

TAC
ECONOMICS

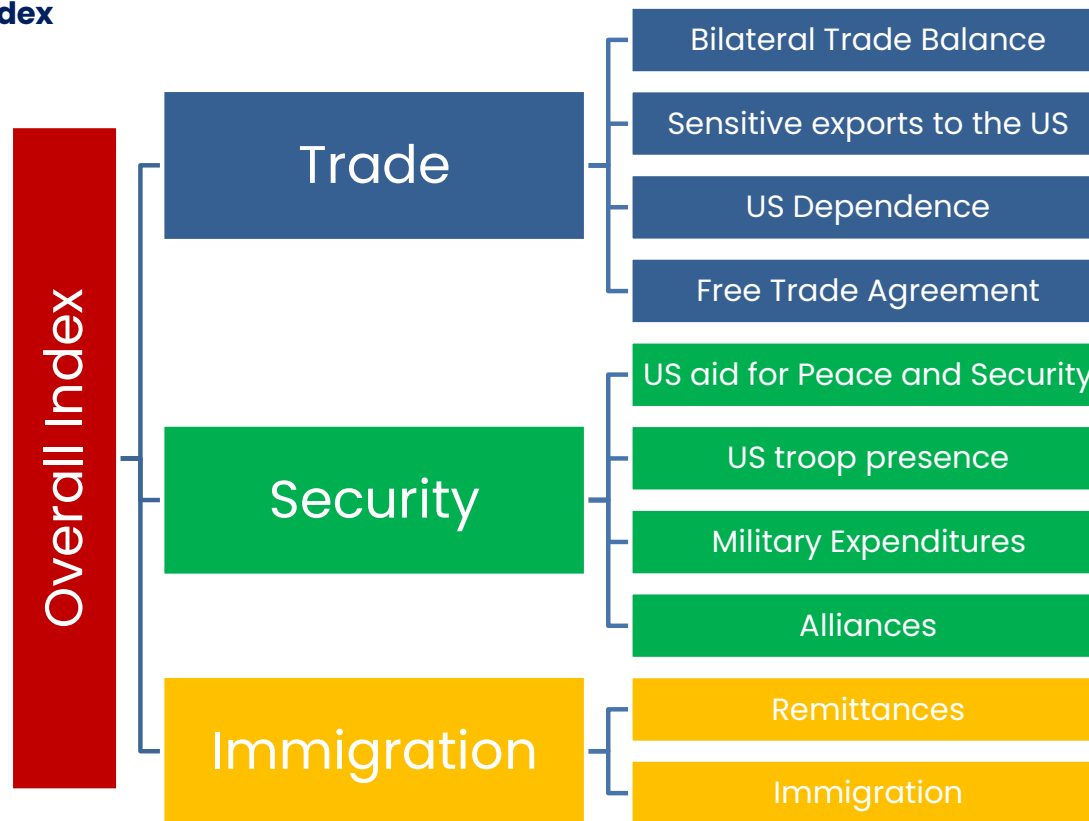
Webinar Emerging Markets

February 2025



US D. Trump election and global vulnerabilities

Trump Vulnerability Index



US D. Trump election and global vulnerabilities

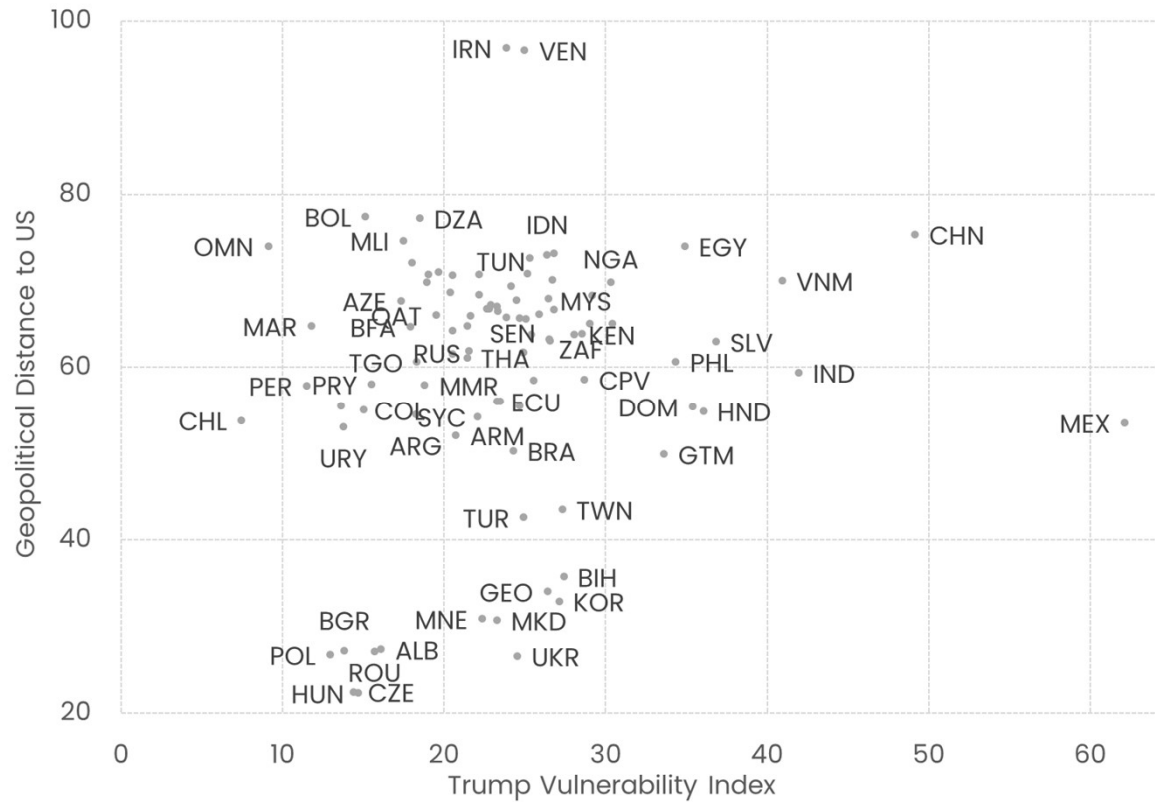
Trump Vulnerability Index

| Rank | ISO3 | Country | Trade | Security | Immigration | Overall vulnerability |
|------|------|------------------------|-------|----------|-------------|-----------------------|
| 1 | MEX | Mexico | 74.9 | 48.2 | 63.4 | 62.1 |
| 2 | CHN | China | 56.1 | 41.2 | 50.2 | 49.2 |
| 3 | IND | India | 37.8 | 36.4 | 51.7 | 41.9 |
| 4 | VNM | Vietnam | 51.4 | 39.8 | 31.5 | 40.9 |
| 5 | SLV | El Salvador | 11.2 | 18.4 | 80.9 | 36.8 |
| 6 | HND | Honduras | 14.3 | 26.8 | 67.1 | 36.0 |
| 7 | DOM | Dominican Republic | 16.9 | 21.1 | 68.2 | 35.4 |
| 8 | EGY | Egypt | 26.6 | 68.3 | 9.8 | 34.9 |
| 9 | PHL | Philippines | 30.6 | 25.6 | 46.9 | 34.3 |
| 10 | GTM | Guatemala | 10.0 | 23.8 | 67.0 | 33.6 |
| 11 | NPL | Nepal | 28.7 | 44.4 | 18.2 | 30.4 |
| 12 | NGA | Nigeria | 28.4 | 45.9 | 16.7 | 30.3 |
| 13 | BGD | Bangladesh | 31.3 | 44.6 | 11.6 | 29.2 |
| 14 | ZMB | Zambia | 25.3 | 60.3 | 1.3 | 29.0 |
| 15 | CPV | Cabo Verde | 26.0 | 46.7 | 13.3 | 28.7 |
| 16 | GHA | Ghana | 26.9 | 48.5 | 10.2 | 28.5 |
| 17 | KEN | Kenya | 28.1 | 47.2 | 8.9 | 28.1 |
| 18 | BIH | Bosnia and Herzegovina | 25.5 | 54.0 | 2.7 | 27.4 |
| 19 | TWN | Taiwan | 38.1 | 38.7 | 5.1 | 27.3 |
| 20 | KOR | Korea | 32.1 | 32.4 | 16.9 | 27.1 |
| 24 | ZAF | South Africa | 29.5 | 46.6 | 3.6 | 26.6 |
| 28 | IDN | Indonesia | 30.6 | 46.7 | 1.8 | 26.4 |
| 36 | TUR | Türkiye | 27.1 | 40.6 | 7.0 | 24.9 |
| 43 | BRA | Brazil | 28.6 | 19.8 | 24.4 | 24.3 |
| 68 | RUS | Russia | 26.5 | 26.0 | 9.0 | 20.5 |
| 93 | POL | Poland | 26.3 | 9.0 | 3.5 | 12.9 |

