Emerging markets 2025 outlook

Navigating choppy waters

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Executive summary | Emerging markets 2025 outlook

Trump 2.0 is clouding the EM outlook	• The external backdrop for EM has shifted abruptly – the soft-landing pro-risk environment and pricing of non-recessionary Fed cuts has given way to concerns around tariff risks (and the likelihood of retaliatory action), higher-for-longer US rates and a strong US dollar. This sets the stage for a challenging EM backdrop in 2025. • There are dimensions that could make Trump 2.0 less disruptive. Given the reduced direct trade exposure of the Chinese economy to the US and expectations that there will be a monetary and fiscal response by Chinese policymakers to offset the tariff growth shock, the economic and financial market disruptions will, on aggregate, be less severe than Trump 1.0.
EM macro dimensions in 2025	• Growth. We expect a rotation in growth with the largest EMs slowing (mostly due to policy tightening), but other (generally smaller) EMs that have endured painful adjustments rebounding in 2025. • Inflation. Inflation should continue to ebb in 2025, particularly where it has been highest – reflecting the effects of tighter policy and subdued commodity prices, among other factors. • Interest rates. We expect rate cuts across a wider swath of EM in 2025, although in many cases these will be limited in scope given persistent US dollar strength and tariff uncertainty. • Financial markets. Increasing concern around tariff risks, higher US rates and a strong US dollar have weighed on EM assets post-US elections – a harbinger of a more challenging backdrop next year where EM assets will need to stand on their own feet, relying on sturdy fundamentals and domestic policy support to deliver performance.
Agile EMs will prevail	• All in, choppy external headwinds in 2025 puts the onus on EMs to stand on their own feet. • Those that rely on solid fundamentals and policy support to deliver performance, will lead.

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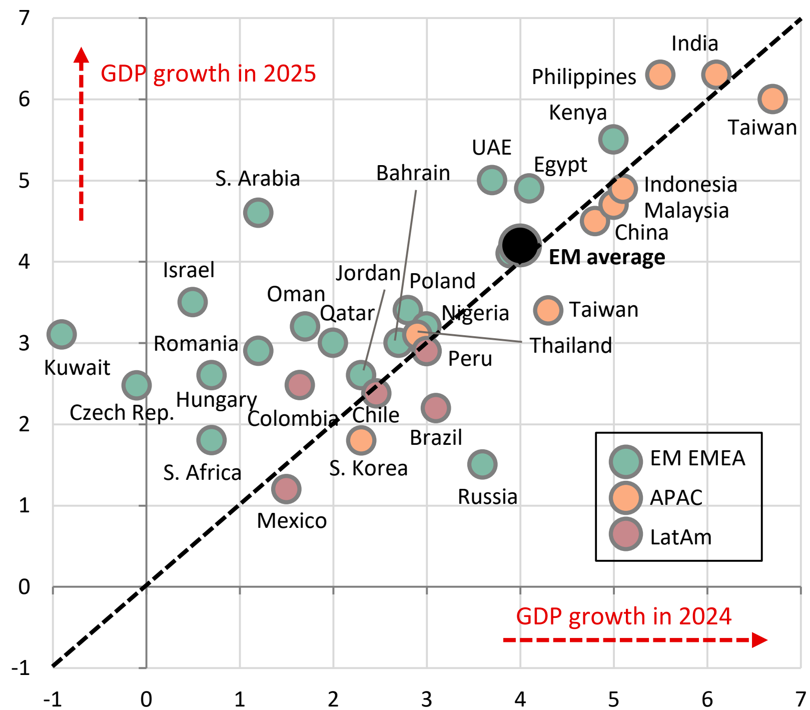
Economic growth | good momentum but tariffs/strong USD are headwinds

We expect a rotation in growth with the largest EMs slowing (mostly due to policy tightening), but other (generally smaller) EMs that have endured painful adjustments rebounding. EM external conditions are adverse – tariffs and a stronger US dollar are key headwinds.

Economic growth to rotate from large to smaller EMs in 2025

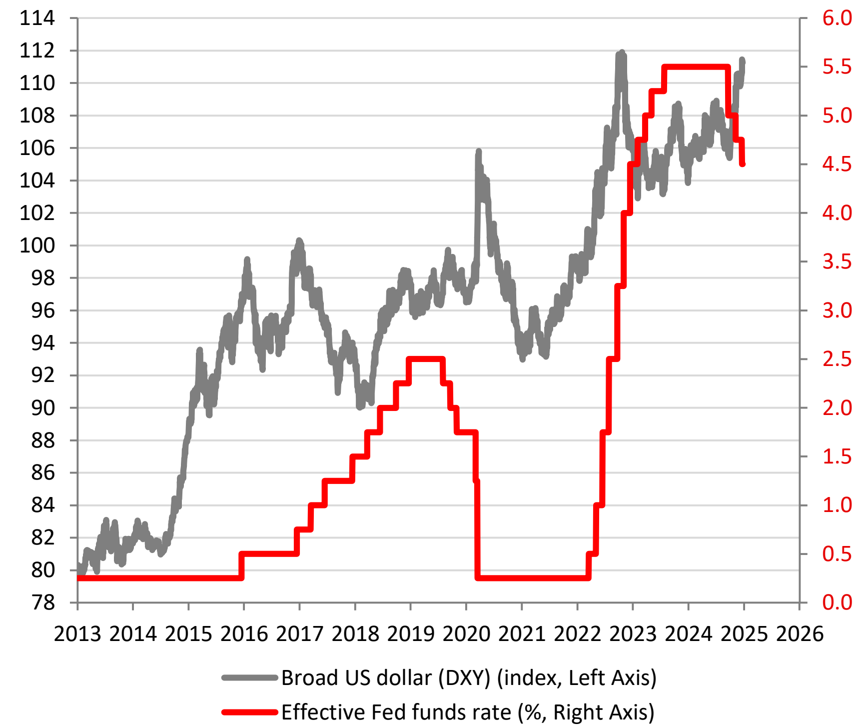
EM GDP growth in 2024 and 2025 (%)



We expect **many of the largest EMs (lead by the BRICS) to slow** in 2025, though **significant rebounds in growth in some of the smaller beaten-down EMs** that have undergone sharp macro adjustments are envisaged.

Fed cuts offset by multi-year highs in the US dollar

Broad US dollar (DXY) index and Effective Fed funds rate (%)



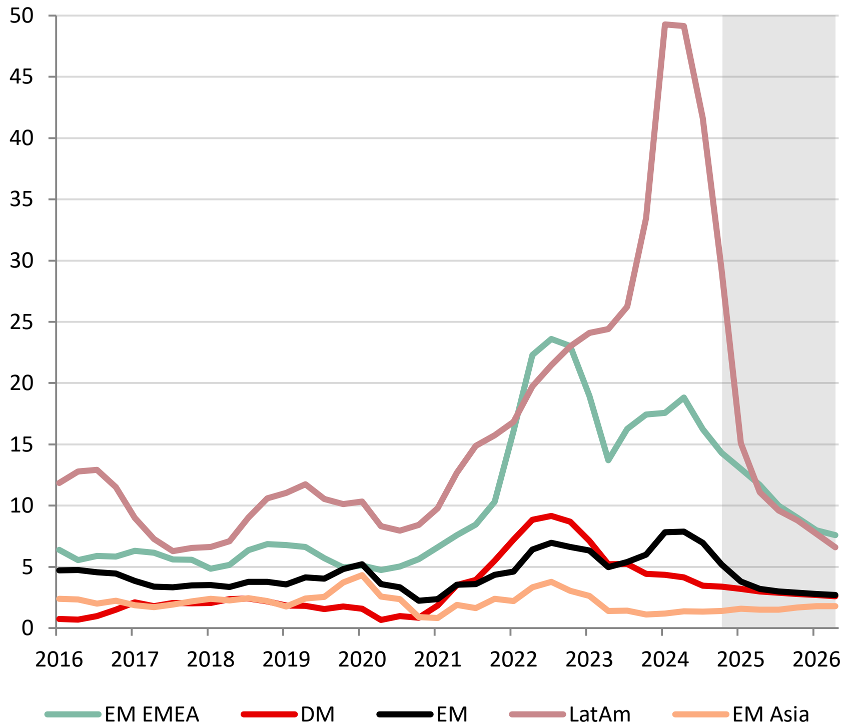
Despite 100bp of Fed cuts in 2024 (with more priced in 2025), the **US dollar has strengthened to near multi-decade highs** post-US elections on Trump 2.0 “America First” policies which bodes ill for EMs as a whole.

Inflation | marked disinflation delayed

Inflation should continue to ebb in 2025, particularly where it has been highest – reflecting the effects of tighter policy and subdued commodity prices, among other factors. However, it remains above target in the majority of LatAm and about half of EM EMEA countries.

