

World at a Glance

It's been a long year

Key forecasts in FX, rates and commodities

A constant stream of news headlines has hit the wires to kick off the year. Yet markets have absorbed them without much change in the medium-term macro outlook. We leave our core FX, Rates and commodities forecasts unchanged.

G10 FX: no core changes, with small revision in AUD

We continue to mostly forecast gradual USD depreciation over the course of 2026. Our EUR/USD profile remains mostly flat in Q1 at 1.17, before gradually drifting to 1.20 by Q2 and 1.22 by YE. We do have a small upward revision to near-term AUD.

Interest rates: no changes in US 10yr yield outlook

For '26 our forecasts stay rooted in resilient US growth / spending, sticky high inflation, & a cautious cutting Fed. Our end '26 forecasts are 3.25% for 2Y & 4.25% for 10Y. We also do not make any changes in our core global rates forecasts.

EM Asia: USD/CNY appreciation to 6.80 end 2026

Our CNY forecast is USD/CNY 6.80 end-4Q compared with the Bloomberg consensus of 6.95. USD/CNY is moving ahead of our 1Q USD/CNY 7.00 forecast as export performance and daily USD/CNY PBoC fixings have supported appreciation expectations.

EEMEA: Tactical caution warranted

We turn cautious on EEMEA FX in the short term given excessive bullishness of investors. We are bullish the TRY, bearish CE3 FX & the ZAR in the short term. We also avoid crowded frontier FX (EGP & NGN).

LatAm: US and LatAm

We remain more constructive than consensus on the world's two main growth engines—the US and China—despite rising imbalances and policy risks. In the FX space, we retain a bullish bias in Brazil and Chile but are slightly more neutral in the rest of LatAm.

Commodities: changes to nat gas since last month

Despite recent geopolitical headlines, our oil forecasts remain unchanged. While we do have revisions in nat gas since last month, we otherwise do not have changes in our core energy and 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 92 to 94.

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FX, Rates and Commodities
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Next edition

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Contents

World At A Glance

G10	
US rates	3
USD	4
EU rates	5
EUR	6
JP rates	7
JPY	8
UK rates	9
GBP	10
CA rates	11
CAD	12
AU rates	13
AUD	14
NZD	15
CHF	16
NOK	17
SEK	18
EM Asia	
China	20
India	22
Indonesia	24
Korea	26
Hong Kong	28
Malaysia	29
Philippines	30
Singapore	31
Taiwan	32
Thailand	33
EEMEA	
South Africa	35
Czech Republic	37
Egypt	38
Hungary	39
Kazakhstan	40
Nigeria	41
Poland	42
Romania	43
Saudi Arabia	44
LatAm	
Brazil	46
Mexico	48
Argentina	50
Chile	51
Colombia	52
Peru	53
Uruguay	54
Venezuela	55
Commodities	
Oil	57
US gas	58
Gold	59
Copper	60
Aluminum	61
Appendix	
GEMs Macro Forecasts	63
GEMs Macro Tables – Asia	67
GEMs Macro Tables – EEMEA	75
GEMs Macro Tables – LatAm	81
Yield forecasts	85
Global FX forecasts	86
Global Commodity forecasts	87

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US rates: take me to your Fed leader

Mark Cabana, CFA

BofAS

Themes: stable rate forecasts

US rates have been range bound to slightly lower over recent months; we expect this to continue with resilient US growth, a cooling labor market, and distorted inflation data. Come Jan FOMC meeting, the market will have significantly more data as the BLS sorts through lingering shutdown delays. We expect the Fed to hold until there is a new (likely dovish) Fed Chair in mid '26 before cutting 50bps between Jun & July '26. Our near-term Fed expectations are lower than the Fed's own '26 projections.

Our favorite '26 year ahead views: (1) **duration**: long belly, given dovish Fed & US slowdown risk; (2) **curve**: steeper 5s30s curve given Fed reaction function & ongoing UST supply risks; (3) **inflation**: receive 5y real rates b/c Fed & upside inflation risk.

Forecasts: cautious cutting

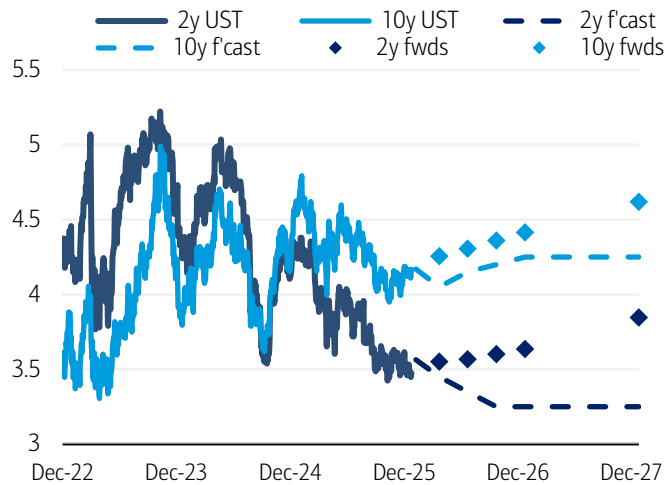
For '26 our forecasts are rooted in resilient US growth / spending, sticky high inflation, & a cautious cutting Fed. Our end '26 forecasts are 3.25% for 2Y & 4.25% for 10Y. Our forecasts are slightly below forwards but above consensus & rooted in our economists' expectations for Fed policy trough of 3-3.25% + economy that returns to trend by YE26.

Risks: tilted to downside

We continue to see risks of a decline in rates if growth / inflation slow materially and unemployment surprises to the upside. A more dovish Fed with a faster cutting cycle would also lower rates broadly. We see risks to a steeper UST curve & upside UST supply, especially if IEEPA tariffs are struck down. Rates could rise if the labor market strengthens & inflation picks back up, but we see a high bar for any Fed hikes.

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%

	Q1 26	Q2 26	Q3 26	Q4 26
O/N SOFR	3.68	3.41	3.18	3.18
2y Govt	3.45	3.35	3.25	3.25
5y Govt	3.60	3.55	3.50	3.50
10y Govt	4.05	4.15	4.20	4.25
30y Govt	4.65	4.65	4.70	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 3.95%

	Q1 26	Q2 26	Q3 26	Q4 26
2y	3.35	3.25	3.15	3.15
5y	3.40	3.35	3.30	3.30
10y	3.75	3.85	3.90	3.95
30y	4.05	4.05	4.10	4.10

Source: BofA Global Research estimates

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USD: blocking out the noise

Alex Cohen

BofAS

Themes: near-term vs. medium-term

While the dollar has appreciated broadly to start the year, the DXY remains within its appx. 9-month trading range. Fundamentally, the overarching conditions of the US economy remain intact. The theme of growth and consumption resilience continues, amid a more anemic labor market. That said, recent stability in data, and nascent upside labor market surprises has corresponded with the USD's early support. Consistently, the pricing of Fed cuts has moderated and the USD has proven resilient thus far to renewed concerns over Fed independence.

Nevertheless, we maintain our bearish USD view for the year. Much of this will hinge on the Fed's reaction function under the next Chair, as a dovish bias regardless of inflationary conditions should keep US real rates depressed. As several other major central banks' easing cycles come to an end— or even price in hikes—capital could eventually seek returns outside the US.

In the near-term, however, we see reason some of these upside risks could continue, and remain particularly attentive to recent data trends, geopolitical risks, and the impact of the pending US fiscal stimulus.

Forecasts: gradual USD depreciation

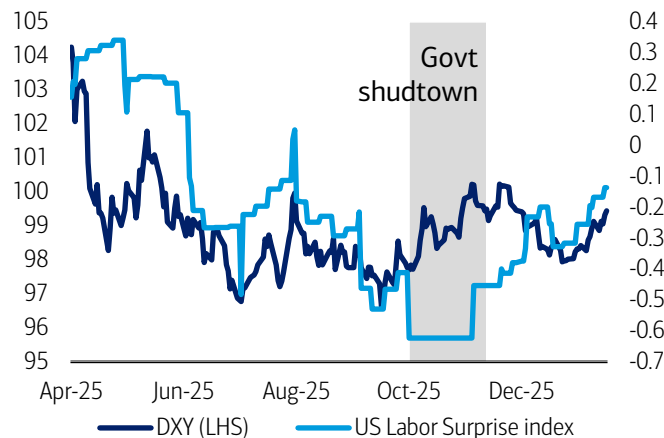
We continue to mostly forecast gradual USD depreciation over the course of 2026. Our EUR/USD profile remains mostly flat in Q1 at 1.17, before gradually drifting to 1.20 by Q2 and 1.22 by YE. We still see USD/JPY upside during H1, though have the pair ending the year at 155, slightly below current spot levels.

Risks: Positioning, data & the Fed

FX positioning remains net-short USD, and consensus appears mostly bearish. This could help magnify upside dollar risks should US labor data continue to improve and/or if the Fed under new leadership struggles to reach consensus on incrementally easier monetary policy.

Exhibit 4: USD's rally to start the year has corresponded with upside labor data

DXY vs. Bloomberg's US labor market surprise index



Source: Bloomberg; BofA Global Research.

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Exhibit 5: USD forecasts

EUR forecast is 1.22 for the end of 2026

	Q1 26	Q2 26	Q3 26	Q4 26
EUR-USD	1.17	1.20	1.21	1.22
USD-JPY	160	158	156	155

Source: BofA Global Research estimates

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Exhibit 6: Major macro forecasts

Looking for modestly better growth in 2026

	2025F	2026F	2027F
Real GDP (% yoy)	2.2	2.8	2.1
CPI (% yoy)	2.7	2.7	2.4
Policy Rate (end of period)	3.625	3.125	3.125
GenGov Bal (%/GDP)	-5.8	-5.8	-5.7
CurAct Bal (%/GDP)	-3.9	-3.5	-3.5

Source: Bloomberg and BofA Global Research estimates

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EU rates: data to prompt another cut

Sphia Salim
MLI (UK)

Ronald Man
MLI (UK)

Themes: onus on data to force another cut, but it's possible

The ECB raised its growth and inflation projections in December and the market has almost removed all further rate cut expectations. These projections rely on higher consumption, stronger private investment, and foreign demand. Our economists believe the bar for downside surprises is low and data will ultimately disappoint. Ignoring persistent inflation undershoot of potentially more than two years may also hurt the ECB's credibility, with consequences for financial conditions and inflation expectations.

Limited paying flows so far from Dutch pension funds that transitioned from defined benefit to defined contribution on 1 Jan 2026 contributed to flattening pressures at the back-end of the curve. We still expect the back-end to steepen this year on net paying needs from Dutch pension funds, but the path may be volatile. Many issuance plans of euro debt agencies were adjusted for 2026 to reduce pressure on long-dated bonds.

Forecasts: 10y Bund to trough at 2.65%

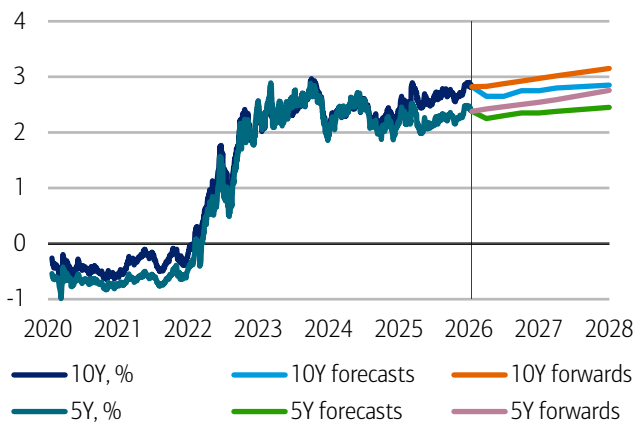
Our base case is for a weak inflation outlook to prompt the ECB to lower rates in March 2026. We do not expect any changes to the ECB's quantitative tightening approach. We forecast 10y Bund yield to trough at 2.65% through 2Q26 before rising to 2.75% in 2H26. We expect German swap spreads to tighten on projected supply-demand imbalance, especially at 5-10y. For periphery spreads, we see further tightening on structural flows, growth pick-up, and a still low vol environment, although current significant long positioning is a risk near-term. We forecast gross European government bond supply to rise to a record €1,480bn in 2026, and net supply to investors excluding the ECB to exceed €820bn.

Risks: German fiscal, uncertainty, risk-off, credit rating, receiving needs, supply

Downside risks are disappointing implementation of Germany's fiscal package, trade uncertainty resurfacing, collapse in global equities, negative political developments in France that weigh on euro area integration. Upside risks are better than expected implementation and 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 that stem from the US, negative rating decisions.

Exhibit 7: German rates – yield forecasts and forwards*

Our forecasts are below the forwards



Source: BofA Global Research, Bloomberg. *Forwards as of 15-Jan

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Exhibit 8: Germany bond yield forecasts, %

We expect 10y Bund yields to trough through 2Q26 at 2.65%

	Q1 26	Q2 26	Q3 26	Q4 26
3m Euribor	1.85	1.90	1.90	1.90
2y Govt	1.90	1.95	2.00	2.05
5y Govt	2.25	2.30	2.35	2.35
10y Govt	2.65	2.65	2.75	2.75
30y Govt	3.30	3.25	3.35	3.40

Source: BofA Global Research

Exhibit 9: Euribor swap rate forecasts, %

We incorporate the ECB cutting the deposit rate to 1.75% by Mar26

	Q1 26	Q2 26	Q3 26	Q4 26
2y	2.05	2.05	2.10	2.15
5y	2.35	2.35	2.40	2.40
10y	2.70	2.65	2.70	2.70
30y	3.10	3.05	3.10	3.15

Source: BofA Global Research

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EUR: time to deliver

Michalis Rousakis

MLI (UK)

Themes: Cautious near term but dips remain opportunities

We stay bullish on EUR for 2026, except vs GBP and the Scandies, seeing a lower bar for upside European surprises vs mid-2025. We look for EUR-USD at 1.22 by YE 2026 (though we expect most USD weakness post Q1), EUR-JPY at 189, and EUR-GBP at 0.84.

Near term we are slightly cautious on EUR: the positive developments we count on (lower US rates, China stimulus, hedging, impact of German fiscal) will likely materialize gradually or after Q1. Relatedly, the US economy is set to receive a fiscal boost in Q1, and our economists expect the final ECB cut in March (see [Euro Area Watch 7 Jan '26](#)).

Structurally, however, we continue to see EUR dips as opportunities. We focus on real rates: our economists anticipate US-EA growth convergence in 2H. The EA growth acceleration we expect from late 2026 is owing to the German fiscal package and a recovery in external demand (we count on China easing in late 1Q/early 2Q). At the same time, we expect EA inflation to remain the lowest in G4, with our economists forecasting an EA inflation undershoot, not an overshoot. Ultimately, fiscal hopes in Europe (outside France) remain in contrast with fiscal fears in the other G4 economies, whereas the ECB would not mind a touch of “exorbitant privilege” (see [EUR report 12 Jan '26](#)).

Europe sentiment meanwhile remains below its mid-'25 highs. Upside risks to our EUR base case include common borrowing for defence, progress on reforms (savings and investment union, 28th regime), and fast German spending. The likely signing of a deal with Mercosur or progress in the India trade talks could help at the margin. As for the impact of higher US-EA trade uncertainty or Greenland developments - it's not clear-cut.

Forecasts: no changes. We are constructive and slightly above consensus

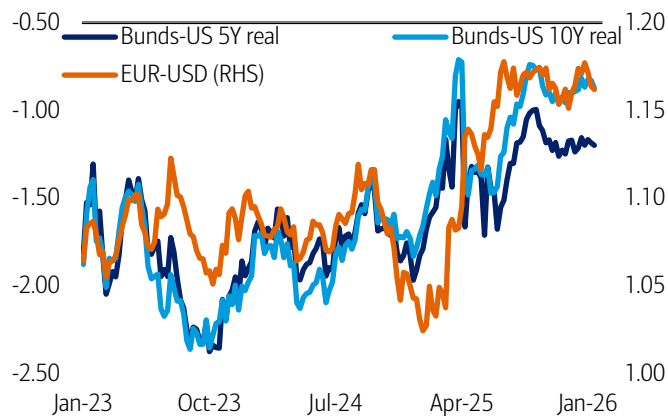
We forecast EUR-USD at 1.22 by end-26 and 1.25 by end-27, vs Bloomberg consensus median forecasts of 1.20 for end-2026 and 1.21 for end-2027.

Risks: US data resilience, Fed independence, delays in German fiscal, France

Downside risks to our bullish EUR forecasts include US growth reacceleration, slow delivery of German fiscal, a fresh French crisis, and higher energy prices. Upside risks include acute Fed independence concerns, front-loaded German fiscal, and EU reforms.

Exhibit 10: We expect real rates to offer more support to EUR this year

US vs. Germany real rates (5Y & 10Y) in percentage points vs. EUR-USD (rhs)



Source: BofA Global Research, Bloomberg. US real = TIPS. For Germany we use nominal Bund yields and zero-coupon inflation swaps. Weekly data as of Jan 16.

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Exhibit 11: EUR forecasts

Our forecast is 1.22 for EUR-USD at end of 2026

	Q1 26	Q2 26	Q3 26	Q4 26
EUR-USD	1.17	1.20	1.21	1.22
EUR-JPY	187	190	189	189

Source: BofA Global Research estimates

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Exhibit 12: Major macro forecasts

Growth soft in our 2026 outlook

	2025F	2026F	2027F
Real GDP (% yoy)	1.4	1.0	1.4
CPI (% yoy)	2.1	1.6	1.6
Policy Rate* (end period)	2.00	1.75	1.75
Gen Gov Bal (%/GDP)	-3.3	-3.6	-3.5
CurAct Bal (%/GDP)	2.3	2.4	2.1

Source: Bloomberg and BofA Global Research estimates

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JP rates: Focus returns to fiscal risks

Tomonobu Yamashita

BofAS Japan

Key theme: A snap election is likely to take place

Media reports suggest that Prime Minister Sanae Takaichi may dissolve the Lower House at the start of the ordinary Diet session on January 23, heightening fiscal concerns in the market. If dissolution occurs on that date, the passage of the FY2026 initial budget and the Special Deficit-Financing Bond Act would likely be delayed until April or later.

However, even in this scenario, we do not expect any reduction in the planned issuance size at the April JGB auctions. Furthermore, regardless of whether (1) the LDP (Liberal Democratic Party) secures a single-party majority or (2) loses seats, the risk of further fiscal expansion remains elevated, and the likelihood of a reduction in total FY2026 expenditures appears low(see [Japan Rates Watch: Special Deficit-Financing Bonds issuance may halt, but net JGB supply still set to rise 15 January 2026](#)).

Forecast: Supply-demand imbalance remains a concern

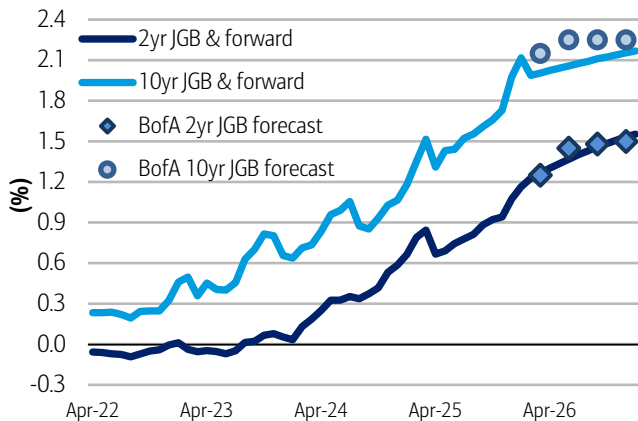
We expect 10-year JGB yields to rise to around 2.25% by end-2026, given that net JGB supply is set to increase while demand from domestic investors remains subdued.

Risk: Ruling LDP Could Fall into Opposition

If the ruling LDP were to fall into opposition in the upcoming Lower House election, the entire JGB curve would likely sell off more than we currently expect, as major opposition parties advocate aggressive stimulus and gross JGB supply is likely to increase further.

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 2.25%

	Q1 26	Q2 26	Q3 26	Q4 26
TONA	0.73	0.98	0.98	0.98
2y Govt.	1.25	1.45	1.48	1.50
5y Govt	1.65	1.80	1.83	1.85
10y Govt	2.15	2.25	2.25	2.25
30y Govt	3.50	3.60	3.60	3.60

Source: BofA Global Research

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Exhibit 15: Swap rate forecasts

Our Japan 10yr swap rate end-2026 forecast is 2.05%

	Q1 26	Q2 26	Q3 26	Q4 26
2y	1.23	1.43	1.45	1.47
5y	1.60	1.75	1.78	1.79
10y	1.95	2.05	2.05	2.05

Source: BofA Global Research

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JPY: above 150 throughout 2026

Shusuke Yamada

BofAS Japan

Themes: Outflows, BoJ behind the curve, fiscal risk

In the near term, the yen is likely to trade on the theme of a potential snap election. Medium term, the implications are not entirely one-sided toward yen weakness, but specs are likely to interpret "snap election = acceleration of Sanaenomics = weaker yen" and increase yen selling. Outward investment by Japanese investors also adds to the yen weakness. We think FX intervention risk rises in the ¥162-165 range for USD/JPY, but two consecutive days of more than 1% gains in USD/JPY could trigger earlier intervention.

For details, see [Japan Watch: Media reports on potential snap election — Impact on JPY & yen rates 12 January 2026](#); [FX Watch: Japan BoP: Signs of renewed widening in the services deficit 13 January 2026](#).

Forecasts: USD/JPY to stay above 150

We expect USD/JPY to stay above 150 throughout 2026. We expect USD/JPY's peak at around 160 in 1Q26, but the risk is an extension of USD/JPY's rally on a US economic strength.

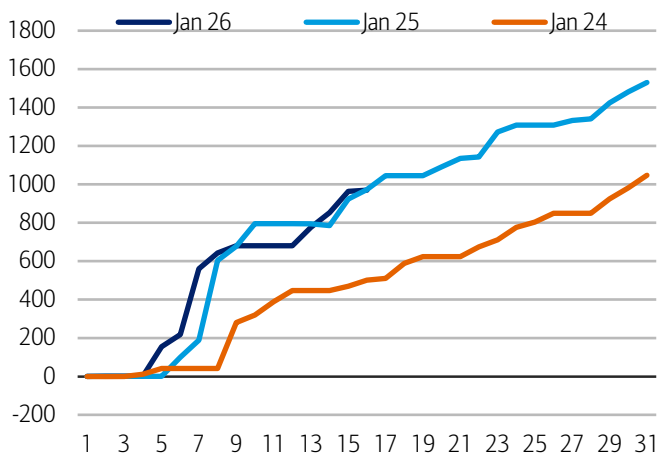
Risks: US economy and Japan's politics

The biggest swing factor is the US economy. Reacceleration in the US economy would put USD/JPY in the driving seat and USD/JPY above 160 would urge the BoJ to hike. A US economic recession could lead to more drastic Fed rate cuts and send USD/JPY notably lower.

Japanese politics mainly post downside risk to JPY in the near-term. A political turmoil could delay BoJ hikes while a clean electoral victory by Takaichi could be seen by the market as a catalyst for her dovish stance on the macroeconomic policy mix to strengthen. The earliest timing of a snap election is January, in our view.

Exhibit 16: Estimated cumulative net inflow to major foreign asset Toshins in Jan (¥tn)

YTD flows tracking the 2025 pace



Source: BofA Global Research, Bloomberg

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Exhibit 17: JPY forecasts

We look for 2026 year-end USD-JPY of 155

	Q1 26	Q2 26	Q3 26	Q4 26
USD-JPY	160	158	156	155
EUR-JPY	187	190	189	189

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 1.00%

	2025F	2026F	2027F
Real GDP (% yoy)	1.3	0.7	0.8
CPI (% yoy)	3.1	1.9	2.1
Policy Rate (end of period)	0.75	1.00	1.50

Source: Bloomberg and BofA Global Research estimates

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UK rates: performance in motion

Agne Stengeryte
MLI (UK)

Mark Capleton
MLI (UK)

Strong start of 2026

Since the start of 2026, Gilt yields have rallied meaningfully across the curve, outperforming USTs and Bunds. In swaps, the Sonia curve out-flattened SOFR, but the lack of significant paying from Dutch pension funds — and some receiving by this investor group — since the start of the year meant that long-end EUR swaps outperformed their Sonia peers. The year-to-date performance is likely a combination of: (1) pent-up demand caused by the Autumn Budget’s close proximity to year-end; (2) the DMO’s launch of the T-bill consultation in January, which once again reminded the market of its proactive WAM-management approach; (3) constructive supply dynamics - Gilt supply divergence, particularly relative to Germany, generally lower supply this quarter and confirmation that the January syndication will be 5 ¼ 2041; and (4) the front-end rally with market seeing more potential for BoE rate cuts versus the ECB and the Fed. Our FX and Rates Sentiment Survey conducted on 9 - 14 January showed investors turning more bullish on UK duration vs. both core Europe and the US, in line with the price action (for more, see [Long EM. long risk](#) published on 16 January).

Forecast: staying constructive Gilts relative to swaps and cross-market

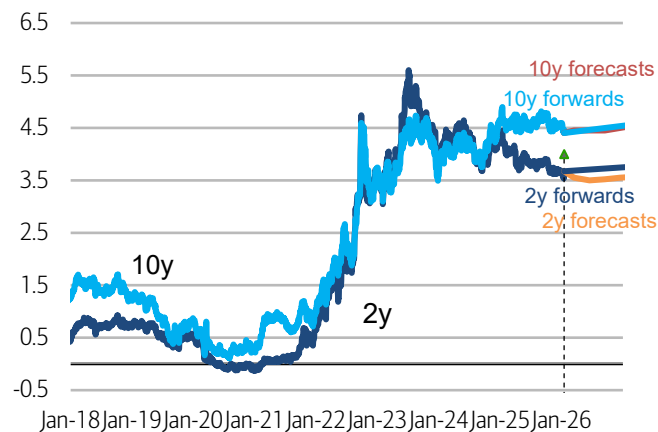
Our Bank Rate call implies 3m and 2y Sonia increasingly below the forwards in the first half of the year. Further out, our Sonia forecasts lie broadly in line with the forwards but exhibit slight underperformance in the belly of the curve. This can be remedied if the DMO addresses Gilt supply distribution further in March/April. We remain confident that our anticipated drop in Gilt supply in 2026-27 and the ongoing WAM shortening should support Gilts relative to Sonia and cross-market (Germany in particular).

Risks: Growth, inflation, fiscal and global trade remain in focus

Downside risks to our rate forecasts include a growth shock and/or greater/longer-lasting weakness in demand further mitigating inflationary pressures. Upside risks include greater persistence in domestic wage- and price-setting exacerbating the persistence of inflation and/or intensification of fiscal worries. Global trade and geopolitics will be important in the context of global growth prospects and uncertainty.

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

2y forecasts below the forwards; 10y slightly below the forwards



Source: Bloomberg, BofA Global Research

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Exhibit 20: Government bond yield forecasts (%)

We project slightly rising 10y Sonia, in line with the forwards

	Q1 26	Q2 26	Q3 26	Q4 26
3m Sonia	3.45	3.25	3.25	3.25
2y Govt.	3.55	3.50	3.52	3.55
5y Govt.	3.90	3.90	3.90	3.90
10y Govt.	4.45	4.45	4.45	4.50
30y Govt.	5.25	5.25	5.25	5.25

Source: BofA Global Research estimates

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Exhibit 21: Sonia swap rate forecasts (%)

3m Sonia forecasts lie below the forwards in late 2025

	Q1 26	Q2 26	Q3 26	Q4 26
2y	3.30	3.25	3.27	3.30
5y	3.60	3.60	3.60	3.60
10y	4.00	4.00	4.00	4.05
30y	4.50	4.50	4.50	4.50

Source: BofA Global Research estimates.

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GBP: oh, ye of little faith

Kamal Sharma

MLI (UK)

Themes: GBP Silence is golden

Higher GBP TWI in the early stages of 2026 was perhaps not top of the list for many investors. Whilst part of the move represents the ongoing adjustment in GBP following the Budget, there have been positive developments on the macro side, culminating in the recent release of monthly GDP date which was stronger than expected. The dataflow so far tends to back-up recent comments from the BoE that the terminal rate may be approaching. Whether this means one more 25bps rate cut or two more remains moot. The fact is that by suggesting that terminal is approaching should put a floor under UK yields as the BoE approaching the end of the easing cycle. As we discussed recently, we think the attrition in UK yields was coming to an end and for now, this seems to be playing out. The question for the BoE, who remain divided on this issue now is how fast (or not) private sector wages growth are slowing.

Perhaps as equally as important has been a noticeable lack of “noise” around the UK government. This was undoubtedly a negative for GBP particularly in H2 2025. This has kept broader GBP risk premium capped and against the backdrop of lower G10 FX vol, GBP has been able to capitalise on favourable market conditions. Along with the move in UK rate spreads and improving mood music on further advances in the UK-EU reset, we think market pessimism remains excessive. We are cognisant that Q1 may be as good as it gets for GBP ahead of the May local elections and renewed focus on leadership. Given the frequency with which this topic has been raised in client interactions suggest this is meaningful risk event for GBP.

Forecasts: no changes

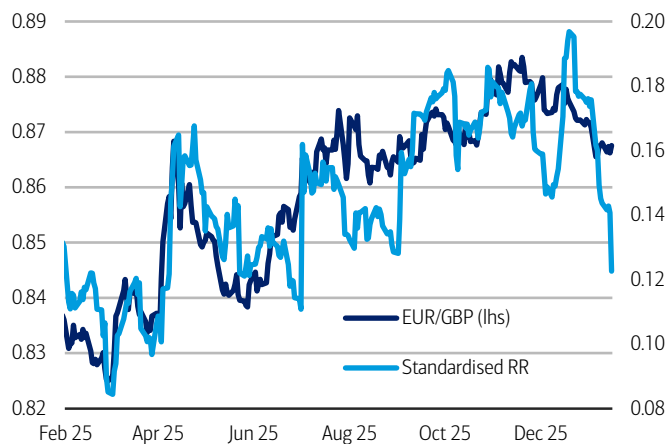
No changes.

Risks: leadership travails

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: EUR/GBP vs 3mth normalized risk reversal

EUR/GBP skew has erased Budget spike



Source: BofA Global Research, Bloomberg

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Exhibit 23: GBP forecasts

Our year-end 2026 EUR-GBP forecast is 0.84

	Q1 26	Q2 26	Q3 26	Q4 26
EUR-GBP	0.86	0.85	0.84	0.84
GBP-USD	1.36	1.41	1.44	1.45

Source: BofA Global Research estimates

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Exhibit 24: Major macro forecasts

BOE continues to cut interest rates

	2025F	2026F	2027F
Real GDP (% yoy)	1.4	1.2	1.4
CPI (% yoy)	3.4	2.2	2.0
Policy Rate (end of period)	3.75	3.25	3.25
Gen Gov Bal (%/GDP)	-4.5	-3.5	-3.0
CurAct Bal (%/GDP)	-3.6	-3.9	-3.9

Source: Bloomberg and BofA Global Research estimates

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CA rates: underpricing cuts, fade hikes

Katie Craig
BofAS

Ralph Axel
BofAS

Themes: CAD curve likely to outsteepen vs US

The BoC is expected to remain on hold for at least the next several months as they monitor incoming data during ongoing elevated trade uncertainty. While out of consensus, our economists anticipate another 50bps of rate cuts in '26. The market is currently pricing in roughly half a 25bp hike on the year while most analysts expect the BoC to remain on hold.

We see risks to CAD rates outperforming expectations and potential for further steepening in CAD curve. We believe the CAD curve can outsteepen vs the US in both a rate rally and a rate sell off: (1) in a global re-acceleration BoC forwards can price several more hikes, while US could have more resistance from inside and outside the Fed to price hikes and (2) in the global slowdown scenario, we think long CAD yields have less room to decline vs US given that it could be difficult for the CAD market to price a neutral rate materially below 0% real where the BoC currently sets policy.

We recommend fading market pricing of any BoC hikes given expectations for continued weakness in the Canadian economy. The USMCA review in Jul '26 will keep trade uncertainty elevated near term. Additionally, though recent data has been volatile, our economists estimate that the output gap is in negative territory, and expect it to remain there through 2026. The combination of a negative output gap and potential US Fed cuts will likely push the BoC to lower rates below neutral.

Forecasts: below forwards to reflect 50bp BoC cuts in '26

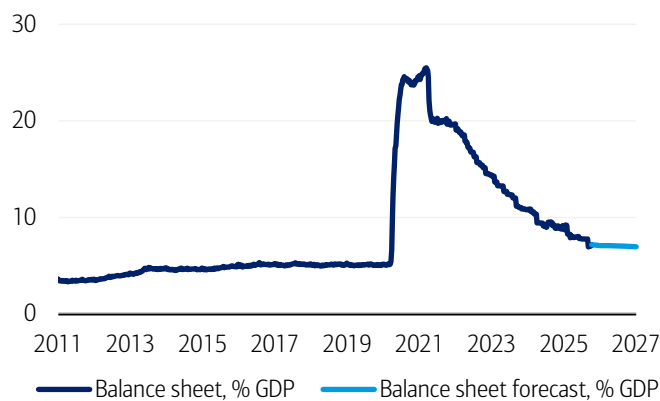
Our forecasts project CAD rates to fall below forwards, especially for front-end rates. We believe the market is underpricing risks of further BoC cuts and overpricing risks of the BoC lifting rates in mid 2026. In our view, the curve will likely steepen as the BoC cuts below expectations of neutral.

Risks: skewed to the upside on hawkish BoC

A hawkish BoC or data that surprises to the upside would reduce likelihood of further BoC cuts. The World Cup in 2026 may generate notable economic activity that could offset some of the tariff related slowdown. USMCA renegotiation is also a risk.

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, especially for front-end rates

	Q1 26	Q2 26	Q3 26	Q4 26
2y	2.45	2.35	2.25	2.25
5y	2.95	2.85	2.75	2.75
10y	3.40	3.35	3.35	3.35

Source: BofA Global Research estimates

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Exhibit 27: Swap rate forecasts

We see 10y swap spreads at 3.1% by YE '26

	Q1 26	Q2 26	Q3 26	Q4 26
2y	2.30	2.20	2.10	2.10
5y	2.75	2.65	2.55	2.55
10y	3.15	3.10	3.10	3.10

Source: BofA Global Research estimates

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CAD: cautious start for 2026

Howard Du, CFA
BofAS

Themes: we see near-term upside risk for USD/CAD

For 2026, we keep our USDCAD forecast at 1.38 for first half of the year, and see the pair modestly drop back to 1.36 to end the year as economic conditions in Canada improve and trade uncertainty finally fades ([Canada Year Ahead 2026, 01 December 2025](#)). USDCAD briefly dropped to a 1.36-handle at year-end 2025, largely on the back of narrowing nominal rate differential between the US and Canada. Into 2026, as US 2y yield increased on the back of more positive US economic data, the pair rose back to 1.38.

Looking ahead, we believe there is still more room for BoC rate hikes to get priced out in 2026, with risks also skewed more toward further rate cuts. To the contrary, we do not expect more Fed rate cuts to take place until after a new Chair is in place. As a result, rate differential is likely to keep USD/CAD supported above 1.38 in the coming months.

USDCAD's beta with the broad equity index is also becoming more significant, now at the widest level since August 2024. Benign risk conditions with US equities rising to a new all-time-high have kept the year-to-date USDCAD rally in check for now. However, any risk-off shock driven by global geopolitics or lofty AI valuation could also lead to short-term spurs of USDCAD rallies, in our view.

Forecast: expect more backloaded USD/CAD depreciation in 2026

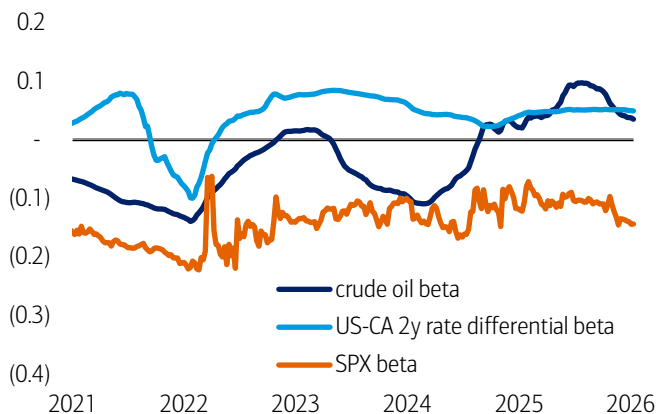
We keep our forecast at 1.38 for first half of the year and see the pair falling again to 1.36 for 2026 year-end.

Risks: new tariffs shock or USMCA negotiation derails

New US tariffs or trade shocks could present USD upside risk to our downtrending USD/CAD forecast path for 2026.

Exhibit 28: USDCAD's beta to equity factor is at a significant level vs history since 2021

USDCAD beta to equity, rates and crude oil factors



Source: BofA Global Research, Bloomberg.

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Exhibit 29: USD/CAD FX forecast

We expect more backloaded USD/CAD selloff in 2026

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

Source: BofA Global Research estimates

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Exhibit 30: Major macro forecasts

We see the next BoC rate move more likely to be a cut than a hike

	2025F	2026F	2027F
Real GDP (% yoy)	1.7	1.4	1.8
CPI (% yoy)	2.1	1.8	2.2
Policy Rate (end of period)	2.25	1.75	1.75

Source: Bloomberg and BofA Global Research estimates

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AU rates: CPI in focus

Oliver Levingston

Merrill Lynch (Australia)

Jobs could be important for front-end pricing

Two forthcoming data prints look likely to be decisive for the near-term path of AUD rates: (1) jobs report on 22 Jan and (2) quarterly CPI on 28 Jan. Ordinarily, the jobs report would not be as significant as CPI but a fall in employment last month has raised the possibility the RBA will have to choose between its two mandates at the next meeting.

0.9% quarterly inflation forecast = lineball RBA call

Our economists forecast 4Q '25, trimmed-mean inflation will print 0.9% q/q on 28 Jan. If this forecast materializes, it will be difficult to say with high conviction what the RBA's subsequent rates decision in February is likely to be. Our economists have stuck with their call for a RBA pause in Feb '26 but concede it's a close call.

In our view, a print of 0.8% q/q is likely to trigger a pause because it is in line with the RBA's most recent Statement on Monetary Policy forecasts. Conversely, 1% q/q is likely to force a rate hike in Feb because it would be a significant enough forecasting error to prompt a rate change, but the outcome following a 0.9% q/q/ trimmed mean CPI print is less certain. Given the RBA decision is a close call based on 0.9% q/q print, other data is likely to be decisive.

Jobs data could be the deciding factor

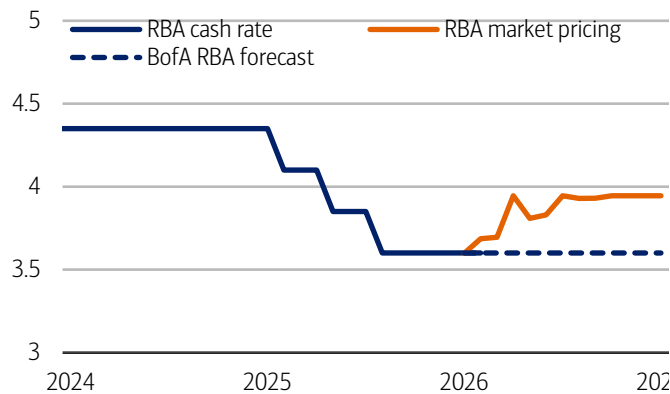
The Dec jobs report, due Jan 22, could be decisive. If employment growth is once again negative, the probability of an RBA pause will increase significantly and we could see Feb RBA OIS pricing move as low as 2-3bps of hikes priced. On the other hand, if we see a rebound from a weak print in Nov (i.e. pay back suggesting the last print was an outlier) then market pricing should move closer to 10-12bp.

Longs have been trimmed and rates are high

We generally see lower rates across the curve given positioning now appears to be more neutral and the outright level of rates implies a RBA rate path that our economists still see as less likely than not. FX and rates sentiment survey data also suggests clients have turned neutral on AU duration. Swaps could lag a fall in rates given demand for AUD paper is likely to at least match supply of AUD paper. A strong foreign bid for AUD paper should be a meaningful tailwind for swap spreads in 2026.

Exhibit 31: RBA cash rate – market expectations v BofA forecasts (%)

We expect cheaper front-end rates in 2026 but steepening in 2027



Source: BofA Global Research, Bloomberg

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Exhibit 32: Government bond yield forecasts

RBA on hold = flatter curve, wide cross-market spreads vs USTs

	1Q 26	2Q 26	3Q 26	4Q 26
3m BBSW	3.60	3.60	3.60	3.60
2y Govt.	3.75	3.85	3.85	3.85
5y Govt	4.00	4.10	4.10	3.95
10y Govt	4.35	4.45	4.35	4.35

Source: BofA Global Research, Bloomberg

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Exhibit 33: Swap rate forecasts

Swap spreads are likely to step down as supply steps up

	1Q 26	2Q 26	3Q 26	4Q 26
3y	3.85	3.95	3.95	3.95
10y	4.55	4.65	4.55	4.55

Source: BofA Global Research, Bloomberg

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AUD: now comes the hard part

Oliver Levingston

Merrill Lynch (Australia)

AUD: cheap risk hedge

In our year-ahead outlook for 2026, we marked down our 1Q '26 forecasts to 0.63 and recommended selling AUD as a cheap hedge against a risk-off move. Over the subsequent 5-6 weeks, buoyant risk sentiment, a sharp appreciation in CNY and a broadening rally in metals have placed a floor under AUD.