Source: TAC ECONOMICS

US D. Trump election and global vulnerabilities

Geopolitical Distance with US (GPSI) and Trump Vulnerability Index



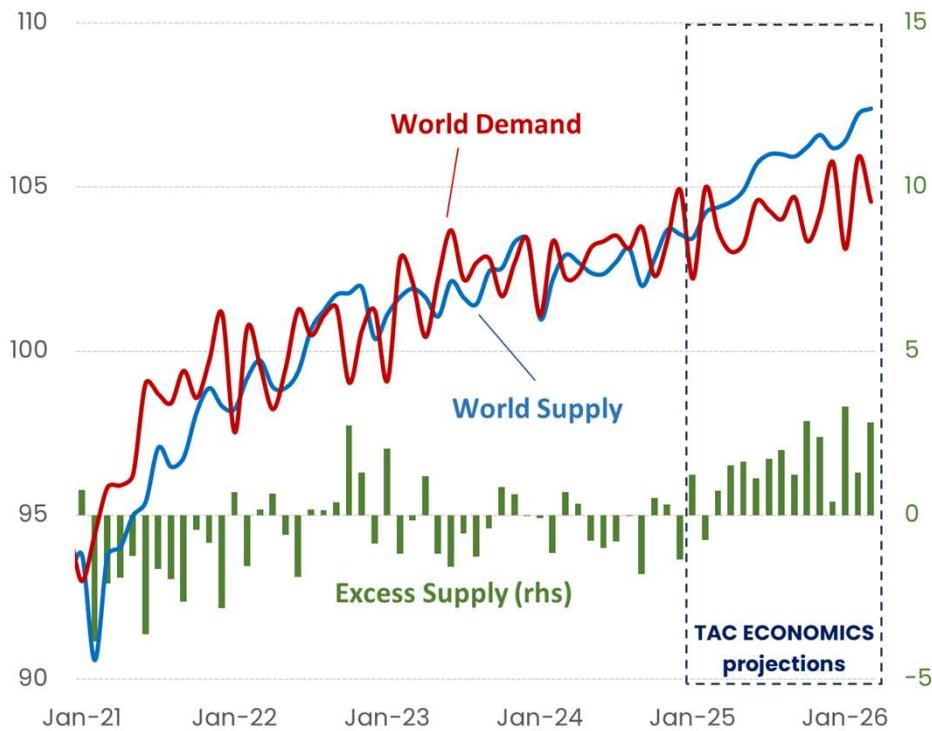
Source: TAC ECONOMICS

Cyclical outlook:
what growth and
inflation in EM?

