14.6
Debt Indicators										
Gross external debt (% of GDP)	14.0	14.2	16.0	15.1	13.4	13.4	12.9	11.8	12.0	12.3
Public (% of GDP)	1.9	2.1	2.8	3.2	2.8	3.0	2.7	2.5	2.6	2.6
Private (% of GDP)	12.2	12.1	13.2	11.9	10.6	10.4	10.1	9.3	9.4	9.7
Gross government debt (% of GDP)	63.7	70.6	83.3	84.2	88.5	94.8	102.9	109.7	118.0	125.4
Domestic (% of GDP)	63.5	70.4	83.1	83.9	88.2	94.5	102.6	99.7	102.2	104.7
External (% of GDP)	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
External debt amortizations (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt interest payments (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	44.1	43.5	44.6	45.2	45.5	43.2	43.4	43.3	42.8	42.8
Investment (% of GDP)	43.4	42.6	42.3	42.7	42.4	41.1	40.6	39.1	39.3	39.5
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	4.8	4.5	4.5	4.5	4.6	4.5	4.5	4.5	4.4	4.4
Real GDP growth (% qoq, sa, annualized)	4.5	4.9	4.5	4.2	4.8	4.6	4.3	4.5	4.4	4.5
CPI inflation (% yoy, eop)	-0.2	0.6	0.9	1.2	1.2	0.9	1.0	0.6	0.7	0.7
Central bank policy rate (% eop)	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Nominal exchange rate (vs. USD, eop)	7.10	6.99	6.90	6.90	6.80	6.70	6.70	6.70	6.60	6.60
Current account balance (US\$ bn)	198.7	242.1	180.9	120.0	164.6	176.4	170.9	108.3	149.3	186.6

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 157: India

Selected economic and financial indicators

	CY 2018	CY 2019	CY 2020E	CY2021E	CY2022E	CY2023E	CY2024E	CY2025E	CY2026E	CY2027E
Summary Data										
Nominal GDP (US\$ bn)	2,734.0	2,805	2,602	3,088	3,349	3,543	3,849	3,877	3,990	4,389
GDP per capita (US\$)	2,081	2,114	1,941	2,278	2,447	2,562	2,759	2,752	2,804	3,053
Unemployment rate (%)										
Population (millions)	1,314	1,327	1,341	1,355	1,369	1,383	1,395	1,409	1,423	1,437
Economic Activity										
Real GDP growth (% yoy)	7.3	4.6	-5.9	9.4	7.0	8.8	6.7	7.5	6.2	7.5
Domestic demand growth (% yoy)	9.3	4.9	-7.7	13.6	8.1	6.3	6.7	7.2	6.3	7.3
Real investment growth (% yoy)	13.6	2.8	-10.7	19.9	8.7	8.7	6.2	6.9	5.8	7.3
Real consumption growth (% yoy)										
Real private consumption growth (% yoy)	7.5	6.3	-6.6	11.9	8.6	4.5	7.3	7.8	6.4	7.3
Real government consumption growth (% yoy)	6.7	4.0	-4.6	4.3	3.1	8.9	4.8	5.2	7.6	6.9
Real export growth (% yoy)	10.4	1.6	-10.7	25.3	13.4	2.5	7.4	6.9	4.8	7.2
Real import growth (% yoy)	14.4	0.0	-16.4	24.5	11.4	10.4	1.9	6.9	5.0	5.8
Prices										
CPI inflation (% yoy, eop)	2.1	7.4	4.6	5.7	5.7	5.7	5.2	1.2	5.4	3.8
CPI inflation (% yoy, avg)	3.9	3.7	6.6	5.1	6.7	5.7	4.9	2.2	4.7	4.6
WPI inflation (% yoy, eop)										
WPI inflation (% yoy, avg)										
Nominal wages (% yoy)										
Nominal exchange rate (vs USD, eop)										
Nominal exchange rate (vs USD, avg)										
Bilateral real exchange rate (% yoy, + dep)										
Monetary Sector										
Monetary Base growth (% yoy)										
Broad Money growth (% yoy)										
Credit extension to private sector (% yoy)										
Central bank policy rate (% eop)	6.50	5.15	4.00	4.00	6.25	6.50	6.50	5.25	5.50	5.75
1-month interbank rate -Call rate (%)										
Long-term yield (%)										
External Sector										
Current Account balance (% of GDP)	-2.4	-1.1	1.3	-1.1	-2.4	-0.9	-0.8	-0.4	-2.3	-0.8
Current Account balance (US\$ bn)	-65.6	-29.8	32.7	-33.4	-79.0	-32.0	-32.2	-16.5	-90.5	-35.0
Trade Balance (US\$ bn)	-186.7	-157.7	-95.5	-176.7	-267.2	-245.5	-279.8	-310.9	-389.1	-320.0
Exports, f.o.b. (US\$ bn)										
main export										
other										
Imports, c.i.f. (US\$ bn)										
Service balance (US\$ bn)	80.8	84.2	87.1	102.7	132.5	159.1	178.2	209.6	218.0	220.0
Income balance (US\$ bn)	40.3	43.7	41.1	40.6	55.6	54.4	69.4	84.9	80.6	65.0
Foreign direct investment (US\$ bn)	30.7	37.5	53.2	27.5	35.4	14.2	2.9	3.4	14.0	20.0
International reserves (US\$ bn)	396.0	459.9	585.8	633.6	562.7	622.5	635.7	658.7	632.9	637.9
Public Sector										
Central Gov. Primary Budget Balance (% of GDP)										
Central Gov. Budget Balance (% of GDP)	-3.4	-4.6	-9.2	-6.7	-6.5	-5.8	-4.9	-4.6	-5.0	-4.3
Consolidated Gov. Primary Budget Balance (% of GDP)										
Consolidated Public Sector Balance (% of GDP)	-5.8	-7.2	-13.1	-9.5	-9.6	-8.6	-7.8	-7.8	-8.5	-7.5
Central gov. revenues (% of GDP)										
Debt Indicators										
Gross External Debt (% of GDP)	19.1	28.2	27.0	27.5	24.0	23.7	25.6	28.8	25.6	24.9
Public (% of GDP)										
Private (% of GDP)										
Gross government debt (% of GDP)	70.1	73.7	89.5	88.3	84.4	84.0	82.9	84.0	81.2	79.9
Domestic (% of GDP)										
External (% of GDP)										
Savings - Investment Balance										
Savings (% of GDP)										
Investment (% of GDP)										
Memorandum Items										
Agro GDP (% yoy)										
Non-agro GDP (% yoy)										
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	8.4	7.8	6.5	5.0	6.5	6.9	7.5	7.9	7.5	7.2
CPI Inflation (% yoy, eop)	10.3	7.1	2.2	-0.3	18.2	8.6	4.0	1.9	16.0	7.5
WPI inflation (% yoy, eop)	1.4	1.2	3.4	5.2	5.4	5.4	5.5	4.7	4.9	3.8
Central bank policy rate (% eop)	1.7	0.6	3.5	4.6	5.2	5.5	5.4	4.7	4.9	3.8
Nominal exchange rate (vs USD, eop)	5.50	5.25	5.25	5.25	5.25	5.50	5.75	5.75	5.75	5.75
Current account balance (US\$ bn)										

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 158: Indonesia

Selected economic and financial indicators

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

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 159: Korea

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	1824.9	1751.3	1748.7	1940.3	1800.6	1837.8	1841.4	1853.6	1909.7	2120.0
GDP per capita (US\$)	35,373	33,836	33,732	37,479	34,848	35,541	35,584	35,866	37,003	41,141.7
Unemployment rate (%)	3.9	3.8	4.0	3.6	2.9	2.7	2.8	2.8	3.0	4.0
Population (millions)	51.6	51.8	51.8	51.8	51.7	51.7	51.8	51.7	51.6	51.5
Economic Activity										
Real GDP growth (% yoy)	2.9	2.2	-0.7	4.3	2.6	1.4	2.0	1.0	1.9	2.1
Domestic demand growth (% yoy)	2.0	1.5	-1.3	3.7	2.7	1.4	0.2	0.6	1.2	1.7
Real investment growth (% yoy)	-2.2	-2.1	3.5	3.2	-0.5	1.1	-0.8	-3.3	0.7	1.7
Real consumption growth (% yoy)	3.7	3.2	-2.2	4.1	4.1	1.7	1.4	1.7	1.9	1.6
Real private consumption growth (% yoy)	3.2	2.1	-4.8	3.6	4.1	1.8	1.1	1.3	1.8	1.5
Real government consumption growth (% yoy)	5.3	6.4	5.1	5.5	4.0	1.3	2.1	2.8	2.3	1.9
Real export growth (% yoy)	4.0	0.2	-1.7	11.1	3.4	3.1	6.8	4.1	5.1	4.8
Real import growth (% yoy)	1.7	-1.9	-3.1	10.1	3.5	3.1	2.5	3.8	3.2	2.9
Prices										
CPI inflation (% yoy, eop)	1.3	0.7	0.6	3.7	5.0	3.2	1.9	2.3	2.7	1.6
CPI inflation (% yoy, avg)	1.5	0.4	0.5	2.5	5.1	3.6	2.3	2.1	2.9	2.0
Nominal wages (% yoy)	5.1	3.4	0.6	5.0	4.7	2.3	2.5	2.5	2.5	2.5
Nominal exchange rate (vs. USD, eop)	1118.1	1157.8	1088.0	1185.5	1267.3	1289.4	1470.0	1434.9	1395.0	1335.0
Nominal exchange rate (vs. USD, avg)	1100.2	1165.4	1180.3	1144.0	1291.4	1305.7	1363.4	1422.4	1447.3	1357.5
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary sector										
Narrow money growth (% yoy)	4.9	4.3	20.8	21.0	4.0	-10.5	3.5	5.3	6.0	6.0
Broad money growth (% yoy)	6.3	7.0	9.3	11.7	8.5	2.9	6.0	4.5	6.6	5.6
Credit extension to private sector (% yoy)	7.9	9.0	9.1	11.3	6.9	4.0	4.9	4.7	6.6	5.6
Central bank policy rate (% eop)	1.75	1.25	0.50	1.00	3.25	3.50	3.00	2.50	2.50	2.50
1-month interbank rate (% eop)	1.82	1.33	0.60	1.15	3.47	3.65	3.12	2.62	2.65	2.65
Long-term yield (% eop)	1.9	1.7	1.7	2.3	3.7	3.2	2.9	3.4	3.5	3.5
External sector										
Current account balance (% of GDP)	4.2	3.4	4.3	4.4	1.4	1.9	5.4	6.6	10.1	7.7
Current account balance (US\$ bn)	77.5	59.7	75.9	85.2	25.8	35.5	99.0	123.1	193.0	163.0
Trade balance (US\$ bn)	110.1	79.8	80.6	75.7	15.6	34.2	100.1	138.1	219.8	201.5
Exports, f.o.b. (US\$ bn)	626.3	556.7	517.9	649.5	694.3	645.6	696.2	718.9	919.7	938.2
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US\$ bn)	516.2	476.9	437.3	573.7	678.7	611.4	596.1	580.9	699.9	736.7
Service balance (US\$ bn)	-29.4	-26.8	-14.7	-5.3	-7.3	-26.1	-23.7	-34.5	-40.2	-43.6
Income balance (US\$ bn)	-3.3	6.7	10.0	14.8	17.5	27.3	22.6	19.5	13.4	5.2
Foreign direct investment (US\$ bn)	26.0	25.6	26.1	43.9	40.8	19.4	33.4	25.4	60.3	58.9
International reserves (US\$ bn)	393.3	397.9	430.1	438.3	399.0	395.6	391.9	403.0	436.2	472.2
Public sector										
Central gov. primary budget balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Central gov. budget balance (% of GDP)	0.8	0.0	-4.1	-4.1	-3.0	-0.5	-1.7	-2.3	-1.0	-2.1
Consolidated gov. primary budget balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Consolidated public sector balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Central gov. revenues (% of GDP)	-	-	-	-	-	-	-	-	-	-
Debt indicators										
Gross external debt (% of GDP)	25.6	28.5	33.4	35.0	39.9	38.0	38.3	38.1	38.8	36.7
Public (% of GDP)	4.9	5.6	7.4	8.0	9.3	8.8	9.8	9.2	9.4	8.9
Private (% of GDP)	20.7	22.9	26.0	27.0	30.6	29.1	28.5	28.9	29.4	27.8
Gross government debt (% of GDP)	41.6	44.0	49.2	49.8	48.1	50.4	0.0	0.0	0.0	0.0
Domestic (% of GDP)	-	-	-	-	-	-	-	-	-	-
External (% of GDP)	-	-	-	-	-	-	-	-	-	-
External debt amortizations (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt interest payments (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	35.5	34.2	35.6	36.4	34.1	33.5	35.3	35.2	35.2	35.1
Investment (% of GDP)	30.5	30.0	30.9	31.2	31.6	31.6	30.6	30.6	30.7	30.8
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	1.7	1.5	2.0	2.0	1.3	2.2	2.4	2.2	2.0	1.7
Real GDP growth (% qoq, sa, annualized)	4.7	-1.1	1.1	2.7	2.5	2.6	1.7	1.8	1.7	1.7
CPI inflation (% yoy, eop)	2.1	2.3	2.3	3.4	3.4	2.7	2.6	1.8	1.9	1.6
Central bank policy rate (% eop)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Nominal exchange rate (vs. USD, eop)	1402	1435	1513	1490	1440	1395	1380	1365	1350	1335
Current account balance (US\$ bn)	26.6	36.5	61.5	52.9	39.4	39.2	40.4	41.3	40.8	40.5