We raise our 1Q forecast

Yet geopolitical flashpoints have emerged as a potential headwind for risk assets. Our equity strategists have highlighted that several metrics suggest equities are overvalued and forecast the lowest S&P returns for 2026 of any of the major US banks. AUD has traded at the highest beta to the S&P 500 over the past two years and we see risks of a sharp turn in risk sentiment.

... but AUD may struggle from here

While broad tailwinds for the AUD from local economic data and a nascent rebound in Chinese fixed asset investment will boost AUD in 2H '26, industrial metals like iron ore (Australia's largest commodity export) have rallied beyond our analysts' estimates of fair value and we forecast only modest appreciation in USD/CNH from these levels.

Inflation and jobs data key to the near-term outlook.

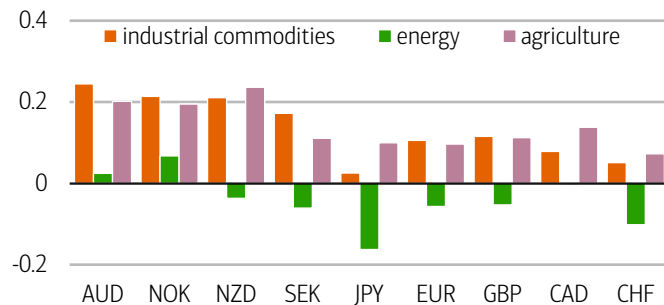
In the near-term, forthcoming jobs data and CPI prints, especially the quarterly figure due 28 January, have emerged as key decision points for investors. With 6bp of hikes priced by Feb RBA and 20bps priced by May RBA meeting, the risks are skewed slightly more to a miss than a beat. Our economists have foreshadowed a potential hike if trimmed-mean, quarterly inflation rises above their forecast of 0.9%, but their base case is that policy rates will remain at current levels for the rest of 2026. In this scenario, rates are likely to emerge as a headwind for the AUD.

Risks tilt to the upside: global final demand holds the key

We see AUD struggling to move above 0.70 without a meaningful turn-around in the outlook for China's property sector (a large share of AU's iron ore demand profile). Ultimately, AUD is highly sensitive to global final demand so the broader outlook for industrial commodities and the global economy will be pivotal to AUD performance in 2026/27, in our view.

Exhibit 34: G10 FX (vs. USD) – 2y beta to industrial commodities, energy and agriculture

AUD is highly sensitive to global final demand



Source: Bloomberg

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Exhibit 35: AUD Forecasts

Our end-2026 AUD-USD forecast is 0.68

	Q1 26	Q2 26	Q3 26	Q4 26
AUD-USD	0.65	0.66	0.67	0.68
AUD-NZD	1.18	1.20	1.20	1.19

Source: BofA Global Research estimates

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Exhibit 36: Major macro forecasts

We forecast growth recovering in 2026

Australia	2025F	2026F	2027F
Real GDP (% yoy)	1.8	2.2	2.0
CPI (% yoy)	2.8	3.1	2.5
Policy Rate (end of period)	3.60	3.60	3.35

Source: Bloomberg and BofA Global Research estimates

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NZD: more easing ahead

Oliver Levingston

Merrill Lynch (Australia)

Themes: RBNZ to lower rates to 2%, AUD/NZD target 1.20

Our economists expect the RBNZ will cut the OCR by 25bp at its May 26 meeting, to reach a terminal rate of 1.75%. Our expected path is 35-50bps below market expectations and we mark down our forecasts for NZD. We now project NZD/USD will trough at 0.55 in 1H '26 before gradually rebounding. Positive carry for AUD/NZD should be generally supportive for AUD/NZD in '26/'27 and we revise AUD/NZD 1Q forecast higher to 1.18 (from 1.15 prior).

Spare capacity driving broad-based disinflation through 2026

Encouraging economic data, coupled with the RBNZ's hawkish cut in November, has shifted consensus and market pricing to rule out further easing and expect hikes from late 2026. Yet we expect inflation will ease to 2.7% y/y in 4Q (due Jan 23) and anticipate the negative output gap of around 2% of GDP will weigh on inflation through 2026. Rising headline inflation in 2025 mostly reflects temporary factors in acyclical sectors, while underlying inflation remains soft. Trimmed mean and weighted median both rose by <2% on a 6-month annualized basis in 3Q25.

We do not see sufficient evidence of an economic rebound

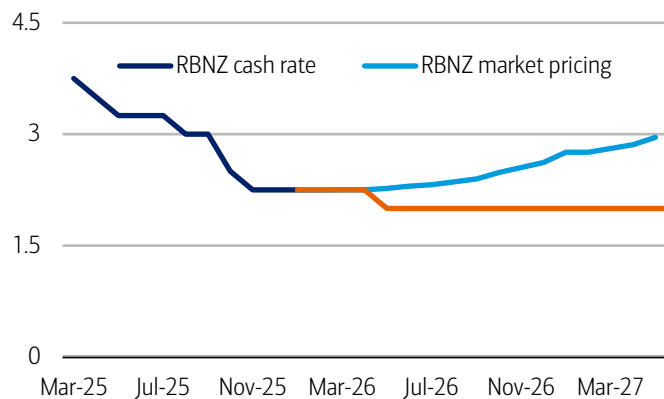
Admittedly, consumer and business confidence has improved, signaling a turn in sentiment after a prolonged soft patch. Filled jobs rose 0.3% m/m in November, pointing to a modest lift in employment in 4Q, while job ads are rising. But we don't expect these green shoots will bolster demand enough to prompt hikes in 2026 as households and businesses prioritize balance sheet repair. Our economists see a 25bps cut in May on the basis that inflation will undershoot RBNZ forecasts in 2026.

Dairy sector and crowded shorts no longer a tailwind

Other upside risks like acceleration in dairy demand look improbable given China birth rates spiked in the Year of the Dragon (infant milk formula demand was pulled forward). World dairy product prices have fallen to an 18-month low, which makes us more bearish on NZD/USD and AUD/NZD. We also see some evidence that crowded NZD shorts have been unwound. CFTC data suggested shorts have been trimmed in 2026 and our FX and Rates Sentiment Survey points to lower conviction in investors' bearish NZD outlook.

Exhibit 37: RBNZ market pricing vs BofA RBNZ forecast

We see 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 0.57

	Q1 26	Q2 26	Q3 26	Q4 26
NZD-USD	0.55	0.55	0.56	0.57
AUD-NZD	1.18	1.20	1.20	1.19

Source: BofA Global Research estimates

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Exhibit 39: Major macro forecast

We forecast growth recovering in 2026

New Zealand	2025F	2026F	2027F
Real GDP (% yoy)	0.2	2.1	2.8
CPI (% yoy)	2.7	2.1	2.0
Policy Rate (end of period)	2.25	1.75	2.50

Source: Bloomberg and BofA Global Research estimates

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CHF: seasonal forces

Kamal Sharma

MLI (UK)

Themes: bowing to the low vol trend

A relatively weak start to the year for CHF despite an escalation in geopolitical crosscurrents and renewed focus on Fed independence. That CHF has underperformed in the opening weeks of 2026 should not come as a surprise. CHF has consistently underperformed January and since 2021. More broadly, Q1 has historically been the worst quarter for CHF followed by consistent outperformance in the following three quarters. With this in mind, we recommend investors consider hedge adjustments before seasonal headwinds turn into tailwinds. Though geopolitical uncertainties have risen, the defining feature has been the lack of follow-through into the vol market. Cross-asset measures of vol and liquidity have been conducive for FX to trade with a risk-on bias. CHF has not been helped by evolving rate expectations particularly around the Fed as previous yield compression has morphed into yield dispersion.

We have witnessed this playbook evolve previously, notably in Q1 2024 where it appeared as if CHF was on the cusp of a multi-quarter decline. The subsequent recalibration in in global rates and renewed yield compression. This does represent the sole reason why CHF could see some recovery for the rest of the year. Indeed, the end of Q1 coincides with notable changes on the Fed Board including the Chair and whilst markets have not reacted to recent headlines, we think this is still a live issue for markets. Furthermore, impending US fiscal stimulus should translate into renewed focus on fiscal dominance and rising US term premium. The significance of this is that CHF has correlated strongly with US term premium as it remains the consummate G10 FX hedge on fiscal dominance.

Forecasts: no change in forecasts

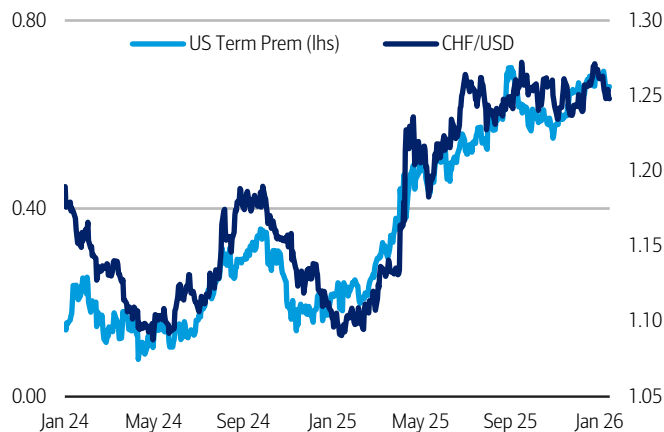
No change in forecasts.

Risks: Fed goes YCC

The Fed actively controlling the long end of the US curve via to form of YCC (Yield Curve Control) is a risk for a materially higher CHF.

Exhibit 1: CHF/USD vs US Term Premium

CHF remains the hedge on fiscal dominance



Source: BofA Global Research, Bloomberg.

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Exhibit 40: CHF forecasts

Our 2026 year-end EUR-CHF forecast is 0.96

	Q1 26	Q2 26	Q3 26	Q4 26
EUR-CHF	0.94	0.94	0.95	0.96
USD-CHF	0.80	0.78	0.79	0.79

Source: BofA Global Research estimates

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Exhibit 41: Major macro forecasts

Inflation again well below 2% in 2026

	2025F	2026F	2027F
Real GDP (% yoy)	1.2	1.1	1.5
CPI (% yoy)	0.2	0.4	0.7
Policy Rate (end of period)	0.00	0.00	0.00

Source: Bloomberg and BofA Global Research estimates

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NOK: bullish, geopolitics permitting

Michalis Rousakis

MLI (UK)

Themes: Carrying on through commodity weakness

We are bullish NOK for 2026 on both external and domestic factors, incl. the relative Norges stance. However, energy prices and geopolitics pose two-way risks near term.

Externally, we expect NOK to benefit from solid US growth, improving growth in Europe, and China easing measures in late 1Q/early 2Q – NOK's beta to China is on par with that of AUD (see also [Nordics YA 2026 5 Dec '25](#)). However, energy prices could weigh on it: our commodities team expects TTF prices to average €27/MWh this year and possibly fall below €25/MWh, and Brent crude prices to average \$60/bbl, even if mostly on supply reasons. In the near term, geopolitics incl. Iran developments pose two-way risks for NOK, we believe (see [EEMEA Sovereign Credit Viewpoint 14 Jan '26](#)).

Domestically, we expect Norway to continue growing faster than the Euro area (1.7% vs 1%). With the marginally hawkish recent dataflow (e.g., Dec CPI), this will likely warrant a cautious Norges Bank stance: we expect one cut by Norges this year (June) as priced vs a cut from the ECB in March, which is not priced, and no hikes from the Riksbank (see [Europe Economic Weekly 16 Jan '26](#)). In fact, our economists forecast Norges' policy rate to be the highest in G10 this year – in other words, carry for NOK is here to stay.

Looking back, NOK performed relatively well vs most G10 FX in 2025, yet less well than we had expected - lower energy prices and geopolitics are some reasons for this shortfall. However, we think NOK weakness is somewhat overdone and carry will work in its favor during 2026.

Forecasts: Bullish NOK forecast unchanged

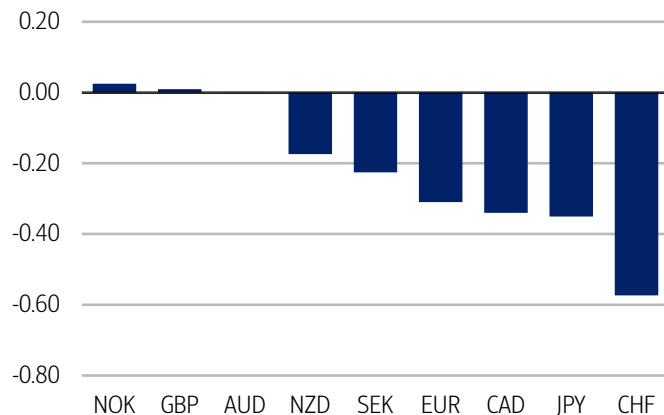
We now forecast EUR-NOK at 11.30 at end-2026, with USD-NOK at 9.26. We expect NOK-SEK to trade around 0.93/0.94 this year.

Risks: geopolitics, China stimulus, Norges

Key risks to our bullish NOK forecast include lower energy prices, potentially on the back of reduced tensions in Iran or fresh hopes of a Ukraine deal, Norges Bank cutting more/faster than we expect, and delayed China stimulus.

Exhibit 42: Carry may offer even more support to NOK this year

3-month vol-adjusted carry



Source: BofA Global Research, Bloomberg

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Exhibit 43: NOK forecasts

Year-end EUR-NOK forecast of 11.30 in 2026

	Q1 26	Q2 26	Q3 26	Q4 26
EUR-NOK	11.60	11.40	11.40	11.30
USD-NOK	9.91	9.50	9.42	9.26

Source: BofA Global Research estimates

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Exhibit 44: Major macro forecasts

Norway recovery slower into 2026

	2025F	2026F	2027F
Real GDP (% yoy)	1.7	1.7	1.4
CPI (% yoy)	3.0	2.2	2.2
Policy Rate (end of period)	4.00	3.75	3.50

Source: Bloomberg and BofA Global Research estimates.

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SEK: on a roll

Michalis Rousakis

MLI (UK)

Themes: cautious after recent strength, but potential SEK dips are opportunities

We anticipate more SEK strength this year, counting on favourable developments, both domestically and externally. The Riksbank pricing poses some near-term downside risks.

Externally, we forecast more USD weakness (EUR-USD at 1.22 by end-26) and assume risk sentiment stays constructive. For the US, our economists anticipate solid growth (2.8%), for China, easing measures in late 1Q/early 2Q. In Europe, the German fiscal stimulus is partly why our economists expect US and EA sequential growth rates to get much closer in 2H. SEK can benefit from Sweden’s strong trade links to Germany. It can also benefit from the European defence push, given Sweden’s non-trivial defence exports’ share (likely 0.7% of GDP in 2025).

Domestically, we anticipate much stronger growth in Sweden vs the Euro area (2.1% vs 1%) as the Swedish consumer continues recovering, given Sweden’s weaker starting point, higher rate sensitivity, and consumer-oriented fiscal push: the 2026 budget bill includes almost SEK 80bn (c. 1.2% of GDP) in extra spending, with c. 50bn aimed at the consumer (see also [Nordics YA 2026 5 Dec '25](#)).

Looking back, SEK has strengthened faster than we expected on strong Swedish data, a hawkish repricing of the Riksbank, and a softer USD. We are slightly cautious on it near term. First, the downside surprise in the December inflation print strengthens our conviction that rate hikes are a risk for 2027, not this year (see [Riksbank/Norges Bank reviews 18 Dec '25](#)). Second, we anticipate most USD weakness to materialize after 1Q. Third, client feedback suggests SEK longs may be somewhat crowded, at least among Hedge Funds. Still, we would view potential SEK dips vs EUR and USD as opportunities.

Forecasts: Confidently bullish vs EUR and USD, not vs NOK

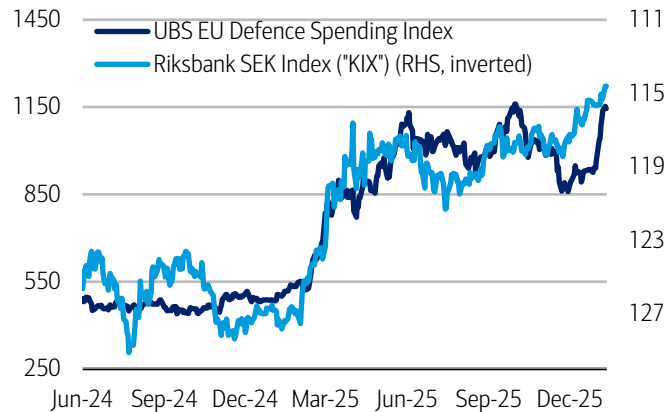
We continue to forecast EUR-SEK at 10.50 by year-end, with USD-SEK at 8.61. We see NOK/SEK higher, partly on the Riksbank hikes getting priced out/pushed further out.

Risks: risk sentiment/AI, European fiscal, Swedish consumer sentiment

Key risks to our bullish SEK view are worsened risk sentiment (not least on AI valuation concerns), a more hawkish Fed, Germany and Europe underdelivering on the fiscal and reforms fronts, and the Swedish consumer recovery proving slower than we expect.

Exhibit 45: SEK to benefit from European defence push

EU defence spending index vs krona index (rhs, inverted)



Source: BofA Global Research, Bloomberg

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Exhibit 46: SEK forecasts

Our EUR-SEK forecast at end-2026 is 10.50

	Q1 26	Q2 26	Q3 26	Q4 26
EUR-SEK	10.80	10.70	10.60	10.50
USD-SEK	9.23	8.92	8.76	8.61

Source: BofA Global Research estimates

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Exhibit 47: Major macro forecasts

The Riksbank is very serious about inflation

	2025F	2026F	2027F
Real GDP (% yoy)	1.8	2.1	1.9
CPI (% yoy)	2.7	1.2	1.7
Policy Rate (end of period)	1.75	1.75	1.75

Source: Bloomberg and BofA Global Research estimates

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EM Asia



China: China meets growth target despite softer demand

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Growth meets 2025 target helped by net exports

China's GDP grew by 4.5% yoy in 4Q25, bringing full-year growth to 5.0% and meeting policymakers' targets. Sequentially, GDP grew by 1.2% qoq sa. Yet the GDP deflator is estimated to have remained negative for an 11th consecutive quarter at around -0.7% in 4Q. By sector, primary, secondary, and services industries expanded by 3.9%, 4.5%, and 5.4% yoy, respectively. From a contribution perspective, net exports accounted for 32.7% of total growth in 2025 (1.6pp), marking the highest contribution rate since 1997, while final consumption expenditure contributed 52% (2.6pp).

Industrial production (IP) rose by 5.2% yoy, underpinning the full-year gain of 5.9%. Within sectors, manufacturing was the standout performer, with output increasing 5.7% yoy in Dec.

Retail sales softened further in Dec, rising only 0.9% yoy. While the diminishing impact of consumer subsidies continued to weigh on home appliances and autos, the largest drag came from petroleum and fuel sales (-11% yoy) due to lower prices.

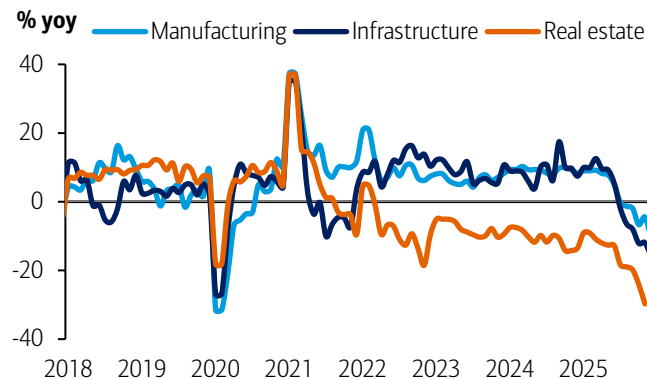
Fixed-asset investment (FAI) contracted by 16% yoy in Dec, weakening further and resulting in a full-year decline of -3.8%. The downturn in both infrastructure (-16.0% yoy) and manufacturing (-10.6% yoy) intensified in Dec.

Growth target met; near-term major stimulus still unlikely

China met its 2025 growth target, primarily due to strong exports and resilient industrial output, even as domestic demand continued to weaken. The record high net export contribution reflects both export resilience amid trade frictions and, more importantly, the depth of domestic demand, and import, weakness. That said, policy complacency from reaching the growth target is likely to delay meaningful stimulus until further deterioration becomes evident in the data. Aside from some targeted, sector specific measures to support infrastructure investment in the near term, we expect the window for broader policy easing to reopen only after mid Mar, once the Jan-Feb data are released. Any signs of softening exports or a more pronounced downturn in domestic demand could accelerate the case for more substantive policy support.

Exhibit 48: Both manufacturing and infrastructure FAI growth contracted further

FAI sector breakdown (2018-25)

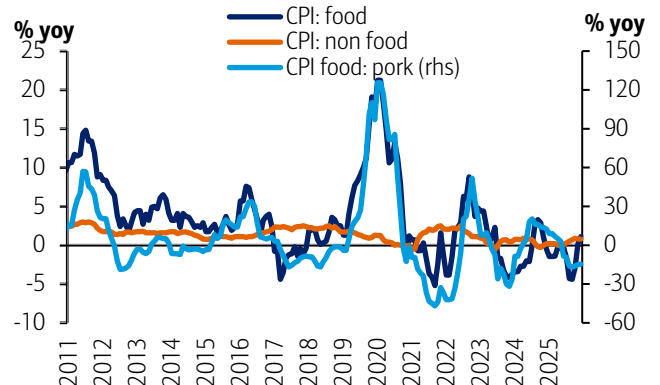


Source: BofA Global Research, CEIC, NBS

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Exhibit 49: Dec food price rose by 1.1% yoy; non-food CPI inflation steady at 0.8% yoy

CPI inflation (2011-25)



Source: BofA Global Research, CEIC, NBS

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Dec CPI inflation rose to 0.8% yoy, continued its mending path

Dec headline CPI inflation rose by 0.8% yoy (vs. 0.7% in Nov), boosted mainly by food prices (+1.1% yoy), especially from elevated vegetable prices (18.2%). PPI deflation narrowed to -1.9% yoy in Dec. It is encouraging to see CPI inflation at mending path. But if fresh food prices normalize, inflation may flatten again in 1Q.

Financial conditions tightened in Dec

The BofA China Financial Condition Indicator (FCI) tightened to 96.3 in Dec (vs. a revised reading of 95.6 in Nov), due to weak TSF growth in the last six months. New RMB loans (RMB908bn) and TSF (RMB2208bn) came in above estimates but remained subdued. The PBoC announced a 25bp cut to structural monetary policy tool interest rates and a new program for private enterprises. In our view, the targeted measures should reduce the likelihood of a near-term broad-based policy rate cut.

Strategy – USD/CNY appreciation to 6.80 end 2026

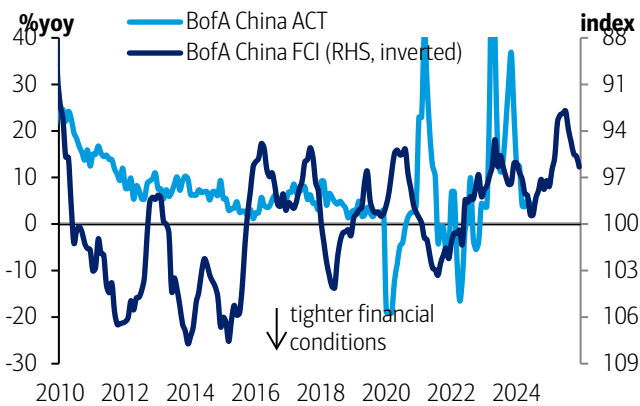
Our CNY forecast is USD/CNY 6.80 end-4Q compared with the Bloomberg consensus of 6.95. More recently, USD/CNY is moving ahead of our 1Q USD/CNY 7.00 forecast as export performance and daily USD/CNY PBoC fixings have supported appreciation expectations. We caution that this momentum could slow into the Lunar New Year holidays as export USD selling slows and China tourist outflows pick up.

From a flow perspective, we expect more USD selling from exporters in 2026. Recent US-China de-escalation improves exporters’ outlook—our economists see 3% export growth next year despite a high base. Additionally, exporters’ willingness to sell USD is rebounding since 1Q25 as RMB sentiment improved. Indeed, we expect exporter hedging to rise, as hedging costs fall due to US Fed cuts and rising forward points.

Even if deflation persists, fiscal stimulus—not monetary easing or CNY depreciation—will dominate. A possible April Trump-Xi summit favors CNY appreciation diplomacy. Depreciation offers little competitiveness gain as CNY is at decade lows in trade-weighted real terms, while risking US-China tensions and worsening price pressures.

Exhibit 50: Financial Condition Indicator tightened to 96.3 in Dec

BofA China FCI (2010-25)



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 51: We expect CNY appreciate to 6.8 end 2026

USD/CNY forecasts (2026)

	Q1 26	Q2 26	Q3 26	Q4 26
USD-CNY	7.0	6.9	6.8	6.8

Source: BofA Global Research estimates

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Exhibit 52: We expect 2026 annual GDP below 5.0%

We expect growth to moderate in 2026 and 2027

China	2025F	2026F	2027F
Real GDP (% yoy)	5.0	4.7	4.5
CPI (% yoy)	-0.1	0	0.5
7d OMO rate (eop)	1.4	1.2	1.2
Fiscal Bal (%/GDP)	-4.0	-4.0	-4.0
CurAct Bal (%/GDP)	3.3	2.9	2.0

Source: BofA Global Research estimates

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India: Policy support anchors growth rate

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Growth: GDP upgraded on high frequency indicators' strength

India's economic backdrop has been improving gradually through 2025, as fiscal policy has become much more supportive relative to 2024, monetary policy has turned less restrictive, and global commodity prices remain manageable. Coupled with a strong monsoon and improving rural incomes, India's economic growth outcomes are likely to be stronger in 2025, than previously anticipated ([2026 Year Ahead: Policy support to put a floor on growth](#)). While October had mixed trends with government spending disappointing amidst a recovery in durable goods activity, November data and early indicators in December show a strong recovery in growth momentum, which appears broader than it has looked previously as well. Given the continued strong incoming data on both supply and demand side indicators coupled with benign inflation, we upgraded our GDP forecast to 7.6% for FY26 and 6.8% for FY27. In CY terms this implies, 2025E GDP growth to 7.7% from 7.2% earlier, and 2026E GDP growth projection to 6.8% from 6.5% earlier ([GDP forecast upgrade: Policy support to drive resilient growth](#)).

Inflation: Headline CPI to recover from the lows seen in 2025

The sharp decline in inflationary pressures in 2025 had been largely driven by a sharp fall in food inflation. However, due to the cyclical nature of food prices, we expect prices to normalize in 2026. We see food inflation normalizing back to 5% in FY27 (close to decadal average of 5.1%), from -0% inflation in FY26. Meanwhile, core inflation remained ranged in FY26 (4.4% vs 3.5% in FY25), we expect it will rise slightly to 4.6% in FY27, on higher gold prices and tobacco price hikes. Overall, we see headline inflation rising to 4.8% in FY27, up from 2.2% in FY26, largely reflecting a lower base, and some normalization in food price pressures (see note: Inflation [Part 1](#) & [Part 2](#)). However, a new base year and index, set to release in Feb, will have implications on our projections, once the new weight schematic is adopted (see [note](#)). Based on our estimates of the potential revised weights, the one-year average headline inflation is likely to be 50bps higher at 3%yoy, largely reflecting a reduced weight for food in the new basket.

Monetary policy: RBI to remain supportive, see 25bps more cuts by Q126

The RBI delivered a 25bps rate cut in the Dec MPC meeting, bringing the policy rate to 5.25%, in line with our expectations, as it remains more concerned about downside growth risks, than upside inflation risks in 2026. Though the stance was retained at neutral, the overall communication, in our view, was quite dovish (see note: RBI Dec MPC review: Dove is in the air). While we recently upgraded our GDP forecast for FY26 to 7.6% from 7%, we continue to expect another 25bps cut in Feb contingent on the trade deal with the US (see: [GDP forecast upgrade](#)).

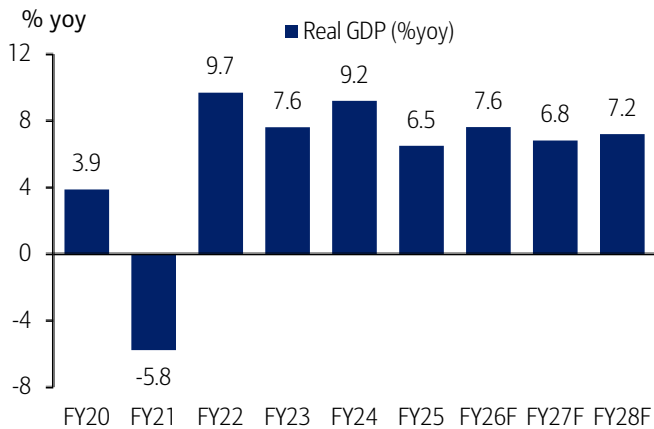
External: Exports holding up despite penalties, current account in check

December marked the fourth full-month since the imposition of 50% tariffs on India's exports to the US. While the exports to US fell again by 1.8% yoy after reporting a strong growth of 22.6% in Nov, Dec data showed diversion of exports to China, HK and UAE. India once again emerges as an underperformer in the regions with merchandise exports moderating to 1.9%yoy (see: [December Trade](#)). The trade negotiation with the US is ongoing, however, timeline still remains unclear. Overall, we remain on track to run a small current account deficit, with FY26 projected at USD30bn (0.7% of GDP), rising modestly to USD 37bn (0.8% of GDP) in FY27.



Exhibit 53: Real GDP forecasts – annual basis (FY terms)

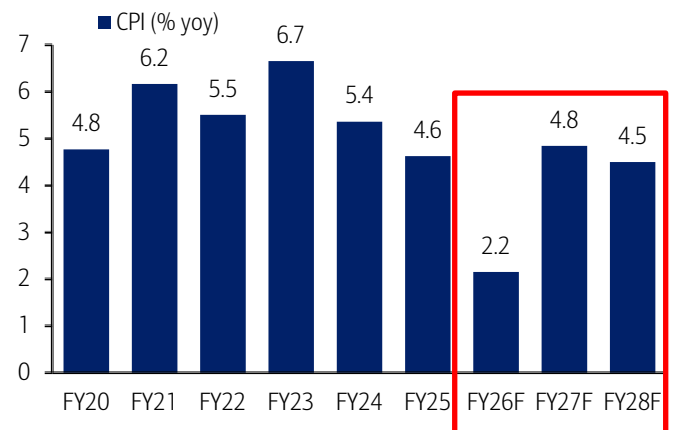
GDP forecast upgraded for FY26 and FY27



Source: BofA Global Research, Haver

Exhibit 54: Headline inflation forecasts

FY26 forecast reduced to 2.2% and is expected to rise to 4.8%



Source: Haver, BofA Global Research

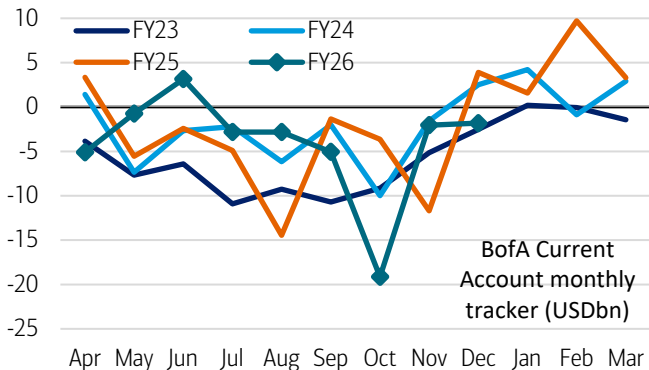
Strategy: Trade uncertainty key for near-term direction

Macro backdrop has been improving with growth recovery driven by accommodative monetary and fiscal policies while low oil prices cap the CA deficit. However, INR remains under pressure as higher tariff rates than peers have led to equity outflows. Market hopes have risen again about a possible breakthrough on trade deal with the US in order to reduce the tariffs. In the meanwhile, RBI appears to be leaning against the depreciation pressure with stronger intervention to cap the topside around 91/USD level. RBI’s reserves remain adequate and the improvement in spot reserves (due to gold price valuation effect) provides room to step in to contain INR volatility if RBI suspects large speculative positioning against INR. Over rest of the quarter, CA seasonality improves due to goods trade which would improve the overall flows. Basic balance would likely turn into positive territory during this period if the recent improvement in FDI inflows continues.

Fiscal policy push for stimulating consumption via foregone tax revenues added to the issuance pressure already prevalent from elevated states’ bond supply. RBI’s OMO debt purchases and liquidity injections would likely support demand for front-end bonds, but the curve is likely to steepen during such a move. Market would closely watch upcoming budget on 1st February for further signs of fiscal support to stimulate consumption.

Exhibit 55: Monthly Current Account tracker (USD bn)

Monthly current account deficit moved sideways, trade deficit only expanded at the margin in Dec



Source: BofA Global Research, CEIC

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Exhibit 56: INR forecasts for 2026

End-2026 forecast at 88/USD

	Q1 26	Q2 26	Q3 26	Q4 26
USD-INR	89.0	89.0	88.5	88.0

Source: BofA Global Research

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Exhibit 57: Major macro forecasts- (CY terms)

Growth-inflation balance continues to remain steady

India	2024	2025F	2026F
Real GDP (% yoy)	6.7	7.7	6.8
CPI (% yoy)	4.9	2.2	4.4
Policy Rate (end of period)	6.50	5.25	5.00
Fiscal Bal (%/GDP)	-4.7	-4.4	-4.4
Cur Act Bal (%/GDP)	-0.8	-0.6	-0.8

Source: BofA Global Research

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Indonesia: All-in to support growth

Kai Wei Ang

Merrill Lynch (Singapore)

Abhay Gupta

Merrill Lynch (Singapore)

Rahul Bajoria

BofAS India

Growth to creep up in coming years; pace hinges on policy execution

We presently see GDP growth creeping up from around 5.1% in 2025 to 5.3% in 2026 and 5.5% in 2027. Our forecasts are slightly below Ministry of Finance (MOF) forecast for 2026 (5.4%), and assumes some fiscal under-spending amid operational challenges meeting the ambitious targets for flagship programs. Assuming policymakers assess potential growth to be at least 5.5%, the negative output gap is unlikely seen closing until at least early 2027.

Keeping an eye on domestic demand indicators (weak thus far)

Beyond GDP growth figures, we keep a close eye on high frequency indicators, for a better gauge on the strength of domestic demand. Thus far, indicators we track weakened further into early 4Q25. First, sales of passenger cars have fallen by double-digits in y/y across Jun and Dec 2025. In particular, sales of “low-cost green cars” - category that is aimed at supporting first-time buyers – fell even more sharply by around 40% y/y in Oct-Nov 2025. Second, loans growth for Micro, Small and Medium Enterprises (MSMEs) fell by -0.4% y/y in Oct-Nov 2025, trailing far behind overall loans growth (+7.9% y.y). We consider this indicator a proxy for the strength of broader economy, since MSMEs account for almost 97% of jobs.

Fiscal deficit for 2025 wider vs. Budget estimates...

The fiscal deficit for 2025 was announced at 2.92% of GDP (IDR 695tn), wider vs. revised estimates from Jul 2025 (2.78% of GDP; IDR 662tn), as well as our earlier forecast (2.6% of GDP). By components, the magnitude of revenue shortfall (-IDR 109tn or -4%) was larger than under-spending (-IDR 77tn, -2.2%). The latter also includes under-spending for the flagship Nutrition Meal Program by IDR 65tn (actual: IDR 52tn, revised estimates: IDR 117tn).

...with back-loaded revenue efforts keeping deficit within limit

Monthly figures revealed a concerted push to bump up revenue towards year-end. In Dec 2025, revenue (IDR 401tn) jumped by almost 16% y/y, and sharply contrasted with earlier y/y revenue decline (6M25: -9%, Jul-Nov '25: -2%). Fiscal deficit would have exceeded the permitted planning limits (3% of GDP), if revenue growth in Dec was lower at ≤5% y/y, and would have necessitated a pull-back in Dec expenditure.

We estimate end-25 cash balance slightly above IDR 400tn

We estimate net cash balance fell by IDR 46tn between 2024 and 2025. We assumed that IDR 95tn was drawn to fund Budget 2025, and added net financing surplus of IDR 49tn (as disclosed by MOF) to this. Accordingly, this implies cash balance closer to IDR 414tn in 2025. This is below that of 2024 (IDR 460tn), but slightly above MOF's earlier forecast from end-Dec (IDR 399tn). By extension, this also implies MOF's current cash placement broadly evenly split between BI (IDR 213tn) and banks (IDR 201tn, of which IDR 200tn is placed with 5 SOE banks and IDR 1tn with Bank Jakarta).

Revenue targets for 2026 seem a stretch presently...

At the present run-rate, projections for revenue to increase by 14% in 2026 seems a stretch. Revenue contribution from announced new measures is small, and includes higher duties for coal (IDR 20tn) and gold (IDR 3tn). Instead, key revenue strategies are centered around tax system modernization and stricter enforcement of tax compliance.

...but we expect fiscal deficit to remain within limit

Market concerns over fiscal deficit overshooting the 3% of GDP limit have risen sharply the past month. For now, we still expect fiscal deficit to remain within 3% of GDP, given



scope (a) to tap on sizeable below-the-line contingency funding already allocated for 2026 and (b) for under-spending. For instance, above-the-line portion of Budget allocated IDR 256tn for Nutritional Meal Program – almost 5 times larger vs. the actual spend for 2025

Still scope for BI to bring policy rate closer to 4%

We still see scope for BI to cut policy rates in 1H26, amid increasingly focus on promoting sustainable growth. Over the course of 2025, BI has aggressively lowered policy rates and stepped up measures across a broad range of policy levers, some of which are in coordination with Ministry of Finance (MOF). However, policy transmission to commercial bank lending rates and loans growth remains somewhat weak thus far. Into 2026, headroom for liquidity measures seems rather limited, and thus imply possibly greater reliance on policy rate tool. Our base case is for BI to lower its policy rate to 4% by end-2026, and bringing it below the pre-pandemic low of 4.25%.

Strategy: Fiscal risk premium weighing on IDR again

Indonesia’s domestic fundamentals have improved over the last year in terms of trade surpluses and contained CAD. IDR appears attractive on valuation after not having participated in the USD weakness last year. Authorities have also tightened regulations recently to improve USD supply in onshore banking system. However, the broader policy push towards supporting growth via a combination of expansionary fiscal policy and dovish monetary policy remains marginally negative for IDR. That has narrowed front-end rate differentials and also led to concerns around fiscal risk premium being priced into IDR. BI is closely monitoring IDR volatility and recent DNDF maturities indicate consistent smoothing to slow the pace of IDR depreciation over the last few months. We believe BI may have to continue providing USD supply to the market in order to meet upcoming USD demand to meet festival related travel and imports demand. That may keep IDR under pressure over the next month before Ramadan period kicks-in from mid-February.

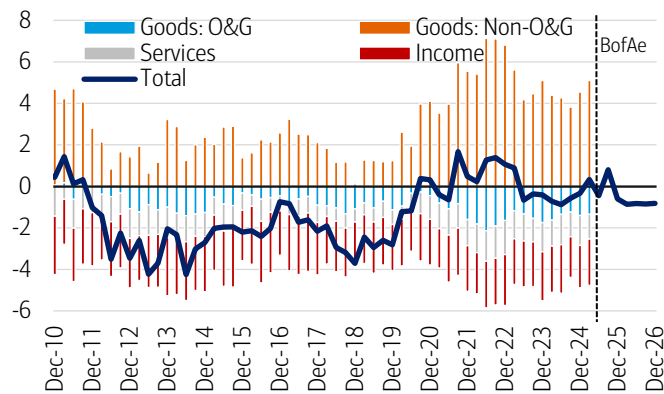
Indonesia bonds may benefit from further policy easing this year but that would be contingent on BI being able to contain IDR weakness. More liquidity injections and macro prudential easing measures remain on the table which would be supportive of front-end bonds. Fiscal concerns have come back to the forefront as last year’s deficit tested deficit cap of 3%. Combination of monetary easing and long-term fiscal concerns would support further steepening of the curve.

Risks to both growth and inflation are to the upside (from low levels)

Risks to growth are to the upside, if implementation of domestic policies are executed well. Risk to inflation is also to the upside (from low levels), if negative output gap closes faster and exerts upward pressure on core inflation.