EM inflation has ebbed, but still elevated bar EM APAC

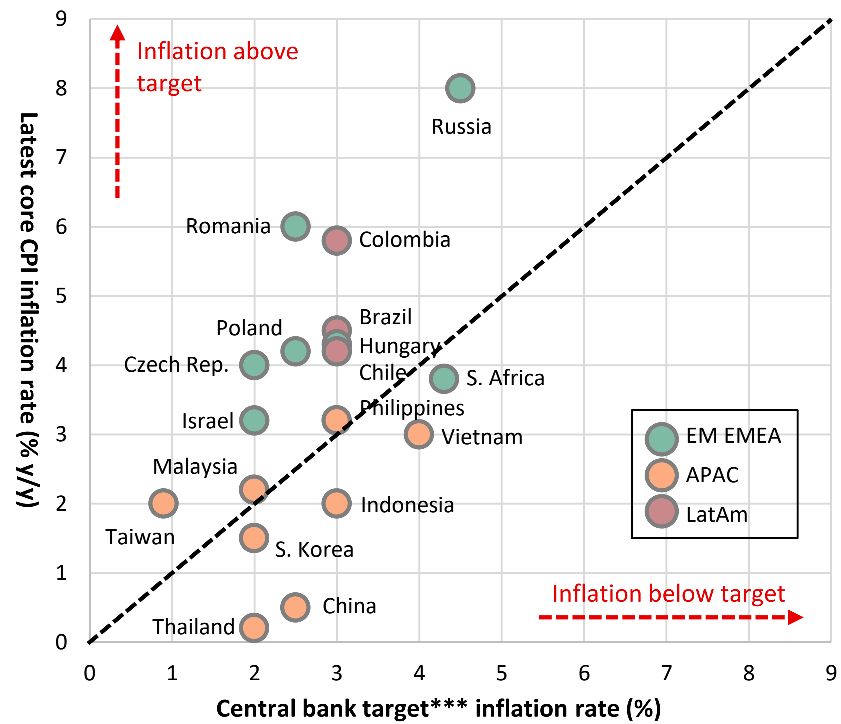
EM inflation (% y/y)



EM inflation has moderated from the 2022 peaks, though it remains **above target in LatAm and about half the EM EMEA***. In **EM Asia**** the inflation surge has been milder, and the **return to targets complete**.

EM inflation still above target in EM EMEA and LatAm

EM core inflation (latest, % y/y) and EM central bank target (% y/y)



Whilst the **normalisation of commodity prices** has lowered inflation across **EM EMEA and LatAm but headline CPI have yet to hit targets**. Meanwhile, in **most EM Asia, headline CPI is now below target levels**.

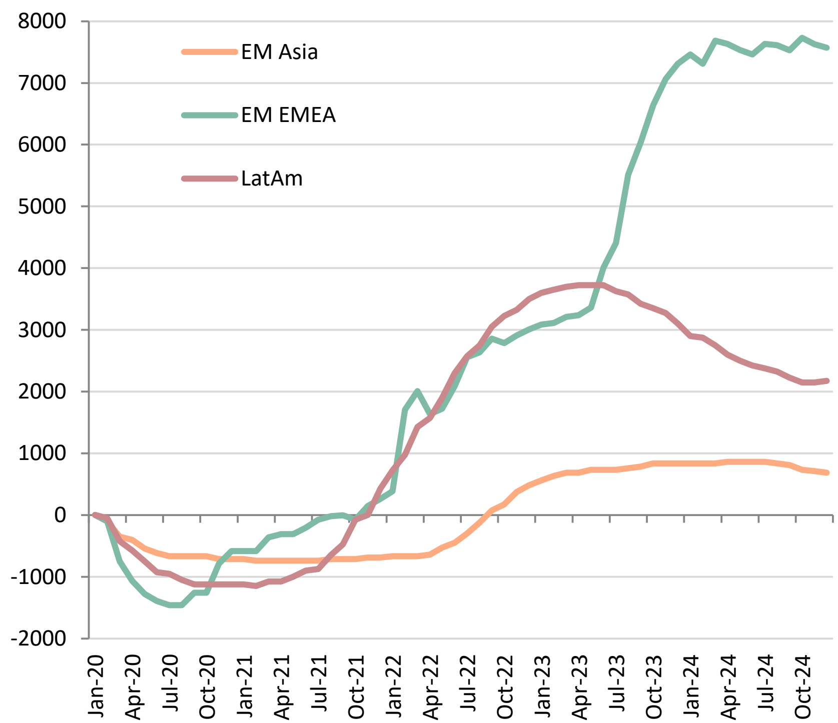
January 2024 | Source: Bloomberg, MUFG Research; * in several countries inflation is yet to stabilise after previous sharp devaluations; ** farther from the epicentre of the commodities shock, and where fiscal policy often cushions consumers from commodity price fluctuations; *** historical average when formal target not available

Interest rates | everything in moderation

We expect rate cuts across a wider swath of EM in 2025 – especially in lagging parts of EM EMEA and EM Asia – although in many cases these will be limited in scope given persistent US dollar strength and tariff uncertainty.

EM monetary easing has been underway in "early hikers"

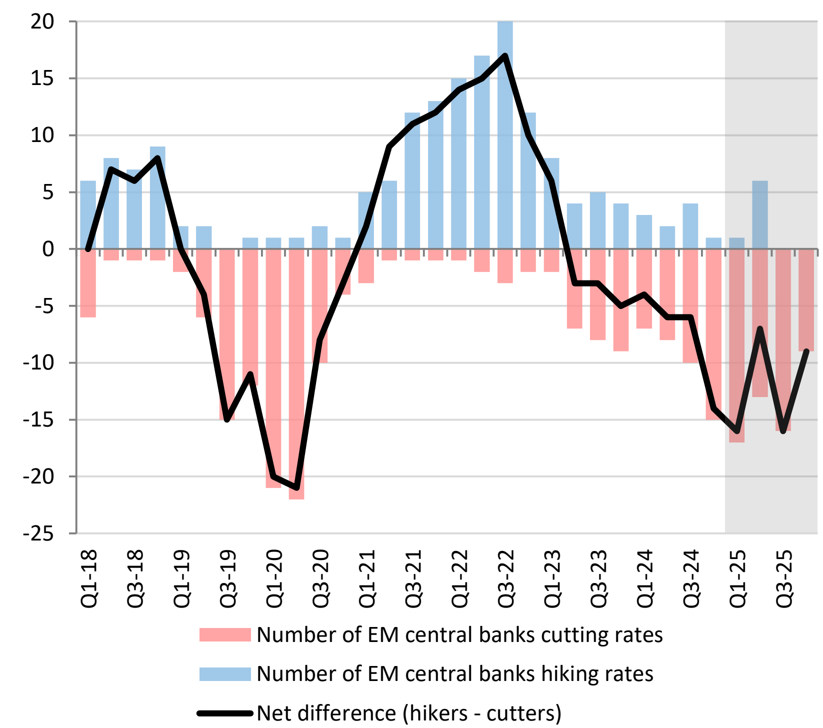
EM benchmark interest rates (%)



EM's monetary easing cycle has been underway for more than a year in the "early hikers" – LatAm and CEE regional economies that responded quickly to the initial COVID-era inflation shock.

EM monetary easing to widen in 2025 but will remain limited

Cumulative EM benchmark interest rates (number of cuts/hikes)



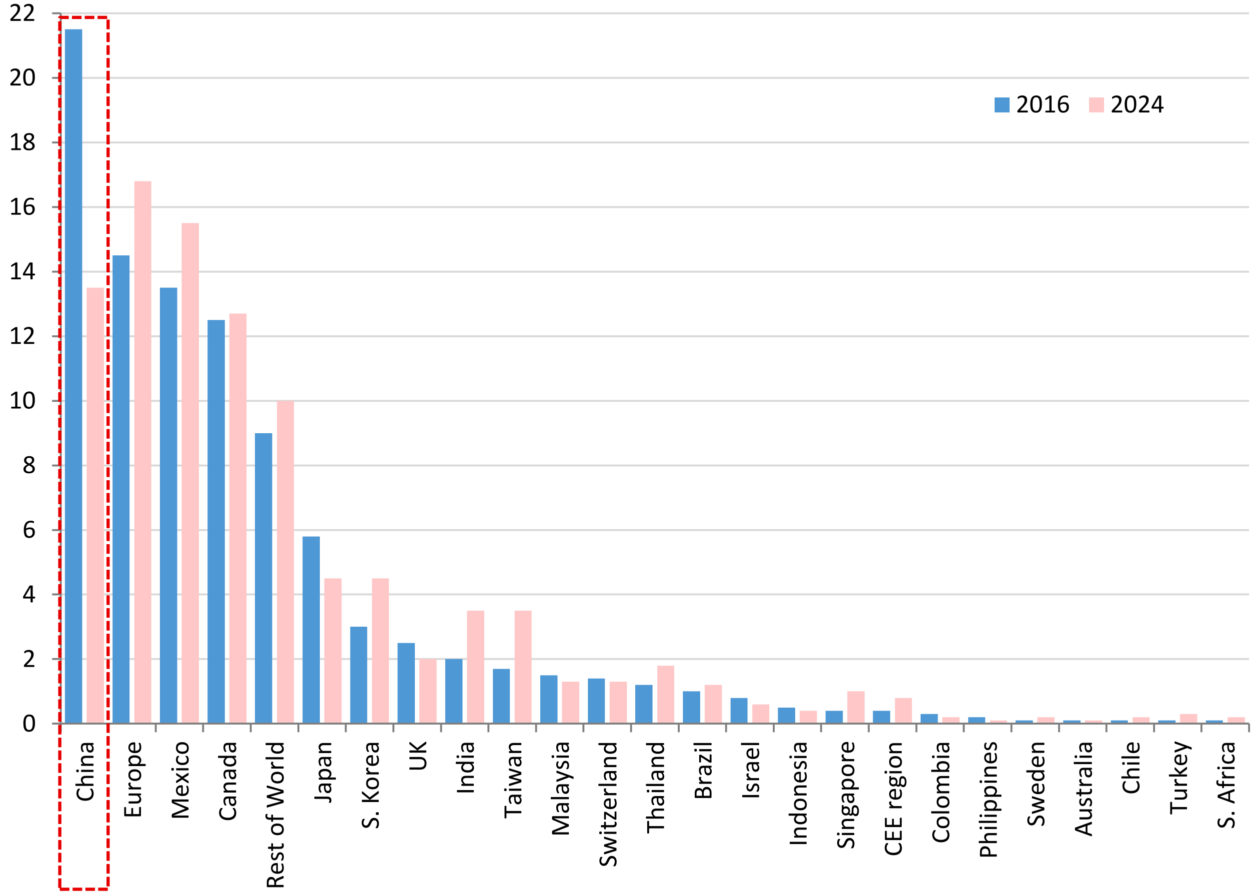
With the Fed now bringing down rates from above-neutral levels, **lagging central banks in other parts of EM EMEA and EM Asia are joining the easing parade** and this should result in a **broader easing cycle in 2025***.