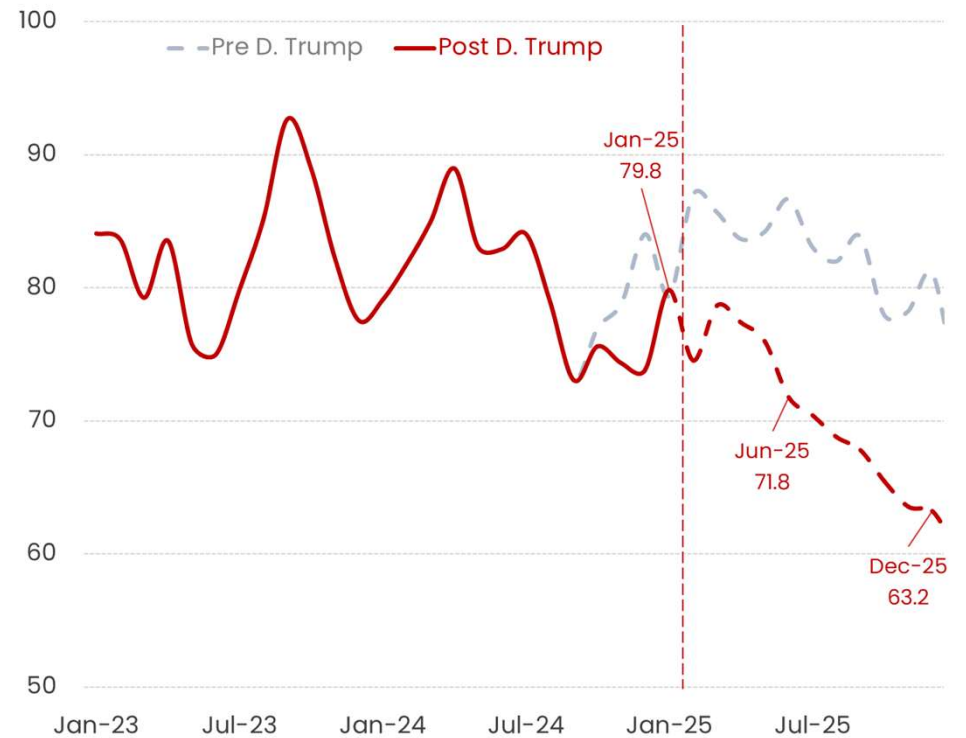


Excess supply to ease global oil prices

Global oil supply, demand, and excess supply
Mb/d



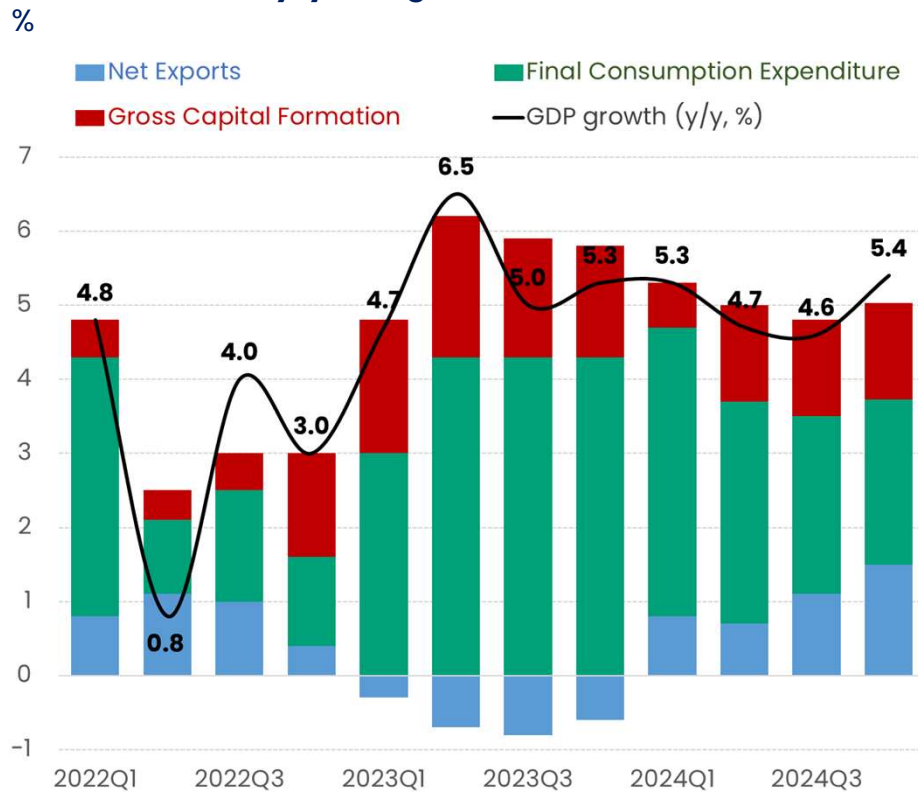
Brent price projections
\$/bl



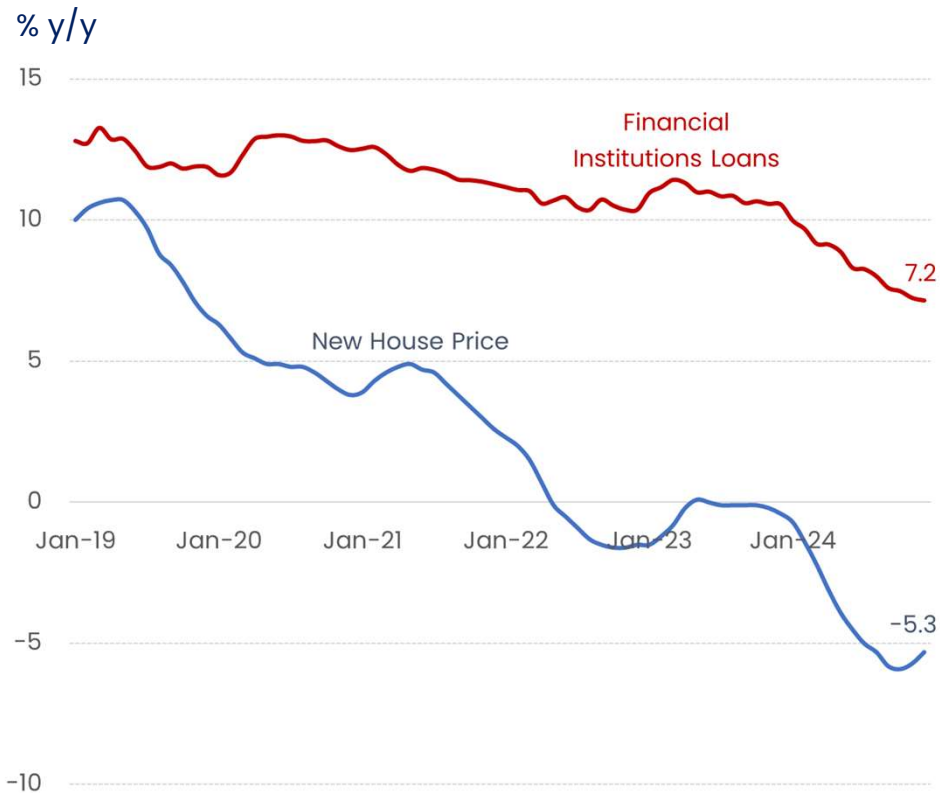
Sources: EIA, TAC ECONOMICS

China: ongoing cyclical challenges

Contributions to y/y GDP growth



Credit distribution and real estate market

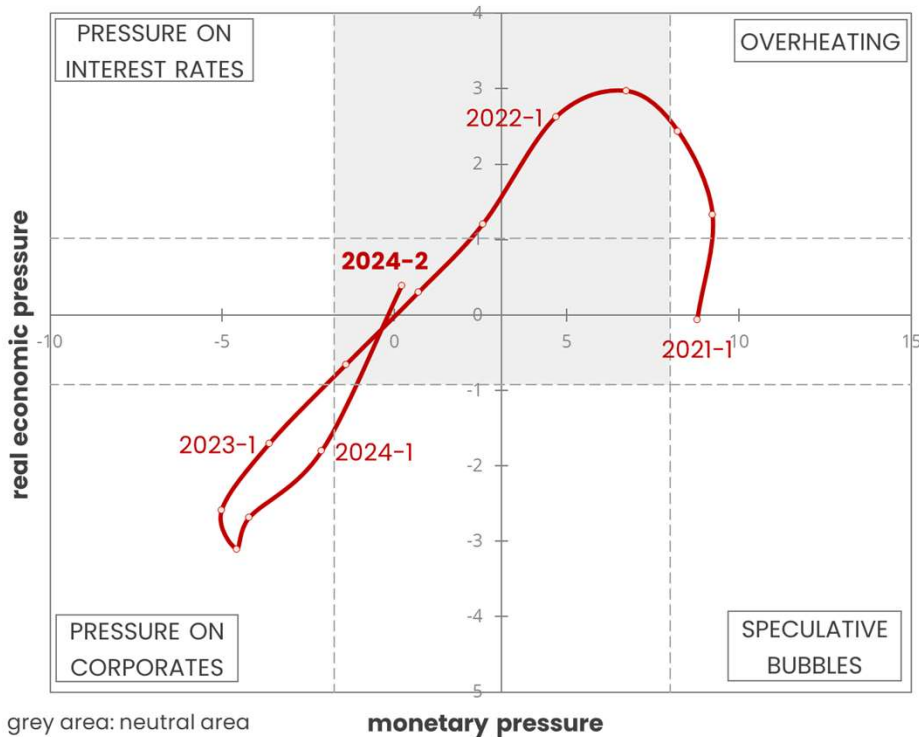


Source: TAC ECONOMICS Datalab

Limited improvement of leading indicators

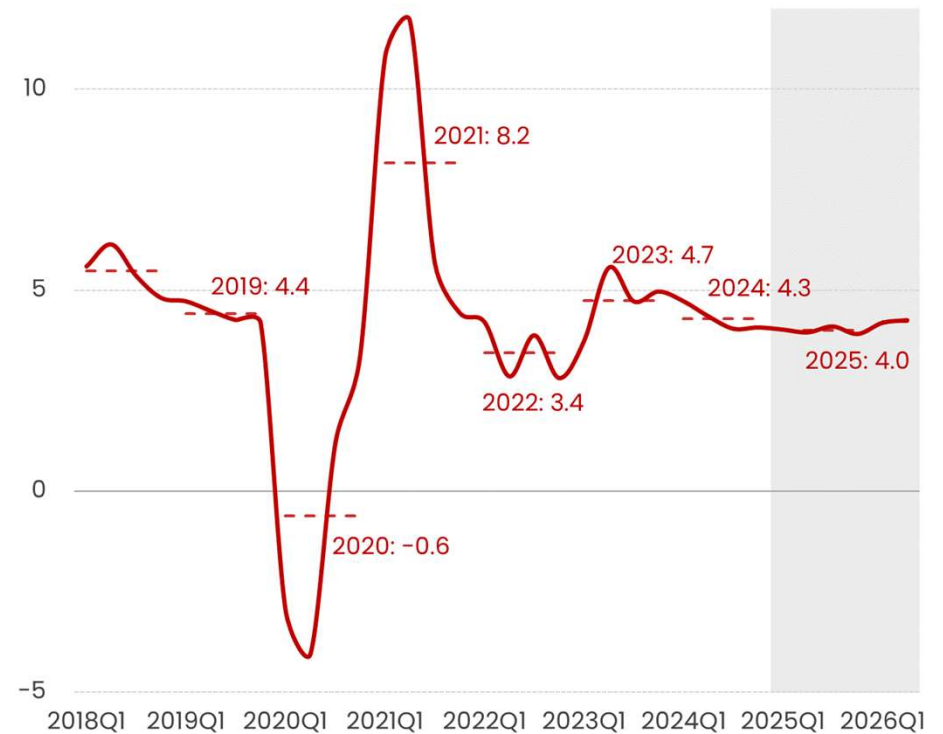
Cyclical Balance

The Cyclical Balance looks at the de facto stance of the monetary policy and the momentum of domestic activity.