Exhibit 58: Current account balance (% of GDP)

We see current account deficit staying below 1% of GDP in 2026



Source: BofA Global Research, Haver

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Exhibit 59: IDR forecasts for 2026

Forecast end-26 at 16,200/USD

	Q1 26	Q2 26	Q3 26	Q4 26
USD-IDR	16,500	16,400	16,300	16,200

Source: BofA Global Research

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Exhibit 60: Major macro forecasts

Indonesia’s growth tracking below trend-pace

Indonesia	2024F	2025F	2026F
Real GDP (% yoy)	5.0	5.1	5.3
CPI (% yoy)	2.3	1.9	2.9
Policy Rate (end of period)	6.00	4.75	4.00
Fiscal Bal (%/GDP)	-2.3	-2.9	-2.7
CurAct Bal (%/GDP)	-0.7	0.0	-0.8

Source: BofA Global Research

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Korea: The end of easing cycle

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Jan BoK review: MPC's latest assessment signals the end of easing cycle

Rate held at 2.5% with unanimous votes (finally)

BoK decided to hold its policy rate to 2.5% on Jan 15, the fifth hold in a row, consistent with our forecast and consensus. The decision today was finally unanimous (vs 1 member opted for rate cut in Nov). Also, the MPC removes "leaving room for potential rate cuts" in policy statement, signaling a more neutral policy stance. Currently, 5 (out of 6) members see high chance of hold in next 3 months (vs 3 in Nov meeting).

BoK sees upside risks to growth; lingering concerns on FX

The incremental shift towards a neutral policy stance is likely premised on their views of increased upside risks to growth, sustained KRW weakness, as well as the unsettled housing price uptrend in Seoul.

On growth, statement highlights that upside risks to growth have increased, especially reflecting the accelerating upward trend in semiconductor sector. This is also in line with the latest market development in the semi sector, and our sector analysts have recently further upgraded memory chip prices in Nov 2025 and Jan 2026, respectively (Exhibit 1, see also: report). Given the importance of semi sector in Korea's economy, we believe this latest assessment by MPC is one key for their policy tone changes in the Jan meeting.

On FX, as Rhee highlighted in press conference, it was the major factor for today's hold decision. Statement highlights despite the efforts in FX market stabilization measures in Dec, USDKRW rose again to upper 1,400 range due to various external factors, as well as the large-scale USD buying from retail investors. He also suggested the NPS needs to review allocation to local stock. We see the current USDKRW level still remain a hurdle for furthering easing.

On housing, it seems to be a less decisive factor this time. Statement still highlights that housing prices in Seoul continued to rise at high pace, although housing-related loans slowed down.

MPC's latest assessment signals the end of easing cycle

While the policy statement and Rhee's rhetoric are largely in line with our expectation, the cut-hold split in next 3 month have shifted to more neutral (1-to-5). In Addition, even the most dovish member (Shin), who have long voted for rate cut, also opted for a rate hold this time.

Overall, we believe the MPC signals a more neutral stance and hints at the end of easing cycle. Going forward, with the increasing recognition of better-than-expected semi cycle (growth upside), relatively weak FX, higher Seoul housing prices, and stable inflation (but to hover around policy target), we no longer expect BoK to deliver rate cuts in 2026 (vs our previous call of 1 more rate cut), and expect terminal rate to stay at 2.5% going forward. That said, we are still not convinced by the market pricing of potential rate hikes in 2026, as ex-semi sectors remain under pressure, and higher rates may have little impact on stabilizing home prices (echoing Rhee's comments).



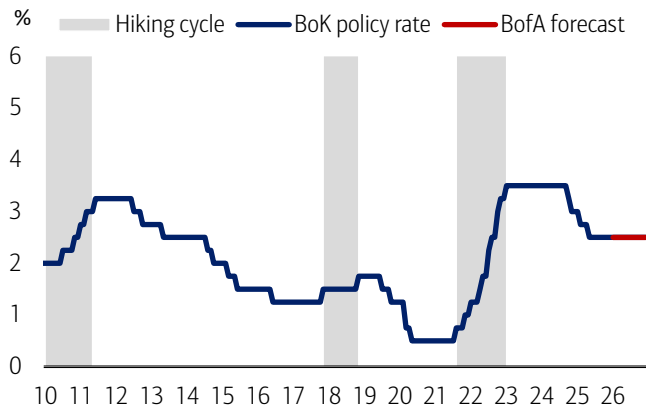
Strategy: Government fighting against portfolio flows

Following a brief rebound after government intervention in late Dec-2025, the KRW resumed weakening in early 2026. The earlier rally was driven by strong rhetoric and monetary support during a period when Korean retail outflows slowed over Christmas. As trading resumed in 2026, retail investors again increased purchases of US equities, reversing most of the KRW's gains. In the first two weeks of 2026, Korean retail investors bought US\$3.3bn in foreign equities (for context: Korean retail investors' total net purchase of foreign equities in 2025 was US\$30bn) and remain the dominant force in the FX market.

We expect the Korean government to control the pace of net equity outflows. The most important measure to watch is the implementation of the Reshoring Investment Account, which incentivizes retail investors to sell foreign equities and buy local equities to take advantage of the tax savings offered by the plan. We expect measures such as these to balance the supply–demand dynamics in Korea’s FX market and to put a floor under the Korean Won.

Exhibit 61: 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 62: We expect USDKRW to end at 1,395 by 4Q26

KRW forecasts

	Q1 26	Q2 26	Q3 26	Q4 26
USD-KRW	1,435	1,420	1,415	1,395

Source: BofA Global Research

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Exhibit 63: We expect real GDP growth to grow at 1.0% in 2025 before accelerating to 1.9% in 2026

Major macro forecasts

Korea	2025F	2026F	2027F
Real GDP (% year-on-year)	1.0%	1.9%	2.1%
CPI (% year-on-year)	2.1%	2.1%	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)	5.9%	4.9%	4.2%

Source: BofA Global Research

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Hong Kong

Ting Him Ho, CFA

Merrill Lynch (Hong Kong)

Chun Him Cheung, CFA

Merrill Lynch (Hong Kong)

Consumption moderation in late 25, but to be boosted by property rebound

Moderation in retail sales in late 2025...

Hong Kong's retail sales growth moderated to 6.5% yoy in Nov from 6.9% previously, but dopped by 5.2% mom after 3.6% rise in Oct. On a yoy basis, most of the increase was driven by the sales of electronics and consumer durables, likely the sales of new iPhone model. Other than that, performance was mixed across segments. We expect some more moderation in the Dec retail sales data, as the momentum from mobile phone sales was set to fade and consumer sentiment was likely impacted by the Tai Po fire accident. Still, we expect positive growth in retail sales for the whole year of 2025, and expect further improvement in 2026.

...but is set to be boosted by a property rebound in 2026

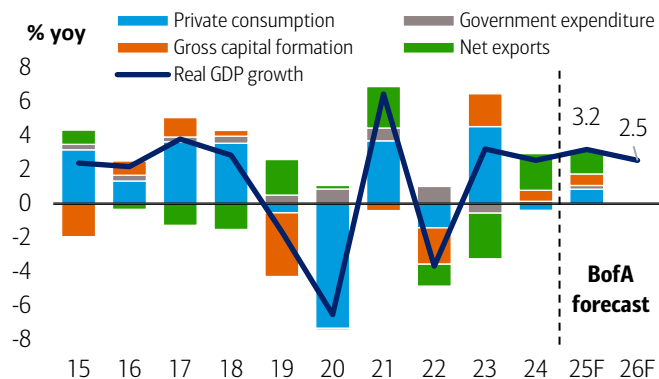
In our view, a potential (residential) property rebound would be a key driver of further consumption improvement in 2026. Our property analysts recently revised up their residential property price assumption to up 5-10% (from up 3% previously) and maintain 5% growth forecast for 2027 (see [report](#)). Barring external shocks, they project a total 20% recovery from the June 2025 trough over the next 2-3 years, recovering more than half of the home price decline since peak in August 2021. The revised projection is based on **1)** better-than-expected primary residential transaction volume in 2025, which should accelerate destocking, **2)** further US rate cut expectations and wealth effect from a strong stock market.

FX and Rates: HKD funding eases as authorities tightens margin financing

Since Sept-2026, HKD funding, as proxied by the 1-month HIBOR fixing, has steadily declined from 3.50% to the current level of 2.77%. The general direction in the easing of HKD funding is tied to the relatively stagnant outlook for Hong Kong-listed equities. Since reaching a peak in late-Sept at 27,000, the Hang Seng Index has been relatively flat, reducing the desire to take on leverage to buy Chinese equities. Hence, the reduced use of HKD settlement and the cheaper cost of HKD funding. Moreover, the Chinese government is currently trying to dampen retail participation in the onshore A-share market by limiting the amount of leverage retail investors can access via their brokerages. The more cautious tone of the Chinese government will also weigh on Hong Kong's H-shares and contributes to looser HKD funding.

Exhibit 64: We expect GDP growth at 2.5% in 2026

Revised Hong Kong growth forecasts



Source: BofA Global Research estimates

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Exhibit 65: We expect spot HKD to stay close to 7.75 in 2026

HKD forecasts

	Q1 26	Q2 26	Q3 26	Q4 26
USD-HKD	7.75	7.75	7.75	7.75

Source: BofA Global Research estimates

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Exhibit 66: We expect growth at around 2.5% in 2026

Growth is likely to decelerate

Hong Kong	2025F	2026F	2027F
Real GDP (% yoy)	3.2	2.5	2.4
CPI (% yoy)	1.4	1.8	1.9
Policy Rate (end of period)	4.25	3.50	3.50
Fiscal Bal (%/GDP)	-2.8	-2.1	-0.6
CurAct Bal (%/GDP)	13.5	11.7	11.2

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

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH



Malaysia: Strong growth; Steady policy

Kai Wei Ang

Merrill Lynch (Singapore)

Abhay Gupta

Merrill Lynch (Singapore)

Rahul Bajoria

BofAS India

Themes: Constructive growth outlook; Policy to remain steady

2025 GDP was reported at 4.9%, and slightly above the official forecast range (4-4.8%). This was probably not a huge surprise for Bank Negara Malaysia (BNM), as the possibility was already flagged back in Nov. We currently see 2026 GDP at 4.2%. Growth drivers include (a) strong capex growth, as investment approvals continue to be realized, (b) higher tourism receipts on the back of more active marketing efforts (2026 designated as “Visit Malaysia Year”), and (c) private consumption growth staying firm given healthy labour market conditions.

Some market participants view the constructive growth outlook warranting a reduction in the degree of monetary accommodation, and thus an imminent 25bps Overnight Policy Rate (OPR) hike. We do not see clear triggers for a hike this year yet. Our measures for inflation persistence & pervasiveness (which BNM pays close attention to) remain at manageable level. Stronger MYR over the past year would also help to reduce input costs, at the margin. Further likely sharper focus on addressing cost of living concerns – in the leadup to General Elections – could cap upside pressures on inflation.

Strategy: Strong growth outturn supports appreciation

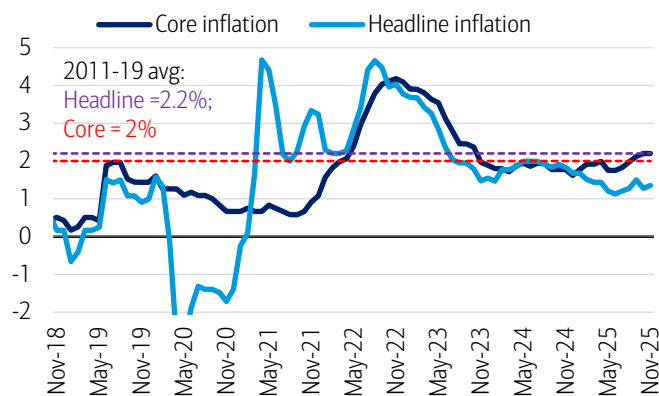
As tariff risks to external demand turned out to be less impactful than earlier anticipated, Malaysia has remained on a stronger footing vs regional peers. That has reduced market expectations for any further easing by BNM and built-up some chances of tightening in rates curve. That would likely turn interest rate differentials in favor of further MYR appreciation by reducing the negative carry. BNM’s oversight of exporters’ USD conversion has also kept a lid of USD demand due to capital outflows. Over the medium term, MYR would benefit from a higher hedge ratio on foreign assets of domestic investors and higher conversion of corporate deposit flows. That would further make CA surplus more effective in supporting the currency. The key impediment to further appreciation beyond psychological 4.0/USD level may come from potential accumulation of FX reserves by BNM. This may be guided by a need for building a reserves buffer and also to inject durable liquidity into the banking system via spot intervention.

Growth risks broadly balanced; Inflation risks to the upside (from low levels)

Risks to growth seem two-sided, and subject to global trade backdrop. Inflation risks are tilted to the upside, but only because inflation is coming from low levels.

Exhibit 67: Core and headline inflation (% yoy)

Latest headline inflation print still tracking below historical average



Source: BofA Global Research, CEIC

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Exhibit 68: MYR forecasts over 2026

End-2026 forecast at 4.0/USD

	Q1 26	Q2 26	Q3 26	Q4 26
USD-MYR	4.15	4.1	4.05	4.0

Source: BofA Global Research

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Exhibit 69: Major macro forecasts

Macro conditions seen stable amid trend pace growth and low inflation

Malaysia	2024	2025F	2026F
Real GDP (% yoy)	5.1	4.9	4.2
CPI (% yoy)	1.8	1.4	1.8
Policy Rate (end of period)	3.00	2.75	2.75
Fiscal Bal (%/GDP)	-4.3	-3.7	-3.5
CurAct Bal (%/GDP)	1.7	2.1	2.0

Source: BofA Global Research

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Philippines: Expect a lower growth path

Jojo Gonzales

Philippine Equity Partners

Abhay Gupta

Merrill Lynch (Singapore)

A lower growth trajectory

The national budget in 2026 is 7% higher than in 2025. This suggests government spending may be less of a growth driver in 2026 than in 2025, when government spending was front-loaded in early 2025 ahead of the mid-term elections. Additionally, government disbursements have come under closer scrutiny, given the infrastructure spending scandal whose culprits are only slowly being prosecuted.

The growth concern of monetary authorities is evident in their decision to reduce the policy rate 125bp in 2025 and leave the door open to the possibility of another 25bp cut as early as Feb-2026. Both the Bangko Sentral and the economic planning agency are looking at a 2026 GDP growth range of between 5-6%, down from previous expectations of 6-7%. Our own GDP 2026 growth forecast is 5.1%, reflecting only a mild improvement from 2025E of 4.8%.

Early 4Q indicators - mixed

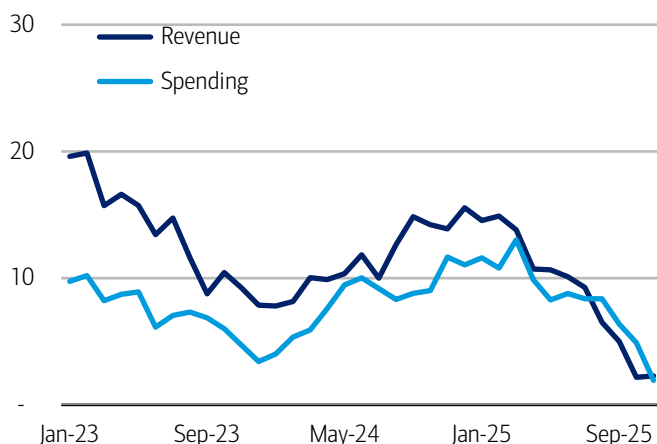
Electricity sales, vehicle sales, tourist arrivals visibly slowed through early 4Q. Credit growth remained buoyant. Remittances from overseas Filipinos gently accelerated.

Strategy – CA deficit and political noise weigh on PHP

BSP's approach to using reserves for FX stability has changed since middle of 2025. In Aug'25, BSP Governor talked about a new intervention strategy based on magnitude of PHP losses and impact on inflation outlook. This has been noticeable in lack in smoothing in 2H when inflation was tracking below policy target range. That also coincided with increase in BSP's FX reserves from USD 106Bn in Jun'25 to USD 111.3Bn in Nov'25, which indicates a preference for preserving FX reserves despite PHP volatility. While soft growth-inflation mix stands to benefit from PHP weakness, higher budgeted range for USDPHP to 58-60/USD for 2026 indicates that BSP's expectations have shifted. To the extent that may have been an input for gauging PHP stability, that would reduce the extent of BSP's resistance ahead of 60/USD level.

Exhibit 70: Government revenue and spending fell 4% and 9% respectively in Oct-Nov-2025

Spending was front-loaded in the first 4 months of 2025, more-elections



Source: CEIC data, PEP estimates

BofA GLOBAL RESEARCH

Exhibit 71: PHP forecasts over 2026

PHP forecasted at 57.0/USD by end-2026

	Q1 26	Q2 26	Q3 26	Q4 26
USD-PHP	58.0	57.5	57.5	57.0

Source: BofA Global Research

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Exhibit 72: Major macro forecasts

We expect GDP growth to be fairly similar in 2025 and 2026

Philippines	2024	2025E	2026E
Real GDP (% yoy)	5.6	5.7	5.8
CPI (% yoy, base year 2012)	3.5	3.0	3.4
Policy Rate (end of period)	5.75	5.25	5.25
Fiscal Bal (%/GDP)	-5.3	-4.9	-4.5
CurAct Bal (%/GDP)	-3.8	-2.8	-2.9

Source: BofA Global Research

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Singapore: Policy tightening underway

Kai Wei Ang

Merrill Lynch (Singapore)

Abhay Gupta

Merrill Lynch (Singapore)

Rahul Bajoria

BofAS India

Themes: Growth conditions sanguine; MAS to commence policy tightening

2025 GDP was strong at 4.8%, and exceeded official forecast from two months back (4%). We see 2026 hovering around 2% even against a high base. This thus places GDP growth still within the 2-3% range that policymakers characterize as long-term trend rate. Factors supportive of growth in 2026 include (1) generally healthy labour markets and balance sheets, (2) manufacturing capacity addition (e.g. UMC, Micron, Novartis, AbbVie), and (3) tailwinds from tourism recovery, including potential lift from Chinese tourists avoiding travel to Japan.

Over the course of Jan 2026, the street has converged towards our (earlier) outlier call for the Monetary Authority of Singapore (MAS) to steep FX slope by 50bps (to 1% p.a. in Ap). We see scope for another round of 50bps slope steepening to 1.5% p.a., and earliest at the Oct 2026 meeting for now. We think that likelihood of further tightening / normalization would increase if current growth momentum is seen extending beyond mid-2026, wage growth (including bonuses) remains firm and demand factors are seen pushing core inflation towards 2%.

Strategy: Higher SNEER and rates to tighten policy

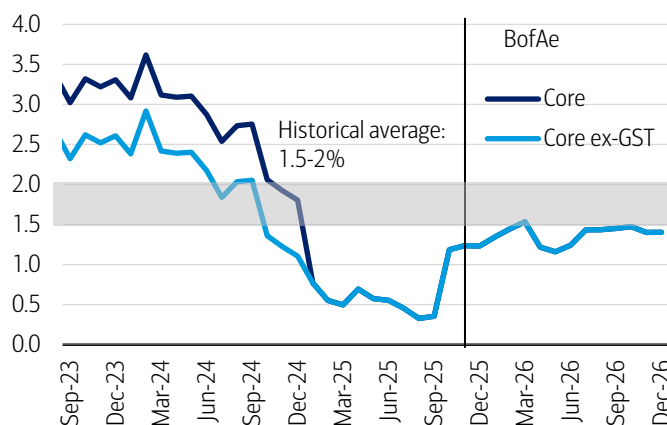
SNEER has moved higher towards a range of 1.3-1.5% above the midpoint on our model on expectations of hawkish policy outlook in the upcoming meeting. In a reversal of policy bias from last year, a hawkish tilt would reduce the need for MAS to keep financial conditions too loose. We believe the burden of that adjustment is likely to be shared between FX and rates as higher rates would also facilitate SNEER move higher within the band. Until slope tightening in April meeting reduces the negative carry on SNEER, the initial adjustment may occur via rates move higher. Given that rates are already pricing 1.5% slope based on current differentials vs basket yields, higher rates adjustment would reduce this wide gap while eventual slope adjustment would also reduce negative carry on SNEER.

Upside risk to growth and inflation

Singapore's economy is highly open; If global trade flows remain resilient, this could upside risks to our GDP forecasts. By extension, possibility of a more positive output gap in 2026 would exert upward pressure on medium-term inflation.

Exhibit 73: Core inflation forecast

We see core inflation approaching historical average range in 2026



Source: BofA Global Research, Haver

BofA GLOBAL RESEARCH

Exhibit 74: SGD forecasts for 2026

End-2026 forecast at 1.25/USD

	Q1 26	Q2 26	Q3 26	Q4 26
USD-SGD	1.280	1.270	1.260	1.250

Source: BofA Global Research

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Exhibit 75: Major macro forecasts

We see growth staying around potential pace and inflation low

Singapore	2024F	2025F	2026F
Real GDP (% yoy)	4.4	4.8	2.0
CPI (% yoy)	2.4	0.9	1.8
Policy Rate (end of period)	-	-	-
Fiscal Bal (%/GDP)	0.4	0.9	0.9
CurAct Bal (%/GDP)	16.9	16.5	16.2

Source: BofA Global Research

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Taiwan: surging exports in 2025

Xiaoqing Pi **Chun Him Cheung, CFA**
 Merrill Lynch (Hong Kong) Merrill Lynch (Hong Kong)

Exports finished the year strong

Taiwan's exports rose 43.4% yoy in Dec, remaining elevated despite moderating from 56.0% yoy in Nov and coming in slightly below market expectations (consensus: 48%). Imports increased by 14.9% yoy (vs. 45.0% in Nov), resulting in a wider trade surplus of US\$19.4bn. Export growth continued to be driven overwhelmingly by technology shipments, while non-tech exports softened further. For full-year 2025, exports surged 34.9% yoy, largely reflecting robust AI-related demand.

We expect AI-related demand to continue underpinning Taiwan's export performance into 2026, supporting overall economic growth amid sustained global AI investment. However, the outlook is clouded by prolonged trade negotiations with the US, alongside currency strength and potential tariff risks, which are likely to continue weighing on non-tech export sectors.

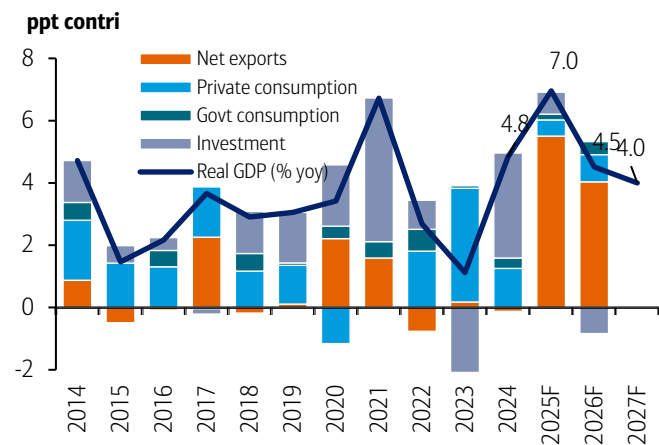
Strategy: TWD – FX spot volatility grinds lower while NDF volatility increases

Realized volatility on spot USDTWD declines as the spot FX markets see two-way flow while volatility on the NDF points market increases as the lifers structurally cuts back on hedging tied to regulatory changes. However, despite the regulatory changes, we expect the lifers' hedge ratio decline to an average of 40%, but sell USDTWD forward flow will still occur, but at a reduced volume. Thus, we think the fair-value of NDF points have risen as compared to prior to regulatory changes, but the fair value should remain negative as Taiwan remains a large net creditor to the rest-of-world.

Because of reduced forward USD sale by lifers, increasing the forward USD buying activities of foreign equity investors be important and will be a main driver to where NDF points will go.

Exhibit 76: We expect 2025 GDP growth at 7.0% yoy

Taiwan GDP contribution by expenditure



Source: BofA Global Research, DGBAS

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Exhibit 77: We expect USDTWD to edge lower in 2026

TWD forecasts

	Q1 26	Q2 26	Q3 26	Q4 26
USD-TWD	30.6	30.4	30.2	30

Source: BofA Global Research estimates

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Exhibit 78: We continued to expect 4.5% GDP growth for 2026

Major macro forecasts

Taiwan	2025F	2026F	2027F
Real GDP (% yoy)	7.0	4.5	4.0
CPI (% yoy)	1.7	1.3	1.7
Policy Rate (end of period)	2.00	2.00	2.00
Fiscal Bal (%/GDP)	-1.6	-2.4	-2.0
CurAct Bal (%/GDP)	17.7	20.2	20.8

Source: BofA Global Research estimates

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Thailand: Upcoming election

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

Theme: Thailand’s upcoming election

Thailand polls on 8 February in a landmark contest where, for the first time, the 500-seat House will select the PM without Senate involvement. Polling suggests a "three-way tie" with the People’s Party, Bhumjaithai, and Pheu Thai each vying for 80-150 seats. With no party nearing a 251-seat majority, a coalition is a mathematical certainty. This "Three Kingdoms" landscape ensures that no single pillar can govern without a strategic, alliance with a major rival. The vote arrives as Thailand faces existential structural headwinds, from a "super-aged" society to record household debt nearing 90% of GDP. Growth remains stagnant at 1.5% as the manufacturing base loses its competitive edge.

Despite the urgency, the political discourse remains focused on populist pledges rather than the deep reforms needed for long-term survival. The timing of the election could lead to a 1–2-month delay of the 2027 fiscal budget and a temporary drag in public capex in 4Q26. Any lag in passing the FY2027 Budget Act would likely trigger a repeat of previous cycles where new investment projects are stalled.

Key risk

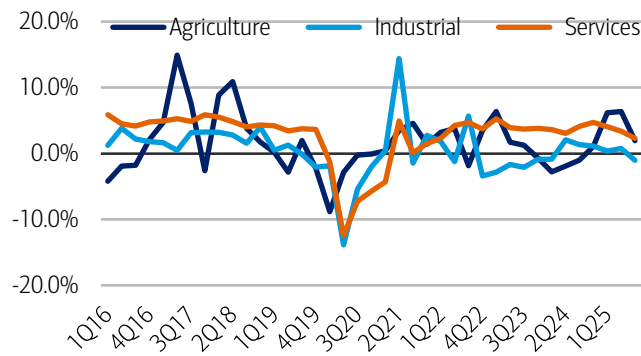
Lack of fiscal impulses could create headwind to growth at times where the economy is already vulnerable to economic shocks. Deterioration in growth combined with other weak conditions including weaker asset quality and falling loan growth could eventually put more pressure on the MPC to cut interest rates to levels below our terminal rate estimates of 1%.

Strategy: Political risks to increase THB volatility

Political uncertainty has risen with the dissolution of parliament and elections scheduled on 8th Feb. Low foreign ownership of Thai stocks and bonds has usually limited the impact of political noise on THB during previous election cycles. But limited fiscal room to support growth may transfer the burden to monetary policy and by extension raise policy concerns around THB appreciation. Policy measures to increase scrutiny of gold trading and other policy actions including investigation into unaccounted capital flows has also had little success in limiting THB appreciation so far. With USDTHB testing 31-31.5/USD range again, we may see more calls to limit further THB appreciation. Political risks around elections amid limited fiscal room supports flattening bias in Thai rates.

Chart 2: Thailand GDP growth by components (%YoY)

Contribution from the services sector started to decline, while industry remained weak



Source: MoC, KKPS

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Exhibit 79: USD/THB forecasts for 2026

End-2026 forecast at 30/USD.

	Q1 26	Q2 26	Q3 26	Q4 26
USD-THB	30.7	30.5	30.3	30.0

Source: BofA Global Research

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Exhibit 80: Major macro forecasts

We look for GDP growth to slow over medium-term

Thailand	2025F	2026F	2027F
Real GDP (% yoy)	2.0	1.6	2.1
CPI (% yoy)	0.0	0.5	0.7
Policy Rate (end of period)	1.50	1.00	1.25
Fiscal Bal (%/GDP)	-4.5	-4.3	-3.8
CurAct Bal (%/GDP)	2.5	1.6	1.9

Source: BofA Global Research

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EEMEA



South Africa: positive macro data

Tatonga Rusike

MLI (UK)

We forecast South Africa real GDP growth to accelerate to 1.5% in 2026, from 1.36% in 2025, buoyed by an increase in consumption and domestic investment. We see headline CPI averaging 3.4% in 2026 as food and oil prices remain moderate. We think the South African Reserve Bank (SARB) is likely to resume cutting later in 2026 to a year-end policy rate of 6.25%.

In year fiscal deficit is narrowing, trade surpluses rising, and pace of private sector credit extension is higher. Tensions with US rising over SA stance on Venezuela and naval drills with China, Russia, and Iran which increase risks of a fallout with US government.

In-year fiscal deficit continues to narrow

This fiscal year, SA could post its lowest main budget fiscal deficit since 2016. Following November fiscal data, we now see it at -4.1% of GDP vs -4.3% previously and the Treasury baseline of -4.5%. The country has a firm grip on expenditure and the pace of revenue collection continues to outperform. Further R35 billion of savings likely.

November monthly budget data revealed a deficit of R14.9 billion. While this print appears lower than the previous month's R35.8 billion deficit, it is higher than the October 2024 print of a R4.5 billion deficit. Tax revenue continues to grow well, at 9.7% year to date, while expenditure growth is 5.7% over the same period. As a result, year to date the cumulative deficit is tracking R281.4 billion vs R306.5 billion at the same time last year. At this run rate, we estimate a full year deficit of R321 billion, undershooting the National Treasury's R353 billion for fiscal year ending March 2025.

Private sector credit extension trending upwards

After stagnating at around 4% growth over the last two years, private sector credit extension is firming up at a higher level. It was up by 7.8% in November 2025, the highest since Feb 2023. The rise has been pronounced since May 2025. While the average has increased to over 7%, we see notable differences between households and corporates. Corporate credit growth is expanding faster, at over 10% relative to household credit extension at around 3%. The credit cycle is benefiting from cumulative interest rate reductions and a low inflation environment.

Increasing Jan-November 2025 trade surplus

South Africa posted a trade surplus of R37.7 billion in November from a revised R15 billion in October. The R37.7 billion surplus is also higher compared to R33.9 billion same time in 2024. Cumulative year to date trade surplus amounts to R178.8 billion compared to R182.5 billion in 2024. The large trade surpluses have been driven by higher commodity prices- particularly gold and PGMs, while pace of imports growth has been moderating. Despite an increase in commodities exports, overall exports to the US have declined by 13% to R136.5 billion due to the impact of US tariffs. These are largely driven by decline in motor vehicle exports.

Rising tensions with US reduce likelihood of a trade deal

We continue to watch out for risks on US-SA relations due to SA stance on foreign policy matters. Following the US strikes on Venezuela, South Africa has condemned the attacks and called for emergency meeting for the US security Council. SA national defence forces are due to conduct joint naval exercises with China, Russia, and Iran on 9-16 January. The activities could increase tensions between the US and SA as they signal SA's closer ties to its BRICS partners and Iran. Trade negotiations between US-SA have stalled while a 30% US tariff on SA goods remains.



Rising GDP growth in 3Q 25

3Q 2025 GDP grew by 0.5% qoq, above our baseline of 0.4%, from a revised 0.9% in 2Q. The year-on-year growth translates to 2.1% in 3Q from 0.9% in 2Q and marks four consecutive quarters of positive sequential growth since 2021. For the first three quarters of 2025, South Africa has grown at 1.2%. This improvement is driven by consumption and an uptick in fixed investment.

Sectoral growth is also broader based. On the production side, the positive sequential growth was driven by mining, trade, finance and general government services, which contributed positively to economic growth. Only the utilities sector (electricity) detracted from growth. In terms of the pace of growth, mining grew the fastest, at 2.3%, followed by agriculture at 1.1%, and trade at 1%. Mining growth is driven by higher prices for PGMS as well as expansion in bulk commodities, manganese and coal. Agriculture sector growth was driven by output from field crops, horticulture and animal products.

Main risks – changes in global risk weakening ZAR

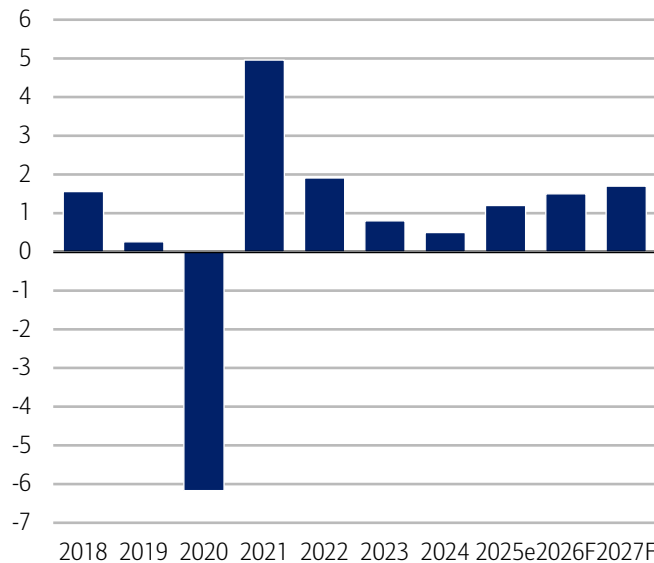
Main risks to our outlook are global risks- to changes in international oil prices or US policies (a less dovish Fed) that could lead to a stable USD and a weaker ZAR. Domestic risks could relate to GNU tensions that could weigh on financial markets and economic performance.

Strategy: the ZAR to outperform forwards

A weaker dollar and undervaluation should support a stronger ZAR, which should also outperform the forwards and most other EM currencies (including the MXN). The rand is the fourth most undervalued EM currency.

Exhibit 81: South Africa annual real GDP growth (%)

Real GDP growth set to improve to 1.5% in 2026, from 1.2% in 2025

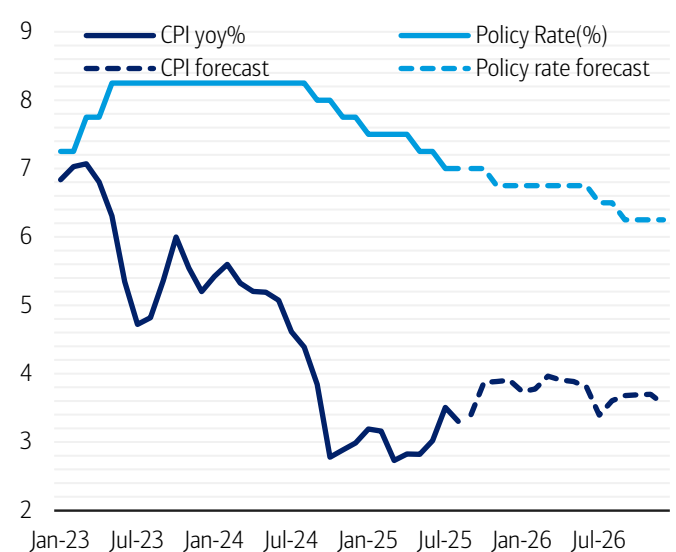


Source: BofA Global Research estimates

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Exhibit 82: South Africa inflation and monetary policy outlook

Easing cycle to be resumed in 2H 26, year-end 2026 policy rate of 6.25%



Source: BofA Global Research estimates

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Exhibit 83: Quarterly Inflation, policy rate and exchange rate forecasts

We project stronger ZAR at 15.6 by end of 2026.

	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly CPI	3.8	3.9	3.6	3.6	3.7	3.5	3.4	3.2
Repo path	6.75	6.75	6.25	6.25	6	6	6	6
USD-ZAR	16.8	16.4	16.0	15.6	15.4	15.7	16.0	16.2

Source: BofA Global Research

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Czechia: fiscal in focus for CNB rates

Mai Doan

MLI (UK)

Themes: CPI to dip well below 2%, but CNB to stay cautious on fiscal risks

CPI downside on exogenous factors could give grounds for more dovish CNB in the coming months, with the CNB Governor surprisingly reopening the door for easing in the December press conference. The rest of the Board sounds more cautious, focusing on fiscal and housing market risks. We keep our forecast of no change in the base rate of 3.50% for now, but may need to adjust lower if CPI surprises on the weak side, and/or the Governor’s bias is adopted by the Board.

CPI will likely drop to mid-1% handle in January after recent downside surprises, favourable food prices outlook, and given the electricity price cut enforced by the new government (which would cut inflation by c.0.3pp). December CPI was at 2.1% yoy—this was below the CNB’s forecasts of 2.3%, mostly due to food. But the CNB views the core CPI uptick to 2.8% yoy from 2.6%, and particularly services to 4.6% yoy from 4.4%, as giving “strong argument” for caution. The central bank also closely monitors the cost of owner-occupied housing (imputed rent), which continues to be a major contributor to services/core inflation, and also ticked up to 5% yoy in December from 4.8%.

Economic activity continues to surprise on the upside. 3Q GDP growth at 2.8% yoy was well above the CNB’s 2.2% forecast. This was due mostly to investment, but to some extent households consumption. Monthly data have also been solid. Manufacturing/ auto production was up by 6.3% / 8.8% yoy in November, and retail sales 4.1% yoy with visible uptrend in both goods and services. 2025 full year GDP will thus be stronger at 2.7% vs the CNB’s November forecast of 2.3%.

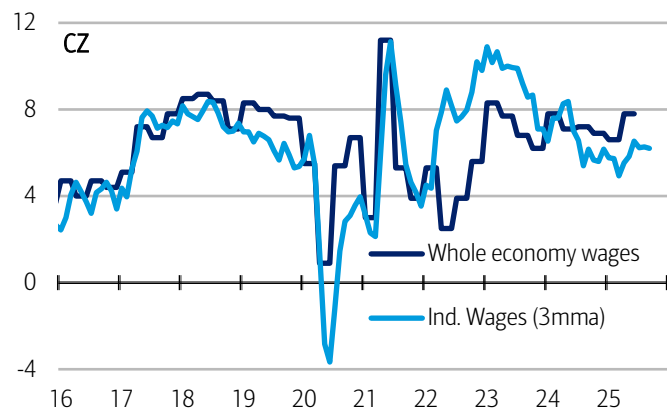
2026 budget is not ready, but we think the new government with need to deliver some election pledges. The CNB has always been highlighting fiscal as one of the key risks for monetary policy, with a strong hawkish stance on this issue from such Board members as Zamrazilova and Kubicek. In case of the new government does not to expand fiscal significantly, Governor Michl could have an upper hand for an easing agenda.

Strategy: CZK to depreciate more than forwards imply

A stronger dollar should drive the koruna weaker. The market might also price in lower rates in Czechia due to falling inflation which should have a negative spillover to FX.

Exhibit 84: Elevated wage growth keeps CNB uncomfortable

Wage growth in whole economy and in industrial firms (% yoy)



Source: Haver, European Commission

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Exhibit 85: CZK forecasts

Hawkish CNB to support the CZK

	Q1 26	Q2 26	Q3 26	Q4 26
EUR-CZK	24.6	24.0	23.6	23.5

Source: BofA Global Research

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Exhibit 86: Major macro forecasts

Easing cycle likely over as GDP outlook improves and core CPI sticky

Czech Rep	2025F	2026F	2027F
Real GDP (% yoy)	2.3	2.2	2.5
CPI (% yoy)	2.5	1.9	2.4
Policy rate (% end of period)	3.50	3.50	4.50
Fiscal bal (%/GDP)	-2.0	-2.5	-3.0
CurAct bal (%/GDP)	0.5	0.4	0.6

Source: BofA Global Research

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Egypt: Qatar FDI helps external outlook

Jean-Michel Saliba

MLI (UK)

View: positive

The United Arab Emirates (UAE) and Qatar Foreign Direct Investment (FDI) deals support the external outlook. We expect the IMF program to conclude in October 2026, with a risk that it goes off-track again for the 7th and 8th reviews. External funding needs are likely to be high over FY26. The risks are geopolitics, little Fx flexibility, reform slippage.

The 3Q25 current account balance stood at -US\$3.2bn, and the deficit narrowed sequentially to US\$12.8bn (2.8% 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\$51.4bn in October (6.3 months of import coverage), from US\$33.2bn in September 2022. The Central Bank of Egypt (CBE) holds an additional US\$10.3bn in Fx deposits not reported in reserves.

Sustaining the carry trade is likely to depend on Fx/monetary mix. Foreigners held US\$42.2bn of T-bills in July 2025 (43% of stock), up from US\$13.6bn in February 2024. Collateral (contingent liabilities) under external financing operations stood at US\$19.8bn in January 25. Banks' Net Foreign Assets (NFAs) stood at US\$11.8bn in November 2025.

Urban Consumer Price Inflation (CPI) inflation was 12.3% year-on-year (yoy) in December. The inflation target is 7% (+/-2%) in 4Q26 and 5% (± 2%) in 4Q28. The gradual rate cut cycle could resume, with a pace designed to ensure local debt rollover.