Trump 2.0 and EMs | less disruptive but trade war risks are underpriced

Tariff risks will be front and centre for EMs in 2025. Consensus expectations assume additional tariffs imposed from China, raising the effective tariff rate by 20pp*. Yet, the implications for EMs may be less severe, on aggregate, during Trump 2.0 compared with Trump 1.0

China now accounts for a small share of total US imports than during Trump 1.0

Share of US goods imports exported from the displayed country/region (% of total)



There are some factors that could make the Trump 2.0 trade war **less disruptive**. Given the **reduced direct trade exposure of the Chinese economy to the US and expectations that there will be a monetary and fiscal response by Chinese policymakers to offset the tariff growth shock**, the economic and financial market disruptions will, on aggregate, be **less severe than Trump 1.0**.

Having said that, the **risk of the trade war broadening out is underpriced**. Our view is that there is a non-negligible possibility that an across-the-board tariff is implemented, or at least threatened credibly during 2025.

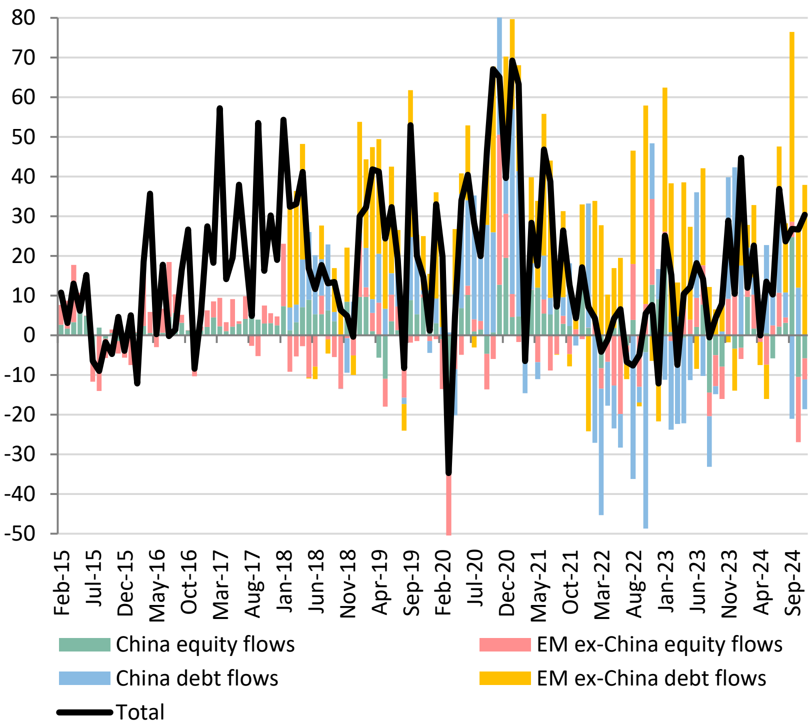
In addition, a **further (modest) increase in fiscal spending in the US even as trade uncertainty weighs on the rest of the world should see sustained US exceptionalism in 2025**. Coupled with solid macro fundamentals in EM economies but only mixed valuations in asset markets, it is **hard to make a strong case for EM assets outperforming in 2025**. So we expect **portfolio flows outside of the US to remain more restrained and that EMs will need to fend for themselves****.

EM capital flows | Fed rate cuts vs Trump 2.0 policy shifts

Capital flows into EM have been garnering traction since 2023. With the commencement of Fed rate cuts, this has further reduced the hurdle rate to invest into EM, bolstering portfolio flows. Yet, a pivot in Trump 2.0 policies will weigh on prospects for EM capital flows.

Fed easing and lower inflation has lifted EM capital flows

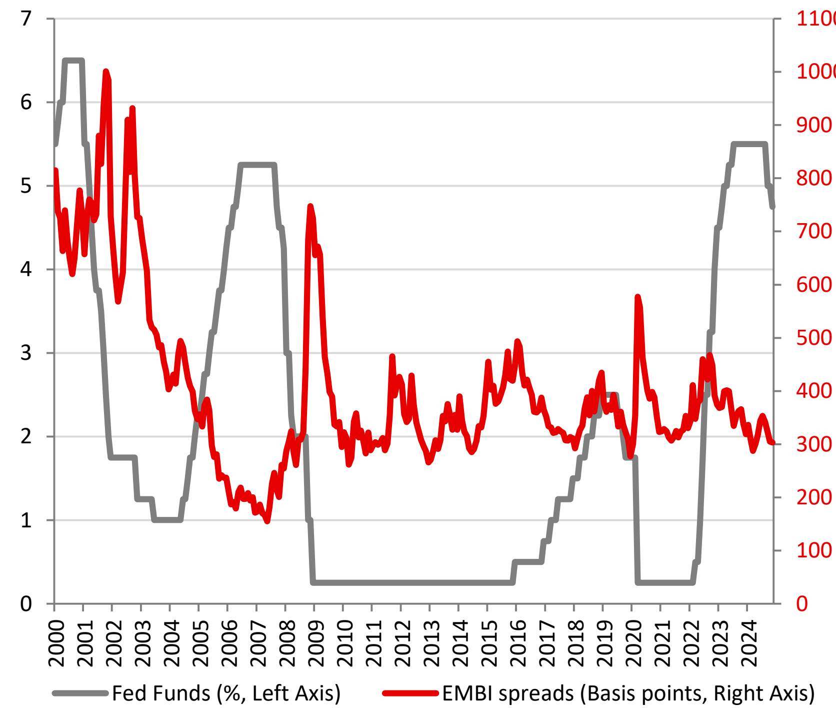
Capital flows to EMs (USD bn)



EM capital flows are witnessing a surge owing to a benign view on inflation and prospects of reduced rates in 2024. Yet, **Trump 2.0** (tariffs, fiscal expansion and deregulation) will **weigh on EM capital flows**.

Trump-induced higher-for-longer rates bodes ill for EMs

EMBI spreads (basis points) and Fed Funds (%)



The **Fed funds rate look set to remain higher for longer** – a **headwind for EM capital flows**, especially those economies which need US dollars to finance current account deficits and/or pay external debt*.

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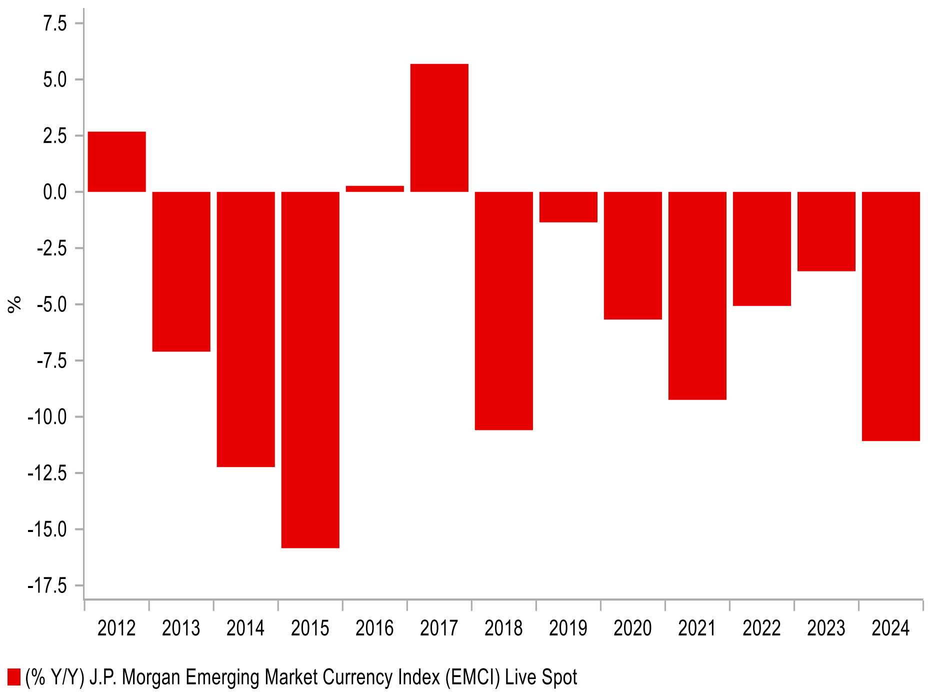
EM FX | Another challenging year ahead under Trump 2.0

We expect EM currencies to weaken further at the start of this year undermined by the difficult external backdrop. Global trade disruption, higher US rates and a stronger USD all pose headwinds for EM currencies.