GDP Growth projections for 10 Key EM

% y/y, weighted average by GDP

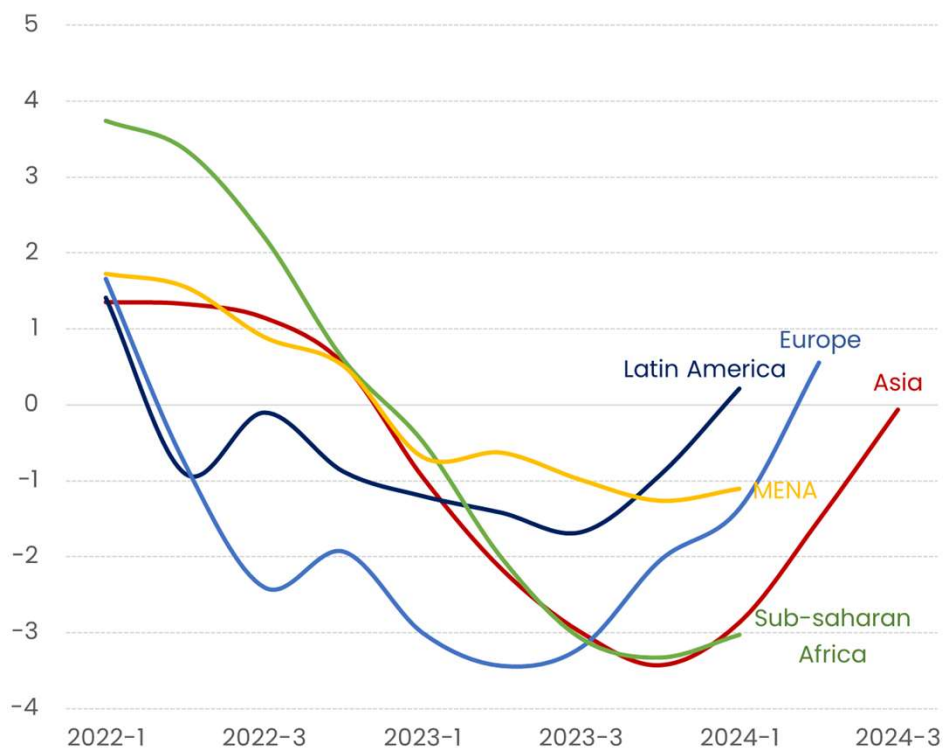


Source: TAC ECONOMICS Datalab

Ambiguous short-term perspectives

Cyclical Balance – Real economic pressure

Average by region



Source: TAC ECONOMICS Datalab

Manufacturing PMI

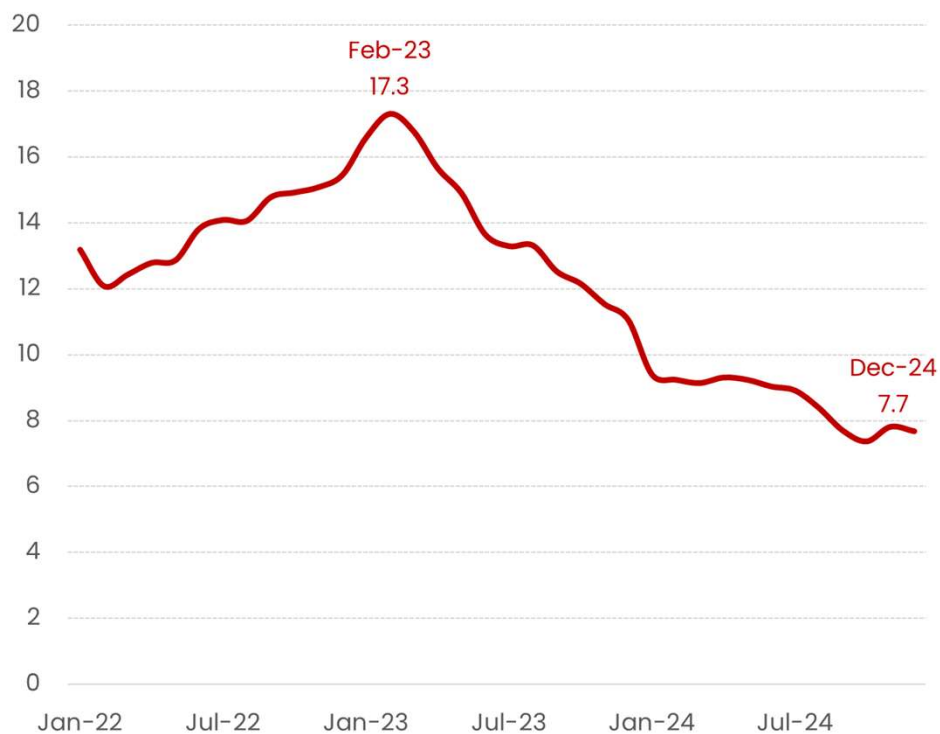
Legend: <50 and deteriorating (dark red), >50 and improving (light red), PMI = 50 (grey), >50 and deteriorating (teal), >50 and improving (dark teal)

| | | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 |
|----------------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Global | Global EM | Teal | Teal | Dark teal | Teal | Teal | Dark red | Dark teal | Dark teal | Teal | Dark teal |
| Latin America | Brazil | Dark teal | Teal | Dark teal | Teal | Teal | Dark teal | Teal | Teal | Teal | Dark teal |
| | Colombia | Dark red | Light red | Dark red | Grey | Dark red | Dark red | Teal | Teal | Dark red | Dark teal |
| | Mexico | Teal | Dark teal | Teal | Dark red | Dark red | Dark red | Light red | Light red | Dark red | Dark red |
| Europe | Poland | Dark red | Dark red | Dark red | Light red | Light red | Light red | Light red | Dark red | Dark red | Light red |
| | Czech Rep. | Dark red | Light red | Dark red | Light red | Light red | Light red | Light red | Dark red | Dark red | Light red |
| | Hungary | Teal | Teal | Dark red | Light red | Light red | Light red | Dark red | Teal | Teal | Dark red |
| | Russia | Teal | Dark teal | Dark teal | Teal | Teal | Dark red | Dark teal | Teal | Teal | Dark teal |
| | Turkey | Dark red | Dark red | Dark red | Dark red | Light red | Dark red | Light red | Light red | Light red | Dark red |
| Asia | China | Dark teal | Dark teal | Dark teal | Dark red | Dark teal | Dark red | Dark teal | Dark teal | Dark teal | Dark teal |
| | India | Teal | Dark teal | Dark teal | Teal | Teal | Dark teal | Teal | Teal | Teal | Dark teal |
| | Indonesia | Teal | Teal | Teal | Dark red | Dark red | Light red | Dark red | Light red | Dark teal | Dark teal |
| | South Korea | Dark red | Dark teal | Dark teal | Teal | Dark teal | Dark red | Dark red | Dark teal | Dark red | Dark teal |
| | Malaysia | Light red | Dark teal | Dark red | Dark red | Dark red | Dark red | Dark red | Dark red | Dark red | Light red |
| | Philippines | Dark teal | Teal | Teal | Teal | Teal | Dark teal | Teal | Teal | Dark teal | Dark teal |
| | Thailand | Dark red | Dark teal | Dark teal | Teal | Teal | Teal | Grey | Dark teal | Dark teal | Dark red |
| | Taiwan | Dark teal | Dark teal | Dark teal | Teal | Teal | Teal | Dark teal | Dark teal | Dark teal | Dark teal |
| | Vietnam | Teal | Teal | Teal | Teal | Teal | Dark red | Dark teal | Dark teal | Dark red | Dark red |
| Africa | South Africa | Dark teal | Dark red | Light red | Dark teal | Dark red | Dark teal | Teal | Dark red | Dark red | Dark red |