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

Forecasts: EGP strengthening bias near-term; range-bound afterwards

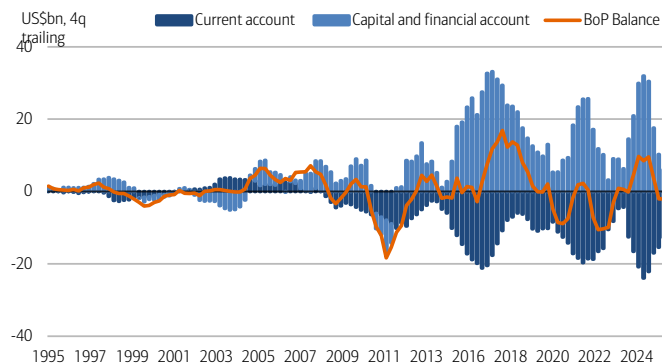
We expect Qatar FDI and IMF reviews passing will allow EGP to strengthen gradually near-term, with stronger pace if Suez Canal receipts return to pre-crisis trend. The implied EGP path in the IMF program suggests nominal depreciation in line with inflation differentials to maintain real competitiveness. Post-IMF in 2H26, USD/EGP may exhibit little flexibility. We expect the EGP to outperform the levels implied by NDFs.

Drivers

CBE Monetary Policy Committee meeting (12 February 2026), reform momentum, IMF Extended Fund Facility reviews, fiscal and Fx reserves data, Fx flexibility, geopolitics.

Exhibit 87: Egypt Balance of Payments dynamics

UAE and Qatar FDI deals boost balance of payments



Source: Haver, BofA Global Research

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Exhibit 88: EGP forecasts

USD/EGP to remain range-bound near-term

	Q1 26	Q2 26	Q3 26	Q4 26
USD-EGP	46.5	46.0	46.0	46.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 89: Major macro forecasts

USD/EGP flexibility is key to narrow external imbalance

Egypt	2025E	2026F	2027F
Real GDP (% yoy)	4.0	4.2	4.5
CPI (% yoy, avg)	20.4	13.2	10.0
Policy Rate (end of period)	24.00	18.00	15.00
Fiscal Bal (%/GDP)	-8.5	-6.4	-6.0
CurAct Bal (%/GDP)	-4.4	-3.6	-2.5

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

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Hungary: election risk rewards net +ve

Mai Doan

MLI (UK)

Themes: NBH keen to cut but cautious, fiscal spending likely not too excessive

Headline noise and policy uncertainty will be high with the general elections schedule 12 April, but we think a cautious NBH and limited benefits, and thus risks of excessive fiscal stimulus at this stage will keep the risks reward net positive for Hungarian assets.

On monetary policy, the NBH turned dovish in December signalling a strong bias towards near term easing, but recent communication suggests a still cautious approach on the HUF and inflation. Deputy Governor Kurali reacted to HUF weakness in December with hawkish comments. Post-December CPI data, he implicitly downplayed the chance of a rate cut in January by saying that the central bank needs more conviction. But we think headline inflation dipping to 2% or less by February will give the NBH a good reason to cut before elections, and see YE2026 base rate at 5.75% from 6.50% currently.

The underlying domestic inflation has not improved much, though the NBH is optimistic on disinflation, based on external factors. December CPI slowed to 3.3% yoy from 3.8%, primarily driven by fuel and processed food prices. Meanwhile, market services inflation ticked up to 7.6% yoy from 7.3%, while in seasonally adjusted annualised rate it was nearly 8%. The monthly repricing was higher than in November and the 2017-2020 average for market services and tradables, while for food, it was lower.

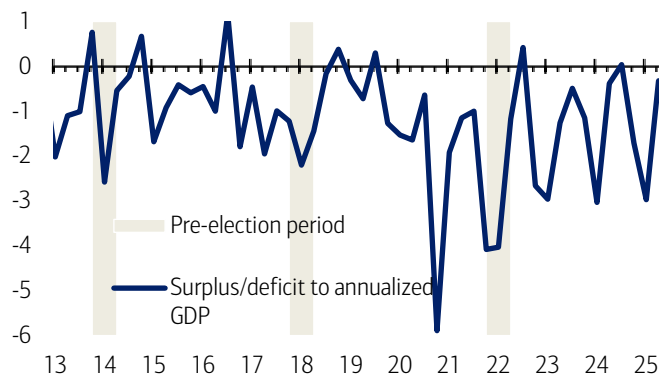
While the likelihood of pre-election spending remains elevated, we do not expect supply dynamics to weigh meaningfully on the trade for two key reasons. First, any additional fiscal impulse is likely to be contained—probably not much more than 1% of GDP. We are only three months away from the voting date, and there is likely diminishing marginal benefit of fiscal spending on Fidesz’s popularity within this short period. Second, issuance risk is likely be concentrated in the shorter end of the curve. The authorities will likely prefer to minimize exposure to maturity, given general attitude on FX debt limits, and current high sensitivity to debt servicing cost.

Strategy: weakness in Q1, election results are important for Q2 onwards

The HUF should underperform forwards in Q1 due to global being negative for EM FX as well as fiscal stimulus in February. The election results will determine the HUF fate after Q1. Our forecast for the EURHUF is a weighted average of Tisza and Fidesz scenarios.

Exhibit 90: Hungary – fiscal deficits under Fidesz tend to deteriorate pre-elections, but some consolidation afterwards (highlighted)

Central government budget balance as % of annualized GDP



Elections in 2014, 2018, 2022. Source: Haver

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Exhibit 91: HUF forecasts

HUF supported for now on moderate fiscal easing, US shields, but volatility may come in 1Q'26 as elections draw closer

	Q1 26	Q2 26	Q3 26	Q4 26
EUR-HUF	395	380	375	370

Source: BofA Global Research

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Exhibit 92: Major macro forecasts

2-speed economy keeps the NBH cautious on inflation risks

Hungary	2025F	2026F	2027F
Real GDP (% yoy)	0.6	2.7	2.5
CPI (% yoy)	4.5	3.4	3.8
Policy rate (% eop)	6.50	6.00	5.00
Fiscal bal (%/GDP)	-5.0	-5.8	-4.7
CurAct bal (%/GDP)	1.6	1.4	1.7

Source: BofA Global Research

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Kazakhstan: CPI should be at the peak

Vladimir Osakovskiy >>

Merrill Lynch (DIFC)

Inflation should be at the peak

4pp VAT hike this month will likely deliver a direct major boost to the CPI, which we expect will lift inflation to cc 15% yoy. Rising tax revenues should also slow a net inflow of fresh KZT liquidity inflows from the Oil Fund. More importantly, we also reiterate our view that a tax hike also represents a material fiscal tightening this year, which should help to normalize economic growth and weaken underlying inflationary pressures. As a result, we expect inflation to start slowing already from 1Q26 onwards, especially taking into account strong base effect from inflationary 2025.

Economic slowdown is pending

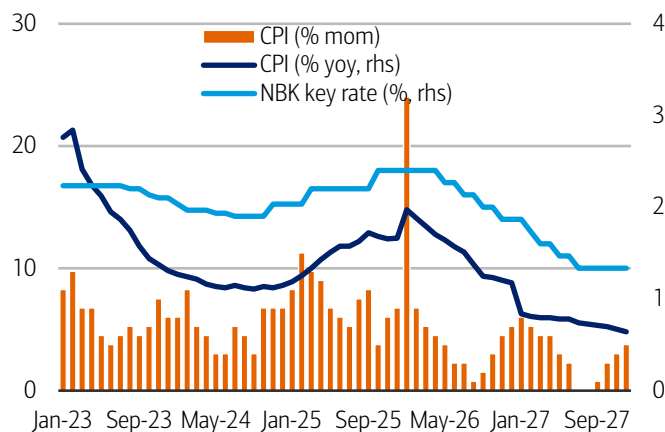
Overall, we expect Kazakhstan real GDP growth to slow to around 3.5% in 2026 on the back of strong base effect of 6%+ growth in 2025 as well the impact of a tax hike. In January the overall economic activity may be negatively impacted by the disruptions of Kazakh oil exports due to the recent damage to the Caspian Pipeline Consortium (CPC), which led to a temporary slowdown of production overall. In any case, we view the slowdown as a general normalization of growth towards the potential, vs strongly overheated level over the past several years.

Long term easing cycle in sight

The expected normalization of economic growth as well as the likely convergence of inflation towards a 5% target, which we expect to happen in 2027. Such structural disinflation trend should allow the National Bank to start a structural long term easing cycle. The Bank will likely remain on a hawkish side of the policy stance in 1Q26, given short term inflation spike. However, as disinflation should start to be more apparent from late 1Q26, we think that the Bank may proceed with its first rate cut in late 2Q26. Overall, we expect at least 400bp in rate cuts in late 2026 as further easing is likely in 2027 depending on the actual evolution of inflation and emergence of any new risks. Stabilization of +KZT liquidity flows and expected inflation slowdown should also provide firmer structural support to the KZT, which should also get additional boost from supportive seasonality in Jan-Feb.

Exhibit 93: Inflation to peak in January, but should slow from 1Q26 on

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

Loic Porte

MLI (UK)

Dec-25 CPI normalized to 15.15% from 31.2% after methodology change

Nigeria’s December 2025 Consumer Price Index (CPI) print came in at 15.15% yoy down from 17.3% in November, after a rebasement exercise at the end of the year. Absent this methodological change, CPI would have spiked up to 31.2% from 14.45% in November due to a December 2024 base-effect.

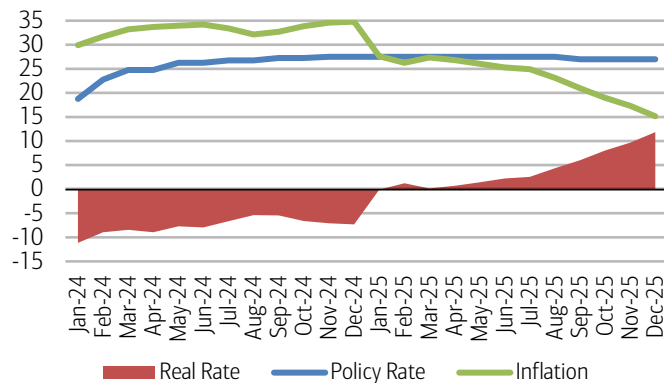
The Nigeria Bureau of Statistics (NBS) replaced single-month reference period from December 2024 to a 12-months index reference. The new base is the average of 12-months CPI of 2024. This change, welcomed by the IMF’s resident representative, now aligns with international best practices.

Double digit real rates pave the way for 2026 cuts..

After a cautious 2025, we expect the Central Bank of Nigeria (CBN) to cut rates more aggressively in 2026. The CBN remained optically cautious in 2025, cutting the main policy rate only once by only 50bps from 27.5% to 27% on September 23rd. However, it started signalling a more accommodative policy stance by shifting downwards the policy corridor. The standing Lending Facility Rate was adjusted downward by 500bps during 2025 versus 400bps for the Deposit Facility Rate.

Exhibit 94: Real rates at 12% in Dec-2025 as policy rates remain at 27%

Normalized CPI (% yoy), Policy Rate (%), Real Rate (%) (Jan 2024-Dec 2025)

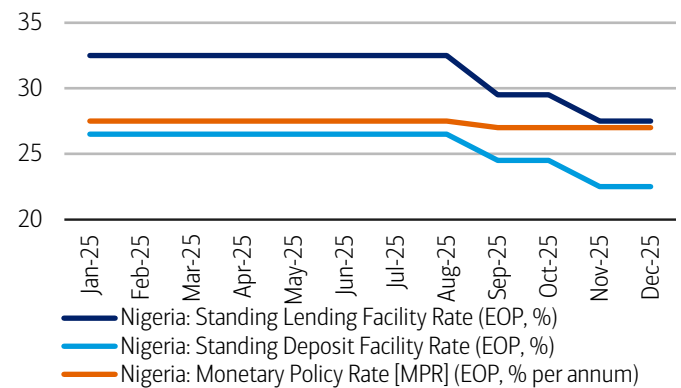


Source: BofA Global Research estimates, Nigeria Bureau of Statistics

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Exhibit 95: MRP didn't shift much but policy corridor did

Key monetary policy rates (Jan 2025-Dec 2025)



Source: Haver, BofA Global Research

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As of December 2025, real rates are now back in double digits territory at 11.8%. We now expect the CBN to cut rates by 100bps during its next Monetary Policy Committee (MPC) meeting on February 23-24.

.. as stable naira and high reserves provide policy cushion

Current Account surpluses driven by oil receipts and strong remittances are expected to continue supporting the currency and contribute to reserve accumulation beyond the record US\$45bn attained in December 2025.

Exhibit 96: We expect near term stability of naira to 1,407 in 2Q 26.

USD/NGN currency forecast (Q1 2026-Q4 2026)

	Q1 26	Q2 26	Q3 26	Q4 26
USD-NGN	1440	1407	1428	1450

Source: BofA Global Research

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Poland: CPI downside = dovish NBP

Mai Doan

MLI (UK)

Themes: GDP prospects solid, but near CPI downside to bring more rate cuts

The investments-driven GDP acceleration has been more visible since to mid-2025, but still an uneven path, while inflation has been consistently surprised on food, energy/import prices. The 2026 average inflation will thus be close to 2% from our previous forecast of 2.5%. This backdrop gives ground for a more dovish NBP in the near term. Up until now, we think 3.50% is the floor for the policy rate, and make this our base case from 3.75% previously. But downside risks are rising as food, energy and import price trends look likely to persist. We will reassess the scope of further easing with the incoming data in the next month.

The inflation situation has become much more benign in recent months, mostly due to exogenous factors. Since September, food contribution to the headline rate has fallen by 65bp. Agriculture and food PPI suggests a continuation of this effect in the coming months. Lower oil prices recently add to the to the downside. Core CPI slowed to 2.7% in December from well above 3% earlier in 2025. Meanwhile, services inflation is still sticky at c.5% yoy, albeit down from over 6%. All in, the net impact is for much lower headline inflation this year, hovering around 2%. Core could be slightly lower in 1H, before stabilising/rising from 2H on stronger economic/labour market activity.

The economy is generally on a good track, but still uneven. 3Q GDP was solid at 3.8% yoy, but November activity data were somewhat disappointing (IP -1.1% yoy/retail sales 3.1% yoy). In any case, it is an overall positive picture, with fixed investments showing clear signs of improvement (6.9% yoy in 3Q), corporate lending sharply up (14% yoy in Nov), consumer lending starting to pick up and hiring intentions higher. In 2026, investments will be supported by intensifying absorption of EU funds. Poland expects to receive c.EUR42bn of EU cohesion and recovery funds in 2026 (4.3% of GDP).

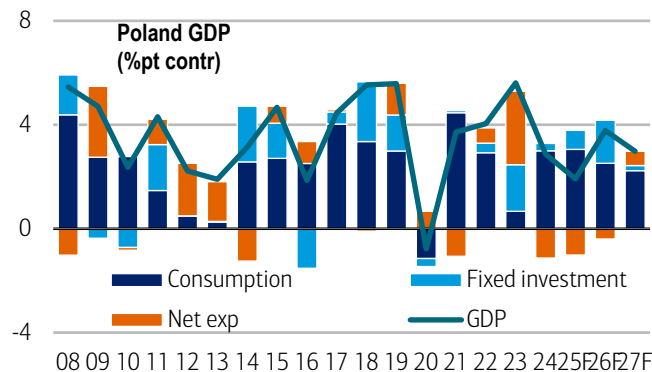
The budget deficit could narrow to 6.5% of GDP in 2026 from slightly under 7% in 2025 due to strong growth and some small tax hikes. Finance Ministry pre-financed 21% of its 2026 borrowing needs at end-2025. SAFE loans can also be larger than expected: Poland penciled in c.EUR11bn in financing plan vs. the whole application amounts to EUR44bn.

Strategy: global to drive the zloty weaker in Q1

Excessive investor bullishness now should drive EURPLN above forwards at the end of Q1. The zloty also looks overvalued and positioning is long.

Exhibit 97: Poland – GDP growth structure more balanced in 2026 with more support from investments and less drag from net exports

Contribution to GDP growth (in % point)



Source: Haver, BofA Global Research

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Exhibit 98: PLN forecasts

PLN to benefit from GDP resilience and stronger EUR outlook

	Q1 26	Q2 26	Q3 26	Q4 26
EUR-PLN	4.27	4.23	4.20	4.18

Source: BofA Global Research

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Exhibit 99: Major macro forecasts

More NBP cuts ahead, but room narrowing as GDP improves

Poland	2025F	2026F	2027F
Real GDP (% yoy)	3.4	3.6	2.7
CPI (% yoy)	3.7	2.6	3.0
Policy rate (% eop)	4.25	4.00	4.00
Fiscal bal (%/GDP)	-6.8	-6.5	-6.1
CurAct bal (%/GDP)	-1.3	-1.5	-1.3

Source: BofA Global Research

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Romania: on good track

Mai Doan

MLI (UK)

Themes: in the right direction, but still a fragile path

Political noise continues to linger in the background, but we do not see major risks to our baseline of a continuation of the market-friendly Bolojan government. The senior ruling Social Democrats (PSD) continue to act like an opposition force, distancing themselves from unpopular reforms and pushing for populist ideas. The Constitutional Court’s decision on the magistrates’ pension reform was postponed again. If the law is struck down, it would be a setback for the administration, but PM Bolojan has pledged against resignation. PSD meanwhile likely wants to stay in power to keep access funding. The probability of a near-term breakup of the ruling coalition likely remains low.

Fiscal data have tentatively improved, and Romania is progressing with EU recovery funds with the fourth payment request submitted amounting to over EUR2.5bn. The general government budget gap narrowed to 6.4% of GDP in November from 7.15% in the same period of 2024. The authorities have signalled that the 2025 budget outcome may be below that 8.4% of GDP target. A draft ordinance published by FinMin in late December brought 10% cut across central administration expenditure and regional governments personnel spending—savings are small, but this is a politically important step for PM Bolojan. From 2027, Romania will need to deliver c.0.7% of GDP adjustment per year. A major deviation from the fiscal consolidation path could erode confidence and macroeconomic stability, renewing credit ratings downgrade pressures again.

The National Bank of Romania (NBR) will make a decision on easing in a cautious, but forward-looking manner, in line with our view of steady rates until 2Q 2026. There is some evidence of the economy cooling off but disinflation remains slow. The NBR seems open to a more flexible FX policy, but we think it will maintain relatively tight control during the current period of high inflation, given high FX pass-through.

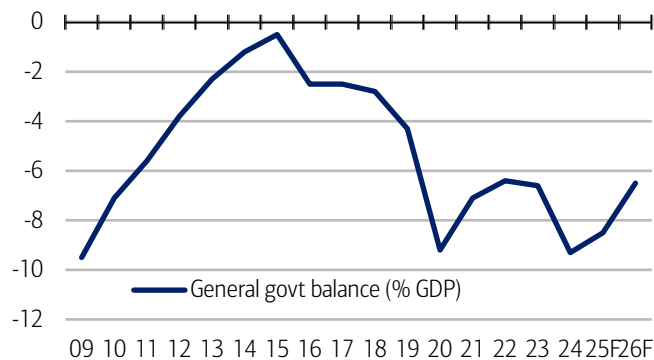
Lower issuance is a relief for investors. FinMin recently signalled a smaller Eurobonds pipeline of EUR7bn net from previous plan of EUR11bn gross/EUR8bn net. This plan has not accounted for pre-financing, which typically happens in the last quarter of the year.

Strategy: RON to remain stable

The massive expected fiscal consolidation should open the door to a long local bond trade in Q1 or early Q2 this year. Given still elevated inflation, the NBR is likely to stick to keeping the RON in a tight range for a while yet. As a result, we expect the RON to outperform forwards.

Exhibit 100: Romania – budget consolidation package to bring a major turnaround in fiscal, but more needed in 2027+

General government budget balance (% GDP)



Source: Haver, BofA Global Research

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Exhibit 101: RON forecasts

NBR to keep RON in tight range until mid-2026 due to high inflation

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

Source: BofA Global Research

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Exhibit 102: Major macro forecasts

Significant fiscal consolidation drags growth and boost CPI

Romania	2025F	2026F	2027F
Real GDP (% yoy)	1.0	1.5	2.8
CPI (% yoy)	7.3	6.5	3.2
Policy rate (% eop)	6.50	5.00	4.50
Fiscal bal (%/GDP)	-8.5	-6.3	-5.8
CurAct bal (%/GDP)	-8.4	-7.5	-7.0

Source: BofA Global Research

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Saudi Arabia: from megaprojects to AI

Jean-Michel Saliba

MLI (UK)

View: positive

We expect Saudi Arabia to register resilient non-hydrocarbon real Gross Domestic Product (GDP) growth. Near-term megaprojects could shelter non-hydrocarbon real GDP growth, with re-prioritization due to low oil prices. Investment is also shifting to Artificial Intelligence (AI). The path for Saudi oil production, prices in 2026 is uncertain.

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 assume central government spending will remain flattish in real terms (corresponding to small overspending versus budgetary targets). Our 2026 assumptions are consistent with crude oil production of 10.2mn bpd, oil prices of US\$60/bbl, robust non-oil revenues and the lack of Performance-Linked Dividends by Saudi Aramco (but a small increase in the base dividend instead). We assume asset divestment by Saudi Aramco will be partly used to fund dividends in this environment and will not be used to upstream additional dividend distributions.

We estimate the central government fiscal breakeven oil price stood at cUS\$95/bbl in 2025 and will likely decline to US\$89/bbl in 2026 if spending is contained and oil production increases. We estimate the 2026 budget implicit oil price assumptions stood at US\$67/bbl.

We do not expect a material fiscal retrenchment by the general government unless there is a sustained drop in oil prices and increase in borrowing costs. We expect phase one of most megaprojects is likely remain on track, both in terms of delivery and financing.

Forecasts: USD peg to hold

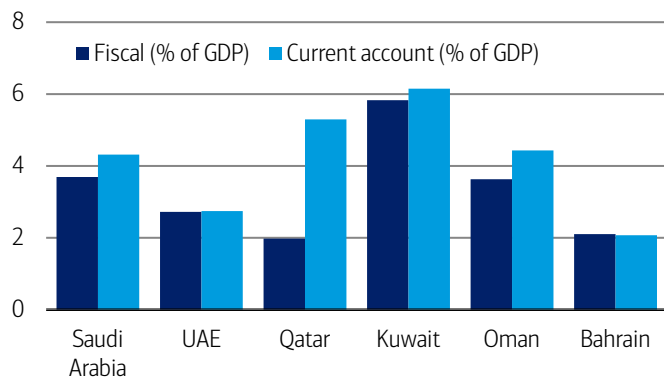
The USD peg is likely to hold on the back of still-high savings, but further fiscal adjustment would be needed if oil prices are low for a sustained period of time.

Drivers

Saudi Central Bank monthly bulletin, OPEC Group of Eight Meeting (1 February 2026), quarterly fiscal data report (April 2026), annual pre-budget statement (September 2026), annual budget statement (December 2026).

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

High sensitivity of macro accounts to oil prices



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

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Exhibit 104: SAR forecasts

We expect the USD peg to hold

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

Source: BofA Global Research

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Exhibit 105: Major macro forecasts

Medium-term fiscal adjustment is ongoing

Saudi Arabia	2025F	2026F	2027F
Real GDP (% yoy)	4.6	3.9	3.1
CPI (% yoy)	2.0	2.0	2.0
Policy Rate (end of period)	4.25	3.50	3.50
Fiscal Bal (%/GDP)	-5.1	-5.3	-4.6
CurAct Bal (%/GDP)	-3.4	-5.0	-4.5

Source: BofA Global Research

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LatAm



Brazil: Kicking off the election year

David Beker

Merrill Lynch (Brazil)

Natacha Perez

Merrill Lynch (Brazil)

Gustavo Mendes

Merrill Lynch (Brazil)

Activity: deceleration is not a steady path

[November's Economic Activity Index \(IBC-Br\) increased 0.7% mom sa](#) (+1.3% yoy), following a 0.1% momsa contraction in October (+0.65% yoy). The print was above expectations (BofA: 0.5% mom sa, consensus: 0.4% mom sa). A black-Friday with positive surprise on sales is partially responsible for this result, which fueled the services category of the IBC-Br.

Deceleration processes are not steady, and November's print does not change our overall assessment that activity is cooling down. Moreover, activity could be responding to a slightly more active fiscal policy in 2H25. Statistical carry-over suggests a 2.5% average growth in 2025, in line with our GDP growth forecast for the year. For 2026, we expect a 2.0% growth. Looking ahead, our Activity Coincident Tracker foresees some improvement in activity in December compared to November, though it remains in negative camp as it was estimated at -19pts.

Inflation: closing 25' within the target range

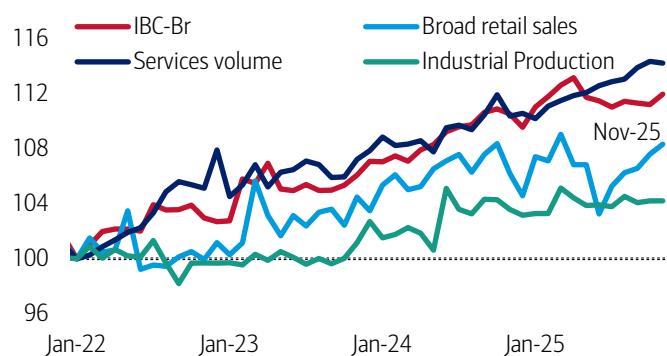
Inflation in December was 0.33% mom, up from 0.18% in November. The print was in line with consensus expectations (Consensus: 0.32%). Inflation reached 4.26% yoy, down from 4.46% previously. On a monthly basis, average core accelerated to 0.46% mom, from 0.23%, while on a yearly basis it decelerated to 4.60% yoy, from 4.72%. Core services accelerated to 0.56% mom, from 0.30%, while the yearly print decelerated to 5.88% yoy, from 5.99%. Regarding other measures of underlying inflation, the diffusion index increased to 60.2% from 55.7% in the previous month. Inflation momentum, measured by 3mma saar, decreased to 2.16% from 4.00%, and average core momentum decreased to 3.73% from 3.86%.

BCB: we expect the cutting cycle to start in January

We continue to expect the BCB to start cutting rates in January, with a 50bps clip. December's print consolidates 2025 inflation at 4.26% yoy, within the tolerance band of the inflation target (3.0% +/- 1.5%). This is a positive ending to 25', as in the most bearish moments of the year consensus saw inflation closing the year above 5.5%. A significant part of the hiccup observed in core and core services inflation in December is attributed to year-end seasonality, and we consider that inflation is still on a benign trajectory. We expect inflation to cool down to 4.0% by YE26.

Exhibit 106: Activity saw a slight rebound in November

High-frequency activity indicators (Jan-22 = 100)

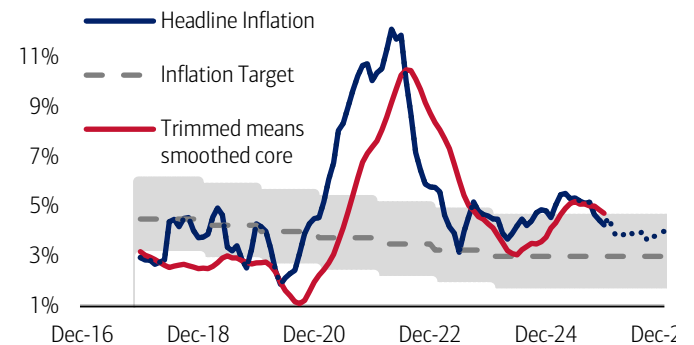


Source: IBGE, BCB

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Exhibit 107: Inflation ended 2026 within the target range

Headline and core inflation (12m acc)



Source: IBGE, BCB

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Quaest Poll shows Lula holding lead, no major surprises for markets

The latest (Jan 14) Quaest survey indicates Lula’s approval at 47% (-1p.p from Dec) and disapproval at 49% (unchanged). Market’s concern that Lula might improve did not materialize. First-round polling shows Lula at 36%, Flávio Bolsonaro at 23%, and Freitas at 9%.

Also as per the Quaest polls, in runoff scenarios, Lula would beat Freitas 44%-39% (from 45%-35% in December) and Flávio Bolsonaro 45%-38% (from 46%-36%). Notably, sentiment around the Bolsonaro family improved: the share of respondents citing a Bolsonaro comeback as their biggest fear fell to 46% from 49%. Yet, a right-wing ticket without Bolsonaro family members now polls stronger against Lula (45% vs. 43%), compared to 49%-36% in December. Perceptions on Bolsonaro’s choice of Flávio improved — 44% say it was a mistake (down from 54%), while 43% say it was right (up from 36%). Flávio’s rejection among those familiar with him dropped to 55% from 60%, while Lula’s remains at 54%. Among independents, rejection rates are similar for both (62% for Lula, 61% for Flávio).

Brazil's 2026 budget highlights rising fiscal risks ahead of elections

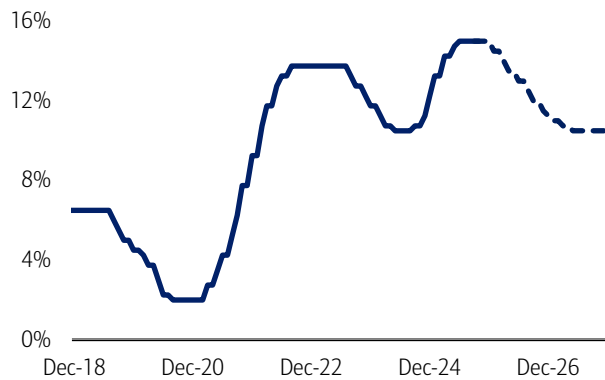
Congress passed the 2026 budget on Dec 19, targeting a primary surplus of R\$34.5bn (0.25% of GDP) but allowing a deficit of up to R\$68.5bn (0.5% of GDP). The bill includes R\$61bn in parliamentary amendments, achieved through cuts in mandatory spending, while the government plans vetoes to restore social programs. We continue to expect the central government to deliver a 0.5% of GDP primary deficit in 2026, as it is likely to use up all the possible fiscal space next year. We do not expect a significant fiscal slippage due to a strong checks and balances system with respect to primary expenses, but fiscal policy could become more expansionary via quasi-fiscal policy, as there are fewer institutional strains regarding this type of policy. It is important to monitor fiscal execution in 26’, as well as the fiscal plans by the presidential candidates.

Output gap to turn negative in 2026 according to the BCB

On December 18, the BCB released the 4Q25 MPR. The board considered the output gap still positive in 3Q25 (+0.5%) and in 4Q25 (+0.2%), however, it should turn to negative in 1Q26 (-0.5%), and in 2Q26 (-0.4%), as restrictive monetary conditions will continue to affect the economy. According to its forecasts, headline inflation will drop from 4.4% in 4Q25 to 3.6% in 1Q26, decreasing gradually and reaching 3.0% only by 1Q28. At the next Copom meeting, the relevant horizon for monetary policy is likely to shift to 3Q27, which is now expected to slow to 3.2%, close to the mid-point of the target range.

Exhibit 108: Selic cuts should start in Jan-26 with a 50bps clip

December inflation within tolerance range supports our Jan-26 cut call



Source: BofA Global Research, BCB

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Exhibit 109: We see BRL depreciating slightly as the carry decreases

BRL Forecasts

Brazil	Q1 26	Q2 26	Q3 26	Q4 26
USD/BRL	5.35	5.35	5.35	5.25

Source: BofA Global Research

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Exhibit 110: GDP growth to decelerate ahead

Major macro forecasts

Brazil	2025F	2026F	2027F
Real GDP (% yoy)	2.5	2.0	1.8
CPI (% yoy)*	4.3	4.0	3.5
Policy Rate (eop)*	15.00	11.25	10.50
Fiscal Bal (%/GDP)	-9.8	-9.5	-9.0
CurAct Bal (%/GDP)	-2.9	-2.5	-2.2

Source: BCB, IBGE, BofA Global Research

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Mexico: Policy normalization meets geopolitical risk

Carlos Capistran
BofAS

Weak activity in 2025, modest recovery taking shape in 2026

Mexico's economy ended 2025 on a soft note. The most recent GDP print fell -1.2% qoq saar in 3Q (vs 1.8% in 2Q, revised from 2.4%), leaving year-to-date growth at 0.4% sa (Exhibit 1). The mix was uneven: private consumption remained resilient (4.3% qoq saar; 5.9% in 2Q) despite -5.1% ytd remittances, public consumption slipped (-0.2%), but investment weakened materially (public -13.0% ; private -1.5%) (Exhibit 2). Externally, exports fell -3.6% (vs 1.4% in 2Q) amid persistent trade frictions even as non-oil, non-auto shipments held up, while imports rose 10.9% (vs 15.4% in 2Q). For 4Q, data so far points to a modest recovery, as industrial production, retail sales, and monthly GDP posted modest gains (all below 1% mom in October). Industrial production also grew in November (0.6% mom), sustained by construction.

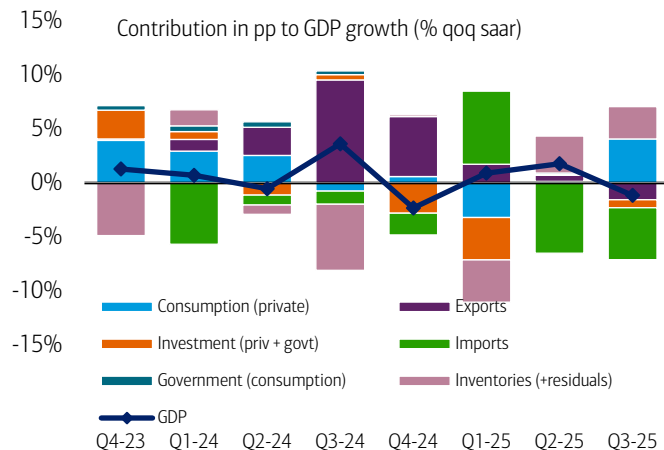
Looking ahead, [we expect GDP to grow \$1.2\%\$ in 2026](#) (vs. 0.4% in 2025), a modest improvement supported by reduced domestic uncertainty as the 2024 constitutional changes are implemented, a looser policy mix (no repeat of 2025's sharp fiscal consolidation and Banxico moving toward neutral), firmer US growth (2.8%), and a temporary boost from the 2026 FIFA World Cup. Key downside risks include a disruptive outcome from the US-Mexico-Canada Agreement (USMCA) review (low probability) and tighter US financial conditions that could pressure investment, capital flows, and the MXN; conversely, clearer policy signals and better external demand should help stabilize activity even as growth remains below potential (and potential has probably fell due to low productivity).

New year, new taxes and tariffs — but lingering uncertainty

Mexico entered 2026 amid fiscal changes and ongoing trade adjustments that reinforce an already uncertain outlook. On January 1, updates to the Special Tax on Production and Services (IEPS) took effect, raising levies on sugary beverages, tobacco, gambling, gasoline, and diesel, with the package expected to generate MX\$183mn in revenue. Simultaneously, tariff increases on imports from countries without a free-trade agreement with Mexico also came into force (China, India, Brazil, among others). While these measures aim to support public finances, they induce large changes to relative prices which could contribute modestly to inflation (see inflation section). Trade-policy

Exhibit 111: Investment fell, while private consumption remained resilient in 3Q

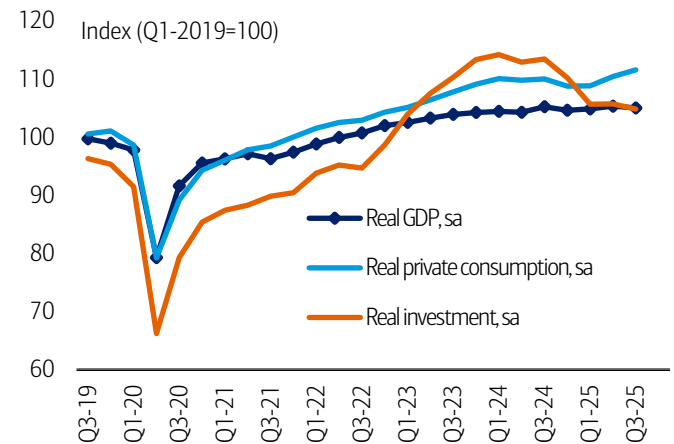
Contributions to GDP growth (pp) (4Q23 – 3Q25)



Source: BofA Global Research, INEGI

Exhibit 112: Consumption growth has surpassed both GDP and investment growth

Real GDP, private consumptions, investment (sa) (3Q19-2Q25)



Source: BofA Global Research, INEGI



uncertainty persists ahead of the mid-2026 USMCA review. While we see a termination of the treaty as unlikely, the process could result in more frequent reviews and targeted concessions in areas such as energy regulation, migration cooperation, and Chinese investment screening. As a result, businesses are likely to remain cautious despite improving domestic clarity. In addition, geopolitical pressures for the LatAm region are also likely to keep uncertainty high.

Headline inflation cools in December

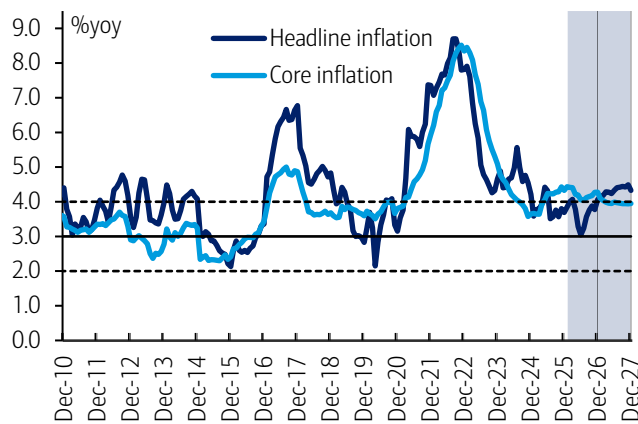
Inflation moderated in December, with both headline and core readings easing—though core remains above target (see report). Headline inflation printed 3.7%, slightly down from 3.8% in November, supported by benign non-core components. Core inflation fell to 4.3%, from 4.4% previously, on softer price pressures in services and non-food merchandise. We expect core inflation to remain relatively sticky in 2026, reflecting higher excise taxes, new tariffs on non-FTA imports, and stronger demand tied to the 2026 FIFA World Cup. The 13% yoy minimum wage increase—well above inflation—also creates upward pressure. Our forecast puts headline inflation at 4.1% by end-2026, while core inflation reaches 4.3% by end-2026 (Exhibit 3).

We continue to expect Banxico will cut to 6.00% by end-2026

We maintain our expectation that Banxico will lower the policy rate to 6.00% by end-2026, with a hold on February 5—the first meeting of the year—followed by 25bp cuts every other meeting (see our report). This trajectory is supported by a negative output gap, anchored inflation expectations (although above the target), and supportive external backdrop, including a softer US dollar and expected Fed easing. However, temporary inflation pressures—such as higher excise taxes, new tariffs, and World Cup-related demand—could slow the pace of easing. Fiscal risks tied to the World Cup-related spending or broader budget pressures could also delay cuts. External risks include a US inflation surprise that tightens global financial conditions and weakens the MXN. While the baseline remains intact, the balance of risks leans toward a slower easing cycle, with pauses more likely than reversals.

Exhibit 113: We expect headline inflation at 4.1% yoy by end-2026

Inflation forecasts (%yoy) (2010-E2027)



Source: BofA Global Research, INEGI

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Exhibit 114: We expect USDMXN at 18.25 by end-2026

MXN forecasts

	Q1 26	Q2 26	Q3 26	Q4 26
USD-MXN	17.75	17.90	18.00	18.25

Source: BofA Global Research

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Exhibit 115: We expect Mexico to grow 1.2% in 2026

Major macro forecasts

	2025F	2026F	2027F
Real GDP (% yoy sa)	0.4	1.2	1.8
CPI (% yoy, eop)	3.69	4.06	4.33
Policy Rate (end of period)	7.00	6.00	6.00
Fiscal Bal (%/GDP)	-4.0	-4.0	-3.5
CurAct Bal (%/GDP)	-0.4	-0.6	-0.3

Source: BofA Global Research

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Argentina: Reforms Agenda

Sebastian Rondeau

BofAS

Reforms Agenda

President Javier Milei has reached out to moderate governors and legislators to support structural reforms. The government will prioritize labor modernization and tax simplification in Congress (it already got the budget approved). Discussions could also include further de-regulation and privatization. The ruling coalition had a strong performance in the mid-term election, obtaining about 43% of the Lower House and 35% of the Senate. This substantially strengthened governability, restored veto power, improving the likelihood of structural reforms.

FX reserve accumulation and debt payments

Argentina obtained a \$3bn repo loan from international banks and used it to pay back FX bonds for about \$4.3bn. It also cancelled the portion of UST swap used for about \$2.5bn, after obtaining other multilateral support.

BCRA launched a FX reserve accumulation program and expects to buy around \$10bn this year. This mostly due to a projected increase in demand for money, coming from very depressed levels. Simultaneously, BCRA launched a new FX system in which the top of the FX band depreciates with the inflation of 2 months ago (2.6% in January and 2.8% in February). This should avoid a real appreciation of the band ceiling. We expect Argentina to converge gradually to a more free-floating regime. The government should attempt to tap global bond markets in 1H.

Virtuous cycle?

The end of election uncertainty should lead to a virtuous cycle in our view. Interest rates already plummeted (in both USD and pesos), supporting a rebound in loans. EXD bonds already rallied strongly, with yields dropping to around 9%-10%. We forecast GDP growth at 3.5% this year (from 4.2% last year). Mining, energy, banking and IT should lead the recovery and investments. Peso interest rates volatility remains elevated.