EM FX has already weakened sharply ahead of Trump 2.0

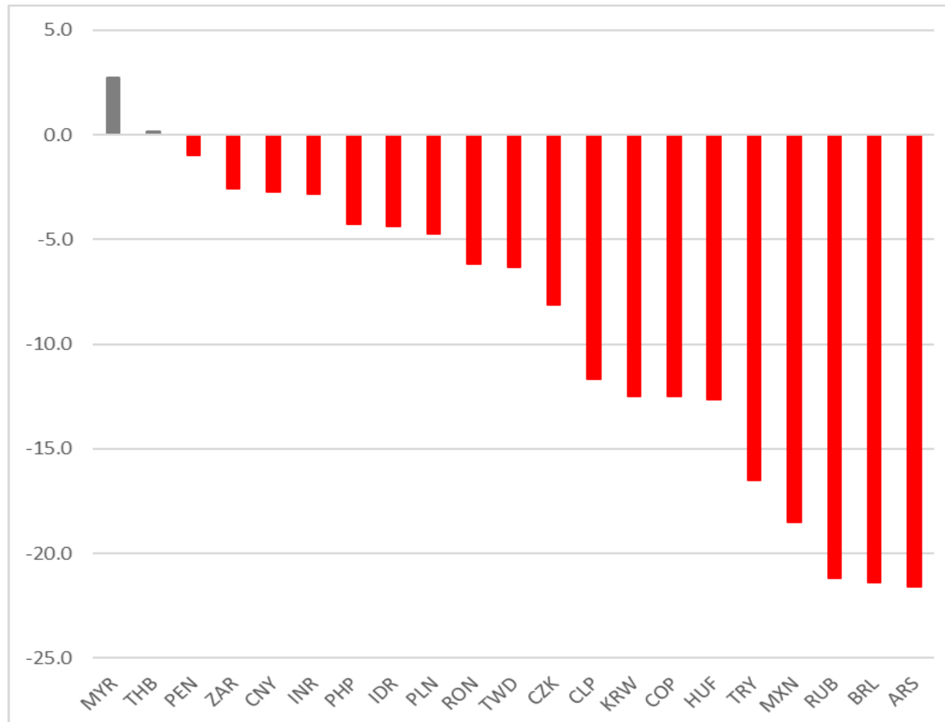
Calendar year change in EM FX vs. USD (%)



EM FX suffered a broad and sharp sell-off in Q4 2024 in the run up to and following the US election. **Last year's sell-off was the biggest in % terms since 2015.**

Latam & EMEA EM FX weakened the most last year

% Changes vs. USD in 2024



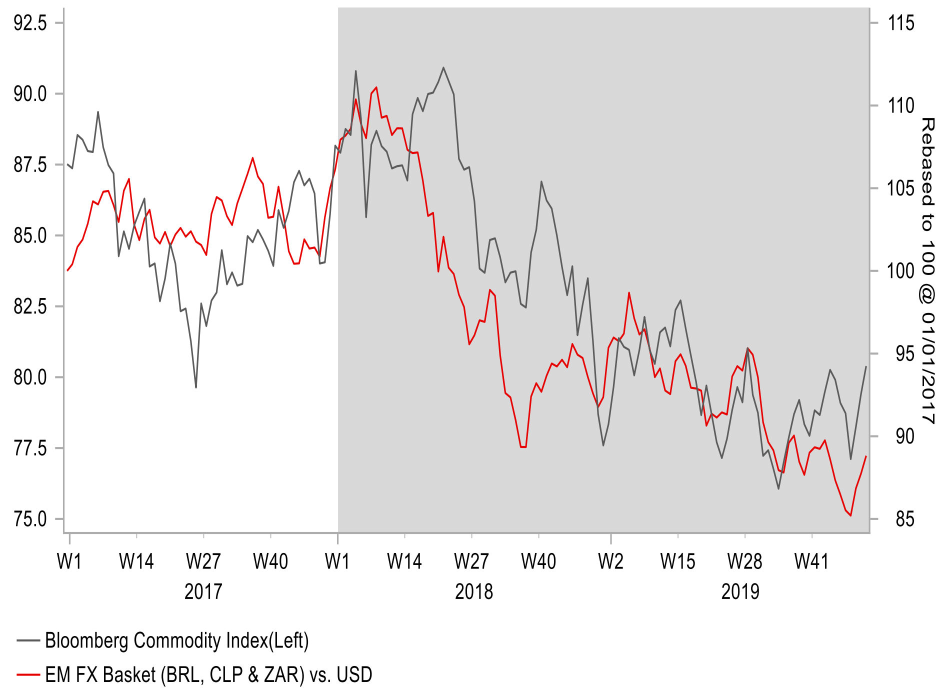
The **worst performing EM currencies last year were the ARS** (-21.6% vs. USD), **BRL** (-21.4%), **RUB** (-21.2%) and **MXN** (-18.5%). In contrast, **Asian currencies held up better**. The CNY declined by -2.7% vs. USD.

EM FX |Trade policy disruption & tighter Fed policy provide headwinds

We expect tariff hikes to be more front-loaded during Trump's second term in power. Other policy priorities such as tightening immigration controls have already encouraged the Fed to become more cautious over delivering further rates cuts this year.

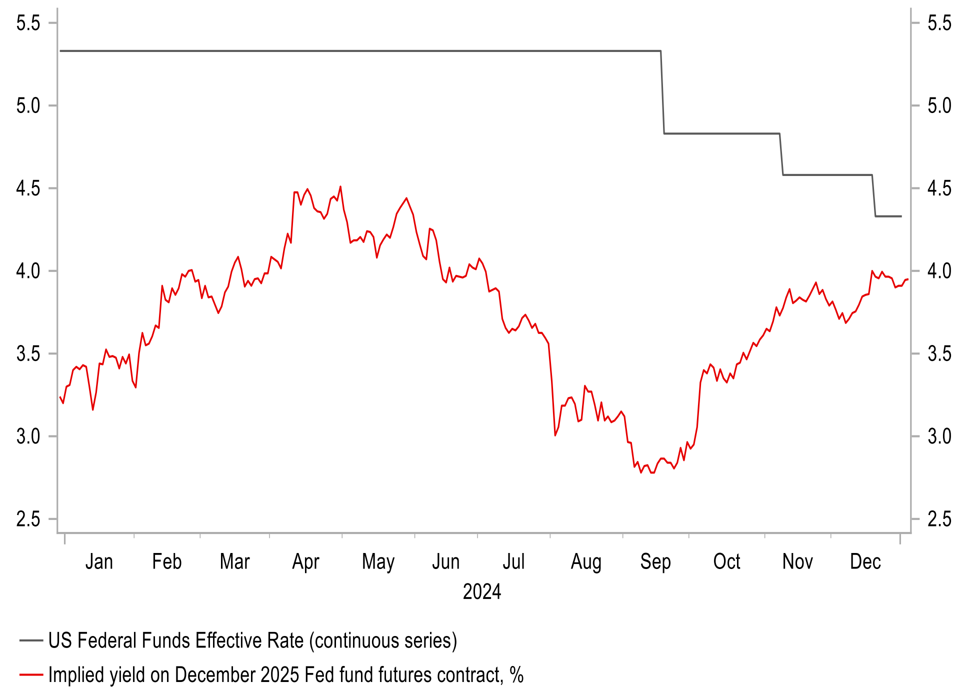
US-China trade conflict weighed on Commodity-linked EM FX

EM FX vs. Bloomberg commodity index



US rates are expected to remain higher for longer

Fed policy rate vs. Market expectations for Fed rate cuts this year



EM Commodity exporters saw their currencies weaken between 2018 and 2019 as Trump started the trade war with China and commodity prices fell over that period as global growth slowed.

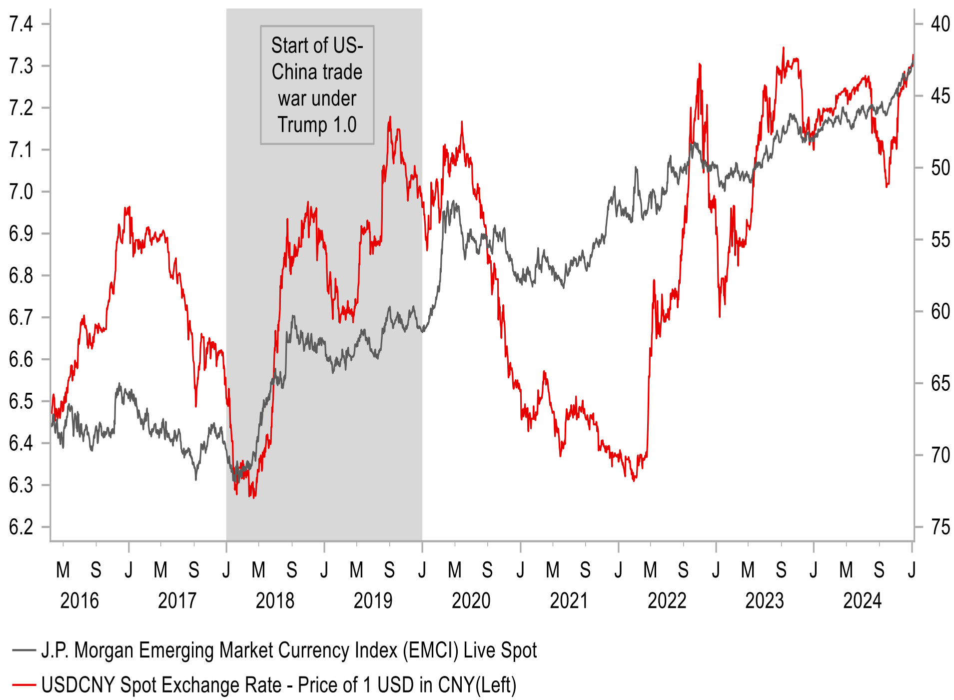
The **US rate market is sceptical that the Fed will even deliver two further rate cuts this year as planned**. Trump's initial policy focus will be important in determining how much further rates are cut this year.

EM FX | Spill-overs from escalating US-China trade tensions

An escalating trade war between the US and China poses downside risks for EM FX. We expect China to allow a weaker CNY and step-up fiscal & monetary policy support for growth to offset the negative tariff impact. Bigger stimulus would help to dampen downside risks.

China to allow the CNY to weaken to offset trade tariffs

USD/CNY vs. EM FX



The CNY weakened by almost 13% vs. USD between 2018 and 2019. We expect the CNY to weaken further in the year ahead encouraging weakness in other EM currencies.