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 160: Hong Kong

Selected economic and financial indicators

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

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 161: Philippines

Selected economic and financial indicators

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

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 162: Malaysia

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	359.0	365.3	337.7	373.9	408.0	399.7	426.3	492.9	532.4	575.0
GDP per capita (US\$)	11,133	11,280								
Unemployment rate (%)	3.3	3.3	4.5	4.7	3.8	3.4	3.2	3.0	2.9	2.9
Population (millions)	32.2	32.4	32.4	32.6	32.7	33.4	34.4	34.4	35.4	35.4
Economic Activity										
Real GDP growth (% yoy)	4.8	4.4	-5.5	3.3	9.0	3.5	5.1	5.2	4.2	4.5
Domestic demand growth (% yoy)	4.7	3.9	-4.8	3.8	9.7	5.0	4.9	6.3	5.1	4.9
Real investment growth (% yoy)	1.4	-2.1	-14.4	-0.7	6.8	5.4	12.0	9.6	8.0	6.0
Real consumption growth (% yoy)	7.1	6.6	-2.6	2.5	10.3	4.4	5.0	0.0	5.1	4.9
Real private consumption growth (% yoy)	8.0	7.7	-3.9	1.8	11.4	4.6	5.1	5.2	5.2	4.9
Real government consumption growth (% yoy)	3.4	1.5	4.1	5.8	5.6	3.4	4.7	6.6	4.3	4.3
Real export growth (% yoy)	1.9	-1.0	-8.6	18.5	14.5	-7.9	8.3	3.1	3.1	3.8
Real import growth (% yoy)	1.5	-2.4	-7.9	21.2	16.0	-6.8	8.2	4.6	4.5	4.5
Prices										
CPI inflation (% yoy, eop)	0.2	1.0	-1.4	3.2	3.8	1.5	1.7	1.6	2.0	2.4
CPI inflation (% yoy, avg)	1.0	0.7	-1.1	2.5	3.4	2.5	1.8	1.4	1.8	2.2
Nominal wages (% yoy)	3.7	2.6	-2.1	1.4	9.4	9.4	10.4	9.0	8.0	8.0
Nominal exchange rate (vs. USD, eop)	4.14	4.09	4.01	4.18	4.41	4.59	4.47	4.06	3.90	3.90
Nominal exchange rate (vs. USD, avg)	4.04	4.14	4.20	4.14	4.40	4.56	4.58	4.28	3.90	3.90
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary Sector										
Monetary base growth (% yoy)	1.2	5.8	15.7	10.4	4.3	5.9	4.4	9.0		
Broad money growth (% yoy) ¹	9.1	3.5	4.0	6.4	4.3	6.0	3.6	4.1		
Credit extension to private sector (% yoy) ²	7.7	3.9	3.4	4.5	5.7	5.3	5.5	4.8		
Central bank policy rate (%)	3.25	3.00	1.75	1.75	2.75	3.00	3.00	2.75	2.75	2.75
3-month interbank rate (%)	3.69	3.35	1.94	2.05	3.68	3.77	3.73	3.28	3.35	3.35
Long-term yield (%) ³	4.08	3.62	2.81	3.27	4.08	3.85	3.83	3.56		
External Sector										
Current account balance (% of GDP)	2.2	3.5	4.2	3.9	3.2	1.1	1.4	1.6	2.3	2.4
Current account balance (US\$ bn)	8.0	12.8	14.1	14.5	13.0	4.4	6.1	7.4	12.0	14.0
Trade balance (US\$ bn)	28.4	30.1	32.7	42.9	42.6	28.7	25.0	25.9	27.0	28.0
Exports, f.o.b. (US\$ bn)	205.9	197.4	185.8	242.8	281.3	232.1	248.3	271.8	273.8	275.8
main export	54.6	53.5	56.9	67.9	88.1	85.0	84.8	108.8		
Imports, c.i.f. (US\$ bn)	177.4	167.2	153.1	200.0	238.7	203.4	223.3	245.9	246.8	247.8
Service balance (US\$ bn)	-4.3	-2.6	-11.2	-15.9	-13.2	-9.7	-2.6	0.3	5.0	8.0
Income balance (US\$ bn)	-16.1	-14.7	-7.4	-12.5	-16.3	-14.7	-16.4	-18.7	-20.0	-22.0
Foreign direct Investment (US\$ bn)	8.3	9.1	4.0	20.3	15.0	9.7	17.8	18.1	17.0	16.0
International reserves (US\$ bn)	101.4	103.6	107.6	116.9	114.7	113.5	116.2	125.5	128.0	130.0
Price of main export commodity - Crude Palm Oil (RM/ton avg)	2.235	2.119	2.765	4.417	5.126	3.829	4.213	4.308		
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.6	-1.2	-3.7	-3.9	-3.2	-2.5	-1.5	-1.1	-0.8	-0.5
Central gov. budget balance (% of GDP)	-3.7	-3.4	-6.2	-6.4	-5.5	-5.0	-4.3	-3.7	-3.5	-3.2
Consolidated gov. primary budget balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Consolidated public sector balance (% of GDP)	-2.9	-3.4	-7.3	-8.3	-6.0	-5.9	-	-	-	-
Central gov. revenues (% of GDP)	16.1	17.5	15.9	15.1	16.4	17.3	16.8	16.6		
Debt Indicators										
Gross external debt (% of GDP)	63.8	62.6	67.6	69.8	63.8	69.3	69.9	68.9	-	-
Public (% of GDP)	20.7	20.7	24.6	26.0	21.1	22.1	21.1	21.0	-	-
Private (% of GDP)	43.0	42.0	42.9	43.7	42.7	47.3	48.8	47.9	-	-
Gross government debt (% of GDP)	51.2	52.4	62.0	63.3	60.1	64.3	64.6	65.3	-	-
Domestic (% of GDP)	49.7	50.5	60.0	61.3	58.5	62.6	63.1	64.2	-	-
External (% of GDP)	1.5	1.9	2.0	1.9	1.6	1.6	1.4	1.0	-	-
External debt amortizations (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt interest payments (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	26.1	24.5	23.8	26.0	26.8	23.9	23.4	22.0	23.2	23.9
Investment (% of GDP)	23.9	21.0	19.7	22.1	23.6	22.8	22.0	20.5	21.0	21.5
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	5.4	6.3	5.3	4.1	3.7	3.7	4.1	4.4	4.7	4.7
Real GDP growth (% qoq, sa, annualized)	11.0	3.1	-0.8	4.1	9.1	1.6	1.6	5.3	10.4	2.0
CPI inflation (% yoy, eop)	1.4	1.4	1.7	1.9	1.8	2.0	2.1	2.1	2.3	2.4
Central bank policy rate (% eop)	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Nominal exchange rate (vs. USD, eop)	4.22	4.06	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.9
Current account balance (US\$ bn)	3.0	0.5	3.0	3.0	3.0	3.0	3.5	3.5	3.5	3.5

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 163: Singapore

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	376.8	377.0	349.6	436.4	509.0	505.5	547.4	604.6	628.8	654.0
GDP per capita (US\$)	66,819	66,095	61,495	80,026	90,287	85,422	90,678	98,936	101,419	103,802
Unemployment Rate (%)	2.1	2.2	3.0	2.7	2.1	1.9	2.0	2.0	2.0	2.0
Population (millions)	5.6	5.7	5.7	5.5	5.6	5.9	6.0	6.1	6.2	6.3
Economic Activity										
Real GDP growth (% yoy)	3.5	1.3	-3.8	9.8	4.1	1.8	4.4	5.0	2.5	2.5
Domestic demand growth (% yoy)	4.0	2.8	-7.9	6.3	6.6	4.1	5.6	3.4	2.9	2.8
Real investment growth (% yoy)	-5.0	2.5	-14.0	23.2	4.7	-0.9	2.9	6.1	3.0	2.9
Real consumption growth (% yoy)	4.0	2.8	-7.9	6.3	6.6	4.1	5.6	3.4	2.9	2.8
Real private consumption growth (% yoy)	4.3	2.7	-13.6	7.2	9.7	4.9	4.8	3.9	3.1	2.9
Real government consumption growth (% yoy)	2.9	3.4	13.2	3.9	-2.3	1.8	8.3	1.7	2.2	2.4
Real export growth (% yoy)	8.3	0.0	-0.4	8.8	4.9	5.7	5.4	10.8	3.4	2.6
Real import growth (% yoy)	7.8	-0.1	-2.0	8.9	5.8	5.3	6.6	11.9	4.2	4.3
Prices										
CPI inflation (% yoy, eop)	0.5	0.8	0.0	4.0	6.5	3.7	1.6	1.2	2.4	1.6
CPI inflation (% yoy, avg)	0.4	0.6	-0.2	2.3	6.1	4.8	2.4	0.9	2.1	1.9
Nominal wages (% yoy)	3.5	2.6	1.4	3.6	6.8	5.3	4.0	4.0	4.0	4.0
Nominal exchange rate (vs. USD, eop)	1.36	1.35	1.32	1.35	1.34	1.32	1.36	1.28	1.27	1.27
Nominal exchange rate (vs. USD, avg)	1.35	1.36	1.38	1.34	1.38	1.34	1.34	1.31	1.27	1.27
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary Sector										
Monetary base growth (% yoy)	0.1	3.6	32.8	-	-10.7	2.1	8.8	-	-	-
Broad money growth (% yoy) ¹	3.9	5.0	13.2	-	1.8	4.6	6.0	-	-	-
Credit extension to private sector (% yoy) ²	3.0	3.1	-2.0	-	-2.3	-2.3	-2.3	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-
3-month interbank rate (% eop)	1.46	1.26	0.17	0.19	3.03	3.70	3.03	-	-	-
Long-term yield (% eop) ³	2.04	1.74	0.84	1.67	3.09	2.71	2.86	-	-	-
External Sector										
Current account balance (% of GDP)	16.0	16.0	17.5	19.8	18.4	17.7	17.5	16.7	16.4	16.1
Current account balance (US\$ bn)	81.2	82.5	84.3	116.1	129.3	120.0	128.3	132.0	103.0	105.0
Trade balance (US\$ bn)	140.3	131.4	141.9	162.8	220.7	211.1	197.9	230.4	220.0	220.0
Exports, f.o.b. (US\$ bn)	621.0	601.3	575.7	689.2	837.9	751.2	779.1	852.0	825.0	860.0
Electronic exports (US\$ bn)	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US\$ bn)	480.7	469.9	433.9	526.4	617.2	540.1	581.1	621.6	605.0	640.0
Service balance (US\$ bn)	10.9	20.4	10.0	49.9	59.1	42.9	59.4	49.1	45.0	45.0
Income balance (US\$ bn)	-70.0	-69.4	-67.6	-96.6	-150.6	-134.0	-129.0	-147.5	-162.0	-160.0
Foreign direct investment (US\$ bn)	81.2	105.3	78.4	138.5	140.8	157.9	160.0	159.2	-	-
International reserves (US\$ bn)	287.7	279.5	362.3	417.9	289.5	351.0	371.4	409.3	429.3	449.3
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.8	-0.2	-3.9	-2.0	-2.0	-0.3	0.5	0.8	0.0	-0.3
Central gov. budget balance (% of GDP)	0.7	0.2	-10.5	0.2	-0.1	-0.9	0.4	1.3	0.5	0.2
Consolidated gov. primary budget balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Consolidated public sector balance (% of GDP)	-	-	-	-	-	-	-	-	-	-
Central gov. revenues (% of GDP)	14.4	14.5	13.7	13.4	13.0	15.0	-	-	-	-
Debt Indicators										
Gross external debt (% of GDP)	411.0	425.3	488.9	430.2	377.7	408.6	407.1	391.0	-	-
Public (% of GDP)	-	-	-	-	-	-	-	-	-	-
Private (% of GDP)	411.0	425.3	488.9	430.2	377.7	408.6	407.1	391.0	-	-
Gross government debt (% of GDP)	107.5	124.7	146.3	132.6	153.9	169.5	173.1	166.1	-	-
Domestic (% of GDP)	107.5	124.7	146.3	132.6	153.9	169.5	173.1	166.1	-	-
External (% of GDP)	-	-	-	-	-	-	-	-	-	-
External debt amortizations (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt interest payments (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	40.7	40.6	39.5	43.8	40.6	38.9	39.7	38.7	-	-
Investment (% of GDP)	24.7	24.6	22.9	24.0	22.2	21.2	22.2	21.3	-	-
Memorandum Items										
Lending to housing (% yoy)	5.9	1.0	2.4	-	-	-	-	-	-	-
Central gov. expenditure (% of GDP)	15.2	14.7	17.7	20.0	15.6	14.9	-	-	-	-
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	4.5	5.7	4.6	3.2	1.3	0.9	2.1	2.4	2.7	2.8
Real GDP growth (% qoq, sa, annualized)	7.8	5.2	-1.3	0.8	1.6	2.4	2.8	2.8	2.8	2.8
CPI inflation (% yoy, eop)	0.7	1.2	1.8	2.0	2.2	2.4	2.3	2.1	1.8	1.6
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-
Nominal exchange rate (vs. USD, eop)	1.29	1.28	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27
Current Account balance (US\$ bn)	22.2	31.0	23.8	23.8	23.8	23.8	25.0	25.0	25.0	25