Inflation sticky amid ARS volatility

Inflation has inched up to 2.8% mom in December from an average 2.1% the past 6 months. This still shows a moderately low pass through from ARS depreciation. We forecast inflation down to 20% this year, from 31.5% in 2025 and 118% in 2024, and down further to 12% in 2027.

Exhibit 116: Major macro forecasts

Growth expected at 3.5% in 2026

	2025F	2026F	2027F
Real GDP (% yoy sa)	4.2	3.5	3.0
CPI (% yoy)	31.5	20.3	12.0
Curr Acct Bal (%/GDP)	-1.9	-1.4	-1.7
Primary Fiscal Bal (%/GDP)	1.5	1.7	1.7
Policy Rate % (end-period)	30.0	na	na

Source: BofA Global Research

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Exhibit 117: Exchange Rate

USDARS, end of quarter.

	Q1 26	Q2 26	Q3 26	Q4 26
Exchange rate (USDARS)	1500	1550	1600	1700

Source: BofA Global Research

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Chile: The Right is back

Sebastian Rondeau

BofAS

The Right is back

Jose Kast (Right, Republicanos) was elected president, beating Jeannette Jara (Left). The right parties together are close to a majority in Congress but will have to negotiate with the opposition. The new presidency starts in March.

Economic proposals

Kast proposes aggressive spending cuts over \$6bn (annual) to fix the fiscal deficit: 1) eliminate fraud in medical leave, public transportation, access to social security, scholarships, etc. 2) Improve efficiency in the public sector by eliminating programs that misuse resources. 3) Better management of public procurement. To stimulate investment, he proposes to eliminate the capital gains tax (on the sale of shares with low stock market presence). And to lower corporate tax rate for median and large enterprise from 27% to 23%. He also proposes to speed up environmental permits and eliminate unnecessary regulations

The fiscal deficit declined to 2.6% of GDP in November (from 3% of GDP in 2024) thanks to mining tax revenue performance. The government budget increases spending over 2% real next year. The pension reform implies a 1% of GDP additional fiscal deficit in the medium term. The current account deficit would have declined to 2.6% of GDP in 2025 (from a 10% peak in 3Q22) and could reach a surplus this year amid very strong copper prices.

BCCh cut 25bp to 4.5%

BCCh cut the policy rate to 4.5% in December and revised the neutral range up 25bp to 3.75-4.75%. We forecast the policy rate will remain stable this year, with risks of one 25bp cut. The economy is growing around potential. We estimate GDP grew 2.1% in 2025 (from 2.6% in 2024) and project 2.2% growth this year. Inflation was 3.4% yoy in December (ex-volatiles at 3.3%). We see inflation declining to 3.1% this year as the electricity shock doesn't repeat, staying at 3.1% next year.

Pension reform implementation.

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, (and a benefit depending on the years contributing). Universal pensions will increase 17% (gradually). The regulator is working towards new pension portfolio benchmarks. In June, the Congress passed a bill to reduce the time of permits for large investment projects by about 30% and 70% ("sectorial permits"), one of the biggest hurdles for growth (mandatory deadlines for certain permits).

Exhibit 118: Major macro forecasts

GDP growth potential

	2025F	2026F	2027F
GDP growth %	2.3	2.2	2.0
Inflation %	3.4	3.1	3.1
Current Acc. Balance % GDP	-2.2	0.9	0.1
Fiscal Balance % GDP	-2.5	-1.6	-1.6
Policy rate %	4.5	4.5	4.5

Source: BofA Global Research

Exhibit 119: CLP forecasts

Volatile CLP

	Q1 26	Q2 26	Q3 26	Q4 26
USD-CLP	880	870	860	850

Source: BofA Global Research

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Colombia: Minimum wage shock

Alexander Müller
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Pedro Diaz
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Largest minimum wage rise since 1993, +23.8% (+18.7% in real terms)

On 30 December, President Petro announced the decision to increase the minimum wage (plus transportation allowance) for 2026 by 23.8%, which was a lot higher than market expectations (around 12%) and the hike in 2025 (11%). This policy action will impact inflation dynamics and monetary decisions, but also the fiscal balance (0.3% of GDP wider deficit according to the independent fiscal council) and the composition of economic activity (more consumption and less investment).

Inflation forecast for 2026 revised up to 6% (from 4.1%)

We have revised our inflation forecast for 2026 to 6%, from 4.1%, because of the minimum wage hike. BanRep estimates that the elasticity of a 1pp increase in the minimum wage above inflation plus productivity is around 0.1-0.15. We piggyback on these elasticities. With inflation at 5.1% (December 2025) and the official 2025 labor productivity estimate of 0.6%, the 23.8% increase in the minimum wage should pressure inflation by 181bp (lower bound elasticity, 0.1) to 272p (upper bound, 0.15).

Minimum wage hike will likely be the trigger of a monetary tightening cycle

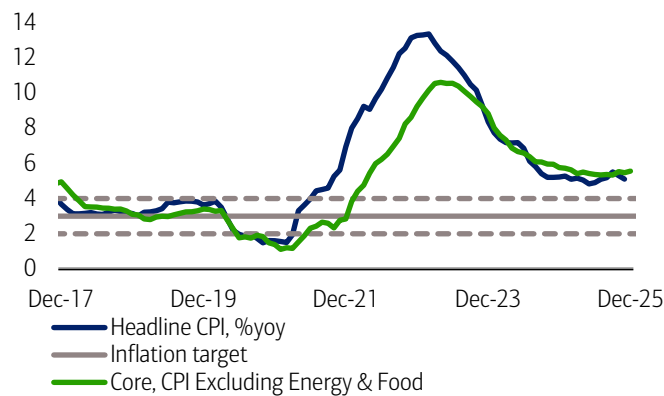
We believe the 23.8% increase in the minimum wage is enough for the majority group on the board (four out of seven) to declare game over. In the last rate decision (19 December) the majority group voted to stay put (while the other three board members voted to cut) amid a decline in inflation and more accommodative global financing conditions. But the minutes of the meeting revealed two of the four hawks wanted to hike, and all four agreed the minimum wage is a key risk for the inflation outlook.

We expect a 50bp hike on 30 January, and a cycle of 175bp

We believe the board’s opening move will be a 50bp hike, taking the policy rate to 9.75%. Board member Villamizar gave an interview in January and argued he is in favor of frontloading the adjustment. After that, we expect five consecutive hikes of 25bp in each of the next five rate decisions (March, April, June, July, September). A cumulative tightening cycle of 175pb, ending at 11%. In contrast, the market is pricing 250bp of hikes. We expect to see political pushback. President Petro is already accusing the majority group in BanRep’s board of being “Uribista” (synonym for having a right-leaning political orientation) and trying to cool down the economy in the run-up the presidential elections (to be held on 31 May).

Exhibit 120: Headline and core inflation (% yoy)

Minimum wage will delay the convergence of inflation to the target



Source: BofA Global Research, Haver

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Exhibit 121: COP forecasts

Elections in March (Congress) and May (presidential) are risk events

	Q1 26	Q2 26	Q3 26	Q4 26
USD-COP	3700	3600	3700	3800

Source: BofA Global Research

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Exhibit 122: Major macro forecasts

Fiscal deficit will likely remain elevated in the next two years

	2025F	2026F	2027F
Real GDP (% yoy)	2.8	2.4	2.8
CPI (% yoy)	5.1	6.0	4.3
Policy Rate (% eop)	9.25	11.00	10.00
Fiscal Bal. (%/GDP)	-6.5	-6.7	-5.9
Cur.Act. Bal. (%/GDP)	-2.6	-2.6	-2.7

Source: BofA Global Research

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Peru: Terms of trade boom continues

Alexander Müller
BofAS

Pedro Diaz
BofAS

The strong positive tailwind from the terms of trade continues

Peru's terms of trade keep breaking record-highs and growing strongly (22% yoy in the latest data point, October). The spike of copper (~40% of exports) and gold (25% of exports) prices, while imported fuel and food commodity prices remain suppressed, created a big windfall for the economy in 2025 and it seems this will continue in 2026.

Several channels of propagation to the economy

Disposable income is higher (boding well for investment and consumption), greater collateral values support credit growth, strong tax revenues give ammunition to fiscal policy, high metal prices are mobilizing mining investment, optimism on business surveys is on the rise, among other channels through which the terms of trade influence activity. These propagation channels are not limited to mining. They cut across economic sectors and macroeconomic indicators.

Pretty much all macro indicators are improving, supporting the credit rating

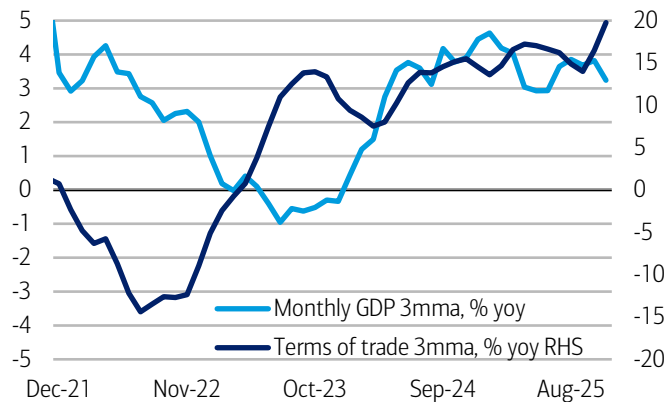
GDP growth was higher than expected in 2025, likely surpassing the ~3% potential rate. Activity is surprisingly on the upside, except for November (that showed a slowdown presumably because of the transportation strike). The balance of payments has a current account surplus greater than 2pp of GDP, while FDI is almost doubling. The fiscal deficit narrowed by more than 1pp of GDP in 2025, with the latest data suggesting the government likely met the fiscal rule's target. The public debt ratio is falling, mainly because of exchange rate appreciation which also reduces inflationary pressures and gives the central bank more degrees of freedom to cut rates if economic activity falters.

Central Bank in comfortable position, with room to cut rates if necessary

We are expecting the central bank (BCRP) to cut the reference rate by 25bp in March and June (to 3.75%), assuming the uncertainty associated to the presidential elections will weaken private investment in the first half of 2026 as large investment decisions are put on hold. Inflation is under control, slightly below the 2% target (1.5% headline, 1.8% core). We believe it is weaker activity what could make the BCRP cut again. Nevertheless, the terms of trade boom could prevent activity from weakening.

Exhibit 123: GDP and terms of trade (% yoy)

Historically, the ToT have been a powerful driver of GDP



Source: BofA Global Research, Haver

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Exhibit 124: PEN forecasts

PEN is remarkably strong despite of the tiny rate differential with US

	Q1 26	Q2 26	Q3 26	Q4 26
USD-PEN	3.36	3.38	3.39	3.40

Source: BofA Global Research

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Exhibit 125: Major macro forecasts

Elections next year may put private investment decisions on hold

	2025F	2026F	2027F
Real GDP (% yoy)	3.4	2.8	3.0
CPI (% yoy)	1.5	1.9	2.0
Policy Rate (eop)	4.25	3.75	3.75
Fiscal Bal. (%/GDP)	-2.2	-2.0	-2.0
Cur.Act. Bal. (%/GDP)	2.0	2.1	2.0

Source: BofA Global Research

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Uruguay: Monetary easing

Sebastian Rondeau

BofAS

BCU easing beyond neutral?

BCU cut the policy rate by 50bp in December, to 7.50% (from a 9.25% peak in April), amid fast inflation progress and declining inflation expectations. BCU sees the rate already in neutral territory. But it may continue cutting into expansionary bias, amid low inflation and slower GDP growth. We forecast BCU will cut the policy rate to 7% this year.

Inflation was -0.1% in December (0% core) amid stronger UYU. Inflation declined to 4.3% yoy (vs 5.5% in 2024), within the target range (3-6%), the smallest since 2001. Inflation should remain around the target amid favorable base effects and strong UYU. We forecast inflation at 4.5% in 2025. 12-month ahead inflation forecasts dropped to a new low of 4.4% (BCRA survey).

Activity slowing down

Activity slowed down in 3Q, according to high frequency estimates. GDP grew 0.4% qoqsa in 2Q (vs 0.7% in 1Q) and 2.1% yoy, led by primary activities (+11%) and manufacturing (+8%). We estimate a 1.5% GDP growth in 2025 (vs the 3.5% GDP rebound in 2024 following weather normalization) and at 1.8% this year, amid fiscal consolidation. Argentina could become a tailwind in 2026. FDI outlook remains positive, including potential investments in renewable energy and IT. The new government will likely slowdown spending in 2026 to seek the 2.5% of GDP fiscal deficit in the medium-term (from 3.2% of GDP last year), towards stabilization of debt-to-GDP ratio.

Fiscal consolidation needed

In general, the new government has moderate policy proposals. The minister of finance seeks to improve the fiscal balance and micro reforms to boost growth. The fiscal deficit remains high at 3.4% of GDP by September. 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.

The new president has proposed to lower the retirement age to 60 years (from 65) but with incentives to delay the retirement (to seek fiscal neutrality). This requires congress support, and we expect the proposal to unveil next year. The 2023 reform increased the retirement age (to 65) and changed the calculation of pensions to improve the sustainability of the system.

Exhibit 126: Major macro forecasts

GDP slower

Uruguay	2025F	2026F	2027F
Real GDP (% yoy)	1.5	1.8	2.0
CPI (% yoy)	3.7	4.5	4.5
CurAct Bal (%/GDP)	-0.8	-0.8	-0.8
Fiscal Bal (%/GDP)	-3.0	-2.5	-2.5

Source: BofA Global Research

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Exhibit 127: UYU Forecast

UYU depreciation to slow?

	Q1 26	Q2 26	Q3 26	Q4 26
USD-UYU	39.8	40.0	40.0	40.1

Source: BofA Global Research

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Venezuela: Common agenda

Sebastian Rondeau

BofAS

The US is working with Venezuela interim president

After the exit of Nicolas Maduro, the US proposed working with Venezuela interim president Delcy Rodríguez on a joint agenda. US 3-step plan for Venezuela features 1) stabilization, 2) recovery (including the oil industry) and 3) managing the transition. The U.S. will manage Venezuelan oil sales, receiving 30–50 mnbpd short-term, which would be sold at market prices. US will protect the revenues via a national emergency order.

Oil recovery phase

During the Recovery phase, per public commentary, the US government plans to seek that oil companies have access to the country to invest and grow oil production. Plans include attracting over \$100 billion in investments from large oil companies to restore production to around 3mn bpd. Major oil firms expressed mixed interest given Venezuela challenges and arbitration debts.

Chevron’s Vice Chair 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-three years, from 45k bpd. ConocoPhillips’s CEO said the company is still owed around \$12bn from 2007 nationalization

Oil production declines

Oil production declined to 830k bpd in December, from a 924 k bpd average in 2025, amid tighter US restrictions and seizure of oil tankers. We expect oil production to recover amid improved access to oil markets. In a successful transition, we see oil production growing to 1,75mn to 2mn bpd by end 2030.

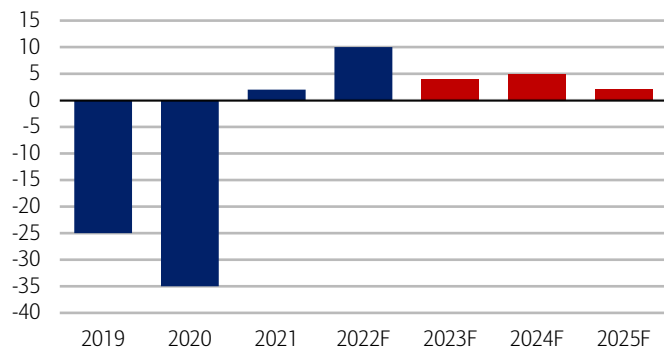
In May, the US government had issued a restricted license for Chevron to resume oil production in Venezuela (but suspended licenses to other European oil companies).

Inflation pressures amid low oil prices

We estimate inflation closed 2025 at 417% amid faster depreciation of the currency (16% mom average last year) and lower USD oil prices. Before the discontinuation of CPI releases, inflation estimates had increased to 26% in May (over 1,000% annualized), above the 4% low in 1H24. We expect inflation and depreciation to decline this year, amid higher oil revenue due to smaller oil price discounts (improved access to US markets).

Exhibit 128: Venezuela: real GDP growth %

Activity recovers.

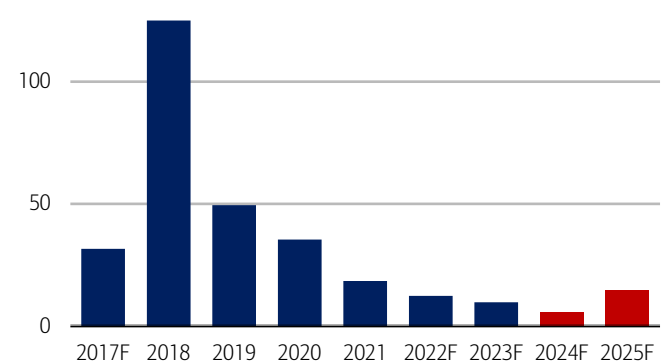


Source: BofA Global Research.

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Exhibit 129: Venezuela Inflation monthly average %

Inflation resurfaces



Source: BofA Global Research. Observatorio Venezolano de Finanzas.

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Commodities



Oil: The new geopolitics of black gold

Francisco Blanch

MLPF&S

Under Maduro, the Venezuelan oil industry collapsed...

The Venezuelan oil industry has suffered a long, quarter-of-a-century meltdown. There will likely be no easy fix, but money could become available under the right legal framework, as Venezuela sits on around 300bn barrels of proved oil reserves. Crude exports already recovered a bit since 2022, thanks to Chevron and other international companies. Estimates of how much money it will take to revive Venezuela’s oil industry range from \$50bn to \$100bn and 5 to 10 years according to Bloomberg (citing others).

...but US move may flip oil geopolitical dynamics

The US intervention could change oil geopolitical dynamics. Russia and China were close allies of the Maduro regime, as were Cuba and Iran. Secretary Rubio explicitly said that the US is “not going to allow for the oil industry in Venezuela to be controlled by adversaries of the US.” We previously pointed out that China was quickly building strategic crude inventories (see [Fill me once, shame on you](#)). US actions will likely speed up this trend in 2026. Iran will likely have to further recalibrate its geopolitical stance, while the US intervention may lead Russia to reconsider its options.

OPEC+ has stayed ahead by changing quota system

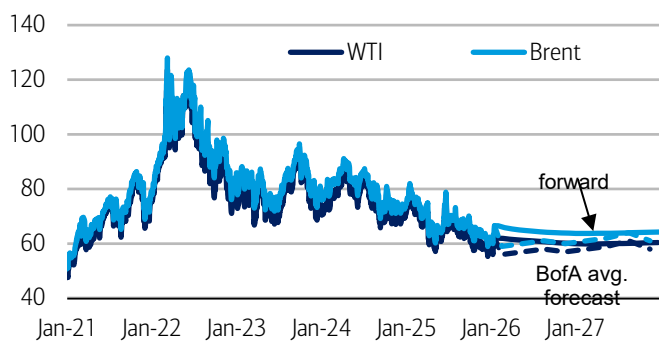
The future of OPEC+ in a hemisphere increasingly dominated by the US is another important question. OPEC+ reiterated over the weekend the plan to maintain crude oil production through 1Q26. Is OPEC+ ready for a possible post-Westfalian oil world order? We argue that the group has already moved ahead of the market. The old quota system will likely be phased out in the next 24 months, with third-party production capacity assessments taking over older measures.

We see support to near-dated, lower long-dated Brent

With OPEC+ set reward countries that invest in oil production, Venezuela could re-emerge as a key member of the group in the 2030s. If the US plans are successful, production could come back at an annual incremental rate of 150k to 200k b/d. Implications for prices? First, faster Chinese strategic crude oil buying could further support near-dated Brent prices despite a 2mn b/d surplus. Second, long-dated Brent could fall from \$66 to \$60/bbl as oil companies drum up investment plans for Venezuela and producers extend hedges into 2028-30.

Exhibit 130: We now expect prices to trade slightly below the forward strip

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



Source: Bloomberg, BofA Global Research estimates

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Exhibit 131: Crude oil forecasts

Brent and WTI forecasts (\$/bbl)

	1Q26F	2Q26F	3Q26F	4Q26FF
WTI	56	57	58	57
Brent	59	60	61	60

Source: BofA Global Research

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Nat gas: Oops, gas production did it again

Francisco Blanch

MLPF&S

While the flip to mild weather weighed on gas prices...

In early November (see [Curb your LNG enthusiasm](#)) we wanted to see a combination of cold US winter, LNG growth, and minimal gas production increases to justify a sustained natural gas price rally. So far this winter, none of these bullish factors have played out. Starting with the weather, there was a brief cold shot in early December that spiked gas prices to nearly \$5.5/mmbtu but it has been mild ever since mid-December. While it is easy to blame mild weather for all the natural gas price woes, the reality is that we estimate the winter to date weather has been less than 50Bcf milder than normal. With more than half the winter remaining, there remains weather risk. Although cold weather could rally gas prices, there is equal risk of mild weather depressing prices further.

...production growth and the LNG wait share in much of the selloff blame

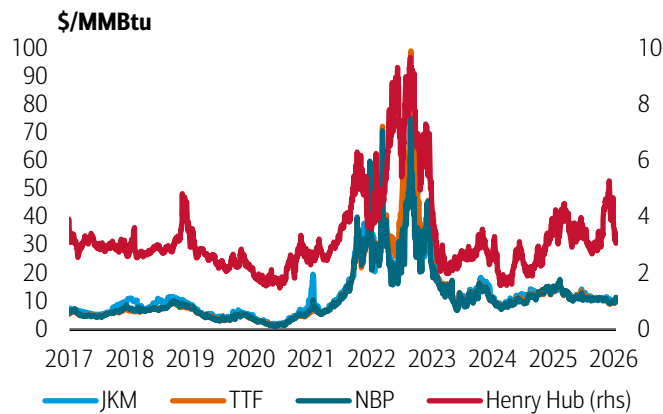
The 2026 forward strip spent most of last year trading above \$4/mmbtu and the E&P sector clearly took advantage of the forward price signal and grew production from summer to December for the 9th consecutive year. Meanwhile growing demand from Plaquemines and Corpus Christi has lifted LNG feedgas demand to record levels and we expect growth of ~1.7Bcf/d in 2026 and ~3Bcf/d in 2027. However, while there remain demand tailwinds from LNG, we see headwinds from the power sector. Unfortunately for the natural gas industry, higher loads have not yet translated into higher gas demand from the power sector. Therefore production growth combined with the slightly milder than normal winter and headwinds for generation has been enough for us to mark down our 2026 price forecast to \$3.55/mmbtu, from \$4/mmbtu prior.

... yet robust regional demand supports AECO & M2 prices

Even though Canadian gas production is near record highs, we expect LNG Canada operates at full capacity in 1H 2026, which will account for more than 10% of total Canadian natural gas production. This should result in stronger AECO gas prices in 2026. We expect relatively robust Appalachia gas prices as well this year. Limited renewables should force PJM to lean more on gas fired generation to meet growing data center loads, which is supportive of in-basin Appalachia gas prices like M2.

Exhibit 132: Gas prices are expected to fall this coming year

Global natural gas prices (\$/MMBtu)



Source: Bloomberg

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Exhibit 133: We lower our 2026 HH forecast though regional hubs could see a boost

Nat gas forecasts (\$/MMBtu)

	Q1 26	Q2 26	Q3 26	Q4 26
US nat gas	3.70	3.25	3.50	3.75

Source: BofA Global Research estimates

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Gold: bullish drivers keep getting added

Michael Widmer

MLI (UK)

Themes: Portfolio diversification to keep pushing gold higher

Central banks have been purchasing gold to diversify portfolios, but investors have also increased their exposure to the yellow metal to improve risk-adjusted returns. In a traditional 60:40 portfolio the info ratio would have been highest with a gold allocation of around 5%. Yet, the picture has changed materially when looking at risk/return profiles since COVID: markets have become increasingly concerned over the correlation of stocks and bonds, while inflation, geopolitical risk, and government spending/rising debts have led to the worry that bonds no longer offer the protection they once did.

Hence, re-running the portfolio optimisation exercise, gold’s share in private portfolios should now be much higher, reflected in discussions around 60:20:20 portfolios. With gold investments currently making up just over 5% of equity, the continued push for diversification could provide the next leg higher.

Forecasts: \$5,000/oz is possible in 2026

Changing tack slightly, gold rallies are often driven by a combination of factors. That said, if we had to distil the 1970, 1976, 1982, 1985, 2001 and 2018 bull markets down to one driver, we believe the oil crisis, stagflation, rebound trade, Plaza Accord, quantitative easing and COVID, respectively, have been key. The lesson from that? Gold prices stopped pushing higher only once the underlying drivers changed.

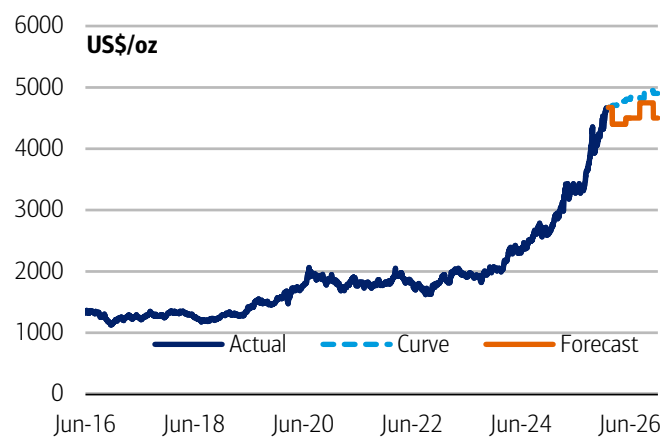
This time around, we turned bullish on the elevated US fiscal deficit during the Biden administration and carried that call into the Trump Presidency on a range of unorthodox macro polices. For now, many of these remain in place. In fact, concerns over Fed independence and the recent bout of geopolitical uncertainty have added new dimensions. Hence, we see more upside for gold, with the yellow metal potentially hitting \$5,000/oz in 2026.

Risks: US fiscal consolidation

We think US fiscal consolidation, reduced geopolitical tensions, and a return to collaborative inter-governmental relations are key risks.

Exhibit 134: Forecast vs Forwards

Futures price in higher gold quotations



Source: BofA Global Research estimates

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Exhibit 135: Gold and silver forecasts (\$/oz)

Gold and Silver rising into Q3 26

	Q1 26	Q2 26	Q3 26	Q4 26
Gold	4,400	4,500	4,750	4,500
Silver	55.00	60.00	65.00	60.00

Source: BofA Global Research estimates

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Copper: inventory financing deals

Michael Widmer

MLI (UK)

Themes: manufacturing headwinds

In the US, the ISM notes that the headline Manufacturing PMI fell from 48.2 to 47.9 percent in December. The industry observers also say that “The two manufacturing industries reporting growth in December are: Electrical Equipment, Appliances & Components; and Computer & Electronic Products”: the US essentially runs on consumers and AI. As such, headwinds to copper demand persist and those have also been reflected in comments from individual manufacturers, with a company dealing in Fabricated Metal Products outlining that “Order levels have continued to decline: We had a bad October, an awful November and a dismal December. January and February don’t look too good, as bookings are down 25 percent compared to the first two months of 2025”.

Forecast: inventory financing deals, supply issues and 2026 deficits

As demand has been subdued, warehouse financing deals (these work like repo transactions, where metal is sold and simultaneously bought back) also remain profitable, so there is no immediate risk/ incentive to remove metal from US warehouses where inventories had increased in anticipation of tariffs, which ultimately however didn’t materialize. This should keep global markets tight. Beyond that, it is also worth keeping in mind that the copper rally in the latter part of 2025 was heavily influenced by a series of supply disruptions and the last batch of results/ guidance suggests that, even if some activity is normalising, headwinds persist.

Indeed, factoring in revised production guidance from Ivanhoe and First Quantum, we had to take out around 110Kt of 2026 copper production from our supply/ demand model, increasing the deficit. There is also continued uncertainty over the future of FQM’s Cobre Panama site, which may well mean that global copper supply could come in even lower than our initial expectations. As such, while we see scope for a near-term correction after the relentless rally, we remain constructive and see copper gradually rally to \$15,000/t (\$6.80/lb) by 2027.

Risks: China weakens

An escalation of the US/ China trade dispute would be bearish.

Exhibit 136: Forecast vs Forwards

We see further upside to copper in 2026



Source: Bloomberg, BofA Global Research

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Exhibit 137: Copper forecasts

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

	Q1 26	Q2 26	Q3 26	Q4 26
US\$/t	11,000	11,500	12,000	12,500
USc/lb	499	522	544	567

Source: Bloomberg, BofA Global Research

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Aluminum: no oversupplies

Michael Widmer

MLI (UK)

Themes: Indonesia sets its eyes on aluminium

Indonesia has shown it is capable of building scale in metals production quickly, boosting its share in global nickel supply from 5% to 60% within a decade. Leveraging partly on its bauxite endowment, the country has now set its eyes on the aluminium industry, which has long been dominated by Inalum’s 300Kt Kuala Tanjung aluminium smelter. Production increased, though, with Tsingshan/Huafeng’s Huaqing smelter ramping up in 2023 and that site could ultimately deliver 1Mt of aluminium. Output additions are now accelerating, with Nanshan, PT Adaro and Tsingshan commissioning four more smelters in 2026, potentially raising output by 1.5Mt.

Forecasts: prices to remain above \$3,000/t (\$1.36/lb)

The pattern of aluminium supply increases in reaction to higher prices is familiar. Sustained bull markets have been rare because smelters can be built swiftly. Indeed, China’s operators have been capable of building smelters within a year. That said, the output additions in Indonesia come against a backdrop of subdued production growth in other parts of the world, reflected in global aluminium production increasing by just 1.3% YoY YTD, although we expect an acceleration to 2.6% YoY in 2026.

Caveats come with other additions that are coming through: Trimet’s output increases in Germany reverse cuts implemented during the energy crisis in the Ukraine war; Vedanta’s investment in India’s smelting capacity caters for rapid increases of domestic demand; and Rusal could raise output in 2026, but that will just bring back capacity that had been idled. Of course, China’s 45Mt capacity cap also sticks. So we expect a deficit and prices to remain above \$3,000/t (\$1.36/lb).

Risks: economy does not re-accelerate

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

Exhibit 138: Forecast vs Forwards

We see limited downside to aluminium



Source: BofA Global Research

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Exhibit 139: Aluminum forecasts

Aluminium fundamentals look bullish

	Q1 26	Q2 26	Q3 26	Q4 26
US\$/t	3,000	3,250	3,000	3,250
USc/lb	136	147	136	147

Source: BofA Global Research

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Appendix



GEMs Macro Forecasts

Exhibit 140: GDP growth and CPI inflation

Emerging markets growth expected at 4.4% in 2026

	Real GDP growth (% yoy)					CPI Inflation (%)						
	2025F	2026F			2027F		2025F	2026F			2027F	
		BofA	Chg.		BofA	Chg.		BofA	Chg.		BofA	Chg.
GEMs	4.6	4.4	-	4.4	-	2.3	2.5	-	2.6	-		
GEMs (ex. China)	4.4	4.3	-	4.4	-	3.9	4.1	-	3.9	-		
GEM-10	4.8	4.6	-	4.6	-	2.6	2.7	-	2.9	-		
Global	3.5	3.4	0.1	3.4	-	2.4	2.4	-	2.4	-		
US	2.2	2.8	0.4	2.1	-	2.7	2.7	(0.2)	2.4	-		
Euro area	1.4	1.0	-	1.4	-	2.1	1.6	-	1.6	(0.2)		
Japan	1.3	0.7	-	0.8	-	3.1	1.9	-	2.1	-		
Asia	5.5	5.0	0.1	5.0	-	0.9	1.5	-	2.0	0.1		
China	5.0	4.7	-	4.5	-	0.0	0.1	0.1	0.8	0.3		
Hong Kong	3.2	2.5	-	2.4	-	1.4	1.8	-	1.9	-		
India	7.7	6.8	-	7.2	0.2	2.3	4.4	-	4.6	-		
Indonesia	5.1	5.3	-	5.5	-	1.9	2.7	-	3.0	-		
Korea	1.0	1.9	-	2.1	-	2.1	2.1	-	2.0	-		
Malaysia	4.9	4.2	-	4.0	-	1.4	1.8	-	2.0	-		
Philippines	4.8	5.6	-	5.5	-	1.8	3.0	-	3.3	-		
Singapore	4.8	2.0	(0.2)	2.4	(0.2)	0.8	1.6	-	1.4	-		
Taiwan	7.9	4.5	-	2.5	(1.5)	1.7	1.3	-	1.7	0.1		
Thailand	2.0	1.6	(0.1)	2.1	0.1	0.0	0.5	(0.4)	0.7	(0.3)		
EEMEA	3.4	3.7	0.1	3.6	0.1	7.3	5.3	(0.1)	4.4	-		
Czech R.	2.3	2.2	-	2.5	-	2.5	1.9	-	2.4	-		
Egypt	4.0	4.0	-	4.5	-	20.4	13.2	-	10.0	-		
Hungary	0.6	2.7	-	2.5	-	4.4	2.8	(0.6)	3.5	(0.4)		
Israel	3.3	4.2	-	4.0	-	3.1	2.5	-	2.2	-		
Nigeria	3.9	4.2	-	4.0	-	20.0	15.0	-	12.0	-		
Poland	3.4	3.6	-	2.7	-	3.6	2.4	(0.2)	2.7	-		
Romania	1.0	1.5	-	2.8	-	7.3	6.5	-	3.2	-		
Saudi Arabia	4.6	3.9	-	3.1	(0.2)	2.0	2.0	-	2.0	-		
South Africa	1.4	1.5	-	1.7	-	3.2	3.6	(0.1)	3.4	-		
Türkiye	3.7	4.3	0.6	4.7	0.7	34.9	26.8	3.5	22.0	5.8		
Ukraine	2.5	7.0	-	6.0	-	13.4	5.0	-	5.0	-		
LatAm*	2.3	2.2	-	2.3	-	3.7	3.9	-	3.6	-		
Argentina	4.2	3.5	-	3.0	-	31.5	20.3	4.3	12.0	-		
Brazil	2.5	2.0	-	1.8	-	4.3	4.0	-	3.5	-		
Chile	2.3	2.2	-	2.0	-	3.4	3.1	-	3.1	0.1		
Colombia	2.8	2.4	-	2.8	-	5.1	6.0	1.9	4.2	0.6		
Costa Rica	4.1	3.8	-	4.0	-	-1.2	2.0	(0.4)	3.0	(0.4)		
Dominican Rep	2.5	4.0	-	4.0	-	5.0	4.2	-	3.9	-		
Ecuador	3.3	2.5	-	2.3	-	1.3	1.8	-	1.8	-		
El Salvador	3.5	3.3	-	3.3	-	0.9	2.0	-	2.0	-		
Guatemala	4.0	3.8	-	3.7	-	1.7	2.8	-	3.1	-		
Mexico	0.4	1.2	0.2	1.8	-	3.7	4.1	0.1	4.3	(0.1)		
Panama	4.0	4.0	-	5.0	-	0.3	2.3	-	2.6	-		
Peru	3.4	2.8	-	3.0	-	1.5	1.9	-	2.0	-		
Uruguay	1.5	1.8	-	2.0	-	3.7	4.5	0.2	4.5	-		
Venezuela	2.0	1.0	-	1.0	-	416.5	382	-	332	-		

Source: BofA Global Research

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Exhibit 141: 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		
	2025F	BofA	Chg.	BofA	Chg.	Current	BofA	Chg.	Bloomberg Consensus	BofA	Chg.	Bloomberg Consensus
GEMs	1.9	1.8	-	1.6	-	-	-	-	-	-	-	-
GEMs (ex. China)	0.7	0.8	-	0.7	-	-	-	-	-	-	-	-
GEM-10	1.6	1.4	-	1.2	-	-	-	-	-	-	-	-
Global	-	-	-	-	-	3.74	3.26	-	-	3.25	-	-
US	-3.9	-3.5	-	-3.5	-	3.625	3.125	-	3.24	3.125	-	3.21
Euro area	2.3	2.4	-	2.1	-	2.15	1.90	-	2.2	1.90	-	2.2
Japan	4.3	4.2	-	4.1	-	0.75	1.00	-	1.04	1.50	-	1.19
Asia	3.3	2.9	-	2.5	-	-	-	-	-	-	-	-
China	3.4	2.9	-	2.5	-	1.50	1.20	-	-	1.20	-	-
Hong Kong	13.5	11.7	-	11.2	-	4.00	3.50	-	-	3.50	-	-
India	-0.6	-0.8	-	-0.7	-	5.25	5.00	-	5.16	5.75	-	5.16
Indonesia	0.0	-0.8	-	-0.8	-	4.75	4.00	-	4.31	4.00	-	4.36
Korea	5.9	5.0	-	2.0	-	2.50	2.25	-	2.35	2.25	-	2.34
Malaysia	2.1	2.0	-	1.8	-	2.75	2.75	-	2.66	2.75	-	2.75
Philippines	-4.1	-3.6	-	-3.6	-	4.50	4.50	-	4.22	4.50	-	4.20
Singapore	16.3	16.3	-	16.4	-	-	-	-	-	-	-	-
Taiwan	18.8	20.4	4.7	15.7	-	2.00	2.00	-	1.91	2.00	-	1.88
Thailand	2.5	1.6	-	1.9	0.8	1.25	1.00	-	1.03	1.25	0.25	1.09
EEMEA	-1.2	-0.5	-	0.1	-	-	-	-	-	-	-	-
Czech R.	0.5	0.4	-	0.6	-	3.50	3.50	-	3.38	4.50	-	3.35
Egypt	-4.4	-3.6	-	-2.5	-	20.00	18.00	-	-	15.00	-	-
Hungary	1.6	1.4	-	1.7	-	6.50	5.75	(0.25)	5.72	5.00	-	4.85
Israel	3.6	4.2	-	4.7	-	4.00	3.25	-	3.38	3.25	-	3.25
Nigeria	5.1	3.8	-	0.0	-	27.00	20.00	-	20.00	16.00	-	16.00
Poland	-1.3	-1.5	-	-1.3	-	4.00	3.75	(0.25)	3.54	3.75	(0.25)	3.50
Romania	-8.4	-7.6	-	-7.0	-	6.50	5.00	-	5.44	4.50	-	4.18
Saudi Arabia	-3.4	-5.0	-	-4.5	(0.5)	4.25	3.50	(0.25)	-	3.50	(0.25)	-
South Africa	-0.9	-1.0	(0.2)	-1.1	(0.2)	6.75	6.25	-	6.15	6.00	-	5.81
Türkiye	-1.5	-1.8	(0.4)	-2.0	(0.5)	38.00	30.50	-	28.91	20.00	-	22.75
Ukraine	-7.1	-7.1	-	-5.5	-	15.50	11.00	-	12.58	9.00	-	11.10
LatAm	-1.7	-1.5	-	-1.5	-	-	-	-	-	-	-	-
Argentina	-1.9	-1.4	(0.4)	-1.7	(0.5)	--	--	--	--	--	--	--
Brazil	-2.9	-2.5	-	-2.2	-	15.00	11.25	-	12.26	10.50	-	10.37
Chile	-2.2	0.9	1.8	0.1	0.9	4.50	4.50	-	4.29	4.50	-	4.19
Colombia	-2.6	-2.6	-	-2.7	-	9.25	11.00	1.75	9.07	10.00	1.75	8.15
Costa Rica	-1.2	-1.5	-	-1.5	-	3.25	3.25	(0.25)	-	3.25	(0.25)	-
Dominican Rep	-2.9	-3.0	-	-3.3	-	5.25	5.25	0.75	-	4.50	-	-
Ecuador	6.0	4.0	-	2.5	-	-	-	-	-	-	-	-
El Salvador	-1.8	-2.0	-	-2.5	-	-	-	-	-	-	-	-
Guatemala	4.0	3.5	-	3.0	-	3.75	3.00	-	-	3.00	-	-
Mexico	-0.4	-0.6	0.8	-0.3	1.2	7.00	6.00	-	6.48	6.00	-	6.32
Panama	2.0	1.5	-	1.0	-	-	-	-	-	-	-	-
Peru	2.0	2.1	-	2.0	-	4.25	3.75	-	4.03	3.75	-	4.15
Uruguay	-0.8	-0.8	-	-0.8	-	7.50	7.00	(1.00)	-	7.00	(1.00)	-
Venezuela	-2.4	0.6	-	1.1	-	-	-	-	-	-	-	-

Source: BofA Global Research, Bloomberg

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GEMs Consolidated Macro Indicators