Sensitivity to China spill-overs

Direct trade & CNY exposures

	Goods Exports to China (% of GDP)	Correlation to CNY (2YR)	Weight of CNY in TWI
INR	0.5%	0.24	24%
IDR	4.2%	0.56	28%
KRW	7.0%	0.72	35%
MYR	10.0%	0.80	25%
PHP	2.2%	0.64	24%
SGD	13.4%	0.88	22%
THB	6.7%	0.81	25%
TWD	12.3%	0.54	35%
BRL	4.8%	0.51	21%
CLP	11.8%	0.52	34%
COP	0.7%	0.27	25%
MXN	0.5%	0.08	16%
CZK	0.9%	0.63	13%
HUF	0.8%	0.36	9%
PLN	0.4%	0.48	12%
TRY	0.3%	0.28	13%
ZAR	3.2%	0.54	22%

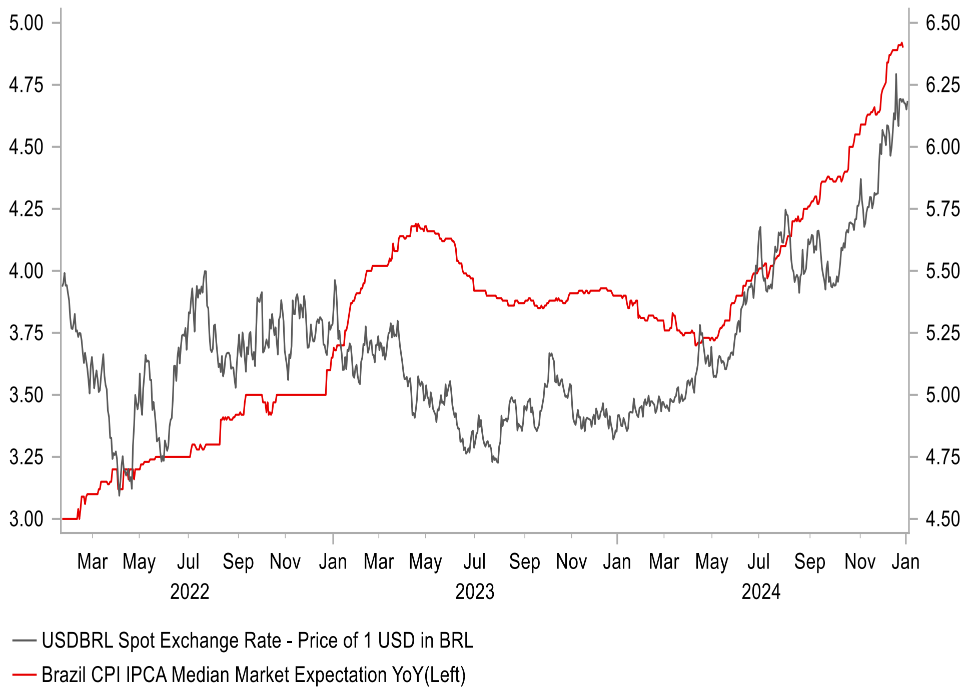
The **SGD, TWD, CLP & MYR have the biggest exposures directly through exports to China**. Slowing growth in China could weigh more on those currencies. The **KRW and THB are also strongly correlated to the performance of CNY**.

EM FX | More important for EM countries to run market friendly policies

With the external backdrop set to be challenging this year, it will be even more important for EM countries to run market friendly policies or run the risk of losing investor confidence. Fiscal policy concerns have already triggered bigger sell-offs for the BRL and HUF.

Brazil has been punished for running looser fiscal policy

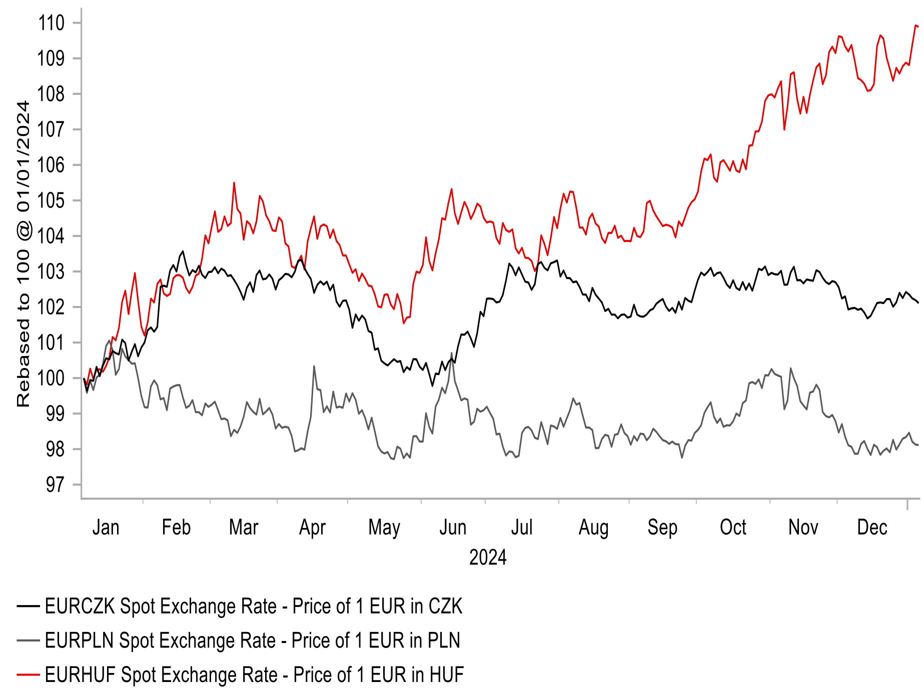
USD/BRL vs. Inflation expectations in Brazil



Investors have become **fearful over fiscal dominance in Brazil**. The **government is under more pressure to outline further plans to cut spending** to restore confidence in the BRL. **BCB rate hike plans have not been sufficient on their own to stabilize the BRL**.

HUF is the clear underperformer amongst CEE3 FX

Performance of HUF vs. CZK & PLN



The **HUF has weakened sharply as well to reflect investor concerns that PM Orban's Fidesz party will loosen fiscal policy** to boost growth. The governments in **Hungary and Brazil both face elections in 2026.**

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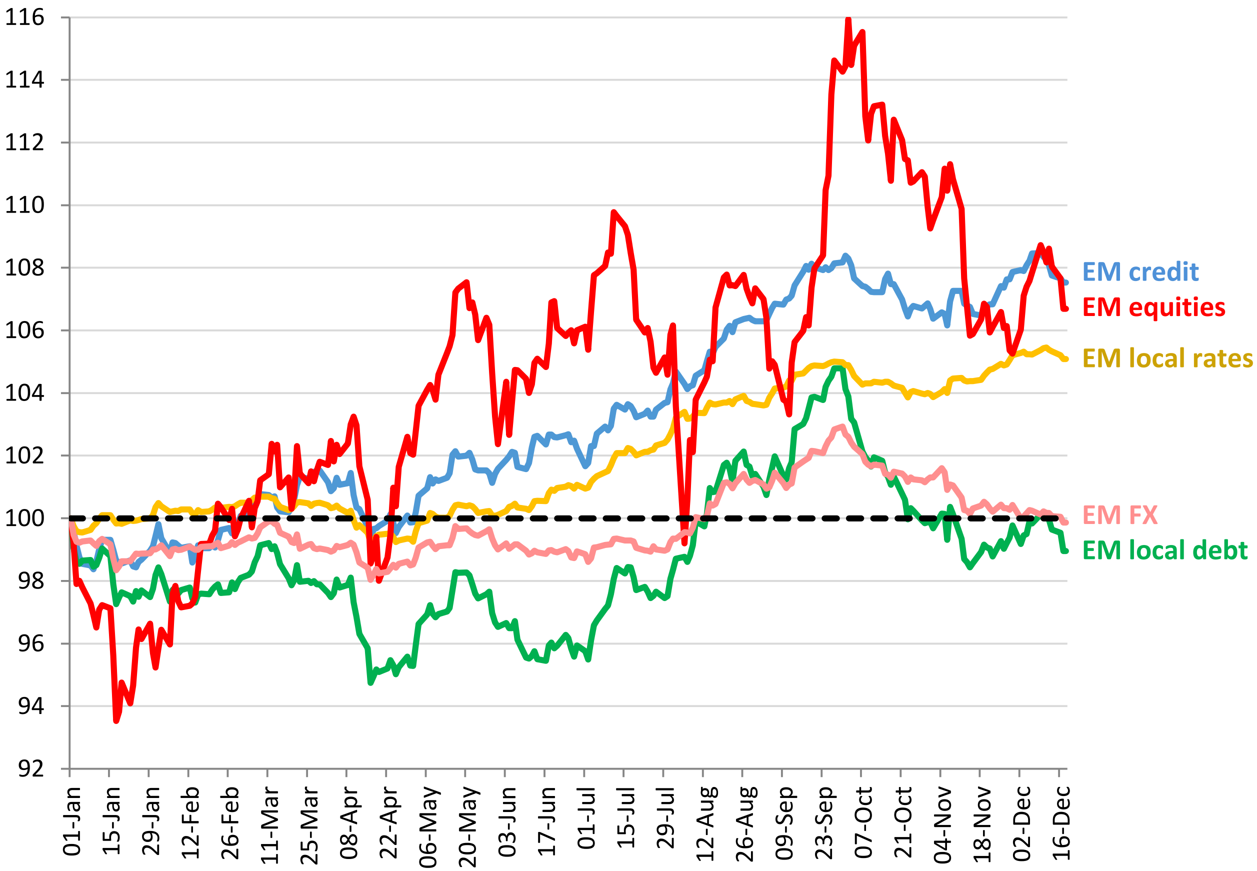
EM financial assets | modest and targeted strength

2024 ended as another year where "resilience" is the best description of performance. EM assets, having weathered the storm of higher US rates, a stronger dollar and a weak China, managed to deliver broadly positive returns as the global macro changed for the better.

EM assets were once again "resilient" in 2024

EM financial asset performance (rebased 1 January 2024 = 100)



Our expectations of a **more convergent growth outlook and non-recessionary cuts were delayed**. Just as it looked like Fed cuts and a better macro picture in China could come together, the **volatility and uncertainty linked to Trump 2.0 have darkened the skies for EM assets again**.