End of disinflation with lesser room for monetary easing

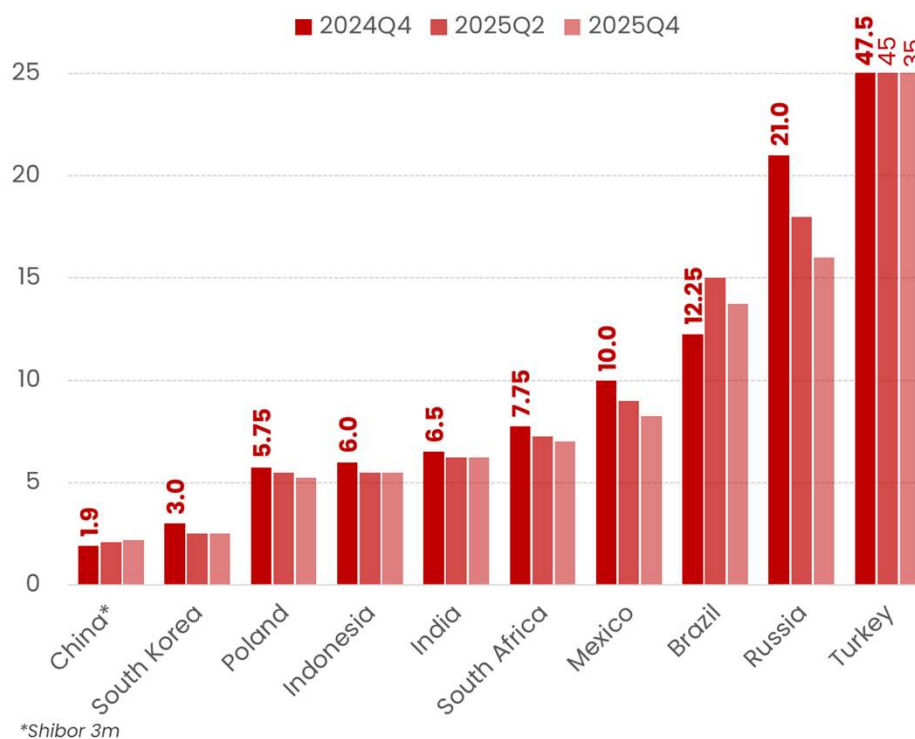
Inflation in EM

% y/y, average for 80+ EM



Policy rate outlook in 10 Key EM

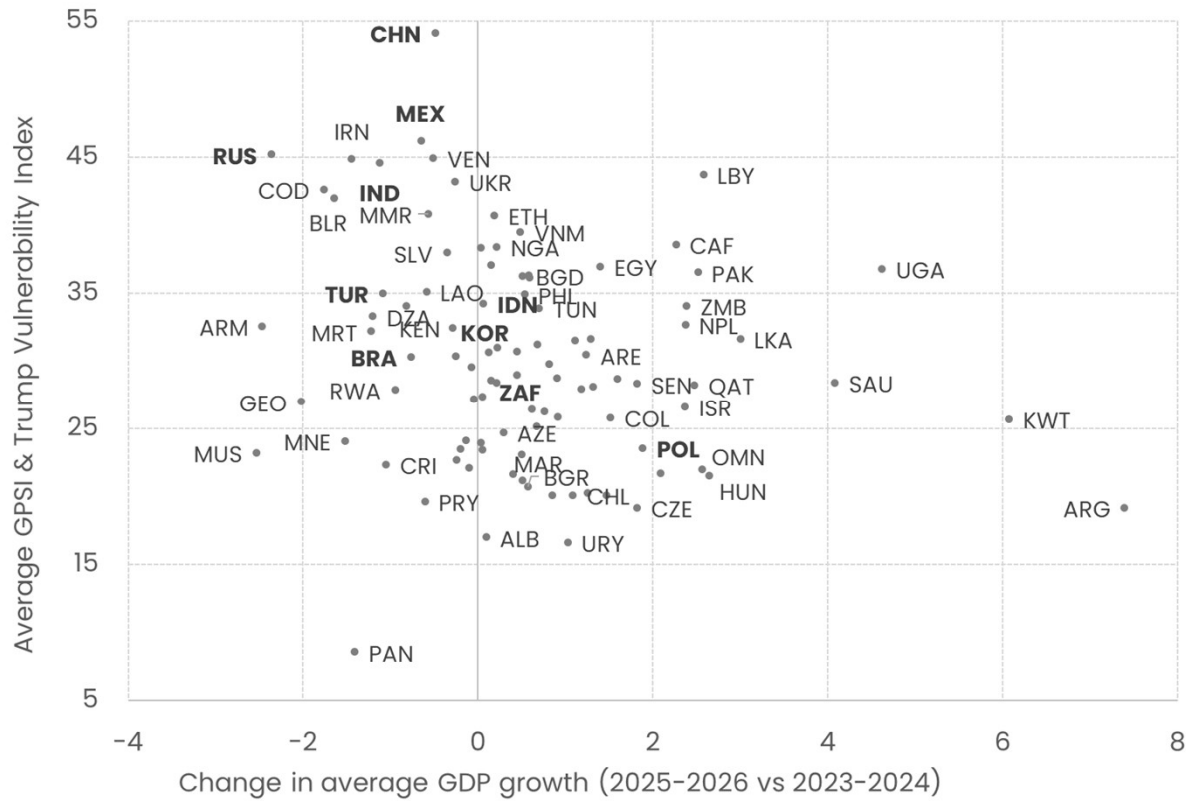
%



Source: TAC ECONOMICS Datalab

Unfavorable implications of global uncertainties

Change in GDP growth and Geopolitical/Trump tensions

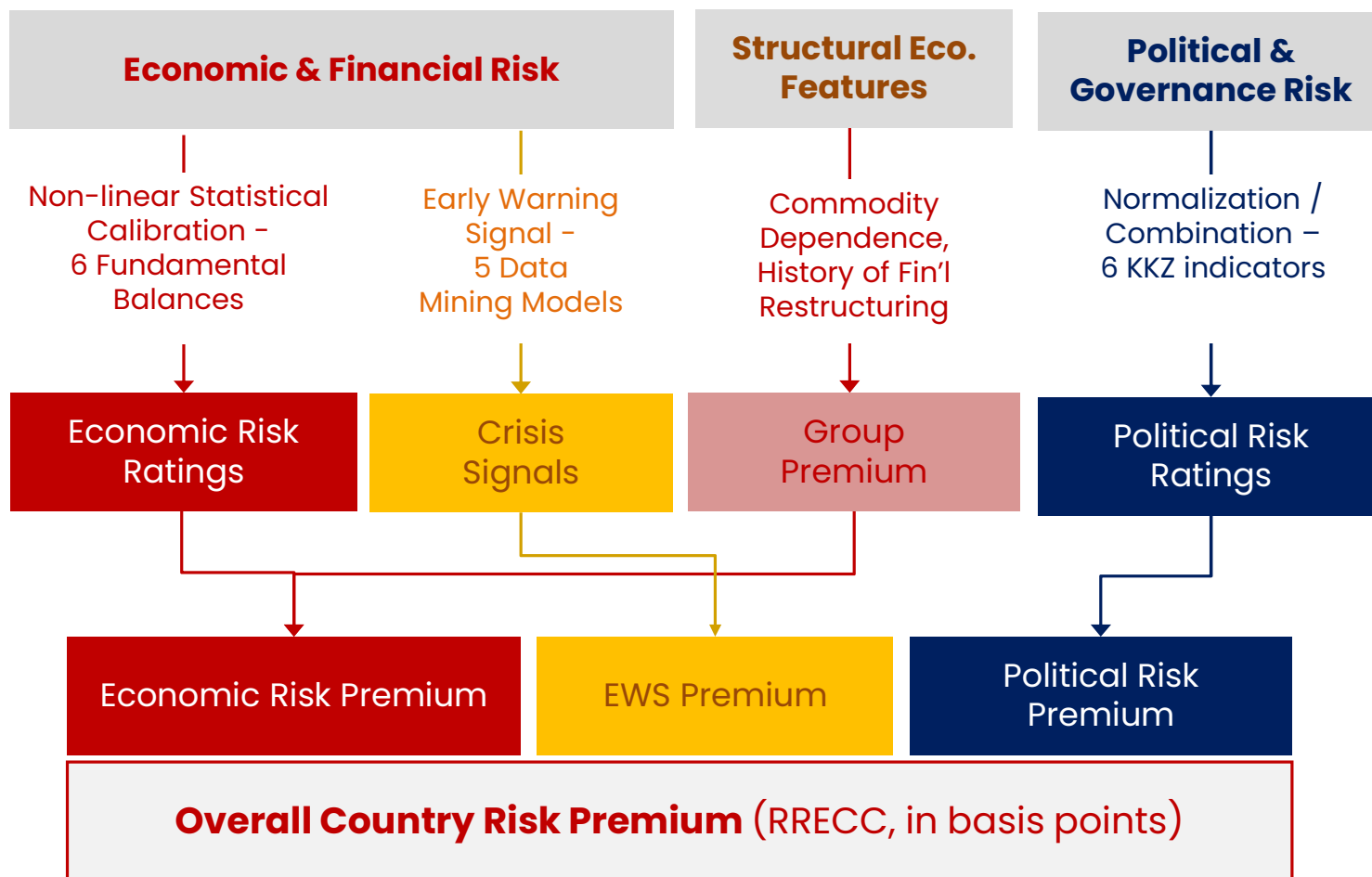


Sources: IMF/WEO, TAC ECONOMICS

What risks and opportunities by region?