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 164: Taiwan

Selected economic and financial indicators

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

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 165: Thailand

Selected economic and financial indicators

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

Source: BofA Global Research

BofA GLOBAL RESEARCH



GEMs Tables – EEMEA

Exhibit 166: 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	918	1,051	1,184	1,310
GDP per capita (US\$)	15,481	15,699	15,908	18,182	18,422	21,600	24,477	28,149	31,841	35,370
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	0.2	3.0	3.5	3.0	2.7
Domestic demand growth (% yoy)	6.7	3.6	-2.9	8.1	5.1	-3.0	3.9	5.5	4.0	2.3
Real investment growth (% yoy)	15.8	1.9	-7.8	16.6	9.3	-16.9	2.8	12.4	9.3	-0.4
Real consumption growth (% yoy)	4.4	4.0	-1.5	6.0	4.0	1.0	4.2	3.9	2.6	3.0
Real private consumption growth (% yoy)	4.6	3.4	-3.4	6.3	4.9	-0.2	3.0	3.5	2.5	3.0
Real government consumption growth (% yoy)	3.8	6.1	4.5	5.0	1.2	4.6	7.7	5.0	3.0	3.0
Real export growth (% yoy)	6.8	5.3	-1.1	12.4	7.4	3.7	2.0	2.0	2.0	4.2
Real import growth (% yoy)	7.6	3.2	-2.6	16.2	6.8	-1.4	4.4	4.1	4.0	3.5
Prices										
CPI inflation (% yoy, eop)	1.1	3.4	2.4	8.6	16.6	6.2	4.7	2.4	3.9	3.0
CPI inflation (% yoy, avg)	1.7	2.3	3.4	5.1	14.3	11.6	3.7	3.6	3.3	3.6
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	4.20	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	4.18
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	-0.7	-2.2	-2.1
Current account balance (US\$ bn)	-10.6	-5.4	9.0	-9.9	-17.4	11.0	-8.3	-15.4	-26.2	-26.9
Trade balance (US\$ bn)	-13.3	-4.9	8.0	-9.1	-23.2	5.1	-6.7	-14.9	-36.0	-36.2
Exports, f.o.b. (US\$ bn)	242	247	252	312	342	363	361	390	422.4	458.8
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US\$ bn)	256	252	244	321	365	358	367	405	458.4	495.0
Service balance (US\$ bn)	25.3	26.9	26.0	31.3	37.9	42.7	43.4	44.4	51.0	54.7
Income balance (US\$ bn)	-25.2	-24.9	-22.5	-30.3	-27.4	-33.1	-30.8	-36.0	-40.5	-44.7
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	294	323
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	-6.7	-	-	-
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	-6.5	-6.8	-6.7	-6.4
General gov. revenues (% of GDP)	40.8	40.7	40.9	41.9	39.9	41.7	43.0	-	-	-
Debt Indicators										
Gross external debt (% of GDP)	61.1	59.0	62.4	53.2	53.9	53.1	50.3	50.7	-	-
Public (% of GDP)	24.1	21.5	22.1	17.4	17.1	17.5	17.9	18.1	-	-
Private (% of GDP)	37.1	37.5	40.3	35.9	36.8	35.7	32.3	32.7	-	-
Gross government debt (% of GDP)	48.2	45.2	56.6	53.0	48.8	49.5	55.1	59.0	63.3	67.1
Domestic (% of GDP)	26.4	26.1	36.9	38.2	34.7	35.2	40.1	43.5	-	-
External (% of GDP)	21.9	19.1	19.6	14.8	14.1	14.3	15.0	15.4	-	-
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	18.1	17.2	-	-
Investment (% of GDP)	21.4	20.7	18.8	21.8	22.1	17.7	17.8	17.9	-	-
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (sa, % yoy)	4.0	3.5	4.0	3.3	2.6	2.0	-	-	-	-
Real GDP growth (sa, % qoq, annualized)	3.6	4.1	-	-	-	-	-	-	-	-
CPI inflation (% yoy, eop)	2.9	2.4	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	4.75	4.00	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 167: 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	487	536
GDP per capita (US\$)	6956	6583	5631	6924	6640	6133	6365	6688	7518	8176
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	1.6
Domestic demand growth (% yoy)	2.0	1.3	-7.8	4.9	3.9	0.5	-0.6	2.1	1.4	1.4
Real investment growth (% yoy)	-1.2	-1.7	-14.8	-0.3	5.9	3.0	-3.9	-2.2	1.5	1.7
Real consumption growth (% yoy)	2.7	1.4	-4.5	4.7	2.2	0.6	0.7	2.7	1.9	1.9
Real private consumption growth (% yoy)	3.2	1.3	-6.1	6.0	2.6	0.2	1.0	3.6	2.3	2.2
Real government consumption growth (% yoy)	1.1	1.8	0.9	0.6	0.7	1.9	-0.1	-0.2	0.5	0.7
Real export growth (% yoy)	2.7	-3.3	-12.0	9.7	7.8	5.1	-2.8	-2.5	1.6	2.2
Real import growth (% yoy)	3.5	0.6	-17.6	9.7	15.0	3.9	-6.4	1.1	1.9	1.4
Prices										
CPI inflation (% yoy, eop)	4.5	4.0	3.0	5.9	7.2	5.2	3.0	3.6	4.2	3.0
CPI inflation (% yoy, avg)	4.6	4.1	3.3	4.5	6.9	5.9	4.4	3.2	3.8	3.5
Nominal wages (% yoy)	5.0	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	16.0	16.0
Nominal exchange rate (vs USD, avg)	13.2	14.5	16.5	14.8	16.4	18.5	18.3	17.9	16.5	15.8
Bilateral real exchange rate (% yoy, + dep)	-2.4	0.2	9.1	-5.8	-1.9	4.6	-4.8	-1.5	-11.5	-8.0
Monetary Sector										
Monetary base growth (% yoy)	9.1	4.2	3.6	5.3	14.0	8.9	27.5	11.7	3.8	3.5
Broad money growth (% yoy)	5.6	6.1	9.4	5.7	8.6	7.6	6.7	8.2	3.8	3.5
Credit extension to private sector (% yoy)	5.1	6.1	3.6	2.4	7.7	5.0	3.8	8.7	4.8	4.5
Central bank policy rate (% eop)	6.8	6.5	3.5	3.8	7.00	8.25	7.75	6.75	7.00	6.25
1-month interbank rate (% eop)	7.0	6.6	3.5	3.7	7.1	8.3	7.7	6.6	7.1	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	0.3	0.0
Current account balance (US\$ bn)	-11.9	-10.1	6.7	15.7	-1.3	-4.1	-2.6	-2.0	1.6	0.3
Trade balance (US\$ bn)	2.0	2.5	17.6	30.6	14.2	7.6	11.7	11.9	14.1	12.8
Exports, f.o.b. (US\$ bn)	94.4	90.0	84.7	121.7	123.8	112.4	111.4	114.2	120.4	117.4
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	106.3	104.6
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	57.6	57.9
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.9	-2.5	-5.7	-0.9	0.0	0.5	0.9	1.3	1.8	2.0
Central gov. budget balance (% of GDP)	-4.3	-6.1	-9.8	-5.1	-4.6	-4.6	-4.3	-4.1	-3.7	-3.6
Consolidated gov. primary budget balance (% of GDP)	-0.9	-2.5	-5.7	-0.9	0.0	0.6	0.7	1.2	1.6	1.8
Consolidated public sector balance (% of GDP)	-3.6	-5.0	-9.9	-4.6	-3.6	-4.4	-4.6	-4.2	-4.0	-3.8
Central gov. revenues (% of GDP)	23.5	23.6	22.1	24.7	25.1	24.3	24.6	25.9	26.0	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)	51.4	57.1	70.1	67.7	70.4	73.9	77.0	79.5	77.1	73.8
Domestic (% of GDP)	46.0	50.3	63.1	61.2	62.2	65.6	68.8	70.4	67.0	62.7
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	66.1	64.5	68.1
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	12.7	13.0
	3025	4025	1026	2026	3026	4026	1027	2027	3027	4027
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	1.6	1.5	1.8	1.2	1.2	1.2	1.3	1.5	1.7	1.8
Real GDP growth (% qoq, sa, annualized)	1.2	1.5	1.1	1.1	1.1	1.4	1.7	1.7	2.0	1.8
CPI inflation (% yoy, eop)	3.4	3.6	3.1	3.9	4.1	4.2	4.2	4.4	3.6	3.1
Central bank policy rate (% eop)	7	6.75	6.75	7	7	7	7	6.75	6.5	6.25
Nominal exchange rate (vs USD, eop)	17.3	16.6	17.1	16.5	16.5	16.0	15.4	15.7	16.0	16
Current account balance (US\$ bn)	-0.8	0.3	-2.0	0.1	-0.6	0.4	-2.0	0.4	-0.5	0.61

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 168: Türkiye

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	795.5	775.0	730.2	837.1	926.0	1130.0	1322.4	1597.0	1743.8	1985.5
GDP per capita (US\$)	9701	9320	8733	9885	10858	13236	15437	18579	20218	22941
Unemployment rate (%)	10.9	13.7	13.1	12.0	10.5	9.4	8.7	8.4	9.2	9.0
Population (millions)	82.0	83.2	83.6	84.7	85.3	85.4	85.7	86.0	86.3	86.5
Economic Activity										
Real GDP growth (% yoy)	3.5	1.3	1.8	11.8	5.4	5.0	3.3	3.7	2.8	4.9
Domestic demand growth (% yoy)	-0.3	-1.1	8.1	6.8	4.7	8.5	2.4	4.4	3.9	5.6
Real investment growth (% yoy)	0.8	-12.1	6.9	7.2	4.4	7.3	2.7	7.7	4.5	5.7
Real consumption growth (% yoy)	2.2	2.0	3.5	13.3	14.0	9.0	3.5	2.9	3.8	5.0
Real private consumption growth (% yoy)	0.8	1.4	3.6	15.6	16.2	10.5	4.3	3.2	4.0	4.7
Real government consumption growth (% yoy)	8.1	4.6	2.8	4.2	4.5	2.3	-0.8	1.3	2.7	6.4
Real export growth (% yoy)	9.5	4.7	-16.4	25.1	10.5	-2.3	0.1	1.3	0.9	3.1
Real import growth (% yoy)	-5.9	-5.4	6.8	2.1	8.3	12.1	-4.4	4.2	6.2	6.4
Prices										
CPI inflation (% yoy, eop)	20.3	11.8	14.6	36.1	64.3	64.8	44.4	30.9	28.5	23.0
CPI inflation (% yoy, avg)	16.3	15.2	12.3	19.6	72.3	53.9	51.0	34.9	30.2	25.0
Nominal wages (% yoy)	15.8	18.4	13.3	20.6	77.3	54.9	61.0	34.9	22.5	20.2
Nominal exchange rate (vs USD, eop)	5.3	6.0	7.4	13.0	18.7	29.5	35.3	42.9	51.7	59.6
Nominal exchange rate (vs USD, avg)	4.8	5.7	7.0	8.8	16.6	23.7	32.9	40.6	48.0	56.6
Bilateral real exchange rate (% yoy, + dep)	-13.3	-1.6	-9.2	-9.5	-8.4	3.7	10.7	7.5	6.1	3.8
Monetary Sector										
Monetary base growth (% yoy)	1.2	18.7	23.8	26.2	41.6	30.4	43.6	37.1	37.7	32.2
Broad money growth (% yoy)	18.2	27.8	33.4	51.8	62.0	65.9	39.1	39.4	34.0	27.0
Credit extension to private sector (% yoy)	13.8	12.0	34.4	34.2	53.3	55.7	38.2	45.7	42.0	35.0
Central bank policy rate (% eop)	24.0	12.0	17.0	14.0	9.0	42.5	47.5	38.0	32.0	26.0
1-month interbank rate (% eop)	24.1	10.8	17.5	14.3	10.3	43.6	48.8	38.0	32.0	26.0
Long-term yield (% eop)	15.9	11.5	17.1	13.9	10.2	23.7	27.2	27.1	25.0	24.0
External Sector										
Current account balance (% of GDP)	-1.8	1.9	-4.2	-0.8	-5.1	-3.7	-1.0	-1.9	-3.4	-2.5
Current account balance (US\$ bn)	-14.6	15.0	-31.0	-7.1	-46.7	-41.8	-13.0	-30.1	-60.0	-50.0
Trade balance (US\$ bn)	-54.0	-29.5	-49.9	-46.2	-109.5	-106.3	-82.2	-92.1	-105.5	-111.3
Exports, f.o.b. (US\$ bn)	177.2	180.8	169.6	225.2	254.2	255.6	261.8	273.3	270.0	274.0
main export - road vehicles	29.8	28.7	23.7	26.8	28.0	32.5	34.5	38.9	38.0	42.9
Imports, c.i.f. (US\$ bn)	231.2	210.3	219.5	271.4	363.7	362.0	344.0	365.4	385.4	385.3
Service balance (US\$ bn)	36.4	42.8	15.3	32.8	52.5	55.7	61.4	63.5	58.0	64.0
Income balance (US\$ bn)	-11.1	-11.8	-8.6	-11.5	-9.2	-11.8	-18.5	-23.3	-15.0	-12.0
Foreign direct investment (US\$ bn)	8.8	6.5	4.3	6.5	9.8	4.5	5.1	3.2	3.0	3.5
International reserves (US\$ bn)	93.0	105.7	93.6	111.2	128.7	140.9	155.2	184.0	154.0	155.0
Public Sector										
Central gov. primary budget balance (% of GDP)	0.0	-0.6	-0.8	-0.3	1.1	-2.6	-1.9	0.4	-0.4	-0.8
Central gov. budget balance (% of GDP)	-1.9	-2.8	-3.4	-2.7	-0.9	-5.1	-4.7	-2.9	-3.5	-3.9
Consolidated public sector primary balance (% of GDP)	0.0	-0.6	-0.9	-0.3	1.1	-2.6	-2.0	-2.9	-0.5	-0.9
Consolidated public sector balance (% of GDP)	-1.9	-2.9	-3.5	-2.8	-0.9	-5.1	-4.8	-3.0	-3.6	-4.0
Central gov. revenues (% of GDP)	19.9	19.9	20.0	18.9	18.3	19.2	19.5	20.4	20.6	20.8
Debt Indicators										
Gross external debt (% of GDP)	51.7	51.4	53.5	45.2	42.5	38.3	34.0	32.7	34.0	35.0
Public (% of GDP)	17.9	20.4	23.4	19.1	17.6	17.2	15.3	14.0	13.5	15.3
Private (% of GDP)	33.9	31.0	30.1	26.0	24.9	21.1	18.7	18.8	20.5	19.7
Gross government debt (% of GDP)	28.8	31.2	38.3	33.6	28.1	23.6	21.1	24.5	24.6	24.7
Domestic (% of GDP)	16.6	19.8	23.6	20.7	20.2	15.4	13.9	15.8	35.6	51.5
External (% of GDP)	11.3	11.5	11.2	12.9	7.9	8.2	7.2	8.7	7.8	6.6
External debt amortizations (US\$ bn)	56.8	55.9	47.1	47.0	38.0	43.0	50.4	66.4	66.3	66.2
External debt interest payments (US\$ bn)	9.7	10.5	10.0	9.2	11.2	9.7	12.3	12.8	10.5	8.6
External debt service (% of XGS)	27.5	26.5	26.8	19.2	13.5	16.5	18.7	22.4	22.0	27.3
Savings - Investment Balance										
Savings (% of GDP)	27.9	27.9	23.3	27.2	23.2	24.9	27.9	27.3	26.1	27.3
Investment (% of GDP)	29.8	26.0	27.5	28.0	28.3	28.6	28.9	29.2	29.5	29.8
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	3.8	3.4	3.0	2.6	2.2	2.8	4.4	5.1	5.2	4.8
Real GDP growth (% qoq, sa, annualized)	4.1	4.9	3.4	1.3	4.5	1.1	7.9	5.2	4.5	3.1
CPI inflation (% yoy, eop)	33.3	30.9	31.3	31.8	28.9	28.5	27.5	24.8	23.5	23.0
Central bank policy rate (% eop)	42.0	38.0	37.0	40.0	38.0	36.0	35.0	33.0	31.0	30.0
Nominal exchange rate (vs USD, eop)	41.6	42.9	44.5	46.5	49.0	51.7	53.7	55.7	57.8	59.8
Current account balance (US\$ bn)	6.9	-11.1	-28.2	-23.5	13.8	-22.0	-37.2	-19.7	32.1	-25.2