Exhibit 142: GEMs

Consolidated Macro Indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
GEMs										
Nominal GDP (US\$ bn)	31.542	32.256	31.480	36.958	38.345	39.682	40.790	42.851	46.778	50.568
Real GDP growth (% vov)										
Weighted by PPP-GDP	4.9	3.9	-1.9	7.4	4.2	4.6	4.2	4.6	4.4	4.4
Weighted by current exchange rates	4.9	4.0	-1.3	7.5	3.9	4.3	4.0	4.3	4.2	4.1
Median	3.3	2.4	-5.3	6.5	4.6	2.5	2.7	3.4	3.5	3.0
CPI inflation (% vov, ave)										
Weighted by PPP-GDP	3.2	3.2	3.3	3.2	4.9	3.9	3.5	3.5	2.3	2.4
Weighted by current exchange rates	2.8	3.0	2.9	2.8	4.4	3.1	2.5	1.5	1.7	2.1
Median	2.2	2.8	2.5	3.9	6.9	4.2	2.6	2.2	2.5	3.0
Trade balance (US\$ bn)	303.7	372.0	462.1	485.2	578.5	482.8	586.8	577.1	599.5	625.2
Exports (US\$ bn)	4,082	3,904	3,809	4,776	5,126	4,769	4,958	5,021	5,212	5,358
Imports (US\$ bn)	3,778	3,587	3,347	4,291	4,548	4,286	4,371	4,444	4,617	4,733
Current account balance (US\$ bn)	58.1	265.6	713.5	692.7	545.0	458.5	605.7	807.7	825.7	788.8
Current account balance (% of GDP)	0.7	0.8	2.3	1.9	1.4	1.2	1.5	1.9	1.8	1.6
International reserves (US\$ bn)	7,358	7,539	8,073	8,388	7,878	8,227	8,334	8,702	9,055	9,306
Gross government debt (% of GDP)	55.0	58.3	69.3	69.1	70.2	73.1	74.8	76.2	79.7	81.8
Gov. budget balance (% of GDP)	-2.6	-2.7	-4.9	-3.6	-3.1	-4.1	-4.0	-4.4	-4.1	-4.0
Asia										
Nominal GDP (US\$ bn)	22,256	22,908	22,973	27,210	27,705	28,105	29,034	30,206	32,704	35,472
Real GDP growth (% vov)										
Weighted by PPP-GDP	6.2	5.1	-0.8	7.7	4.3	5.7	5.1	5.2	5.0	5.0
Weighted by current exchange rates	6.1	5.1	0.1	7.7	3.8	5.3	4.8	5.0	4.7	4.6
Median	4.5	3.6	-4.6	5.1	4.7	3.4	4.7	4.8	4.4	3.2
CPI inflation (% vov, ave)										
Weighted by PPP-GDP	2.4	2.7	2.9	2.0	3.6	2.1	1.7	0.9	1.5	2.0
Weighted by current exchange rates	2.2	2.6	2.5	1.7	3.1	1.5	1.2	0.6	1.0	1.4
Median	1.8	1.9	0.5	1.9	4.6	3.2	2.3	1.6	1.8	1.9
Trade balance (US\$ bn)	203.8	231.8	365.4	384.2	547.8	460.3	498.8	557.9	577.7	590.5
Exports (US\$ bn)	2,752	2,625	2,650	3,354	3,550	3,243	3,359	3,399	3,509	3,570
Imports (US\$ bn)	2,548	2,394	2,285	2,970	3,002	2,782	2,860	2,841	2,932	2,979
Current account balance (US\$ bn)	211.5	323.4	593.9	654.3	667.1	506.8	768.8	983.2	954.0	880.3
Current account balance (% of GDP)	1.0	1.4	2.6	2.4	2.4	1.8	2.6	3.3	2.9	2.5
International reserves (US\$ bn)	5,524	5,675	6,160	6,358	5,896	6,151	6,180	6,411	6,648	6,858
Gross government debt (% of GDP)	58.8	63.7	75.7	76.3	78.1	82.3	84.0	85.4	90.1	94.0
Gov. budget balance (% of GDP)	-2.2	-2.6	-4.5	-3.9	-3.2	-3.6	-3.2	-3.7	-3.6	-3.7
EMEA										
Nominal GDP (US\$ bn)	4,149	4,337	4,386	4,947	5,182	5,407	5,463	5,982	6,835	7,528
Real GDP growth (% vov)										
Weighted by PPP-GDP	3.5	2.5	-1.6	6.4	3.9	2.4	2.5	3.4	3.7	3.6
Weighted by current exchange rates	3.5	2.5	-2.2	6.5	4.8	2.0	2.3	3.3	3.7	3.5
Median	3.3	3.5	-3.7	5.5	4.3	1.8	2.4	3.3	3.9	3.1
CPI inflation (% vov, ave)										
Weighted by PPP-GDP	5.8	4.9	4.3	4.8	8.2	10.0	10.3	15.0	11.3	9.3
Weighted by current exchange rates	5.3	4.3	4.2	4.9	8.5	9.2	8.4	4.6	2.8	3.4
Median	4.6	3.8	3.3	4.5	13.7	10.7	3.7	3.6	2.8	3.4
Trade balance (US\$ bn)	29.9	9.8	-8.0	12.7	-55.9	-106.1	-68.3	-139.7	-148.4	-142.3
Exports (US\$ bn)	711	671	614	756	789	738	780	765	814	860
Imports (US\$ bn)	681	661	622	743	845	844	848	905	963	1,003
Current account balance (US\$ bn)	-19.5	39.4	122.0	123.1	11.2	36.7	-86.3	-80.4	-41.0	-5.2
Current account balance (% of GDP)	-0.5	0.9	2.8	2.5	0.2	0.7	-1.6	-1.3	-0.6	-0.1
International reserves (US\$ bn)	1,006	1,052	1,079	1,162	1,162	1,224	1,283	1,338	1,428	1,454
Gross government debt (% of GDP)	40.3	39.0	44.7	45.0	47.0	47.1	47.0	48.2	48.6	48.9
Gov. budget balance (% of GDP)	-2.7	-2.2	-3.9	-1.9	-2.4	-5.1	-7.0	-6.5	-5.1	-4.1
LatAm										
Nominal GDP (US\$ bn)	5,136.6	5,010.5	4,121.1	4,801.0	5,457.8	6,170.5	6,293.9	6,662.4	7,238.5	7,567.5
Real GDP growth (% vov)										
Weighted by PPP-GDP	1.7	0.8	-6.6	7.7	4.1	2.2	2.1	2.3	2.2	2.3
Weighted by current exchange rates	1.2	0.2	-6.9	7.5	4.0	2.2	2.1	2.2	2.2	2.2
Median	2.5	1.7	-7.9	9.9	4.7	2.7	2.9	3.0	2.6	2.9
CPI inflation (% vov, ave)										
Weighted by PPP-GDP	3.6	3.4	3.4	7.8	7.7	4.7	4.2	3.7	3.9	3.6
Weighted by current exchange rates	3.6	3.5	3.5	8.0	7.6	4.5	4.2	3.7	3.9	3.7
Median	2.2	2.9	2.5	6.3	7.9	3.5	2.6	2.6	2.9	3.1
Trade balance (US\$ bn)	70.0	80.4	104.7	88.3	86.6	128.6	156.3	146.6	158.6	171.3
Exports (US\$ bn)	618.5	607.2	545.7	666.3	787.3	788.6	819.2	857.9	895.7	947.3
Imports (US\$ bn)	548.5	526.7	441.0	578.1	700.7	660.0	662.9	711.3	737.1	776.0
Current account balance (US\$ bn)	-134.0	-97.2	-2.5	-84.7	-133.3	-85.0	-76.8	-95.1	-87.3	-86.4
Current account balance (% of GDP)	-2.6	-1.9	-0.1	-1.8	-2.4	-1.4	-1.2	-1.4	-1.2	-1.1
International reserves (US\$ bn)	828.0	812.1	832.9	868.0	820.2	851.7	871.2	952.9	978.7	993.7
Gross government debt (% of GDP)	55.8	56.9	69.0	63.8	60.2	59.8	63.2	63.6	63.4	57.1
Gov. budget balance (% of GDP)	-4.3	-3.7	-8.5	-4.1	-3.4	-5.4	-5.4	-5.4	-5.3	-5.0

Source: BofA Global Research

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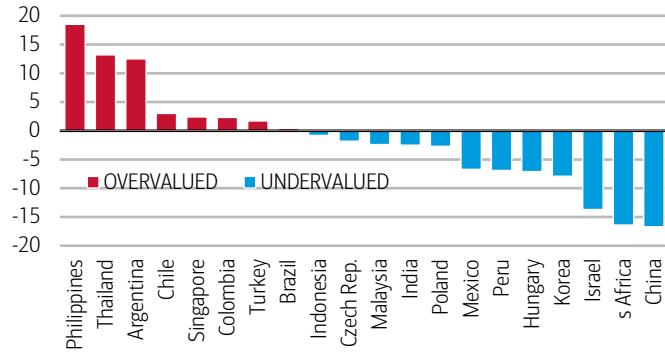


GEMs FX Compass and CA Imbalances

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

Exhibit 143: FX Compass Long Term Valuations

Trade-weighted valuations vs REER fair values

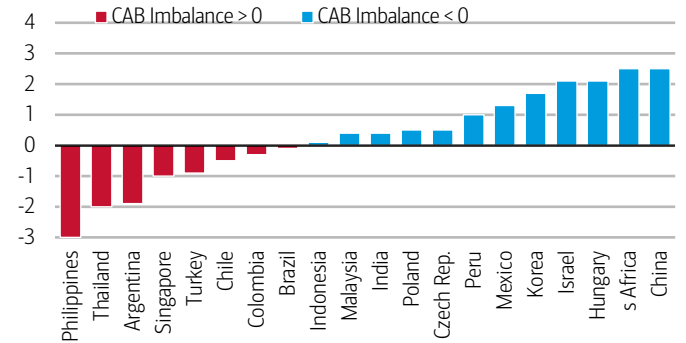


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Exhibit 144: Current Account Imbalances

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



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Exhibit 145: FX Compass

Long term currency valuation

Country	Fair Value vs USD (or EUR) 1/	Spot vs USD (or EUR) 1/	Bilateral Misalignment vs USD (or EUR) 1/	Trade-weighted Misalignment (%) 2/
Asia			2.3	0.5
China	6.3	6.96	-10.5	-16.7
India	91.64	90.92	0.8	-2.5
Indonesia	17108	16942	1	-0.8
Korea	1380	1474	-6.8	-7.9
Malaysia	4.06	4.05	0	-2.4
Philippines	71.17	59.45	16.5	18.5
Singapore	1.34	1.29	4.3	2.4
Thailand	35.9	31.26	12.9	13.2
EEMEA			-5.2	-6.7
Czech Rep. 1/	23.56	24.29	-3.1	-1.8
Hungary 1/	355	386	-8.7	-7.1
Israel	2.83	3.16	-11.6	-13.7
Poland 1/	4.05	4.23	-4.3	-2.7
South Africa	15.15	16.48	-8.7	-16.4
Türkiye	45.61	43.28	5.1	1.7
LatAm			2.1	0.8
Argentina	1654	1430	13.6	12.5
Brazil	5.62	5.38	4.3	0.4
Chile	923	889	3.7	3
Colombia	3815	3697	3.1	2.3
Mexico	16.7	17.66	-5.7	-6.7
Peru	3.16	3.36	-6.3	-6.9
Average			0.0	-1.6

Note 1/ CZK, HUF and PLN are quoted against the EUR. Fair values are updated using forecasts. Spot is for January 19, 2023. 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 146: Estimated current account imbalance

CA imbalance

Country	Forecasted CA 2025-2027	Long-term CA	CAB Imbalance
Asia	2.7	2.8	-0.1
China	2.9	0.4	2.5
India	-1.5	-1.9	0.4
Indonesia	-0.5	-0.6	0.1
Korea	4.3	2.6	1.7
Malaysia	2.0	1.6	0.4
Philippines	-3.7	-0.8	-3.0
Singapore	16.3	17.3	-1.0
Thailand	2.0	4.0	-2.0
EEMEA	0.7	-0.5	1.1
Czech Rep. 1/	0.5	0.0	0.5
Hungary 1/	2.1	0.0	2.1
Israel	4.1	2.1	2.1
Poland 1/	-1.5	-2.0	0.5
South Africa	0.0	-2.5	2.5
Türkiye	-1.3	-0.5	-0.9
LatAm	-1.1	-1.0	-0.1
Argentina	-1.3	0.6	-1.9
Brazil	-2.6	-2.5	-0.1
Chile	-1.5	-1.0	-0.5
Colombia	-2.6	-2.3	-0.3
Mexico	-0.4	-1.7	1.3
Peru	2.0	1.0	1.0
Average	1.0	0.7	0.3

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

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GEMs Tables – Asia

Exhibit 147: China

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	14,149	14,559	14,998	18,201	18,315	18,273	18,781	19,490	21,123	22,891
GDP per capita (US\$)	9,887	10,126	10,402	12,615	12,665	12,963	13,336	13,867	15,059	16,352
Unemployment rate (%) ¹	4.7	5.2	5.1	5.1	6.1	5.3	5.1	5.2	5.2	5.2
Population (millions)	1,405	1,410	1,412	1,413	1,412	1,410	1,408	1,405	1,403	1,400
Economic Activity										
Real GDP growth (% yoy)	6.8	6.1	2.3	8.6	3.1	5.4	5.0	5.0	4.7	4.5
Domestic demand growth (% yoy)	7.5	5.4	1.6	7.0	2.7	6.3	3.6	3.8	4.5	4.7
Real investment growth (% yoy)	6.8	4.1	4.1	4.0	2.7	3.3	3.1	3.6	4.2	4.2
Real consumption growth (% yoy)	8.1	6.4	-0.2	9.3	2.8	8.5	3.9	4.4	4.6	5.0
Real private consumption growth (% yoy)	7.4	6.1	-1.9	12.0	1.7	9.0	5.2	4.0	4.4	4.8
Real government consumption growth (% yoy)	9.6	7.0	3.8	3.5	5.3	7.3	0.9	3.5	5.2	5.5
Real export growth (% yoy)	3.8	0.5	2.4	17.7	-1.6	0.9	14.3	5.0	2.7	1.0
Real import growth (% yoy)	8.1	0.4	5.5	10.4	-5.7	4.5	2.0	-0.5	0.5	0.5
Prices										
CPI inflation (% yoy, eop)	1.9	4.5	0.2	1.5	1.8	-0.3	0.2	0.0	0.1	0.8
CPI inflation (% yoy, avg)	2.1	2.9	2.5	0.9	2.0	0.2	0.2	-0.1	0.0	0.5
Nominal wages (% yoy)	10.9	9.8	7.6	9.7	6.7	5.8	5	4.8	5.0	5.3
Nominal exchange rate (vs. USD, eop)	6.86	6.98	6.53	6.36	6.90	7.10	7.30	7.10	6.80	6.70
Nominal exchange rate (vs. USD, avg)	6.62	6.91	6.90	6.45	6.74	7.08	7.18	7.18	6.91	6.71
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	2.0	2.5	2.5
Broad money growth (% yoy)	8.1	8.7	10.1	9.0	11.8	9.7	13.0	8.0	8.5	8.7
Credit extension to private sector (% yoy)	13.5	12.3	12.8	11.6	11.1	10.6	7.6	6.5	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	1.20	1.20
1-month interbank rate (% eop)	3.46	3.30	3.31	3.18	-	-	1.96	-	-	-
Long-term yield (% eop)	3.20	3.14	3.14	2.78	2.80	2.65	1.69	1.75	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	3.3	2.9	2.5
Current account balance (US\$ bn)	24	103	249	353	443	253	424	637	616	576
Trade balance (US\$ bn)	380	393	511	563	665	594	768	950	952	958
Exports, f.o.b. (US\$ bn)	2,417	2,387	2,510	3,216	3,347	3,179	3,409	3,577	3,641	3,665
main export										
Imports, c.i.f. (US\$ bn)	2,037	1,994	1,999	2,653	2,682	2,585	2,641	2,627	2,689	2,706
Service balance (US\$ bn)	-292	-261	-153	-101	-87	-208	-229	-199	-221	-240
Income balance (US\$ bn)	-61	-39	-118	-124	-154	-134	-130	-129	-129	-157
Foreign direct investment (US\$ bn)	138	141	149	181	189	163	116	105	103	108
International reserves (US\$ bn)	3,073	3,108	3,217	3,250	3,128	3,238	3,202	3,330	3,430	3,533
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	15.5	14.9
Debt Indicators										
Gross external debt (% of GDP)	14.0	14.2	16.0	15.1	13.4	13.4	12.9	11.9	12.0	12.3
Public (% of GDP)	1.9	2.1	2.8	3.2	2.8	3.0	2.7	2.6	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	43.7	43.4	43.3
Investment (% of GDP)	43.4	42.6	42.3	42.7	42.4	41.1	40.6	39.8	40.0	40.3
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	4.9	4.5	4.4	4.5	4.8	4.8	4.7	4.6	4.3	4.2
Real GDP growth (% qoq, sa, annualized)	4.5	4.5	4.4	4.8	5.5	4.7	4.0	4.3	4.2	4.4
CPI inflation (% yoy, eop)	-0.2	0.0	0.1	-0.2	-0.1	0.1	0.2	0.4	0.6	0.8
Central bank policy rate (% eop)	1.40	1.40	1.40	1.30	1.20	1.20	1.20	1.20	1.20	1.20
Nominal exchange rate (vs. USD, eop)	7.10	7.10	7.00	6.90	6.80	6.80	6.70	6.70	6.70	6.70
Current account balance (US\$ bn)	169.5	173.8	121.3	126.0	186.4	182.6	111.0	114.4	172.0	178.3

Source: BofA Global Research

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Exhibit 148: 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	4,030	4,262	4,688
GDP per capita (US\$)	2,081	2,114	1,941	2,278	2,447	2,562	2,759	2,860	2,995	3,262
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	7.7	6.8	7.2
Domestic demand growth (% yoy)	9.3	4.9	-7.7	13.6	8.1	6.3	6.7	6.9	6.7	7.0
Real investment growth (% yoy)	13.6	2.8	-10.7	19.9	8.7	8.7	6.2	7.9	6.3	6.7
Real consumption growth (% yoy)										
Real private consumption growth (% yoy)	7.5	6.3	-6.6	11.9	8.6	4.5	7.3	7.3	7.0	7.1
Real government consumption growth (% yoy)	6.7	4.0	-4.6	4.3	3.1	8.9	4.8	1.1	6.4	7.7
Real export growth (% yoy)	10.4	1.6	-10.7	25.3	13.4	2.5	7.4	5.8	6.5	7.0
Real import growth (% yoy)	14.4	0.0	-16.4	24.5	11.4	10.4	1.9	5.2	6.5	6.0
Prices										
CPI inflation (% yoy, eop)	2.1	7.4	4.6	5.7	5.7	5.7	5.2	2.0	4.1	4.0
CPI inflation (% yoy, avg)	3.9	3.7	6.6	5.1	6.7	5.7	4.9	2.2	4.4	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	5.00	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	-0.6	-0.8	-0.7
Current Account balance (US\$ bn)	-65.6	-29.8	32.7	-33.4	-79.0	-32.0	-32.2	-25.7	-37.3	-35.0
Trade Balance (US\$ bn)	-186.7	-157.7	-95.5	-176.7	-267.2	-245.5	-279.8	-307.1	-323.8	-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	206.4	215.2	220.0
Income balance (US\$ bn)	40.3	43.7	41.1	40.6	55.6	54.4	69.4	75.0	71.4	65.0
Foreign direct investment (US\$ bn)	30.7	37.5	53.2	27.5	35.4	14.2	2.9	9.1	14.0	20.0
International reserves (US\$ bn)	396.0	459.9	585.8	633.6	562.7	622.5	635.7	680.5	708.0	713.0
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	-4.4	-4.4	-4.4
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	-7.6	-7.6	-7.6
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	28.5	25.3	24.5
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	81.5	80.9	79.8
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)	8.2	7.5	7.0	6.7	6.6	7.0	7.0	7.5	7.2	7.4
Real GDP growth (% q/q saar)	8.4	6.1	6.6	5.4	7.9	8.1	6.4	7.6	6.7	8.9
CPI Inflation (% yoy, eop)	1.4	2.0	4.1	4.8	5.2	4.1	4.6	4.5	5.0	4.0
CPI inflation (% yoy, avg)	1.7	1.0	3.6	4.8	4.9	4.8	4.5	4.5	5.0	4.0
Central bank policy rate (% eop)	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.25	5.50	5.50
Nominal exchange rate (vs USD, eop)										
Current account balance (US\$ bn)	-13.41	-23.37	9.17	-4.95	-14.82	-26.65	9.40	-4.95	-14.82	-26.65

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 149: Indonesia

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	1,042	1,119	1,059	1,187	1,319	1,371	1,396	1,538	1,681	1,815
GDP per capita (US\$)	3,946	4,193	3,920	4,351	4,783	4,920	4,958	5,406	5,851	6,260
Unemployment rate (%)	5.2	5.1	6.0	6.4	5.8	5.4	4.9	4.8	4.7	4.6
Population (millions)	264.2	266.9	270.2	272.7	275.8	278.7	281.6	284.4	287.2	289.9
Economic Activity										
Real GDP growth (% yoy)	5.2	5.0	-2.1	3.7	5.3	5.0	5.0	5.1	5.3	5.5
Domestic demand growth (% yoy)	6.3	4.0	-3.8	2.9	3.8	4.9	6.0	5.1	5.1	5.3
Real investment growth (% yoy)	6.7	4.5	-5.0	3.8	3.9	3.8	4.6	4.8	5.0	5.3
Real consumption growth (% yoy)	5.1	4.9	-2.1	2.3	3.7	4.7	5.3	5.2	5.4	5.5
Real private consumption growth (% yoy)	5.1	5.2	-2.7	2.0	5.0	4.9	5.1	5.1	5.2	5.3
Real government consumption growth (% yoy)	4.8	3.3	2.1	4.3	-4.4	3.0	6.6	6.0	6.5	7.0
Real export growth (% yoy)	6.5	-0.5	-8.4	18.0	16.2	1.3	6.5	4.2	5.3	5.5
Real import growth (% yoy)	12.1	-7.1	-17.6	24.9	15.0	-1.6	7.9	4.3	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	2.6	3.0
CPI inflation (% yoy, avg)	3.3	2.8	2.0	1.6	4.1	3.7	2.3	1.9	2.9	2.9
Nominal wages (% yoy)	1.6	4.7	-1.2	-1.9	7.3	3.3	5.0	5.0	5.0	5.0
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	-	-	16,400.0
Bilateral real exchange rate (% yoy, + dep)	-	-	-	-	-	-	-	-	-	-
Monetary Sector										
Monetary base growth (% yoy)	4.8	7.4	18.5	23.0	14.3	2.6	6.1	-	-	-
Broad money growth (% yoy)	6.3	6.5	12.5	14.0	8.4	3.5	4.8	-	-	-
Credit extension to private sector (% yoy)	11.7	5.9	-2.6	4.9	11.0	10.3	9.7	-	-	-
Central bank policy rate (% eop)	6.00	5.00	3.75	3.50	5.50	6.00	6.00	4.75	4.00	4.00
1-month interbank rate (% eop)	7.54	5.44	3.81	3.55	6.20	6.65	6.62	5.40	4.65	4.65
Long-term yield (% eop)	7.9	7.1	5.9	6.4	6.9	6.5	7.0	-	-	-
External Sector										
Current account balance (% of GDP)	-2.9	-2.7	-0.4	0.3	1.0	-0.2	-0.6	0.0	-0.8	-0.8
Current account balance (US\$ bn)	-30.6	-30.3	-4.4	3.5	13.2	-2.0	-8.7	0.4	-13.0	-12.8
Trade balance (US\$ bn)	-0.2	3.5	28.3	43.8	62.7	46.3	39.8	49.9	37.8	38.6
Exports, f.o.b. (US\$ bn)	180.7	168.5	163.4	232.8	292.5	257.7	263.1	-	-	-
main export - oil and gas	24.0	21.7	16.4	31.5	54.5	42.8	0.0	-	-	-
Imports, c.i.f. (US\$ bn)	181.0	164.9	135.1	189.0	229.9	211.4	223.3	-	-	-
Service balance (US\$ bn)	-6.5	-7.6	-9.8	-14.6	-20.0	-17.7	-18.6	-17.7	-20.8	-21.4
Income balance (US\$ bn)	-23.9	-26.1	-23.0	-25.7	-29.5	-30.6	-29.9	-31.8	-30.0	-30.0
Foreign direct investment (US\$ bn)	20.6	23.9	18.6	21.1	25.4	21.5	24.7	24.0	24.0	24.0
International reserves (US\$ bn)	120.7	129.2	135.9	144.9	137.2	146.4	155.7	150.0	155.0	160.0
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.1	-0.5	-4.1	-2.5	-0.4	0.5	-0.3	-0.9	-0.7	-0.7
Central gov. budget balance (% of GDP)	-1.8	-2.2	-6.1	-4.6	-2.4	-1.6	-2.3	-2.9	-2.7	-2.7
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	39.5	39.5	39.5
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	29.9	29.1	29.1
Investment (% of GDP)	34.6	33.8	32.3	31.4	29.7	30.3	31.4	29.9	29.9	29.9
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	5.0	5.4	5.3	5.3	5.4	5.4	5.5	5.4	5.6	5.6
Real GDP growth (% qoq, sa, annualized)	4.3	6.1	4.9	6.6	3.6	6.6	5.3	6.1	4.5	6.6
CPI inflation (% yoy, eop)	2.7	2.9	3.2	2.8	2.6	2.6	2.8	3.0	3.0	3.0
Central bank policy rate (% eop)	4.75	4.75	4.50	4.25	4.00	4.00	4.00	4.00	4.00	4.00
Nominal exchange rate (vs. USD, eop)	16600	16500	16500	16400	16400	16300	-	-	-	-
Current account balance (US\$ bn)	3.0	-2.2	-3.3	-3.3	-3.3	-3.3	-3.1	-3.2	-3.2	-3.3

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 150: Korea

Selected economic and financial indicators

	2018	2019	2020	2021F	2022F	2023	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	1824.9	1751.3	1748.7	1940.3	1800.6	1837.8	1841.4	1818.7	1900.8	2064.9
GDP per capita (US\$)	35,373	33,836	33,732	37,479	34,848	35,541	35,584	35,193	36,831	40,072.0
Unemployment rate (% 1)	3.9	3.8	4.0	3.6	2.9	2.7	2.8	3.0	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	0.2	2.3	2.1
Real investment growth (% yoy)	-2.2	-2.1	3.5	3.2	-0.5	1.1	-0.8	-2.8	2.4	2.7
Real consumption growth (% yoy)	3.7	3.2	-2.2	4.1	4.1	1.7	1.4	1.7	2.0	1.8
Real private consumption growth (% yoy)	3.2	2.1	-4.8	3.6	4.1	1.8	1.1	1.3	2.0	1.8
Real government consumption growth (% yoy)	5.3	6.4	5.1	5.5	4.0	1.3	2.1	2.7	2.1	1.8
Real export growth (% yoy)	4.0	0.2	-1.7	11.1	3.4	3.1	6.8	4.2	3.2	1.8
Real import growth (% yoy)	1.7	-1.9	-3.1	10.1	3.5	3.1	2.5	4.0	2.7	2.0
Prices										
CPI inflation (% yoy, eop)	1.3	0.7	0.6	3.7	5.0	3.2	1.9	2.0	2.1	1.8
CPI inflation (% yoy, avg)	1.5	0.4	0.5	2.5	5.1	3.6	2.3	2.1	2.1	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	1450.0	1395.0	1335.0
Nominal exchange rate (vs. USD, avg)	1100.2	1165.4	1180.3	1144.0	1291.4	1305.7	1363.4	1422.6	1416.3	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	7.0	6.0	6.0
Broad money growth (% yoy)	6.3	7.0	9.3	11.7	8.5	2.9	6.0	7.7	7.4	6.5
Credit extension to private sector (% yoy)	7.9	9.0	9.1	11.3	6.9	4.0	4.9	7.2	6.9	6.0
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	2.65	2.40	2.40
Long-term yield (% eop)	1.9	1.7	1.7	2.3	3.7	3.2	2.9	3.5	3.3	3.3
External sector										
Current account balance (% of GDP)	4.2	3.4	4.3	4.4	1.4	1.9	5.4	5.9	5.0	2.0
Current account balance (US\$ bn)	77.5	59.7	75.9	85.2	25.8	35.5	99.0	107.7	95.8	41.0
Trade balance (US\$ bn)	110.1	79.8	80.6	75.7	15.6	34.2	100.1	112.3	113.2	117.2
Exports, f.o.b. (US\$ bn)	626.3	556.7	517.9	649.5	694.3	645.6	696.2	700.1	714.4	727.2
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US\$ bn)	516.2	476.9	437.3	573.7	678.7	611.4	596.1	587.7	601.1	610.0
Service balance (US\$ bn)	-29.4	-26.8	-14.7	-5.3	-7.3	-26.1	-23.7	-30.8	-31.5	-32.7
Income balance (US\$ bn)	-3.3	6.7	10.0	14.8	17.5	27.3	22.6	26.2	14.1	5.3
Foreign direct investment (US\$ bn)	26.0	25.6	26.1	43.9	40.8	19.4	33.4	28.7	60.7	60.8
International reserves (US\$ bn)	393.3	397.9	430.1	438.3	399.0	395.6	391.9	404.9	438.3	474.4
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	-2.4	-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	40.8	41.0	39.6
Public (% of GDP)	4.9	5.6	7.4	8.0	9.3	8.8	9.8	10.5	10.5	10.2
Private (% of GDP)	20.7	22.9	26.0	27.0	30.6	29.1	28.5	30.3	30.5	29.4
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	35.3	35.3	35.2
Investment (% of GDP)	30.5	30.0	30.9	31.2	31.6	31.6	30.6	30.7	30.9	31.0
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	1.7	1.8	2.6	2.1	1.3	1.7	1.6	2.0	2.2	2.4
Real GDP growth (% qoq, sa, annualized)	4.7	0.5	2.5	0.8	1.6	1.9	2.3	2.5	2.4	2.3
CPI inflation (% yoy, eop)	2.1	2.0	1.9	2.1	2.4	2.1	2.1	2.1	1.9	1.8
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	1450	1435	1420	1415	1395	1380	1365	1350	1335
Current account balance (US\$ bn)	26.6	23.7	25.3	24.0	23.6	23.0	22.6	22.6	22.4	22.2

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 151: Hong Kong

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	361.8	363.1	345.0	369.0	358.7	381.1	407.2	425	446	464
GDP per capita (US\$)	48,545	48,365	46,117	49,774	48,833.9	50,573	54,120	56,193	58,711	60,810
Economic Activity and Prices										
Real GDP growth (% yoy)	2.8	-1.7	-6.5	6.5	-3.7	3.2	2.5	3.2	2.5	2.4
CPI inflation (% yoy, avg)	2.4	2.9	0.3	1.6	1.9	2.1	1.7	1.4	1.8	1.9
Nominal exchange rate (vs. USD, eop)	7.83	7.79	7.75	7.80	7.81	7.81	7.76	7.83	7.75	7.80
Nominal exchange rate (vs. USD, avg)	7.84	7.84	7.76	7.77	7.83	7.83	7.80	7.83	7.78	7.80
Central bank policy rate (% eop) ¹	2.75	2.49	0.50	0.50	4.75	5.75	4.75	4.25	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	13.5	11.7	11.2
Current account balance (US\$ bn)	13.6	21.0	23.5	43.2	37.1	32.3	53.4	57.5	52.1	52.1
Trade balance (US\$ bn)	-71.7	-54.2	-43.8	-44.1	-49.8	-59.3	-48.5	-50.3	-48.7	-47.4
Exports, f.o.b. (US\$ bn)	531.3	509.7	507.1	639.1	579.8	534.5	583.1	663.3	678.5	693.6
Imports, c.i.f. (US\$ bn)	603.0	563.9	550.9	683.2	629.6	593.8	631.6	713.5	727.2	740.9
International reserves (US\$ bn)	415.1	423.4	475.3	478.7	404.1	411.4	407.9	409.8	434.9	461.6
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	-2.1	-0.6
Debt Indicators										
Gross external debt (% of GDP)	468	461	519	507	496	484	469	472	472	476
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	468	468	472
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 152: Philippines

Selected economic and financial indicators

	2018	2019	2020	2021	2022F	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	341	384	371	381	395	439	455	468	520	562
GDP per capita (US\$)	3,228	3,580	3,406	3,342	3,419	3,742	3,804	3,840	4,228	4,496
Economic Activity and Prices										
Real GDP growth (% yoy)	6.2	6.0	(9.5)	5.9	7.6	5.6	5.7	4.8	5.6	5.5
CPI inflation (% yoy, avg)	5.2	2.4	2.4	3.9	5.8	6.0	3.2	1.8	3.0	3.2
Nominal exchange rate (vs. USD, eop)	52.6	50.8	48.5	51.0	55.7	55.4	58.0	56.0	55.0	56.0
Nominal exchange rate (vs. USD, avg)	51.0	50.9	49.7	49.8	54.5	55.6	56.7	57.0	55.5	55.5
Central bank policy rate (% eop)	4.75	4.00	2.00	2.00	5.50	6.50	5.75	4.75	4.50	4.50
External Sector										
Current account balance (% of GDP)	(2.3)	(0.8)	3.1	(1.6)	(4.6)	(2.8)	(3.8)	(4.1)	(3.6)	(3.3)
Current account balance (US\$ bn)	(8.9)	(3.0)	11.6	(5.9)	(18.3)	(12.4)	(17.5)	(19.0)	(18.5)	(18.5)
Trade balance (US\$ bn)	(43.5)	(40.7)	(24.6)	(42.2)	(58.2)	(52.6)	(54.3)	(58.8)	(62.9)	(66.1)
Exports, f.o.b. (US\$ bn)	69.3	70.9	65.21	74.7	79.0	73.6	73.3	75.1	77.8	81.7
Imports, c.i.f. (US\$ bn)	112.8	111.6	89.81	116.9	137.2	126.2	127.6	134.0	140.7	147.7
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)	(4.5)	(4.0)	(3.9)
Central gov. budget balance (% of GDP)	(3.2)	(3.6)	(7.6)	(8.6)	(7.3)	(6.1)	(5.3)	(4.9)	(4.5)	(4.3)
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 153: Malaysia

Selected economic and financial indicators

	2018	2019	2020	2021	2022F	2023	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	359.0	365.3	337.7	373.9	408.0	399.7	426.3	468.3	505.8	546.2
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	34.7	35.4	35.4
Economic Activity										
Real GDP growth (% yoy)	4.8	4.4	-5.5	3.3	9.0	3.5	5.1	4.9	4.2	4.0
Domestic demand growth (% yoy)	4.7	3.9	-4.8	3.8	9.7	5.0	4.9	5.6	5.3	4.5
Real investment growth (% yoy)	1.4	-2.1	-14.4	-0.7	6.8	5.4	12.0	10.0	7.8	5.0
Real consumption growth (% yoy)	7.1	6.6	-2.6	2.5	10.3	4.4	5.0	4.8	4.7	4.5
Real private consumption growth (% yoy)	8.0	7.7	-3.9	1.8	11.4	4.6	5.1	4.9	4.8	4.5
Real government consumption growth (% yoy)	3.4	1.5	4.1	5.8	5.6	3.4	4.7	4.5	4.3	4.3
Real export growth (% yoy)	1.9	-1.0	-8.6	18.5	14.5	-7.9	8.3	2.2	2.9	3.7
Real import growth (% yoy)	1.5	-2.4	-7.9	21.2	16.0	-6.8	8.2	3.0	4.5	4.5
Prices										
CPI inflation (% yoy, eop)	0.2	1.0	-1.4	3.2	3.8	1.5	1.7	0.1	1.7	2.3
CPI inflation (% yoy, avg)	1.0	0.7	-1.1	2.5	3.4	2.5	1.8	1.4	1.8	2.0
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	4.50	4.45	4.45
Nominal exchange rate (vs. USD, avg)	4.04	4.14	4.20	4.14	4.40	4.56	4.58	4.51	4.46	4.46
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			
Broad money growth (% yoy) ¹	9.1	3.5	4.0	6.4	4.3	6.0	3.6			
Credit extension to private sector (% yoy) ²	7.7	3.9	3.4	4.5	5.7	5.3	5.5			
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	3.35	3.35	3.35
Long-term yield (%) ³	4.08	3.62	2.81	3.27	4.08	3.85	3.83			
External Sector										
Current account balance (% of GDP)	2.2	3.5	4.2	3.9	3.2	1.1	1.4	2.1	2.0	1.8
Current account balance (US\$ bn)	8.0	12.8	14.1	14.5	13.0	4.4	6.1	10.0	10.0	10.0
Trade balance (US\$ bn)	28.4	30.1	32.7	42.9	42.6	28.7	25.0	32.5	33.0	33.5
Exports, f.o.b. (US\$ bn)	205.9	197.4	185.8	242.8	281.3	232.1	248.3	230.0	232.0	234.0
main export	54.6	53.5	56.9	67.9	88.1	85.0	84.8	-	-	-
Imports, c.i.f. (US\$ bn)	177.4	167.2	153.1	200.0	238.7	203.4	223.3	197.5	199.0	200.5
Service balance (US\$ bn)	-4.3	-2.6	-11.2	-15.9	-13.2	-9.7	-2.6	-6.0	-6.0	-6.0
Income balance (US\$ bn)	-16.1	-14.7	-7.4	-12.5	-16.3	-14.7	-16.4	-16.5	-17.0	-17.5
Foreign direct Investment (US\$ bn)	8.3	9.1	4.0	20.3	15.0	9.7	17.8	20.0	17.0	15.0
International reserves (US\$ bn)	101.4	103.6	107.6	116.9	114.7	113.5	116.2	125.5	130.0	135.0
Price of main export commodity - Crude Palm Oil (RM/ton ave)	2.235	2.119	2.765	4.417	5.126	3.829	4.213			
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.6	-1.2	-3.7	-3.9	-3.2	-2.5	-1.5	-0.9	-0.7	-0.4
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	-	-	-
Debt Indicators										
Gross external debt (% of GDP)	63.8	62.6	67.6	69.8	63.8	69.3	69.9	-	-	-
Public (% of GDP)	20.7	20.7	24.6	26.0	21.1	22.1	21.1	-	-	-
Private (% of GDP)	43.0	42.0	42.9	43.7	42.7	47.3	48.8	-	-	-
Gross government debt (% of GDP)	51.2	52.4	62.0	63.3	60.1	64.3	64.6	-	-	-
Domestic (% of GDP)	49.7	50.5	60.0	61.3	58.5	62.6	63.1	-	-	-
External (% of GDP)	1.5	1.9	2.0	1.9	1.6	1.6	1.4	-	-	-
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	24.6	24.9	25.3
Investment (% of GDP)	23.9	21.0	19.7	22.1	23.6	22.8	22.0	22.5	23.0	23.5
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	5.2	5.7	5.6	4.3	3.0	3.9	3.5	4.1	4.5	3.8
Real GDP growth (% qoq, sa, annualized)	9.8	0.2	4.1	4.1	4.1	4.1	2.0	6.1	5.7	1.6
CPI inflation (% yoy, eop)	1.5	1.7	1.8	2.0	1.8	1.7	1.8	1.9	2.1	2.3
Central bank policy rate (% eop)	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Nominal exchange rate (vs. USD, eop)	4.22	4.06	4.50	4.45	4.45	4.45				
Current account balance (US\$ bn)	2.9	2.9	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 154: Singapore