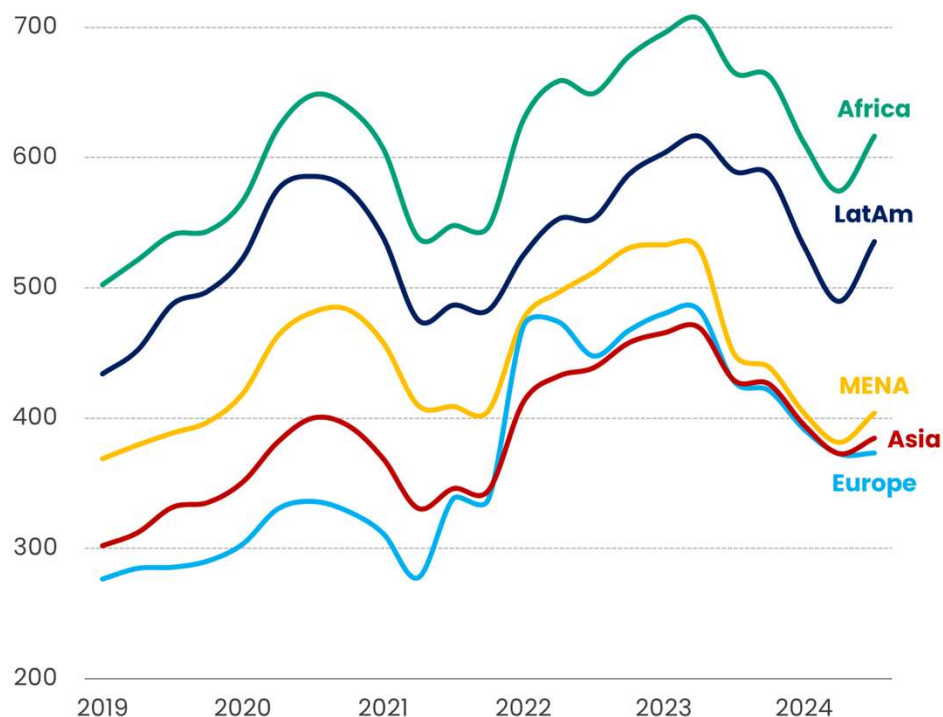


Methodology of country risk assessment



Heightened levels of endogenous country risk

Country Risk Premium – Average per region
bp



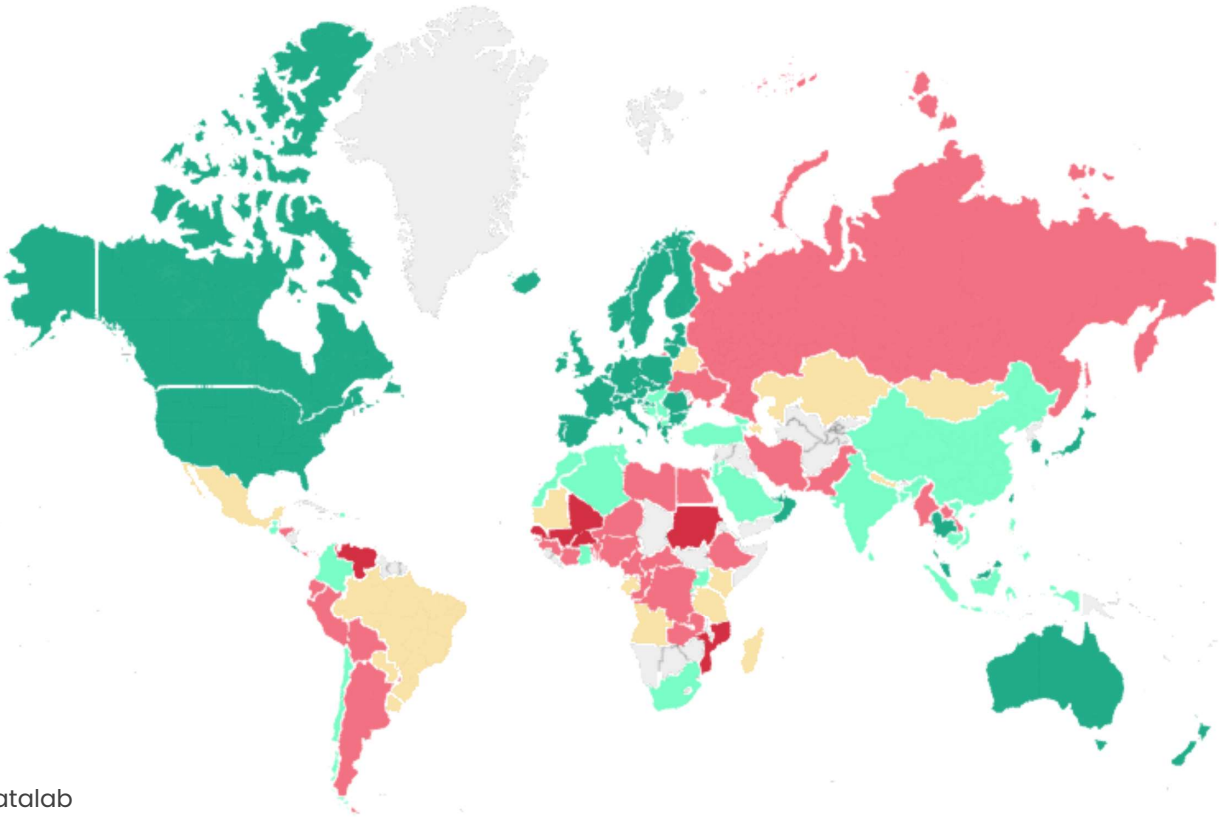
Source: TAC ECONOMICS Datalab

Early Warning Signals

| Country | Early warning signal | Type | Period |
|-------------------|------------------------------|----------------------|----------------------|
| Iran | Crisis Signal | Activity | 2022Q4-2029Q3 |
| Libya | Crisis Signal | Activity | 2022Q4-2026Q2 |
| Myanmar | Crisis Signal | Activity | 2023Q4-2029Q3 |
| Myanmar | Watch List Indication | Exchange Rate | 2023Q2-2026Q2 |
| Mozambique | Crisis Signal | Exchange Rate | 2024Q2-2026Q2 |
| Mozambique | Watch List Indication | Payment | 2027Q4-2029Q3 |
| Nepal | Crisis Signal | Activity | 2024Q3-2029Q3 |
| Sudan | Crisis Signal | Activity | 2022Q1-2026Q2 |
| Sudan | Watch List Indication | Payment | 2026Q4-2028Q3 |
| Seychelles | Crisis Signal | Payment | 2022Q2-2025Q3 |
| Seychelles | Watch List Indication | Activity | 2024Q4-2027Q2 |
| Seychelles | Watch List Indication | Exchange Rate | 2023Q2-2026Q4 |
| Argentina | Watch List Indication | Activity | 2025Q1-2026Q4 |
| Armenia | Watch List Indication | Activity | 2026Q1-2027Q4 |
| Bangladesh | Watch List Indication | Activity | 2025Q1-2028Q3 |
| Bolivia | Watch List Indication | Activity | 2025Q4-2028Q2 |
| Brazil | Watch List Indication | Exchange Rate | 2020Q3-2025Q4 |
| Cape Verde | Watch List Indication | Activity | 2025Q2-2028Q1 |
| Dominica | Watch List Indication | Activity | 2025Q1-2027Q4 |
| Egypt | Watch List Indication | Exchange Rate | 2023Q4-2025Q3 |
| Ethiopia | Watch List Indication | Activity | 2023Q2-2025Q4 |
| Georgia | Watch List Indication | Activity | 2022Q2-2027Q4 |
| Guatemala | Watch List Indication | Exchange Rate | 2026Q3-2029Q3 |
| Kazakhstan | Watch List Indication | Payment | 2024Q4-2027Q2 |
| Kuwait | Watch List Indication | Activity | 2024Q1-2029Q3 |
| Sri Lanka | Watch List Indication | Exchange Rate | 2023Q4-2026Q1 |
| Montenegro | Watch List Indication | Payment | 2024Q1-2027Q3 |
| Mongolia | Watch List Indication | Payment | 2023Q2-2029Q3 |
| Mongolia | Watch List Indication | Activity | 2023Q4-2029Q3 |
| Uruguay | Watch List Indication | Exchange Rate | 2025Q3-2029Q2 |
| Venezuela | Watch List Indication | Payment | 2027Q4-2029Q3 |