The flip side of this resilience in performance since 2023 is that **valuations do not reflect the cheapness that would be consistent with investor sentiment or a purely valuations-driven re-rating**. EM currencies look cheap versus the US dollar, but much of that simply reflects the US dollar's rich valuation. EM FX kept pace with non-dollar G9 FX in 2024 and has outperformed in prior years. As a result, on a trade-weighted basis, even now **EM FX screen as broadly fair**.

There is **some premium in EM local rates** – estimated term premia and real rates are at the high end of recent history. Yet, it is hard to see a large compression against a strong US dollar and high core rates backdrop. For the same reason, the upside we expect in **EM equities** largely reflects earnings growth rather than an expansion in multiples outside of undervalued markets such as China. Meanwhile, **EM sovereign credit spreads** look very tight in historical comparisons, with even the most distressed credits having experienced a significant tightening this year.

EM cross-asset strategy | standing on its own

The external backdrop for EM has shifted abruptly – the soft-landing setting and non-recessionary Fed cuts has given way to tariff risks, higher-for-longer US rates and a strong US dollar. Choppy external headwinds in 2025 puts the onus on EMs to stand on their own feet.

EM cross-asset strategy in 2025

1 EM local rates

- External pressures from **high US rates, a strong US dollar and tariff risks** cast a **hawkish shadow over EM rates**, limiting broad performance.
- **Benign inflation and external growth hit should support EM easing cycles,** but market pressures will call for **more cautious and defensive approach by EM central banks**, with more staggered and gradual performance of front-end EM rates.
- **Loose fiscal stances point to higher terminal rates in EM this cycle** and to limit long-end performance. Still, terminal rates in Mexico look high, and we see room to continue to price in a better fiscal story in South Africa.

2 EM equities

- Broad EM equities posted another year of modest headline returns in 2024. With more challenging external headwinds and looming tariff uncertainties, we expect **moderate total returns in 2025**, driven largely by **underlying earnings growth**.
- Beneath the index, we view **EM equity markets with strong domestic micro fundamentals**, that are relatively **insulated from external risks and have supportive local policy are best placed to outperform**.
- **Chinese and domestic ASEAN jurisdictions, the GCC region within EM EMEA and Chile within LatAm**.

3 EM FX

- The focus on **tariffs and trade uncertainty makes currencies the weakest link among EM assets***.
- While **Chinese policymakers may respond with stimulus measures**, these will likely be focused on domestic demand and capital markets, **limiting the scope** for commodity-linked currencies (eg, ZAR and CLP) to respond as in past China easing cycles.
- **Carry can be a key driver of performance within the EM FX complex**, namely between LatAm HY and Asia LY currencies, especially as BRL and MXN have already weakened to partly reflect fiscal and tariff risks.

4 EM sovereign credit

- **Historically tight spreads** present an **unattractive asymmetry for EM credit against a taxing backdrop**.
- Yet, **credit is still more defensive than other EM asset classes** – we expect only a moderate widening in index-level spreads in 2025 and see **positive total returns driven by carry**.
- We recommend a **defensive approach**, and **prefer high-duration IG names with low spread sensitivity to growth and rate volatility shocks**, such as the **GCC region as well as Chile paired with high-beta low-duration hedges such as Mexico and Angola**.

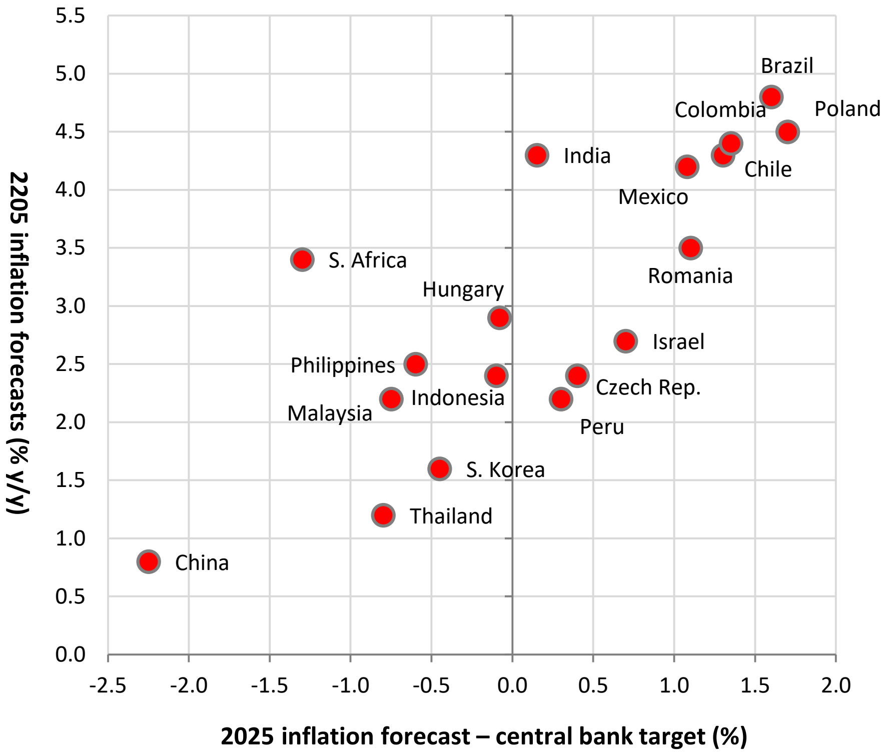
January 2024 | Source: Bloomberg, MUFG Research; * the US dollar is set to be stronger for longer against the Euro and Chinese yuan – key anchors for the CEE currencies and EM Asia currencies, respectively

EM local rates | push externally, pull domestically

Stronger US dollar and higher US rates call for a more defensive approach by EM central banks, with a more restrained performance of front-end EM rates. Loose fiscal policy also remain a key internal imbalance, pressuring both terminal rates and long-end risk premiums.

Inflation outlook to be supportive for EM local rates in 2025

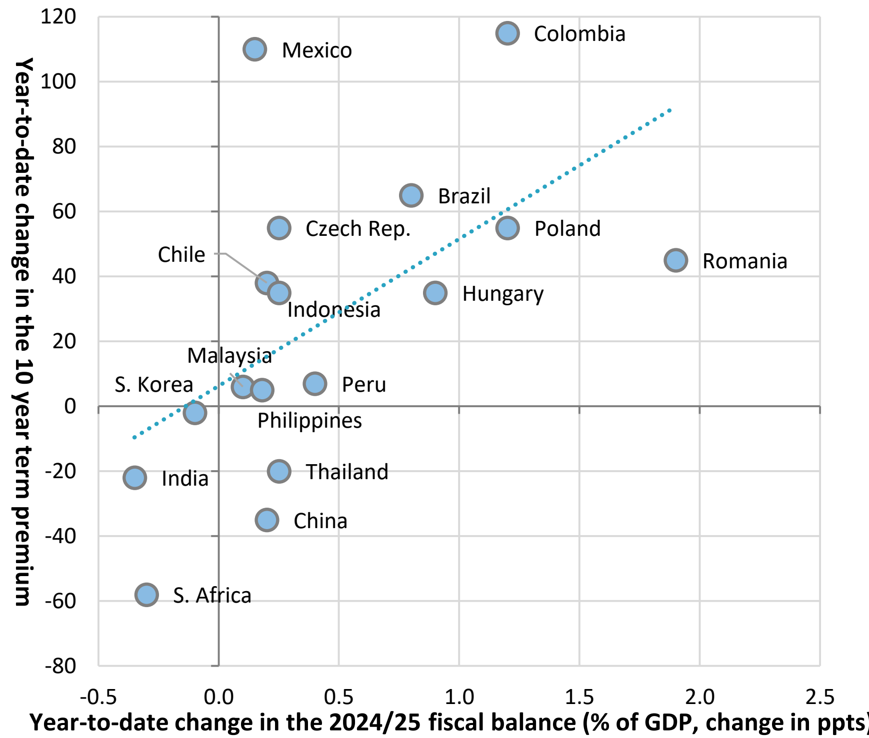
EM inflation forecasts in 2025 vs central bank targets (% y/y)



The **hawkish external environment cuts across a supportive domestic backdrop for EM local rates**. Disinflation has progressed across most markets through 2024, and we expect it to continue in 2025.

Fiscal risks have been key in driving long-end EM local rates

EM year-to-date change in 10 year term premium (basis points, %)



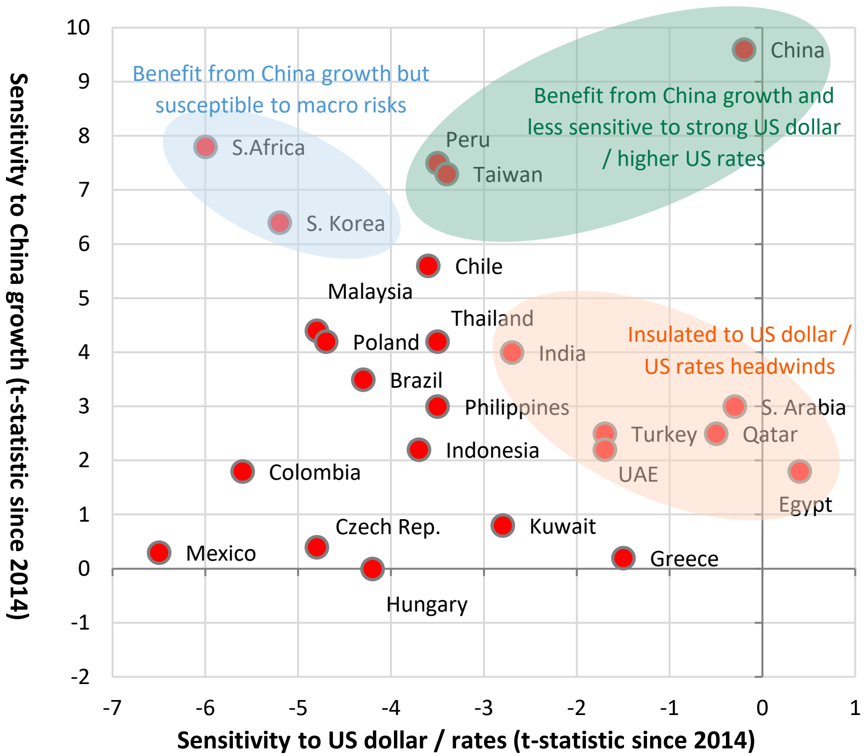
A **loose fiscal policy stance is a reason why terminal rates in EM may settle higher this cycle**. Relatively large fiscal deficits remain a key macro imbalance that has yet to normalise to pre-inflation shock levels.