Selected economic and financial indicators

	2018	2019	2020	2021F	2022F	2023	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	376.8	377.0	349.6	436.4	509.0	505.5	547.4	553.4	581.1	610.2
GDP per capita (US\$)	66,819	66,095	61,495	80,026	90,287	85,422	90,678	90,727	93,727	96,851
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	4.8	2.0	2.4
Domestic demand growth (% yoy)	4.0	2.8	-7.9	6.3	6.6	4.1	5.6	4.1	2.3	2.7
Real investment growth (% yoy)	-5.0	2.5	-14.0	23.2	4.7	-0.9	2.9	3.0	2.6	2.9
Real consumption growth (% yoy)	4.0	2.8	-7.9	6.3	6.6	4.1	5.6	4.6	2.1	2.6
Real private consumption growth (% yoy)	4.3	2.7	-13.6	7.2	9.7	4.9	4.8	4.8	2.1	2.6
Real government consumption growth (% yoy)	2.9	3.4	13.2	3.9	-2.3	1.8	8.3	4.0	2.2	2.4
Real export growth (% yoy)	8.3	0.0	-0.4	8.8	4.9	5.7	5.4	4.3	3.5	4.2
Real import growth (% yoy)	7.8	-0.1	-2.0	8.9	5.8	5.3	6.6	3.3	3.8	4.3
Prices										
CPI inflation (% yoy, eop)	0.5	0.8	0.0	4.0	6.5	3.7	1.6	1.2	1.6	1.5
CPI inflation (% yoy, avg)	0.4	0.6	-0.2	2.3	6.1	4.8	2.4	0.9	1.8	1.5
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	1.31	1.30	
Nominal exchange rate (vs. USD, avg)	1.35	1.36	1.38	1.34	1.38	1.34	1.34	1.31	1.30	
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	16.3	16.3	16.4
Current account balance (US\$ bn)	81.2	82.5	84.3	116.1	129.3	120.0	128.3	90.0	95.0	100.0
Trade balance (US\$ bn)	140.3	131.4	141.9	162.8	220.7	211.1	197.9	160.0	165.0	170.0
Exports, f.o.b. (US\$ bn)	621.0	601.3	575.7	689.2	837.9	751.2	779.1	570.0	580.0	590.0
Electronic exports (US\$ bn)	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US\$ bn)	480.7	469.9	433.9	526.4	617.2	540.1	581.1	410.0	415.0	420.0
Service balance (US\$ bn)	10.9	20.4	10.0	49.9	59.1	42.9	59.4	60.0	60.0	60.0
Income balance (US\$ bn)	-70.0	-69.4	-67.6	-96.6	-150.6	-134.0	-129.0	-130.0	-130.0	-130.0
Foreign direct investment (US\$ bn)	81.2	105.3	78.4	138.5	140.8	157.9	160.0	-	-	-
International reserves (US\$ bn)	287.7	279.5	362.3	417.9	289.5	351.0	371.4	409.2	429.2	449.2
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.8	-0.2	-3.9	-2.0	-2.0	-0.3	0.5	1.0	1.1	0.0
Central gov. budget balance (% of GDP)	0.7	0.2	-10.5	0.2	-0.1	-0.9	0.4	0.9	1.0	0.3
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	-	-	-
Public (% of GDP)	-	-	-	-	-	-	-	-	-	-
Private (% of GDP)	411.0	425.3	488.9	430.2	377.7	408.6	407.1	-	-	-
Gross government debt (% of GDP)	107.5	124.7	146.3	132.6	153.9	169.5	173.1	-	-	-
Domestic (% of GDP)	107.5	124.7	146.3	132.6	153.9	169.5	173.1	-	-	-
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	-	-	-
Investment (% of GDP)	24.7	24.6	22.9	24.0	22.2	21.2	22.2	-	-	-
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)	4.3	5.7	4.3	3.1	1.0	-0.3	2.4	2.4	2.4	2.4
Real GDP growth (% qoq, sa, annualized)	10.1	7.8	-7.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
CPI inflation (% yoy, eop)	0.7	1.2	1.8	1.9	1.8	1.6	1.5	1.5	1.5	1.5
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-
Nominal exchange rate (vs. USD, eop)	1.32	1.32	1.31	1.31	1.30	1.30	-	-	-	-
Current Account balance (US\$ bn)	26.0	26.0	23.8	23.8	23.8	23.8	25.0	25.0	25.0	25

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 155: Taiwan

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	610	612	677	778	762	757	797	894	958	1,031
GDP per capita (US\$)	25,838	25,908	28,549	32,944	32,625	32,325	34,063	38,523	41,290	46,978
Economic Activity and Prices										
Real GDP growth (% yoy)	2.8	3.1	3.4	6.7	2.7	1.1	4.8	7.0	4.5	4.0
CPI inflation (% yoy, avg)	1.4	0.6	-0.2	2.0	2.9	2.5	2.2	1.6	1.3	1.7
Nominal exchange rate (vs. USD, eop)	30.7	30.1	28.5	27.7	30.7	30.7	32.8	30.8	30.0	29.1
Nominal exchange rate (vs. USD, avg)	30.1	30.9	29.6	28.0	29.8	31.1	32.1	31.1	30.4	29.5
Central bank policy rate (% eop)	1.38	1.38	1.13	1.13	1.75	1.88	2.00	2.00	2.00	2.00
External Sector										
Current account balance (% of GDP)	11.6	10.7	14.4	15.3	13.2	14.0	14.1	17.6	19.4	19.7
Current account balance (US\$ bn)	70.9	65.7	97.6	118.3	101.4	105.8	112.6	157.6	186.2	202.8
Trade balance (US\$ bn)	49.2	43.5	59.0	64.4	51.3	80.8	80.6	129.4	155.3	168.9
Exports, f.o.b. (US\$ bn)	334.0	329.2	345.1	446.4	479.4	432.4	475.0	631.6	702.0	777.1
Imports, c.i.f. (US\$ bn)	284.8	285.7	286.1	382.0	428.1	351.6	394.4	502.2	546.7	608.2
International reserves (US\$ bn)	462	478	530	548	555	571	577	595	600	
Public Sector										
Central gov. primary budget balance (% of GDP)	0.1	0.6	-0.3	1.3	1.2	-2.4	0.7	-1.2	-2.0	-2.0
Central gov. budget balance (% of GDP)	-0.3	0.1	-0.7	0.8	0.8	-2.9	0.2	-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 156: Thailand

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	506.4	543.9	477.0	477.2	475.2	497.0	511.5	523.7	537.4	554.0
GDP per capita (US\$)	7624.3	8161.3	7133.9	7112.1	7058.9	7357.2	7546.8	7726.9	7927.8	8173.5
Economic Activity and Prices										
Real GDP growth (% yoy)	4.2	2.3	-6.3	1.5	2.7	2.0	2.5	2.0	1.6	2.1
CPI inflation (% yoy, avg)	-0.9	0.7	-0.9	1.2	6.1	1.6	0.4	0.0	0.5	0.7
Nominal exchange rate (vs. USD, eop)	32.3	29.9	30.5	33.0	31.0	34.0	34.0	32.0	31.0	31.0
Nominal exchange rate (vs. USD, avg)	32.3	31.0	31.3	32.1	35.0	34.7	34.7	32.0	31.0	31.0
Central bank policy rate (% eop)	1.8	1.3	0.5	0.5	1.0	2.50	2.50	1.50	1.00	1.25
External Sector										
Current account balance (% of GDP)	5.6	6.8	8.1	-3.7	-3.0	1.4	2.2	2.5	1.6	1.9
Current account balance (US\$ bn)	28.4	37.0	40.8	-18.5	-15.7	7.4	11.1	13.0	8.8	10.7
Trade balance (US\$ bn)	22.4	26.7	40.9	32.4	13.5	19.4	17.2	19.4	15.1	15.8
Exports, f.o.b. (US\$ bn)	251.1	242.7	227.0	270.6	285.2	280.7	293.3	311.9	314.9	321.9
Imports, c.i.f. (US\$ bn)	228.7	216.0	186.1	238.2	271.6	261.4	276.1	292.5	299.8	306.1
International reserves (US\$ bn)	205.6	224.3	258.1	239.5	216.3	218.0	221.9	223.3	227.3	233.4
Public Sector										
Central gov. primary budget balance (% of GDP)	-1.5	-1.9	-6.6	-8.0	-4.2	-2.1	-3.1	-4.6	-4.5	-3.82
Central gov. budget balance (% of GDP)	-3.0	-3.0	-7.1	-9.0	-5.8	-3.6	-4.4	-3.8	-3.7	-3.0
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	66.8	69.7	71.7
Domestic (% of GDP)	40.3	39.8	48.5	57.3	59.5	61.6	62.5	na	na	na
External (% of GDP)	1.6	1.3	0.9	1.1	1.0	0.9	0.7	na	na	na

Source: BofA Global Research

BofA GLOBAL RESEARCH



GEMs Tables – EEMEA

Exhibit 157: Poland

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	595	603	606	689	696	813	918	1,045	1,178	1,305
GDP per capita (US\$)	15,481	15,699	15,908	18,182	18,422	21,600	24,477	27,982	31,676	35,222
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	3.4	3.6	2.7
Domestic demand growth (% yoy)	6.7	3.6	-2.9	8.1	5.1	-3.1	3.8	5.8	4.2	2.3
Real investment growth (% yoy)	15.8	1.9	-7.8	16.6	9.3	-16.9	2.7	12.8	7.6	-0.6
Real consumption growth (% yoy)	4.4	4.0	-1.5	6.0	3.9	0.9	4.1	4.1	3.4	3.0
Real private consumption growth (% yoy)	4.6	3.4	-3.4	6.3	4.9	-0.3	2.9	3.8	3.5	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	7.3	3.7	1.9	2.0	3.5	4.2
Real import growth (% yoy)	7.6	3.2	-2.6	16.2	6.8	-1.4	4.4	4.2	4.6	3.5
Prices										
CPI inflation (% yoy, eop)	1.1	3.4	2.4	8.6	16.6	6.2	4.7	2.4	2.5	3.0
CPI inflation (% yoy, avg)	1.7	2.3	3.4	5.1	14.3	11.6	3.7	3.6	2.4	2.7
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	4.24	4.15	4.15
Nominal exchange rate (vs EUR, avg)	4.26	4.30	4.44	4.57	4.69	4.54	4.31	4.24	4.19	4.15
Bilateral real exchange rate (% yoy, + dep)	0.2	-0.2	0.2	0.3	-2.7	-8.4	-6.7	-	-	-
Monetary Sector										
Monetary base growth (% yoy, eop)1	11.7	14.1	32.6	12.6	-8.1	6.3	10.3	5.0	-	-
Broad money growth (% yoy, eop)	9.2	8.3	16.4	8.9	5.4	8.5	9.3	6.6	-	-
Credit extension to private sector (% yoy, eop)	7.5	5.2	0.3	5.5	1.6	-0.5	4.8	4.3	-	-
Central bank policy rate (% eop)	1.50	1.50	0.10	1.75	6.75	5.75	5.75	4.00	4.00	4.00
1-month interbank rate (% eop)2	1.64	1.63	0.20	2.23	6.93	5.80	5.81	4.39	-	-
Long-term yield (% eop)3	2.9	2.0	1.3	3.4	6.6	5.2	5.7	5.4	-	-
External Sector										
Current account balance (% of GDP)	-2.0	-0.3	2.4	-1.3	-2.2	1.5	0.3	-1.3	-1.5	-1.3
Current account balance (US\$ bn)	-10.6	-5.4	9.0	-9.9	-17.4	11.0	-8.3	-21.2	-18.0	-17.6
Trade balance (US\$ bn)	-13.3	-4.9	8.0	-9.1	-23.2	5.1	-6.7	-17.3	-22.7	-21.4
Exports, f.o.b. (US\$ bn)	242	247	252	312	342	363	361	382	418.8	458.7
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US\$ bn)	256	252	244	321	365	358	367	399	441.5	480.1
Service balance (US\$ bn)	25.3	26.9	26.0	31.3	37.9	42.7	43.4	42.5	48.6	52.5
Income balance (US\$ bn)	-25.2	-24.9	-22.5	-30.3	-27.4	-33.1	-30.8	-36.7	-41.2	-45.9
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	264	328	356
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	-6.5	-6.1
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	-	-	-
Public (% of GDP)	24.1	21.5	22.1	17.4	17.1	17.5	17.9	-	-	-
Private (% of GDP)	37.1	37.5	40.3	35.9	36.8	35.7	32.3	-	-	-
Gross government debt (% of GDP)	48.2	45.2	56.6	53.0	48.8	49.5	55.1	59.0	63.3	67.3
Domestic (% of GDP)	26.4	26.1	36.9	38.2	34.7	35.2	40.1	-	-	-
External (% of GDP)	21.9	19.1	19.6	14.8	14.1	14.3	15.0	-	-	-
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	-	-	-
Investment (% of GDP)	21.4	20.7	18.8	21.8	22.1	17.7	17.8	-	-	-
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (sa, % yoy)	3.7	3.4	-	-	-	-	-	-	-	-
Real GDP growth (sa, % qoq, annualized)	3.2	-	-	-	-	-	-	-	-	-
CPI inflation (% yoy, eop)	2.9	2.5	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	4.75	4.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Nominal exchange rate (vs EUR, eop)	5.17	4.24	4.22	4.20	4.18	4.15	4.15	4.15	4.15	4.15
Current account balance (US\$ bn)	-5.7	-	-	-	-	-	-	-	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 158: South Africa

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025e	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	405	389	338	420	407	381	401	436	484	508
GDP per capita (US\$)	6956	6583	5627	6887	6581	6066	6283	6729	7346	7595
Unemployment rate (%)	27	29	29	34	34	32	33	34	34	34
Population (millions)	58.2	59.1	60.0	61.0	61.9	62.9	63.8	64.8	65.8	66.8
Economic Activity										
Real GDP growth (% yoy)	1.6	0.3	-6.2	4.9	2.1	0.8	0.5	1.4	1.5	1.7
Domestic demand growth (% yoy)	2.0	1.3	-7.8	4.9	3.9	0.5	-0.6	1.5	1.7	1.5
Real investment growth (% yoy)	-1.2	-1.7	-14.8	-0.3	5.9	3.0	-3.9	-2.2	1.4	1.7
Real consumption growth (% yoy)	2.7	1.4	-4.5	4.7	2.2	0.6	0.7	2.2	2.2	1.9
Real private consumption growth (% yoy)	3.2	1.3	-6.1	6.0	2.6	0.2	1.0	2.9	2.6	2.3
Real government consumption growth (% yoy)	1.1	1.8	0.9	0.6	0.7	1.9	-0.1	-0.2	0.9	0.7
Real export growth (% yoy)	2.7	-3.3	-12.0	9.7	7.8	5.1	-2.8	-1.4	1.1	2.2
Real import growth (% yoy)	3.5	0.6	-17.6	9.7	15.0	3.9	-6.4	0.4	0.6	1.4
Prices										
CPI inflation (% yoy, eop)	4.5	4.0	3.0	5.9	7.2	5.2	3.0	3.6	3.6	3.0
CPI inflation (% yoy, avg)	4.6	4.1	3.3	4.5	6.9	5.9	4.4	3.2	3.6	3.4
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	17.2	16.5	16.5
Nominal exchange rate (vs USD, avg)	13.2	14.5	16.5	14.8	16.4	18.5	18.3	17.6	16.7	16.8
Bilateral real exchange rate (% yoy, + dep)	-2.4	0.2	9.1	-5.8	-1.9	4.6	-5.4	-6.7	-8.8	-3.2
Monetary Sector										
Monetary base growth (% yoy)	9.1	4.2	3.6	5.3	14.0	8.9	4.4	3.2	3.6	3.4
Broad money growth (% yoy)	5.6	6.1	9.4	5.7	8.6	7.6	4.4	3.2	3.6	3.4
Credit extension to private sector (% yoy)	5.1	6.1	3.6	2.4	7.7	5.0	5.4	4.2	4.6	4.4
Central bank policy rate (% eop)	6.8	6.5	3.5	3.8	7.00	8.25	7.75	6.75	6.25	6.00
1-month interbank rate (% eop)	7.0	6.6	3.5	3.7	7.1	8.3	7.7	6.9	6.4	6.1
Long-term yield (% eop)1	9.4	9.0	9.7	9.9	11.3	11.3	10.3	8.7	8.5	8.5
External Sector										
Current account balance (% of GDP)	-2.9	-2.6	2.0	3.7	-0.3	-1.1	-0.7	-0.9	-1.0	-1.1
Current account balance (US\$ bn)	-11.9	-10.1	6.7	15.7	-1.3	-4.1	-2.6	-4.0	-5.1	-5.8
Trade balance (US\$ bn)	2.0	2.5	17.6	30.6	14.2	7.6	11.7	8.5	7.4	6.7
Exports, f.o.b. (US\$ bn)	94.4	90.0	84.7	121.7	123.8	112.4	111.4	111.9	107.1	103.2
main export	17.4	15.4	7.8	22.6	21.5	0.0	0.0	13.0	13.0	13.0
Imports, c.i.f. (US\$ bn)	92.4	87.4	67.1	91.1	109.5	104.8	99.7	103.4	99.7	96.5
Service balance (US\$ bn)	0.1	-0.6	-2.7	-4.4	-5.6	-4.4	-3.9	-4.5	-4.5	-4.5
Income balance (US\$ bn)	-11.3	-9.7	-5.6	-8.0	-8.5	-5.1	-7.9	-8.0	-8.0	-8.0
Foreign direct investment (US\$ bn)	1.4	2.0	5.0	40.1	6.9	6.7	3.6	3.6	3.6	3.6
International reserves (US\$ bn)	46.5	48.9	47.4	50.3	53.2	54.2	54.9	61.2	61.3	61.4
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.9	-2.5	-5.7	-0.9	0.0	0.5	0.8	1.2	1.7	2.0
Central gov. budget balance (% of GDP)	-4.3	-6.1	-9.8	-5.1	-4.6	-4.6	-5.0	-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	0.5	1.0	1.5	1.7
Consolidated public sector balance (% of GDP)	-3.6	-5.0	-9.9	-4.6	-3.6	-4.4	-5.4	-4.3	-3.9	-3.8
Central gov. revenues (% of GDP)	23.5	23.6	22.1	24.8	25.3	24.5	27.0	25.3	25.3	25.5
Debt Indicators										
Gross external debt (% of GDP)	42.6	47.6	50.4	38.2	40.3	41.5	42.0	44.0	46.0	48.0
Public (% of GDP)	22.5	26.6	30.8	23.8	23.5	24.5	24.8	25.8	26.8	27.8
Private (% of GDP)	20.1	21.0	19.6	14.5	16.8	17.0	17.1	18.1	19.1	20.1
Gross government debt (% of GDP)	51.5	57.2	70.1	67.6	70.4	74.1	76.9	78.7	77.3	76.2
Domestic (% of GDP)	46.1	50.4	63.1	61.1	62.2	65.8	67.6	68.4	66.0	63.9
External (% of GDP)	5.4	6.8	7.0	6.5	8.2	8.3	9.3	10.3	11.3	12.3
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	67.4	72.5	77.5
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	13.9	14.0	14.2
	3025	4025	1026	2026	3026	4026	1027	2027	3027	4027
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	1.9	1.9	2.1	1.5	1.4	1.4	1.5	1.6	1.7	1.8
Real GDP growth (% qoq, sa, annualized)	2.0	1.4	1.4	1.3	1.3	1.5	1.9	1.6	2.0	1.8
CPI inflation (% yoy, eop)	3.4	3.6	4.3	4.8	4.4	4.0	4.0	4.7	4.6	3.7
Central bank policy rate (% eop)	7	6.75	6.75	6.75	6.25	6.25	6	6	6	6
Nominal exchange rate (vs USD, eop)	17.3	17.2	17.0	16.8	16.6	16.5	16.5	16.7	16.8	17
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 159: Czech Republic

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	252	257	251	291	303	345	347	382	432	482
GDP per capita (US\$)	23,691	24,017	23,498	27,678	27,940	31,662	31,815	35,059	39,591	44,152
Economic Activity and Prices										
Real GDP growth (% yoy)	2.8	3.5	-5.3	4.0	2.9	0.2	1.1	2.3	2.2	2.5
CPI inflation (% yoy, avg)	2.1	2.8	3.2	3.8	15.1	10.7	2.4	2.5	1.7	2.4
Nominal exchange rate (vs EUR, eop)	25.7	25.4	26.2	24.9	24.1	24.7	25.2	24.3	23.6	23.3
Nominal exchange rate (vs EUR, avg)	25.6	25.7	26.5	25.6	24.6	24.0	25.1	24.8	24.0	23.5
Central bank policy rate (% eop)	1.75	2.00	0.25	3.75	7.00	6.75	4.00	3.50	3.50	4.50
External Sector										
Current account balance (% of GDP)	0.4	0.3	1.8	-2.1	-4.7	-0.1	1.7	0.5	0.4	0.6
Current account balance (US\$ bn)	1.0	0.9	4.4	-6.0	-14.2	-0.4	6.1	2.1	1.9	2.8
Trade balance (US\$ bn)	9.3	10.5	12.1	5.1	-1.0	13.1	18.0	15.2	16.4	18.7
Exports, f.o.b. (US\$ bn)	161	156	144	175	185	197	197	217	251	285
Imports, c.i.f. (US\$ bn)	152	146	132	169	186	183	179	202	235	267
International reserves (US\$ bn)	143	150	166	174	140	148	146	166	176	187
Public Sector										
General gov. primary budget balance (% of GDP)	1.6	0.96	-4.9	-4.2	-2.0	-2.4	-0.9	-	-	-
General gov. budget balance (% of GDP)	0.9	0.3	-5.6	-5.0	-3.1	-3.7	-2.2	-2.0	-2.5	-3.0
Debt Indicators										
Gross external debt (% of GDP)	77.8	75.5	80.3	71.9	68.1	62.3	61.9	-	-	-
Public (% of GDP)	15.5	14.8	16.8	16.4	16.8	13.2	13.1	-	-	-
Private (% of GDP)	62.4	60.7	63.5	55.5	51.3	49.1	48.8	-	-	-
Gross government debt (% of GDP)	31.7	29.6	36.9	40.7	42.5	42.2	43.3	43.4	44.2	45.1
Domestic (% of GDP)	19.3	17.7	23.3	28.9	30.5	31.7	32.9	-	-	-
External (% of GDP)	12.4	11.9	13.6	11.8	12.0	10.5	10.4	-	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 160: Egypt

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	261.0	317.7	382.4	424.4	475.2	397.4	385.7	352.4	432.8	516.4
GDP per capita (US\$)	2,688	3,213	3,801	4,157	4,587	3,777	3,618	3,241	3,902	4,565
Economic Activity and Prices										
Real GDP growth (% yoy)	5.3	5.5	3.6	3.3	6.7	3.8	2.4	4.0	4.2	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	46.00	46.00
Nominal exchange rate (vs USD, avg)	17.88	17.61	16.09	15.70	16.50	25.79	36.27	49.71	47.75	46.00
Central bank policy rate (% eop)	16.75	15.75	9.25	8.25	11.25	18.25	27.25	24.00	18.00	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	-3.6	-2.5
Current account balance (US\$ bn)	-6.0	-10.9	-11.2	-18.4	-16.6	-4.7	-20.8	-15.4	-15.7	-13.0
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	40.5	37.1	36.0
Public (% of GDP)	28.4	26.8	25.4	25.5	25.9	32.3	31.6	30.9	27.5	26.5
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	86.7	81.1	78.1
Domestic (% of GDP)	74.4	68.9	64.8	68.9	68.9	70.1	62.8	60.1	57.9	56.0
External (% of GDP)	18.1	16.9	18.0	19.0	19.5	25.1	27.3	26.6	23.2	22.1

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 161: Hungary

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	161	165	158	183	178	213	222	239	276	297
GDP per capita (US\$)	16,617	17,021	16,419	19,070	18,498	22,187	23,262	25,152	29,212	31,581
Economic Activity and Prices										
Real GDP growth (% yoy)	5.6	5.1	-4.5	7.1	4.3	-0.8	0.6	0.6	2.7	2.5
CPI inflation (% yoy, avg)	2.8	3.3	3.3	5.1	14.6	17.1	3.7	4.4	2.8	3.5
Nominal exchange rate (vs EUR, eop)	322	331	365	369	400	383	410	387	380	380
Nominal exchange rate (vs EUR, avg)	319	325	351	359	391	382	396	401	384	380
Central bank policy rate* (% eop)	0.90	0.90	0.60	2.40	13.00	10.75	6.50	6.50	5.75	5.00
External Sector										
Current account balance (% of GDP)	0.3	-0.6	-1.1	-4.4	-9.0	0.0	1.6	1.6	1.4	1.7
Current account balance (US\$ bn)	0.5	-1.0	-1.7	-8.0	-16.0	0.0	3.5	3.7	3.8	5.0
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	135	-	-
Imports, c.i.f. (US\$ bn)	107	108	103	125	145	137	131	138	-	-
International reserves (US\$ bn)	31.4	31.8	41.4	43.5	41.2	45.7	46.5	55.8	79.5	95.3
Public Sector										
General gov. primary budget balance (% of GDP)	0.3	0.2	-5.2	-4.9	-3.3	-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	-5.8	-4.8
Debt Indicators										
Gross external debt (% of GDP)	99.4	97.0	149.5	155.3	152.5	129.1	138.4	-	-	-
Public (% of GDP)	28.9	27.5	37.3	34.7	35.8	37.6	34.1	-	-	-
Private (% of GDP)	70.5	69.5	112.2	120.5	116.7	91.5	104.2	-	-	-
Gross government debt (% of GDP)	68.8	65.0	78.7	76.2	73.8	73.4	73.8	74.1	76.6	79.5
Domestic (% of GDP)	41.0	38.7	47.5	51.8	49.9	46.0	48.5	-	-	-
External (% of GDP)	27.8	26.2	31.2	24.4	23.9	27.4	25.3	-	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 162: Kazakhstan

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	173.0	176.0	168.1	193.0	224.2	259.6	285.6	291.5	320.7	339.0
GDP per capita (US\$)	9402.6	9444.5	8902.4	10091.0	11583.1	13257.7	14415.6	14539.3	15807.2	16708.2
Economic Activity and Prices										
Real GDP growth (% yoy)	4.1	4.5	-2.5	4.3	2.9	4.8	4.8	5.9	3.7	3.7
CPI inflation (% yoy, avg)	6.0	5.3	6.8	8.0	15.0	14.8	8.8	11.4	11.6	4.8
Nominal exchange rate (vs USD, eop)	375.2	381.2	420.7	431.7	461.0	453.6	524.5	530.0	520.0	520.0
Nominal exchange rate (vs USD, avg)	344.7	382.7	413.0	425.9	460.1	456.2	470.1	525.0	525.0	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	-3.5	-2.5	-2.6
Current account balance (US\$ bn)	-1.8	-7.0	-11.0	-2.7	6.4	-9.4	-5.0	-10.2	-8.1	-8.9
Trade balance (US\$ bn)	19.2	14.9	2.7	22.2	35.0	19.8	17.6	12.7	10.4	14.9
Exports, f.o.b. (US\$ bn)	66.4	67.3	49.3	71.6	85.6	80.3	78.8	75.6	75.0	80.7
Imports, c.i.f. (US\$ bn)	47.2	52.4	46.6	49.5	50.6	60.4	61.2	62.9	64.6	65.9
International reserves (US\$ bn)	30.9	29.0	35.6	34.4	35.1	36.0	45.8	53.0	57.0	55.0
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	57.1	53.3	51.8
Public (% of GDP)	7.1	7.6	9.1	9.5	6.9	5.4	4.6	5.1	5.1	5.2
Private (% of GDP)	85.6	83.1	88.5	75.5	64.7	57.3	52.4	52.0	48.2	46.5
Gross government debt (% of GDP)	24.3	23.7	27.0	26.5	23.9	20.4	22.1	21.7	21.5	22.7
Domestic (% of GDP)	15.6	14.5	17.0	17.2	15.3	13.1	15.6	15.5	15.7	16.8
External (% of GDP)	8.7	9.2	10.0	9.3	8.7	7.3	6.4	6.1	5.8	5.9

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 163: Nigeria

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025e	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	643	668	600	610	648	488	252	312	392	452
GDP per capita (US\$)	3139	3190	2802	2791	2903	2140	1084	1311	1617	1826
Economic Activity and Prices										
Real GDP growth (% yoy)	0.8	1.2	-2.9	3.5	3.1	2.5	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	15.0	12.0
Nominal exchange rate (vs USD, eop)	307.0	307.0	379.5	414.9	461.0	911.7	1544	1440	1440	1440
Nominal exchange rate (vs USD, avg)	306.1	306.9	356.9	408.0	429.8	724.2	1520	1498	1421	1486
Central bank policy rate (% eop)	14.00	13.50	11.50	11.50	16.50	18.75	27.50	26.00	20.00	16.00
External Sector										
Current account balance (% of GDP)	1.1	-2.0	-2.8	-0.6	0.2	1.2	6.8	5.1	3.8	0.0
Current account balance (US\$ bn)	7.3	-13.7	-16.0	-3.3	1.1	6.0	17.2	16.0	15.1	0.0
Trade balance (US\$ bn)										-
Exports, f.o.b. (US\$ bn)	61.2	65.0	35.9	46.9	64.2	55.8	53.0	54.5	53.1	40.4
Imports, f.o.b. (US\$ bn)	40.8	75.8	52.3	51.4	58.2	47.7	39.8	38.6	38.1	28.7
International reserves (US\$ bn)	42.6	38.1	36.5	40.2	37.1	32.9	40.9	43.0	45.0	44.0
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	-2.9	-3.7	-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	18.6	18.8
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	18.6	18.8

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 164: Romania

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024F	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	243	252	252	287	296	351	384	416	475	516
GDP per capita (US\$)	12,464	12,956	13,022	14,903	15,562	18,409	20,155	21,851	24,899	27,065
Economic Activity and Prices										
Real GDP growth (% yoy)	6.1	3.9	-3.7	5.5	4.0	2.4	0.9	1.0	1.5	2.8
CPI inflation (% yoy, avg)	4.6	3.8	2.6	5.0	13.7	10.5	5.6	7.3	6.5	3.2
Nominal exchange rate (vs EUR, eop)	4.66	4.78	4.87	4.95	4.95	4.97	4.97	5.08	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	5.00	4.50
External Sector										
Current account balance (% of GDP)	-4.6	-4.9	-5.1	-7.2	-9.5	-6.6	-8.3	-8.4	-7.6	-7.0
Current account balance (US\$ bn)	-11.2	-12.2	-12.8	-20.6	-28.3	-23.2	-31.8	-35.0	-35.9	-36.3
Trade balance (US\$ bn)	-18.1	-20.0	-21.6	-27.4	-33.8	-31.4	-35.6	-	-	-
Exports, f.o.b. (US\$ bn)	73.0	70.6	65.7	83.1	90.6	93.6	93.4	-	-	-
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)	-1.8	-3.3	-8.0	-5.8	-5.1	-4.7	-6.9	-	-	-
General gov. budget balance (% of GDP)	-2.8	-4.3	-9.2	-7.1	-6.4	-6.6	-9.3	-8.5	-6.3	-5.8
Debt Indicators										
Gross external debt (% of GDP)	49.6	51.0	64.2	56.3	55.3	57.7	55.1	-	-	-
Public (% of GDP)	20.2	20.2	29.0	28.1	25.2	29.3	31.4	-	-	-
Private (% of GDP)	29.3	30.8	35.3	28.2	30.1	28.4	23.6	-	-	-
Gross government debt (% of GDP)	34.4	35.0	46.6	48.3	47.9	48.9	54.6	58.9	60.9	63.2
Domestic (% of GDP)	14.7	15.3	18.2	21.6	23.9	20.6	24.4	-	-	-
External (% of GDP)	19.7	19.6	28.4	26.7	24.0	28.3	30.2	-	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 165: Saudi Arabia

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	887	889	768	983	1,239	1,219	1,254	1,275	1,314	1,386
GDP per capita (US\$)	29,360	29,567	24,339	31,921	38,510	36,157	35,528	34,505	33,937	34,140
Economic Activity and Prices										
Real GDP growth (% yoy)	3.2	1.7	-3.8	6.5	12.0	0.5	2.6	4.6	3.9	3.1
CPI inflation (% yoy, avg)	2.5	-1.2	3.4	3.1	2.5	2.3	1.7	2.0	2.0	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)	8.2	4.3	-3.3	4.1	12.1	2.9	-0.5	-3.4	-5.0	-4.5
Current account balance (US\$ bn)	73.0	38.5	-25.5	40.5	150.4	35.1	-5.7	-42.8	-65.4	-61.8
Trade balance (US\$ bn)	168.7	121.3	47.9	136.5	235.3	128.2	90.3	54.5	34.9	41.5
Exports, f.o.b. (US\$ bn)	294.4	261.6	173.9	276.2	411.2	320.2	305.6	273.7	266.0	278.7
Imports, f.o.b. (US\$ bn)	125.6	140.3	125.9	139.7	175.9	192.0	215.3	219.1	231.1	237.2
International reserves (US\$ bn)	496	499	453	455	459	436	437	421	404	389
Public Sector										
Central gov. primary budget balance (% of GDP)	-4.8	-3.3	-9.4	-1.3	2.9	-0.9	-1.5	-4.0	-4.0	-3.1
Central gov. budget balance (% of GDP)	-5.2	-4.0	-10.2	-2.0	2.2	-1.8	-2.5	-5.1	-5.3	-4.6
Debt Indicators										
Gross external debt (% of GDP)	15.8	19.6	29.4	27.3	21.3	24.5	29.5	31.1	32.3	32.4
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	30.6	35.0	37.7
Domestic (% of GDP)	9.2	11.2	17.5	15.2	13.2	14.1	15.7	18.5	21.1	22.8
External (% of GDP)	7.7	9.2	12.2	10.3	8.1	8.9	10.2	12.0	13.8	14.9

Source: BofA Global Research

BofA GLOBAL RESEARCH



GEMs Tables – LatAm

Exhibit 166: Argentina

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	505.2	427.8	327.5	401.2	500.8	488.0	588.2	641.2	678.2	712.1
GDP per capita (US\$)	11,353	9,507	7,203	8,731	10,782	10,395	12,396	13,370	13,992	14,536
Unemployment rate (%)	9.6	11.0	12.0	7.0	7.0	6.0	6.4	6.8	6.5	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 (% vov)	-2.6	-2.0	-9.9	10.4	5.3	-1.6	-1.3	4.2	3.5	3.0
Domestic demand growth (% vov)	-2.9	-8.0	-11.0	13.2	8.9	0.5	-5.8	9.5	5.9	5.6
Real investment growth (% vov)	-5.7	-16.0	-13.1	34.0	11.2	-2.0	-17.2	23.3	12.8	12.4
Real consumption growth (% vov)	-2.2	-6.2	-10.6	9.1	8.3	1.1	-3.1	6.7	4.3	3.8
Real private consumption growth (% vov)	-2.2	-6.1	-12.2	9.5	9.4	1.0	-2.9	8.0	5.0	4.5
Real government consumption growth (% vov)	-1.9	-6.4	-2.0	7.1	3.0	1.5	-3.8	0.0	0.3	0.0
Real export growth (% vov)	0.6	9.8	-17.4	8.5	4.6	-7.5	19.8	1.7	3.0	3.4
Real import growth (% vov)	-4.5	-18.7	-17.2	18.6	17.8	1.7	-10.2	29.7	10.0	10.6
Prices										
National inflation (% vov)*	47.6	53.8	36.1	50.9	94.8	211.4	117.8	31.5	20.3	12.0
National inflation (% avg)*	34.3	53.5	42.0	48.4	72.4	133.5	219.9	41.9	26.0	15.4
Nominal wages (% vov)	29.7	40.9	33.0	49.5	90.4	206.4	110.5	39.3	19.4	14.2
Nominal exchange rate (vs. USD, eop)	37.7	59.9	84.1	102.7	177.1	808.5	1,031.0	1,451.6	1,700.0	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	1,566.8	1,794.2
Bilateral real exchange rate (% vov, + dep)	39.6	5.7	4.6	-13.4	-5.8	52.4	-39.7	10.2	-0.7	0.4
Monetary Sector										
Monetary base growth (% vov)	27.0	40.7	92.7	65.0	95.1	206.4	114.8	87.1	24.5	15.4
Broad money growth (% vov)	12.0	29.7	92.7	65.0	95.1	206.4	114.8	87.1	24.5	15.4
Credit extension to private sector (% vov)	32.6	19.3	52.7	65.0	95.1	206.4	114.8	87.1	24.5	15.4
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	-1.9	-1.4	-1.7
Current account balance (US\$ bn)	-27.1	-3.5	2.7	6.6	-4.1	-21.0	5.7	-12.4	-9.5	-11.8
Trade balance (US\$ bn)	-0.7	18.2	14.6	18.7	12.4	-2.9	22.4	12.1	13.6	13.8
Exports, f.o.b. (US\$ bn)	61.8	65.2	54.9	78.0	88.5	66.8	79.8	85.5	85.6	88.8
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	73.4	72.0	75.0
Service balance (US\$, bn)	-8.9	-4.8	-2.5	-3.7	-6.8	-6.4	-5.8	-11.6	-9.6	-10.2
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	1.7	1.7
Central gov. budget balance (% of GDP)	-5.7	-4.0	-9.4	-5.0	-3.8	-5.9	0.3	0.1	0.2	0.2
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	0.2	0.2
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	70.7	71.0	71.0
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
External debt amortizations (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt interest payments (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
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 (% vov)*	-	-	-	-	-	-	-	-	-	-
Central gov. primary budget balance (% of GDP)**	-	-	-	-	-	-	-	-	-	-
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% vov)	3.3	1.6	2.1	3.4	4.1	4.5	4.0	3.5	3.2	3.1
Real GDP growth (% qoq, sa, annualized)	1.1	2.2	5.1	5.0	4.0	3.6	3.2	3.0	3.0	3.0
National inflation (% vov, eop)	31.8	31.5	28.4	27.1	24.7	20.3	17.5	15.5	14.3	12.1
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-
Nominal exchange rate (vs USD, eop)	1,380	1,452	1,500	1,550	1,600	1,700	1,743	1,786	1,831	1,876
Current account balance (US\$ bn)	-1.6	-2.6	-3.6	-0.8	-2.8	-2.3	-4.0	-1.2	-3.1	-3.4

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 167: Brazil

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	1916	1873	1476	1670	1952	2191	2178	2273	2530	2713
GDP per capita (US\$)	9278	9008	7054	7951	9255	10350	10247	10649	11813	12621
Unemployment Rate (%) (PNAD)*	12.4	12.0	13.5	13.5	9.5	8.0	6.9	6.1	6.4	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	2.5	2.0	1.8
Domestic demand growth (% yoy)	2.5	2.2	-3.9	4.8	3.2	2.2	4.6	3.0	2.1	2.0
Real investment growth (% yoy)	5.2	4.0	-1.7	12.9	1.1	-3.0	7.3	6.5	1.0	1.0
Real consumption growth (% yoy)	2.0	1.8	-4.4	3.2	3.7	3.3	4.1	2.0	2.3	2.2
Real private consumption growth (% yoy)	2.4	2.6	-4.6	3.0	4.1	3.2	4.8	2.6	2.4	2.5
Real government consumption growth (% yoy)	0.8	-0.5	-3.7	4.2	2.1	3.8	1.9	1.0	2.1	1.1
Real export growth (% yoy)	4.1	-2.6	-2.3	4.4	5.7	8.9	2.9	7.0	4.0	8.0
Real import growth (% yoy)	7.7	1.3	-9.5	13.8	1.0	-1.2	14.7	10.0	4.5	9.0
Prices										
CPI inflation (% yoy, eop)	3.7	4.3	4.5	10.1	5.8	4.6	4.8	4.3	4.0	3.5
CPI inflation (% yoy, avg)	3.7	3.7	3.2	8.3	9.3	4.6	4.4	5.0	3.9	3.7
Nominal wages (% yoy)	5.5	3.7	6.8	-1.5	14.6	7.8	9.3	6.6	6.0	4.5
Nominal exchange rate (vs USD, eop)	3.87	4.03	5.20	5.58	5.22	4.84	6.19	5.50	5.25	5.25
Nominal exchange rate (vs USD, avg)	3.68	3.94	5.24	5.41	5.14	4.98	5.47	5.57	5.32	5.25
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	6.7	6.0	5.3
Broad money growth (% yoy)	6.9	9.1	43.2	1.9	-1.2	-0.2	10.4	9.0	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	11.25	10.50
1-month interbank rate (% eop)	6.40	4.40	1.90	9.15	13.65	11.65	12.15	14.90	11.15	10.40
Long-term yield (% eop)	-	-	-	-	-	-	-	-	-	-
External Sector										
Current account balance (% of GDP)	-2.8	-3.5	-1.7	-2.4	-2.2	-1.2	-3.0	-2.9	-2.5	-2.2
Current account balance (US\$ bn)	-53.8	-65.0	-24.9	-40.4	-42.2	-27.1	-66.2	-66.7	-64.4	-60.2
Trade balance (US\$ bn)	44.3	29.6	35.7	42.3	51.5	92.3	65.8	62.7	66.7	74.7
Exports, f.o.b. (US\$ bn)	239.5	225.8	210.7	284.0	340.2	343.8	339.9	351.1	345.5	356.4
main export	-	-	-	-	-	-	-	-	-	-
Imports, c.i.f. (US\$ bn)	195.2	196.2	175.0	241.7	288.7	251.5	274.0	288.4	278.8	281.7
Service balance (US\$ bn)	-39.3	-38.5	-24.7	-27.0	-40.9	-43.8	-55.2	-61.1	-59.1	-60.9
Income balance (US\$ bn)	-58.8	-56.1	-35.9	-55.8	-52.8	-75.6	-76.8	-68.3	-72.0	-74.0
Foreign direct investment (US\$ bn)	78.2	69.2	38.3	46.4	74.6	62.8	74.1	72.5	74.0	75.5
Intercompany Loans (US\$ bn)	20.8	5.5	4.7	-0.4	17.5	9.9	9.5	9.3	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	-0.6	-0.5	-0.6
Central gov. budget balance (% of GDP)	-6.1	-5.4	-13.3	-4.9	-4.4	-8.0	-7.7	-9.2	-8.9	-8.4
Consolidated gov. primary budget balance (% of GDP)	-1.5	-0.8	-9.2	0.7	1.2	-2.3	-0.4	-0.5	-0.4	-0.5
Consolidated public sector balance (% of GDP)	-7.0	-5.8	-13.3	-4.3	-4.6	-8.8	-8.5	-9.8	-9.4	-9.0
Central gov. revenues (% of GDP)	21.3	22.1	19.3	21.4	23.0	21.5	22.8	22.8	22.9	22.5
Debt Indicators										
Gross external debt (% of GDP)	16.7	17.2	20.9	19.5	16.4	15.6	15.9	15.3	14.4	13.4
Public (% of GDP)	6.7	6.6	8.3	7.9	6.2	5.8	5.8	5.8	5.4	5.0
Private (% of GDP)	10.0	10.6	12.6	11.6	10.2	9.8	10.1	9.6	9.0	8.4
Gross government debt (% of GDP)	75.3	74.4	86.9	77.3	71.7	73.8	76.5	79.0	82.0	84.9
Domestic (% of GDP)	65.7	65.0	76.1	66.6	62.7	65.1	66.2	69.3	72.8	75.4
External (% of GDP)	9.6	9.4	10.8	10.7	9.0	8.8	10.3	9.8	9.2	9.6
External debt amortizations (US\$ bn)	110.2	92.7	93.5	80.0	94.7	112.3	121.9	123.0	125.0	125.0
External debt interest payments (US\$ bn)	15.2	18.5	11.9	11.9	11.9	19.7	19.7	20.0	21.0	21.0
External debt service (% of XGS)	52.4	49.3	50.0	32.4	31.4	38.4	41.7	40.7	42.3	41.0
Savings - Investment Balance										
Savings (% of GDP)	12.3	12.0	14.9	15.5	15.6	15.2	14.0	14.6	14.7	14.8
Investment (% of GDP)	15.1	15.5	16.6	17.9	17.8	16.4	17.0	17.5	17.2	17.0
	3025	4025	1026	2026	3026	4026	1027	2027	3027	4027
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	1.8	2.1	1.9	2.2	1.9	2.2	2.9	1.3	1.8	1.6
Real GDP growth (% qoq, sa, annualized)	0.4	1.6	3.0	2.5	1.0	3.4	4.1	-2.4	3.6	1.9
CPI inflation (% yoy, eop)	5.2	4.3	3.8	3.9	3.6	4.0	3.8	3.7	3.5	3.5
Central bank policy rate (% eop)	15.00	15.00	14.00	13.00	12.00	11.25	10.75	10.50	10.50	10.50
Nominal exchange rate (vs USD, eop)	5.32	5.50	5.25	5.35	5.35	5.25	5.25	5.25	5.25	5.25
Current account balance (US\$ bn)	-22.4	-9.7	-18.5	-12.5	-12.8	-20.6	-17.7	-11.4	-11.5	-19.6