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 169: 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	441	489
GDP per capita (US\$)	23,691	24,017	23,498	27,678	27,940	31,662	31,819	35,812	40,410	44,818
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	2.4	3.0
Nominal exchange rate (vs EUR, eop)	25.7	25.4	26.2	24.9	24.1	24.7	25.2	24.2	23.8	23.3
Nominal exchange rate (vs EUR, avg)	25.6	25.7	26.5	25.6	24.6	24.0	25.1	24.7	24.0	23.6
Central bank policy rate (% eop)	1.75	2.00	0.25	3.75	7.00	6.75	4.00	3.50	3.50	3.50
External Sector										
Current account balance (% of GDP)	0.4	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	3.4	2.5
Trade balance (US\$ bn)	9.3	10.5	12.1	5.1	1.0	13.1	17.9	18.2	20.5	21.0
Exports, f.o.b. (US\$ bn)	161	156	144	175	185	197	197	215	247	276
Imports, c.i.f. (US\$ bn)	152	146	132	169	186	183	180	197	227	255
International reserves (US\$ bn)	143	150	166	174	140	148	146	176	184	195
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	-2.0	-2.5	-2.9
Debt Indicators										
Gross external debt (% of GDP)	77.8	75.5	80.3	71.9	68.1	62.3	62.6	68.5	-	-
Public (% of GDP)	15.5	14.8	16.8	16.4	16.8	13.2	11.6	12.5	-	-
Private (% of GDP)	62.4	60.7	63.5	55.5	51.3	49.1	51.0	56.1	-	-
Gross government debt (% of GDP)	31.7	29.6	36.9	40.7	42.5	42.2	43.3	42.8	43.5	44.2
Domestic (% of GDP)	19.3	17.7	23.3	28.9	30.5	31.7	33.4	32.6	-	-
External (% of GDP)	12.4	11.9	13.6	11.8	12.0	10.5	9.9	10.3	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 170: 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	394.3	451.1
GDP per capita (US\$)	2,688	3,213	3,801	4,157	4,587	3,777	3,619	3,253	3,555	3,988
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	55.00	50.00
Nominal exchange rate (vs USD, avg)	17.88	17.61	16.09	15.70	16.50	25.79	36.27	49.71	52.25	52.50
Central bank policy rate (% eop)	16.75	15.75	9.25	8.25	11.25	18.25	27.25	24.00	19.00	15.00
External Sector										
Current account balance (% of GDP)	-2.3	-3.4	-2.9	-4.3	-3.5	-1.2	-5.4	-4.4	-5.2	-3.3
Current account balance (US\$ bn)	-6.0	-10.9	-11.2	-18.4	-16.6	-4.7	-20.8	-15.4	-20.7	-15.0
Trade balance (US\$ bn)	-37.3	-38.0	-36.5	-42.1	-43.4	-31.2	-39.6	-51.0	-50.5	-37.0
Exports, f.o.b. (US\$ bn)	25.8	28.5	26.4	28.7	43.9	39.6	32.6	40.2	42.8	39.0
Imports, c.i.f. (US\$ bn)	63.1	66.5	62.8	70.7	87.3	70.8	72.1	91.2	93.3	76.0
International reserves (US\$ bn)	44.3	44.5	38.2	40.6	33.4	34.8	46.4	48.5	50.0	52.0
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	4.5
Central gov. budget balance (% of GDP)	-9.3	-7.7	-7.5	-7.1	-6.2	-6.0	-3.6	-8.5	-6.4	-6.0
Debt Indicators										
Gross external debt (% of GDP)	35.5	34.2	32.3	32.5	32.8	41.8	41.2	40.4	41.7	38.0
Public (% of GDP)	28.4	26.8	25.4	25.5	25.9	32.3	31.6	30.8	32.2	28.5
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	86.4	87.0	80.7
Domestic (% of GDP)	74.4	68.9	64.8	68.9	68.9	70.1	62.8	59.9	59.2	56.6
External (% of GDP)	18.1	16.9	18.0	19.0	19.5	25.1	27.3	26.5	27.8	24.1

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 171: 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	241	279	305
GDP per capita (US\$)	16,617	17,021	16,419	19,071	18,438	22,248	23,347	25,426	29,477	32,390
Economic Activity and Prices										
Real GDP growth (% yoy)	5.6	5.1	-4.5	7.2	4.2	-0.7	0.6	0.3	1.2	2.5
CPI inflation (% yoy, avg)	2.8	3.3	3.3	5.1	14.6	17.1	3.7	4.4	4.1	4.2
Nominal exchange rate (vs EUR, eop)	322	331	365	369	400	383	410	385	380	360
Nominal exchange rate (vs EUR, avg)	319	325	351	359	391	382	396	398	383	370
Central bank policy rate* (% eop)	0.90	0.90	0.60	2.40	13.00	10.75	6.50	6.50	6.25	5.25
External Sector										
Current account balance (% of GDP)	0.3	-0.6	-1.1	-4.4	-9.0	0.0	1.6	1.6	1.2	1.0
Current account balance (US\$ bn)	0.5	-1.0	-1.7	-8.0	-16.0	0.0	3.5	3.8	3.4	3.0
Trade balance (US\$ bn)	-2.9	-4.3	-2.1	-6.0	-16.8	-1.3	-1.4	-2.4	-	-
Exports, f.o.b. (US\$ bn)	105	104	101	119	128	136	129	136	-	-
Imports, c.i.f. (US\$ bn)	107	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	71.8	87.3
Public Sector										
General gov. primary budget balance (% of GDP)	0.3	0.2	-5.2	-4.9	-3.4	-2.1	0.0	-	-	-
General gov. budget balance (% of GDP)	-2.0	-2.0	-7.5	-7.1	-6.2	-6.8	-4.9	-5.0	-5.4	-5.6
Debt Indicators										
Gross external debt (% of GDP)	99.4	97.0	149.5	155.3	153.0	128.7	137.8	122.0	-	-
Public (% of GDP)	28.9	27.5	37.3	34.7	35.9	37.5	34.0	36.7	-	-
Private (% of GDP)	70.5	69.5	112.2	120.5	117.1	91.3	103.8	85.3	-	-
Gross government debt (% of GDP)	68.8	65.0	78.7	76.2	74.1	73.2	73.5	74.0	76.2	78.8
Domestic (% of GDP)	41.0	38.7	47.5	51.8	50.1	45.9	48.3	45.1	-	-
External (% of GDP)	27.8	26.2	31.2	24.4	24.0	27.3	25.2	28.9	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 172: Israel

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	375	399	411	490	525	511	542	611	719	782
GDP per capita (US\$)	42,234	44,107	44,594	52,281	54,984	51,872	54,294	60,335	71,049	77,259
Economic Activity and Prices										
Real GDP growth (% yoy)	4.1	3.6	-1.8	9.3	6.4	2.1	1.0	2.9	3.6	4.5
CPI inflation (% yoy, avg)	0.8	0.8	-0.6	1.5	4.4	4.2	3.1	3.0	2.2	2.1
Nominal exchange rate (vs USD, eop)	3.75	3.46	3.22	3.11	3.52	3.63	3.65	3.19	3.10	3.00
Nominal exchange rate (vs USD, avg)	3.59	3.56	3.44	3.23	3.36	3.69	3.70	3.45	3.10	3.04
Central bank policy rate (% eop)	0.25	0.25	0.10	0.10	3.25	4.75	4.50	4.25	3.75	3.50
External Sector										
Current account balance (% of GDP)	2.5	3.0	3.8	3.1	2.7	3.1	2.9	1.5	1.4	2.0
Current account balance (US\$ bn)	9.3	11.9	15.6	15.1	14.4	16.1	15.8	8.9	10.0	15.9
Trade balance (US\$ bn)	-16.7	-15.3	-11.8	-21.9	-26.5	-20.6	-26.3	-26.1	-32.4	-36.0
Exports, f.o.b. (US\$ bn)	60.2	60.4	59.0	69.6	79.6	73.0	70.0	76.2	78.9	83.6
Imports, c.i.f. (US\$ bn)	76.9	75.7	70.8	91.5	106.2	93.6	96	102	111	120
International reserves (US\$ bn)	115.3	126.0	173.3	213.0	194.2	204.7	215	230	240	250
Public Sector										
General gov. primary budget balance (% of GDP)	-2.8	-1.7	-8.7	-	-	-	-	-	-	-
General gov. budget balance (% of GDP)	-4.3	-4.4	-11.3	-5.1	-1.8	-7.1	-9.0	-6.5	-5.5	-5.1
Debt Indicators										
Gross external debt (% of GDP)	25.1	25.9	31.5	32.7	29.5	28.3	27.2	27.0	24.3	23.0
Public (% of GDP)	9.7	9.9	15.2	16.7	15.1	13.3	12.5	12.8	12.0	12.0
Private (% of GDP)	15.4	16.0	16.4	16.1	14.5	15.0	14.7	14.2	12.4	11.0
Gross government debt (% of GDP)	60.0	59.3	71.1	67.8	60.5	61.3	67.6	68.5	69.9	71.7
Domestic (% of GDP)	50.3	49.4	55.9	51.1	45.4	48.0	55.1	55.7	57.9	59.7
External (% of GDP)	9.7	9.9	15.2	16.7	15.1	13.3	12.5	12.8	12.0	12.0

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 173: Kazakhstan

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	173.0	176.0	168.1	193.0	224.2	259.6	285.6	307.3	337.4	358.5
GDP per capita (US\$)	9402.6	9444.5	8902.4	10091.0	11583.1	13257.7	14415.6	14905.0	16838.6	17668.8
Economic Activity and Prices										
Real GDP growth (% yoy)	4.1	4.5	-2.5	4.3	2.9	4.8	4.8	6.3	4.0	4.3
CPI inflation (% yoy, avg)	6.0	5.3	6.8	8.0	15.0	14.8	8.8	11.4	11.0	4.8
Nominal exchange rate (vs USD, eop)	375.2	381.2	420.7	431.7	461.0	453.6	524.5	507.1	520.0	520.0
Nominal exchange rate (vs USD, avg)	344.7	382.7	413.0	425.9	460.1	456.2	470.1	521.5	513.5	520.0
Central bank policy rate (% eop)	9.25	9.25	9.00	9.75	16.75	15.75	15.25	18.00	14.00	10.00
External Sector										
Current account balance (% of GDP)	-1.0	-4.0	-6.5	-1.4	2.9	-3.6	-1.7	-4.0	-2.9	-3.0
Current account balance (US\$ bn)	-1.8	-7.0	-11.0	-2.7	6.4	-9.4	-5.0	-11.8	-10.0	-10.6
Trade balance (US\$ bn)	19.2	14.9	2.7	22.2	35.0	19.8	17.6	11.5	9.1	13.7
Exports, f.o.b. (US\$ bn)	66.4	67.3	49.3	71.6	85.6	80.3	78.8	77.5	76.9	82.8
Imports, c.i.f. (US\$ bn)	47.2	52.4	46.6	49.5	50.6	60.4	61.2	65.9	67.8	69.1
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	57.0	57.7	51.8	50.6
Public (% of GDP)	7.1	7.6	9.1	9.5	6.9	5.4	4.6	5.6	5.3	5.5
Private (% of GDP)	85.6	83.1	88.5	75.5	64.7	57.3	52.4	52.1	46.4	45.1
Gross government debt (% of GDP)	24.3	23.7	27.0	26.5	23.9	20.4	22.1	24.6	23.5	25.1
Domestic (% of GDP)	15.6	14.5	17.0	17.2	15.3	13.1	15.6	17.7	17.1	18.4
External (% of GDP)	8.7	9.2	10.0	9.3	8.7	7.3	6.4	6.9	6.5	6.7