EM equities | moderate returns amid external risks

Against a challenging external backdrop and tariff angst, MSCI EM equities is set to post moderate total returns in 2025. Strong domestic micro fundamentals, that are relatively insulated from external risks and have supportive local policy are best placed to outperform.

Equity markets' sensitivities to macro variables wary in EMs

EM sensitivities to macro variables (average t-statistics since 2014)



EM equity markets with **strong domestic fundamentals** and **less exposed to global headwinds** (higher US rates, a stronger US dollar) will **gain from local policies/China stimulus**, and ultimately **best placed to outperform**.

We favour China, domestic ASEAN and commodity EMs

EM market allocation in 2025

	EM market allocation		
EM jurisdiction	**Favourable**	**Stable**	**Unfavourable**
EM EMEA	Saudi Arabia UAE Qatar South Africa	Kuwait Egypt Poland Greece	Turkey Czech Rep. Hungary
EM Asia	China Indonesia Philippines	India S. Korea Malaysia Taiwan	Thailand
LatAm	Chile	Peru	Brazil Colombia Mexico

Our market preferences emphasise **diversification within EMs** and reflect themes of **policy support, strong micro fundamentals and resilience** via tilting towards domestic and defensive pockets.

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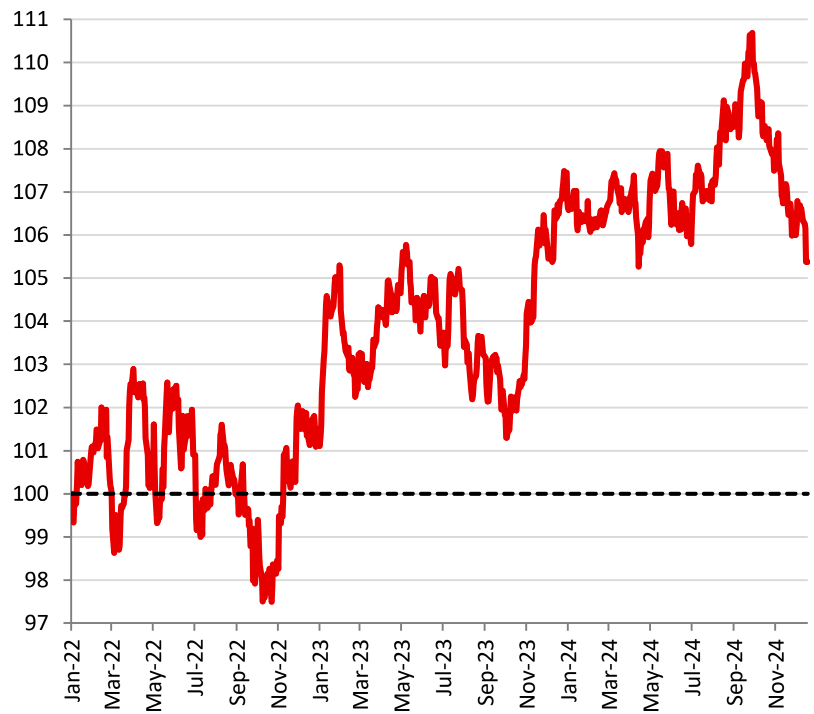
EM FX | accepting exceptional

Against a backdrop of continued US exceptionalism, the US dollar is seen to be stronger for longer including against the Euro and Chinese Yuan, which are key regional anchors for the CEE currencies and EM Asia currencies, respectively.

After a strong run in 2022-23, EM vs G10 FX was flat in 2024

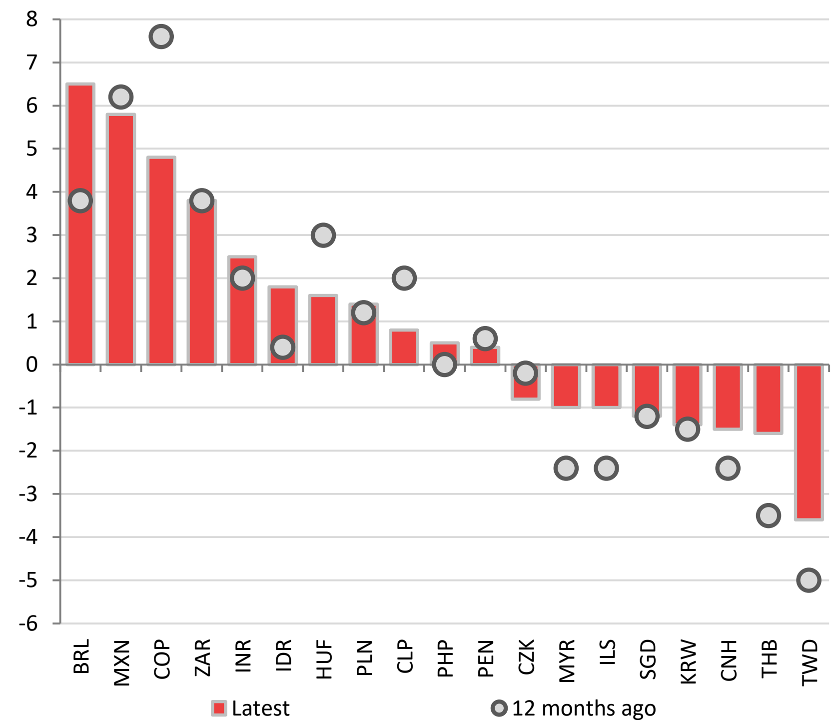
EM FX vs USD (rebased Jan 2021 = 100)



Despite similar macro environments in 2023 and 2024, **EM FX vs G10 FX total return was flat** – which mostly reflects an **increased focus on fiscal and policy risks in EM high yield countries** that underperformed in 2024.

Carry is still a tailwind in LatAm and headwind in EM Asia

EM FX carry vs USD (%)



Renewed US tariffs and increased trade uncertainty limits the scope for EM FX spot appreciation. This, combined with **positive carry**, suggests that **total returns may be more insulated from a strong US dollar**.

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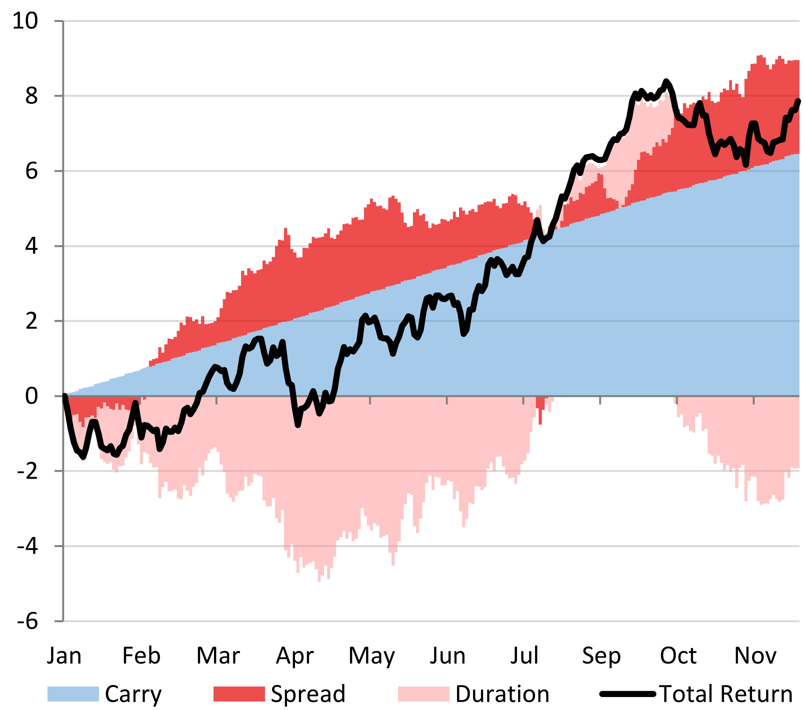
EM sovereign credit | playing defence

EM sovereign credit spreads ended 2024 at multi-year tights, putting the asset class in a vulnerable spot as we head into a year that is likely to be challenging for EM flows. In this environment, EM credit should still be more defensive than other asset classes.