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 168: 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	1,865	1,988	2,013
GDP per capita (US\$)	10,092	10,269	8,500	10,152	11,399	13,963	13,436	13,987	14,794	14,873
Unemployment rate (%)	3.3	3.5	4.4	4.1	3.3	2.8	2.7	2.7	2.8	3.0
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	0.4	1.2	1.8
Domestic demand growth (% yoy)	1.2	-0.6	-10.9	8.1	5.0	5.8	2.9	-0.9	0.9	1.2
Real investment growth (% yoy)	0.7	-4.4	-17.3	10.4	7.4	13.8	3.6	-5.5	0.1	0.7
Real consumption growth (% yoy)	1.7	0.5	-8.7	7.2	4.4	3.9	2.6	0.4	1.2	1.4
Real private consumption growth (% yoy)	1.5	0.9	-10.0	8.6	4.8	4.2	2.4	0.3	1.6	1.5
Real government consumption growth (% yoy)	3.1	-1.8	-0.7	-0.5	2.0	2.4	3.7	1.1	-0.8	0.8
Real export growth (% yoy)	6.5	1.3	-7.2	7.3	9.6	-7.1	3.0	8.3	5.5	4.5
Real import growth (% yoy)	5.5	-1.0	-12.3	16.2	8.6	3.7	2.7	2.8	6.4	3.2
Prices										
CPI inflation (% yoy, eop)	4.8	2.8	3.2	7.4	7.8	4.7	4.2	3.7	4.1	4.3
CPI inflation (% yoy, avg)	4.9	3.6	3.4	5.7	7.9	5.5	4.7	3.8	3.7	4.3
Nominal wages (% yoy)	5.7	6.7	7.3	7.2	10.8	10.9	9.6	7.3	7.1	7.1
Nominal exchange rate (vs USD, eop)	19.65	18.93	19.91	20.53	19.50	16.97	20.83	18.01	18.25	19.00
Nominal exchange rate (vs USD, avg)	19.11	19.33	22.17	20.38	19.91	17.39	18.85	18.88	17.98	18.73
Bilateral real exchange rate (% yoy, + dep)	5.8	-5.0	4.2	5.0	-6.7	-12.0	17.5	-14.4	3.9	2.0
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	6.0	4.0	5.0
Credit extension to private sector (% yoy)	10.3	5.7	0.6	4.3	12.6	12.7	12.6	11.8	8.8	11.0
Central bank policy rate (% eop)	8.25	7.25	4.25	5.50	10.50	11.25	10.00	7.00	6.00	6.00
1-month interbank rate (% eop)	8.59	7.56	4.48	5.72	10.77	11.50	10.25	7.38	6.31	6.31
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	-0.6	-0.3
Current account balance (US\$ bn)	-25.9	-3.9	26.9	-4.5	-18.7	-12.5	-16.7	-7.6	-12.2	-5.4
Trade balance (US\$ bn)	-13.8	5.2	34.2	-10.7	-28.3	-12.4	-18.6	-4.1	-9.9	-0.1
Exports, f.o.b. (US\$ bn)	451.1	460.9	417.3	495.3	578.2	593.6	618.3	660.5	726.2	793.2
Main export - Autos	118.4	125.1	102.8	116.5	140.3	161.7	165.4	158.2	174.0	190.2
Imports, c.i.f. (US\$ bn)	464.8	455.8	383.2	506.0	606.5	605.9	636.9	664.7	736.1	793.2
Service balance (US\$ bn)	-13.8	-9.4	-12.4	-12.4	-15.5	-19.6	-9.1	-9.6	-11.4	-11.5
Income balance (US\$ bn)	1.7	0.4	5.2	18.6	25.1	19.4	10.9	6.1	9.1	6.2
Foreign direct investment (US\$ bn)	37.9	29.9	31.5	35.6	39.2	30.7	45.5	44.0	39.0	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	61.6	55.9	55.4
Price of main export commodity - oil (US\$ per barrel)	62.1	56.1	35.7	64.7	89.3	71.2	70.6	66.0	58.1	60.1
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.1	0.1	-0.1	-1.1	-1.1	-1.1	-2.5	-1.2	-0.7	-0.7
Central gov. budget balance (% of GDP)	-2.0	-2.0	-2.5	-3.1	-3.4	-3.8	-5.6	-4.3	-3.7	-3.7
Consolidated gov. primary budget balance (% of GDP)	0.6	1.1	0.1	-0.3	-0.4	-0.1	-1.5	-0.2	-0.1	0.0
Consolidated public sector balance (% of GDP)	-2.0	-1.6	-2.8	-2.8	-3.2	-3.3	-4.9	-4.0	-4.0	-3.5
Public sector borrowing requirements (% of GDP)	-2.1	-2.3	-3.8	-3.7	-4.3	-4.3	-5.7	-4.5	-4.9	-5.0
Central gov. revenues (% of GDP)	16.0	15.9	17.0	16.2	16.2	16.4	16.3	16.3	16.4	16.4
Debt Indicators										
Gross external debt (% of GDP)	25.4	23.7	27.9	25.8	21.1	17.0	19.5	20.1	21.9	21.9
Public (% of GDP)	16.5	15.4	18.5	17.1	14.3	11.4	13.2	13.9	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	47.4	53.4	54.9	57.4	57.4
Domestic (% of GDP)	29.1	30.1	33.1	33.4	33.9	35.9	40.2	41.0	41.5	41.7
External (% of GDP)	16.5	15.4	18.5	17.1	14.3	11.4	13.2	13.9	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	9.5	8.2
External debt interest payments (US\$ bn)	7.3	7.8	8.0	8.8	8.4	8.7	7.6	6.0	8.0	7.7
External debt service (% of XGS)	3.3	6.7	6.3	6.2	3.8	2.8	1.9	1.8	2.4	2.0
Savings - Investment Balance										
Savings (% of GDP)	21.3	20.6	20.8	20.1	19.5	18.9	17.7	17.7	17.7	18.0
Investment (% of GDP)	23.1	22.1	20.0	20.8	21.6	23.8	24.4	22.9	22.7	22.4
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	-0.2	0.6	0.8	0.8	1.5	1.7	1.6	1.7	1.8	1.9
Real GDP growth (% qoq, sa, annualized)	-1.1	0.8	2.0	1.8	1.5	1.5	1.7	1.9	2.0	1.9
CPI inflation (% yoy, eop)	3.8	3.7	4.1	3.0	3.8	4.1	4.3	4.3	4.4	4.3
Central bank policy rate (% eop)	7.50	7.00	6.75	6.50	6.25	6.00	6.00	6.00	6.00	6.00
Nominal exchange rate (vs USD, eop)	18.31	18.01	18.15	18.50	18.75	19.00	19.25	19.40	19.60	19.75
Current account balance (US\$ bn)	2.3	4.2	-0.7	-17.4	-3.8	9.7	1.6	-14.4	-4.2	11.7

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 169: Venezuela

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn, Exch rate adjusted since 2015)	104.9	78.7	51.1	52.1	57.4	59.7	62.6	63.9	64.5	65.2
GDP per capita (US\$)	3,630	2,758	1,798	1,839	2,028	2,115	2,227	2,278	2,308	2,337
Unemployment rate (%)	12.0	12.0	12.0	12.0	12.0	12.0	10.0	11.0	12.0	
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	2.0	1.0	1.0
Domestic demand growth (% yoy)	-22.0	-27.5	-38.5	2.2	11.0	4.4	5.5	2.2	1.1	1.1
Real investment growth (% yoy)	-40.0	-50.0	-70.0	4.0	20.0	8	10	4	2	2
Real consumption growth (% yoy)	-20.0	-25.0	-35.0	2.0	10.0	4	5	2	1	1
Real private consumption growth (% yoy)	-20.0	-25.0	-35.0	2.0	10.0	4	5	2	1	1
Real government consumption growth (% yoy)	-21.0	-26.3	-36.8	2.1	10.5	4.2	5.25	2.1	1.05	1.05
Real export growth (% yoy)	-40.0	-42.5	-38.5	3.0	15.0	6	7.5	3	1.5	1.5
Real import growth (% yoy)	-40.0	-42.5	-38.5	2.2	11.0	4.4	5.5	2.2	1.1	1.1
Prices										
CPI inflation (% yoy, eop)	1698488	12341	3687	660	305	205	94	417	382	332
CPI inflation (% yoy, avg)	523290	1259565	3639	1374	482	255	149	255	399	357
Nominal wages (% yoy)	180979	1234	2581	726	320	215	99	437	389	338
Nominal exchange rate (vs USD, eop)	638	39368	1107199	5	17	36	52	285	1351	5805
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	336	390	344
Broad money growth (% yoy)	43945	5000	1300	600	394	230	122	336	390	344
Credit extension to private sector (% yoy)	41755	5000	1300	600	394	230	122	336	390	344
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	-2.4	0.6	1.1
Current account balance (US\$ bn)	11.4	5.7	1.1	0.6	1.1	0.0	1.5	-1.5	0.4	0.7
Trade balance (US\$ bn)	15.5	9.2	0.1	2.0	2.6	1.4	4.8	1.0	2.9	3.2
Exports, f.o.b. (US\$ bn)	25.7	15.2	6.1	10.0	16.2	12.8	22.5	16.6	15.4	16.6
Main export - Oil	23.3	13.8	6.0	7.0	13.5	10.7	18.8	13.8	12.8	13.8
Imports, f.o.b. (US\$ bn)	10.2	6.0	6.0	8.0	13.6	11.4	17.7	15.6	12.5	13.4
Service balance (US\$ bn)	-4.3	-4.3	-3.0	-4.0	-4.0	-4.4	-6.8	-6.0	-6.0	-6.0
Income balance (US\$ bn)	0.2	0.8	1.5	2.0	2.5	3.0	3.5	3.5	3.5	3.5
Foreign direct investment (US\$ bn)	-	-	-	-	-	-	-	-	-	-
International reserves (US\$ bn)	7.0	7.5	7.0	6.0	10.0	10.0	10.0	10.0	10.0	10.0
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 170: Chile

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	297.6	279.2	253.1	316.6	300.6	335.5	318.6	339.8	386.3	417.0
GDP per capita (US\$)	15,871	14,615	13,008	16,087	15,158	16,806	15,849	16,789	18,952	20,317
Unemployment rate (%)	7.4	7.2	11.2	7.2	8.0	8.8	8.5	8.5	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	2.3	2.2	2.0
Domestic demand growth (% yoy)	4.0	1.6	-7.9	18.5	3.0	-3.3	0.8	3.5	4.3	3.6
Real investment growth (% yoy)	5.1	4.4	-11.5	15.7	2.8	-1.1	-1.4	6.6	6.4	2.4
Real consumption growth (% yoy)	3.7	0.8	-6.8	19.3	3.1	-3.9	1.4	2.6	3.7	4.0
Real private consumption growth (% yoy)	3.8	1.0	-7.5	20.8	2.9	-5.2	1.0	1.8	4.4	4.8
Real government consumption growth (% yoy)	3.3	-0.2	-3.9	13.8	4.1	1.7	3.0	5.1	0.6	1.3
Real export growth (% yoy)	5.3	-2.6	-3.2	-1.4	1.4	-0.3	6.6	3.4	0.1	2.3
Real import growth (% yoy)	8.1	-2.4	-12.7	31.8	0.9	-12.0	2.5	10.7	8.1	6.9
Prices										
CPI inflation (% yoy, eop)	2.1	3.0	3.0	7.2	12.8	3.4	4.5	3.4	3.1	3.1
CPI inflation (% yoy, avg)	2.3	2.3	3.0	4.5	11.6	7.3	3.9	4.2	3.3	3.1
Nominal wages (% yoy)	4.5	4.6	3.7	7.0	11.8	7.7	7.0	4.4	4.1	4.1
Nominal exchange rate (vs USD, eop)	696	745	711	852	851	881	995	916	850	850
Nominal exchange rate (vs USD, avg)	641	703	792	760	874	840	944	943	871	850
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	5.8	5.3	5.1
Broad money growth (% yoy)	11.2	9.4	6.9	11.4	6.8	2.7	6.1	5.8	5.3	5.1
Credit extension to private sector (% yoy)	10.1	9.4	2.5	7.9	-0.5	2.8	5.0	4.8	5.3	5.1
Central bank policy rate (% eop)	2.75	1.75	0.50	4.00	11.25	8.25	5.00	4.50	4.50	4.50
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	-2.2	0.9	0.1
Current account balance (US\$ bn)	-11.6	-10.5	-4.3	-20.3	-27.1	-11.9	-4.9	-7.6	3.4	0.3
Trade balance (US\$ bn)	4.2	3.0	18.4	10.5	3.8	15.3	21.0	18.2	29.3	26.2
Exports, f.o.b. (US\$ bn)	74.7	68.8	73.5	94.8	98.5	94.6	99.2	105.4	125.2	131.4
main export - Copper	35.6	32.5	38.0	52.7	44.7	43.3	49.7	56.3	73.0	78.6
Imports, f.o.b. (US\$ bn)	70.5	65.8	55.1	84.3	94.7	79.2	78.1	87.2	95.9	105.2
Service balance (US\$ bn)	-4.7	-5.1	-5.0	-12.3	-14.8	-10.8	-9.1	-9.1	-9.1	-9.1
Income balance (US\$ bn)	-11.2	-8.3	-10.0	-21.3	-16.1	-16.4	-16.7	-16.7	-16.7	-16.7
Foreign direct investment (US\$ bn)	7.8	12.6	8.5	15.9	20.9	15.5	9.6	9.6	9.6	9.6
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	-0.2	-0.2
Central gov. budget balance (% of GDP)	-1.7	-2.9	-7.3	-7.7	1.1	-2.4	-3.0	-2.5	-1.6	-1.6
Consolidated gov. primary budget balance (% of GDP)	-1.1	-2.3	-7.9	-7.4	2.1	-1.3	-1.7	-1.2	-0.2	-0.2
Consolidated public sector balance (% of GDP)	-1.5	-2.7	-8.5	-8.3	1.1	-2.4	-3.0	-2.5	-1.6	-1.6
Central gov. revenues (% of GDP)	21.9	21.5	19.9	23.9	25.9	22.7	22.4	22.8	22.7	-
Debt Indicators										
Gross external debt (% of GDP)	62.0	70.9	82.3	83.5	86.5	76.4	-	-	-	-
Public (% of GDP)	8.3	10.7	13.7	13.5	14.5	17.2	-	-	-	-
Private (% of GDP)	53.7	60.3	68.7	70.0	72.0	59.1	-	-	-	-
Gross government debt (% of GDP)	25.6	28.2	32.5	36.3	43.3	39.4	42.3	44.5	-	-
Domestic (% of GDP)	17.3	17.5	18.8	22.5	27.7	26.0	27.9	29.4	-	-
External (% of GDP)	8.3	10.7	13.7	13.8	15.6	13.4	14.4	15.1	-	-
External debt amortizations (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt interest payments (US\$ bn)	-	-	-	-	-	-	-	-	-	-
External debt service (% of XGS)	-	-	-	-	-	-	-	-	-	-
Savings - Investment Balance										
Savings (% of GDP)	18.2	19.2	22.2	-	-	-	-	-	-	-
Investment (% of GDP)	21.5	22.9	20.9	-	-	-	-	-	-	-
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	1.9	1.6	1.5	1.8	2.6	2.8	2.5	2.2	2.1	2.0
Real GDP growth (% qoq, sa, annualized)	-0.6	1.3	3.5	2.9	2.4	2.4	2.0	2.0	2.0	2.0
CPI inflation (% yoy, eop)	4.4	3.4	2.4	3.1	2.5	3.1	3.1	3.1	3.1	3.1
Central bank policy rate (% eop)	4.75	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Nominal exchange rate (vs USD, eop)	963	910	880	870	860	850	850	850	850	850
Current account balance (US\$ bn)	-	-	-	-	-	-	-	-	-	-

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 171: Colombia

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	334	323	271	314	346	369	419	462	512	521
GDP per capita (US\$)	6,922	6,535	5,382	6,140	6,703	7,058	7,944	8,692	9,571	9,685
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	0.7	1.6	2.8	2.4	2.8
Domestic demand growth (% yoy)	3.5	4.0	-7.6	13.4	10.2	-2.4	2.0	4.5	2.9	3.2
Real investment growth (% yoy)	1.5	3.0	-20.7	11.6	16.0	-16.0	5.2	5.2	4.8	5.5
Real consumption growth (% yoy)	4.0	4.3	-4.2	13.8	9.0	0.6	1.4	4.3	2.6	2.7
Real private consumption growth (% yoy)	3.2	4.1	-5.0	14.7	10.8	0.4	1.6	3.8	2.6	2.8
Real government consumption growth (% yoy)	7.4	5.3	-0.8	9.8	1.0	1.6	0.7	7.0	2.4	2.3
Real export growth (% yoy)	0.6	3.1	-22.5	14.6	12.5	3.1	2.5	1.2	2.5	3.5
Real import growth (% yoy)	5.8	7.3	-20.1	26.7	24.0	-9.9	4.4	8.7	4.6	4.9
Prices										
CPI inflation (% yoy, eop)	3.2	3.8	1.6	5.6	13.1	9.3	5.2	5.1	6.0	4.2
CPI inflation (% yoy, avg)	3.2	3.5	2.5	3.5	10.2	11.8	6.6	5.1	5.5	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	4,000	4,200
Nominal exchange rate (vs. USD, avg)	2,956	3,281	3,693	3,807	4,347	4,319	4,155	3,995	3,925	4,163
Bilateral real exchange rate (% yoy, + dep)	7.5	-0.6	4.4	20.6	11.9	-21.6	12.0	-17.0	2.3	3.2
Monetary Sector										
Monetary base growth (% yoy)	10.4	12.3	20.5	9.6	6.4	1.0	11.7	8.6	8.5	7.5
Broad money growth (% yoy)	5.6	7.8	13.9	12.0	14.0	-1.2	10.4	7.2	7.2	6.5
Credit extension to private sector (% yoy)	4.4	7.8	2.2	10.9	17.5	2.5	2.0	8.2	8.1	6.0
Central bank policy rate (% eop)	4.25	4.25	1.75	3.00	12.00	13.00	9.50	9.25	11.00	10.00
1-month interbank rate (% eop)	4.11	4.11	1.71	2.97	11.23	12.34	9.21	8.96	10.71	9.71
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	-2.6	-2.6	-2.7
Current account balance (US\$ bn)	-14.0	-14.8	-9.3	-17.9	-20.9	-8.3	-7.3	-12.0	-13.3	-14.1
Trade balance (US\$ bn)	-6.4	-9.9	-8.9	-14.0	-12.2	-6.8	-9.2	-11.4	-11.6	-11.9
Exports, f.o.b. (US\$ bn)	43.0	40.7	32.3	42.7	59.5	52.6	53.2	53.7	54.9	56.8
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	62.0	67.3	69.3	71.5
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	17.1	18.9	19.3
International reserves (US\$ bn)	48.4	53.2	59.0	58.6	57.3	59.6	62.8	64.0	65.2	66.4
Public Sector										
Central gov. primary budget balance (% of GDP)	-0.3	0.4	-5.0	-3.6	-1.0	-0.3	-2.4	-3.4	-2.7	-1.7
Central gov. budget balance (% of GDP)	-3.1	-2.5	-7.8	-7.0	-5.3	-4.2	-6.7	-6.5	-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	-1.9	-1.2	-0.2
Consolidated public sector balance (% of GDP)	-2.6	-2.4	-7.6	-7.1	-6.0	-2.7	-5.9	-5.7	-5.9	-5.1
Central gov. revenues (% of GDP)	15.1	16.2	15.3	16.1	16.2	18.7	16.5	17.0	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)	48.0	47.2	62.1	60.7	59.3	54.7	59.9	58.9	62.1	64.1
Domestic (% of GDP)	31.4	31.3	39.0	36.2	34.5	35.3	38.8	35.6	37.5	40.1
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	41.6	43.3	46.0	45.2
Savings - Investment Balance										
Savings (% of GDP)	17.0	16.8	15.7	13.3	13.7	11.3	12.2	11.5	11.8	12.1
Investment (% of GDP)	21.2	21.4	19.1	18.9	19.8	13.5	13.9	14.1	14.4	14.8
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	3.6	2.7	2.8	2.7	2.1	2.2	2.4	2.8	2.9	3.0
Real GDP growth (% qoq, sa, annualized)	5.0	2.4	2.0	1.2	2.8	2.8	2.8	2.8	3.2	3.2
CPI inflation (% yoy, eop)	5.2	5.1	5.4	5.6	5.7	6.0	5.6	5.1	4.6	4.2
Central bank policy rate (% eop)	9.25	9.25	10.00	10.50	11.00	11.00	10.75	10.50	10.25	10.00
Nominal exchange rate (vs. USD, eop)	3,920	3,778	3,850	3,900	3,950	4,000	4,125	4,150	4,175	4,200
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 172: Peru

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	227.6	233.1	206.2	226.2	244.6	267.9	289.5	325.6	352.0	369.6
GDP per capita (US\$)	7,213	7,255	6,320	6,847	7,324	7,943	8,497	9,463	10,128	10,530
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	3.3	3.4	2.8	3.0
Domestic demand growth (% yoy)	4.1	2.2	-9.6	14.4	2.6	-1.9	3.8	3.0	2.8	3.0
Real investment growth (% yoy)	5.9	-2.0	-19.3	29.4	1.4	-12.6	8.5	4.4	3.4	4.0
Real consumption growth (% yoy)	3.6	3.4	-7.0	11.0	2.9	0.9	2.7	2.7	2.6	2.6
Real private consumption growth (% yoy)	3.8	3.2	-9.9	12.4	3.6	0.1	2.8	2.8	2.7	2.8
Real government consumption growth (% yoy)	2.4	4.3	7.9	4.8	-0.2	4.6	2.3	2.3	2.4	2.3
Real export growth (% yoy)	2.1	1.1	-19.7	13.3	5.2	4.9	5.1	2.2	2.3	2.4
Real import growth (% yoy)	2.4	0.9	-15.2	17.9	4.4	-1.3	6.9	3.4	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	1.9	2.0
CPI inflation (% yoy, avg)	1.3	2.1	1.8	4.0	7.9	6.3	2.4	1.5	1.8	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	3.40	3.50
Nominal exchange rate (vs USD, avg)	3.29	3.34	3.50	3.88	3.84	3.75	3.76	3.51	3.38	3.46
Bilateral real exchange rate (% yoy, + dep)	-	-1.4	8.7	10.5	-4.7	-2.7	2.5	-10.0	1.7	3.3
Monetary Sector										
Monetary base growth (% yoy)	7.3	5.2	33.2	13.1	-4.4	-3.2	10.7	5.9	5.8	6.0
Broad money growth (% yoy)	5.3	9.1	32.0	0.3	-1.1	1.2	10.4	6.5	6.2	6.2
Credit extension to private sector (% yoy)	9.0	7.0	12.8	5.7	2.5	0.5	1.2	4.9	4.6	5.0
Central bank policy rate (% eop)	2.75	2.25	0.25	2.50	7.50	6.75	5.00	4.25	3.75	3.75
1-month interbank rate (% eop)	2.75	2.25	0.23	2.25	7.45	6.86	4.95	4.20	3.70	3.70
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)	-1.1	-0.6	0.9	-2.1	-4.1	0.7	2.2	2.0	2.1	2.0
Current account balance (US\$ bn)	-2.6	-1.4	1.9	-4.7	-10.1	1.8	6.3	6.5	7.4	7.4
Trade balance (US\$ bn)	7.2	6.9	8.1	15.1	10.2	17.7	23.8	27.5	30.0	30.9
Exports, f.o.b. (US\$ bn)	49.1	48.0	42.8	63.1	66.2	67.5	73.1	83.9	88.0	88.1
Main export - Copper	14.9	14.0	13.0	20.7	19.7	23.4	23.9	32.7	33.4	36.0
Imports, f.o.b. (US\$ bn)	41.9	41.1	34.7	48.0	56.0	49.8	49.3	56.4	58.0	57.2
Service balance (US\$ bn)	-3.3	-3.9	-4.9	-7.6	-8.8	-7.7	-7.8	-6.9	-6.5	-7.0
Income balance (US\$ bn)	-6.5	-4.4	-1.3	-12.2	-11.4	-8.1	-9.7	-14.1	-16.1	-16.5
Foreign direct investment (US\$ bn)	5.9	4.8	0.7	7.1	11.2	3.9	5.5	7.0	7.4	7.5
International reserves (US\$ bn)	60.1	68.3	74.7	78.5	71.9	71.0	83.3	85.3	87.3	88.0
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	-0.8	-0.8
Central gov. budget balance (% of GDP)	-2.0	-2.1	-9.3	-3.4	-2.2	-3.6	-3.4	-2.5	-2.3	-2.3
Consolidated gov. primary budget balance (% of GDP)	-0.9	-0.2	-7.3	-1.0	-0.1	-1.1	-1.8	-0.6	-0.4	-0.4
Consolidated public sector balance (% of GDP)	-2.3	-1.6	-8.9	-2.5	-1.7	-2.8	-3.5	-2.2	-2.0	-2.0
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)	25.5	26.5	34.5	35.9	33.9	32.9	32.7	31.2	31.8	32.2
Domestic (% of GDP)	16.7	18.1	19.7	16.4	16.3	17.1	15.6	13.4	13.8	14.0
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	12.6	12.7	12.1
Savings - Investment Balance										
Savings (% of GDP)	20.0	19.7	19.2	18.8	16.7	18.1	20.7	21.2	22.0	22.5
Investment (% of GDP)	21.1	20.3	18.3	20.9	20.8	17.4	18.5	19.2	19.9	20.5
Quarterly Economic Forecasts										
Real GDP growth (% yoy)	3.4	3.5	2.9	2.7	2.7	2.9	3.1	3.2	2.9	2.6
Real GDP growth (% qoq, sa, annualized)	4.1	3.2	1.6	2.0	4.1	4.1	2.4	2.4	2.8	2.8
CPI inflation (% yoy, eop)	1.4	1.5	1.7	1.4	2.1	1.9	1.9	2.0	2.0	2.0
Central bank policy rate (% eop)	4.25	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Nominal exchange rate (vs USD, eop)	3.47	3.36	3.36	3.38	3.39	3.40	3.42	3.45	3.47	3.50
Current account balance (US\$ bn)	2.6	2.4	1.0	0.9	2.8	2.7	1.0	0.9	2.8	2.7

Source: BofA Global Research

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Exhibit 173: Uruguay

Selected economic and financial indicators

	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Summary Data										
Nominal GDP (US\$ bn)	64.6	61.3	53.6	61.4	70.2	77.3	80.9	84.7	92.5	96.2
GDP per capita (thous US\$)	18.4	17.4	15.2	17.3	19.7	21.7	22.6	23.6	25.7	26.6
Economic Activity and Prices										
Real GDP growth (% yoy)	0.5	0.4	-6.1	5.3	4.7	0.4	3.1	1.5	1.8	2.0
CPI inflation (% yoy, eop)	8	8.8	9.4	8.0	8.3	5.1	5.5	3.7	4.5	4.5
Nominal exchange rate (vs USD, eop)	32.4	37.4	42.4	44.7	39.9	38.9	43.7	39.1	40.1	41.1
Nominal exchange rate (vs USD, avg)	30.7	35.3	42	43.6	41.2	38.8	40.3	40.9	39.6	40.6
Central Bank policy rate (% eop)	-	-	4.5	5.8	11.5	9.0	8.8	7.5	7.0	7.0
External Sector										
Current account balance (% of GDP)	-0.4	1.6	-0.8	-2.5	-3.7	-3.3	-1.0	-0.8	-0.8	-0.8
Current account balance (US\$ bn)	-0.3	1	-0.4	-1.5	-2.6	-2.6	-0.8	-0.7	-0.7	-0.7
Trade balance (US\$ bn)	3.3	3.8	2.4	4.5	4.2	2.7	4.1	4.3	4.3	4.3
Exports, f.o.b. (US\$ bn)	17.1	17.1	13.6	19.4	23.6	22.1	23.2	24.2	25.1	25.1
Imports, f.o.b. (US\$ bn)	13.8	13.3	11.2	14.9	19.4	19.3	19.1	19.9	20.9	20.9
International reserves (US\$ bn)	16.5	15.1	15.8	16.0	16.5	16.0	17.4	18.4	19.4	20.4
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	-0.9	-0.4	-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	-3.0	-2.5	-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	54.3	54.3	54.3
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 174: Government Bond Yield and Swap Rate Forecasts

Developed Market Forecasts

		Mar-26	Jun-26	Sep-26	Dec-26	Dec-27
Bond yields						
US	O/N SOFR	3.68	3.41	3.18	3.18	3.18
	2y	3.45	3.35	3.25	3.25	3.25
	5y	3.60	3.55	3.50	3.50	3.50
	10y	4.05	4.15	4.20	4.25	4.25
	30y	4.65	4.65	4.70	4.70	4.75
Germany	3m Euribor	1.85	1.90	1.90	1.90	2.00
	2y	1.90	1.95	2.00	2.05	2.15
	5y	2.25	2.30	2.35	2.35	2.45
	10y	2.65	2.65	2.75	2.75	2.85
	30y	3.30	3.25	3.35	3.40	3.50
Japan	TONA	0.73	0.98	0.98	0.98	1.48
	2yr	1.25	1.45	1.48	1.50	1.80
	5yr	1.65	1.80	1.83	1.85	2.10
	10yr	2.15	2.25	2.25	2.25	2.35
	30yr	3.50	3.60	3.60	3.60	3.60
UK	2yr	3.55	3.50	3.52	3.55	3.65
	5yr	3.90	3.90	3.90	3.90	4.00
	10yr	4.45	4.45	4.45	4.50	4.70
Canada	30yr	5.25	5.25	5.25	5.25	5.25
	2yr	2.45	2.35	2.25	2.25	2.50
	5yr	2.95	2.85	2.75	2.75	3.00
Australia	10yr	3.40	3.35	3.35	3.35	3.50
	3m BBSW	3.60	3.60	3.60	3.60	3.35
	2y	3.75	3.85	3.85	3.85	3.70
	5y	4.00	4.10	4.10	3.95	4.25
	10y	4.35	4.45	4.35	4.35	4.75
Swap rates		Mar-26	Jun-26	Sep-26	Dec-26	Dec-27
US	2y	3.35	3.25	3.15	3.15	3.05
	5y	3.40	3.35	3.30	3.30	3.20
	10y	3.75	3.85	3.90	3.95	4.10
Euribor	2y	2.05	2.05	2.10	2.15	2.25
	5y	2.35	2.35	2.40	2.40	2.50
	10y	2.70	2.65	2.70	2.70	2.80
Japan	2y	1.23	1.43	1.45	1.47	1.77
	5y	1.60	1.75	1.78	1.79	2.04
	10y	1.95	2.05	2.05	2.05	2.13
UK	2y	3.30	3.25	3.27	3.30	3.40
	5y	3.60	3.60	3.60	3.60	3.70
	10y	4.00	4.00	4.00	4.05	4.25
Canada	2y	2.30	2.20	2.10	2.10	2.35
	5y	2.75	2.65	2.55	2.55	2.80
	10y	3.15	3.10	3.10	3.10	3.25
Australia	3y	3.85	3.95	3.95	3.95	3.55
	10y	4.55	4.65	4.55	4.55	4.35

Source: BofA Global Research

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Global FX Forecasts

Exhibit 175: G10 FX Forecasts

Our end-2026 EUR-USD forecast is 1.22

	Spot	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
G3									
EUR-USD	1.17	1.17	1.20	1.21	1.22	1.23	1.24	1.25	1.25
USD-JPY	158	160	158	156	155	153	150	150	150
EUR-JPY	185	187	190	189	189	188	186	188	188
Dollar Bloc									
USD-CAD	1.38	1.38	1.38	1.37	1.36	1.35	1.35	1.35	1.35
AUD-USD	0.67	0.65	0.66	0.67	0.68	0.68	0.67	0.67	0.66
NZD-USD	0.58	0.55	0.55	0.56	0.57	0.58	0.58	0.58	0.58
Europe									
EUR-GBP	0.87	0.86	0.85	0.84	0.84	0.84	0.84	0.83	0.83
GBP-USD	1.35	1.36	1.41	1.44	1.45	1.46	1.48	1.51	1.51
EUR-CHF	0.93	0.94	0.94	0.95	0.96	0.97	0.98	0.98	0.98
USD-CHF	0.79	0.80	0.78	0.79	0.79	0.79	0.79	0.78	0.78
EUR-SEK	10.71	10.80	10.70	10.60	10.50	10.40	10.30	10.30	10.30
USD-SEK	9.13	9.23	8.92	8.76	8.61	8.46	8.31	8.24	8.24
EUR-NOK	11.71	11.60	11.40	11.40	11.30	11.00	10.90	10.80	10.70
USD-NOK	9.99	9.91	9.50	9.42	9.26	8.94	8.79	8.64	8.56

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

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Exhibit 176: EM FX Forecasts

Our end-2026 USD-CNY forecast is 6.80

	Spot	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Latin America									
USD-BRL	5.37	5.35	5.35	5.35	5.25	5.25	5.25	5.25	5.25
USD-MXN	17.62	17.75	17.90	18.00	18.25	18.45	18.60	18.85	19.00
USD-CLP	884	880	870	860	850	850	850	850	850
USD-COP	3,680	3,700	3,600	3,700	3,800	3,900	4,000	4,000	4,000
USD-ARS	1,434	1,500	1,550	1,600	1,700	1,750	1,800	1,850	1,900
USD-PEN	3.36	3.36	3.38	3.39	3.40	3.42	3.45	3.47	3.50
Emerging Europe									
EUR-PLN	4.23	4.27	4.23	4.20	4.18	4.15	4.15	4.15	4.15
EUR-HUF	385	395	380	375	370	365	360	360	360
EUR-CZK	24.34	24.60	24.00	23.60	23.50	23.50	23.40	23.30	23.30
USD-ZAR	16.42	16.80	16.40	16.00	15.60	15.40	15.70	16.00	16.20
USD-TRY	43.27	43.80	46.10	48.40	50.70	52.70	54.70	56.80	58.80
EUR-RON	5.09	5.10	5.10	5.13	5.15	5.17	5.20	5.23	5.25
USD-EGP	47.48	46.50	46.00	46.00	46.00	46.00	46.00	46.00	46.00
USD-ILS	3.17	3.22	3.20	3.18	3.15	3.15	3.15	3.15	3.15
USD-AED	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67
USD-KWD	0.31	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
USD-SAR	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
USD-QAR	3.65	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64
Asian Bloc									
USD-KRW	1,479	1,435	1,420	1,415	1,395	1,380	1,365	1,350	1,335
USD-TWD	31.61	30.60	30.40	30.20	30.00	29.80	29.30	29.20	29.10
USD-SGD	1.28	1.28	1.27	1.26	1.25	1.25	1.24	1.24	1.23
USD-THB	31.04	30.70	30.50	30.30	30.00	30.00	30.00	30.00	30.00
USD-HKD	7.80	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
USD-CNY	6.96	7.00	6.90	6.80	6.80	6.70	6.70	6.60	6.60
USD-IDR	16,956	16,500	16,400	16,300	16,200	16,200	16,200	16,200	16,200
USD-PHP	59.47	58.00	57.50	57.50	57.00	57.00	57.00	57.00	57.00
USD-MYR	4.06	4.15	4.10	4.05	4.00	4.00	4.00	4.00	4.00
USD-INR	90.98	89.00	89.00	88.50	88.00	88.00	88.00	88.00	88.00

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

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Commodities forecasts

Exhibit 177: 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	64	65	59	65	56	57	58	57	57	58	59	61	58	59
Brent Crude Oil	(\$/bbl)	80	75	67	68	63	68	59	60	61	60	60	61	62	64	61	62
US NY Harbor ULSD (HO) Cracks to Brent Crude Oil	(\$/bbl)	23	23	23	30	33	27	37	32	29	29	32	29	27	27	27	28
US RBOB Cracks to Brent Crude Oil	(\$/bbl)	16	17	21	16	13	17	14	23	21	11	17	10	19	17	9	14
NWE Low Sulphur Gasoil Cracks to Brent Crude Oil	(\$/bbl)	30	28	28	35	36	32	38	33	31	30	33	29	29	29	28	29
NWE Eurobob Cracks to Brent Crude Oil	(\$/bbl)	14	11	15	15	13	14	13	16	14	7	13	7	11	10	4	8
NWE 1% Residual Cracks to Brent Crude Oil	(\$/bbl)	(5)	(3)	(1)	(2)	(4)	(2)	(3)	(4)	(4)	(5)	(4)	(6)	(6)	(6)	(6)	(6)
NWE 0.5% Residual Cracks to Brent Crude Oil	(\$/bbl)	1	4	5	3	(3)	2	(3)	(2)	(2)	(2)	(2)	(3)	(2)	(3)	(4)	(3)
NWE 3.5% Residual Cracks to Brent Crude Oil	(\$/bbl)	(16)	(12)	(8)	(11)	(12)	(11)	(13)	(12)	(13)	(14)	(13)	(14)	(14)	(15)	(16)	(15)
US Natural Gas	(\$/MMBtu)	2.40	3.87	3.51	3.07	4.04	3.62	3.70	3.25	3.50	3.75	3.55	4.00	3.60	3.60	3.80	3.75
Thermal coal, Newcastle FOB	(\$/t)	136	107	101	109	108	106	4	106	109	110	109	110	109	111	111	110
Aluminium	\$/t	2420	2626	2450	2620	2852	2637	3000	3250	3000	3250	3125	3500	3250	3500	3250	3375
Copper	\$/t	9,150	9,347	9,519	9,815	10,849	9,883	11,000	11,500	12,000	12,500	11,750	12,750	13,000	14,000	15,000	13,688
Lead	\$/t	2,071	1,969	1,946	1,966	2,056	1,984	2,024	2,050	2,000	2,050	2,031	2,250	2,217	2,217	2,217	2,225
Nickel	\$/t	16,829	15,578	15,153	15,031	15,143	15,226	15,000	15,500	16,000	16,000	15,625	17,500	17,500	17,500	17,500	17,500
Zinc	\$/t	2,778	2,835	2,639	2,830	3,051	2,839	3,000	3,000	2,750	2,750	2,875	2,500	2,500	2,500	2,500	2,500
Gold	\$/oz	2387	2862	3289	3458	4125	3433	4400	4500	4750	4500	4538	4000	4000	3750	3750	3875
Silver	\$/oz	28	32	34	40	52	39	55	60	65	60	60	50	50	47	47	48
Platinum	\$/oz	956	970	1,076	1,390	1,610	1,261	1,700	1,800	1,800	2,000	1,825	1,800	1,800	1,600	1,600	1,700
Palladium	\$/oz	984	962	991	1,173	1,450	1,144	1,500	1,600	1,500	1,500	1,525	1,300	1,300	1,400	1,400	1,350

Source: Bloomberg, Platts, BofA Global Research estimates

Forecasts published in [Global Energy Weekly: Oops, nat gas production did it again 12 January 2026](#)

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