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 174: 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	312	410	473
GDP per capita (US\$)	3139	3190	2802	2791	2903	2140	1084	1311	1690	1909
Economic Activity and Prices										
Real GDP growth (% yoy)	0.8	5.5	-6.8	0.9	4.4	3.9	3.4	3.9	4.2	4.0
CPI inflation (% yoy, avg)	12.1	11.4	13.2	17.0	18.8	24.7	33.2	20.0	14.0	12.0
Nominal exchange rate (vs USD, eop)	307.0	307.0	379.5	414.9	461.0	911.7	1544	1440	1372	1428
Nominal exchange rate (vs USD, avg)	306.1	306.9	356.9	408.0	429.8	724.2	1520	1498	1359	1407
Central bank policy rate (% eop)	14.00	13.50	11.50	11.50	16.50	18.75	27.50	27.00	21.00	16.00
External Sector										
Current account balance (% of GDP)	1.1	-2.0	-2.9	-0.6	0.2	1.3	6.8	5.3	4.1	
Current account balance (US\$ bn)	7.3	-13.7	-16.0	-3.3	1.1	6.4	17.2	16.6	16.8	
Trade balance (US\$ bn)										
Exports, f.o.b. (US\$ bn)	61.2	65.0	35.9	46.9	64.2	55.8	53.0	58.2	59.0	
Imports, f.o.b. (US\$ bn)	40.8	75.8	52.3	51.4	58.2	47.7	39.8	40.6	40.9	
International reserves (US\$ bn)	42.6	38.1	36.5	40.2	37.1	32.9	40.9	45.5	49.0	50.0
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.8	-2.0	-1.9	-2.0	-1.7	-0.2	0.7	-0.9	-1.0	-0.2
Central gov. budget balance (% of GDP)	-1.8	-2.4	-3.0	-2.9	-3.4	-3.9	-2.0	-4.0	-4.5	-2.9
Debt Indicators										
Gross external debt (% of GDP)	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	36.4	35.0	35.3
Domestic (% of GDP)	12.9	12.6	13.1	13.5	13.6	23.6	25.6	23.6	22.8	22.9
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 175: 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	424	477	517
GDP per capita (US\$)	12,378	12,874	12,949	14,825	15,508	18,250	20,064	22,288	25,086	27,244
Economic Activity and Prices										
Real GDP growth (% yoy)	5.4	3.9	-3.5	5.5	4.2	2.3	0.9	0.6	0.4	2.7
CPI inflation (% yoy, avg)	4.6	3.8	2.6	5.0	13.7	10.5	5.6	7.3	8.1	4.0
Nominal exchange rate (vs EUR, eop)	4.66	4.78	4.87	4.95	4.95	4.97	4.97	5.10	5.15	5.25
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	5.50
External Sector										
Current account balance (% of GDP)	-4.6	-4.9	-5.1	-7.2	-9.6	-6.7	-8.2	-8.0	-7.2	-6.3
Current account balance (US\$ bn)	-11.2	-12.2	-12.8	-20.6	-28.3	-23.3	-31.2	-34.0	-34.1	-32.6
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)	-1.9	-3.3	-8.0	-5.8	-5.1	-4.7	-7.0	-	-	-
General gov. budget balance (% of GDP)	-2.8	-4.4	-9.3	-7.2	-6.5	-6.6	-9.3	-8.1	-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	62.9	-	-
Public (% of GDP)	20.4	20.3	29.1	28.3	25.3	29.5	31.5	34.2	-	-
Private (% of GDP)	29.5	31.0	35.5	28.4	30.2	28.6	23.7	28.7	-	-
Gross government debt (% of GDP)	34.6	35.2	46.9	48.6	48.1	49.3	54.8	58.9	60.8	63.1
Domestic (% of GDP)	14.8	15.4	18.3	21.7	23.9	20.9	24.5	25.6	-	-
External (% of GDP)	19.8	19.8	28.6	26.9	24.1	28.4	30.3	33.4	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 176: 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	1,285	1,330
GDP per capita (US\$)	29,360	29,567	24,339	31,921	38,510	36,157	35,528	34,558	33,198	32,760
Economic Activity and Prices										
Real GDP growth (% yoy)	3.2	1.7	-3.8	6.5	12.0	0.5	2.6	4.5	2.4	4.2
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)	3.00	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)	7.9	3.6	-4.5	4.6	11.7	2.1	-1.3	-2.6	-1.9	-2.2
Current account balance (US\$ bn)	70.0	32.4	-34.7	44.9	145.3	25.9	-16.3	-32.7	-24.2	-29.2
Trade balance (US\$ bn)	170.1	122.9	49.3	138.0	237.2	130.3	92.0	81.4	89.1	86.4
Exports, f.o.b. (US\$ bn)	294.4	261.6	173.9	276.2	411.2	320.2	305.8	311.0	321.1	314.3
Imports, f.o.b. (US\$ bn)	124.3	138.7	124.5	138.2	174.0	189.9	213.8	229.5	232.0	227.9
International reserves (US\$ bn)	496	499	453	455	459	436	437	460	448	438
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	-2.6	-1.7
Central gov. budget balance (% of GDP)	-5.2	-4.0	-10.2	-2.0	2.2	-1.8	-2.5	-5.8	-3.9	-3.2
Debt Indicators										
Gross external debt (% of GDP)	15.8	19.6	29.4	27.3	21.3	24.5	29.5	37.5	38.8	38.8
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	35.5	37.4
Domestic (% of GDP)	9.2	11.2	17.5	15.2	13.2	14.1	15.7	19.7	21.9	23.1
External (% of GDP)	7.7	9.2	12.2	10.3	8.1	8.9	10.2	12.0	13.5	14.3

Source: BofA Global Research

BofA GLOBAL RESEARCH



GEMs Tables – LatAm

Exhibit 177: 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	770.0	812.1
GDP per capita (US\$)	11,353	9,507	7,203	8,731	10,782	10,395	12,396	13,758	15,886	16,577
Unemployment rate (%)	9.6	11.0	12.0	7.0	7.0	6.0	6.4	7.5	7.0	6.5
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	3.5	3.5
Domestic demand growth (% yoy)	-2.9	-8.0	-11.0	13.2	8.9	0.5	-5.8	8.3	2.6	5.6
Real investment growth (% yoy)	-5.7	-16.0	-13.1	34.0	11.2	-2.0	-17.2	16.4	4.4	12.5
Real consumption growth (% yoy)	-2.2	-6.2	-10.6	9.1	8.3	1.1	-3.1	6.7	2.2	4.0
Real private consumption growth (% yoy)	-2.2	-6.1	-12.2	9.5	9.4	1.0	-2.9	7.9	2.7	4.7
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	9.8	3.5
Real import growth (% yoy)	-4.5	-18.7	-17.2	18.6	17.8	1.7	-10.2	27.0	7.1	10.6
Prices										
National inflation (% yoy)*	47.6	53.8	36.1	50.9	94.8	211.4	117.8	31.5	30.9	15.1
National inflation (% avg)*	34.3	53.5	42.0	48.4	72.4	133.5	219.9	41.9	33.2	21.0
Nominal wages (% yoy)	29.7	40.9	33.0	49.5	90.4	206.4	110.5	42.2	23.6	12.8
Nominal exchange rate (vs. USD, eop)	37.7	59.9	84.1	102.7	177.1	808.5	1,031.0	1,451.6	1,700.0	1,876.5
Nominal exchange rate (vs. USD, avg)	29.3	49.3	71.6	95.8	133.6	317.2	924.4	1,266.1	1,532.4	1,794.2
Bilateral real exchange rate (% yoy, + dep)	39.6	5.7	4.6	-13.4	-5.8	52.4	-39.7	10.2	-8.7	-2.2
Monetary Sector										
Monetary base growth (% yoy)	27.0	40.7	92.7	65.0	95.1	206.4	114.8	87.3	35.5	19.1
Broad money growth (% yoy)	12.0	29.7	92.7	65.0	95.1	206.4	114.8	87.3	35.5	19.1
Credit extension to private sector (% yoy)	32.6	19.3	52.7	65.0	95.1	206.4	114.8	87.3	35.5	19.1
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	-0.4	-1.2
Current account balance (US\$ bn)	-27.1	-3.5	2.7	6.6	-4.1	-21.0	5.7	-8.7	-3.3	-10.1
Trade balance (US\$ bn)	-0.7	18.2	14.6	18.7	12.4	-2.9	22.4	15.2	19.3	16.1
Exports, f.o.b. (US\$ bn)	61.8	65.2	54.9	78.0	88.5	66.8	79.8	87.2	90.4	92.3
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	71.2	76.2
Service balance (US\$, bn)	-8.9	-4.8	-2.5	-3.7	-6.8	-6.4	-5.8	-11.0	-9.1	-10.7
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	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	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	0.0
Central gov. revenues (% of GDP)	18.0	18.1	17.6	18.1	18.3	18.3	18.3	18.3	18.3	18.3
Debt Indicators										
Gross external debt (% of GDP)	45.5	52.3	75.1	62.4	57.4	57.4	57.4	57.4	57.4	57.4
Public (% of GDP)	26.4	28.9	37.3	31.0	28.5	28.5	28.5	28.5	28.5	28.5
Private (% of GDP)	19.0	23.4	37.8	31.4	28.9	28.9	28.9	28.9	28.9	28.9
Gross government debt (% of GDP)	66.0	75.4	102.2	90.1	79.2	76.0	78.2	69.5	62.8	62.8
Domestic (% of GDP)	39.4	39.4	39.4	39.4	39.4	39.4	39.4	39.4	39.4	39.4
External (% of GDP)	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1
Savings - Investment Balance										
Savings (% of GDP)	-	-	17.8	18.3	18.3	18.3	18.3	18.3	18.3	18.3
Investment (% of GDP)	-	-	16.7	16.2	17.2	17.2	17.2	17.2	17.2	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	2.9	3.6	3.7	4.0	3.1	3.5	3.6	3.7
Real GDP growth (% qoq, sa, annualized)	2.4	2.5	7.0	2.3	2.9	3.5	3.6	3.6	3.6	3.6
National inflation (% yoy, eop)	31.8	31.5	32.6	34.1	34.2	30.9	25.2	21.4	18.3	15.1
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-
Nominal exchange rate (vs USD, eop)	1,380	1,452	1,400	1,500	1,600	1,700	1,743	1,786	1,831	1,876
Current account balance (US\$ bn)	-1.6	1.1	-0.5	0.0	-1.6	-1.2	-3.5	-0.8	-2.8	-3.1

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 178: 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	2691	3009
GDP per capita (US\$)	9278	9008	7054	7951	9255	10350	10277	10687	12564	13998
Unemployment Rate (%) (PNAD)*	12.4	12.0	13.5	13.5	9.5	8.0	6.9	6.0	6.3	6.2
Population (millions)	207	208	209	210	211	212	213	213	214	215
Economic Activity										
Real GDP growth (% yoy)	1.8	1.2	-3.3	4.8	3.0	3.2	3.4	2.3	2.3	2.0
Domestic demand growth (% yoy)	2.5	2.2	-3.9	4.8	3.2	2.2	4.7	1.7	2.1	2.0
Real investment growth (% yoy)	5.2	4.0	-1.7	12.9	1.1	-3.0	6.9	2.9	1.0	1.0
Real consumption growth (% yoy)	2.0	1.8	-4.4	3.2	3.7	3.3	4.3	1.5	2.3	2.2
Real private consumption growth (% yoy)	2.4	2.6	-4.6	3.0	4.1	3.2	5.1	1.3	2.4	2.5
Real government consumption growth (% yoy)	0.8	-0.5	-3.7	4.2	2.1	3.8	2.0	2.1	2.1	1.1
Real export growth (% yoy)	4.1	-2.6	-2.3	4.4	5.7	8.9	2.8	6.2	6.0	10.0
Real import growth (% yoy)	7.7	1.3	-9.5	13.8	1.0	-1.2	15.6	4.5	5.0	10.0
Prices										
CPI inflation (% yoy, eop)	3.7	4.3	4.5	10.1	5.8	4.6	4.8	4.3	5.5	4.0
CPI inflation (% yoy, avg)	3.7	3.7	3.2	8.3	9.3	4.6	4.4	5.0	4.8	4.5
Nominal wages (% yoy)	5.5	3.7	6.8	-1.5	14.6	7.8	9.3	9.7	7.4	5.0
Nominal exchange rate (vs USD, eop)	3.87	4.03	5.20	5.58	5.22	4.84	6.19	5.50	4.95	4.75
Nominal exchange rate (vs USD, avg)	3.68	3.94	5.24	5.41	5.14	4.98	5.47	5.57	5.06	4.84
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary Sector										
Monetary base growth (% yoy)	1.8	4.8	36.3	-5.2	2.6	0.7	6.7	-0.9	7.8	6.0
Broad money growth (% yoy)	6.9	9.1	43.2	1.9	-1.2	-0.2	5.1	-1.9	8.0	5.0
Credit extension to private sector (% yoy)	5.1	6.5	15.7	16.4	14.5	8.1	9.5	8.0	6.0	7.0
Central bank policy rate (% eop)	6.50	4.50	2.00	9.25	13.75	11.75	12.25	15.00	13.25	12.50
1-month interbank rate (% eop)	6.40	4.40	1.90	9.15	13.65	11.65	12.15	14.90	13.15	12.40
Long-term yield (% eop)	-	-	-	-	-	-	-	-	-	-
External Sector										
Current account balance (% of GDP)	-2.8	-3.4	-1.6	-2.4	-2.2	-1.2	-3.0	-3.0	-2.2	-1.8
Current account balance (US\$ bn)	-53.8	-64.0	-24.2	-39.4	-42.0	-27.1	-66.2	-69.0	-59.4	-55.2
Trade balance (US\$ bn)	44.3	29.6	35.7	42.3	51.5	92.3	65.8	59.7	71.7	79.7
Exports, f.o.b. (US\$ bn)	239.5	225.8	210.7	284.0	340.2	343.8	339.9	350.5	352.5	363.4
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US\$ bn)	195.2	196.2	175.0	241.7	288.7	251.5	274.0	290.8	280.8	283.7
Service balance (US\$ bn)	-39.3	-38.5	-24.7	-27.0	-41.9	-43.8	-55.2	-52.9	-59.1	-60.9
Income balance (US\$ bn)	-58.8	-55.0	-35.2	-54.8	-51.6	-75.6	-76.8	-75.8	-72.0	-74.0
Foreign direct investment (US\$ bn)	78.2	69.2	38.3	46.4	75.5	62.8	74.1	77.7	74.0	75.5
Intercompany Loans (US\$ bn)	20.8	5.5	4.7	-0.4	18.4	9.9	9.5	9.9	9.5	9.6
International reserves (US\$ bn)	374.7	356.9	355.6	362.2	324.7	355.0	329.7	358.2	360.0	360.0
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.7	-1.2	-9.8	-0.4	0.5	-2.4	-0.4	-0.5	-0.4	-0.5
Central gov. budget balance (% of GDP)	-6.1	-5.4	-13.3	-4.9	-4.4	-8.0	-7.6	-7.5	-7.8	-7.4
Consolidated gov. primary budget balance (% of GDP)	-1.5	-0.8	-9.2	0.7	1.2	-2.3	-0.4	-0.4	-0.3	-0.4
Consolidated public sector balance (% of GDP)	-7.0	-5.8	-13.3	-4.3	-4.6	-8.8	-8.5	-8.3	-8.6	-8.2
Central gov. revenues (% of GDP)	21.3	22.1	19.3	21.4	23.0	21.5	22.7	22.8	22.8	22.2
Debt Indicators										
Gross external debt (% of GDP)	16.7	17.2	20.9	19.5	16.4	15.6	15.8	16.5	13.5	12.1
Public (% of GDP)	6.7	6.6	8.3	7.9	6.2	5.8	5.8	6.1	5.1	4.5
Private (% of GDP)	10.0	10.6	12.6	11.6	10.2	9.8	10.1	10.5	8.4	7.6
Gross government debt (% of GDP)	75.3	74.4	86.9	77.3	71.7	73.8	76.3	78.6	80.8	83.2
Domestic (% of GDP)	65.7	65.0	76.1	66.6	62.7	65.1	66.0	68.4	71.3	73.4
External (% of GDP)	9.6	9.4	10.8	10.7	9.0	8.8	10.2	10.2	9.5	9.8
External debt amortizations (US\$ bn)	110.2	92.7	93.5	80.0	94.7	112.3	131.4	121.3	125.0	125.0
External debt interest payments (US\$ bn)	15.2	18.5	11.9	11.9	11.9	19.7	21.4	19.8	21.0	21.0
External debt service (% of XGS)	52.4	49.3	50.0	32.4	31.4	38.4	45.0	40.3	41.4	40.2
Savings - Investment Balance										
Savings (% of GDP)	12.3	12.1	14.9	15.6	15.7	15.2	13.9	13.8	14.3	14.4
Investment (% of GDP)	15.1	15.5	16.6	17.9	17.8	16.4	16.9	16.8	16.5	16.2
	3025	4025	1026	2026	3026	4026	1027	2027	3027	4027
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	1.8	1.8	2.2	2.5	2.2	2.6	3.3	1.5	2.1	1.9
Real GDP growth (% qoq, sa, annualized)	0.1	0.6	3.4	2.7	1.1	3.8	4.5	-2.6	4.1	2.1
CPI inflation (% yoy, eop)	5.2	4.3	4.1	4.8	5.1	5.5	4.8	4.4	3.9	4.0
Central bank policy rate (% eop)	15.00	15.00	14.75	14.25	13.75	13.25	12.75	12.50	12.50	12.50
Nominal exchange rate (vs USD, eop)	5.32	5.50	5.22	5.00	5.00	4.95	4.90	4.85	4.80	4.75
Current account balance (US\$ bn)	-21.3	-14.1	-22.3	-9.7	-10.0	-17.4	-16.7	-10.0	-10.2	-18.4