EM sovereign credit total returns led by carry in 2024

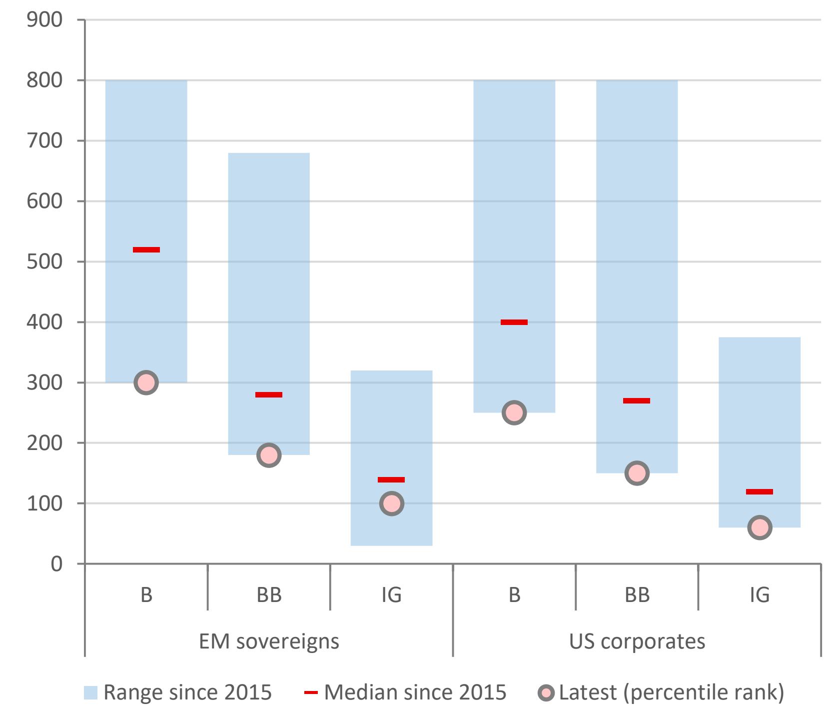
EM sovereign USD total return composition (year-to-date, %)



EM hard currency sovereign spreads have tightened by more than 50bp in 2024, and have thereby contributed, alongside elevated carry accumulation, to **total returns reaching ~7% year-to-date**.

EM sovereign credit yields have reached multi-year highs

EM sovereign and US corporate spreads (basis points)



EM sovereign credit performance has been driven by a combination of **resilient higher rated spreads and spread tightening in lower rated buckets**. As a result, **spreads have reached multi-year tights***.

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EM performance and forecasts | as of December 2024

#	Country	Real GDP (% y/y)			Fiscal balance (% of GDP)			Current account (% of GDP)			Inflation (% y/y, average)			Policy interest rates (end period, %)			FX against USD (end period)		
		2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025*
--	**EM**	**4.2%**	**4.0%**	**4.2%**	**-4.7%**	**-4.3%**	**-4.6%**	**1.8%**	**1.7%**	**1.1%**	**5.7%**	**6.5%**	**3.5%**	---	---	---	---	---	---
--	**EM EMEA**	**2.7%**	**2.6%**	**2.5%**	**-4.0%**	**-4.6%**	**-3.8%**	**0.7%**	**0.6%**	**0.2%**	**17.1%**	**16.7%**	**11.0%**	---	---	---	---	---	---
1	**MENA**	**1.9%**	**2.1%**	**4.0%**	**0.2%**	**-1.7%**	**-2.0%**	**5.1%**	**2.5%**	**1.5%**	**15.0%**	**14.8%**	**11.6%**	---	---	---	---	---	---
2	**GCC**	**0.4%**	**1.8%**	**4.2%**	**3.2%**	**1.8%**	**1.4%**	**9.1%**	**6.1%**	**4.5%**	**2.2%**	**1.8%**	**2.0%**	---	---	---	---	---	---
3	Bahrain	2.3%	2.7%	3.0%	-10.6%	-4.1%	-5.3%	5.9%	3.6%	2.9%	0.1%	1.0%	1.7%	6.00%	6.00%	5.50%	0.38	0.38	0.38
4	Czech Rep	-0.1%	-0.1%	2.5%	-3.8%	-2.8%	-2.3%	0.4%	0.6%	0.7%	10.8%	2.5%	2.3%	4.00%	4.00%	3.25%	22.36	21.88	23.80
5	Egypt	3.8%	4.1%	4.9%	-5.8%	-4.4%	-7.8%	-1.2%	-6.0%	-5.4%	24.4%	31.0%	15.5%	27.25%	27.25%	13.25%	51.02	45.50	48.70
6	Hungary	-1.0%	0.7%	2.6%	-6.7%	-4.9%	-4.4%	0.2%	1.8%	1.1%	17.6%	3.7%	3.7%	6.50%	6.50%	5.00%	347.22	356.30	393.50
7	Iraq	-2.9%	0.0%	2.0%	-1.2%	-5.0%	-8.2%	4.5%	-1.9%	-3.4%	4.4%	3.2%	3.5%	---	4.00%	3.00%	1310.0	1310.0	1310.0
8	Israel	2.0%	0.5%	3.5%	-4.8%	-8.4%	-5.3%	4.8%	3.9%	4.2%	4.2%	3.1%	2.9%	4.50%	4.25%	3.50%	3.616	3.10	---
9	Jordan	2.6%	2.3%	2.6%	-7.2%	-4.6%	-4.1%	-3.5%	-5.0%	-4.3%	2.1%	1.5%	2.0%	7.25%	7.25%	6.75%	0.71	0.71	0.71
10	Kuwait	-3.6%	-0.9%	3.1%	1.2%	-4.9%	-5.8%	31.4%	25.6%	20.7%	3.6%	3.0%	2.4%	4.00%	4.00%	3.50%	0.31	0.30	0.30
11	Morocco	3.4%	3.3%	3.7%	-4.4%	-4.3%	-3.8%	-0.6%	-2.0%	-2.5%	6.1%	1.6%	2.4%	2.50%	2.50%	2.00%	9.88	9.77	---
12	Nigeria	2.9%	3.0%	3.2%	-4.2%	-4.6%	-4.2%	1.7%	2.5%	0.7%	24.5%	32.6%	24.9%	27.50%	27.50%	22.50%	911.68	---	---
13	Oman	1.3%	1.7%	3.2%	6.7%	1.5%	-0.5%	2.4%	1.8%	0.4%	1.0%	0.7%	1.3%	4.68%	4.68%	4.25%	0.38	0.39	0.39
14	Poland	0.1%	2.8%	3.4%	-5.1%	-5.8%	-5.5%	1.5%	0.6%	-0.1%	11.6%	3.8%	4.4%	5.75%	5.75%	4.50%	3.94	3.84	4.074
15	Qatar	1.2%	2.0%	3.0%	5.6%	3.2%	2.9%	17.1%	14.6%	13.3%	3.1%	1.2%	1.6%	4.85%	4.85%	4.25%	3.64	3.64	3.64
16	Romania	2.4%	1.2%	2.9%	-5.6%	-7.8%	-7.2%	-7.0%	-7.4%	-7.0%	10.5%	5.5%	3.8%	6.50%	6.25%	4.50%	4.51	4.50	4.694
17	Russia	3.6%	3.6%	1.5%	-2.3%	-1.7%	-0.9%	2.5%	2.8%	2.6%	6.0%	8.1%	6.6%	21.00%	21.00%	17.00%	118.69	92.03	125.48
18	Saudi Arabia	-0.8%	1.2%	4.6%	-2.0%	-2.9%	-3.2%	3.2%	0.6%	-1.0%	2.3%	1.7%	1.9%	4.50%	4.50%	4.00%	3.76	3.75	3.75
19	South Africa	0.7%	0.7%	1.8%	-4.3%	-5.4%	-5.4%	-1.6%	-1.5%	-2.0%	5.9%	4.6%	4.3%	7.75%	7.75%	7.00%	18.36	18.75	18.75
20	Turkey	5.1%	3.0%	2.9%	-5.3%	-5.1%	-3.6%	-4.0%	-1.7%	-1.8%	53.4%	59.9%	32.1%	50.00%	47.50%	28.50%	35.25	35.50	42.50
21	UAE	3.6%	3.9%	4.1%	5.0%	4.7%	4.2%	10.7%	8.7%	8.0%	1.6%	2.2%	2.1%	4.44%	4.44%	4.00%	3.67	3.67	3.67
22	Ukraine	5.3%	3.7%	5.0%	-19.6%	-18.7%	-17.6%	-5.4%	-7.8%	-7.5%	13.4%	6.1%	9.2%	13.50%	13.50%	10.50%	38.13	---	---

January 2024 | Source: Bloomberg, MUFG Research; * for Q4 2025

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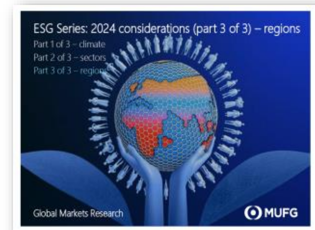

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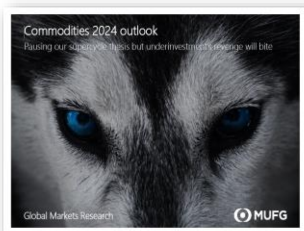

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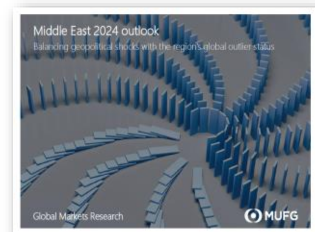

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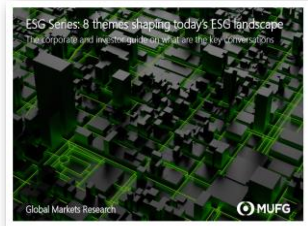

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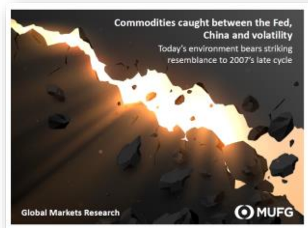

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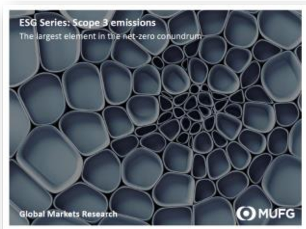

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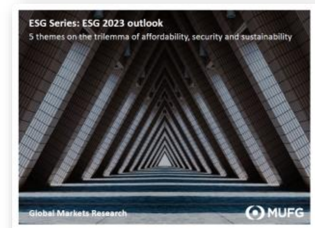

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