Overall endogenous in EM world

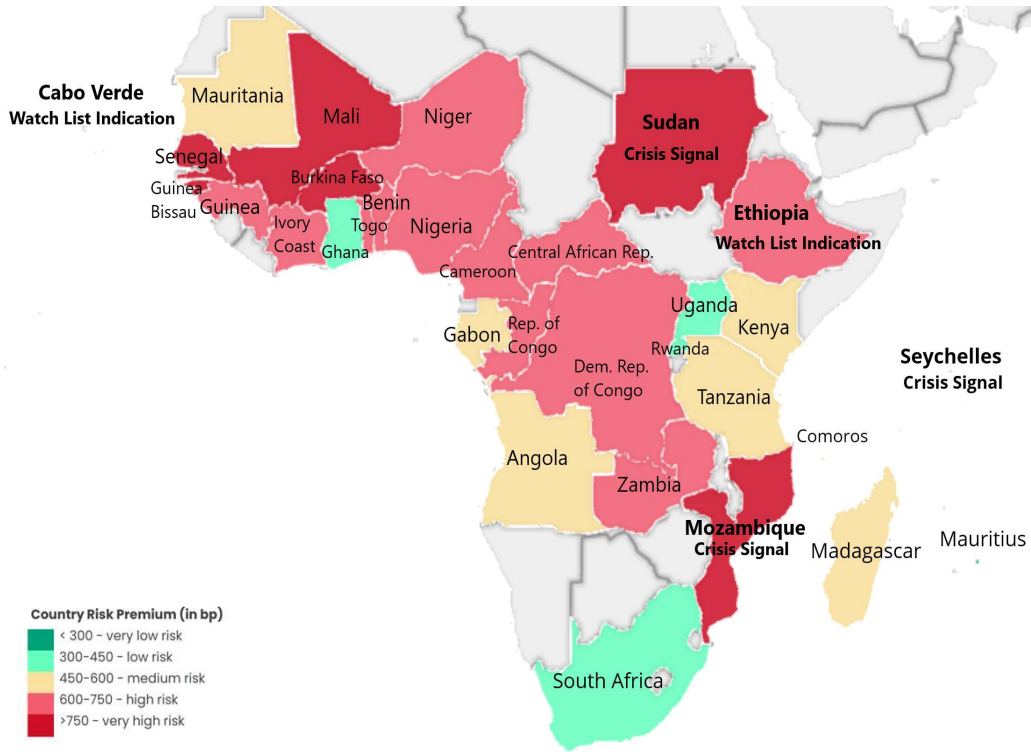
TAC ECONOMICS Country Risk Premium map



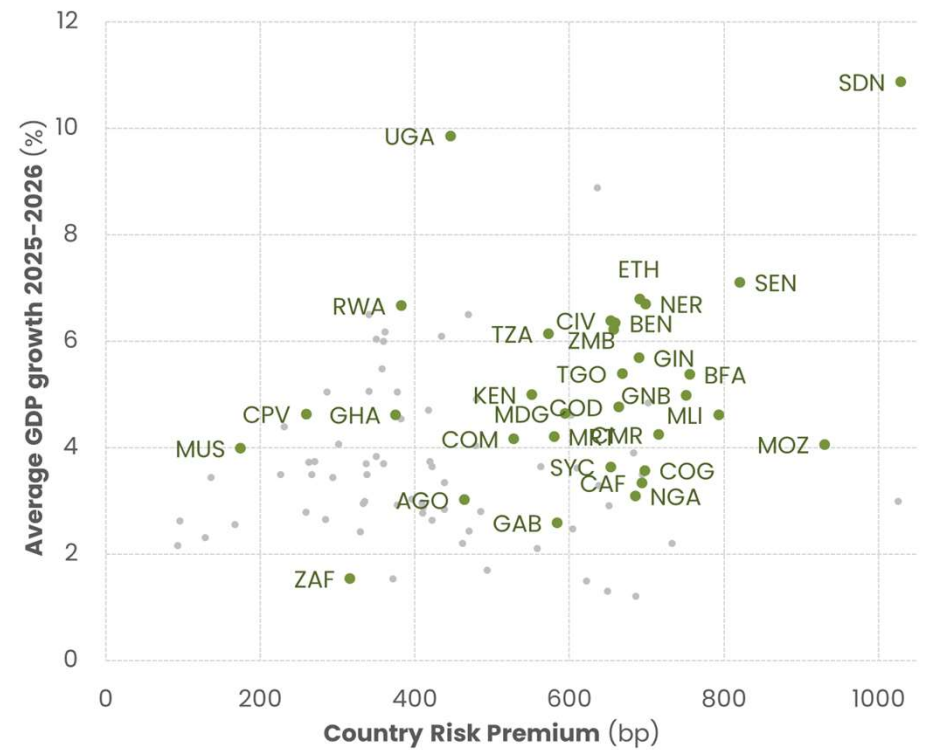
Source: TAC ECONOMICS Datalab

Risk and Opportunities in EM world

Country Risk Premium in Sub-Saharan Africa



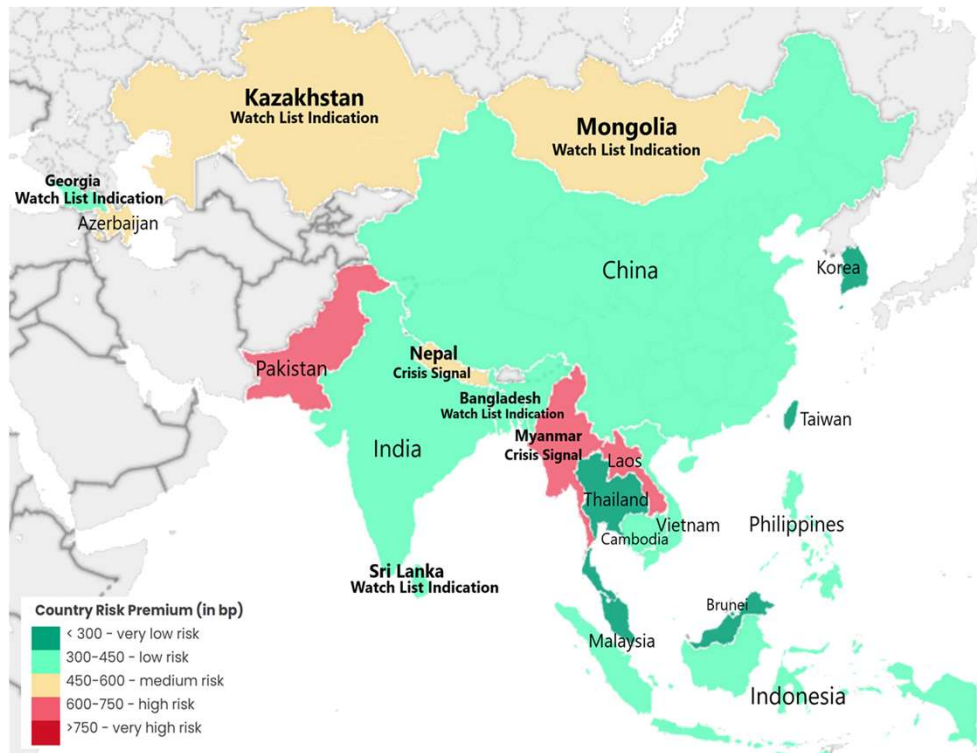
Country Risk Premium and GDP growth



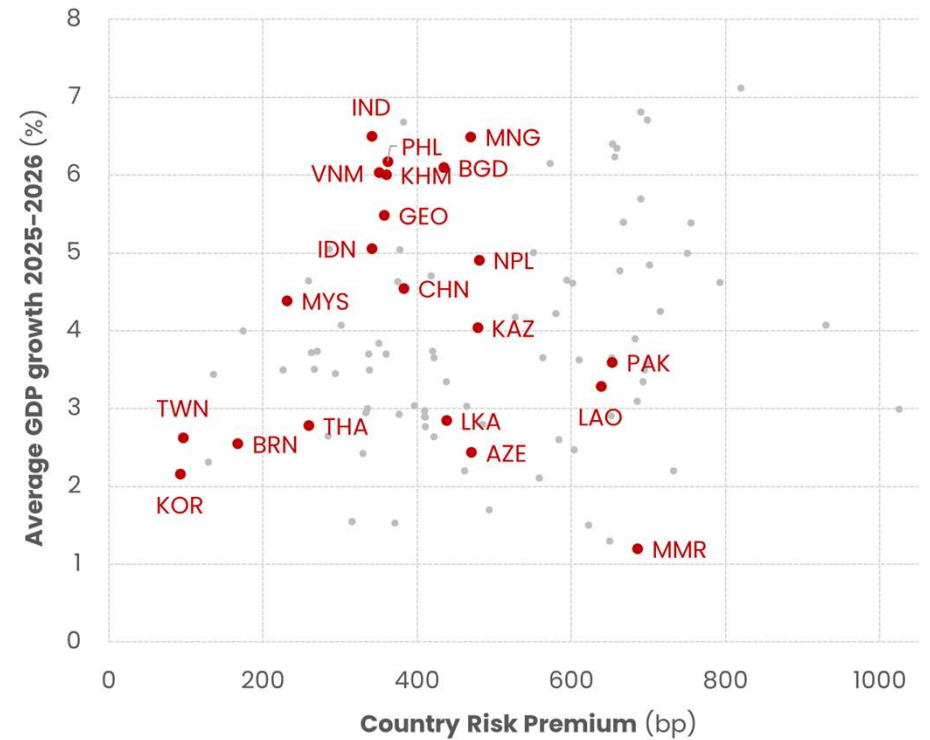
Source: TAC ECONOMICS Datalab

Risk and Opportunities in EM world

Country Risk Premium in Asia



Country Risk Premium and GDP growth



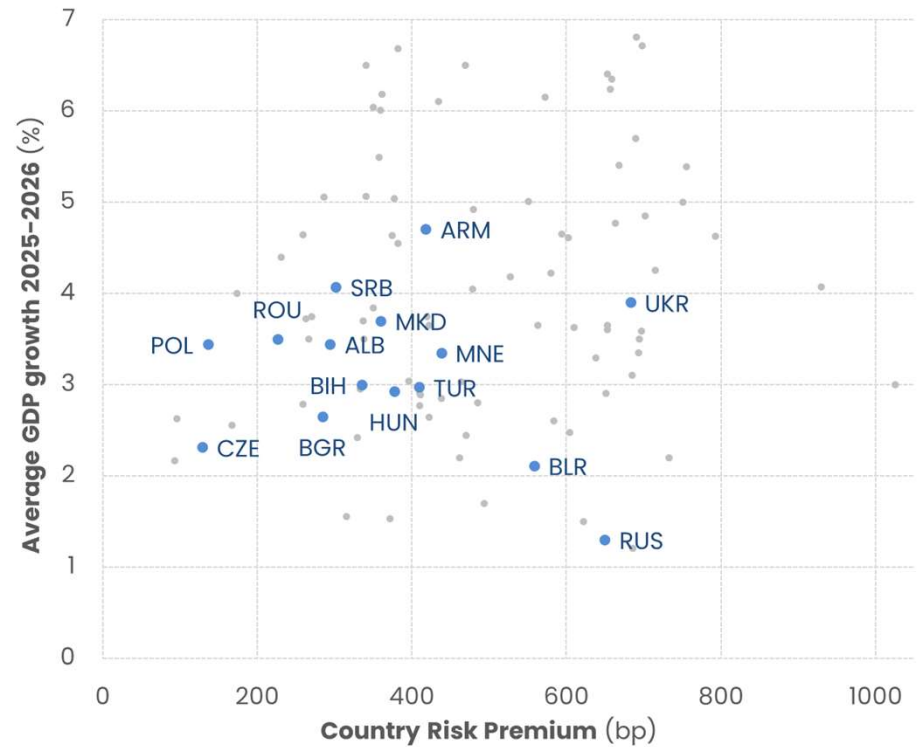
Source: TAC ECONOMICS Datalab