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 179: Mexico

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026 F	2027 F
Summary Data										
Nominal GDP (US\$ bn)	1,265	1,300	1,086	1,309	1,483	1,832	1,778	1,871	2,118	2,177
GDP per capita (US\$)	10,092	10,269	8,500	10,152	11,399	13,963	13,436	14,033	15,765	16,082
Unemployment rate (%)	3.3	3.5	4.4	4.1	3.3	2.8	2.7	2.6	2.6	2.9
Population (millions)	125.3	126.6	127.8	129.0	130.1	131.2	132.3	133.4	134.4	135.3
Economic Activity										
Real GDP growth (% yoy)	2.0	-0.4	-8.6	6.3	3.7	3.1	1.1	0.8	1.3	1.5
Domestic demand growth (% yoy)	1.2	-0.6	-10.9	8.1	5.0	5.8	2.9	-0.5	1.8	1.3
Real investment growth (% yoy)	0.7	-4.4	-17.3	10.4	7.4	13.8	3.6	-6.4	0.5	1.4
Real consumption growth (% yoy)	1.7	0.5	-8.7	7.2	4.4	3.9	2.6	1.3	2.3	1.3
Real private consumption growth (% yoy)	1.5	0.9	-10.0	8.6	4.8	4.2	2.4	1.3	2.5	1.4
Real government consumption growth (% yoy)	3.1	-1.8	-0.7	-0.5	2.0	2.4	3.7	1.3	1.0	0.8
Real export growth (% yoy)	6.5	1.3	-7.2	7.3	9.6	-7.1	3.0	7.3	4.2	4.0
Real import growth (% yoy)	5.5	-1.0	-12.3	16.2	8.6	3.7	2.7	3.5	5.8	3.3
Prices										
CPI inflation (% yoy, eop)	4.8	2.8	3.2	7.4	7.8	4.7	4.2	3.7	4.6	4.0
CPI inflation (% yoy, avg)	4.9	3.6	3.4	5.7	7.9	5.5	4.7	3.8	4.2	4.2
Nominal wages (% yoy)	5.7	6.7	7.3	7.2	10.8	10.9	9.6	7.3	6.8	6.8
Nominal exchange rate (vs USD, eop)	19.65	18.93	19.91	20.53	19.50	16.97	20.83	18.01	17.50	18.50
Nominal exchange rate (vs USD, avg)	19.11	19.33	22.17	20.38	19.91	17.39	18.85	18.88	17.61	18.13
Bilateral real exchange rate (% yoy, + dep)	5.8	-5.0	4.2	5.0	-6.7	-12.0	17.5	-10.5	-3.9	4.1
Monetary Sector										
Monetary base growth (% yoy)	8.3	4.1	21.6	15.2	10.6	9.6	11.2	7.6	5.5	6.5
Broad money growth (% yoy)	6.6	7.0	11.0	9.7	10.0	10.4	13.6	7.5	4.0	5.0
Credit extension to private sector (% yoy)	10.3	5.7	0.6	4.3	12.6	12.7	12.6	6.9	9.9	11.3
Central bank policy rate (% eop)	8.25	7.25	4.25	5.50	10.50	11.25	10.00	7.00	6.50	6.50
1-month interbank rate (% eop)	8.59	7.56	4.48	5.72	10.77	11.50	10.25	7.38	6.81	6.81
Long-term yield (% eop)	8.84	6.81	5.39	7.53	8.73	8.46	9.38	8.19	7.25	7.25
External Sector										
Current account balance (% of GDP)	-2.1	-0.3	2.5	-0.3	-1.3	-0.7	-0.9	-0.4	-0.5	-0.3
Current account balance (US\$ bn)	-25.9	-3.9	26.9	-4.5	-18.7	-12.5	-16.7	-8.2	-10.3	-7.0
Trade balance (US\$ bn)	-13.8	5.2	34.2	-10.7	-28.3	-12.4	-18.6	0.8	-13.0	-6.5
Exports, f.o.b. (US\$ bn)	451.1	460.9	417.3	495.3	578.2	593.6	618.3	665.6	722.2	784.7
Main export - Autos	118.4	125.1	102.8	116.5	140.3	161.7	165.4	155.6	166.3	179.0
Imports, c.i.f. (US\$ bn)	464.8	455.8	383.2	506.0	606.5	605.9	636.9	664.8	735.1	791.2
Service balance (US\$ bn)	-13.8	-9.4	-12.4	-12.4	-15.5	-19.6	-9.1	-11.5	-10.9	-12.1
Income balance (US\$ bn)	1.7	0.4	5.2	18.6	25.1	19.4	10.9	2.5	13.5	11.6
Foreign direct investment (US\$ bn)	37.9	29.9	31.5	35.6	39.2	30.7	45.5	43.1	40.0	39.0
International reserves (US\$ bn)	174.6	180.8	195.7	202.4	199.1	212.8	228.8	252.1	260.0	270.0
Remittances (US\$ bn)	34.4	37.3	41.7	52.5	58.9	63.3	64.7	61.8	61.1	62.0
Price of main export commodity - oil (US\$ per barrel)	62.1	56.1	35.7	64.7	89.3	71.2	70.6	61.6	88.3	74.9
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.1	0.1	-0.1	-1.1	-1.1	-1.1	-2.5	-1.9	-0.7	-0.7
Central gov. budget balance (% of GDP)	-2.0	-2.0	-2.5	-3.1	-3.4	-3.8	-5.6	-5.1	-3.7	-4.0
Consolidated gov. primary budget balance (% of GDP)	0.6	1.1	0.1	-0.3	-0.4	-0.1	-1.5	-0.1	-0.1	-0.1
Consolidated public sector balance (% of GDP)	-2.0	-1.6	-2.8	-2.8	-3.2	-3.3	-5.0	-3.9	-4.0	-3.5
Public sector borrowing requirements (% of GDP)	-2.1	-2.3	-3.8	-3.7	-4.3	-4.3	-5.8	-4.9	-5.0	-5.0
Central gov. revenues (% of GDP)	16.0	15.9	17.0	16.2	16.2	16.4	16.5	17.0	16.4	16.6
Debt Indicators										
Gross external debt (% of GDP)	25.4	23.7	27.9	25.8	21.1	17.0	19.7	18.4	21.9	21.9
Public (% of GDP)	16.5	15.4	18.5	17.1	14.3	11.4	13.4	12.2	15.9	15.7
Private (% of GDP)	9.0	8.4	9.3	8.8	6.8	5.5	6.3	6.2	6.0	6.2
Gross government debt (% of GDP)	45.6	45.5	51.7	50.5	48.2	47.3	54.1	55.8	57.4	57.4
Domestic (% of GDP)	29.1	30.1	33.1	33.4	33.9	35.9	40.7	43.6	41.5	41.7
External (% of GDP)	16.5	15.4	18.5	17.1	14.3	11.4	13.4	12.2	15.9	15.7
External debt amortizations (US\$ bn)	7.6	23.0	18.4	22.2	13.4	8.1	4.2	6.0	15.7	9.5
External debt interest payments (US\$ bn)	7.3	7.8	8.0	8.8	8.4	8.7	7.6	6.0	12.6	8.7
External debt service (% of XGS)	3.3	6.7	6.3	6.2	3.8	2.8	1.9	1.8	3.9	2.3
Savings - Investment Balance										
Savings (% of GDP)	21.3	20.6	20.8	20.1	19.5	18.9	17.7	17.3	16.5	16.7
Investment (% of GDP)	23.1	22.1	20.0	20.8	21.6	23.8	24.4	22.7	22.5	22.4
	3025	4025	1026	2026	3026	4026	1027	2027	3027	4027
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	-0.1	1.8	1.3	1.6	1.5	0.8	1.1	1.0	1.6	2.3
Real GDP growth (% qoq, sa, annualized)	0.3	3.5	-0.2	2.1	0.8	0.3	1.1	1.8	3.2	3.3
CPI inflation (% yoy, eop)	3.8	3.7	4.6	3.6	4.4	4.6	4.0	4.3	4.0	4.0
Central bank policy rate (% eop)	7.50	7.00	6.75	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Nominal exchange rate (vs USD, eop)	18.31	18.01	17.94	17.50	17.50	17.50	17.75	18.00	18.25	18.50
Current account balance (US\$ bn)	1.6	7.7	3.9	-17.8	-6.1	9.7	2.6	-16.2	-7.3	13.9