Risk and Opportunities in EM world

Country Risk Premium in Europe



Country Risk Premium and GDP growth



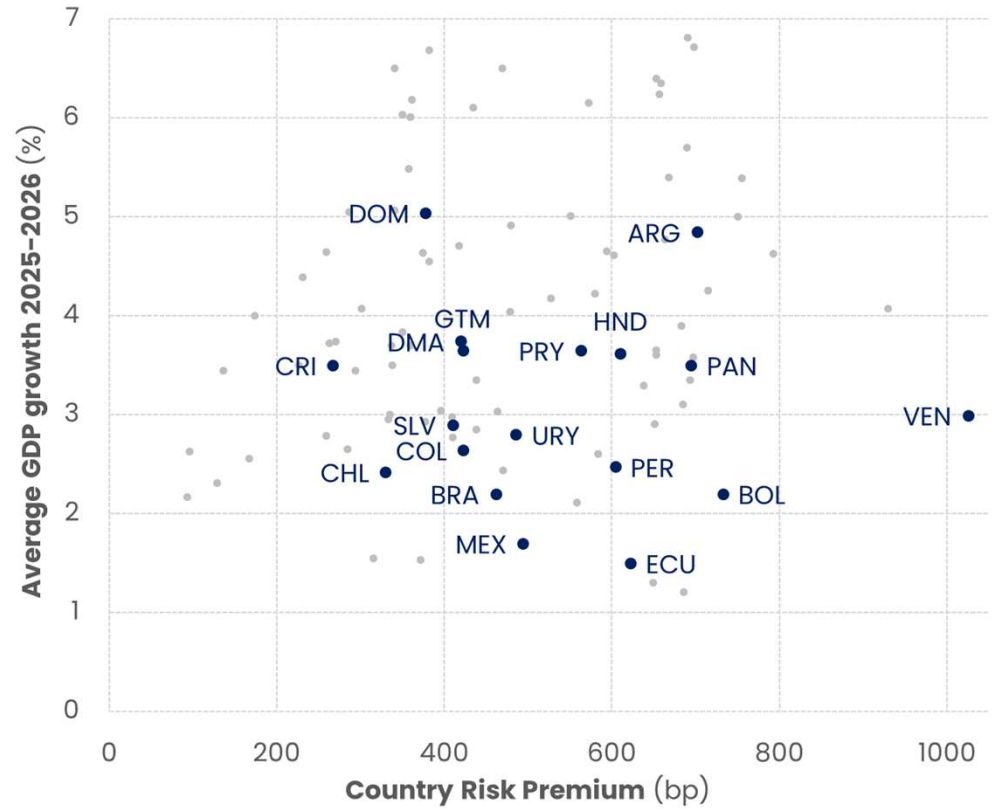
Source: TAC ECONOMICS Datalab

Risk and Opportunities in EM world

Country Risk Premium in Latin America

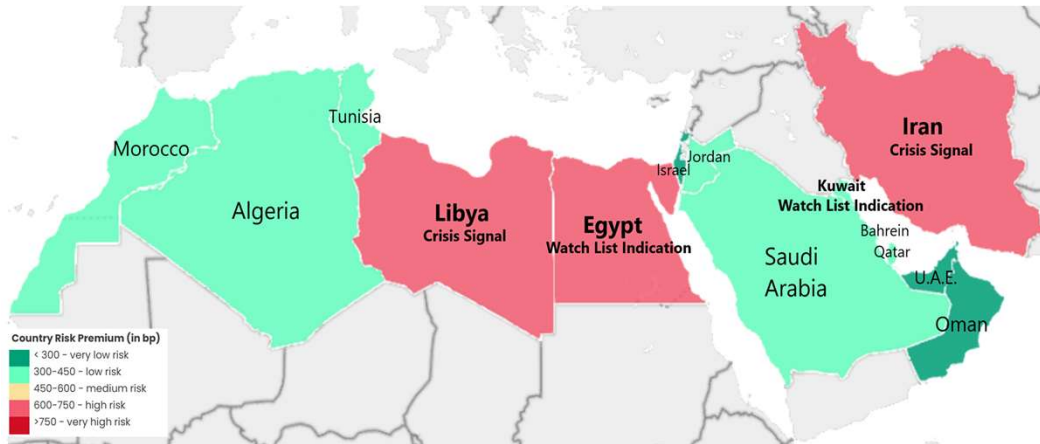


Country Risk Premium and GDP growth

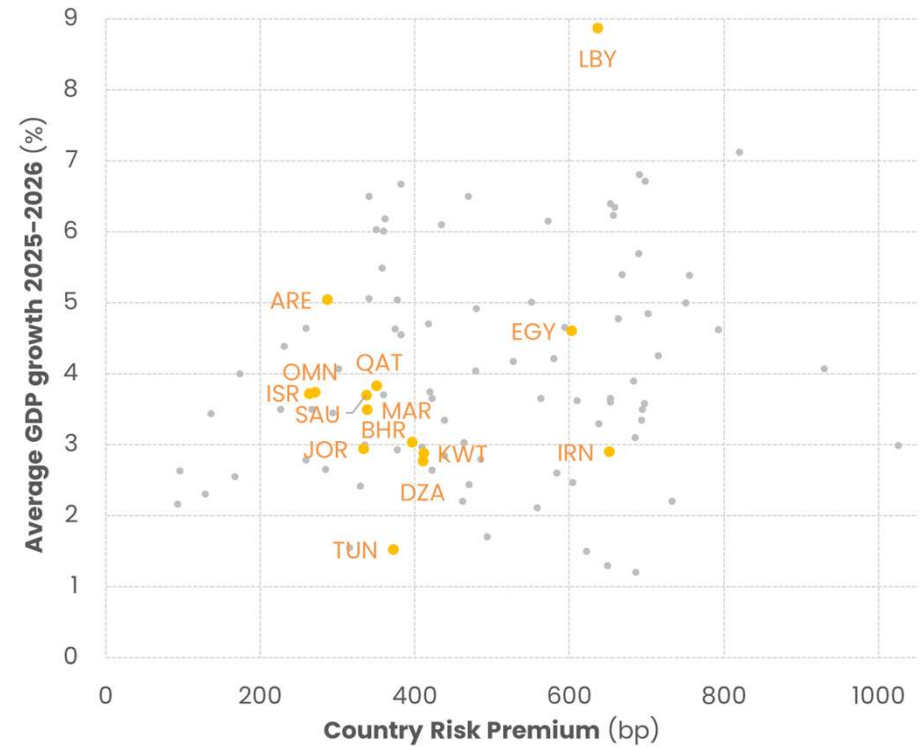


Risk and Opportunities in EM world

Country Risk Premium in Middle East and North Africa



Country Risk Premium and GDP growth



Source: TAC ECONOMICS Datalab

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