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 180: Venezuela

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn, Exch rate adjusted since 2015)	104.9	78.7	51.1	52.1	57.4	59.7	62.6	82.2	101.9	112.0
GDP per capita (US\$)	3,630	2,758	1,798	1,839	2,028	2,115	2,227	2,931	3,645	4,017
Unemployment rate (%)	12.0	12.0	12.0	12.0	12.0	12.0	10.0	10.0	10.0	10.0
Population (millions)	28.9	28.5	28.4	28.4	28.3	28.2	28.1	28.0	28.0	27.9
Economic Activity										
Real GDP growth (% yoy)	-20.0	-25.0	-35.0	2.0	10.0	4.0	5.0	4.0	7.0	11.0
Domestic demand growth (% yoy)	-22.0	-27.5	-38.5	2.2	11.0	4.4	5.5	4.4	7.7	12.1
Real investment growth (% yoy)	-40.0	-50.0	-70.0	4.0	20.0	8	10	8	14	22
Real consumption growth (% yoy)	-20.0	-25.0	-35.0	2.0	10.0	4	5	4	7	11
Real private consumption growth (% yoy)	-20.0	-25.0	-35.0	2.0	10.0	4	5	4	7	11
Real government consumption growth (% yoy)	-21.0	-26.3	-36.8	2.1	10.5	4.2	5.25	4.2	7.35	11.55
Real export growth (% yoy)	-40.0	-42.5	-38.5	3.0	15.0	6	7.5	6	10.5	16.5
Real import growth (% yoy)	-40.0	-42.5	-38.5	2.2	11.0	4.4	5.5	4.4	7.7	12.1
Prices										
CPI inflation (% yoy, eop)	1698488	12341	3687	660	305	205	94	443	267	125
CPI inflation (% yoy, avg)	523290	1259565	3639	1374	482	255	149	268	355	196
Nominal wages (% yoy)	180979	1234	2581	726	320	215	99	465	272	128
Nominal exchange rate (vs USD, eop)	638	39368	1107199	5	17	36	52	296	1015	2243
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	311	161
Broad money growth (% yoy)	43945	5000	1300	600	394	230	122	356	311	161
Credit extension to private sector (% yoy)	41755	5000	1300	600	394	230	122	356	311	161
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 181: 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	376.0	416.2
GDP per capita (US\$)	15,871	14,615	13,008	16,087	15,158	16,806	15,849	16,866	18,444	20,276
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	1.8	2.9
Domestic demand growth (% yoy)	4.0	1.6	-7.9	18.5	3.0	-3.3	0.8	3.3	2.4	5.1
Real investment growth (% yoy)	5.1	4.4	-11.5	15.7	2.8	-1.1	-1.4	7.0	4.7	4.9
Real consumption growth (% yoy)	3.7	0.8	-6.8	19.3	3.1	-3.9	1.4	2.2	1.7	5.2
Real private consumption growth (% yoy)	3.8	1.0	-7.5	20.8	2.9	-5.2	1.0	1.9	2.5	6.3
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	3.4	3.0
Real import growth (% yoy)	8.1	-2.4	-12.7	31.8	0.9	-12.0	2.5	10.3	5.9	10.2
Prices										
CPI inflation (% yoy, eop)	2.1	3.0	3.0	7.2	12.8	3.4	4.5	3.4	4.3	3.2
CPI inflation (% yoy, avg)	2.3	2.3	3.0	4.5	11.6	7.3	3.9	4.2	3.9	3.7
Nominal wages (% yoy)	4.5	4.6	3.7	7.0	11.8	7.7	7.0	4.4	5.3	4.2
Nominal exchange rate (vs USD, eop)	696	745	711	852	851	881	995	916	890	850
Nominal exchange rate (vs USD, avg)	641	703	792	760	874	840	944	943	905	868
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	6.2	6.2
Broad money growth (% yoy)	11.2	9.4	6.9	11.4	6.8	2.7	6.1	6.1	6.2	6.2
Credit extension to private sector (% yoy)	10.1	9.4	2.5	7.9	-0.5	2.8	5.0	5.1	6.2	6.2
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	1.0	-0.3
Current account balance (US\$ bn)	-11.6	-10.5	-4.3	-20.3	-27.1	-11.9	-4.9	-6.3	3.9	-1.2
Trade balance (US\$ bn)	4.2	3.0	18.4	10.5	3.8	15.3	21.0	18.3	28.5	23.5
Exports, f.o.b. (US\$ bn)	74.7	68.8	73.5	94.8	98.5	94.6	99.2	105.1	125.8	131.8
main export - Copper	35.6	32.5	38.0	52.7	44.7	43.3	49.7	56.4	74.0	79.4
Imports, f.o.b. (US\$ bn)	70.5	65.8	55.1	84.3	94.7	79.2	78.1	86.9	97.3	108.3
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	-1.2	-0.6	-0.6
Central gov. budget balance (% of GDP)	-1.7	-2.9	-7.3	-7.7	1.1	-2.4	-3.0	-2.5	-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	-1.2	-0.6	-
Consolidated public sector balance (% of GDP)	-1.5	-2.7	-8.5	-8.3	1.1	-2.4	-3.0	-2.5	-1.9	-
Central gov. revenues (% of GDP)	21.9	21.5	19.9	23.9	25.9	22.7	22.4	22.8	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	44.1	-	-
Domestic (% of GDP)	17.3	17.5	18.8	22.5	27.7	26.0	27.9	29.1	-	-
External (% of GDP)	8.3	10.7	13.7	13.8	15.6	13.4	14.4	15.0	-	-
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 182: 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	568	585
GDP per capita (US\$)	6,922	6,535	5,382	6,140	6,704	7,070	7,976	8,640	10,623	10,873
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	3,500	3,900
Nominal exchange rate (vs. USD, avg)	2,956	3,281	3,693	3,807	4,347	4,319	4,155	3,995	3,562	3,750
Bilateral real exchange rate (% yoy, + dep)	7.5	-0.6	4.4	20.6	11.9	-21.6	12.0	-17.0	-11.4	9.3
Monetary Sector										
Monetary base growth (% yoy)	10.4	12.3	20.5	9.6	6.4	1.0	11.7	6.1	11.8	7.5
Broad money growth (% yoy)	5.6	7.8	13.9	12.0	14.0	-1.2	10.3	4.7	10.5	6.5
Credit extension to private sector (% yoy)	4.4	7.8	2.2	10.9	17.5	2.5	2.0	5.7	11.4	6.0
Central bank policy rate (% eop)	4.25	4.25	1.75	3.00	12.00	13.00	9.50	9.25	12.00	11.00
1-month interbank rate (% eop)	4.11	4.11	1.71	2.97	11.23	12.34	9.21	8.96	11.71	10.71
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	-14.8	-15.8
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	21.0	21.6
International reserves (US\$ bn)	48.4	53.2	59.0	58.6	57.3	59.6	62.8	64.0	65.2	66.4
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.3	0.4	-5.0	-3.6	-1.0	-0.3	-2.4	-3.5	-2.7	-1.7
Central gov. budget balance (% of GDP)	-3.1	-2.5	-7.8	-7.0	-5.3	-4.2	-6.7	-6.4	-6.7	-5.9
Consolidated gov. primary budget balance (% of GDP)	0.1	0.5	-5.3	-5.2	-1.4	1.6	-1.2	-2.0	-1.2	-0.2
Consolidated public sector balance (% of GDP)	-2.6	-2.4	-7.6	-7.1	-6.0	-2.7	-5.9	-5.6	-5.9	-5.1
Central gov. revenues (% of GDP)	15.1	16.2	15.3	16.1	16.2	18.7	16.5	16.3	17.3	17.6
Debt Indicators										
Gross external debt (% of GDP)	39.5	42.9	57.0	53.9	53.1	53.6	56.5	59.7	62.1	62.6
Public (% of GDP)	21.8	22.9	33.2	32.2	30.2	30.9	32.7	34.8	36.1	35.5
Private (% of GDP)	17.7	20.1	23.8	21.7	22.9	22.8	23.8	24.9	26.0	27.1
Gross government debt (% of GDP)	49.3	50.3	65.0	63.0	60.8	56.3	61.3	64.4	64.8	67.7
Domestic (% of GDP)	31.4	31.3	39.0	36.2	34.5	35.3	38.8	41.1	40.2	43.7
External (% of GDP)	16.6	16.0	23.0	24.5	24.8	19.4	21.1	23.3	24.6	24.0
External debt amortizations (US\$ bn)	15.7	13.2	14.6	15.1	19.3	15.7	16.5	18.6	21.8	22.0
External debt interest payments (US\$ bn)	5.8	7.5	6.5	6.9	11.7	12.1	12.7	12.1	11.6	12.0
External debt service (% of XGS)	40.0	40.5	55.2	43.1	42.3	40.6	42.5	44.0	46.7	45.9
Savings - Investment Balance										
Savings (% of GDP)	17.0	16.8	15.7	13.3	13.7	11.2	11.7	11.0	11.1	12.1
Investment (% of GDP)	21.2	21.4	19.1	18.9	19.8	13.5	13.5	13.4	13.7	14.8
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	3.6	2.3	2.3	2.5	2.1	2.9	3.0	3.0	2.8	2.6
Real GDP growth (% qoq, sa, annualized)	5.2	0.5	2.0	2.4	3.6	3.6	2.4	2.4	2.8	2.8
CPI inflation (% yoy, eop)	5.2	5.1	5.6	6.0	6.0	6.5	6.3	5.7	5.2	4.6
Central bank policy rate (% eop)	9.25	9.25	11.25	12.00	12.00	12.00	11.75	11.50	11.25	11.00
Nominal exchange rate (vs. USD, eop)	3,920	3,778	3,674	3,550	3,525	3,500	3,600	3,700	3,800	3,900
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 183: Peru

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	229.9	236.5	209.7	229.9	248.5	272.5	295.8	340.9	391.5	439.3
GDP per capita (US\$)									11,266	12,514
Unemployment rate (%)	6.7	6.6	13.9	10.9	7.7	6.8	6.5	6.0	6.1	6.0
Population (millions)	31.6	32.1	32.6	33.0	33.4	33.7	34.1	34.4	34.8	35.1
Economic Activity										
Real GDP growth (% yoy)	4.0	2.2	-10.9	13.4	2.8	-0.4	3.5	3.4	3.5	4.4
Domestic demand growth (% yoy)	3.6	2.8	-9.3	13.9	2.4	-1.0	4.0	5.8	3.1	3.0
Real investment growth (% yoy)	3.4	0.8	-17.3	25.0	0.7	-7.7	9.3	14.1	2.9	4.0
Real consumption growth (% yoy)	3.6	3.4	-7.0	11.1	2.9	0.9	2.7	3.5	3.1	2.6
Real private consumption growth (% yoy)	3.8	3.2	-9.9	12.5	3.5	0.1	2.8	3.6	3.3	2.8
Real government consumption growth (% yoy)	2.4	4.3	7.9	4.8	-0.2	4.9	2.1	2.8	2.4	2.3
Real export growth (% yoy)	2.9	0.9	-19.8	12.7	5.5	4.1	6.6	4.4	2.3	2.4
Real import growth (% yoy)	1.3	3.1	-13.6	14.8	3.6	1.3	8.4	12.8	3.2	3.6
Prices										
CPI inflation (% yoy, eop)	2.2	1.9	2.0	6.4	8.5	3.2	2.0	1.5	4.4	2.0
CPI inflation (% yoy, avg)	1.3	2.1	1.8	4.0	7.9	6.3	2.4	1.5	4.0	1.9
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	3.18
Bilateral real exchange rate (% yoy, + dep)	3.9	-1.4	8.7	10.5	-4.7	-2.7	2.5	-10.0	-6.8	-1.2
Monetary Sector										
Monetary base growth (% yoy)	7.3	5.2	33.2	13.1	-4.4	-3.2	10.7	5.9	8.9	6.0
Broad money growth (% yoy)	5.3	9.1	32.0	0.3	-1.1	1.2	10.4	6.5	9.0	6.2
Credit extension to private sector (% yoy)	9.0	7.0	12.8	5.7	2.5	0.5	1.2	4.9	7.4	5.0
Central bank policy rate (% eop)	2.75	2.25	0.25	2.50	7.50	6.75	5.00	4.25	4.25	4.25
1-month interbank rate (% eop)	2.75	2.25	0.23	2.25	7.45	6.86	4.95	4.20	4.20	4.20
Long-term yield (% eop)	5.64	4.21	3.51	5.90	7.97	6.68	6.69	6.00	6.00	6.00
External Sector										
Current account balance (% of GDP)	-1.2	-0.7	0.8	-2.2	-4.0	0.3	2.2	3.1	3.5	3.7
Current account balance (US\$ bn)	-2.8	-1.7	1.6	-5.1	-10.0	0.9	6.6	6.6	13.7	16.3
Trade balance (US\$ bn)	7.2	6.9	8.1	15.1	10.3	17.2	24.3	34.6	30.0	30.9
Exports, f.o.b. (US\$ bn)	49.1	48.0	42.8	63.1	66.2	67.5	73.1	93.1	88.0	88.1
Main export - Copper	14.9	14.0	13.0	20.7	19.7	23.4	23.9	28.1	33.4	36.0
Imports, f.o.b. (US\$ bn)	41.9	41.1	34.7	48.0	56.0	49.8	48.8	58.5	58.0	57.2
Service balance (US\$ bn)	-3.6	-4.2	-5.2	-8.0	-8.9	-8.0	-7.9	-8.2	-6.5	-7.0
Income balance (US\$ bn)	-6.5	-4.4	-1.3	-12.2	-11.4	-8.3	-9.8	-19.7	-9.8	-16.5
Foreign direct investment (US\$ bn)	5.9	4.8	0.7	7.1	11.2	4.3	6.8	11.8	12.0	12.5
International reserves (US\$ bn)	60.1	68.3	74.7	78.5	71.9	71.0	83.3	90.2	92.2	93.0
Price of main export commodity - Copper (US\$/ton)	296	273	280	422	398	383	415	448	533	621
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.8	-0.9	-7.9	-2.0	-0.8	-2.1	-1.8	-1.0	-0.5	-0.2
Central gov. budget balance (% of GDP)	-2.0	-2.1	-9.3	-3.4	-2.2	-3.6	-3.4	-2.5	-2.0	-1.7
Consolidated gov. primary budget balance (% of GDP)	-0.9	-0.2	-7.1	-1.0	-0.1	-1.1	-1.8	-0.6	-0.1	0.2
Consolidated public sector balance (% of GDP)	-2.3	-1.6	-8.7	-2.5	-1.7	-2.7	-3.5	-2.2	-1.7	-1.4
Central gov. revenues (% of GDP)	16.0	16.3	14.7	17.9	19.2	16.8	16.3	17.0	17.2	17.5
Debt Indicators										
Gross external debt (% of GDP)	30.5	31.3	38.7	40.8	37.7	35.0	36.9	37.4	37.7	38.3
Public (% of GDP)	15.3	16.8	23.6	26.7	24.6	22.6	23.9	24.6	24.8	25.0
Private (% of GDP)	15.2	14.5	15.1	14.1	13.2	12.4	13.0	12.8	12.9	13.3
Gross government debt (% of GDP)	25.3	26.2	34.0	35.3	33.3	32.3	32.0	30.2	29.1	28.3
Domestic (% of GDP)	16.7	18.1	19.7	16.4	16.3	17.1	14.9	12.4	11.1	10.1
External (% of GDP)	8.8	8.4	14.8	19.4	17.6	15.8	17.1	17.8	18.0	18.2
External debt amortizations (US\$ bn)	7.0	6.0	5.7	4.0	3.3	5.0	3.9	5.4	5.6	5.7
External debt interest payments (US\$ bn)	3.4	2.8	2.9	2.8	2.9	3.8	4.7	4.8	5.1	5.0
External debt service (% of XGS)	18.8	16.2	18.9	10.2	8.7	12.0	11.0	12.3	12.4	11.9
Savings - Investment Balance										
Savings (% of GDP)	19.9	19.6	19.1	18.6	16.8	17.7	22.7	25.4	25.8	24.2
Investment (% of GDP)	21.1	20.3	18.3	20.9	20.8	17.4	20.4	22.3	22.3	20.5
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	3.8	3.2	3.4	3.3	3.1	4.0	4.1	4.6	4.5	4.4
Real GDP growth (% qoq, sa, annualized)	5.6	1.5	3.6	2.4	4.9	4.9	4.1	4.5	4.5	4.5
CPI inflation (% yoy, eop)	1.4	1.5	3.8	4.1	4.7	4.4	1.9	2.0	2.0	2.0
Central bank policy rate (% eop)	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Nominal exchange rate (vs USD, eop)	3.47	3.36	3.45	3.40	3.30	3.20	3.20	3.20	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 184: Uruguay

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	64.6	61.3	53.6	61.4	70.2	77.3	80.9	85.2	90.9	94.6
GDP per capita (thous US\$)	18.4	17.4	15.2	17.3	19.7	21.7	22.6	23.7	25.2	26.2
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	4.0	4.5
Nominal exchange rate (vs USD, eop)	32.4	37.4	42.4	44.7	39.9	38.9	43.7	39.1	41.5	42.6
Nominal exchange rate (vs USD, avg)	30.7	35.3	42	43.6	41.2	38.8	40.3	40.9	40.3	42.0
Central Bank policy rate (% eop)	-	-	4.5	5.8	11.5	9.0	8.8	7.5	6.0	7.0
External Sector										
Current account balance (% of GDP)	-0.4	1.6	-0.8	-2.5	-3.7	-3.3	-1.0	-0.4	-0.7	-0.7
Current account balance (US\$ bn)	-0.3	1	-0.4	-1.5	-2.6	-2.6	-0.8	-0.4	-0.6	-0.6
Trade balance (US\$ bn)	3.3	3.8	2.4	4.5	4.2	2.7	4.1	4.0	3.7	3.7
Exports, f.o.b. (US\$ bn)	17.1	17.1	13.6	19.4	23.6	22.1	23.2	23.5	24.4	24.4
Imports, f.o.b. (US\$ bn)	13.8	13.3	11.2	14.9	19.4	19.3	19.1	19.5	20.7	20.7
International reserves (US\$ bn)	16.5	15.1	15.8	16.0	16.5	16.0	17.4	18.9	18.9	19.9
Public Sector										
Non financial public sector primary budget balance (% of GDP)	-0.6	-1.6	-2.9	-1.1	-1.0	-1.3	-1.0	-1.3	-0.9	-0.4
Non financial public sector overall budget balance (% of GDP)	-3.1	-3.8	-5.4	-3.2	-3.0	-3.3	-3.1	-3.4	-3.0	-2.5
Debt Indicators										
Gross external debt (% of GDP)	-	-	-	-	-	-	-	-	-	-
Public (% of GDP)	-	-	-	-	-	-	-	-	-	-
Private (% of GDP)	-	-	-	-	-	-	-	-	-	-
Gross government debt (% of GDP)	55.6	57.2	67.6	61.1	62.0	64.2	64.8	54.6	55.1	55.1
Domestic (% of GDP)	29	27.5	32.2	29.1	-	-	-	-	-	-
External (% of GDP)	26.6	29.7	35.4	32.0	-	-	-	-	-	-

Source: BofA Global Research

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Yield forecasts

Exhibit 185: Government Bond Yield and Swap Rate Forecasts

Developed Market Forecasts

		Jun-26	Sep-26	Dec-26	Mar-27	Dec-27
Bond yields						
US	O/N SOFR	3.66	3.41	3.16	3.16	3.18
	2y	3.75	3.65	3.50	3.50	3.50
	5y	3.90	3.80	3.75	3.75	3.85
	10y	4.35	4.30	4.25	4.25	4.25
	30y	4.85	4.80	4.75	4.75	4.90
Germany	3m Euribor	2.60	2.60	2.65	2.60	1.80
	2y	2.80	2.70	2.45	2.30	1.90
	5y	2.85	2.75	2.60	2.45	2.20
	10y	3.05	3.00	2.95	2.85	2.70
	30y	3.45	3.50	3.45	3.35	3.25
Japan	TONA	0.98	1.23	1.23	1.48	1.73
	2yr	1.45	1.70	1.75	1.95	2.00
	5yr	1.80	2.05	2.10	2.25	2.30
	10yr	2.35	2.55	2.60	2.70	2.80
	30yr	3.65	3.80	3.90	3.95	3.95
UK	2yr	4.60	4.40	4.25	4.05	3.70
	5yr	4.55	4.40	4.30	4.15	3.90
	10yr	5.00	5.00	5.00	4.85	4.50
	30yr	5.55	5.55	5.50	5.45	5.20
Canada	2yr	2.75	2.75	2.75	2.80	3.00
	5yr	3.15	3.25	3.30	3.35	3.45
	10yr	3.50	3.60	3.65	3.70	3.75
Australia	3m BBSW	4.35	4.35	4.35	4.35	3.85
	2y	4.70	4.50	4.30	4.10	3.35
	5y	4.80	4.60	4.50	4.35	3.70
	10y	5.00	4.80	4.70	4.60	4.00
Swap rates						
US	2y	3.60	3.50	3.35	3.37	3.37
	5y	3.60	3.50	3.42	3.40	3.50
	10y	3.95	3.85	3.68	3.70	3.70
Euribor	2y	3.00	2.80	2.55	2.40	2.00
	5y	3.00	2.85	2.65	2.50	2.20
	10y	3.10	3.00	2.90	2.80	2.60
Japan	2y	1.43	1.68	1.70	1.88	1.93
	5y	1.75	1.95	2.00	2.13	2.18
	10y	2.15	2.35	2.40	2.48	2.58
UK	2y	4.40	4.20	4.05	3.85	3.50
	5y	4.30	4.15	4.05	3.90	3.65
	10y	4.50	4.50	4.50	4.40	4.10
Canada	2y	2.65	2.65	2.65	2.70	2.90
	5y	2.95	3.05	3.10	3.15	3.25
	10y	3.25	3.35	3.40	3.45	3.50
Australia	3y	4.80	4.60	4.40	4.20	3.45
	10y	5.10	4.90	4.80	4.70	4.10

Source: BofA Global Research

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Global FX Forecasts

Exhibit 186: G10 FX Forecasts

Our end-2026 EUR-USD forecast is 1.20

	Spot	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
G3								
EUR-USD	1.17	1.14	1.17	1.20	1.22	1.23	1.24	1.25
USD-JPY	159	160	157	157	153	150	150	150
EUR-JPY	187	182	184	188	187	185	186	188
Dollar Bloc								
USD-CAD	1.37	1.38	1.37	1.36	1.35	1.35	1.35	1.35
AUD-USD	0.72	0.73	0.74	0.74	0.74	0.74	0.73	0.73
NZD-USD	0.59	0.58	0.58	0.58	0.59	0.59	0.60	0.61
Europe								
EUR-GBP	0.87	0.85	0.84	0.84	0.84	0.84	0.83	0.83
GBP-USD	1.35	1.34	1.39	1.43	1.45	1.46	1.49	1.51
EUR-CHF	0.92	0.91	0.92	0.93	0.94	0.94	0.95	0.95
USD-CHF	0.78	0.80	0.79	0.78	0.77	0.76	0.77	0.76
EUR-SEK	10.77	10.80	10.60	10.50	10.40	10.30	10.30	10.30
USD-SEK	9.18	9.47	9.06	8.75	8.52	8.37	8.31	8.24
EUR-NOK	10.90	11.20	11.30	11.20	11.00	10.90	10.80	10.70
USD-NOK	9.28	9.82	9.66	9.33	9.02	8.86	8.71	8.56

Forecast as of Apr-22-2026. Spot exchange rate as of Apr-22-2026. The left of the currency pair is the denominator of the exchange rate.

Source: BofA Global Research

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Exhibit 187: EM FX Forecasts

Our end-2026 USD-CNY forecast is 6.70

	Spot	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Latin America								
USD-BRL	4.97	5.00	5.00	4.95	4.90	4.85	4.80	4.75
USD-MXN	17.32	17.50	17.50	17.50	17.75	18.00	18.25	18.50
USD-CLP	894	890	880	870	865	860	855	850
USD-COP	3,579	3,550	3,525	3,500	3,600	3,700	3,800	3,900
USD-ARS	1375	1,400	1,500	1,600	1,700	1,800	1,900	1,900
USD-PEN	3.44	3.35	3.30	3.20	3.17	3.16	3.15	3.15
Emerging Europe								
EUR-PLN	4.25	4.23	4.21	4.17	4.15	4.15	4.15	4.15
EUR-HUF	365	360	355	350	345	345	345	345
EUR-CZK	24.35	24.30	24.10	23.80	23.50	23.40	23.30	23.30
USD-ZAR	16.47	16.50	16.50	16.00	15.40	15.70	16.00	16.00
USD-TRY	44.92	46.90	49.30	51.70	53.60	55.60	57.60	59.60
EUR-RON	5.09	5.10	5.13	5.15	5.17	5.20	5.23	5.25
USD-EGP	51.99	52.00	51.00	50.00	50.00	50.00	50.00	50.00
USD-ILS	3.00	3.00	2.95	2.90	2.90	2.85	2.80	2.80
USD-AED	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67
USD-KWD	0.31	0.30	0.30	0.30	0.30	0.30	0.30	0.30
USD-SAR	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
USD-QAR	3.65	3.64	3.64	3.64	3.64	3.64	3.64	3.64
Asian Bloc								
USD-KRW	1,479	1,490	1,440	1,395	1,380	1,365	1,350	1,335
USD-TWD	31.49	32.10	31.00	30.80	30.60	30.40	30.20	30.00
USD-SGD	1.27	1.28	1.26	1.25	1.25	1.24	1.24	1.23
USD-THB	32.22	33.00	32.00	31.00	30.00	30.00	30.00	30.00
USD-HKD	7.83	7.80	7.78	7.75	7.75	7.75	7.75	7.75
USD-CNY	6.82	6.90	6.80	6.70	6.70	6.70	6.60	6.60
USD-IDR	17,181	17,100	16,500	16,200	16,200	16,200	16,200	16,200
USD-PHP	60.14	60.00	57.50	57.00	57.00	57.00	57.00	57.00
USD-MYR	3.95	3.95	3.95	3.95	3.95	3.95	3.90	3.90
USD-INR	93.80	94.00	93.50	93.00	93.00	93.00	93.00	93.00

Forecast as of Apr-22-2026. Spot exchange rate as of Apr-22-2026. The left of the currency pair is the denominator of the exchange rate.

Source: BofA Global Research

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Commodities forecasts

Exhibit 188: BofA Global Research Commodity Price Forecasts

BofA Global Research estimates

	units	2024	1Q25	2Q25	3Q25	4Q25F	2025	1Q26F	2Q26F	3Q26F	4Q26F	2026	1Q27F	2Q27F	3Q27F	4Q27F	2027
WTI Crude Oil	(\$/bbl)	76	71	65	62	59	64	72	94	88	88	86	84	77	70	62	73
Brent Crude Oil	(\$/bbl)	80	75	67	66	63	68	78	103	95	94	93	89	82	75	67	78
US NY Harbor ULSD (HO) Cracks to Brent Crude Oil	(\$/bbl)	23	23	23	30	34	28	39	54	49	45	47	41	36	34	33	36
US RBOB Cracks to Brent Crude Oil	(\$/bbl)	17	17	21	16	15	17	19	21	26	16	21	13	23	21	12	17
NWE Low Sulphur Gasoil Cracks to Brent Crude Oil	(\$/bbl)	20	28	28	35	35	32	29	50	43	38	40	31	28	26	25	28
NWE Eurobob Cracks to Brent Crude Oil	(\$/bbl)	13	11	15	15	13	14	14	22	20	10	16	8	13	11	6	9
NWE 1% Residual Cracks to Brent Crude Oil	(\$/bbl)	-6	3	-1	-2	-4	-1	-7	-7	-3	-4	-5	-3	-2	-1	0	-1
NWE 0.5% Residual Cracks to Brent Crude Oil	(\$/bbl)	5	4	5	3	-3	2	-1	1	5	3	2	4	3	2	2	3
NWE 3.5% Residual Cracks to Brent Crude Oil	(\$/bbl)	-10	-11	-8	-11	-12	-11	-8	6	-3	-5	-3	-5	-5	-6	-7	-6
US Natural Gas	(\$/MMBtu)	2.41	3.65	3.44	3.07	3.00	3.29	4.65	2.95	3.30	3.90	3.70	4.80	3.35	3.70	4.15	4.00
EU TTF Natural Gas	(€/MWh)	35	47	36	33	30	36	33	83	90	93	75	75	40	40	45	50
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	2,852	2,637	3,000	2,900	3,250	3,500	3,163	3,500	4,000	3,750	3,250	3,625
Copper	(\$/t)	9,150	9,347	9,519	9,815	10,849	9,883	12,500	12,750	13,500	14,000	13,187	15,000	15,000	16,000	16,000	15,500
Lead	(\$/t)	2,071	1,969	1,946	1,966	2,056	1,984	1,984	2,050	2,000	2,050	2,021	2,250	2,217	2,217	2,217	2,225
Nickel	(\$/t)	16,829	15,578	15,153	15,031	15,143	15,226	17,460	18,000	20,000	20,000	18,865	19,000	19,000	19,000	19,000	19,000
Zinc	(\$/t)	2,778	2,835	2,639	2,830	3,051	2,839	3,250	3,000	2,750	2,750	2,938	2,500	2,500	2,500	2,500	2,500
Gold	(\$/oz)	2,387	2,862	3,289	3,458	4,125	3,433	4,700	4,500	5,000	5,750	4,988	5,200	5,000	5,000	4,500	4,925
Silver	(\$/oz)	28	32	34	40	52	39	75	65	75	85	75	75	71	71	65	71
Platinum	(\$/oz)	956	970	1,076	1,390	1,694	1,282	2,180	2,200	2,500	3,000	2,470	3,000	3,000	2,800	2,800	2,900
Palladium	(\$/oz)	984	962	991	1,173	1,478	1,151	1,800	2,250	2,500	2,500	2,263	2,250	2,000	1,800	1,600	1,913
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

Note: forecasts published on [Global Energy Weekly: Diverging fortunes of N. American nat gas 20 April 2026](#)

Source: Bloomberg, BofA Global Research estimates

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